House of Representatives

The House met at 9 a.m. and was called to order by the Speaker pro tempore (Mr. ROGERS of Kentucky).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
December 20, 2017.

I hereby appoint the Honorable HAROLD ROGERS to act as Speaker pro tempore on this day.

PAUL D. RYAN,
Speaker of the House of Representatives.

MORNING-HOUR DEBATE

The SPEAKER pro tempore. Pursuant to the order of the House of January 3, 2017, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning-hour debate.

The Chair will alternate recognition between the parties. All time shall be equally allocated between the parties, and in no event shall debate continue beyond 9:50 a.m. Each Member, other than the majority and minority leaders and the minority whip, shall be limited to 5 minutes.

HONORING THE LIFE OF JOHN B. ANDERSON

The SPEAKER pro tempore. The Chair recognizes the gentleman from Illinois (Mr. KINZINGER) for 5 minutes.

Mr. KINZINGER. Mr. Speaker, I rise today to honor the life and legacy of the Honorable John B. Anderson and pay tribute to a man who inspired many to serve.

On December 3, 2017, John Anderson passed away at the age of 95. In mourning his death, I send my condolences to his wife, Keke, and the entire Anderson family.

A native of Rockford, Illinois, John Anderson attended Rockford Central High School and graduated from the University of Illinois in 1939. Before representing Illinois’ 16th District in the House of Representatives, the district that I now proudly represent, John Anderson answered the call to serve as a staff sergeant in the United States Army.

He left law school in 1943 to enlist, and bravely served his country through the end of World War II. A decorated war veteran, John Anderson was honored with four battle stars for valor in combat.

Upon returning home to Rockford, John finished his law degree at the University of Illinois, and then went to Harvard to earn his master of laws degree. A few years later, he joined the Foreign Service and worked in Germany for the United States High Commissioner.

After returning home to Rockford, he was elected as Winnebago County State’s Attorney in 1956. Shortly after, he joined the primary race for Congress and went on to win the House seat in 1960.

For 10 terms, John Anderson represented the 16th Congressional District of Illinois. He was on the powerful Rules Committee and held firm to his fiscally conservative values. He believed in a smaller and more accountable government, and he wasn’t afraid to speak up for it.

His servant leadership and love of country earned him the chairmanship of the House Republican Conference, ranking third in House leadership. This esteemed position eventually led to his run for President.

John Anderson believed that his job was worth giving up in order to set a better example of realism in politics. As a community and as a country, we are better for his candor, his focus, and his honesty.

To this day, John’s pragmatic approach and self-awareness continue to inspire many and greatly impact my service here in Congress.

Mr. Speaker, John Anderson dedicated his life to serving our Rockford community and this great Nation, and he served us proudly. After his political career, he continued to serve by becoming a visiting professor at several universities across the country.

On behalf of the 16th Congressional District of Illinois, we salute the service of our fallen leader, friend, neighbor, and dedicated civil servant. It is my hope that his legacy will continue to inspire generations to come and that his impact will never be forgotten.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF SENATE AMENDMENT TO H.R. 1, TAX CUTS AND JOBS ACT

Mr. SESSIONS, from the Committee on Rules, submitted a privileged report (Rept. No. 115–476) on the resolution (H. Res. 668) providing for consideration of Senate amendment to the bill (H.R. 1) to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, which was referred to the House Calendar and ordered to be printed.

REMEMBER OUR MILITARY PERSONNEL THIS CHRISTMAS SEASON

The SPEAKER pro tempore. The Chair recognizes the gentleman from Pennsylvania (Mr. THOMPSON) for 5 minutes.

Mr. THOMPSON of Pennsylvania. Mr. Speaker, as individuals across the country travel near and far to be with loved ones this holiday season, I ask that we remember our military personnel who will not be surrounded by family and friends this Christmas. Instead, our military men and women

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

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will be stationed all over the world to protect and defend the United States of America.

There are about 1.3 million military personnel on Active Duty who serve in more than 170 countries. While it is not easy to be away from family, it is especially difficult during the holidays.

But, Mr. Speaker, events like American Red Cross' Holiday Mail for Heroes card-signing campaign lets our troops know that we are keeping them in our thoughts and prayers. Since 2007, the Holiday Mail for Heroes program has provided Americans the opportunity to extend holiday greetings, expressions of gratitude, and well wishes to servicemembers, veterans, and their families. Last year, the Red Cross distributed thousands of cards to troops across the globe.

As we are expanding our support to military personnel serving overseas, the Marine Corps Reserve is giving back to those who are less fortunate right here in our own backyard. Toys for Tots, which was founded in 1947 by Reservist Major Bill Hendricks, collects and distributes toys each year and distributes them as Christmas gifts to children in need. As of 2016, Toys for Tots collected and distributed more than 512 million toys to less fortunate children.

That kind of selflessness truly embodies the spirit of Christmas.

Mr. Speaker, we cannot forget to honor our fallen heroes this Christmas season. One of our finest holiday traditions that honors our fallen servicemembers took place last Saturday: Wreaths Across America.

Many Americans can recall the iconic photograph of wreaths on the tombstones at Arlington National Cemetery. Snow blankets the ground, Red ribbons adorn the balsam wreaths, which lay on rows of tombstones as far as the eye can see.

This annual tribute began in 1992 by a Marine wreathmaker named Morrill Worcester, who donated 5,000 wreaths to Arlington National Cemetery in honor of our fallen heroes.

Today, Wreaths Across America has grown into a national organization. A total of 1.2 million wreaths were placed on more than 1,200 locations, with more than 200,000 at Arlington National Cemetery alone. The mission is to remember, honor, and teach. Morrill describes the wreath as a symbol of honor, respect, and victory.

As we celebrate with our loved ones, let us remember all of our military men and women, especially those who lost in service to this Nation. Thank you to Morrill and to all the volunteers who honor their memory.

Mr. Speaker, I thank all of our troops serving at home and overseas. I wish them a Merry Christmas and a happy New Year.

Merry Christmas and God bless America.

DISTRICT ATTORNEY BIVENS RETIREMENT

The SPEAKER pro tempore. The Chair recognizes the gentleman from Tennessee (Mr. KUSTOFF) for 5 minutes.

Mr. KUSTOFF of Tennessee. Mr. Speaker, I rise today to honor a great West Tennessean and a dear friend of mine, District Attorney General Phil Bivens.

After more than 25 remarkable years, Phil Bivens is retiring from his post as district attorney general of Tennessee's 29th judicial district, which covers 22 counties.

Since 1992, Phil Bivens has been the consistent voice of law and order in his community. District Attorney General Bivens is a lifelong resident of Dyer County and a graduate of the University of Tennessee at Martin and the University of Memphis School of Law.

Throughout his career as a prosecutor, District Attorney General Bivens has handled some incredibly important cases and has earned a reputation for being fair, honest, and by the book.

In 2016, District Attorney General Bivens was elected to the executive committee for the Tennessee District Attorneys General Conference. Serving in this respected leadership role, he has advised the Tennessee General Assembly on issues related to the criminal justice system.

When I was the United States Attorney for the Western District of Tennessee, I also served Dyer and Lake Counties, so we worked together very closely. We worked together to tackle dangerous crimes and drug crimes. Most recently, District Attorney General Bivens has been instrumental in combating the growing opioid crisis that is hurting west Tennessee and certainly the entire country. During our time together, I saw firsthand District Attorney General Bivens' strong work ethic and dedication to making west Tennessee a safer place. He is a true public servant.

In addition to being known as a prosecutor, he is also the voice of the Dyersburg High School football team. District Attorney General Bivens spends Friday nights calling some of the most thrilling high school football games in the Nation.

In summary, District Attorney General Bivens is a real west Tennessean legend. While he may soon no longer be our district attorney general, I know that he will never stop working to make his community a better place, just as he has his entire life. I will always be grateful for the time that we worked together.

I wish Phil Bivens; his wife, Barbara; and their whole family the best as they begin their next exciting chapter.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until 10 a.m. today.

Accordingly (at 9 o'clock and 11 minutes a.m.), the House stood in recess.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 10 a.m.

PRAYER

The Chaplain, the Reverend Patrick J. Conroy, offered the following prayer:

Lord of Heaven and Earth, we give You thanks for giving us another day.

Darkness descends upon us as the days grow shorter, and the cold challenges us to withdraw inside. Be for us the light we long for. The very promise of change creates expectation.

By the first hints of Your dawn, banish all fear and hesitation. May those who live on the margins of America's rich blessings have peace and prosperity too.

Because You are always faithful, strengthen us with Your mighty arm, that this Congress may be unified in lifting Your people to renewed hope.

May all that is done in the people's House be for Your greater honor and glory.

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. THOMPSON of Pennsylvania. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Speaker's approval of the Journal.

The question was taken; and the ayes appeared to have it.

Mr. THOMPSON of Pennsylvania. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentlewoman from Florida (Ms. ROS-LEHTINEN) come forward and lead the House in the Pledge of Allegiance.

Ms. ROS-LEHTINEN led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.
COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:


Hon. Paul D. Ryan,

The Speaker, House of Representatives, Washington, DC.

Dear Mr. Speaker:

Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on December 20, 2017, at 1:18 a.m.:

That the Senate rescede from its amendment with a further amendment H.R. 1.

That the Senate passed with an amendment H.R. 695.

With best wishes, I am

Sincerely,

Karen L. Haas.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain up to five requests for 1-minute speeches on each side of the aisle.

COMMENDING JARROD DAVIS FOR HIS EAGLE SCOUT PROJECT

(Mr. Thompson of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. Thompson of Pennsylvania. Mr. Speaker, I rise today to commend Jarrod Davis of Blossburg, Pennsylvania, for his Eagle Scout project in honor of our Nation’s veterans.

Jarrod, the grandson of a World War II veteran, wanted his Eagle Scout project to benefit veterans, so he began working in the spring on a reflection project outside the Veterans Center in Charleston Township, in Tioga County.

He collected donations to assist with establishing a flagpole, black metal benches, and a monument. At the project’s completion, he donated the remaining funds to the Veterans Affairs Outreach Fund.

Jarrod worked with 10 volunteers on the project for 3 months, and he spent about 60 hours working on his Eagle Scout project. The flagpole and the reflection area were finished on April 21.

Jarrod, who graduated from North Penn-Liberty High School in June, now works at Sullivan Farms in Mainsburg. His project was dedicated earlier this month, on the 70th anniversary of Pearl Harbor Day on December 7.

Mr. Speaker, I am so proud of Jarrod, his patriotism, and his respect for those who serve. I wholeheartedly commend Jarrod Davis on this outstanding project.

CONFRONTING THE GUN VIOLENCE EPIDEMIC

(Mr. Quigley asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. Quigley. Mr. Speaker, it has been 5 years since 20 children were senselessly murdered in the Sandy Hook massacre. And while we will never forget the young lives we lost that day, we must also remember that this tragic, life-altering and life-robbing epidemic continues to impact thousands of other families across the country.

Two weeks ago, I had the honor of meeting the parents of Alexandria Burgos. On October 19, 2014, Alexandria was picking up her brother from a friend’s house when her life was cut short by a stray bullet shot through an apartment window. She was 18 years old. She worked with kids at the local YMCA and hoped to be a social worker after graduating from college.

Like her parents, I am telling her story to push the conversation forward, the conversation that includes thoughts and prayers, but also must lead to action.

Alexandria’s story and the pain felt by her loved ones is something that far too many have had to endure in this country. Let 2018 be the year that we do more than reflect on the lives we have lost and finally step up to find the courage to confront gun violence.

OBSERVATION OF A DEA INVESTIGATION INTO HEZBOLLAH

(Mr. Pittenger asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. Pittenger. Mr. Speaker, I rise to express my outrage at a detailed report by Politico which included testimony that President Obama and his administration obstructed a major DEA investigation into Hezbollah when they wanted to secure the Iran deal. These revelations are shocking and infuriating but, regrettably, not surprising.

This administration that sent $1.7 billion in cash ransom to Iran.

According to the DEA, Hezbollah was operating a global criminal enterprise worth over $1 billion annually. They were selling drugs and running arms as a means of funding their terrorist activities.

A major DEA-led task force called Cassandra had procured mounting and incriminating evidence against them. Yet, according to senior Treasury and Defense officials, the Obama administration consistently obstructed and stonewalled the investigation in order to protect the Iran deal.

In essence, it seems President Obama and his administration were so focused on striking a deal with Iran that they let a major global terror group off the hook, even though the terror group was involved in global drug trafficking and sent massive amounts of cocaine and other drugs to our American communities.

I have sent this letter to Chairman Gowdy, urging an immediate investigation into this matter.

THIS IS THE WRONG DIRECTION AND THE WRONG BILL

(Mr. Kildee asked and was given permission to address the House for 1 minute.)

Mr. Kildee. Mr. Speaker, yesterday, on the floor of this House and, I guess, again today, there will be a vote on this massive tax cut targeted to people at the very top, targeting big cuts for corporations.

Like many Members on this side of the aisle, I welcome the opportunity to do comprehensive, real tax reform. And for a long time, the discussion in this body and around the country was about the need to lower the rates and broaden the base and eliminate some of those loopholes that allow some corporations to get away with paying literally no taxes at all. But instead of doing that, what we saw was a massive shift of the responsibility to fund the government away from people at the top to people who work hard every day.

There are many examples of how we could have done this better. There was a lot of discussion on the Senate side about the child tax credit. But why did we end up with a child tax credit that rewards a minimum wage family with about $75 a year, when somebody making $500,000 would get $41,000? I mean, is the life of a child of a family making a half a million dollars worth that much more?

This is the wrong direction. This is the wrong bill. We should reject it.

CELEBRATING THE CAREER OF DORIS JACKSON

(Ms. Ros-Lehtinen asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. Ros-Lehtinen. Mr. Speaker, I rise to celebrate the career of Doris Jackson, who will be retiring after more than 33 years of service to the U.S. House of Representatives. Doris began working as a cashier in the Cannon Cafe in 1980 and eventually became a supervisor.

After more than three decades, there have been many changes as Members and staff have come and gone, but Doris’ smile has remained ever present. I know that I speak for every Member, staffer, and intern who has had the privilege of knowing Doris when I say that we will miss her witty sense of humor and her willingness to give encouragement to everyone she meets.

In retirement, Doris plans to spend more time with family, especially her grandchildren, and to stay active in her community by volunteering at her church.

Mr. Speaker, Doris has dedicated her life to serving us as we strive to serve our constituents. On behalf of our congressional family, I wish Doris the best of luck in the next exciting chapter in her life.

Congratulations, Doris.
LAYING DOWN A MARKER

(Mr. HASTINGS asked and was given permission to address the House for 1 minute.)

Mr. HASTINGS. Mr. Speaker, yesterday, I witnessed, as did all of us, the jubilation of my friends, the Republican majority, in passing the tax cut measure that had been advocated as tax reform for a substantial period of time, but, finally, they did admit that it was a tax cut.

I rise here today just to lay down a marker. I have said, as have many of my colleagues, what we witnessed is the beginning of what ultimately will allow for us to address the entitlements in this country.

Many of us know that the deficit that the tax cuts create are going to allow, some time during the course of next year or shortly after the election, us to begin discussing Medicare and Medicaid. I think that is a mistake, and I want that to be recognized.

CONGRATULATING THE NORTH CAROLINA A&T STATE UNIVERSITY FOOTBALL TEAM

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, I rise today to congratulate the North Carolina A&T State University football team, winner of the 2017 Celebration Bowl, which has been called the HBCU national championship. This win capped off a historic year for the undefeated Aggies, a first in Mid-Eastern Athletic Conference history, and marks their second championship in 3 years.

In the final minutes, the Aggies marched 56 yards in seven plays. The drive was capped off with a fake spike and a quarterback sneak on the goal line for the game-winning touchdown by Lamar Raynard.

MVP Marquell Cartwright, who followed the great Tarik Cohen, rushed for 110 yards and two touchdowns. With the guidance of Coach Broadway on the field and the leadership of Chancellor Harold Martin in the classroom, North Carolina A&T is leading the way in supporting black students.

Evelyn dedicated her entire life to early childhood development and education. In 1975, in fact, she started her career as the Brazoria County Head Start coordinator; and, after a very short 8 years with that organization, she was running the show and continued running that show for the rest of her life. Evelyn made sure her students were receiving the support that would allow them to thrive in that community.

Brazoria County Head Start now enrolls just over 490 students, thanks to her. That program was championed by Evelyn’s passion and devotion to those same students.

She and I met many times over the years, both in Washington and here in Washington, D.C., and I will greatly miss our conversations. The legacy of Evelyn’s servant heart will long be remembered and cherished.

Evelyn, my dear friend, you are now safe in the arms of Jesus.

PROVIDING FOR CONSIDERATION OF SENATE AMENDMENT TO H.R. 1, TAX CUTS AND JOBS ACT

Mr. SESSIONS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 668 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 668
Resolved, That upon adoption of this resolution it shall be in order to take from the Speaker’s table the bill (H.R. 1) to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, with the Senate amendment thereto, and to consider in the House, without intervention of any point of order, a motion offered by the chair of the Committee on Ways and Means or his designee that the House concur in the Senate amendment. The Senate amendment and the motion shall be considered as read. The motion shall be debatable for 20 minutes equally divided and controlled by the chair and ranking member of the Committee on Ways and Means. The previous question shall be considered as ordered on the motion to adoption without intervening motion. Clause 5(b) of rule XXI shall not apply to the motion.

The SPEAKER pro tempore (Mr. WILKIE) asked unanimous consent to amend the text of the resolution by striking the word “the” before the word “Chair” in the fourth paragraph. There was no objection.

The SPEAKER pro tempore (Mr. WILKIE), pro tempore of the House, declared the resolution carried by the Yeas and Nays: Yeas 235; Nays 194 (Roll Call No. 401)

The Speaker then declared the House adjourned.

Proceeding from the House, the Senate bill was read the first time. The previous question was directed to the consideration of the Senate amendments to the House concurrent resolution on the budget for fiscal year 2018. The Senate amendment is now in the hands of the Clerk and, if not read, it will be made a part of the record by reference to its title.

There was no objection.

Mr. SESSIONS. Mr. Speaker, I rise this morning in support of this rule and the underlying legislation. The rule provides for consideration of the Senate amendment to H.R. 1, an act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, also known as the Tax Cuts and Jobs Act.

Mr. Speaker, last evening, the Senate, by a vote of 51–48, passed the Tax Cuts and Jobs Act, which I believe is in the interest of the American people.

This is a bold, progrowth plan that will overhaul our Tax Code and unleash the free enterprise system. It lowers tax rates on businesses of all sizes so that job creators can focus more on bringing not only more work to their workers, but also hiring more workers, increasing paychecks, and growing a competitive marketplace all around the world.

Mr. Speaker, we are trying to expand our economy, and there is nothing more important for any Member of this body than to know that the things that are happening in their own local communities are about the ability for people, whether they are graduating from high school, whether they are graduating from a technical school, whether they are graduating from college, or whether they are looking for a second job or a longer career, to be successful in the marketplace in their own area, in their own home—not having to move somewhere to find a job, but in their own community. That is what we are trying to do.

We are trying to increase wages for every single community across this country. My home of Dallas, Texas, has been home to so many people who have moved there as a result of the, really, unlimited opportunities that we see right now in Texas, and that comes because Texas has found its home because so many other companies have literally been run out of their States because of high taxes—high taxes that are placed on those companies and the employees to where it makes living and being competitive more difficult.

During consideration of this legislation in the Senate, a few, relatively small provisions were removed through points of order in the Senate under what is called the Byrd rule, a parliamentary tool used during reconciliation.

The first change made by the Senate under the Byrd rule strikes the language that allowed 529 accounts to be used for homeschooling expenses.

The second change modifies a provision that imposes an excise tax on the investment income of certain educational institutions. The change strikes a reference to “tuition-paying” students, making the exception to the excise tax available if the institution has less than 500 students or if 50 percent or less of the students are located in the United States.

HONORING THE LIFE OF EVELYN WRIGHT MOORE

(Mr. WEBBER of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEBBER. Mr. Speaker, on Friday, December 15, Brazoria County lost one of its great community leaders, Ms. Evelyn Wright Moore.

Evelyn dedicated her entire life to early childhood development and education. In 1975, in fact, she started her career as the Brazoria County Head Start coordinator; and, after a very short 8 years with that organization, she was running the show and continued running that show for the rest of her life. Evelyn made sure her students were receiving the support that would allow them to thrive in that community.

Brazoria County Head Start now enrolls just over 490 students, thanks to her. That program was championed by Evelyn’s passion and devotion to those same students.

She and I met many times over the years, both in Washington and here in Washington, D.C., and I will greatly miss our conversations. The legacy of Evelyn’s servant heart will long be remembered and cherished.

Evelyn, my dear friend, you are now safe in the arms of Jesus.

There was no objection.

Mr. SESSIONS. Mr. Speaker, I rise this morning in support of this rule and the underlying legislation. The rule provides for consideration of the Senate amendment to H.R. 1, an act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, also known as the Tax Cuts and Jobs Act.

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Mr. Speaker, we are trying to expand our economy, and there is nothing more important for any Member of this body than to know that the things that are happening in their own local communities are about the ability for people, whether they are graduating from high school, whether they are graduating from a technical school, whether they are graduating from college, or whether they are looking for a second job or a longer career, to be successful in the marketplace in their own area, in their own home—not having to move somewhere to find a job, but in their own community. That is what we are trying to do.

We are trying to increase wages for every single community across this country. My home of Dallas, Texas, has been home to so many people who have moved there as a result of the, really, unlimited opportunities that we see right now in Texas, and that comes because Texas has found its home because so many other companies have literally been run out of their States because of high taxes—high taxes that are placed on those companies and the employees to where it makes living and being competitive more difficult.

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A third small change simply strikes the short title.
Mr. Speaker, all of these provisions were included in the underlying bill as it first passed the Senate and came to the House and passed. However, at the time that this was done, there were no parliamentary points of order, which were raised, which were later done.

Mr. Speaker, these minor changes will allow us to advance exactly the same discussion that we had in this body exactly the same discussion that we have had with the American people, exactly the things that we have talked about up in the Rules Committee and across this country, as Republicans have talked about the importance of the status quo tax laws that we presently have—moved so many companies overseas, moved jobs overseas, and is not encouraging American companies to be competitive because America, when combined with State and local taxes and Federal taxes, is among the highest in the world, which means that American business finds itself in a competitive marketplace, may be a great product, but, on price, we are not as competitive.

This will allow America to achieve the greatness that it needs for a great people who want and need to be great, also.

This legislation is about making sure that the rising worker, whether they are brand-new in the marketplace or whether they are an entrepreneur, or a mother or a father out in the marketplace looking for a job, will find the ability to be successful.

The United States is already the best place in the world to live. We are an incubator always for new ideas and small business, but we are now going to be able to celebrate that to make it easier. We are taking the Tax Code, instead of being the highest taxed Nation in the world, to be one of the lowest. It is of being the highest taxed Nation in the world, to be competitive because America, America, the US, the United States is already the best place in the world to live. We are an incubator always for new ideas and small business, but we are now going to be able to celebrate that to make it easier. We are taking the Tax Code, instead of being the highest taxed Nation in the world, to be one of the lowest. It is of being the highest taxed Nation in the world, to be competitive because America, as competitive.

Maybe in the mad dash to provide massive tax breaks for corporations and the 1 percent, the majority failed to do the due diligence and properly vet the bill.

We found out, after it passed, that several of its provisions violated the Byrd rule in the Senate. Now, everybody knows about the Byrd rule in the Senate, and I don’t understand why this was not found in the conference that was held for maybe 30 minutes.

This prohibits the Senate from considering extraneous matters as part of a reconciliation bill. After passing the House, provisions in this bill governing 529 college savings accounts and exempting certain universities from an excise tax were ruled out of order by the Senate Parliamentarian. The bill was so rushed that even the title of H.R. 1, the Tax Cuts and Jobs Act, was found to be a viola- tion. It got the votes to pass only after a series of closed-door, backroom dealings, and a conference committee between the House and Senate Republicans. Well, I think there were some Democrats there, but they tell me that none of them signed the conference report. The Senate adopted a sham that an agreement was reached before the first public meeting ever took place.

Now, I know this is not the last time, Mr. Speaker, we will meet here to try to fix this bill. Mark my words, we will be back here next year. The very first words of the bill didn’t pass muster with a nonpartisan rule keeper in the Senate. Imagine what other areas we have yet to discover.

This is a consequence of a process that was nothing short of an abomina- tion. There were zero hearings on the text of this bill. Not a single expert was called in to give his or her experience. It got the votes to pass only after a series of closed-door, backroom dealings, and a conference committee between the House and Senate Republicans. Well, I think there were some Democrats there, but they tell me that none of them signed the conference report. The Senate adopted a sham that an agreement was reached before the first public meeting ever took place.

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This is a consequence of a process that was nothing short of an abomina- tion. There were zero hearings on the text of this bill. Not a single expert was called in to give his or her experience. It got the votes to pass only after a series of closed-door, backroom dealings, and a conference committee between the House and Senate Republicans. Well, I think there were some Democrats there, but they tell me that none of them signed the conference report. The Senate adopted a sham that an agreement was reached before the first public meeting ever took place.

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I think we have all got a second op- portunity here, and I would wish that my friends, to whom I only wish well, would grab up all their papers and run for the door and forget about this tax bill altogether. But I know that that wish will not come true.

Mr. Speaker, I reserve the balance of my time.
Mr. BYRNE. Mr. Speaker, I thank the gentleman from New York. She has, as the Rules Committee has, taken a lot of time on this bill—we have spent hours not only discussing and de- bating the effects of the bill, what the whole bill does—it—but most of all, her abiding ability to stand up and represent her party in their context, and I respect that.

Mr. Speaker, I yield 5 minutes to the gentleman from Alabama (Mr. BYRNE), a distinguished member of the Rules Committee.
Mr. BYRNE. Mr. Speaker, I thank the chairman for yielding me time.

Mr. Speaker, I have been listening to my colleagues from the other side of the aisle talk about the 1 percent, the people at the top of America.

Let me tell you who benefits from the status quo of our Tax Code. It is the 1 percent. They can afford the law- suits to get them all these special tax treatments that the rest of us don’t get. If you want to do something about the 1 percent, fix the current Tax Code.

Instead, what our friends on the other side of the aisle keep is fixed. They are defending the present Tax Code, because if you don’t pass this bill, we have the present Tax Code. We have the status quo, and the rest of us don’t see the benefits from the present Tax Code. The rest of us need a break.

Now, I asked the chair of the House Ways and Means Committee, when he was before the Rules Committee the other night, three questions that I think are relevant to everybody in America, which he said:

The first thing I asked him was: Will the average individual taxpayer in my district get a tax cut? He said: Absolutely. And he pulled out a sheet of paper. He said: In fact, in your district, Congressman, the average family of four is going to get a tax break of over $2,100 a year.

I know in some places in America, $2,100 a year extra in people’s pockets doesn’t sound like a lot of money, but in south Alabama, an extra $2,100 in the pockets of parents who are trying to raise two kids, that is a lot of money. So that is a good thing that is coming out of this bill.

I asked him: Will it be easier for those individuals to fill out their tax returns? He said: Absolutely. By making the changes we made in here and taking out some of these special tax breaks, we made it easier for everybody to fill out their tax return.

Then I asked a third question. I just heard you get the idea that the New York talk about how this benefits big cor- porations. I don’t have big corporations in my district in south Alabama. I have got mainly small businesses. Let me tell you about one.

It is called Fast Time Convenience Store. Now, we call those in Alabama filling stations, because you go there and you put gas in your car. In the morning, you go get a cup of coffee, you get one of their breakfasts, and you see a lot of people in there get- ting ready to go to work. You go in there at lunchtime. You have also got something called Fred’s Kickin’ Chick- en. You go in there and get a good thing of fried chicken and a soft drink, and he has got some barbecue in a little trailer across the way. That is the sort of businesses that I have got in my dis- trict.

I think those businesses are darn impor- tant. The owner of that business asked me the other day when I was in there: I don’t care about the big boys.
Are you going to do something that helps me, that helps businesses like me?

So I asked the chairman of the Ways and Means Committee: Are we going to be helping those small businesses?

Absolutely. They are going to see historic tax cuts, particularly if they are one of these passthroughs; historic tax cuts. Yes, their tax returns will be simpler to fill out.

So when I think about it from the standpoint of south Alabama—and I daresay my district is not that much different from most every other district that is being represented here—I see a threefer. Individuals get a substantial tax cut, more money in their pocket. Individuals will have an easier time filling out their returns. These small businesses that are the backbone of America are getting a real break.

Now, I know that our friends on the other side of the aisle think that the government needs to be more involved in the lives of ordinary Americans. But in order for the government to do that, the government has to have money. The government doesn’t produce anything and it doesn’t provide a single service, so they don’t sell anything.

So how does the government get money?

It takes money. A tax is a taking. It takes money from people in the private sector.

We on this side of the aisle don’t think the government should be so involved in people’s lives in America, and we don’t think we should be taking so much money from them through taxes.

So we have come up with this bill that gives sort of tax breaks to ordinary people and small businesses, and we believe that that benefits America in two ways:

Number one, giving people more control over their money is a good thing in and of itself.

Number two, we are absolutely convinced—and dozens and dozens of economists have told us—that this is a major shot in the arm for the American economy.

This is also a jobs bill because this is going to pump up the American economy and get our economy growing at a much faster rate. When we do that, we not only create more jobs, but we create a sort of lift in our economy when we start seeing real wage growth. What we have been missing out there is real wage growth.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentlewoman from the State of Washington (Ms. DELBENE).

Ms. DELBENE. Mr. Speaker, I should come as no surprise today that we are voting on a bill that couldn’t pass muster because it was cobbled together in a hurry, hidden from the public, and denied any meaningful vetting or debate. Tax reform is hard. It is even harder when you go it alone, cook the bills up in back rooms out of the light of day.

But the real travesty here is that this bill won’t help everyday Americans in the long term. To call it once-in-a-generation tax reform is an insult to those who came before us: Republicans and Democrats who linked arms and, through years of partnership and compromise, crafted the 1986 bill that House Democrats passed with President Reagan.

That is the model we should have followed, because the fact is, we can all agree that our Tax Code is out of date and leaves countless families behind.

This year, the U.S. Department of Labor released data showing that there were around 6 million open jobs unfilled across the country at a time when around 6.8 million Americans are looking for work. I believe Congress has a responsibility to the American people to tackle this problem from every possible angle, including tax policy.

But the Ryan-McConnell plan doesn’t just fail to acknowledge or address the problems that American workers are facing, it takes money away from them just when they are trying to get traction. Chairman BRADY likes to talk about this bill leapfrogging us to the front of the pack, but the truth is this bill doesn’t leapfrog us anywhere but backward.

This bill does nothing to put educational opportunities in the reach of more Americans trying to get ahead in the 21st century economy and does nothing to modernize research incentives that can support new breakthroughs that create the jobs of tomorrow. It explodes the deficit, making it that much harder to finance desperately needed investments in infrastructure that could put people back to work.

Why are Republicans giving away the house to companies whose CEOs are already talking about stock prices, not jobs?

As a former CEO myself, I know that economic growth is fueled by great ideas and great talent, not indiscriminate corporate tax cuts at the expense of investments in the people who have always powered our economy.

I think tax reform should be about modernizing the Code to make us competitive in the 21st century. That means being fiscally responsible, forward-looking, and investing in families.

Unfortunately, this bill is a letdown for the American people, and we will have no doubt be cleaning up this mess for years to come, not just today.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we do recognize we have a difference. We recognize we had a difference at the time we announced we were going to do this bill and we were going to change the direction we were going. This was part of a debate that happened during the Presidential election, where we had an argument. The Democratic Party very clearly said: We need to raise taxes.

Every year we see where they are on the floor during budget time to raise spending $1 trillion and raise taxes $1 trillion. That is more than what they had done under President Obama, Speaker PELOSI, and Mr. Reid; except what happens when you do that is you kill the economy, you kill the investment in families, in jobs, and in small businesses.

In the year after we had the massive tax increase, we had a GDP rate of zero. That is because there was this huge transfer from free enterprise to Uncle Sam, so the economy failed to grow. Then as the economy began to normalize, it normalized over the next 7 years at 1.2 percent.

That is what the election was about, Mr. Speaker. Since the election, what has happened is we have added over 1 million net new jobs, despite a huge storm summer that impacted a lot of employment. Our stock market has risen dramatically, meaning that America wants to be great again, too.

We are going to make it together.

Mr. Speaker, I am opposed to this. They want a $1 trillion increase in spending, and they want a $1 trillion tax increase. We want to move it in the other direction.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. JUDY CHU).

Ms. JUDY CHU of California. Mr. Speaker, less than 24 hours after it passed, we already have to come back to vote on fixes to the Republican tax scam.

This bill was so needlessly rushed that there wasn’t even time to proofread. I can only wonder what other mistakes we will discover in the coming days, weeks, and months.

This was sloppy lawmaking and bad policymaking. In order to give massive tax cuts to corporate interests and the top 1 percent, Republicans have created tax breaks in new debt that will have to be paid for by, you guessed it, the rest of us.

Republicans claim that everybody is getting a tax cut. But if you read it—something they clearly didn’t do—you will see that 83 percent of the benefits go to the top 1 percent. The average savings for the lowest earners is just $60. My own constituents in California can actually expect to pay more in taxes thanks to the capping of the State and local tax deduction.

Mr. Speaker, I am opposed to this tax scam, and I urge my colleagues to vote “no.”

Mr. SESSIONS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Georgia (Mr. WOODALL), who is a member of the Rules Committee.

Mr. WOODALL. Mr. Speaker, I very much appreciate the chairman for yielding me the time.

I have the great pleasure serving on the Rules Committee. I also have the great pleasure of serving on the Budget Committee. So I felt it incumbent to come down and talk a little bit about...
the Byrd rule process that goes on in the Senate. It is part of the 1974 Budget Act. It became a custom in the Senate during 1985 and 1986, and ultimately it was codified and put in the act permanently.

To describe what went on in the Senate as some sort of proofreading error is just nonsense, just absolute nonsense. We have this process called reconciliation that allows the Congress, the House, and the Senate to get really tough things done. As a part of that reconciliation process, the rule says: What we don’t want to do is get involved in extraneous issues. We want to stay focused on these issues that are most important to the American people. So if you try to get outside the lanes of fundamental tax reform, those provisions become what they call “Byrdable.”

But, Mr. Speaker, you are probably as uplifted as I am by the conversation you hear about the importance of bipartisanship and collaboration. I wish that that was true. What we saw yesterday in the United States Senate I would tell you is a little bit of the pettiness that we see on Capitol Hill.

Is it true that the Senate had the right to prevent parents who homeschool their children from being able to finance that homeschool education through taxes and 529 savings accounts?

The Senate had that right under the Byrd rule and they exercised it. Democrats went after homeschooling parents and asked them to leave.

They had the right to do it, but to describe that as some sort of proofreading error over here is a mistake. It was intentional to give homeschooling parents that opportunity and it was intentional when the Senate Democrats stripped it out.

Secondly, it was intentional to put a title on the bill: Jobs and Tax Cuts. It was intentional. That is why we came together to focus on this bill, because that is what jobs and we care about a 21st century tax system.

Was the Senate completely within their rights to strip the title of the bill?

Mr. Speaker, they were. If you believe when the Senate can’t fund the government, when the Senate can’t reauthorize CHIP, when the Senate can’t reauthorize a 702—you go right down the list—and if you believe it is an important use of the Democratic minority’s time on the Senate side to strike the title of the bill because it doesn’t actually impact deficit reduction, it is within their right.

Does it represent the highest and best use of their time?

It does not.

Does it represent the highest and best of those of us who are here in public service together?

It does not.

I recognize that we have fundamental disagreements about the impact of tax reform and its merits.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SESSIONS. Mr. Speaker, I yield an additional 2 minutes to the gentleman from Georgia.

Mr. WOODALL. Mr. Speaker, I thank my chairman for yielding me time.

Mr. Speaker, the opportunity to do great things together, and occasionally I come down to this floor and I put my heart into it. I don’t just put my heart into it on the floor, I put my heart into it for hours and hours, day after day. The committee did. I put my heart into it on the Transportation Committee. I put my heart into it on the Budget Committee.

Mr. Speaker, do you know what? Sometimes I lose. Sometimes I lose.

But what makes this process great is both of us come down here and do the very best that we can.

Let’s not describe what is going on here for the American people as some Members who insisted on their point of order. They had the right to do it, but they did not have the right to request that this process be about the academic experts of all political points of view who could come and respond and help perfect and avoid errors just like this? They were all left out. There was not one minute of examination from any objective source coming in and talking in a hearing to the committee about this bill.

I am one of the conferees to adjust the differences between the House and the Senate. My, was that a great honor. How many loopholes in this Swiss cheese-kind of a bill that they have created? How many loopholes will deny revenue that eventually will come out of the pocket of the middle class and will come out of the small businesses of this country to make up for these special interest provisions that the lobbyists got added?

This is what happens when you run roughshod over the process, when every member of the Trump administration lacks the intestinal fortitude, the courage, to come and answer any questions about this bill. That is what happened here. Americans need to understand that.

Mr. DOGGETT. Mr. Speaker, let’s consider this morning solely because of a mistake. This is the blunder rule. This is not the first big blunder in this bill, and indeed it certainly won’t be the last. We will be cleaning up this mess and the blunders in this bill all of next year.

The only questions are: How many people will get hurt in the process? How much money is lost to the United States Treasury because of the many loopholes in this Swiss cheese-kind of a bill that they have created? How many loopholes will deny revenue that eventually will come out of the pocket of the middle class and will come out of the small businesses of this country to make up for these special interest provisions that the lobbyists got added?

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Mr. DOGGETT. In fact, if you turn to the bill, which is a big old thick stack, you see it says “short title, et cetera,” and it stops. It is nameless at this point. It is a bill that has no name. And, of course, it has no heart.

But why do you say that? Well, every time Donald Trump touches a tower, he puts his name in bold letters across it: Trump Tower. This is the only accomplishment that President Trump can point to this year.

Why don’t we put his name on this bill? Why can’t we call it the “Donald J. Trump Inequality Act,” because it will do more than any legislation we have considered here in recent years to widen the gap between those at the very top and the rest of us.

Or we could call it the “Donald J. Trump Family Windfall” bill, because he and his family are going to pocket an immense amount of money. There is no surprise they are over there at the White House celebrating all afternoon. He and his family personally will walk away with a huge amount of resources out of this.

Or we could just call it “Fat Cats Get Fatter,” because one of our colleagues on the Republican side who is closest, perhaps, to President Trump admitted and said quite candidly: I can’t go back to my donors if we don’t pass this legislation.

What a study in wise investment. The Senate Budget Committee, last night, pointed out that Goldman Sachs contributed over $26 million to Republicans since 1990. They get about a $6 billion tax cut. Where can you get a return like that? Or Pfizer, who contributed $15 million, they get a nearly $39 billion tax cut.

Yes, this bill is a job creator. It creates more jobs for accountants and tax lawyers than anyone can imagine because they will be going in there trying to undo some of the things that were done in a shape the loopholes a little more favorably for their folks.

What we have here is a bill that is compared also with the other issues that we have here.

The SPEAKER pro tempore. The time of the gentleman again has expired.

Ms. SLAUGHTER. Mr. Speaker, I yield the gentleman from Texas an additional 1 minute.

Mr. DOGGETT. I know how much the gentlewoman cares about the future of our children and the Children’s Health Insurance Program.

I think of the Family Visiting program to help young parents. That is in our committee.

I think about our crumbling roads and bridges and the fact that we need dollars to invest in them to keep our transportation system competitive.

They agree on all these measures. They make speeches about them. The only thing is they don’t want to put any money into them. They say we can’t afford to do that. If we don’t steal Medicare premium money to fund the Children’s Health Insurance Program and use general revenue dollars, that will drive up the debt. At the same time, they are willing to drive the debt up trillions of dollars, they refuse to invest in people, or invest in our children and provide them the healthcare that they deserve.

In short, this is a Christmas gift to those at the very top—and especially to the Trump family and his billionaire buddies and other real estate moguls who gain in the conference report. They get the Christmas gift. The American middle class, get the gift wrapping, and that is it.

Mr. SESSIONS. Mr. Speaker, how much time is remaining on both sides? The SPEAKER pro tempore. The gentleman from Texas has 1 1/2 minutes remaining.

Mr. SESSIONS. Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania and the working people of Pennsylvania and the working people of America. Mr. BRENDAN F. BOYLE of Pennsylvania. Mr. Speaker, with the Christmas season upon us, a favorite tradition in my family every year is to sit around the television and watch one of our favorite movies, perhaps ‘It’s a Wonderful Life.’ Like most people, it is hard not to get a lump in your throat at the end as George Bailey and his family prove triumphant.

But it occurred to me this week in reading the Republican tax plan that I guess not everyone roots for George Bailey when watching that movie. There are a few people pulling for Mr. Potter.

Well, here we have a tax plan that is written for and to the benefit of Mr. Potter and the rest like him: the wealthiest one-tenth of 1 percent. The richest 1 percent in our country are going to get 83 percent of the money in this tax plan, and the wealthiest one-tenth of 1 percent will get the majority of the money in this plan.

Today, do you know how much you have to make in order to be in the wealthiest one-tenth of 1 percent in our country? $5 million a year or more.

So the Mr. Potter we have in the White House these days is going to be pretty happy, and his family is going to make out. But the working people of Pennsylvania and the working people of America are getting stiffed.

Income inequality is higher today than at any point in American history. Many Americans haven’t received a pay raise in decades, in real terms, and here we have a tax plan that is going to take that existing problem and make it much worse.

This is wrong. This is unfair. It does nothing for the hard-pressed, hard-working middle class of our country who deserve a pay raise.

Let’s give them a Christmas gift.

Mr. DOGGETT. And Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Indiana (Mr. Messer), the chairman of the Republican Policy Committee.

Mr. MESSER. Mr. Speaker, today is an exciting day for the people of Indiana. With the passage of President Trump’s tax plan, working Hoosiers will see more jobs, bigger paychecks, and a fairer, simpler Tax Code.

The scare tactics of my Democratic colleagues come from a tired playbook written decades ago. It is old-style
class warfare politics and tired arguments that are just not true. The proof is in the paycheck. The truth is, an average Indiana family will see tax cuts of between $1,000 and $2,000 under this plan.

Let me say that again. Despite the rhetoric, working families will see a tax cut of between $1,000 and $2,000 under today’s tax plan. Child tax credits will double to $2,000 per child. The standard Federal deduction will double, too.

We get rid of the unpopular and unfair Obama individual mandate tax. Now, Hoosiers will not be taxed depending on their healthcare decisions. Job creators will see tax cuts, too, making America’s small businesses and big businesses competitive in the global economy and better able to create good-paying jobs.

All of this is good news for Indiana’s working families. With today’s tax cut, help is on the way. I urge my colleagues to support this bill.

Ms. SLAUGHTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Trump White House released a National Security Strategy Report on Monday, and it pointed out: “The national debt, now over $20 trillion, presents a grave threat to America’s long-term prosperity and, by extension, our national security.”

So what do we do about that? We are going to add $1.5 trillion more.

The overwhelming majority of expert analyses show that, even with growth taken into account, this bill will cause the deficit to skyrocket. It isn’t just a threat to our economic security. According to the White House, it is a grave threat to our national security as well.

The bill in front of us costs $1.5 trillion and includes permanent tax cuts for corporations, but temporary ones for individuals.

So who do you think is going to lose those first? It is really very troubling. I think, too, the idea of looking ahead to what we are going to be dealt with. And we understand already that next year the cry will be: Oh, look at this debt. This is awful. We are going to have to cut spending. Entitlements will be the place where the Republicans prefer to go.

So let’s prepare all of our senior citizens on Social Security, Medicare, and Medicaid. Of course, that also hurts the ACA, that they are going to be on the line next year.

Future Congresses will be pressured to reject the budget gimmick and extend many of those tax cuts, meaning the true cost of the bill is much higher.

According to the nonpartisan Committee for a Responsible Federal Budget, the expirations and delays hide potential further costs, which could ultimately increase the cost of the bill to $2.2 trillion.

I am sure that my Republican colleagues will argue that growth will prevent the deficit from skyrocketing. But the CRFB reports that even with dynamic scoring, the total cost of the bill without budgetary gimmicks would be over $1 trillion and up to $2 trillion with interest. And that takes growth into account. As a result, our debt could exceed the size of our economy by 2027.

Mr. Speaker, I include in the record the Committee for a Responsible Federal Budget’s analysis entitled “Final Tax Bill Could End Up Costing $2.2 Trillion.”

The final conference committee agreement of the Tax Cuts and Jobs Act (TCJA) would cost $1.46 trillion under conventional scoring and over $1 trillion on a dynamic basis over ten years, leading debt to rise to between 95 percent and 98 percent of Gross Domestic Product (GDP) by 2027 (compared to 91 percent under current law). The bill also includes a number of expirations and long-delayed tax hikes meant to reduce the official cost of the bill. These expirations and delays lead to $725 billion in potential further costs, which could ultimately increase the cost of the bill to $2.0 trillion to $2.2 trillion (before interest) on a conventional basis or roughly $1.5 trillion to $1.7 trillion on a dynamic basis over a decade. As a result, debt would rise to between 96 percent and 100 percent of GDP by 2027.

Ignoring the expirations in this bill is particularly disingenuous given the claim that using a “current policy baseline” reduces the bill’s costs. The flawed idea is that the bill should be compared to a current policy baseline that counts expired and expiring provisions as if they were all permanent. (For more on this, see Current Policy Gimmick Would Add Half-Trillion to Debt (http://www.crfb.org/blogs/current-policy-gimmick-would-add-half-trillion-debt).)

Using such a construct does not make sense if cost of converted provisions contained in the bill are not included in the initial cost estimate. Policymakers are effectively claiming $450 billion of current policy savings while counting over $700 billion of current policy costs.

This latest estimate updates our tally of the gimmicks from a previous version of the bill (http://www.crfb.org/blogs/important-score-shows-senate-tax-bill-will-still-cost-over-1-trillion) would reduce that cost to about $1.05 trillion, or roughly $1.30 trillion with interest.

However, this cost does not account for as much as $725 billion of potential gimmicks that the conference committee expanded.

In the earlier version passed by the Senate, we identified $385 billion (http://www.crfb.org/blogs/important-score-shows-senate-tax-bill-will-still-cost-over-1-trillion) would reduce that cost to about $1.05 trillion, or roughly $1.30 trillion with interest.

As is, the bill would cause debt to increase from 77 percent of GDP this year to 95 percent or 98 percent of GDP by 2027, depending on whether dynamic effects are included, as compared to 91 percent under current law. If expiring provisions are extended and late-stage tax hikes avoided, debt could reach as high as 98 percent or 100 percent of GDP by 2027. In other words, the national debt could exceed the size of the economy.

Ms. SLAUGHTER. Mr. Speaker, we have urgent spending needs. This bill could keep us from dealing with infrastructure, education, healthcare, medical research, and other priorities we have to pay the costs of our military.

Make no mistake, exploding the deficit to pay for this bill — this giveaway to the rich — will come at the expense of all the priorities above.

Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. Burgess).

Mr. BURGESS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, late in June of 2012, like many Americans, I anxiously awaited a ruling by the Supreme Court of the United States while they were considering the constitutionality of the individual mandate. Of course, we were
told during the run-up to that law, the Affordable Care Act law, that the individual mandate was not a tax; it was, in fact, just a requirement that everyone should buy the insurance. It seemed unreasonable under the Commerce Clause that that requirement, in fact, would be constitutional. Then, at the end of June, the Supreme Court made the ruling. I was probably right that it was unconstitutional under the Commerce Clause. But with some trepidation, the Supreme Court said: It is a tax, and the Congress has the absolute power to tax; so, of course, it can stay in the law, and the law stands.

So here we are today, considering tax reform for the first time in 31 years. And since the Supreme Court told us the individual mandate is indeed a tax, it is appropriate, it is right that the individual mandate be part of the discussion today.

The House bill, when we passed it, did not include anything on the individual mandate; but the Senate, in their wisdom, sent it back to us with the individual mandate repealed.

Now, make no mistake about it, the House has repealed the individual mandate any number of times over the last several years. The Senate has not; so the Senate has repealed the individual mandate for the first time.

I say: Let’s meet them where they are, let’s pass this bill, let’s repeal the individual mandate, and get on with making America great again.

Ms. SLAUGHTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am not surprised that we are back here fixing the bill, though I am surprised it is so soon, because we have been saying all along that we have got a long way to go with this bill.

If we defeat the previous question, I am going to offer an amendment that will prohibit any legislation from being considered on House floor that repeals or repeals the State and local tax deduction, or repeals the ACA’s individual mandate.

We know that repealing the individual mandate will lead to 13 million fewer Americans with health insurance and will cost premiums to rise by 10 percent. Now, I know that not giving healthcare is not much of an issue for the majority of this Congress because they have been trying to do that for a long time.

The bill also caps the State and local tax deduction, hurting taxpayers in my home State of New York, in California, and in other States in the Northeast, all of whom are donor States. My own State sends $58 billion a year to Washington, money that we get back nothing for. But we are not going to be able to do that anymore without this deduction. What we are doing then is risking the stability of the revenues that fund the schools, fire departments, and hospitals in those States.

Mr. Speaker, let’s make things right and defeat the previous question.

Mr. Speaker, I ask unanimous consent to insert the text of my amendment in the RECORD, along with extraordinary material, immediately prior to the vote on the previous question.

The SPEAKER pro tempore. Is there objection on the part of the gentlewoman from New York?

There was no objection.

Ms. SLAUGHTER. Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. ROSKAM), the chairman of the Subcommittee on Tax Policy for the Ways and Means Committee.

Mr. ROSKAM. Mr. Speaker, I thank Chairman Sessions for yielding.

Mr. Speaker, this is such an interesting thing to listen to. Our friends on the other side of the aisle have characterized the reason that we are here today is because of a blunder in proofreading. Well, it is simply an obtuse argument.

There are three criticisms of the bill: One is the name change. Good grief, hardly a proofreading error. This title may be cited as the Tax Cuts and Jobs Act. That is section 11000(a). According to the Senate Parliamentarian, it falls out. That is not a proofreading error.

The second criticism is the Cruz amendment, the language that was offered in terms of 529 plans. This was offered on the Senate floor. This was not a part of a conference committee or some late-night scheme. This was openly debated.

Our friends on the other side of the aisle, in the other body, chose not to pursue a point of order at that time. They chose to do it last night. It is their prerogative. But that is not a proofreading problem, nor is the issue as it relates to endowment language. This came out of the Senate Finance Committee. But what is interesting to me, Mr. Speaker, is how familiar our friends on the other side of the aisle are with mistakes.

Do you remember the 1999 mandate that came out as a result of ObamaCare?

A huge negative impact on small business, that they had to work with us and others and the President—then-President Obama—in order to remedy.

Do you remember the risk corridor changes that were signed into law by President Obama?

Do you remember the delays by blog posts late on Friday afternoons—to my recollection—when the administration reached the conclusion that the bill was in knots, they couldn’t figure out a way to move forward, and they said, “Let’s delay it and let’s announce that quietly”? Or decisions not to enforce the law itself?

But the biggest mistake of all was obviously the rollout of the website, which was a complete disaster that even friends on the other side of the aisle can’t defend.

With that said, there are going to be technical corrections to this bill, just without question. But I think what we should do is recognize that, speak to that, acknowledge that, and not characterize procedural matters as proofreading errors. It is not an argument that I find persuasive.

Mr. Speaker, I urge the passage of this legislation.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. JEFFRIES).

Mr. JEFFRIES. Mr. Speaker, Yogi Berra once said: ‘It is like deja vu all over again.’

So today we are back on the House floor after this big, dramatic celebration of this supposedly historic bill, a Republican tax bill that really is nothing more than a wolf in sheep’s clothing.

It is the classic bait and switch. It is a Ponzi scheme. The tax cuts aren’t going to be meaningful for working families and everyday Americans, and the jobs will never materialize.

It is a Republican tax bill that is simply designed to benefit millionaires and billionaires, the wealthy and the well-off, special interests, corporations, and big donors. It is a shameful abdication of responsibility, a dereliction of duty, and an incredible malicious act of legislative malpractice. It is all based on this phony, fraudulent, and fake theory of trickle-down economics.

Where is there any evidence that trickle-down economics has ever worked for the American people?

Ronald Reagan cut taxes for millionaires in 1981. We didn’t get strong economic growth. We got a deficit that exploded.

George W. Bush cut taxes for millionaires and billionaires in 2001 and 2003. We didn’t get strong economic growth. We got the worst economy since the Great Depression.

In Kansas, when you had this great Republican experiment and you were going to cut taxes for the wealthy and the well-off and for companies, what happened? Did they get strong economic growth in Kansas?

No. You got prison riots, overcrowded classrooms, and crumbling infrastructure.

Trickle-down economics, what does it mean for the middle class? You may get a trickle, but you are guaranteed to stay down.

This bill is shameful in your attack on middle class Americans. Millions of homes will get a tax increase. You will undermine Medicare and explode the deficit.

Don’t ask me. PAUL RYAN himself made that point.

Our children and grandchildren are forced to shoulder $1.5 trillion in debt simply to pay for the lifestyles of the rich and shameless.

Shame on you.

Vote “no” against this reckless GOP tax scam.

The SPEAKER pro tempore. Members are advised to direct their remarks to the Chair.

Mr. SESSIONS. Mr. Speaker, I reserve the balance of my time.
Ms. SLAUGHTER. Mr. Speaker. I yield myself such time as I may consume.

Mr. Speaker, the majority is clearly unable to responsibly run the House of Representatives, because here we are fixing the bill less than 24 hours after it was introduced.

It is a perfect example of why we need to go back to regular order: actually holding hearings, have expert witnesses and testimony, and properly vet bills.

That is pretty elementary, but it is true. It is especially true for bills of this magnitude that will effect every single citizen in America.

All the while, the government is about to run out of money, and we haven’t even been able to reach a budget deal. That is Friday that the government will close if we do not do that.

We still haven’t funded the Children’s Health Insurance Program, which provides needed healthcare to more than 9 million children.

We haven’t reauthorized the community health centers, which serve more than 25 million people.

We haven’t renewed the Perkins Loan Program, which many low-income students rely on for their education.

All of those programs expired back on September 30.

But here we are, wasting valuable time trying to fix the disaster of a bill that the majority passed just hours ago. It is embarrassing and it is humiliating. If we don’t do better, the public is going to make us pay the price.

I want to close by quoting an article that appeared this morning in The Washington Post, written by a great columnist, Dana Milbank. I wouldn’t miss his writing for the world.

"Maybe he is right and all those blue-chip economists and the non-partisan analyses by the Joint Committee on Taxation, the Congressional Budget Office, and others are wrong. Maybe growth will dramatically exceed forecasts, millions will enter the labor force and find work, wages will soar, and the $1.5 trillion tax bill will pay for itself. But if all that doesn’t happen, the Trump tax will be blamed."

Mr. Speaker, I end the quote there, reminding you, as Senator Schumer did yesterday, that this could be an anchor around your ankles for the rest of your lives.

Mr. Speaker, I urge a "no" vote on the previous question, on the rule, and the bill. For heaven’s sake, let us take this opportunity given us and not force this onto the American public.

Mr. Speaker, I yield back the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from New York not only for her service to the Rules Committee, but also for her service to this body and to her party.
With respect to the rule or order, as applicable. As disposition of the matter at hand would end the debate, the Speaker will put the question of consideration with respect to the rule or order, as applicable. The question of consideration shall be debated for 10 minutes by the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereof.

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Republican majority’s agenda and allows those with alternative views the opportunity to offer an alternative position.

Mr. SESSIONS. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. SLAUGHTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes for any electronic vote on the question of adoption of the resolution.

The vote was taken by electronic device, and there were—yeas 234, nays 188, not voting 9, as follows:

| YEA—234 |
|---|---|
| Abrahim | Dunn (SC) |
| Aderholt | Dunn (TN) |
| Allen | Dunm |
| Amash | Emmor | Kieffer |
| Arrington | Farenthold | Larson |
| Barto | Frazzle |
| Bergman | Frenn |
| Biggs | Frelinghuysen |
| Bilirakis | Gaetz |
| Bishop (MI) | Gallager |
| Bishop (GA) | Garrett |
| Black | Gianforte |
| Blackburn | Gibbs |
| Blum | Gohmert |
| Body | Goodlatte |
| Brady (TX) | Gosar (AZ) |
| Brat | Gowdy |
| Brooks (IN) | Granger |
| Buchanan | Graves (GA) |
| Buck | Graves (LA) |
| Bucshon | Griff | }

| NAYS—188 |
|---|---|
| Boebig | Grothman |
| Burke | Guthrie |
| Culver | Handel |
| Carter (GA) | Harper |
| Carter (TX) | Harrell |
| Chabot | Hensarling |
| Cheney | Herrara Beutler |
| Cole | Rice, Jody B. |
| Collins (GA) | Higgins (LA) |
| Collins (NY) | Hill |
| Comer | Holding |
| Comstock | Ringleighworth |
| Conway | Hudson |
| Cook | Huenga |
| Costello (PA) | Hultgren |
| Crapo | Hunter |
| Crawford | Hurd |
| Culberson | Issa |
| Currie | Jenkins (KS) |
| Davidson | Jenkins (WV) |
| DeSoto | Johnson (OH) |
| Denham | Johnson, Sam |
| Dent | Jones |
| DeSantis | Jordan |
| DesJarlais | Joyce (OH) |
| Donovan | Kelly (MI) |
| Duffy | Kelly (PA) |
| Roe (TN) | Rogers (AL) |
| Rogers (KY) | Roybal |
| Roybal | Rooney, Francis |
| Rogers, Thomas J. | Ros-Lehtinen |
| Ros-Lehtinen | Ross |
| Rothbauer | Royer |
| Royce (CA) | Ruble |
| Rutherford | Scalise |
| Sanford | Schewert |
| Scott, Austin | Udall |
| Sensenbrenner | Valadao |
| Sessions | Shimkus |
| Shuster | Simpson |
| Smith (MO) | Smith (NJ) |
| Smith (TN) | Smucker |
| Smucker | Stefanik |
| Stewart | Stivers |
| Taylor | Tenney |
| Thompson (PA) | Thornberry |
| Tiberi | Tipton |
| Troy | Turner |
| Turner | Yoho |
| Young (AK) | Young (IA) |
| Zeldin | Zeldin |

The vote was taken by electronic device, and there were—yeas 234, nays 188, not voting 9, as follows:

| YEAS—234 |
|---|---|
| Adams | Aguilar |
| Arrington | Barayon |
| Beatty | Bera |
| Bishop (GA) | Blumenthal |
| Bishop (RI) | Blackburn |
| Bosley | Boylan, Brendan |
| Brady (PA) | Brown (MD) |
| Brat | Bracy (GA) |
| Briones | Bruneau |
| Buckley (CA) | Bustos |
| Butterfield | Conway |
| Comstock | Coraggio |
| Davidson | Davidson |
| DeSoto | Dent |
| Dent | Denton |
| Denham | DesJarlais |
| Dent | DesJarlais |
| Davidson | DesJarlais |
| DesJarlais | Donovan |
| Duffy | Kelly (PA) |
| Roe (TN) | Rogers (AL) |
| Rogers (KY) | Roybal |
| Roybal | Rooney, Francis |
| Rogers, Thomas J. | Ros-Lehtinen |
| Ros-Lehtinen | Ross |
| Rothbauer | Royer |
| Royce (CA) | Ruble |
| Rutherford | Sanford |
| Sanford | Schewert |
| Scott, Austin | Udall |
| Sensenbrenner | Valadao |
| Sessions | Shimkus |
| Shuster | Simpson |
| Smith (MO) | Smith (NJ) |
| Smith (TN) | Smucker |
| Smucker | Stefanik |
| Stewart | Stivers |
| Taylor | Tenney |
| Thompson (PA) | Thornberry |
| Tiberi | Tipton |
| Troy | Turner |
| Turner | Yoho |
| Young (AK) | Young (IA) |
| Zeldin | Zeldin |

| NAYS—188 |
|---|---|
| Albon | Blake |
| Boustany | Boozman |
| Butler | Butterfield |
| Caetano | Castor (FL) |
| Castor (TX) | Chadwick |
| Chang | Clark (MA) |
| Clark (NY) | Clay |
| Cleaver | Clyburn |
| Coble | Coffman |
| Collins | Comstock |
| Connolly | Cornwell |
| Crenshaw | Crenshaw |
| Crenshaw (TX) | Crenshaw |
| Dent | DesJarlais |
| DesJarlais | Donovan |
| Duffy | Kelly (PA) |
| Roe (TN) | Rogers (AL) |
| Rogers (KY) | Roybal |
| Roybal | Rooney, Francis |
| Rogers, Thomas J. | Ros-Lehtinen |
| Ros-Lehtinen | Ross |
| Rothbauer | Royer |
| Royce (CA) | Ruble |
| Rutherford | Sanford |
| Sanford | Schewert |
| Scott, Austin | Udall |
| Sensenbrenner | Valadao |
| Sessions | Shimkus |
| Shuster | Simpson |
| Smith (MO) | Smith (NJ) |
| Smith (TN) | Smucker |
| Smucker | Stefanik |
| Stewart | Stivers |
| Taylor | Tenney |
| Thompson (PA) | Thornberry |
| Tiberi | Tipton |
| Troy | Turner |
| Turner | Yoho |
| Young (AK) | Young (IA) |
| Zeldin | Zeldin |

The vote was taken by electronic device, and there were—yeas 234, nays 188, not voting 9, as follows:

| YEAS—234 |
|---|---|
| Abrams | Dunn (SC) |
| Aderholt | Dunn (TN) |
| Allen | Dunm |
| Amash | Emmor | Kieffer |
| Arrington | Farenthold | Larson |
| Barto | Frazzle |
| Bergman | Frenn |
| Biggs | Frelinghuysen |
| Bilirakis | Gaetz |
| Bishop (MI) | Gallager |
| Bishop (GA) | Garrett |
| Black | Gianforte |
| Blackburn | Gibbs |
| Blum | Gohmert |
| Body | Goodlatte |
| Brady (TX) | Gosar (AZ) |
| Brat | Gowdy |
| Brooks (IN) | Granger |
| Buchanan | Graves (GA) |
| Buck | Graves (LA) |
| Bucshon | Griffin |
| Budd | Bridenstine |
| Burgess | Byrne |
| Byrne | Gurbise |
| Culver | Handel |
| Carter (GA) | Harper |
| Carter (TX) | Harrell |
| Chabot | Hartaler |
| Cheney | Hensarling |
| Coffman | Herrara Beutler |
| Cole | Rice, Jody B. |
| Collins (GA) | Higgins (LA) |
| Collins (NY) | Hill |
| Comer | Holding |
| Comstock | Ringleighworth |
| Conway | Hudson |
| Cook | Huenga |
| Costello (PA) | Hultgren |
| Cramer | Hunter |
| Crawford | Hurd |
| Culberson | Issa |
| Currie | Jenkins (KS) |
| Davidson | Jenkins (WV) |
| DeSoto | Johnson (OH) |
| Denham | Johnson, Sam |
| Dent | Jones |
| DeSantis | Jordan |
| DesJarlais | Joyce (OH) |
| Donovan | Kelly (MI) |
| Duffy | Kelly (PA) |
| Roe (TN) | Rogers (AL) |
| Rogers (KY) | Roybal |
| Roybal | Rooney, Francis |
| Rogers, Thomas J. | Ros-Lehtinen |
| Ros-Lehtinen | Ross |
| Rothbauer | Royer |
| Royce (CA) | Ruble |
| Rutherford | Sanford |
| Sanford | Schewert |
| Scott, Austin | Udall |
| Sensenbrenner | Valadao |
| Sessions | Shimkus |
| Shuster | Simpson |
| Smith (MO) | Smith (NJ) |
| Smith (TN) | Smucker |
| Smucker | Stefanik |
| Stewart | Stivers |
| Taylor | Tenney |
| Thompson (PA) | Thornberry |
| Tiberi | Tipton |
| Troy | Turner |
| Turner | Yoho |
| Young (AK) | Young (IA) |
| Zeldin | Zeldin |
December 20, 2017

CONGRESSIONAL RECORD — HOUSE

H10261

Ms. ROS-LEHTINEN changed her vote from “nay” to “yea.”

So the previous question was ordered taken and the yeas and nays were ordered taken.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. SLAUGHTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered taken.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 232, nays 190, not voting 9, as follows:

(Roll No. 698)

YEAS—232

Abraham

Abercrombie

Allen

Allen

Amash

Amodei

Arrington

Arcuri

Babin

Bair

Baird

Barnes

Barrett

Barrett

Barrow

Bartlett

Barr

Barrow

Bergman

Bilirakis

Bishara

Bishop (MI)

Bilirakis

Bergman

Barton

Barletta

Banks (IN)

Babin

Amash

Allen

Abraham

190, not voting 9, as follows:

YODER. The resolution was agreed to. A motion to reconsider was laid on the table.

Mr. BRADY of Texas. Mr. Speaker, pursuant to House Resolution 668, I call up the bill (H.R. 1) to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, with the Senate amendment thereto, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. YODER). The Clerk will designate the Senate amendment.

Senate amendment: Strike out all after the enacting clause and insert:

TITLES

TAX CUTS AND JOBS ACT

SEC. 11000. SHORT TITLE, ETC.

(a) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—Individual Tax Reform

PART I—TAX RATE REFORM

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining.

1151

So the resolution was agreed to.

The result of the vote was agreed to as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. RENACCI. Mr. Speaker, had I been present, I would have voted “Yea” on rollcall No. 694, “Nay” on rollcall No. 695, “Nay” on rollcall No. 696.

ELECTING A MEMBER TO A CERTAIN STANDING COMMITTEE OF THE HOUSE OF REPRESENTATIVES

Mr. CROWLEY. Mr. Speaker, by direction of the Democratic Caucus, I offer a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 669

Resolved, That the following named Member be and is hereby elected to the following standing committee of the House of Representatives:

(1) COMMITTEE ON THE JUDICIARY.—Mrs. Demings.

The resolution was agreed to.

TAX CUTS AND JOBS ACT

SEC. 11001. MODIFICATION OF RATES.

(a) IN GENERAL.—Section 1 is amended by adding at the end the following new subsection:

“(1) MODIFICATIONS FOR TAXABLE YEARS 2018 THROUGH 2025.—

“(1) IN GENERAL.—In the case of a taxable year beginning after December 31, 2017, and before January 1, 2026,

“(A) subsection (i) shall not apply, and

“(B) this section (other than subsection (i)) shall be applied as provided in paragraphs (2) through (6).

“(2) RATE TABLES.—

“(A) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—The following table shall be applied in lieu of the table contained in subsection (a):
``(B) HEADS OF HOUSEHOLDS.—The following table shall be applied in lieu of the table contained in subsection (b):

<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $12,500</td>
<td>10% of taxable income.</td>
</tr>
<tr>
<td>$12,500 but not over $25,000</td>
<td>$1,206.50, plus 15% of the excess over $12,500.</td>
</tr>
<tr>
<td>$25,000 but not over $50,000</td>
<td>$2,413.00, plus 25% of the excess over $25,000.</td>
</tr>
<tr>
<td>$50,000 but not over $100,000</td>
<td>$5,813.50, plus 35% of the excess over $50,000.</td>
</tr>
<tr>
<td>$100,000 but not over $200,000</td>
<td>$12,623.50, plus 37% of the excess over $100,000.</td>
</tr>
</tbody>
</table>

``(C) UNMARRIED INDIVIDUALS OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS.—The following table shall be applied in lieu of the table contained in subsection (c):

<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $9,525</td>
<td>10% of taxable income.</td>
</tr>
<tr>
<td>$9,525 but not over $18,700</td>
<td>$952.50, plus 12% of the excess over $9,525.</td>
</tr>
<tr>
<td>$18,700 but not over $31,500</td>
<td>$4,453.50, plus 22% of the excess over $18,700.</td>
</tr>
<tr>
<td>$31,500 but not over $62,500</td>
<td>$8,898.50, plus 24% of the excess over $31,500.</td>
</tr>
<tr>
<td>$62,500 but not over $125,000</td>
<td>$17,898.50, plus 32% of the excess over $62,500.</td>
</tr>
<tr>
<td>$125,000 but not over $200,000</td>
<td>$35,689.50, plus 35% of the excess over $125,000.</td>
</tr>
<tr>
<td>$200,000 but not over $500,000</td>
<td>$80,689.50, plus 37% of the excess over $200,000.</td>
</tr>
</tbody>
</table>

``(F) REFERENCES TO RATES TABLES.—Any reference in this title to a rate of tax under subsection (c) shall be treated as a reference to the corresponding rate bracket under subparagraph (C) of paragraph (1), except that the reference in section 3402(q)(1) to the third lowest rate of tax applicable under subsection (c) shall be treated as a reference to the fourth lowest rate of tax under subparagraph (C).

``(3) ADJUSTMENTS.—

``(A) NO ADJUSTMENT IN 2018.—The tables contained in paragraph (2) shall apply without adjustment for taxable years beginning after December 31, 2017, and before January 1, 2019.

``(B) SUBSEQUENT YEARS.—For taxable years beginning after December 31, 2018, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in paragraph (2) in the same manner as under paragraphs (1) and (2) of subsection (f) (applied without regard to clauses (i) and (ii) of subsection (f)(2)(A)), except that the reference in section 3402(q)(1) to the third lowest rate of tax under subsection (c) shall be treated as a reference to the fourth lowest rate of tax under subparagraph (C).

``(E) ESTATES AND TRUSTS.—The following table shall be applied in lieu of the table contained in subsection (e):

<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $2,550</td>
<td>10% of taxable income.</td>
</tr>
<tr>
<td>$2,550 but not over $9,150</td>
<td>$255, plus 24% of the excess over $2,550.</td>
</tr>
<tr>
<td>$9,150 but not over $12,500</td>
<td>$1,859, plus 35% of the excess over $9,150.</td>
</tr>
<tr>
<td>$12,500</td>
<td>$3,011.50, plus 37% of the excess over $12,500.</td>
</tr>
</tbody>
</table>

``(B) MODIFICATIONS TO APPLICABLE RATE BRACKETS.—In determining the amount of tax imposed by this section for the taxable year on a child described in subparagraph (A), the income tax table otherwise applicable under this subsection to the child shall be applied with the following modifications:

``(I) 24-PERCENT BRACKET.—The maximum taxable income which is taxed at a rate below 24 percent shall not be more than the sum of—

``(i) the earned taxable income of such child,
``(ii) by substituting 'below the maximum 25-percent rate amount' for 'which would (without regard to this paragraph) be taxed at a rate below 25 percent' in subparagraph (B)(i), and
``(iii) the maximum 15-percent rate amount for 'which would (without regard to this paragraph) be taxed at a rate below 25 percent' in subparagraph (B)(ii).''

``(II) 35-PERCENT BRACKET.—The maximum taxable income which is taxed at a rate below 35 percent shall not be more than the sum of—

``(i) the earned taxable income of such child,
``(ii) by substituting 'below the maximum 35-percent rate amount' for 'which would (without regard to this paragraph) be taxed at a rate below 35 percent' in subparagraph (B)(i), and
``(iii) the maximum 15-percent rate amount for 'which would (without regard to this paragraph) be taxed at a rate below 35 percent' in subparagraph (B)(ii).''

``(C) COORDINATION WITH CAPITAL GAINS RATES.—For purposes of applying section 1(h) (after the modifications under paragraph (5)(A))—

``(i) the maximum zero rate amount shall not be more than the sum of—

``(I) the earned taxable income of such child, plus
``(II) the amount in effect under paragraph (3)(B)(ii)(IV) for the taxable year, and
``(III) the maximum 15-percent rate amount shall not be more than the sum of—

``(I) the earned taxable income of such child, plus
``(II) the amount in effect under paragraph (3)(B)(iii)(IV) for the taxable year."

``(D) EARNED TAXABLE INCOME.—For purposes of this paragraph, the term 'earned taxable income' means, with respect to any child for any taxable year, the taxable income of such child reduced (but not below zero) by the net unearned income (as defined in subsection (g)(4)) of such child.

``(E) APPLICATION OF CURRENT INCOME TAX BRACKETS TO CAPITAL GAINS BRACKETS.—

``(A) IN GENERAL.—Section 1(h)(I) shall be applied.

``(B) BY SUBSTITUTING 'below the maximum 15-percent rate amount' for 'which would (without regard to this paragraph) be taxed at a rate below 25 percent' in subparagraph (B)(ii), and
``(C) COORDINATION WITH CAPITAL GAINS RATES.—For purposes of applying section 1(h) with the modifications described in subparagraph (A)־
amended to read as follows:

(1) IN GENERAL.—The term ‘C-CPI-U’ means the Chained Consumer Price Index for All Urban Consumers (as published by the Bureau of Labor Statistics of the Department of Labor).

(b) C-CPI-U.—Subsection (f)(3)(B) of section 1(f)(3)(B) of the code shall be amended by striking ‘calendar year 2016’ and inserting ‘calendar year 2017’.

(c) APPLICATION TO PERMANENT TAX TABLES.—Section 1(f)(4) of the code is amended by striking ‘calendar year 2016’ and inserting ‘calendar year 2017’.

(d) A PPLICATION TO OTHER INTERNAL REVENUE CODE PROVISIONS.—Section 1(f)(6) of the code is amended by striking ‘calendar year 2016’ and inserting ‘calendar year 2017’.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.
(ii) the combined qualified business income amount of the taxpayer, or

(2) an amount equal to 20 percent of the excess (if any) of—

(i) the taxable income of the taxpayer for the taxable year, over

(ii) the sum of any net capital gain (as defined in section 954(c)(1)(G)), plus

(2)(b) qualified REIT dividends and qualified publicly traded partnership income of the taxpayer for such taxable year, plus

(3) the lesser of—

(A) 20 percent of the taxpayer's qualified business income with respect to the qualified trade or business, or

(B) the greater of—

(i) 20 percent of the W-2 wages with respect to the qualified trade or business, or

(ii) the sum of 25 percent of the W-2 wages with respect to the qualified trade or business, plus 2.5 percent of the unadjusted basis immediately after acquisition of all qualified property.

(2) MODIFICATIONS TO LIMIT BASED ON TAXABLE INCOME.—

(A) EXCEPTION FROM LIMIT.—In the case of any taxpayer whose taxable income for the taxable year does not exceed the threshold amount, paragraph (2) shall be applied without regard to subparagraph (B).

(B) PHASE-IN OF LIMIT FOR CERTAIN TAXPAYERS.—

(i) IN GENERAL.—If—

(1) the taxable income of a taxpayer for any taxable year exceeds the threshold amount, but does not exceed the sum of the threshold amount plus $50,000 ($100,000 in the case of a joint return), and

(2) the amount determined under paragraph (2)(A) (determined without regard to this subparagraph) with respect to any qualified trade or business carried on by the taxpayer is less than the amount determined under paragraph (2)(A) (determined without regard to this subparagraph) with respect to any qualified trade or business carried on by the taxpayer in any taxable year ending during such taxable year, then paragraph (2) shall be applied with respect to such trade or business without regard to subparagraph (B) thereof and by reducing the amount determined under subparagraph (A) thereof by the amount determined under clause (ii).

(ii) AMOUNT OF REDUCTION.—The amount determined under this subparagraph is the amount which bears the same ratio to the excess amount as—

(1) the amount by which the taxpayer's taxable income for the taxable year exceeds the threshold amount, bears to

(2) $50,000 ($100,000 in the case of a joint return), bears to

(3) EXCESS AMOUNT.—For purposes of clause (ii), the excess amount is the excess of—

(i) the amount determined under paragraph (2)(A) (determined without regard to this paragraph), over

(ii) the amount determined under paragraph (2)(B) (determined without regard to this paragraph).

(3) WAGES, ETC.—

(A) IN GENERAL.—The term 'W-2 wages' means—

(i) the W-2 wages paid by any person to any employee by such person during the calendar year ending during such taxable year, and

(ii) the amount of wages, salaries, tips, other compensation, and tips paid by any trade or business for the taxable year, determined without regard to subsection (g).

(B) PHASE-IN OF LIMIT FOR CERTAIN TRADES OR BUSINESSES.—

(i) IN GENERAL.—In the case of any taxpayer whose taxable income exceeds the threshold amount, paragraph (2) shall be applied without regard to paragraph (3) of section 163(d), determined without regard to subsection (g) thereof.

(ii) QUALIFIED BUSINESS INCOME.—For purposes of this section—

(A) IN GENERAL.—The term 'qualified business income' means, for any taxable year, the net amount of qualified items of income, gain, deduction, and loss with respect to any qualified trade or business of the taxpayer. Such term shall include any qualified REIT dividends, qualified cooperative dividends, or qualified publicly traded partnership income.

(B) CARRYOVER OF LOSSES.—If the net amount of qualified income, gain, deduction, and loss with respect to qualified trades or businesses of the taxpayer for the taxable year is less than zero, such amount shall be treated as a loss from a qualified trade or business in the succeeding taxable year.

(4) QUALIFIED ITEMS OF INCOME, GAIN, DEDUCTION, AND LOSS.—For purposes of this subsection—

(A) IN GENERAL.—The term 'qualified items of income, gain, deduction, and loss' means—

(i) effectively connected with the conduct of a trade or business within the United States (within the meaning of section 864(c), determined by substituting 'qualified trade or business' for 'nonresident alien individual or a foreign corporation' or 'for a foreign corporation' each place it appears), and

(ii) included or allowed in determining taxable income for the taxable year.

(B) EXCEPTIONS.—The following items shall not be taken into account as a qualified item of income, gain, deduction, or loss:

(i) Any item of short-term capital gain, short-term capital loss, long-term capital gain, or long-term capital loss.

(ii) Any dividend, income equivalent to a dividend, or payment in lieu of dividends described in section 954(c)(1)(G).

Any interest that is other than interest income which is properly allocable to a trade or business.
“(iv) Any item of gain or loss described in subparagraph (C) or (D) of section 954(c)(1) (applied by substituting ‘qualified trade or business’ for ‘controlled foreign corporation’).

“(v) Any item of income, gain, deduction, or loss taken into account under section 954(c)(1)(F) (determined without regard to clause (ii), other than items attributable to notional principal contracts entered into in transactions qualifying under section 1221(a)(7)).

“(vi) Any amount received from an annuity which is not received in connection with the trade or business.

“(vii) Any item of deduction or loss properly allocable to an amount described in any of the preceding clauses.

“(d) TREATMENT OF REASONABLE COMPENSATION PAID TO TAXPAYERS.—Qualified business income shall not include—

“(A) reasonable compensation paid to the taxpayer by any qualified trade or business of the taxpayer for services rendered with respect to the trade or business,

“(B) any guaranteed payment described in section 707(a) paid to a partner for services rendered with respect to the trade or business, and

“(C) to the extent provided in regulations, any payment described in section 707(a) to a partner for services rendered with respect to the trade or business.

“(d) QUALIFIED TRADE OR BUSINESS.—For purposes of this subpart—

“(1) IN GENERAL.—The term ‘qualified trade or business’ means any trade or business other than—

“(A) a specified service trade or business, or

“(B) the trade or business of performing services as an employee.

“(2) SPECIFIED SERVICE TRADE OR BUSINESS.—The term ‘specified service trade or business’ means any trade or business—

“(A) which is described in section 1202(e)(3) (applied without regard to the words ‘engineering, architecture,’) or which would be so described if the term ‘employees’ or ‘owners’ were substituted for ‘employees’ therein, or

“(B) which involves the performance of services that consist of investing and investment management, trading, or dealing in securities (as defined in section 475(c)(2)), partnership interests, or commodities (as defined in section 475(e)).

“(e) EXCEPTION FOR SPECIFIED SERVICE BUSINESSES BASED ON TAXPAYER’S INCOME.—

“(1) IN GENERAL.—If, for any taxable year, the adjusted gross income of a taxpayer is less than the sum of the threshold amount plus $50,000 ($100,000 in the case of a joint return), then—

“(i) any specified service trade or business of the taxpayer shall fail to be treated as a qualified trade or business due to paragraph (1)(A), but

“(ii) the applicable percentage of qualified items of income, gain, deduction, or loss, and the W–2 wages and the unadjusted basis immediately after acquisition of qualified property, of the taxpayer allocable to such specified service trade or business shall be taken into account in computing the qualified business income, W–2 wages, and the unadjusted basis immediately after acquisition of qualified property of the taxpayer for the taxable year for purposes of applying this section.

“(2) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the term ‘applicable percentage’ means, with respect to any taxable year, 100 percent reduced (not below zero) by the percentage equal to the ratio of—

“(i) the sum of the threshold amount, bears to

“(ii) $150,000 ($300,000 in the case of a joint return).

“(e) OTHER DEFINITIONS.—For purposes of this section—

“(1) QUALIFIED INCOME.—Qualified income shall be computed without regard to the deduction allocable under this section.

“(2) THRESHOLD AMOUNT.—

“(A) IN GENERAL.—The term ‘threshold amount’ means $157,500 (200 percent of such amount in the case of a joint return).

“(B) INCREASEMENT.—In the case of any taxable year beginning after 2018, the dollar amount in subparagraph (A) shall be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting the term ‘calendar year 2016’ in subparagraph (A)(ii) thereof. The amount of any increase under the preceding sentence shall be rounded as provided in section 1(f)(7).

“(3) QUALIFIED REIT DIVIDEND.—The term ‘qualified REIT dividend’ means any dividend from a real estate investment trust received during the taxable year which—

“(A) is not a capital gain dividend, as defined in section 851(b)(3), and

“(B) is not qualified dividend income, as defined in section 1(h)(11).

“(4) QUALIFIED COOPERATIVE DIVIDEND.—The term ‘qualified cooperative dividend’ means any dividend paid during the taxable year which—

“(A) is includible in gross income, and

“(B) is received from—

“(i) an organization or corporation described in section 501(c)(12) or 1381(a), or

“(ii) an organization which is governed under this title by the rules applicable to cooperatives under this title to which part I of subchapter T applies.

“(5) QUALIFIED PUBLICLY TRADED PARTNER.—

“(A) In general.—In the case of any taxable year, then for purposes of determining the qualified business income of such taxpayer for such taxable year, the term ‘United States’ shall include the Commonwealth of Puerto Rico.

“(B) SPECIAL RULE FOR APPLYING LIMIT.—In the case of any taxpayer who with respect to any qualified trade or business conducted in Puerto Rico shall be made without regard to any exclusion under section 3401(a)(8) for remuneration paid for services in Puerto Rico.

“(C) TREATMENT OF TRAVELS OR BUSINESS IN PUERTO RICO.—

“(1) IN GENERAL.—In the case of any taxpayer with qualified business income from sources within the commonwealth of Puerto Rico, if all such income is taxable under section 1 for such taxable year, then for purposes of determining whether the qualified business income of such taxpayer for such taxable year, the term ‘United States’ shall include the Commonwealth of Puerto Rico.

“(2) COORDINATION WITH MINIMUM TAX.—For purposes of determining alternative minimum taxable income under section 55, qualified business income shall be determined without regard to any adjustments under sections 56 through 58.

“(3) DEDUCTION LIMITED TO INCOME TAXES.—The deduction under subsection (a) shall only be allowed for purposes of this chapter.

“(4) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary to carry out the purposes of this section, including regulations—

“(A) for requiring or restricting the allocation of items and wages under this section and such reporting requirements as the Secretary determines appropriate, and

“(B) for the application of this section in the case of tiered entities.

“(d) DEDUCTION ALLOWED TO SPECIFIED AGRICULTURAL OR HORTICULTURAL COOPERATIVES.—

“(1) IN GENERAL.—In the case of any taxable year of a specified agricultural or horticultural cooperative beginning after December 31, 2017, there shall be allowed a deduction in an amount equal to the lesser of—

“(A) 20 percent of the excess (if any) of—

“(i) the gross income of a specified agricultural or horticultural cooperative, over

“(ii) the qualified cooperative dividends (as defined in subsection (c)(4)) paid during the taxable year for the taxable year, or

“(B) the greater of—

“(i) 50 percent of the W–2 wages of the cooperative with respect to its trade or business, or

“(ii) the sum of 25 percent of the W–2 wages of the cooperative with respect to its trade or business, plus 2.5 percent of the unadjusted basis immediately after acquisition of all qualified property of the cooperative.

“(2) REGULATIONS.—The amount determined under paragraph (1) shall not exceed the taxable income of the specified agricultural or horticultural cooperative for the taxable year.

“(c) DEDUCTION ALLOWED TO SPECIFIED AGRICULTURAL OR HORTICULTURAL COOPERATIVE.—For purposes of this subsection, the term ‘specified agricultural or horticultural cooperative’ means an organization which—

“(1) applies for and receives the classification of a corporation part I of subchapter T applies which is engaged in—

“(A) the manufacturing, production, growth, or extraction in whole or significant part of any agricultural or horticultural product,

“(B) the marketing of agricultural or horticultural products which its patrons have so
and by adding at the end the following new paragraph:

(2) DISALLOWED LOSS CARRYOVER.—Any loss which is disallowed under paragraph (1) shall be treated as if it were carried over to the following taxable year under section 172.

(3) EXCESS BUSINESS LOSS.—For purposes of this subsection:

(A) IN GENERAL.—The term ‘excess business loss’ means the excess (if any) of—

(i) the aggregate deductions of the taxpayer for the taxable year which are attributable to trades or businesses of such taxpayer (determined without regard to whether or not such deductions are disallowed for such taxable year under paragraph (1)), over

(ii) the sum of—

(I) the aggregate gross income or gain of such taxpayer for the taxable year which is attributable to such trades or businesses, plus

(II) $250,000 (200 percent of such amount in the case of a joint return).

(B) ADJUSTMENT FOR INFLATION.—In the case of any taxable year beginning after December 31, 2017, the $250,000 amount in subparagraph (A)(ii) shall be increased by an amount equal to—

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘2017’ for ‘2016’ in subparagraph (A)(ii) thereof.

If any amount as increased under the preceding sentence is not a multiple of $1,000, such amount shall be rounded to the nearest multiple of $1,000.

(4) APPLICATION OF SUBSECTION IN CASE OF PARTNERSHIPS AND S CORPORATIONS.—In the case of a partnership or S corporation, an allocable share shall be the partner’s or shareholder’s allocable share of the items of income, gain, deduction, or loss of such partnership or corporation for the taxable year beginning after 2018.

For purposes of this subsection, in the case of a taxable year beginning after 2018, the $18,000 and $12,000 amounts in subparagraph (A)(ii) thereof.

(5) MAXIMUM AMOUNT OF REFUNDABLE CREDIT.—

(A) IN GENERAL.—The amount determined under subsection (d)(1)(A) with respect to any qualifying child shall not exceed $1,400, and such subsection shall not apply, and

(B) ADJUSTMENT FOR INFLATION.—In the case of a calendar year beginning after 2018, the $1,400 amount in subparagraph (A) shall be increased by an amount equal to—

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘2017’ for ‘2016’ in subparagraph (A)(ii) thereof.

If any increase under this clause is not a multiple of $100, such increase shall be rounded to the next lowest multiple of $50.

(2) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11022. INCREASE IN AND MODIFICATION OF CREDIT FOR CHILD AND FAMILY TAX CUTS.

(a) IN GENERAL.—Section 24 is amended by adding at the end the following new subsection:

(2) SPECIAL RULES FOR TAXABLE YEARS 2018 THROUGH 2025.

(A) IN GENERAL.—In the case of a taxable year beginning after December 31, 2017, and before January 1, 2026, this section shall be applied as provided in paragraphs (2) through (7).

(B) CREDIT AMOUNT.—Subsection (a) shall be applied by substituting ‘$2,000’ for ‘$1,000’.

(C) LIMITATION.—In lieu of the amount determined under subsection (b)(1), the threshold amount shall be $400,000 in the case of a joint return ($200,000 in any other case).

(D) PARTIAL CREDIT ALLOWED FOR CERTAIN OTHER DEPENDENTS.—

(A) IN GENERAL.—The credit determined under subsection (a) (after the application of paragraph (2)) shall be increased by $500 for each dependent of the taxpayer (as defined in section 152) other than a qualifying child described in section (c).

(B) EXCEPTION FOR CERTAIN NONCITIZENS.—Subparagraph (A) shall not apply to any individual who would not be a dependent if subparagraph (A) of section 152(b)(3) were applied without regard to all that follows ‘resident of the United States’.

(C) CERTAIN QUALIFYING CHILDREN.—In the case of any qualifying child with respect to whom a credit is not allowed under this section by reason of paragraph (7), such child shall be treated as a dependent to whom subparagraph (A) applies.

(E) MAXIMUM AMOUNT OF REFUNDABLE CREDIT.—

(A) IN GENERAL.—The amount determined under subsection (d)(1)(A) with respect to any qualifying child shall not exceed $2,500, and such subsection shall not apply, and

(B) ADJUSTMENT FOR INFLATION.—In the case of a calendar year beginning after 2018, the $2,500 amount in subparagraph (A) shall be increased by an amount equal to—

(i) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘2017’ for ‘2016’ in subparagraph (A)(ii) thereof.

If any increase under this clause is not a multiple of $100, such increase shall be rounded to the next lowest multiple of $50.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.
“(I) social security number required.—No credit shall be allowed under this section to a taxpayer with respect to any qualifying child unless the taxpayer includes the social security number of such child on the return for the taxable year. For purposes of the preceding sentence, the term `social security number' means a social security number issued to an individual by the Social Security Administration only if the social security number is—

(A) to a citizen of the United States or pursuant to subclause (I) or (II) that relates to subclause (I) of section 265(c)(2)(B)(i) of the Social Security Act, and

(B) before the due date for such return.

(2) effective date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

sec. 11023.—increased limitation for certain charitable contributions.

(a) in general.—Section 170(b)(1) is amended by redesignating subparagraph (g) as subparagraph (h) and by inserting after subparagraph (h) the following new subparagraph:

``(g) increased limitation for cash contributions.—

(I) in general.—In the case of any contribution of cash to an organization described in subparagraph (A), the total amount of such contributions which may be taken into account as a charitable contribution for purposes of the preceding sentence, the term `social security number' means a social security number issued to an individual by the Social Security Administration only if the social security number is—

(A) to a citizen of the United States or pursuant to subclause (I) or (II) that relates to subclause (I) of section 265(c)(2)(B)(i) of the Social Security Act, and

(B) before the due date for such return.

(ii) effective date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

(b) rollover to ables programs from 529 programs.

(a) in general.—Clause (i) of section 529(c)(3)(C) is amended by striking ``or'' at the end of subparagraph (B)(ii), and by inserting at the end the following new sentence:---

``(I) Compensation (as defined by section 213(c)(1)) includable in the designated beneficiary's income for the taxable year, but only if the social security number is---

(A) to a citizen of the United States or pursuant to subclause (I) or (II) that relates to subclause (I) of section 265(c)(2)(B)(i) of the Social Security Act, and

(B) before the due date for such return.

(b) effective date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

sec. 11024.—increased contributions to ables accounts.

(a) increase in limitation for contributions from compensation of individuals with disabilities.—

(I) in general.—Section 529(b)(2)(b) is amended by striking subparagraph (B) and by inserting after subparagraph (A) the following new subparagraph:

``(B) except in the case of contributions from compensation of individuals with disabilities, the aggregate amount of contributions made to an ABLE account by the aggregate contributions allowed under this section which is attributable to compensation of an individual with a disability is attributable to compensation of such individual with a disability in the taxable year which begins on such date, but only if the social security number is---

(A) to a citizen of the United States or pursuant to subclause (I) or (II) that relates to subclause (I) of section 265(c)(2)(B)(i) of the Social Security Act, and

(B) before the due date for such return.

(b) effective date.—The amendment made by this section shall apply to contributions in taxable years beginning after December 31, 2017.

sec. 11025.—rollovers to ables programs from 529 programs.

(a) in general.—Clause (i) of section 529(b)(3)(C) is amended by striking ``or'' at the end of subparagraph (B)(ii), and by inserting at the end the following:

``(III) before January 1, 2026, to an ABLE account (as defined in section 529A(e)(6)) of the designated beneficiary or a person acting on behalf of such individual (including an employee within the meaning of section 40(c)(1) with respect to whom---

(i) no contribution is made for the taxable year to a defined contribution plan (within the meaning of section 414(u) with respect to which the requirements of section 401(a) or 403(a) are met,

(ii) no contribution is made for the taxable year to an annuity contract described in section 403(b), and

(iii) no contribution is made for the taxable year to an eligible deferred compensation plan described in section 457.

(b) effective date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

sec. 11026.—treatment of certain individual and family members of the armed forces in the Sinai Peninsula of Egypt.

(a) in general.—For purposes of the following provisions of the Internal Revenue Code of 1986, with respect to the taxable years ending before January 1, 2011, a qualified hazardous duty area shall be treated in the same manner as if it were a combat zone (as determined under section 112 of such Code):

(1) section 36(a) (relating to service in a combat zone),

(2) section 112(f) (relating to members of the Armed Forces dying in combat zone or by reason of combat-zone-incurred wounds, etc.),

(3) section 892 (relating to combat pay for the Armed Forces),

(4) section 895 (relating to members of the Armed Forces in combat zones),

(5) section 962 (relating to combat pay for members of the Armed Forces),

(6) section 4523(d) (relating to the taxation of phone service originating from a combat zone from members of the Armed Forces),

(7) section 601(i)(1) (relating to joint return where individual is in missing status),

(8) section 7508 (relating to time for performing certain acts postponed by reason of service in combat zone).

(b) qualified hazardous duty area.—For purposes of the preceding paragraph, the term `qualified hazardous duty area' means the Sinai Peninsula of Egypt, if as of the date of the enactment of this section any member of the Armed Forces for whom the United States is entitled to pay under section 310 of title 37, United States Code (relating to special pay; duty subject to hostile fire or imminent danger), for services performed in such location. Such term includes such location only during the period such entitlement is in effect.

(c) applicable period.—

(1) in general.—Except as provided in paragraph (2), the applicable period is—

(A) the portion of the first taxable year ending after June 9, 2015, which begins on such date,

(B) any subsequent taxable year beginning before January 1, 2026,

(C) rollover holding.—In the case of subsection (a)(5), the applicable period is—

(A) the portion of the first taxable year ending after the date of the enactment of this Act which begins on such date, and

(B) any subsequent taxable year beginning before January 1, 2026.

(d) effective date.—

(1) in general.—Except as provided in paragraph (2), the provisions of this section shall take effect on June 9, 2015.

(2) withholding.—Subsection (a)(5) shall apply to remuneration paid after the date of the enactment of this Act.

sec. 11027.—temporary reduction in medical expense deduction floor.

(a) in general.—Section 213(f)(1) is amended to read as follows:

``(f) special rules for 2013 through 2018.—

(1) in general.—For purposes of the following provisions of the Internal Revenue Code of 1986, with respect to the taxable years ending before January 1, 2017, in the case of a taxpayer if such taxpayer or such taxpayer's spouse has attained age 65 before the close of such taxable year, or if both such individuals are members of the same family unit to which a family is treated as applying under section 213(c) for purposes of this section, the term "medical expense deduction floor" is increased by an amount equal to 7.5 percent for 2015, 7 percent for 2016, and 6 percent for 2017, and 4.5 percent for 2018, in each case, with respect to any qualifying individual to whom the term "medical expense deduction floor" is applied for purposes of such provision.

(b) minimum tax preference not to apply.—Section 56(b)(1)(B) is amended by adding at the end the following:

``(2)Except as provided in subparagraph (A), the provisions of this section shall not apply to taxable years beginning after December 31, 2017, and before January 1, 2019.

(c) effective date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

sec. 11028.—relief for 2016 disaster areas.

(a) in general.—For purposes of this section, the term "2016 disaster area" means any area with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act during calendar year 2016.

(b) special rules for use of retirement funds with respect to areas damaged by 2016 disasters.—

(1) tax-favored withdrawals from retirement plans.—

(A) in general.—Section 72(t) of the Internal Revenue Code of 1986, shall not apply to any qualified 2016 disaster distribution.

(B) aggregate dollar limitation.—
(ii) **Qualified 2016 Disaster Distribution.**—Except as provided in subparagraph (B), the term ‘‘qualified 2016 disaster distribution’’ means any distribution from an eligible retirement plan (as defined by section 7701(a)(27) of the Internal Revenue Code of 1986), then, to the extent of the amount of the contribution, the qualified 2016 disaster distribution such as a distribution described in section 408(d)(3) of such Code and as having been transferred to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(B) **Definitions.**—For purposes of this paragraph:

(i) **Qualified 2016 Disaster Distribution.**—As defined in subsection (a) (other than a distribution received by an individual whose principal place of abode at any time during calendar year 2016 was located in a disaster area described in subsection (c)) and who has met the eligibility test for section 402(c)(1)(B) of the Internal Revenue Code of 1986.

(ii) **Eligible Retirement Plan.**—The term ‘‘eligible retirement plan’’ shall have the meaning given such term by section 402(c)(3)(B) of the Internal Revenue Code of 1986.

(E) **Income Inclusion Spread Over 3-Year Period.**—(i) **In General.**—In the case of any qualified 2016 disaster distribution, unless the taxpayer elects not to have this subparagraph apply for any taxable year, any amount required to be included in gross income for such taxable year shall be so included ratably over the 3-taxable-year period beginning with such taxable year.

(ii) **Special Rule.**—For purposes of clause (i), rules similar to the rules of subparagraph (A) of section 408(d)(3) of the Internal Revenue Code of 1986 shall apply.

(F) **Special Exemption.**—(i) **Exemption of Distributions from Trustee to Trustee Transfer and Withholding Rules.**—For purposes of sections 402(a)(11), 402(c)(4), 402(f), and 3405 of the Internal Revenue Code of 1986, qualified 2016 disaster distribution shall not be treated as eligible rollover distributions.

(ii) **Qualified 2016 Disaster Distributions Treated as Meeting Plan Distribution Requirements.**—For purposes of the Internal Revenue Code of 1986, a qualified 2016 disaster distribution shall be treated as meeting the requirements of section 402(f) and section 164 of the Internal Revenue Code of 1986. In the case of a governmental plan (as defined in section 403(b)(8) of the Internal Revenue Code of 1986), qualified 2016 disaster distribution shall not be treated as eligible rollover distributions.

(iii) **Special Rule for In-Plan Loans.**—For purposes of section 408A(d)(3) of the Internal Revenue Code of 1986, qualified 2016 disaster distribution shall be treated as meeting the requirements of section 408A(d)(3) of the Internal Revenue Code of 1986. In the case of a governmental plan, qualified 2016 disaster distribution shall be treated as meeting the requirements of section 408A(d)(3) of the Internal Revenue Code of 1986.

(iv) **Exclusion of Distribution from Plan Distribution Test.**—For purposes of any plan distribution test (including any such test as applied to any rollover contribution of the plan to an individual), any distribution from a governmental plan described in section 403(b)(8) of the Internal Revenue Code of 1986, qualified 2016 disaster distribution shall be treated as meeting the requirements of section 402(f) and section 164 of the Internal Revenue Code of 1986. In the case of a governmental plan, qualified 2016 disaster distribution shall be treated as meeting the requirements of section 402(f) and section 164 of the Internal Revenue Code of 1986.
PART V—DEDUCTIONS AND EXCLUSIONS

SEC. 11041. SUSPENSION OF DEDUCTION FOR PERSONAL EXEMPTIONS.

(a) IN GENERAL.—Subsection (d) of section 151 is amended—

(1) by striking “in the case of” in paragraph (4) and inserting “Except as provided in paragraph (5), in the case of”, and

(2) by adding at the end the following new paragraph:

“(5) SPECIAL RULES FOR TAXABLE YEARS 2018 THROUGH 2025.—In the case of a taxable year beginning after December 31, 2017, and before January 1, 2022—

“(A) EXEMPTION AMOUNT.—The term ‘exemption amount’ means zero.

“(B) REFERENCES.—Subsections (b)(1), (b)(2), (f), (j)(1), (j)(2), (n) of section 3402 are amended to read as follows:

“(1) AMOUNT DETERMINED.—For purposes of this section, the amount determined under this subsection is $4,150 multiplied by the number of the taxpayer’s dependents for the taxable year in which the exemption amount is zero.

“(C) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year beginning after 2018, the amount described in paragraph (B)(1) shall be increased by an amount equal to—

“(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section 1(f)(1) for the calendar year in which the taxable year begins, determined by substituting “2017” for “2016” in subparagraph (B)

If any increase determined under the preceding sentence is not a multiple of $100, such increase shall be rounded to the next lowest multiple of $100.

“(D) VERIFIED STATEMENT.—Unless the taxpayer submits to the Secretary a written and properly verified statement specifying the facts necessary to determine the amount under subparagraph (A), subparagraph (B) shall be as applied as if the taxpayer were a married individual filing a separate return with no dependents.

“(E) PERSONS REQUIRED TO MAKE RETURNS OF INCOME.—Section 6012 is amended by adding at the end the following new subsection:

“(f) SPECIAL RULE FOR TAXABLE YEARS 2018 THROUGH 2025.—In the case of a taxable year beginning after December 31, 2017, and before January 1, 2022, subparagraph (B) shall not apply, and every individual who has gross income for the taxable year shall be required to make returns with respect to income taxes under subtitle A, except that a return shall not be required of—

“I. an individual who is not married (determined by applying subparagraph (B) to the taxpayer), who has gross income for the taxable year which does not exceed the standard deduction applicable to such individual for such taxable year under section 62, or

II. an individual entitled to make a joint return,

(A) the gross income of such individual, when combined with the gross income of such individual’s spouse, for the taxable year does not exceed the standard deduction which would be applicable to the taxpayer for such taxable year under section 63 if such individual and such individual’s spouse made a joint return,

(B) such individual and such individual’s spouse have the same household as their home at the close of the taxable year,

(C) such individual’s spouse does not make a separate return, and

(D) neither such individual nor such individual’s spouse is an individual described in section 63(c)(5) who has income (other than earned income) in excess of the amount in effect under section 63(c)(5)(A).

“(f) EFFECTIVE DATE.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2017.

“(2) WAGE WITHHOLDING.—The Secretary of the Treasury may administer section 3402 for taxable years beginning before January 1, 2019, without regard to the amendments made by subsections (a) and (c).

SEC. 11042. LIMITATION ON DEDUCTION FOR STATE AND LOCAL, ETC. TAXES.

(a) IN GENERAL.—Subsection (b) of section 164 is amended by adding at the end the following new paragraph:

“(b) LIMITATION ON DEDUCTION FOR STATE AND LOCAL, ETC. TAXES.—

“(A) IN GENERAL.—In the case of any taxable year beginning in a calendar year beginning after 2018, the $4,150 amount in subparagraph (B) shall be increased by an amount equal to—

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section 1(f)(1) for the calendar year in which the taxable year begins, determined by substituting “2017” for “2016” in subparagraph (B)

If any increase determined under the preceding sentence is not a multiple of $100, such increase shall be rounded to the next lowest multiple of $100.

“(B) VERIFIED STATEMENT.—Unless the taxpayer submits to the Secretary a written and properly verified statement specifying the facts necessary to determine the amount under subparagraph (A), subparagraph (B) shall be as applied as if the taxpayer were a married individual filing a separate return with no dependents.

“(C) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year beginning after 2018, the amount described in paragraph (B)(1) shall be increased by an amount equal to—

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section 1(f)(1) for the calendar year in which the taxable year begins, determined by substituting “2017” for “2016” in subparagraph (B)

If any increase determined under the preceding sentence is not a multiple of $100, such increase shall be rounded to the next lowest multiple of $100.

“(D) VERIFIED STATEMENT.—Unless the taxpayer submits to the Secretary a written and properly verified statement specifying the facts necessary to determine the amount under subparagraph (A), subparagraph (B) shall be as applied as if the taxpayer were a married individual filing a separate return with no dependents.

“(E) PERSONS REQUIRED TO MAKE RETURNS OF INCOME.—Section 6012 is amended by adding at the end the following new subsection:

“(f) SPECIAL RULE FOR TAXABLE YEARS 2018 THROUGH 2025.—In the case of a taxable year beginning after December 31, 2017, and before January 1, 2022, subparagraph (B) shall not apply, and every individual who has gross income for the taxable year shall be required to make returns with respect to income taxes under subtitle A, except that a return shall not be required of—

“I. an individual who is not married (determined by applying subparagraph (B) to the taxpayer), who has gross income for the taxable year which does not exceed the standard deduction applicable to such individual for such taxable year under section 62, or

II. an individual entitled to make a joint return,

(A) the gross income of such individual, when combined with the gross income of such individual’s spouse, for the taxable year does not exceed the standard deduction which would be applicable to the taxpayer for such taxable year under section 63 if such individual and such individual’s spouse made a joint return,

(B) such individual and such individual’s spouse have the same household as their home at the close of the taxable year,

(C) such individual’s spouse does not make a separate return, and

(D) neither such individual nor such individual’s spouse is an individual described in section 63(c)(5) who has income (other than earned income) in excess of the amount in effect under section 63(c)(5)(A).

“(f) EFFECTIVE DATE.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2017.

“(2) WAGE WITHHOLDING.—The Secretary of the Treasury may administer section 3402 for taxable years beginning before January 1, 2019, without regard to the amendments made by subsections (a) and (c).
The preceding sentence shall not apply to any foreign taxes described in subsection (a)(3) or to any taxes described in paragraph (1) and (2) of subsection (a) which are paid or accrued in carrying on a trade or business or an activity described in section 212. For purposes of subparagraph (B), an amount paid in a taxable year beginning before January 1, 2018, with respect to a State or local income tax imposed for a taxable year beginning after December 31, 2017, shall be treated as paid on the last day of the taxable year for which such tax is so imposed.

(b) LIMITATION ON REFINANCING.—The limitation made by this section shall apply to taxable years beginning after December 31, 2016.

SEC. 11043. LIMITATION ON DEDUCTION FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2017.

(a) IN GENERAL.—Section 163(h)(3) is amended by adding at the end the following new subparagraph:

"(F) SPECIAL RULES FOR TAXABLE YEARS 2018 THROUGH 2025.—

"(i) IN GENERAL.—In the case of taxable years beginning after December 31, 2017, and before January 1, 2026,

"(I) ALLOWANCE OF HOME EQUITY INDEBTEDNESS INTEREST.—Subparagraph (A)(i) shall not apply.

"(II) LIMITATION ON ACQUISITION INDEBTEDNESS.—Subparagraph (B)(ii) shall be applied by substituting `$525,000 ($375,000' for `$2,000,000 ($500,000')

"(III) TREATMENT OF INDEBTEDNESS INCURRED ON OR BEFORE DECEMBER 15, 2017.—Subclause (I) shall be applied to any indebtedness incurred on or before December 15, 2017, and, in applying such subclause to any indebtedness incurred after such date, the limitation under such subclause shall be reduced (but not below zero) by the amount of any indebtedness incurred on or before December 15, 2017, which is treated as acquisition indebtedness for purposes of this subsection in the taxable year in which that indebtedness was incurred.

"(IV) BINDING CONTRACT EXCEPTION.—In the case of a taxpayer who enters into a written binding contract before December 15, 2017, to close on the purchase of a principal residence before January 1, 2018, and who purchases such residence before April 1, 2018, subclause (III) shall be applied by substituting "April 1, 2018' for December 15, 2017.

"(V) TREATMENT OF LIMITATION IN TAXABLE YEARS AFTER DECEMBER 31, 2025.—In the case of taxable years beginning after December 31, 2025, the limitation under subparagraph (B)(ii) shall be applied to the aggregate amount of indebtedness of the taxpayer described in subparagraph (B)(i) without regard to the taxable year in which such indebtedness was incurred.

"(VI) TREATMENT OF REFINANCING OF INDEBTEDNESS.—

"(1) IN GENERAL.—In the case of any indebtedness which is incurred to refinance indebtedness, such refinanced indebtedness shall be treated for purposes of clause (i)(III) as incurred on the date that the original indebtedness was incurred to the extent the amount of the indebtedness from such refinancing does not exceed the amount of the refinanced indebtedness.

"(2) LIMITATION ON PERIOD OF REFINANCING.—Subclause (I) shall not apply to any indebtedness after the expiration of the term of the original indebtedness or, if the principal of such original indebtedness is not amortized over its term, the term of the refinancing indebtedness (or if earlier, the date which is 30 years after the date of such refinancing).

"(G) COORDINATION WITH EXCLUSION OF INCOME FROM DISCHARGE OF INDEBTEDNESS.—Section 108(h)(2) shall be applied without regard to this subparagraph.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.
“(B) ALIMONY OR SEPARATE MAINTENANCE PAYMENT.—For purposes of subparagraph (A), the term ‘alimony or separate maintenance payment’ means any payment in cash if—

(i) the payment is received by or on behalf of a spouse under a divorce or separation instrument (as defined in section 121(d)(3)(C)),

(ii) in the case of a married individual filing a separate return, subparagraph (A) shall be applied to carry out this section with respect to any tax difference between—

“(A) the basic exclusion amount under section 2010(c)(3) applicable at the time of the decedent’s death, and

“(B) the basic exclusion amount under such section applicable with respect to any gifts made by the decedent.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after October 31, 2017.

PART VIII—INDIVIDUAL MANDATE

SEC. 11081. ELIMINATION OF SHARED RESPONSIBILITY PENALTY FOR UNINSURED INDIVIDUALS FAILING TO MAINTAIN MINIMUM ESSENTIAL COVERAGE.

(a) IN GENERAL.—Section 5000A(c) is amended—

(1) by striking paragraph (2), and

(2) by striking paragraph (3), and

(b) CONFORMING AMENDMENTS.—

(1) Section 38(c)(6) is amended by adding at the end the following new subparagraph:

“(B) by striking ‘$10,000,000’ for ‘$5,000,000’."

SEC. 12001. REPEAL OF TAX FOR CORPORATIONS.

(a) IN GENERAL.—Section 55(a) is amended by striking “Theretofore” and inserting “In the case of a taxpayer other than a corporation, there”.

(b) CONFORMING AMENDMENTS.—

(1) Section 55(b)(3) is amended by adding at the end the following new subparagraph:

“(B) Section 55(b)(1)(A).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to the taxable year beginning after December 31, 2018.

Subtitle B—Alternative Minimum Tax

SEC. 12002. UNEMPLOYMENT BENEFITS.

(a) IN GENERAL.—Section 1201(a) is amended by striking “$10,000,000” and inserting “$175,000”.

(b) CONFORMING AMENDMENTS.—

(1) Section 1201(c)(2) is amended by striking “$175,000” and inserting “$10,000,000”.

(2) Section 1201(c)(3) is amended by striking “$175,000” and inserting “$10,000,000”.

(3) Section 1201(d) is amended by striking the last sentence.

(4) Section 1201(e) is amended by striking “$10,000,000” and inserting “$5,000,000”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to the taxable year beginning after December 31, 2018.

Subtitle C—Tax Rates, Revenue, and Corporate Excess Benefits

SEC. 12003. TAX RATES.

(a) IN GENERAL.—Section 11011(a)(1) is amended by—

(1) striking “$10,000,000” and inserting “$175,000”, and

(2) in paragraph (3), by striking “$175,000” and inserting “$10,000,000”.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the Internal Revenue Code of 1986, and the rates of tax in effect at the time of such amendment are the rates of tax in effect at the time of such enactment.

Subtitle D—Corporate Excess Benefits

SEC. 12004. CORPORATE EXCESS BENEFITS.

(a) IN GENERAL.—Section 1202(a)(2) is amended by striking “$5,000,000” and inserting “$10,000,000”.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the Internal Revenue Code of 1986, and the rates of tax in effect at the time of such amendment are the rates of tax in effect at the time of such enactment.

Subtitle E—Partnership, S Corporation, and Professional Corporation Tax Rates

SEC. 12005. PARTNER, S CORPORATION, AND PROFESSIONAL CORPORATION TAX RATES.

(a) IN GENERAL.—Section 1203(a) is amended by striking “$10,000,000” and inserting “$175,000”.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the Internal Revenue Code of 1986, and the rates of tax in effect at the time of such amendment are the rates of tax in effect at the time of such enactment.
(18) Section 6655(e)(2) is amended by striking “and alternative minimum taxable income” each place it appears in subparagraphs (A) and (B). (c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 12002. CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY OF CORPORATIONS.

(a) CREDITS TREATED AS REFUNDABLE.—Section 53 is amended by adding at the end the following new subsection:

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(b) CREDIT TREATED AS REFUNDABLE.—For purposes of this title (other than this section), the credit allowed under subparagraph (A) for any taxable year shall be treated as a refundable credit under subsection (a) for such year. (c) E FFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.
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SUBTITLE C—Business-related Provisions

PART I—CORPORATE PROVISIONS

SEC. 13001. 21-PERCENT CORPORATE TAX RATE.

(a) IN GENERAL.—Subsection (b) of section 11301 is amended by striking “(i) in the case of any taxable year beginning after December 31, 2018, 2019, 2020, or 2021, the limitation under subsection (c) shall be increased by the amount of the minimum tax credit determined under subparagraph (B), and (ii) in subparagraph (A),” and inserting “(i) the tax credit amount is an amount equal to 50 percent of the dollar amount determined under subparagraph (B), and (ii) the tax credit amount determined under subparagraph (A) shall be the amount which bears the same ratio to the earnings and profits for such year as the number of days in such taxable year bears to 365.’’.

(b) CONFORMING AMENDMENTS.—In the case of any taxable year beginning after December 31, 2018, 2019, 2020, or 2021, the limitation under subsection (c) shall be increased by the amount of the minimum tax credit determined under subparagraph (B), and (ii) the tax credit amount determined under subparagraph (A) shall be the amount which bears the same ratio to the earnings and profits for such year as the number of days in such taxable year bears to 365.’’.

SEC. 13002. CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY OF CORPORATIONS.

(a) CREDITS TREATED AS REFUNDABLE.—Section 53 is amended by adding at the end the following new subsection:

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(b) CREDIT TREATED AS REFUNDABLE.—For purposes of this title (other than this section), the credit allowed under subsection (a) for any taxable year shall be treated as a refundable credit under subsection (a) for such year.
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(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13003. MINIMUM TAX LIABILITY OF CORPORATIONS.

(a) IN GENERAL.—In the case of any taxable year of a corporation beginning in 2018, 2019, 2020, or 2021, the limitation under subsection (c) shall be increased by the AMT refundable credit amount for such year.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13004. AMOUNT OF TAX.

(a) IN GENERAL.—In the case of any taxable year of a corporation beginning in 2018, 2019, 2020, or 2021, the limitation under subsection (c) shall be increased by the AMT refundable credit amount for such year.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13005. AMOUNT TREATED AS REFUNDBALE CREDIT.

(a) IN GENERAL.—In the case of any taxable year beginning after December 31, 2017, the credit amount is an amount equal to 50 percent of the dollar amount in subparagraph (B), and the $70,300 amount in subparagraph (A)(ii)(I), the $1,060,000 amount in subparagraph (A)(ii)(II), and the $1,600,000 amount in subparagraph (A)(ii)(III).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13006. EARNINGS AND PROFITS.

(a) IN GENERAL.—For purposes of this title (other than this section), the credit allowed under subparagraph (A) shall be treated as a credit allowed under part C (and not this subtitle).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13007. TREATMENT OF REFERENCES.

(a) IN GENERAL.—Any references in this subsection to section 55, 56, or 57 shall be treated as a reference to such section as in effect before the amendments made by this section.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13008. CONFORMING AMENDMENTS.

(a) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(c) CONFORMING AMENDMENTS.—Section 1374t(b)(3)(B) is amended by striking the last sentence.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13009. INCREASED EXEMPTION FOR INDIVIDUALS.

(a) IN GENERAL.—Section 55(d), as amended by the preceding provisions of this Act, is amended by adding at the end the following new paragraph:

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(4) SPECIAL RULE FOR TAXABLE YEARS BEGINNING BEFORE 2018 AND BEING AFTER DECEMBER 31, 2017.—In the case of any taxable year beginning after December 31, 2017, and before January 1, 2026, with respect to any taxable year after such date, the credit allowed under paragraph (3), determined by subtracting $109,400 from $78,750 in subparagraph (A), and $70,300 from $1,060,000 in subparagraph (B), shall be the amount of the minimum tax credit determined under subsection (b) (1) of the tax imposed by section 11.
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(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(c) CONFORMING AMENDMENTS.—Sections 1551(2), 6425(c)(3)(B), and 1201(a) are each amended by striking “or 1201(a),”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13010. INCREASED EXEMPTION FOR CORPORATIONS.

(a) IN GENERAL.—In the case of any taxable year of a corporation beginning in 2018, 2019, 2020, or 2021, the limitation under subsection (c) shall be increased by the AMT refundable credit amount for such year.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13011. INCREASED EXEMPTION FOR PARTNERSHIPS.

(a) IN GENERAL.—In the case of any taxable year of a partnership beginning in 2018, 2019, 2020, or 2021, the limitation under subsection (c) shall be increased by the AMT refundable credit amount for such year.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.
of this subtitle to one $250,000 ($150,000 if any component member is a corporation described in section 535(c)(2)(B)) amount for purposes of computing the accumulated earnings credit under section 535(c)(2) and (3). Such amount shall be divided equally among the component members of such group on such December 31 unless the Secretary prescribes regulations permitting an election of such amount.

(“(b) CERTAIN SHORT TAXABLE YEARS.—If a corporation has a short taxable year which does not include a December 31 and is a component member of a controlled group of corporations with respect to such taxable year, then for purposes of this subtitle, the amount to be used in computing the accumulated earnings credit under section 535(c)(2) and (3) of such corporation for such taxable year shall be the amount specified in subsection (a) with respect to such group, divided by the number of corporations subsection (c)(3) shall apply to groups on the last day of such taxable year. For purposes of the preceding sentence, section 156(b) shall be applied as if such last day were substituted for December 31.

(B) The table of sections for part II of subchapter B of chapter 5 is amended by striking the item relating to section 1561 and inserting the following new item:

“Sec. 1561. Limitation on accumulated earnings credit in the case of controlled corporations.”

(7) Section 751(b)(6)(A) is amended—

(A) by striking “with respect to the portion” and inserting “In the case of a taxpayer other than a corporation, with respect to the portion”, and

(B) by striking “34 percent in the case of a corporation”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in the amendments made by subsections (a) and (b) shall apply to taxable years beginning after December 31, 2017.

(2) WITHHOLDING.—The amendments made by subsection (c) shall apply to distributions made after December 31, 2017.

(3) CERTAIN TRANSFERS.—The amendments made by subsections (b) and (c) shall apply to transfers made after December 31, 2017.

(d) NORMALIZATION REQUIREMENTS.—

(1) IN GENERAL.—A normalization method of accounting shall not be treated as being used with respect to any property included in the regulations under section 535 with respect to ratemaking purposes and reflecting operating results in its regulated books of account, or to reflect lower tax rates resulting from the use of such method, unless the method results in a higher average rate of return on the property to the aggregate timing differences for the property as of the beginning of the period in question, by

(i) the amount of the timing differences which reverses within the period.

(2) ALTERNATIVE METHOD.—The “alternative method” is the method in which the taxpayer—

(A) computes the excess tax reserve on all public utility property included in the plant account on the basis of the weighted average life or composite rate used to compute depreciation for regulatory purposes, and

(B) reduces such reserve ratably over the remaining regulatory life of the property.

(3) TAX INCREASED FOR NORMALIZATION VIOLATIONS.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(b) DEDUCTIONS TO REFLECT LOWER CORPORATE INCOME TAX RATES.

(a) DIVIDENDS RECEIVED BY CORPORATIONS.—

(1) IN GENERAL.—Section 243(a)(1) is amended by striking “70 percent” and inserting “50 percent”.

(2) DIVIDENDS FROM 50-PERCENT OWNED CORPORATIONS.—Section 243(c)(1) is amended—

(A) by striking “80 percent” and inserting “65 percent”, and

(B) by striking “70 percent” and inserting “50 percent”.

(c) REPEAL OF EXCLUSION FOR CERTAIN PROPERTY.—The last sentence of section 179(b)(1) is amended by inserting “(other than paragraph (2) thereof)” after “section 59(b).”
“(3) ENTITIES WHICH MEET GROSS RECEIPTS TEST.—Paragraphs (1) and (2) of subsection (a) shall not apply to any corporation or partnership for any taxable year if such entity (or any predecessor or successor entity) meets the gross receipts test of section (c) for such taxable year.”.

(3) INFLATION ADJUSTMENT.—Section 448(c) is amended by adding at the end the following new paragraph:

“(A) such dollar amount, multiplied by

(B) the cost-of-living adjustment determined under section 481 as initiated by the taxpayer and made with the consent of the Secretary.”.

(4) CONSTRUCTION.—Paragraph (1) of section 481 as initiated by the taxpayer and made with the consent of the Secretary. Such change shall be treated for purposes of this section as if initiated by the taxpayer and made with the consent of the Secretary.

(5) APPLICATION TO PARTNERSHIPS.—Paragraph (3) of section 481 is amended by striking subparagraph (C) and inserting “the applicable percentage”.

(6) GENERAL RULE.—For purposes of this subsection:

“(A) Except as otherwise provided in this paragraph, the term ‘applicable percentage’ means—

“(i) in the case of a plant which is planted or grafted after December 31, 2017, and before January 1, 2023, 100 percent,

“(ii) in the case of a plant which is planted or grafted after September 27, 2017, and before January 1, 2024, 100 percent,

“(iii) in the case of a plant which is planted or grafted after December 31, 2023, and before January 1, 2025, 100 percent,

“(iv) in the case of a plant which is planted or grafted after December 31, 2024, and before January 1, 2026, 60 percent,

“(v) in the case of a plant which is planted or grafted after December 31, 2025, and before January 1, 2027, 40 percent,

“(vii) in the case of a plant which is planted or grafted after December 31, 2026, and before January 1, 2028, 20 percent,

“(B) RULE FOR PLANTS BEARING FRUITS AND NUTS.—In the case of a specified plant described in paragraph (5), the term ‘applicable percentage’ means—

“(i) in the case of a plant which is planted or grafted after December 31, 2017, and before January 1, 2023, 100 percent,

“(ii) in the case of a plant which is planted or grafted after December 31, 2023, and before January 1, 2025, 100 percent,

“(iv) in the case of a plant which is planted or grafted after December 31, 2026, and before January 1, 2028, 20 percent.

(7) COORDINATION WITH SECTION 481.—Any change in method of accounting made pursuant to this subsection shall apply to taxable years beginning after December 31, 2017, in taxable years ending after such date.

PART III—COST RECOVERY AND ACCOUNTING METHODS

SEC. 13201. TEMPORARY 100-PERCENT EXPENSING FOR CERTAIN BUSINESS ASSETS.

(a) INCREASED EXPENSING.—

(1) IN GENERAL.—Section 168(k) is amended—

(A) in paragraph (1)(A), by striking “50 percent” and inserting “the applicable percentage”, and

(B) in paragraph (5)(A)(i), by striking “50 percent” and inserting “the applicable percentage”.

(2) APPLICABLE PERCENTAGE.—Paragraph (6) of section 168(k) is amended to read as follows:

“(A) the applicable percentage—

(i) in the case of property placed in service after September 27, 2017, and before January 1, 2023, 100 percent,

(ii) in the case of property placed in service after December 31, 2023, and before January 1, 2025, 90 percent,

(iii) in the case of property placed in service after December 31, 2024, and before January 1, 2026, 80 percent,

(iv) in the case of property placed in service after December 31, 2025, and before January 1, 2027, 70 percent,

(v) in the case of property placed in service after December 31, 2026, and before January 1, 2028, 60 percent,

(vi) in the case of property placed in service after December 31, 2027, and before January 1, 2029, 50 percent,

(vii) in the case of property placed in service after December 31, 2028, and before January 1, 2030, 40 percent,

(viii) in the case of property placed in service after December 31, 2029, and before January 1, 2031, 30 percent,

(ix) in the case of property placed in service after December 31, 2030, and before January 1, 2032, 20 percent,

(x) in the case of property placed in service after December 31, 2031, and before January 1, 2033, 10 percent,

(xi) in the case of property placed in service after December 31, 2032, and before January 1, 2034, 0 percent,

(B) the term ‘applicable percentage’ means—

(B) in paragraph (2) of subsection (d), by inserting after December 31, 2023, and before January 1, 2025, 60 percent,

(v) in the case of property placed in service after December 31, 2025, and before January 1, 2027, 40 percent,

vi) in the case of property placed in service after December 31, 2027, and before January 1, 2029, 30 percent,

vii) in the case of property placed in service after December 31, 2029, and before January 1, 2031, 20 percent,

viii) in the case of property placed in service after December 31, 2030, and before January 1, 2032, 10 percent,

ix) in the case of property placed in service after December 31, 2031, and before January 1, 2033, 0 percent,

(C) RULE FOR PLANTS BEARING FRUITS AND NUTS.—In the case of a specified plant described in paragraph (5), the term ‘applicable percentage’ means—

(i) in the case of a plant which is planted or grafted after December 31, 2017, and before January 1, 2023, 100 percent,

(ii) in the case of a plant which is planted or grafted after December 31, 2023, and before January 1, 2025, 100 percent,

(iii) in the case of a plant which is planted or grafted after December 31, 2024, and before January 1, 2026, 60 percent,

(iv) in the case of a plant which is planted or grafted after December 31, 2025, and before January 1, 2027, 40 percent,

(v) in the case of a plant which is planted or grafted after December 31, 2026, and before January 1, 2028, 20 percent.

(D) CONFORMING AMENDMENT.—Paragraph (5) of section 168(k) is amended by striking subparagraph (F).
(B) Section 168(k) is amended by adding at the end the following new paragraph:

“(B) in the case of taxable years beginning after 2020, the term ‘qualified property’ shall not include—

(E) any property used in a trade or business that has had floor plan financing indebtedness (as defined in paragraph (9) of section 163(j)), if the floor plan financing interest relating to such indebtedness has been taken into account under paragraph (1)(C) of such section.”.

(f) SPECIAL RULE.—Section 168(k), as amended by this section, is amended by adding at the end the following new subparagraph:

“(A) in clause (i), by striking ‘$2,560’ and inserting ‘$16,000’.

(b) Extension.—(1) IN GENERAL.—Section 168(k) is amended—

(A) in paragraph (2)—

(i) in subparagraph (A)(ii), in clauses (i)(III) and (ii) of subparagraph (B), and subparagraph (E)(ii), by inserting ‘‘January 1, 2020’’ each place it appears and inserting ‘‘January 1, 2027’’, and

(ii) in subparagraph (B)—

(I) by striking ‘‘January 1, 2021’’ and inserting ‘‘January 1, 2027’’, and

(II) in the heading of clause (ii), by striking ‘‘PRE-JANUARY 1, 2020’’ and inserting ‘‘PRE-JANUARY 1, 2027’’;

(B) in paragraph (5)(A), by striking ‘‘January 1, 2020’’ and inserting ‘‘January 1, 2027’’.

(2) CONFORMING AMENDMENTS.—

(A) Clause (ii) of section 466(c)(6)(B) is amended by striking ‘‘January 1, 2020’’ and inserting ‘‘January 1, 2027’’.

(b) The heading of section 168(k) is amended by striking ‘‘ACQUIRED AFTER DECEMBER 31, 2007, AND BEFORE JANUARY 1, 2020’’ and inserting ‘‘ACQUIRED AFTER DECEMBER 31, 2017’’.

(c) IN GENERAL.—Section 168(k)(2)(A)(ii) is amended to read as follows:

“(ii) ACQUISITION REQUIREMENTS.—An acquisition of property meets the requirements of this clause if—

(I) the acquisition was of property which begins with the taxpayer or the acquisition of which by the taxpayer meets the requirements of clause (ii) of subparagraph (E), and—

(ii) ACQUISITION REQUIREMENTS.—An acquisition of property meets the requirements of this clause if—

(I) such property was not used by the taxpayer at any time prior to such acquisition, and

(II) the acquisition of such property meets the requirements of paragraphs (2)(A), (2)(B), (2)(C), and (3) of section 179(d).”.

(d) ANTI-ABUSE RULES.—Section 168(k)(2)(E) is further amended by adding clause (ii) of such subparagraph (E) to read as follows:

“(i) the acquisition of property which is primarily used in a trade or business described in clause (ii) of subsection (b)(7)(A), or

(ii) any property used in a trade or business that has had floor plan financing indebtedness (as defined in paragraph (9) of section 163(j)), if the floor plan financing interest relating to such indebtedness has been taken into account under paragraph (1)(C) of such section.”.

(e) SPECIAL RULE.—Section 168(k), as amended by this section, is amended by adding at the end the following new subparagraph:

“(A) in subparagraph (B), by striking ‘‘1988’’ and inserting ‘‘1997’’.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2017, in taxable years ending after such date.

SEC. 12203. MODIFICATIONS OF TREATMENT OF CERTAIN FARMS PROPERTY.

(a) Treatment of Certain Farm Property as 5-Year Property.—(1) IN GENERAL.—Section 168(e)(3)(B) is amended by striking ‘‘December 31, 2018’’ and inserting ‘‘before January 1, 2010’’.

(B) any property described in paragraph (2) which is placed in service after 2020.’’.

(b) Extension.—(1) IN GENERAL.—Section 168(k) is amended—

(A) in clause (i), by striking ‘‘$2,560’’ and inserting ‘‘$16,000’’,

(B) in clause (ii), by striking ‘‘$9,600’’ and inserting ‘‘$5,760’’.

(2) CONFORMING AMENDMENTS.—

(A) Clause (ii) of section 280F(d)(4)(A) is amended—

(i) by inserting ‘‘and’’ at the end of clause (iii),

(ii) by striking clause (iv), and

(C) by redesignating clause (v) as clause (iv).

(B) the following new paragraph:

“(C) by redesignating subparagraph (C) as subparagraph (B).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2017, in taxable years ending after such date.

SEC. 12204. APPLICABLE RECOVERY PERIOD FOR REAL PROPERTY.

(a) Improvements to Real Property.—

(1) Elimination of Qualified Leasehold Improvement.—(A) in clause (i), by striking clauses (ii), (v), (vii), and (viii), and

(B) in clause (vi), by inserting ‘‘and’’ at the end.

(ii) in clause (vii), by striking ‘‘and’’ and inserting a period, and

(ii) in clause (viii), by striking ‘‘and’’ and inserting a period, and

(iv) by redesignating clauses (ii), (vii), and (viii), as so amended, as clauses (ii), (vii), and (viii), respectively, and

(B) by striking paragraphs (6), (7), and (8).

(2) Application of Straight Line Method to Qualified Improvement Property.—Paragraph (3) of section 168(b) is amended—

(A) by striking subparagraphs (G), (H), and (I), and

(B) by inserting after subparagraph (F) the following new subparagraph:

“(G) Qualified improvement property described in subsection (e)(6).”.

(3) ALTERNATIVE DEPRECIATION SYSTEM.—

(ELECTING REAL PROPERTY TRADE OR BUSINESS.—Subsection (g) of section 168 is amended—

(1) in paragraph (1)—

(I) in subparagraph (D), by striking ‘‘and’’ at the end,

(II) in subparagraph (E), by inserting ‘‘and’’ at the end, and

(III) by inserting after subparagraph (E) the following new subparagraph:

“(F) ELECTING REAL PROPERTY TRADE OR BUSINESS.—The property described in this paragraph shall consist of any nonresidential real property, residential rental property, and qualified
improvement property held by an electing real property trade or business (as defined in section 168(h)(7)(B)).

(2) SPECIFIED IMPROVEMENT PROPERTY.—The term ‘‘specified improvement property’’ means, with respect to any taxable year, research or experimental expenditures which are attributable to a real property trade or business (as defined in section 168(h)(7)(B)) if—

(A) such expenditures were paid or incurred in a taxable year beginning after December 31, 2017;

(B) the amount allowable as a deduction for such expenditures under section 174 shall be reduced by the amount attributable to such expenditures with respect to any of the following—

(i) such change shall not be treated as made under subparagraph (E)(iv); and

(ii) the amount attributable to any such expenditures shall be treated as attributable to the taxable year in which such expenditures were paid or incurred.

(C) AMORPTIZATION OF RESEARCH AND EXPERIMENTAL EXPENDITURES.—For purposes of this section, the amount of any such expenditures which are attributable to a real property trade or business (as defined in section 168(h)(7)(B)) shall be included in the depreciable basis of such trade or business for any taxable year beginning after December 31, 2017.

SEC. 13207. EXPANDING THE DEVELOPMENT OF RESEARCH AND EXPERIMENTAL EXPENDITURES FOR AGRICULTURAL PURPOSES

(a) IN GENERAL.—Section 263A(d)(2) is amended by inserting after the end the following:—

‘‘(C) APPLICABLE RENTAL PERIOD FOR RESIDENTIAL RENTAL PROPERTY.—The term ‘‘residential rental property’’ means—

(i) a building placed in service after 1998;

(ii) the interior structural framework of the building; or

(iii) an apartment or condominium unit (as defined in section 469(e)).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to any amount paid or incurred after December 31, 2017.

(c) REGULATORY AUTHORITY.—The Commissioner of Internal Revenue shall prescribe regulations for purposes of this section.

SEC. 13208. EXPANDING THE DEVELOPMENT OF RESEARCH AND EXPERIMENTAL EXPENDITURES FOR AGRICULTURAL PURPOSES

(a) IN GENERAL.—Section 263A(d)(2) is amended by inserting after the end the following:—

‘‘(D) in paragraphs (2) and (3), respectively, and by inserting the following:

(iii) Residential rental property—30 years

(iv) Nonresidential real property—40 years

(v) Any railroad grading or tunnel bore or water utility property—50 years

(4) CONFORMING AMENDMENTS.—

(A) Clause (i) of section 168(a)(2)(A) is amended—

(i) in clause (ii), by striking ‘‘or’’ and inserting ‘‘or any other property, if such improvement is placed in service after the date such building was first placed in service.’’

(B) (C) Certain Improvements Not Included.—

(i) IN GENERAL.—The term ‘‘certain improvements not included’’ means any improvement to—

(ii) any elevator or escalator, or

(iii) the internal structural framework of the building;’’ and

(ii) in subsection (k), by striking paragraph (3).

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to any amount paid or incurred after December 31, 2017.

(2) AMENDMENTS RELATED TO ELECTING REAL PROPERTY TRADE OR BUSINESS.—The amendments made by subsection (a)(3)(A) shall apply to taxable years beginning after December 31, 2017.

SEC. 13205. USE OF ALTERNATIVE DEPRECIATION SYSTEM FOR ELECTING FARMING BUSINESSES.

(a) IN GENERAL.—Section 168(g)(1), as amended by section 13204, is amended by striking ‘‘and’’ at the end of subparagraph (E), by inserting ‘‘and’’ at the end of subparagraph (F), and by striking subparagraph (G) and inserting the following subparagraph:

‘‘(G) in any year with a recovery period of 10 years or more which is held by an electing farming business (as defined in section 168(h)(7)(C)).’’

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13206. AMORTIZATION OF RESEARCH AND EXPERIMENTAL EXPENDITURES.

(a) IN GENERAL.—Section 174 is amended to read as follows—

‘‘SEC. 174. AMORTIZATION OF RESEARCH AND EXPERIMENTAL EXPENDITURES.

‘‘(a) IN GENERAL.—In the case of a taxpayer’s specified research or experimental expenditures for any taxable year—

‘‘(1) except as provided in paragraph (2), no deduction shall be allowed for such expenditures, and

‘‘(2) the taxpayer shall—

(A) charge such expenditures to capital account, and

(B) be allowed an amortization deduction of such expenditures ratably over the 5-year period (15-year period in the case of any specified research or experimental expenditures which are attributable to foreign research, such expenditures ratably over the 5-year period) in which such expenditures are paid or incurred.

‘‘(b) SPECIFIED RESEARCH OR EXPERIMENTAL EXPENDITURES.—For purposes of this section, ‘‘specified research or experimental expenditures’’ means, with respect to any taxable year, research or experimental expenditures which are paid or incurred by the taxpayer during such taxable year in connection with the taxpayer’s trade or business.

‘‘(c) SPECIAL RULES.—

‘‘(1) LAND AND OTHER PROPERTY.—This section shall not apply to any expenditure for the acquisition of, or the improvement of, or for the acquisition or improvement of property to be used in connection with the conduct of a trade or business which is subject to the allowance under section 167 (relating to depreciation, etc.) or section 611 (relating to depletion); and for purposes of this section allowances under section 167, and allowances under section 611, shall be considered as expenditures.

‘‘(2) EXPANSION EXPENDITURES.—This section shall not apply to any expenditure paid or incurred for the purpose of ascertaining the existence, location, extent, or quality of any deposit of ore or other mineral (including oil and gas).

‘‘(3) SOFTWARE DEVELOPMENT.—For purposes of this section, the amount paid or incurred in connection with the development of any software shall be treated as a research or experimental expenditure.

‘‘(4) TREATMENT UPON DISPOSITION, RETIREMENT, OR ABANDONMENT.—If any property with respect to which specified research or experimental expenditures are paid or incurred is disposed of, retired, or abandoned during the period during which such expenditures are allowed as an amortization deduction under this section, no deduction shall be allowed with respect to such expenditures on account of such disposition, retirement, or abandonment and such amortization deduction shall continue with respect to such expenditures.

‘‘(5) EFFECTIVE DATE.—The amendments made by this section shall apply to any amount paid or incurred after the date which is 10 years after the date of the enactment of this Act.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or incurred after the date which is 10 years after the date of the enactment of this Act.

Subpart B—Accounting Methods

SEC. 13221. CERTAIN SPECIAL RULES FOR TAXABLE YEARS OF INCLUSION.

(a) INCLUSION NOT LATER THAN FOR FINANCIAL ACCOUNTING PURPOSES.—Section 481(d) is amended by redesignating subsections (b) through (i) as subsections (c) through (i), respectively, and by inserting after subsection (a) the following new subsection:

‘‘(b) INCLUSION NOT LATER THAN FOR FINANCIAL ACCOUNTING PURPOSES.—

‘‘(1) INCOME TAKEN INTO ACCOUNT IN FINANCIAL STATEMENT.—

‘‘(A) IN GENERAL.—In the case of a taxpayer the taxable income of which is computed under an accrual method of accounting, all items of income (and any portion thereof) shall not be treated as met any later than when such item (or portion thereof) is taken into account in revenue in—

(i) an applicable financial statement of the taxpayer, or

(ii) such other financial statement as the Secretary may specify for purposes of this subsection.

‘‘(B) EXCEPTION.—This paragraph shall not apply to—

(i) a taxpayer which does not have a financial statement described in clause (i) or (ii) of subparagraph (A) for a taxable year; or

(ii) any item of gross income in connection with a mortgage servicing contract.

(c) ALL AMENDMENTS OF THIS TITLE.—All amendments of this title which are effective after the date of the enactment of this Act shall be treated as amendments made by the Secretary for purposes of this section, the all events test is met with respect to any item of gross income if all the events have
occur when the right to receive such income and the amount of such income can be determined with reasonable accuracy.

(2) COORDINATION WITH SPECIAL METHODS OF ACCOUNTING—Paragraph (1) shall not apply with respect to any item of gross income for which the taxpayer uses a special method of accounting provided under any other provision of this chapter to determine taxable income, or under part V of subchapter P (except as provided in clause (ii) of paragraph (1)(B)).

(3) Altered advance payment.—For purposes of this subsection, the term ‘applicable financial statement’ means—

(A) a financial statement which is certified as being prepared in accordance with generally accepted accounting principles and which—

(1) is a 10-K (or successor form), or annual statement to shareholders, required to be filed by the taxpayer with the United States Securities and Exchange Commission, or

(2) an audited financial statement of the taxpayer which is used for—

(i) its credit purposes,

(ii) reporting to shareholders, partners, or other proprietors, or to beneficiaries, or

(iii) any other purpose, but only if there is no statement of the taxpayer described in clause (i), or

(iv) the taxpayer with any other Federal agency for purposes other than Federal tax purposes, but only if there is no statement of the taxpayer described in clause (i) or (ii), or

(v) a statement prepared in accordance with any standard not less stringent than the standards required by such Commission, but only if there is no statement of the taxpayer described in subparagraph (A), or

(C) a financial statement filed by the taxpayer with any governmental body specified by the Secretary, but only if there is no statement of the taxpayer described in subparagraph (A) or (B).

(b) TREATMENT OF ADVANCE PAYMENTS.—Section 451, as amended by subsection (a), is amended by redesignating subsections (c) through (e) as (d) through (f), respectively, and by inserting after subsection (b) the following new subsection:

‘‘(c) TREATMENT OF ADVANCE PAYMENTS.—(1) Paragraph which computes taxable income under the accrual method of accounting, and receives any advance payment during the taxable year, shall—

(A) except as provided in subparagraph (B), include such advance payment in gross income for such taxable year, or

(B) if the taxpayer elects the application of this subsection with respect to the category of advance payments to which such advance payment belongs, the taxpayer shall—

(i) include such portion of such advance payment as is required to be included in gross income in the taxable year in which such payment is received, so included shall be taxed as if it were received at the beginning of the taxable year,

(ii) include the remaining portion of such advance payment in gross income in the taxable year following the taxable year in which such payment is received.

(2) ELECTION.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the election provided by paragraph (1)(B) shall be made at such time, in such form and manner, and with respect to such categories of advance payments, as the Secretary determines.

(B) PERIOD TO WHICH ELECTION APPLIES.—An election under paragraph (1)(B) shall be effective for the taxable year with respect to which it is first made and all subsequent taxable years, unless the taxpayer secures the consent of the Secretary to revoke such election. For purposes of this title, the computation of taxable income under paragraph (1)(B) shall be treated as a method of accounting.

(3) TAXPAYERS CEASING TO EXIST.—Except as otherwise provided by the Secretary, the election under paragraph (1)(B) shall not apply with respect to advance payments received by the taxpayer during a taxable year, unless such taxpayer causes to exist during (or with the close of) such taxable year.

(4) ADVANCE PAYMENT.—For purposes of this subsection—

(A) IN GENERAL.—The term ‘advance payment’ means any payment—

(i) the full inclusion of which in the gross income of the taxable year of receipt is a permissible method of accounting under this section (determined without regard to this subsection), and

(ii) for which payment in accordance with subparagraph (B)(ii) of paragraph (1) (B) shall be treated as a method of accounting.

(B) EXCLUSIONS.—Except as otherwise provided by the Secretary, such term shall not include—

(i) rent,

(ii) insurance premiums governed by subchapter L,

(iii) payments with respect to financial instruments,

(iv) payments with respect to warranty or guarantee contracts under which a third party is the primary obligor,

(v) payments subject to section 871(a), 881, 1441, or 1442,

(vi) payments in property to which section 83 applies, and

(vii) payments subject to section 871(a), 881, 1441, or 1442.

(C) RECEIPT.—For purposes of this subsection, an item of gross income is received by the taxpayer if it is actually or constructively received, or if it is due and payable to the taxpayer.

(D) ALLOCATION OF TRANSACTION PRICE.—For purposes of this subsection, rules similar to those in section 512(b)(4) shall apply.

(E) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(2) COORDINATION WITH SECTION 451.—(1) IN GENERAL.—In the case of any qualified change in method of accounting for the taxpayer’s first taxable year beginning after December 31, 2017, such change shall be treated as initiated by the taxpayer, and

(B) such change shall be treated as made with the consent of the Secretary of the Treasury.

(2) QUALIFIED CHANGE IN METHOD OF ACCOUNTING.—For purposes of this subsection, a ‘‘qualified change in method of accounting’’ means any change in method of accounting which—

(A) is required by the amendments made by this section,

(B) was prohibited under the Internal Revenue Code of 1986 prior to such amendments and is permitted under such Code after such amendments.

(e) SPECIAL RULES FOR ORIGINAL ISSUE DISCOUNT.—Notwithstanding subsection (c), in the case of any debt instrument having an original issue discount, (1) the amendments made by this section shall apply to taxable years beginning after December 31, 2017, and

(2) the period for taking into account any adjustments under section 461 by reason of a decrease in the fair market value of such debt instrument (which is first made and all subsequent taxable years).

(3) REGULATORY AUTHORITY.—(a) IN GENERAL.—In the case of any qualified change in method of accounting, the requirements of paragraphs (1) and (2) shall be treated as a method of accounting.

(b) EXEMPTION FOR CERTAIN SMALL BUSINESSES.—In the case of any taxpayer other than a tax shelter prohibited from using the cash receipts and disbursements method of accounting under section 446, the gross receipts test of section 446(c) shall apply to such taxpayer for such taxable year. In the case of any taxpayer which is not a corporation or a partnership, the gross receipts test of section 446(c) shall be applied in the same manner as if such taxpayer were a corporation or partnership.

(f) APPLICATION TO PARTNERSHIPS, ETC.—(A) IN GENERAL.—In the case of any partnership—

(i) this subsection shall be applied at the partnership level and any deduction for business interest shall be taken into account in determining the separately stated taxable income of each partner.

(ii) the adjusted taxable income of each partner shall be determined without regard to such partner’s distributive share of any items of income, gain, deduction, or loss of such partnership, and

(iii) such increase shall be included in the distributive share of such partner’s separately stated taxable income.

For purposes of clause (ii)(1), a partner’s distributive share of partnership excess business income shall be determined in the same manner as the partner’s distributive share of nonseparately stated taxable income.

(B) SPECIAL RULES FOR CARRYFORWARDS.—(1) IN GENERAL.—The amount of any business interest not allowed as a deduction for any taxable year by reason of paragraph (1) shall be treated as business interest paid or accrued in the succeeding taxable year.

(2) EXEMPTION FROM ADJUSTMENT.—In the case of any taxpayer (other than a tax shelter prohibited from using the cash receipts and disbursements method of accounting under section 446) which meets the gross receipts test of section 446(c) for any taxable year, paragraph (1)(B) shall not apply to such taxpayer for such taxable year. In the case of any taxpayer which is not a corporation or a partnership, the gross receipts test of section 446(c) shall be applied in the same manner as if such taxpayer were a corporation or partnership.

(3) CATEGORIES OF ADVANCE PAYMENTS.—For purposes of this paragraph, the term ‘advance payment’ includes any item of gross income which is properly included under paragraph (1)(B) and which is excluded as a result of a decrease in the fair market value of such debt instrument.
“(I) such excess business interest shall be treated as business interest paid or accrued by the partner in the next succeeding taxable year in which the partner is allocated such excess taxable income attributable to partnership, but only to the extent of such excess taxable income, and

“(II) any portion of such excess business interest remaining after the application of subparagraph (I) shall, subject to the limitations of subsection (I), be treated as business interest paid or accrued in succeeding taxable years.

For purposes of applying this paragraph, excess taxable income allocated to a partner from a partnership for any taxable year shall not be taken into account under paragraph (1)(A) with respect to any business interest other than excess business interest from the partnership until all such excess business interest for such taxable year and all preceding taxable years has been treated as business interest paid or accrued under clause (ii).

“(iii) BASIS ADJUSTMENTS.—

“(I) In general.—The adjusted basis of a partner in a partnership interest shall be reduced (but not below zero) by the amount of excess business interest allocated to the partner under clause (i)(II).

“(II) SPECIAL RULE FOR DISPOSITIONS.—If a partner disposition[s] of a partnership interest, the adjusted basis of the partner in the partnership interest shall be increased immediately before the disposition amount of the interest (I) if any of the amount of the basis reduction under clause (i) over the portion of any excess business interest allocated to the partner under clause (ii)(II) which has previously been treated under this paragraph as business interest paid or accrued by the partner. The preceding sentence shall also apply to transfers of the partnership interest (by reason of death) in a transaction in which gain is not recognized in whole or in part. No deduction shall be allowed to the transferor or transferee under this chapter for any business interest resulting in a basis increase under this subparagraph.

“(C) EXCESS TAXABLE INCOME.—The term ‘excess taxable income’ means, with respect to any partnership, the amount which bears the same ratio to the partnership’s adjusted taxable income as—

“(I) the excess (if any) of—

“(A) the amount determined for the partnership under paragraph (1)(B), over

“(B) the amount (if any) by which the business interest in the partnership, reduced by the floor plan financing interest, exceeds the business interest income of the partnership, bears to

“(II) the amount determined for the partnership under paragraph (1)(B).

“(D) APPLICATION TO S CORPORATIONS.—Rules similar to the rules of subparagraphs (A) and (C) shall apply with respect to any S corporation and the partner thereof.

“(5) BUSINESS INTEREST.—For purposes of this subsection, the term ‘business interest’ means any interest paid or accrued on indebtedness properly allocable to a trade or business. Such term shall not include investment interest (within the meaning of subsection (d)).

“(6) INTEREST INCOME.—For purposes of this subsection, the term ‘interest income’ means the amount of interest includable in the gross income of the taxpayer for the taxable year which is properly allocable to a trade or business. Such term shall not include investment income (within the meaning of subsection (d)).

“(7) TRUST OR BUSINESS.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘trust or business’ includes—

“(i) the trade or business of performing services as an employee,

“(ii) any electing real property trade or business,

“(iii) any electing farming business, or

“(iv) the trade or business of the furnishing or sale of services,

“(v) electrical energy, water, or sewage disposal services,

“(vi) (I) gas or steam through a local distribution system, or

“(II) transportation of gas or steam by pipeline,

“(vii) the rates for such furnishing or sale, as the case may be, have been established or approved by a State or political subdivision thereof, by any agency or instrumentality of the United States, or by any public utility commission or other similar body of any State or political subdivision thereof, or by the governing or ruling body of an electric cooperative.

“(B) ELECTING REAL PROPERTY TRADE OR BUSINESS.—For purposes of this paragraph, the term ‘electing real property trade or business’ means any trade or business which is described in section 1248(g)(2) and which makes an election under this subparagraph. Any such election shall be made at such time and in such manner as the Secretary shall prescribe, and, once made, shall be irrevocable.

“(C) ELECTING FARMING BUSINESS.—For purposes of this paragraph, the term ‘electing farming business’ means—

“(i) a farming business (as defined in section 263A(e)(4)) which makes an election under this subparagraph,

“(ii) any trade or business of a specified agricultural or horticultural cooperative (as defined in section 199A(g)(2)) with respect to which the cooperative makes an election under this subparagraph.

“Any such election shall be made at such time and in such manner as the Secretary shall prescribe, and, once made, shall be irrevocable.

“(D) DETERMINATION OF TAXABLE INCOME.—For purposes of this section, the term ‘taxable income’ means the taxable income of the taxpayer for the taxable year which is properly allocable to a trade or business.

“(E) SCHEDULE.—For purposes of this subsection, the term ‘adjusted taxable income’ means the taxable income of the taxpayer for the taxable year which is properly allocable to a trade or business.

“(F) ELECTING REAL ESTATE.—For purposes of this section—

“(i) computed without regard to—

“(A) any item of income, gain, deduction, or loss which is not properly allocable to a trade or business,

“(B) any business interest or business interest income,

“(iii) the amount of any net operating loss deduction under section 172,

“(iv) the amount of any deduction allowed under section 199, and

“(v) in the case of taxable years beginning before January 1, 2022, any deduction allowable under section 163, and

“(vi) in the case of taxable years beginning after January 1, 2022, any deduction allowable under section 199A, and

“(vi) in the case of taxable years beginning after January 1, 2022, any deduction allowable under section 172(b)(2),

“(vii) the amount of any deduction allowed under section 199A, and

“(viii) in the case of taxable years beginning after January 1, 2022, any deduction allowable under section 172(b)(2).
(ii) FARMING LOSS.—For purposes of this section, the term ‘farming loss’ means the lesser of—

(i) the amount which would be the net operating loss for the taxable year if only income and deductions attributable to farming businesses (as defined in section 263A(e)(4)) are taken into account, or

(ii) the amount of the net operating loss for such taxable year.

(iii) COORDINATION WITH PARAGRAPH (2)—For purposes of applying paragraph (2), a farming loss for any taxable year shall be treated as a separate net operating loss for such taxable year to be taken into account after the remaining portion of the net operating loss for such taxable year.

(iv) IN GENERAL.—Any taxpayer entitled to a 2-year carryback under clause (i) from any loss year may elect not to have such clause apply to such loss year. Such election shall be made in such manner as prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer’s return for the taxable year of the net operating loss. Such election by a non-corporate taxpayer for any taxable year shall be irrevocable for such taxable year.

(2) CONFORMING AMENDMENTS.—

(A) Section 172 is amended by striking subsection (a)(7), (f), and (g) and redesignating subsection (i) as subsection (f).

(B) Section 537(b)(4) is amended by inserting “(as in effect before the date of enactment of the Tax Cuts and Jobs Act)” after “as defined in.”

(C) Section 1031(h) is amended to read as follows:

(1) TREATMENT OF CERTAIN INSURANCE LOSES.—

(A) In paragraph (2)(A), by striking “(C) INSURANCE COMPANIES.—In the case of an insurance company (as defined in section 816(a)) other than a life insurance company, the net operating loss for any taxable year—”

(ii) shall be a net operating loss carryback to each of the 2 taxable years preceding the taxable year of such loss, and

(iii) shall be a net operating loss carryover to each of the 20 taxable years following the taxable year of such loss.”.

(B) EXEMPTION FROM LIMITATION.—Section 172, as amended by subsections (b)(2) and (c)(1), is amended by adding at the end the following new subparagraph:

(C) INSURANCE COMPANIES.—In the case of an insurance company (as defined in section 816(a)) other than a life insurance company, the net operating loss for any taxable year—

(i) shall be a net operating loss carryback to each of the 2 taxable years preceding the taxable year of such loss, and

(ii) shall be a net operating loss carryover to each of the 20 taxable years following the taxable year of the loss.”.

(3) CARRYFORWARDS AND CARRYBACKS.—The amendments made by subsections (a) and (d)(2) shall apply to losses arising in taxable years beginning after December 31, 2017.

(2) CARRYFORWARDS AND CARRYBACKS.—The amendments made by subsections (b), (c), and (d)(1) shall apply to net operating losses arising in taxable years beginning before January 1, 2018.

SEC. 13303. LIKE-KIND EXCHANGES OF REAL PROPERTY.

(a) IN GENERAL.—Section 1031(a)(1) is amended—

(i) by inserting “as defined in” before “section 263A(e)(4)” in each place it appears and inserting “real property”.

(ii) by striking “property” each place it appears and inserting “real property”.

(iii) by redesignating subsection (f) as subsection (e), and

(iv) by redesignating subsection (g) as subsection (f).

(b) CONFORMING AMENDMENTS.—

(I) Paragraph (2) of section 1031(a) is amended by redesignating paragraphs (1) through (3) as paragraphs (2) through (4) respectively.

(II) subparagraph (C) of section 1031(d)(1) is amended by redesignating paragraph (2) as paragraph (3).

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to exchanges completed after December 31, 2017.

(2) TRANSITION RULE.—The amendments made by this section shall not apply to any exchange if—

(A) the property disposed of by the taxpayer in the exchange is disposed of on or before December 31, 2017, or

(B) the property received by the taxpayer in the exchange is received on or before December 31, 2017.

SEC. 13304. LIMITATION ON DEDUCTION BY EMPLOYERS OF EXPENSES FOR FRINGE BENEFITS.

(a) NO DEDUCTION ALLOWED FOR ENTERTAINMENT EXPENSES.—

(1) IN GENERAL.—Section 274(a) is amended—

(A) by striking paragraph (1)(A), by striking “unusual and all that follows through ‘trade or business’,” and

(B) by striking the flush sentence at the end of paragraph (1)(B).

(2) CONFORMING AMENDMENTS.—

(A) Section 274(d) is amended—

(i) by striking paragraph (2) and redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively, and

(ii) in the flush text following paragraph (3) (as so redesignated) by inserting “entertainment, amusement, recreation, or use of the facility or property,” in item (B), and

(III) by striking “and” in subparagraph (B)(i).

(B) Section 274 is amended by striking subsection (l).

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section are effective—

(i) in subparagraph (B), by striking “in the case of an expense for food or beverages,”.

(ii) by striking paragraph (C) and redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

(iii) by striking “of subparagraph (E)” the last sentence and inserting “of subparagraph (D)”.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section are effective—

(i) in paragraph (2), by striking “as provided in section 101(a)”.

(ii) in paragraph (3), by striking “at the end” and inserting “the end”.

(iii) in subparagraph (B)(i), by striking “in subparagraph (D)”.

(iv) in subparagraph (C)(i), by striking “the case of an expense for food or beverages,”.

(e) MEALS PROVIDED ON OR NEAR BUSINESS PREMISES ALLOWED FOR DEDUCTION.—

(1) IN GENERAL.—Section 274(n) is amended to read as follows:

TAXATION AND COMMUTING BENEFITS.—Section 274, as amended by subsection (a), is amended—

(1) by inserting after subsection (k) the following new subsection:

(II) by striking “(D) the business relationship to the taxpayer of persons entertained, using the facility or property, or receiving the gift,” and

(3) by striking “of subparagraph (D)” in the last sentence and inserting “of subparagraph (C)”.

(4) by striking “in subparagraph (C)” in the last sentence and inserting “in subparagraph (B)”.

(5) by inserting after subsection (m) the following new subsection:

(4) QUALIFIED TRANSPORTATION FRINGES.—No deduction shall be allowed under this chapter for the expense of any qualified transportation fringe (as defined in section 123(f)(3)) provided to an employee of the taxpayer.”.

(2) by inserting after subsection (k) the following new subsection:

(b) by adding at the end the following new paragraph:

Deduction for the expense of any qualified transportation fringe (as defined in section 123(f)(3)) provided to an employee of the taxpayer, and

(ii) in subparagraph (B), by striking “in the case of a qualified bicycle commuting reimbursement (as described in section 123(f)(5)(F)), this subsection shall not apply for any amounts paid or incurred after December 31, 2017, and before January 1, 2026.”.

(e) ELIMINATION OF DEDUCTION FOR MEALS PROVIDED AT CONVENIENCE OF EMPLOYER.—Section 274, as amended by subsection (c), is amended—

(1) by redesigning subsection (o) as subsection (p), and

(2) by inserting after subsection (n) the following new subsection:

(o) MEALS PROVIDED AT CONVENIENCE OF EMPLOYER.—No deduction shall be allowed under this chapter for the expense of meals described in section 132(e)(2), and any expense for food or beverages, including under section 132(e)(1), associated with such facility, or

(2) any expense for meals described in section 132(e)(2).
(e) Effective Date.—
(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to amounts incurred or paid after December 31, 2017.

(2) EFFECTIVE DATE FOR ELIMINATION OF DEDUCTION FOR MEALS PROVIDED AT CONVENIENCE OF EMPLOYER.—The amendments made by subsection (d) shall apply to amounts incurred or paid after December 31, 2025.

SEC. 13305. REPEAL OF DEDUCTION FOR INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 is amended by striking section 199 (and the notes relating to such section in the table of sections for such part).

(b) CONFORMING AMENDMENTS.—
(1) Sections 56(b)(2)(A), 135(f)(4)(A), 137(b)(3)(A), 219(g)(1)(A)(ii), 221(b)(2)(C), 222(b)(2)(C), 246(b)(1), and 469(e)(3)(F)(iii) are each amended by striking “199.”

(2) Section 170(b)(2)(D), as amended by subtitle A, is amended by striking clause (iv), and by redesignating clauses (v) and (vi) as clauses (iv) and (v), respectively.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13306. DENIAL OF DEDUCTION FOR CERTAIN FINES, PENALTIES, AND OTHER AMOUNTS.

(a) Denial of Deduction.—
(1) IN GENERAL.—Section (f) of section 162 is amended to read as follows:—

“(f) Fines, Penalties, and Other Amounts.—

“(1) IN GENERAL.—Except as provided in the following paragraphs of this subsection, no deduction otherwise allowable shall be allowed under this chapter for any amount paid or incurred (whether by suit, agreement, or otherwise) to, or at the direction of, a government or governmental entity in relation to the violation of any law or the investigation or inquiry by such government or entity into the potential violation of any law.

“(2) EXCEPTION FOR AMOUNTS CONSTITUTING RESTITUTION OR PAID TO COME INTO COMPLIANCE WITH LAW.—

“(A) IN GENERAL.—Paragraph (1) shall not apply to any amount that—

“(i) the taxpayer establishes—

“(I) constitutes restitution (including remediation of property) for damage or harm which was or may be caused by the violation of any law or the potential violation of any law, or

“(II) is paid to come into compliance with any law which was violated or otherwise involved in the investigation or inquiry described in paragraph (1); and

“(iii) in the case of any amount of restitution for failure to pay any tax imposed under this title in an amount greater than such tax, would have been allowed as a deduction under this chapter if it had been timely paid.

“The identification under clause (ii) alone shall not be sufficient to make the establishment required under clause (i).

“(B) LIMITATION.—Subparagraph (A) shall not apply where paid or incurred as reimbursement to the government or entity for the costs of any investigation or litigation.

“(2) EXCEPTION FOR AMOUNTS PAID OR INCURRED AS THE RESULT OF CERTAIN COURT ORDERS.—Paragraph (1) shall not apply to any amount paid or incurred by reason of any order of a court which is not a court of a government or governmental entity.

“(3) EXCEPTION FOR TAXES DUE.—Paragraph (1) shall not apply to any amount paid or incurred as taxes due. 

“(4) TREATMENT OF CERTAIN NONGOVERNMENTAL REGULATORY ENTITIES.—For purposes of this subsection, the following nongovernmental entities shall be treated as governmental entities:

“(A) Any nongovernmental entity which exercises self-regulatory powers (including imposing sanctions) in connection with a board or exchange (as defined in section 1256(g)(7)).

“(B) To the extent provided in regulations, any nongovernmental entity which exercises self-regulatory powers (including imposing sanctions) as part of performing an essential governmental function.”

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to amounts paid or incurred on or after the date of the enactment of this Act, except that such amendments shall not apply to amounts paid or incurred under any binding order or agreement entered into before such date. Such exception shall not apply to an order or agreement requiring court approval unless the approval was obtained before such date.

(b) REPORTING OF DEDUCTIBLE AMOUNTS.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 is amended by inserting after section 6050W the following new section:

“SEC. 6050X. INFORMATION WITH RESPECT TO CERTAIN FINES, PENALTIES, AND OTHER AMOUNTS.

“(a) REQUIREMENT OF REPORTING.—

“(1) IN GENERAL.—The appropriate official of any government or any entity described in section 1621(f)(5) which is involved in a suit or agreement described in paragraph (2) shall make a return in such form as determined by the Secretary setting forth—

“(A) the amount required to be paid as a result of the suit or agreement to which paragraph (1) of section 1621 applies,

“(B) any amount required to be paid as a result of the suit or agreement which constitutes restitution or remediation of property, and

“(C) any amount required to be paid as a result of the suit or agreement for the purpose of coming into compliance with any law which was violated or involved in the investigation or inquiry.

“(2) SUIT OR AGREEMENT DESCRIBED.—

“(A) IN GENERAL.—A suit or agreement is described in this paragraph if—

“(i) it is a suit with respect to a violation of any law over which the government or entity has authority and with respect to which there has been a court order, or

“(ii) an agreement which is entered into with respect to a violation of any law over which the government or entity has authority, or with respect to an investigation by the government or entity into the potential violation of any law over which such government or entity has authority, and

“(B) ADJUSTMENT OF REPORTING THRESHOLD.—The Secretary shall adjust the $600 amount in subparagraph (A)(ii) as necessary in order to ensure the efficient administration of the internal revenue laws.

“(3) TIME OF FILING.—The return required under this subsection shall be filed at the time the agreement is entered into, as determined by the Secretary.

“(b) STATEMENTS TO BE FURNISHED TO INDIVIDUALS INVOLVED IN THE SETTLEMENT.—Every person required to make a return under subsection (a) shall furnish to each person who is a party to the suit or agreement a written statement showing—

“(1) the name of the government or entity, and

“(2) the information supplied to the Secretary under subsection (a).”

The written statement required under the preceding sentence shall be furnished to the person at the same time the government or entity provides the Secretary with the information required under subsection (a).

“(c) APPROPRIATE OFFICIAL DEFINED.—For purposes of this section—

“(1) ‘Appropriate official’ means the officer or employee having control of the suit, investigation, or inquiry or the person appropriately designated for purposes of this section.

(2) CONFORMING AMENDMENT.—The table of sections for subsection (b) of section 6104 of chapter 1 is amended by inserting after section 6103 the following new section:

“Sec. 6104X. Information with respect to certain fines, penalties, and other amounts.”

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred on or after the date of the enactment of this Act, except that such amendments shall not apply to amounts paid or incurred under any binding order or agreement entered into before such date. Such exception shall not apply to an order or agreement requiring court approval unless the approval was obtained before such date.

SEC. 13307. DENIAL OF DEDUCTION FOR SETTLEMENTS SUBJECT TO NONDISCLOSURE AGREEMENTS PAID IN CONNECTION WITH SEXUAL HARASSMENT OR SEXUAL ABUSE.

(a) Denial of Deduction.—Section 162 is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

“(q) PAYMENTS RELATED TO SEXUAL HARASSMENT AND SEXUAL ABUSE.—No deduction shall be allowed under this chapter for—

“(1) any settlement or payment related to sexual harassment or sexual abuse if such settlement or payment is subject to a nondisclosure agreement, or

“(2) attorney’s fees related to such a settlement or payment.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act.

SEC. 13308. REPEAL OF DEDUCTION FOR LOCAL LOBBYING EXPENSES.

(a) IN GENERAL.—Section 162(e) is amended by striking paragraphs (2) and (7) and by redesignating paragraphs (3), (4), (5), and (6), as paragraphs (2), (3), (4), and (5), respectively.

(b) CONFORMING AMENDMENT.—Section 6033(e)(1)(B)(ii) is amended by striking ‘section 162(e)(5)(B)(ii)” and inserting “section 162(e)(4)(B)(ii)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred on or after the date of the enactment of this Act.

SEC. 13309. RECHARACTERIZATION OF CERTAIN GAINS IN THE CASE OF PARTNER-PROFIT INTERESTS HELD IN CONNECTION WITH PERFORMANCE OF INVESTMENT SERVICES.

(a) IN GENERAL.—Part IV of subchapter O of chapter 1 is amended—

(1) by redesigning section 1061 as section 1062, and

(2) by inserting after section 1060 the following new section:

“Sec. 1061. Partnership interests held in connection with performance of investment services.

“(a) IN GENERAL.—If one or more applicable partnership interests are held by a taxpayer at
any time during the taxable year, the excess (if any) of—

(1) the taxpayer’s net long-term capital gain with respect to such interests for such taxable year,

(2) the taxpayer’s net long-term capital gain with respect to such interests for such taxable year computed by applying paragraphs (3) and (4) of sections 1222 by substituting ‘3 years’ for ‘1 year’,

shall be treated as short-term capital gain, notwithstanding section 83 or any election in effect under section 83(b).

(“b) SPECIAL RULE.—To the extent provided by the Secretary, subsection (a) shall not apply to income or gains attributable to any asset not held for portfolio investment on behalf of third party investors.

(“c) APPLICABLE PARTNERSHIP INTEREST.—For purposes of this section—

(“1) IN GENERAL.—Except as provided in this paragraph or paragraph (4), the term ‘applicable partnership interest’ means any interest in a partnership which, directly or indirectly, is transferred to (or is held by) the taxpayer in connection with the performance of substantial services by the taxpayer, or any other related person, for the partnership or business. The previous sentence shall not apply to an interest held by a person who is employed by another entity that is conducting a trade or business (other than an applicable trade or business) and only provides services to such other entity.

(“2) APPLICABLE TRADE OR BUSINESS.—The term ‘applicable trade or business’ means any activity conducted on a regular, continuous, and substantial basis which, regardless of whether the activity is conducted in one or more entities, consists, in whole or in part, of—

(A) raising or returning capital, and

(B) either—

(i) investing in (or disposing of) specified assets (or identifying specified assets for such investing or disposing purposes), or

(ii) developing specified assets.

(“3) SPECIFIED ASSET.—The term ‘specified asset’ means securities (as defined in section 475(c)(2) without regard to the last sentence thereof), commodities (as defined in section 475(e)(2)), real estate held for rental or investment, cash or cash equivalents, options or derivative contracts with respect to any of the foregoing, and an interest in a partnership to the extent of the partnership’s proportionate interest in the partnership’s capital and profits.

(“4) EXCEPTIONS.—The term ‘applicable partnership interest’ shall not include—

(A) any interest in a partnership directly or indirectly owned by a corporation, or

(B) any capital interest in the partnership which provides the taxpayer with a right to share in partnership capital commensurate with—

(i) the amount of capital contributed (determined at the time of receipt of such partnership interest), or

(ii) the value of such interest subject to tax under section 83 upon the receipt or vesting of such interest.

(“5) THIRD PARTY INVESTOR.—The term ‘third party investor’ means a person who—

(A) holds an interest in the partnership which does not constitute property held in connection with an applicable trade or business; and

(B) is not (and has not been) actively engaged, and is (and was) not related to a person so engaged, in (directly or indirectly) providing substantial services described in paragraph (1) for such partnership or any applicable trade or business.

(“6) TRANSFER OF APPLICABLE PARTNERSHIP INTEREST TO RELATED PERSON.—

(“1) IN GENERAL.—If a taxpayer transfers any applicable partnership interest, directly or indirectly, to a related person, the taxpayer shall include in gross income (as short term capital gain) the excess (if any) of—

(A) so much of the taxpayer’s long-term capital gain with respect to such interest for such taxable year attributable to the sale or exchange of any asset held for not more than 3 years as is allocable to such interest, or

(B) any amount treated as short term capital gain under subsection (a) with respect to the transfer of such interest.

(“2) RELATED PERSON.—For purposes of this paragraph, a person is related to the taxpayer if—

(A) the person is a member of the taxpayer’s family within the meaning of section 318(a)(1), or

(B) the person performed a service within the current or preceding three calendar years in any applicable trade or business in which or for which the taxpayer performed a service.

(“c) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.

“Sec. 1061. Partnership interests held in connection with performance of services.

(“1) IN GENERAL.—Except as provided by this section, the amounts described in paragraphs (1) and (2) of section 1222 by substituting ‘3 years’ for ‘1 year’ shall be treated as short term capital gains in the hands of the taxpayer for purposes of this section.

“Sec. 1062. Patents, etc.

(“a) IN GENERAL.—By inserting in paragraph (2) of section 1231(b)(4) the following:

(“1) by striking ‘‘80 percent’’, and

(“2) by inserting ‘‘90 percent’’.

“Sec. 1063. Extending the definition of ‘applicable trade or business’.

(“a) IN GENERAL.—Subsection (a) of section 199A is amended—

(A) by inserting ‘‘taxable year’’,

(B) by redesignating paragraphs (i), (ii), and (iii) as subclauses (I), (II), and (III), respectively, and

(C) by adding to the end the following new clause:

‘‘(III) TANGIBLE PERSONAL PROPERTY.—For purposes of clause (II) the term ‘tangible personal property’ shall not include—

(i) cash, cash equivalents, gift cards, gift coupons, or gift certificates (other than arrangements for the delivery of meals or entertainment or the like), or

(ii) any contribution by any governmental entity, or

(iii) any contribution by the Internal Revenue Service, or

(iv) the amount of interest described in sections 163(a)(4)(C) and 163(a)(4)(D) in connection with the performance of services.

(“b) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after December 31, 2017.

“Sec. 13310. Prohibition on cash, gift cards, and other like tangible personal property as employee achievement awards.

(“a) IN GENERAL.—Subparagraph (a) of section 274(i)(3) is amended—

(1) by striking ‘‘The term’’ and inserting the following:

‘‘(i) IN GENERAL.—The term,’’

(2) by redesigning clauses (i), (ii), and (iii) as subclauses (I), (II), and (III), respectively, and

(3) by adding at the end the following new clause:

‘‘(II) TANGIBLE PERSONAL PROPERTY.—For purposes of clause (I) the term ‘tangible personal property’ shall not include—

(i) cash, cash equivalents, gift cards, gift coupons, or gift certificates (other than arrangements for the delivery of meals or entertainment or the like), or

(ii) any contribution by any governmental entity, or

(iii) any contribution by the Internal Revenue Service, or

(iv) the amount of interest described in sections 163(a)(4)(C) and 163(a)(4)(D) in connection with the performance of services.

(“b) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2017.

“Sec. 13311. Elimination of deduction for living expenses incurred by members of congress.

(“a) IN GENERAL.—Subsection (a) of section 162 is amended—

(1) by striking subsections (b), (c), and (d),

(2) by redesignating subsection (e) as subsection (d), and

(3) by inserting after subsection (a) the following new subsection:

‘‘(4) ED AS CONTRIBUTIONS TO CAPITAL.

(“b) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after December 31, 2017.

“Sec. 13314. Certain self-created property not treated as a capital asset.

(“a) PATENTS, ETC.—Section 1221(a)(3) is amended by inserting ‘‘a patent, invention, model or design (whether or not patented), a secret formula or process’’ before ‘‘a copyright’’.

(“b) CONFORMING AMENDMENTS.—Section 1231(b)(1)(C) is amended by inserting ‘‘a patent, invention, model or design (whether or not patented), a secret formula or process’’ before ‘‘a copyright’’.

(“c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after December 31, 2017.

“Part V—Business credits
for such year (including extensions), shall be made on such return, and shall be made in such manner as the Secretary shall prescribe. Such an election, once made, shall be irrevocable.”.

(2) After 2017: The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13402. REHABILITATION CREDIT LIMITED TO CERTIFIED HISTORIC STRUCTURES.

(a) In General.—Subsection (a) of section 47 is amended to read as follows:

“(a) In General.—For purposes of section 46, for any taxable year during the 5-year period beginning in the taxable year in which a qualified rehabilitated building is placed in service, there shall be allowed as a credit an amount equal to 20 percent of the qualified rehabilitation expenditures with respect to the qualified rehabilitated building, as allocated ratably to each year during such period.”.

(b) Conforming Amendments.—

(1) Section 47(c) is amended—

(A) in paragraph (1), by amending clause (ii) to read as follows:

“(ii) such building is a certified historic structure, and”;

(B) in paragraph (2), by amending clause (B) to read as follows:

“(B) the credit allowed under subsection (a) with respect to any taxable year shall not exceed an amount equal to 20 percent of the qualified rehabilitation expenditures with respect to the qualified rehabilitated building, as allocated ratably to each year during such period.”.

(2) Paragraph (4) of section 145(d) is amended—

(A) by striking “(of section 47(f)(1)(C))” each place it appears and inserting “of section 47(f)(1)(D)” and

(B) by striking “section 47(f)(1)(C)” each place it appears and inserting “section 47(f)(1)(D)”.

(c) Effective Date.—

(1) In General.—Except as provided in paragraph (2), the amendments made by this section shall apply to amounts paid or incurred after December 31, 2017.

(2) Special Rule for Certain Employers.—

(A) In General.—An added employer shall not be treated as an employer unless such employer provides paid family and medical leave in compliance with a written policy which meets the following requirements:

(i) The policy provides—

(A) the policy will not discharge or in any other manner discriminate against any individual for exercising or attempting to exercise, any right provided under the policy, and

(ii) the policy will not interfere with, restrain, or deny the exercise of or the attempt to exercise, any right provided under the policy, and

(iii) will not discharge or in any other manner discriminate against an individual for opposing any practice prohibited by the policy.

(B) Added Employer; Added Employee.—

(i) Added Employee.—The term ‘added employer’ means any employer who has in place a written policy that meets the requirements described in clause (i) and a written policy that meets the requirements described in clause (ii).

(B) Added Employer; Added Employee.—

(ii) Added Employee.—The term ‘added employee’ means any employee who is not a part-time employee (as defined in section 4300B(d)(4)(B)), not less than 2 weeks of annual paid family and medical leave, and is not an employee who is a part-time employee, an employee who is a part-time employee, an employee who is an annual paid family and medical leave that is provided to a qualified employee described in clause (i) as—

(i) the number of hours the employee is expected to work during any week, bears to (ii) the number of hours an equivalent qualifying employee described in clause (i) is expected to work during the week.

(ii) The policy requires that the rate of payment under the program is not less than 50 percent of the rate of such employment for services performed for the employer.

(B) Special Rule for Certain Employers.—

(A) In General.—An added employer shall not be treated as an employer unless such employer provides paid family and medical leave in compliance with a written policy which ensures that the employer—

(i) will not interfere with, restrain, or deny the exercise of or the attempt to exercise, any right provided under the policy, and

(ii) will not discharge or in any other manner discriminate against an individual for opposing any practice prohibited by the policy.

(B) Added Employer; Added Employee.—

(i) Added Employee.—The term ‘added employer’ means any employer who is not in the category of employers described in clause (i) and a written policy that meets the requirements described in clause (ii).

(ii) Added Employee.—The term ‘added employee’ means any employee who is not an employee who is a part-time employee, an employee who is a part-time employee, an employee who is an annual paid family and medical leave that is provided to a qualified employee described in clause (i) as—

(i) the number of hours the employee is expected to work during any week, bears to (ii) the number of hours an equivalent qualifying employee described in clause (i) is expected to work during the week.

(B) The policy requires that the rate of payment under the program is not less than 50 percent of the rate of such employment for services performed for the employer.

(3) Special Rule for Certain Employers.—

(A) In General.—An added employer shall not be treated as an employer unless such employer provides paid family and medical leave in compliance with a written policy which ensures that the employer—

(i) will not interfere with, restrain, or deny the exercise of or the attempt to exercise, any right provided under the policy, and

(ii) will not discharge or in any other manner discriminate against an individual for opposing any practice prohibited by the policy.

(B) Added Employer; Added Employee.—

(i) Added Employee.—The term ‘added employer’ means any employer who is not in the category of employers described in clause (i) and a written policy that meets the requirements described in clause (ii).

(ii) Added Employee.—The term ‘added employee’ means any employee who is not an employee who is a part-time employee, an employee who is a part-time employee, an employee who is an annual paid family and medical leave that is provided to a qualified employee described in clause (i) as—

(i) the number of hours the employee is expected to work during any week, bears to (ii) the number of hours an equivalent qualifying employee described in clause (i) is expected to work during the week.

(B) The policy requires that the rate of payment under the program is not less than 50 percent of the rate of such employment for services performed for the employer.

(4) Termination.—This section shall not apply to wages paid in taxable years beginning after December 31, 2017.

(b) Credit Part of General Business Credit.—Section 38(b) is amended by striking “plus” at the end of paragraph (35), by striking the period at the end of paragraph (36) and inserting “, plus”, and by adding at the end the following new paragraph:

“(37) in the case of an eligible employer (as defined in section 45S(c)), the paid family and medical leave credit determined under section 45S(a).”.

(c) Credit Allowed Against AMT.—Subparagraph (B) of section 38(b) is amended by redesignating clauses (ix) through (xi) as clauses (x) through (xii), respectively, and by inserting after clause (xi) the following new clause (xii):

“(xii) the credit determined under section 45S(a).”.

SEC. 13403. EMPLOYER CREDIT FOR PAID FAMILY AND MEDICAL LEAVE.

(a) In General.—

(1) Allowance of Credit.—Subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new section:

“SEC. 45S. EMPLOYER CREDIT FOR PAID FAMILY AND MEDICAL LEAVE.

(a) Establishment of Credit.—

“(1) In General.—For purposes of section 38, in the case of an eligible employer, the paid family and medical credit is an amount equal to the applicable percentage of the amount of wages paid to qualifying employees during any period in which such employees are on family and medical leave.

“(2) Applicable Percentage.—For purposes of paragraph (1), the term ‘applicable percentage’ means—

(i) 50 percent, determined without regard to any dollar limitation contained in such section, and subject to the requirements of that Act.

“(3) Definitions.—In this section, the term ‘vacation leave’, ‘personal leave’, and medical or sick leave (other than leave specifically for 1 or more of the purposes referred to in paragraph (1), that paid leave shall not be considered to be family and medical leave under paragraph (1).

“(4) Omissions.—For purposes of this section, the term ‘wages’ has the meaning given such term in section 51(j) unless otherwise determined (without regard to any dollar limitation contained in such section). Such term shall not include any amount taken into account for purposes of determining any other credit allowed under this subpart.

“(5) Election to Have Credit Not Apply.—

“(a) In General.—A taxpayer may elect to have this section not apply for any taxable year.

“(b) Other Rules.—Rules similar to the rules of paragraphs (2) and (3) of section 51(i) shall apply for purposes of this section.

“(c) Election Termination.—This section shall not apply to wages paid in taxable years beginning after December 31, 2017.

(b) Credit Part of General Business Credit.—

(1) In General.—Subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new paragraph:

“(37) in the case of an eligible employer (as defined in section 45S(c)), the paid family and medical leave credit determined under section 45S(a).”.

(c) Credit Allowed Against AMT.—Subparagraph (B) of section 38(b) is amended by redesignating clauses (ix) through (xi) as clauses (x) through (xii), respectively, and by inserting after clause (xi) the following new clause (xii):

“(xii) the credit determined under section 45S(a).”.
(d) CONFORMING AMENDMENTS.—(1) DENIAL OF DOUBLE BENEFIT.—Section 280G(c) is amended by inserting "45S(a)," after "45P(a),".

(2) SECTION TO HAVE CREDIT NOT APPLY.—Section 6501(m) is amended by inserting "45S(h)," after "45S(g),".

(3) CLARIFYING AMENDMENTS.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

"Sec. 45S. Employer credit for paid family and medical leave."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to wages paid in taxable years beginning after December 31, 2017.

SEC. 13404. REPEAL OF TAX CREDIT BONDS

(a) IN GENERAL.—Part IV of subchapter U of chapter 1 is amended by striking any subparagraph (A) and all that follows and inserting a new subparagraph (A) and all that follows:

"(A) the partnership's adjusted basis in the property interest (as defined in section 1397E) at the time of the sale or exchange of the property interest is—"

(b) AMENDMENTS TO SUBSEC. 1397E.—Subsection 1397E is amended by inserting a new subparagraph (A) and all that follows:

"(A) the partnership's adjusted basis in the property interest (as defined in section 1397E) at the time of the sale or exchange of the property interest is—"

(c) EFFECTIVE DATE.—The amendments made by this subsection shall apply to sales, exchanges, and dispositions on or after December 27, 2017.

SEC. 13504. REPEAL OF TECHNICAL TERMINATION LIMITATION ON ALLOWANCE OF PARTNER'S SHARE OF LOSS.

(a) IN GENERAL.—Section 704(c)(8) is amended by striking "(B) the transferee partner would be allocated a share'' and inserting the following:

"(B) by striking "a share'' and inserting "a reduced amount to be withheld under this section.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers of partnership interests after December 31, 2017.

SEC. 13402. MODIFY DEFINITION OF SUBSTANTIAL BUILT-IN LOSS IN THE CASE OF TRANSFER OF PARTNERSHIP INTEREST

(a) IN GENERAL.—Subsection (d) of section 704(d) is amended by striking "(B) the transferee partner would be allocated a share'' and inserting the following:

"(B) by striking "a share'' and inserting "a reduced amount to be withheld under this section.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers of partnership interests after December 31, 2017.

SEC. 13505. CHARITABLE CONTRIBUTIONS AND FOREIGN TAXES TAKEN INTO ACCOUNT IN DETERMINING LIMITATION ON ALLOWANCE OF PARTNER'S SHARE OF LOSS.

(a) IN GENERAL.—Section 170(b)(2)(B)(iii) is amended by striking "(B) the transferee partner would be allocated a share'' and inserting the following:

"(B) by striking "a share'' and inserting "a reduced amount to be withheld under this section.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers of partnership interests after December 31, 2017.

SEC. 13506. AMENDMENTS TO TERMINATION OF PARTNERSHIPS.

(a) IN GENERAL.—Paragraph (1) of section 708(b) is amended—

(1) by striking "or" at the end of subpara- graph (A) and all that follows and inserting a period, and

(2) by striking "or" at the end of subpara- graph (B) and all that follows and inserting a period.
(2) by striking “only if” — ” and all that follows through “no part of any business” and inserting the following: “only if no part of any business”.

(b) CONFORMING AMENDMENT.—

(1) Section 168(i)(7)(B) is amended by striking the second sentence.

(2) Section 742(e) is amended by striking paragraph (1) in the table of paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to partnership taxable years beginning after December 31, 2017.

Subpart B—Insurance Reforms

SEC. 13511. NET OPERATING LOSSES OF LIFE INSURANCE COMPANIES.

(a) In General.—Section 807(b)(3) of chapter 1 is amended by striking section 810 (and by striking the item relating to such section in the table of sections for such part). (b) Conforming Amendments.—

(1) Part I of subchapter L of chapter 1 is amended by striking section 810 (and by striking the item relating to such section in the table of sections for such part).

(2) Section 801 of subchapter L of chapter 1 is amended by striking section 810 (and by striking the item relating to such section in the table of sections for such part).

(b) Amendments.—

(1) Paragraph (1) of section 801(f) is amended to read as follows:

(‘‘(i) the deduction allowed under section 172,’’.

(2) Section 805(a)(4) is amended by striking subparagraph (B) and inserting —

“(B) the amount of the item at the close of the taxable year, computed on the old basis, as is attributable to contracts issued before the taxable year shall be taken into account under section 481 as adjustments attributable to a change in method of accounting initiated by the taxpayer and made with the consent of the Secretary.”.

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13512. REPEAL OF SMALL LIFE INSURANCE COMPANY DEDUCTION.

(a) In General.—Subpart D of part I of subchapter L of chapter 1 is amended by striking section 806 (and by striking the item relating to such section in the table of sections for such part).

(b) Conforming Amendments.—

(1) Section 4531(b)(1) is amended—

(A) by striking subparagraphs (B), (C), (D), and (F) the amount of the item at the close of the taxable year, computed on the old basis, as is attributable to contracts issued before the taxable year shall be taken into account under section 481 as adjustments attributable to a change in method of accounting initiated by the taxpayer and made with the consent of the Secretary.”.

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13513. ADJUSTMENT FOR CHANGE IN COMPUTING COMPARES.

(a) In General.—Paragraph (1) of section 807(f) is amended to read as follows:

“(1) TREATMENT AS CHANGE IN METHOD OF ACCOUNTING.—If the basis for determining any item referred to in subsection (c) as of the close of any taxable year differs from the basis for such determination as of the close of the preceding taxable year, then so much of the difference between—

“(A) the amount of the item at the close of the taxable year, computed on the new basis, and

“(B) the amount of the item at the close of the taxable year, computed on the old basis, as is attributable to contracts issued before the taxable year shall be taken into account under section 481 as adjustments attributable to a change in method of accounting initiated by the taxpayer and made with the consent of the Secretary.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13514. REPEAL OF SPECIAL RULE FOR DISTRIBUTIONS TO SHAREHOLDERS FROM PRE-1984 POLICIES SURPLUS ACCOUNTS.

(a) In General.—Subpart D of part I of subchapter L of chapter 1 is amended by striking section 815 (and by striking the item relating to such section in the table of sections for such part). (b) Conforming Amendments.—Paragraph (1) of section 801 of subchapter L of chapter 1 is amended by striking subsection (c).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SUBTITLE L—CAPITAL GAINS AND LOSS PROVISIONS

SEC. 13515. MODIFICATION OF PROCRATION RULES NOT CATEGORIZED AS PROPERTY OR CASUALTY INSURANCE COMPANIES.

(a) In General.—Section 832(b)(5)(B) is amended—

(1) by striking “15 percent” and inserting “the applicable percentage”, and

(2) by inserting at the end the following new sentence: “For purposes of this subparagraph, ‘applicable percentage’ means—’.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13516. REPEAL OF SPECIAL ESTIMATED TAX PAYMENTS.

(a) In General.—Part III of subchapter L of chapter 1 is amended by striking section 847 (and by striking the item relating to such section in the table of sections for such part).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13517. COMPUTATION OF LIFE INSURANCE TAX RESERVES.

(a) In General.—

(1) APPROPRIATE RATE OF INTEREST.—The second sentence of section 815(e) is amended to read as follows: “For purposes of paragraph (3), the appropriate rate of interest is the highest rate or rates permitted to be used to discount the obligations of the National Association of Insurance Commissioners as of the date the reserve is determined.”.

(2) METHOD OF COMPUTING RESERVES.—

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.
(H) by striking “in effect on the date of the issuance of the contract” in paragraph (3)(B)(ii) and inserting “applicable to the contract and in effect as of the date the reserve is determined.”

(3) SPECIFIC RULES.—Section 807(e) is amended—

(A) by striking paragraphs (2) and (5),

(B) by redesignating paragraphs (3), (4), (6), and (7) of subsection (e) as paragraphs (2), (3), (4), and (5), respectively,

(C) by amending paragraph (2) (as so redesignated) as follows:

“(2) QUALIFIED SUPPLEMENTAL BENEFITS.—

“(A) QUALIFIED SUPPLEMENTAL BENEFITS TREATED SEPARATELY.—For purposes of this part, any supplemental or additional insurance reserve for any qualified supplemental benefit shall be computed separately as though such benefit were under a separate contract.

“(B) RELATION TO OTHER STANDARD TABLES.—For purposes of this paragraph, the term ‘qualified supplemental benefit’ means any supplemental benefit described in subparagraph (C) if—

“(i) there is a separately identified premium or charge for such benefit, and

“(ii) any net surrender value under the contract attributable to any other benefit is not available to fund such benefit.

“(C) SUPPLEMENTAL BENEFITS.—For purposes of this paragraph, the supplemental benefits described in this subparagraph are any—

“(1) death benefit,

“(ii) accidental or death benefit,

“(iii) convertibility,

“(iv) surrender value as documented in such regulations, which is supplemental to a contract for which there is a reserve described in subsection (c),”

and

(D) by adding at the end the following new paragraph:

“(6) REPORTING RULES.—The Secretary shall require an issuer of a life insurance contract attributable to any such time and in such manner as the Secretary shall prescribe (without regard to the open balance and closing balance of reserves and with respect to the method of computing reserves for purposes of determining income).”.

(4) DEFINITION OF LIFE INSURANCE CONTRACT.—Section 7702 is amended—

(A) by striking clause (i) of subsection (c)(3)(B) and inserting the following:

“(i) reasonable mortality charges which meet the requirements prescribed in regulations to be promulgated by the Secretary or that do not exceed the mortality charges specified in the pre-vailing commissioners’ standard tables as defined in subsection (j)(10),”

and

(B) by adding at the end of subsection (f) the following new paragraph:

“(d) PREVAILING COMMISSIONERS’ STANDARD TABLES.—For purposes of subsection (c)(3)(B)(i), the term ‘prevailing commissioners’ standard tables’ means the most recent commissioners’ standard tables prescribed by the National Association of Insurance Commissioners which are permitted to be used in computing reserves for that type of contract under the insurance laws of at least 26 States when the contract was issued, and such commissioners’ standard tables of the beginning of the calendar year preceding the year (hereinafter in this paragraph referred to as the ‘year of change’) are different from the prevailing commissioners’ standard tables as of the beginning of the preceding calendar year, the insurer may use the prevailing commissioners’ standard tables as of the beginning of the preceding calendar year, with respect to any contract issued after the change and before the close of the 3-year period beginning on the first day of the year of change.”

(b) CONFORMING AMENDMENT.—

(1) Section 808 is amended by adding at the end the following new subsection:

“(g) PREVAILING STATE DETERMINATION.—

“(1) IN GENERAL.—The term ‘prevailing State assumed interest rate’ means, with respect to any contract, the highest assumed interest rate permitted to be used in computing life insurance reserves for insurance contracts or annuity contracts (as the case may be) under the insurance laws of the State of the preceding sentence, the effect of nonforfeiture laws of a State on interest rates for reserves shall not be taken into account.

“(2) WHEN DETERMINED.—The prevailing State assumed interest rate with respect to any contract shall be determined as of the beginning of the calendar year in which the contract was issued.”

(2) Paragraph (1) of section 811(d) is amended by striking “the greater of the prevailing State assumed interest rate or applicable Federal interest rate” and inserting “the interest rate in effect under section 808(g)”.

(3) Subparagraph (A) of section 846(f)(6) is amended by striking “except that all that follows and inserting “except that the limitation of subsection (a)(3) shall apply, and”.

(4) Section 846(o)(1)(B)(i) is amended by striking “§807(e)(4)” and inserting “§807(e)(3)”.

(5) Subparagraph (B) of section 954(o)(5) is amended by striking “shall be substituted for the prevailing State assumed interest rate,” and inserting “shall apply.”

(c) EFFECTIVE DATE.—

“(1) IN GENERAL.—The amendments made by this section shall apply to net premiums for taxable years beginning after December 31, 2017.

“(2) TRANSITION RULE.—For any taxable year beginning after December 31, 2017, the requirements of this section shall not apply to policies issued under any such State before January 1, 2018.

“(3) S PECIAL RULES.—Section 807(e) is amended by striking paragraphs (2) and (5), and 812 and inserting ‘and 807(d)(2)(B).’

“(4) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

“SEC. 13519. CAPITALIZATION OF CERTAIN POLICY ACQUISITION EXPENSES.

“(a) GENERAL.—(1) Section 848(a)(2) is amended by striking ‘120-month’ and inserting ‘180-month’.

“(2) Section 848(c)(1) is amended by striking ‘1.75 percent’ and inserting ‘2.09 percent’.

“(3) Subsection (b)(2) is amended by striking ‘2.05 percent’ and inserting ‘4.25 percent’.

“(4) Section 848(c)(3) is amended by striking ‘1.75 percent’ and inserting ‘9.2 percent’.

“(b) CONFORMING AMENDMENTS.—Section 848(b)(1) is amended by striking ‘120-month’ and inserting ‘180-month’.

“(c) EFFECTIVE DATE.—

“(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

“(2) TRANSITION RULE.—The specified policy acquisition expenses first required to be capitalized in a taxable year beginning before January 1, 2018, will continue to be allowed as a deduction rateably over the 120-month period beginning with the first month in the second half of such taxable year.

“SEC. 13520. TAX REPORTING FOR LIFE INSURANCE CONTRACTS.

“(a) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61, as amended by section 13396, is amended by adding at the end the following new section:

“SEC. 6056Y. RETURNS RELATING TO CERTAIN LIFE INSURANCE CONTRACT TRANSFERS.

“(a) REQUIREMENT OF REPORTING OF CERTAIN PAYMENTS.—

“(1) IN GENERAL.—Every person who acquires a life insurance contract or any interest in a life insurance contract in a reportable policy sale during any taxable year shall make a return for such taxable year (at such time and in such manner as the Secretary shall prescribe) setting forth—

“(A) the name, address, and TIN of such person,

“(B) the name, address, and TIN of each recipient of payment in the reportable policy sale,

“(C) the date of such sale,

“(D) the name of the issuer of the life insurance contract sold, and the policy number of such contract, and

“(E) the amount of each payment.

“(2) STATEMENT TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under this subsection shall furnish to each person whose name is required to be set forth in such return a written statement showing—

“(A) the name, address, and phone number of the information contact of the person required to make such return, and

“(B) the information required to be shown on such return with respect to such person, except that in the case of an issuer of a life insurance contract, such statement is not required to include the information specified in paragraph (1)(E).

“(b) REQUIREMENT OF REPORTING OF SELLER’S BASIS IN LIFE INSURANCE CONTRACTS.

“(1) IN GENERAL.—Upon receipt of the statement required under subsection (a)(2) or upon notice of a transfer of a life insurance contract to which this section applies, each issuer of a life insurance contract shall make a return (at such time and in such manner as the Secretary shall prescribe) setting forth—

“(A) the name, address, and TIN of the seller who transfers any interest in such contract in such sale,
“(B) the investment in the contract (as defined in section 72(e)(6)) with respect to such seller, and

(C) the policy number of such contract.

(2) STATEMENT TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under this subsection shall furnish to each person whose name is required to be set forth in such return a written statement showing—

(A) the name, address, and phone number of the information contact of the person required to make such return, and

(B) the information required to be shown on such return with respect to each seller whose name is required to be set forth in such return.

(3) REQUIREMENT OF REPORTING WITH RESPECT TO REPORTABLE DEATH BENEFITS.—(I) IN GENERAL.—Every person who makes a payment of reportable death benefits during any taxable year shall make a return for such taxable year (at such time and in such manner as the Secretary shall prescribe) setting forth—

(A) the name, address, and TIN of the person making such payment,

(B) the name, address, and TIN of each recipient of such payment,

(C) the date of each such payment,

(D) the gross amount of each such payment, and

(E) such person’s estimate of the investment in the contract (as defined in section 72(e)(6)) with respect to the buyer.

(2) STATEMENT TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOSE INFORMATION IS REQUIRED.—Every person required to make a return under this subsection shall furnish to each person whose name is required to be set forth in such return a written statement showing—

(A) the name, address, and phone number of the information contact of the person required to make such return, and

(B) the information required to be shown on such return with respect to each recipient of payment whose name is required to be set forth in such return.

(4) DEFINITIONS.—For purposes of this section:

(A) PAYMENT.—The term ‘payment’ means, with respect to any reportable policy sale, the amount of cash and the fair market value of any consideration transferred in the sale.

(B) REPORTABLE POLICY SALE.—The term ‘reportable policy sale’ has the meaning given such term in section 101(a)(3)(B).

(C) INSURER.—The term ‘insurer’ means any life insurance company that bears the risk with respect to any life insurance contract on the date any return or statement is required to be made under this section.

(4) REPORTABLE DEATH BENEFITS.—The term ‘reportable death benefits’ means amounts paid by reason of the death of the insured under a life insurance contract that has been transferred in a reportable policy sale.

(5) CLARIFICATION WITH RESPECT TO ADJUSTMENTS.—(A) IN GENERAL.—Subsection (a) of section 101 is amended by striking paragraph (r) and inserting in lieu thereof the following new paragraph:

“(r) DISALLOWANCE OF FDIC PREMIUMS PAID BY CERTAIN LARGE FINANCIAL INSTITUTIONS.—(1) IN GENERAL.—No deduction shall be allowed for any taxable year if the total consolidated assets of such taxpayer (determined as of the close of such taxable year) do not exceed $10,000,000,000.

(2) EXCEPTION FOR SMALL INSTITUTIONS.—Paragraph (1) shall not apply to any taxpayer for any taxable year if the total consolidated assets of such taxpayer (determined as of the close of such taxable year) do not exceed $10,000,000,000.

(3) APPLICABLE PERCENTAGE.—For purposes of this subsection, the term ‘applicable percentage’ means, with respect to any taxpayer for any taxable year, the ratio (expressed as a percentage but not greater than 100 percent) which—

(b) MODIFICATION OF COMPUTATIONAL RULES FOR DISCOUNT UNPAID LOSSES.—Section 846(a)(3) is amended by striking paragraph (b) and inserting the following new paragraph:

“(b) TREATMENT OF CERTAIN LOSSES.—(1) 3-YEAR LOSS PAYMENT PATTERN.—In the case of any line of business not described in subparagraph (A)(ii), losses paid after the 1st year following the accident year shall be treated as paid equally in the 1st and 3rd year following the accident year,

(ii) 1-YEAR LOSS PAYMENT PATTERN.—(I) IN GENERAL.—The period taken into account under subparagraph (A)(ii) shall be extended to the extent required under subclause (II).

(II) COMPUTATION OF EXTENSION.—The amount of losses which would have been treated as paid in such 10th year and each subsequent year in an amount equal to the amount of the average of the losses treated as paid in such 24th year (or, if lesser, the portion of the unpaid losses not theretofore taken into account).

To the extent such unpaid losses have not been treated as paid before the accident year, they shall be treated as paid in such 24th year.

(iii) FORM OF CLAIM.—Where a claim has been made but payment has not been made with respect to the business, all payments with respect to the business shall be so treated as paid after such claims are made.

(c) CONFORMING AMENDMENTS.—(1) Subsection (d) of section 6724 is amended—

(A) by striking ‘or’ at the end of clause (xxiv) of paragraph (1)(B), by striking ‘and’ at the end of clause (xxv) of such paragraph and inserting ‘or’ after such clause (xxv) the following new clause:

(‘xxvi) section 6509Y (relating to returns relating to certain life insurance contract transactions).’.

(B) by striking ‘or’ at the end of subparagraph (HH) of paragraph (2), by striking the period at the end of subparagraph (II) of such paragraph and inserting in lieu thereof the following new subparagraph:

“for the 24-month period ending after such subparagraph (II) the following new subparagraph:

“(II) subsection (a)(2), (b)(2), or (c)(2) of section 6509Y (relating to returns relating to certain life insurance contract transactions).’.”

(2) Section 6047 is amended—

(A) by redesignating subsection (g) as subsection (h),

(B) by inserting after subsection (f) the following new subsection:

“(g) INFORMATION RELATING TO LIFE INSURANCE CONTRACT TRANSACTIONS.—This section shall not apply to any information which is required to be reported under section 6509Y, and this paragraph shall not apply to any information which is required to be reported under section 6509Y, and so redesignated, the following new paragraph:

“(A) For provisions requiring reporting of information relating to certain life insurance contract transactions under section 6509Y.

(B) Effective Date.—The amendments made by this section shall apply to—

(i) reportable policy sales (as defined in section 6509Y(d)(6) of such Code (as added by subsection (a)) after December 31, 2017, and

(ii) reportable death benefits (as defined in section 6509Y(d)(6) of such Code (as added by subsection (a)) paid after December 31, 2017.

(3) Paragraph (1) of section 1016(a) is amended by striking subparagraph (A) and all that follows and inserting the following:

“(A) For—

(i) taxes or other carrying charges described in section 266; or

(ii) expenditures described in section 173 (relating to circulation expenditures), for which deductions have been taken by the taxpayer in determining taxable income for the taxable year or prior taxable years; or

(B) for months other reason-

able charges incurred under an annuity or life insurance contract;’.

(4) Paragraph (1) of section 1016(b) is amended by redesignating sub-

section (h),

(b) CONFORMING AMENDMENT.—Paragraph (1) of section 1016 is amended by striking subparagraph (A) and all that follows and inserting the following:

“(A) In general.—The second sentence of paragraph (2) shall not apply in the case of a life insurance contract.’’.

(c) REPEAL OF HISTORICAL PAYMENT PATTERN EXTENSION.—Section 6401 is amended by striking the text of such section and inserting in lieu thereof the following text:—

“(c) THE 1-YEAR LOSS PAYMENT PATTERN.—(I) IN GENERAL.—The period taken into account under subparagraph (A)(ii) shall be extended to the extent required under subclause (II).

(II) COMPENSATION.—The amount of losses which would have been treated as paid in such 10th year and each subsequent year in an amount equal to the amount of the average of the losses treated as paid in such 24th year (or, if lesser, the portion of the unpaid losses not theretofore taken into account).

To the extent such unpaid losses have not been treated as paid before the accident year, they shall be treated as paid in such 24th year.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(e) TRANSITIONAL RULE.—For the first taxable year beginning after December 31, 2017—

(1) the unpaid losses and the expenses unpaid (as defined in paragraphs (5)(B) and (6) of section 807(c) of the Internal Revenue Code of 1986) at the end of the preceding taxable year, and

(2) the unpaid losses as defined in sections 807(c)(2) and (c)(3)(B) of such Code at the end of the preceding taxable year, shall be determined as if the amendments made by this section had applied to such unpaid losses and expenses unpaid in the preceding taxable year and by using the interest rate and loss payment patterns applicable to accident years ending with calendar year 2018, and any adjustments made in such year shall be taken into account in such first taxable year and the 7 succeeding taxable years. For subsequent taxable years, such amendments shall be applied with respect to such unpaid losses and expenses unpaid by using the interest rate and loss payment patterns applicable to accident years ending with calendar year 2018.

Subpart C—Banks and Financial Instruments

SEC. 13531. LIMITATION ON DEDUCTION FOR FDIC PREMIUMS.

(a) IN GENERAL.—Section 162, as amended by section 162(b) of the Internal Revenue Code of 1986, is amended by inserting after subsection (s) the following new subsection:

“(t) DISALLOWANCE OF FDIC PREMIUMS PAID BY CERTAIN LARGE FINANCIAL INSTITUTIONS.—(1) IN GENERAL.—No deduction shall be allowed for the applicable percentage of any FDIC premium paid or incurred by the taxpayer.

(2) EXCEPTION FOR SMALL INSTITUTIONS.—Paragraph (1) shall not apply to any taxpayer for any taxable year if the total consolidated assets of such taxpayer (determined as of the close of such taxable year) do not exceed $10,000,000,000.

(3) APPLICABLE PERCENTAGE.—For purposes of this subsection, the term ‘applicable percentage’ means, with respect to any taxpayer for any taxable year, the ratio (expressed as a percentage but not greater than 100 percent) which—

(House Document 10286)
“(A) the excess of—
“(i) the total consolidated assets of such taxpayer (determined as of the close of such taxable year), over
“(B) $40,000,000,000.

“(4) FDIC PREMIUMS.—For purposes of this subsection, the term ‘FDIC premium’ means any assessment imposed under section 7(b) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)).

“(5) TOTAL CONSOLIDATED ASSETS.—For purposes of this subsection, the term ‘total consolidated assets’ has the meaning given such term under section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5365).

“(6) AGGREGATION RULE.—

“(A) In General.—Members of an expanded affiliated group shall be treated as a single taxpayer for purposes of applying this subsection.

“(B) Expanded Affiliated Group.—

“(1) In General.—For purposes of this paragraph, the term ‘expanded affiliated group’ means an affiliated group as defined in section 1504(a), determined—

“(I) by substituting ‘more than 50 percent’ for ‘at least 80 percent’ each place it appears, and

“(II) without regard to paragraphs (2) and (3) of section 1504(b).

“(2) Control of Non-Corporate Entities.—A partnership or other entity (other than a corporation) shall be treated as a member of an expanded affiliated group if such entity is controlled (within the meaning of section 954(d)(3)) by members of such group (including any entity treated as a member of such group by reason of this clause).

“(B) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2017.

SECTION 1532. REPEAL OF ADVANCE REFUNDING BONDS.

“(a) In General.—Paragraph (1) of section 149(d) is amended by striking ‘as part of an issue described in paragraph (2), (3), or (4)’ and inserting ‘to advance refund another bond.’

“(b) CONFORMING AMENDMENT.—

“(1) Section 149(d) is amended by striking clause (iv) and by redesignating paragraphs (5) and (7) as paragraphs (2) and (3).

“(2) Section 149(f)(4)(C) is amended by striking clause (iv) and by redesignating clauses (v) to (viii) as clauses (iv) to (vii).

“(3) EFFECTIVE DATE.—The amendments made by this section shall apply to refunding bonds issued after December 31, 2017.

Subpart A—Compensation

SECOND AMENDMENT TO ELECTION OF QUALIFYING BENEFICIARIES OF AN ELECTING SMALL BUSINESS TRUST.

“(a) NO LOOK-THROUGH FOR ELIGIBILITY PURPOSES.—Section 1361(c)(2)(B)(iv) is amended by adding at the end the following new sentence: “This clause shall not apply for purposes of subsection (b)(1)(C).”

“(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on January 1, 2018.

SECTION 1534. CHARITABLE CONTRIBUTION DEDUCTION FOR ELECTING SMALL BUSINESS TRUSTS.

“(a) IN GENERAL.—Section 641(c)(2) is amended by inserting after subparagraph (D) the following new subparagraph:

“(E)(i) Section 642(c) shall not apply.

“(ii) For purposes of section 170(h)(1)(G), adjusted gross income shall be computed in the same manner as in the case of an individual, except that the deductions for costs which are paid or incurred in connection with the administration of the trust and which would not have been incurred in that capacity if such trust were not held for charitable purposes shall be treated as allowable in arriving at adjusted gross income.”.

SECTION 1535. MODIFICATION OF TREATMENT OF S CORPORATIONS CONVERSIONS TO C CORPORATIONS.

“(a) ADJUSTMENTS ATTRIBUTABLE TO CONVERSION FROM S CORPORATION TO C CORPORATION.—Section 654 is amended by adding at the end the following new subsection:

“(d) ADJUSTMENTS ATTRIBUTABLE TO CONVERSION FROM S CORPORATION TO C CORPORATION.—

“(1) IN GENERAL.—In the case of an eligible terminated S corporation, any adjustment required by subsection (b) which is attributable to such corporation’s revocation described in paragraph (2)(A)(ii) shall be taken into account ratably during the 6-taxable-year period beginning with the year of change.

“(2) ELIGIBLE TERMINATED S CORPORATION.—For purposes of this subsection, the term ‘eligible terminated S corporation’ means any C corporation—

“(A) which—

“(B) was an S corporation on the day before the date of the enactment of the Tax Cuts and Jobs Act, and

“(C) during the 2-year period beginning on the date of such enactment makes a revocation of its election under section 1368(a) (or any predecessor) for any preceding taxable year.

“(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on January 1, 2018.

SECTION 1536. MODIFICATION OF LIMITATION ON EXCESSIVE EMPLOYEE REMUNERATION.

“(a) REPEAL OF PERFORMANCE-BASED COMPENSATION AND COMMISSION EXCEPTIONS FOR LIMITATION ON EXCESSIVE EMPLOYEE REMUNERATION.—

“(1) IN GENERAL.—Paragraph (4) of section 162(m) is amended by striking subparagraph (D)(ii) and by redesignating subparagraphs (E) and (F) as subparagraphs (D) (C), (D), and (E), respectively.

“(b) CONFORMING AMENDMENTS.—

“(1) Paragraphs (3)(E) and (6)(D) of section 162(m) are each amended by striking “subparagraph (B)’’ and inserting “subparagraph (B)’’

“(2) Paragraphs (5)(G) and (6)(G) of section 162(m) are each amended by striking “(F) and (G)” and inserting “(D) and (E)”.

“(c) MODIFICATION OF DEFINITION OF COVERED EMPLOYER.—Paragraph (3) of section 162(m) is amended—

“(1) in subparagraph (A), by striking “as of the close of the taxable year, such employee is the chief executive officer of the taxpayer or is” and inserting “such employee is the principal executive officer of the taxpayer at any time during the taxable year, or was”;

“(2) in subparagraph (B)—

“(A) by striking “(4) and inserting “(3),” and

“(B) by striking “as the chief executive officer” and inserting “other than any individual described in subparagraph (A)”;

“(3) by striking “or” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, or”, and by adding at the end the following:

“(A) was a covered employee of the taxpayer (or any predecessor) for any preceding taxable year beginning after December 31, 2016.”;

“(c) EXPANSION OF APPLICABLE EMPLOYER.—

“(1) IN GENERAL.—Section 162(m)(2)(C) is amended to read as follows:

“(2) PUBLICLY HELD CORPORATION.—For purposes of this subsection, the term ‘publicly held corporation’ means any corporation which is an issuer (as defined in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c))—

“(a) is a domestic corporation or

“(B) that is required to file reports under section 15(d) of such Act (15 U.S.C. 78o(d)).”

“(2) CONFORMING AMENDMENT.—Section 162(m)(3), as amended by subsection (b), is amended by adding at the end the following flush sentence:

“Such term shall include any employee who would be described in subparagraph (B) if the reporting described in such subparagraph were required as so described.”.

“(d) SPECIAL RULE FOR REMUNERATION PAID TO BENEFICIARIES, ETC.—Paragraph (4) of section 162(m), as amended by subsection (a), is amended by adding at the end the following new subparagraph:

“(F) SPECIAL RULE FOR REMUNERATION PAID TO BENEFICIARIES, ETC.—Remuneration shall not fail to be applicable remuneration merely because it is includable in the income of, or paid to, a person other than the covered employee, including after the death of the covered employee.”

“(e) EFFECTIVE DATE.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2017.

“(2) EXCEPTION FOR BINDING CONTRACTS.—The amendments made by this section shall not apply to remuneration which is provided pursuant to a written binding contract which was in effect on November 2, 2017, and which was not modified in any material respect on or after such date.

SECTION 1537. EXCISE TAX ON EXCESS TAX-EXEMPT ORGANIZATION EXECUTIVE COMPENSATION.

“(a) IN GENERAL.—Subchapter D of chapter 42 is amended by adding at the end the following new section:

“SEC. 4960. TAX ON EXCESS TAX-EXEMPT ORGANIZATION EXECUTIVE COMPENSATION.

“(a) TAX IMPOSED.—There is hereby imposed a tax equal to the product of the rate of tax under section 11 and the sum of

“(1) so much of the remuneration paid (other than any excess parachute payment) by an applicable tax-exempt organization for the taxable year with respect to employment of any covered employee in excess of $1,000,000, plus

“(2) any excess parachute payment paid by such an organization to any covered employee.

“B. For purposes of the preceding sentence, remuneration shall be treated as paid when there is no substantial risk of forfeiture (within the meaning of section 457(f)(3)(B)) of the right to such remuneration.

“(b) LIABILITY FOR TAX.—The employer shall be liable for the tax imposed under subsection (a).

“(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

“(1) APPLICABLE TAX-EXEMPT ORGANIZATION.—The term ‘applicable tax-exempt organization’ means any organization which for the taxable year—

“(A) is exempt from taxation under section 501(c)(3), and

“(B) is a farmers’ cooperative organization described in section 521(b)(1), and

“(C) is not described in section 170(b)(1)(A).
or employees of the organization for the taxable year, any employee (including any former employee) of such employers to such employee.

(4) REMUNERATION FROM RELATED ORGANIZATIONS.—(A) IN GENERAL.—Remuneration of a covered employee by an applicable tax-exempt organization shall include any remuneration paid with respect to such employee by any applicable tax-exempt governmental entity.

(B) RELAT ED ORGANIZATIONS.—A person or governmental entity shall be treated as related to an applicable tax-exempt organization if such person or governmental entity—

(i) controls, or is controlled by, the organization,

(ii) is controlled by one or more persons who control the organization,

(iii) is a supported organization (as defined in section 501(c)(3)) during the taxable year with respect to the organization, or

(iv) in the case of an organization which is a voluntary employees' beneficiary association described in section 501(c)(9), establishes, maintains, or makes contributions to such voluntary employees' beneficiary association.

(C) LIABILITY FOR TAX.—In any case in which remuneration from more than one employer is treated as paid under section 501(c)(9) paragraph for purposes of determining the tax imposed by this section, each such employer shall be liable for such tax in an amount which bears the same ratio to the total tax determined under subsection (a) with respect to such remuneration as—

(i) the amount of remuneration paid by such employer with respect to such employee bears to the amount of remuneration paid by all such employers to such employee.

(5) EXCESS PARACHUTE PAYMENT.—For purposes of determining the tax imposed by subsection (a)(2)—

(A) IN GENERAL.—The term 'excess parachute payment' means any payment in the nature of compensation to (or for the benefit of) a covered employee—

(i) such payment is contingent on such employment or such connection from employment with the employer, and

(ii) the aggregate present value of the payments in the nature of compensation to (or for the benefit of) the individual which are contingent on such separation equals or exceeds an amount equal to 3 times the base amount.

(6) EXCEPTION.—Such term does not include any payment—

(i) described in section 280G(b)(6) (relating to exemption for payments under qualified plans),

(ii) time and in such manner as to be described in section 403(b) or a plan described in section 457(b),

(iii) to a licensed medical professional (including a veterinarian) to the extent that such payment is for the performance of medical or veterinary services by such professional, or

(iv) to an individual who is not a highly compensated employee as defined in section 414(q).

(7) BASE AMOUNT.—Rules similar to the rules of paragraphs (3) and (4) of section 4996(b) shall apply.

(8) PROPERTY TRANSFERS; PRESENT VALUE.—Rules similar to the rules of paragraphs (3) and (4) of section 414(q) shall apply.

(9) COORDINATION WITH DEDUCTION LIMITATION.—Remuneration the deduction for which is not allowed by reason of section 152(m) shall not be taken into account for purposes of this section.

(10) REGULATIONS.—The Secretary shall prescribe regulations as may be necessary to carry out the purposes of this section, including regulations to prevent avoidance of the tax under this section.

(11) EFFECTIVE DATE.—The amendments made by this section shall be applied to taxable years beginning after December 31, 2017.

SEC. 13602. DETERMINATION OF QUALIFIED EQUITY GRANTS.

(a) IN GENERAL.—Section 83 is amended by adding at the end the following new subsection:

"(1) QUALIFIED EQUITY GRANTS.—

"(1) IN GENERAL.—For purposes of this subsection—

(A) TIMING OF INCLUSION.—If qualified stock is transferred to a qualified employee who makes an election with respect to such stock under this subsection, subsection (a) shall be applied by including the amount determined under subparagraph (B) in the gross income of the employee in the taxable year which includes the first date such qualified stock becomes transferable or not subject to a substantial risk of forfeiture, whichever occurs earlier, or

(B) TAXABLE YEAR DETERMINED.—The taxable year determined under this subparagraph is the taxable year of the employee which includes the earliest of—

(i) the first date such qualified stock becomes transferable (including, solely for purposes of this clause, becoming transferable to the employer),

(ii) the date the employee first becomes an excluded employee,

(iii) the first date on which any stock of the corporation in which such qualified stock is held becomes readily tradable on an established securities market (as determined by the Secretary, but not including any market unless such market is recognized as an established securities market by the Secretary for purposes of a provision of this title other than this subsection),

(iv) the date that is 5 years after the first date such rights to such stock are transferable or are not subject to a substantial risk of forfeiture, whichever occurs earlier, or

(v) the date on which the employer revokes (at such stock in such manner as the Secretary provides) the election under this subsection with respect to such stock.

(2) QUALIFIED STOCK.—

(A) IN GENERAL.—For purposes of this subsection, the term 'qualified stock' means, with respect to any qualified employee, any stock in a corporation which is the employer of such employee, if—

(i) such stock is received—

(ii) in connection with the exercise of an option,

(iii) in settlement of a restricted stock unit, and

(iv) such option or restricted stock unit was granted by the corporation—

(I) in connection with the performance of services as an employee, and

(II) during a calendar year in which such corporation was an eligible corporation.

(B) LIMITATION.—The term 'qualified stock' shall not include any stock if the employee may sell or otherwise receive cash in lieu of stock from the corporation at the time that the rights of the employee in such stock first become transferable or not subject to a substantial risk of forfeiture.

(C) ELIGIBLE CORPORATION.—For purposes of subparagraph (A)(i)(II)—

(I) no stock of such corporation (or any predecessor of such corporation) is readily tradable on an established securities market (as determined by the Secretary on or before January 1, 2018), and

(II) such corporation has a written plan under which, in such calendar year, not less than 80 percent of all employees who provide services to such corporation in the United States (or any possession of the United States) are entitled to receive qualified stock (as defined in paragraph (1)(A)(i)(II)) in lieu of any cash compensation.

(D) RELATED PERSON.—For purposes of subparagraph (A)(i)(II)—

(I) except as provided in subsections (I) and (III), the determination of rights and privileges with respect to stock shall be made in a similar manner as under section 422(b)(5),

(II) employees shall not fail to be treated as having the same rights and privileges with respect to qualified stock solely because the number of shares available to all employees is not equal in amount, so long as the number of shares available to each employee is more than a de minimis amount, and

(III) rights and privileges with respect to the exercise of an option shall not be treated as the same as rights and privileges with respect to the settlement of a restricted stock unit.

(E) FUTURE QUALIFIED STOCK.—If stock transferred to a qualified employee is qualified stock, such stock shall be treated as also qualified stock.

(F) LIMITATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection.

(G) EFFECTIVE DATE.—The amendments made by this section shall be applied to taxable years beginning after December 31, 2017.

SEC. 13603. DETERMINATION OF RELATIONSHIP WITH RESPECT TO A CORPORATION.

(A) IN GENERAL.—Section 501(c)(9) is amended by adding at the end the following new subsection—

"(1) ELIGIBLE CORPORATION.—For purposes of this subsection—

(A) IN GENERAL.—Remuneration of a covered employee by an applicable tax-exempt organization shall include any remuneration paid with respect to such employee by any applicable tax-exempt governmental entity.

(B) RELATED ORGANIZATIONS.—A person or governmental entity shall be treated as related to an applicable tax-exempt organization if such person or governmental entity—

(i) controls, or is controlled by, the organization,

(ii) is controlled by one or more persons who control the organization,

(iii) is a supported organization (as defined in section 501(c)(3)) during the taxable year with respect to the organization, or

(iv) in the case of an organization which is a voluntary employees' beneficiary association described in section 501(c)(9), establishes, maintains, or makes contributions to such voluntary employees' beneficiary association.

(C) LIABILITY FOR TAX.—In any case in which remuneration from more than one employer is treated as paid under section 501(c)(9) paragraph for purposes of determining the tax imposed by this section, each such employer shall be liable for such tax in an amount which bears the same ratio to the total tax determined under subsection (a) with respect to such remuneration as—

(i) the amount of remuneration paid by such employer with respect to such employee bears to the amount of remuneration paid by all such employers to such employee.

(5) EXCESS PARACHUTE PAYMENT.—For purposes of determining the tax imposed by subsection (a)(2)—

(A) IN GENERAL.—The term 'excess parachute payment' means any payment in the nature of compensation to (or for the benefit of) a covered employee—

(i) such payment is contingent on such employment or such connection from employment with the employer, and

(ii) the aggregate present value of the payments in the nature of compensation to (or for the benefit of) the individual which are contingent on such separation equals or exceeds an amount equal to 3 times the base amount.

(6) EXCEPTION.—Such term does not include any payment—

(i) described in section 280G(b)(6) (relating to exemption for payments under qualified plans),

(ii) time and in such manner as to be described in section 403(b) or a plan described in section 457(b),

(iii) to a licensed medical professional (including a veterinarian) to the extent that such payment is for the performance of medical or veterinary services by such professional, or

(iv) to an individual who is not a highly compensated employee as defined in section 414(q).

(7) BASE AMOUNT.—Rules similar to the rules of paragraphs (3) and (4) of section 4996(b) shall apply.

(8) PROPERTY TRANSFERS; PRESENT VALUE.—Rules similar to the rules of paragraphs (3) and (4) of section 414(q) shall apply.

(9) COORDINATION WITH DEDUCTION LIMITATION.—Remuneration the deduction for which is not allowed by reason of section 152(m) shall not be taken into account for purposes of this section.

(10) REGULATIONS.—The Secretary shall prescribe regulations as may be necessary to carry out the purposes of this section, including regulations to prevent avoidance of the tax under this section.

(11) EFFECTIVE DATE.—The amendments made by this section shall be applied to taxable years beginning after December 31, 2017.
(D) TREATMENT OF QUALIFIED STOCK.—An arrangement under which an employee may receive qualified stock (as defined in section 83(i)(2)) shall not be treated as a nonqualified deferred compensation plan with respect to such employee solely because of such employee’s election, or ability to make an election, to defer recognition of income under section 83(i).

Information return (605(a)) is amended by striking “(and)” at the end of paragraph (14)(B), by striking the period at the end of paragraph (15) and inserting a comma, and inserting at the end of paragraph (15) the following new paragraphs:

“(16) the amount includable in gross income under subparagraph (A) of section 83(i)(1) with respect to an event described in subparagraph (B) of such section which occurs in such calendar year, and

“(17) the aggregate amount of income which is being deferred pursuant to elections under section 83(i), determined as of the close of the calendar year.”.

(e) Penalty for Failure of Employer to Provide Notice of Consequences.—Section 6552 is amended by adding at the end the following new subsection:

“(p) FAILURE TO PROVIDE NOTICE UNDER SECTION 83(I).—In the case of each failure to provide notice as required by section 83(i), the tax imposed by section 6552 shall be equal to the amount of income includable in gross income by reason of such failure, and the tax on such failure shall be in addition to any other tax imposed by section 6552.

(f) Effective Dates.—

(1) In General.—Except as provided in paragraph (2), the amendments made by this section shall apply to stock attributable to options exercised, or restricted stock units settled, after December 31, 2017.

(2) Requirement to Provide Notice.—The amendments made by subsection (e) shall apply to failures after December 31, 2017.

(g) Transition Rule.—Until such time as the Secretary (or the Secretary’s delegate) issues regulations or other guidance for purposes of implementing the requirements of paragraphs (2)(C)(i)(II) of section 83(i) of the Internal Revenue Code of 1986 (as amended), the requirements of paragraph (6) of such section, a corporation shall be treated as being in compliance with such requirements (respectively) if such corporation makes a reasonable good faith interpretation of such requirements.

SEC. 13604. INCREASE IN EXCISE TAX RATE FOR STOCK COMPENSATION OF INSIDERS IN EXPATRIATED CORPORATIONS.

(a) In General.—Section 4955(b)(1) is amended by increasing “such amount” to 50 percent of the amount determined as in paragraph (1).

(b) Effective Date.—The amendment made by this section shall take effect on the date of enactment of this Act.

Subpart B.—Retirement Plans

SEC. 13611. REPEAL OF SPECIAL RULE PERMITTING RECHARACTERIZATION OF ROTH CONTRIBUTIONS.

(a) In General.—Section 408A(d)(4)(B) is amended by striking “may be treated” and inserting “shall be treated”.

(b) Effective Date.—The amendments made by this section shall be effective on the date of enactment of this Act.
(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan loan offset amounts which are treated as distributed in taxable years beginning after December 31, 2017.

PART VIII—EDUCATIONAL ORGANIZATIONS

SEC. 13701. EXCISE TAX BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES.

(a) In General.—Section 512(b)(3)(F) is amended by adding at the end the following:

“Subchapter H—Excise Tax Based on Investment Income of Private Colleges and Universities.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13702. UNRELATED BUSINESS TAXABLE INCOME SEPARATELY COMPUTED FOR EACH TRADE OR BUSINESS ACTIVITY.

(a) In General.—Subsection (a) of section 512 is amended by adding at the end the following new paragraph:

“(A) unrelated business taxable income, including for purposes of determining any net operating loss deduction, shall be computed separately with respect to each such trade or business, less a specific deduction under subsection (b)(12), and

(B) the unrelated business taxable income of such organization shall be the sum of the unrelated business taxable income so computed with respect to each such trade or business, less a specific deduction under subsection (b)(12), and

(C) for purposes of subparagraph (B), unrelated business taxable income with respect to any such trade or business shall not be less than zero.”

(b) EFFECTIVE DATE.—(1) In General.—Except to the extent provided in paragraph (2), the amendment made by this section shall apply to taxable years beginning after December 31, 2017.

(2) Carryovers of net operating losses.—If any net operating loss arising in a taxable year beginning before January 1, 2018, is carried over to a taxable year beginning on or after such date—

(A) subparagraph (A) of section 512(a)(6) of the Internal Revenue Code of 1986, as added by this Act, shall not apply to such net operating loss, and

(B) the unrelated business taxable income of the organization, after the application of subparagraph (B) of such section, shall be reduced by the amount of such net operating loss.

SEC. 13703. UNRELATED BUSINESS TAXABLE INCOME INCREASED BY AMOUNT OF CERTAIN FRINGE BENEFIT EXPENSES FOR WHICH DEDUCTION IS DISALLOWED.

(a) In General.—Section 512(a), as amended by this Act, is further amended by adding at the end the following new paragraph:

“(7) In General.—For purposes of this subchapter, any amount paid or incurred is directly connected with an unrelated trade or business which is regularly carried on by the organization. The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations or other guidance providing for the appropriate allocation of depreciation and other costs with respect to such parking or for on-premises athletic facilities.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after December 31, 2017.
(1) by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—No deduction shall be allowed under this section for any amount described in paragraph (2), and

(2) in paragraph (2)(B), by striking "such amount would be allowable as a deduction under this section but for the fact that".

(b) THE AMENDMENTS MADE BY THIS SECTION.—This subsection shall apply to contributions made in taxable years beginning after December 31, 2017.

SEC. 12705. REPEAL OF SUBSTANTIATION EXCEPTION IN CASE OF CONTRIBUTIONS REPORTED BY DONEE.

(a) IN GENERAL.—Section 170(f)(8) is amended by striking subparagraph (D) and by redesignating subparagraph (E) as subparagraph (D).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2016.

PART IX—OTHER PROVISIONS

Subpart A—Craft Beer Modernization and Tax Reform

SEC. 13801. PRODUCTION PERIOD FOR BEER, WINE, AND DISTILLED SPIRITS.

(a) IN GENERAL.—Section 263A(f) is amended—

(1) by redesignating paragraph (4) as paragraph (5), and

(2) by inserting after paragraph (3) the following new paragraph:

"(4) EXEMPTION FOR AGING PROCESS OF BEER, WINE, AND DISTILLED SPIRITS.—

"(A) IN GENERAL.—For purposes of this subsection, the production period shall not include the aging period for—

"(i) beer (as defined in section 5052(a)), and

"(ii) wine (as defined in section 5002(a)(1)), or

"(iii) distilled spirits (as defined in section 5002(a)(8)), except such spirits that are unfit for beverage purposes.

"(B) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or accrued after December 31, 2019.

"(b) CONFORMING AMENDMENT.—Paragraph (3)(B)(ii) of section 263A(f), as redesignated by this section, is amended by inserting "except as provided in paragraph (4)" before "ending on the date".

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or accrued in calendar years beginning after December 31, 2019.

SEC. 13802. REDUCED RATE OF EXCISE TAX ON BEER.

(a) IN GENERAL.—Paragraph (1) of section 5051(a) is amended to read as follows:

"(1) IN GENERAL.—

"(A) IMPOSITION OF TAX.—A tax is hereby imposed on all beer brewed or produced, and remo

ved for consumption or sale, within the United States, or imported into the United States, except as provided in paragraph (2), the rate of such tax shall be the amount determined under this paragraph.

"(B) RATE.—Except as provided in subparagraph (C), the rate of tax shall be $18 per barrel.

"(C) SPECIAL RULE.—In the case of the beer removed after December 31, 2017, and before January 1, 2020, the rate of tax shall be—

"(i) $16 on the first 6,000,000 barrels of beer,

"(ii) $17 on any barrels of beer removed during the calendar year for consumption or sale, or

"(iii) $18 on any barrels of beer which tax imposed under this section shall be applied at a like rate for any other quantity or for fractional parts of a barrel.

"(D) BARREL.—For purposes of this section, a barrel means not more than 31 gallons of beer, and any tax imposed under this section shall be applied at a like rate for any other quantity or for fractional parts of a barrel.

"(E) CERTAIN DOMESTIC PRODUCTION.—

"(i) the proprietors of transferring and receiving concerns, and

"(ii) one corporation to a brewery owned by another corporation when—

"(I) the proprietors of transferring and receiving concerns, and

"(II) to all importers does not exceed the 6,000,000 barrels to which the reduced tax rate applies, and

"(iii) procedures that allow the election of a brewer to assign and an importer to receive the reduced tax rate provided under this paragraph, which shall include—

"(A) at a like rate for any other quantity or for fractional parts of a barrel.

"(B) APPLICATION OF REDUCED TAX RATE FOR FOREIGN MANUFACTURERS AND IMPORTERS.—

"(1) IN GENERAL.—In the case of any barrels of beer which have been brewed or produced outside of the United States and imported into the United States, the rate of tax applicable under clause (i) of paragraph (1)(C) (referred to in this paragraph as the "reduced tax rate") may be assigned by the brewer (provided that the brewer makes an election described in subparagraph (B)) to any importer of such barrels pursuant to the requirements established by the Secretary under subparagraph (B).

"(2) ASSIGNMENT.—The Secretary shall, through such rules, regulations, and procedures as are appropriate, establish procedures for assignment of the reduced tax rate provided under this paragraph, which shall include—

"(A) a limitation to ensure that the number of barrels of beer for which the reduced tax rate has been assigned by a brewer—

"(i) to any importer does not exceed the number of barrels of beer brewed or produced by such brewer during the calendar year which were imported into the United States by such importer, and

"(ii) to all importers does not exceed the 6,000,000 barrels to which the reduced tax rate applies,

"(B)Barrel.—For purposes of this section, a barrel means not more than 31 gallons of beer, and any tax imposed under this section shall be applied at a like rate for any other quantity or for fractional parts of a barrel.

"(E) SINGLE TAXPAYER .—Pursuant to rules issued by the Secretary, the term "controlled group" includes any member of such group as the Secretary shall by regulations prescribe, which shall include—

"(1) any removal from one brewery to another brewery belonging to the same corporate group,

"(2) any removal from a brewery owned by one corporation to a brewery owned by another corporation when—

"(A) one such corporation owns the controlling interest in the other such corporation, or

"(B) any removal from one brewery to another brewery when—

"(C) the transferee has accepted responsibility for payment of the tax.

"(F) TRANSFER OF LIABILITY FOR TAX.—For purposes of paragraphs (1)(C), (E)(2)(A), and (E)(2)(B), the transferee has accepted responsibility for payment of the tax.

"(G) TERMINATION.—This subsection shall not apply to any calendar quarter beginning after December 31, 2019.

"(h) REMOVAL FROM BREWERY BY PIPELINE.—Section 5412 is amended by inserting "pursuant to section 5414 or before "by pipeline".

"(j) EFFECTIVE DATE.—The amendments made by this section shall apply to beer removed after December 31, 2017.

SEC. 13803. TRANSFER OF BEER BETWEEN BONDED FACILITIES.

(a) IN GENERAL.—Section 5414 is amended—

"(1) by striking "Beer may be removed" and inserting "(a) IN GENERAL—Beer may be removed", and

"(2) by adding at the end the following:

"(b) TRANSFER OF BEER BETWEEN BONDED FACILITIES.—

"(1) IN GENERAL.—Beer may be removed from one bonded brewery to another bonded brewery, without payment of tax, and may be mingled with beer at the receiving brewery, subject to such conditions, including payment of the tax, and in such containers, as the Secretary by regulations prescribed, which shall include—

"(2) any removal from one brewery to another brewery belonging to the same corporate group,

"(3) TERMINATION.—This subsection shall not apply to any calendar quarter beginning after December 31, 2019.

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply to beer removed after December 31, 2017.

"(2) in paragraph (2)(A), by striking subparagraph (B), and

"(3) in paragraph (2)(B), in the case of a controlled group, the 6,000,000 barrel quantity specified in paragraph (1)(C)(i) shall be applied to the reduced tax rate provided under this paragraph, which shall include—

"(A) any removal from one brewery to another brewery belonging to the same corporate group,

"(B) any removal from a brewery owned by one corporation to a brewery owned by another corporation when—

"(C) single taxpayer .—Pursuant to rules issued by the Secretary, the term "controlled group" includes any member of such group as the Secretary shall by regulations prescribe, which shall include—

"(d) TRANSFER OF LIABILITY FOR TAX.—For purposes of paragraphs (1)(C), (E)(2)(A), and (E)(2)(B), the transferee has accepted responsibility for payment of the tax.

"(e) TERMINATION.—This subsection shall not apply to any calendar quarter beginning after December 31, 2019.

"(f) EFFECTIVE DATE.—The amendments made by this section shall apply to beer removed after December 31, 2017.

"(g) EFFECTIVE DATE.—The amendments made by this section shall apply to beer removed after December 31, 2017.

"(h) REMOVAL FROM BREWERY BY PIPELINE.—Section 5412 is amended by inserting "pursuant to section 5414 or before "by pipeline".

"(i) EFFECTIVE DATE.—The amendments made by this section shall apply to beer removed after December 31, 2017.
(a) IN GENERAL.—Section 5041(c) is amended by adding at the end the following new paragraph:

(8) RULES FOR 2014 AND 2015.—

(1) in subparagraph (A) of paragraph (8), by adding at the end the following new clause (i), and (ii) do not apply, plus

(i) a limitation to ensure that the number of wine gallons of wine for which the tax credit has been assigned by a foreign producer during the calendar year which have been distilled or processed by such foreign producer during the calendar year which were imported into the United States by such importer, and

(ii) procedures that allow the election of a foreign producer to assign and an importer to receive the tax credit provided under this paragraph.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to wines removed after December 31, 2017.

SEC. 13805. ADJUSTMENT OF ALCOHOL CONTENT LEVEL FOR APPLICATION OF EXCISE TAX RATES.

(a) IN GENERAL.—Paragraphs (1) and (2) of section 5041(b) are each amended by inserting "(16 percent in the case of wine removed after December 31, 2017, and before January 1, 2020)" after "14 percent".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to wine removed after December 31, 2017.

SEC. 13806. DEFINITION OF MEAD AND LOW ALCOHOL BY VOLUME WINE.

(a) IN GENERAL.—Section 5041 is amended—

(1) in subparagraph (A) of paragraph (8), by striking "at least 80 percent" and inserting "at least 75 percent", and

(2) DEFINITIONS.—

(1) MEAD AND LOW ALCOHOL BY VOLUME WINE.—

(i) which contains no fruit product or fruit flavoring, and

(ii) which contains less than 8.5 percent alcohol by volume.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to wine removed after December 31, 2017.

SEC. 13807. REDUCED RATE OF EXCISE TAX ON CERTAIN DISTILLED SPIRITS.

(a) IN GENERAL.—Section 5001 is amended by redesignating subsection (c) as subsection (d), and by inserting after subsection (b) the following new subsection:

(c) REDUCED RATE FOR 2018 AND 2019.—

(1) IN GENERAL.—In the case of a distilled spirits operation, the otherwise applicable tax rate under subsection (a)(1) shall be—

(A) $2.70 per proof gallon on the first 100,000 proof gallons of distilled spirits to which such paragraph (4) applies which have been distilled or processed by such operation and removed during the calendar year for consumption or sale, or have been imported into the United States during the calendar year.

(B) $13.34 per proof gallon on the first 22,130,000 of proof gallons of distilled spirits to which such paragraph (4) applies which have been distilled or processed by such operation and removed during the calendar year for consumption or sale, or have been imported into the United States during the calendar year.

(2) RULES FOR NON-CORPORATIONS.—Under regulations prescribed by the Secretary, principles similar to the principles of subparagraphs (a) and (b) shall be applied to a person under common control where more than one of the persons is a corporation.

(c) REDUCED TAX RATE FOR FOREIGN MANUFACTURERS AND IMPORTERS.—Subsection (c) of section 5001, as added by subsection (a), is amended—

(1) in subparagraph (A) of paragraph (8), by inserting "but only if the importer is a distilling importer under paragraph (9) and the wine gallons of wine have been assigned to the importer pursuant to such paragraph" after "into the United States during the calendar year", and

(2) by adding at the end the following new paragraph:

(8) ALLOWANCE OF CREDIT FOR FOREIGN MANUFACTURERS AND IMPORTERS.—

(A) IN GENERAL.—In the case of any wine gallons of wine which have been produced outside the United States and imported into the United States, the credit allowable under paragraph (3) shall be—

(i) a limitation to ensure that the number of wine gallons of wine for which the tax credit has been assigned by a foreign producer during the calendar year which have been distilled or processed by such foreign producer during the calendar year which were imported into the United States by such importer, and

(ii) to all importers who do not exceed the 750,000 wine gallons of wine to which the tax credit is applicable.

(B) ASSIGNMENT.—The Secretary shall, through such rules, regulations, and procedures as are determined appropriate, establish procedures for assignment of the tax credit provided under this paragraph, which shall include—

(i) a limitation to ensure that the number of wine gallons of wine for which the tax credit has been assigned by a foreign producer during the calendar year which have been distilled or processed by such foreign producer during the calendar year which were imported into the United States by such importer, and

(ii) requirements that the foreign producer provide any information as the Secretary determines necessary and appropriate for purposes of carrying out this paragraph, and

(iii) procedures that allow for revocation of eligibility of the foreign producer and the importer pursuant to this paragraph in the case of any erroneous or fraudulent information provided under clause (ii) which the Secretary deems to be material to qualifying for the tax credit.

(C) RULES FOR NON-CORPORATIONS.—Under regulations prescribed by the Secretary, principles similar to the principles of subparagraphs (A) and (B) shall be applied to a person under common control where more than one of the persons is a corporation.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to wine removed after December 31, 2017.
“(D) to all importers does not exceed the 22,230,000 proof gallons of distilled spirits to which the reduced tax rate applies, 

(ii) procedures that allow the election of a deduction for contributions to a Settlement Trust pursuant to this subsection, and an importer to receive the reduced tax rate provided under this paragraph, 

(iii) require that the distilled spirits operations of the member of the group of the distilled spirits operations, as described under paragraph (2), 

“(ii) APPOINTMENT.—For purposes of paragraph (3), any member making an election described in subparagraph (B)(ii) shall be deemed to be a member of the controlled group of the distilled spirits operations, as described under paragraph (2). 

“(d) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2016.

SEC. 13850. BULK DISTILLED SPIRITS. 

(a) IN GENERAL.—Section 5212 is amended by adding at the end the following new paragraph: 

“(3) ELECTION.—Any election made by a Settlement Trust pursuant to this subsection shall apply to the taxable year in which the Settlement Trust actually receives such contribution.

(b) CONFORMING AMENDMENT.—The table of sections in chapter 1 is amended by inserting before section 1223 the following new section:

“SEC. 1224. ELECTION TO SETTLE ALASKA NATIVE CLAIMS SETTLEMENT TRUSTS.

“(a) IN GENERAL.—In the case of a Native Corporation, there shall be allowed a deduction for any amount which such Native Corporation contributes to a Settlement Trust for which the Native Corporation has made an annual election under subsection (e).

“(b) AMOUNT OF DEDUCTION.—The amount of the deduction under subsection (a) shall be equal to—

“(1) in the case of a cash contribution (regardless of the method of payment, including currency, coins, money order, or check), the amount of such contribution described in paragraph (1), any income or gain realized on the sale or exchange of such property shall be treated as ordinary income.

“(2) in the case of a contribution not described in paragraph (1), the lesser of—

“(A) the adjusted basis of the Native Corporation and ‘Settlement Trust’ has the same meaning given such terms under section 464(h).

“(B) TREATMENT.—In the case of property de- 

“(c) LIMITATION AND CARRYOVER.—

“(1) IN GENERAL.—Subject to paragraph (2), the deduction allowed under subsection (a) for any taxable year shall not exceed the taxable income (as determined without regard to such deduction) which such property was contributed to the Settlement Trust.

“(2) CARRYOVER.—If the aggregate amount of contributions described in subsection (a) for any taxable year exceeds the limitations under paragraph (1), such excess shall be treated as a contribution described in subsection (a) in each of the 15 succeeding years in order of time.

“(d) DEFINITIONS.—For purposes of this section, the terms ‘Native Corporation’ and ‘Settlement Trust’ have the same meaning given such terms under section 464(h).

“(e) MANNER OF MAKING ELECTION.—

“(1) IN GENERAL.—For each taxable year, a Native Corporation may elect to have this section apply for such taxable year on the income tax return or an amendment or supplement to the income tax return of such Native Corporation.

“(2) REVOCATION.—Any election made by a Native Corporation pursuant to this subsection may be revoked pursuant to a timely filed amendment or supplement to the income tax return of such Native Corporation.

“(a) AMOUNT AND SCOPE OF ASSIGNMENT.—

“(i) IN GENERAL.—For each taxable year, a Native Corporation may elect to have this section apply for such taxable year on the income tax return or an amendment or supplement to the income tax return of such Native Corporation.

“(2) GAIN OR LOSS.—No gain or loss shall be recognized by the Native Corporation with respect to a contribution of property for which a deduction is allowed under this section.

“(c) INCOME.—Subject to subsection (g), a Settlement Trust shall include in income the amount of any deduction allowed under this section in the taxable year in which the Settlement Trust actually received such contribution.

“(d) EFFECTIVE DATE.—The holding period under section 1223 of the Settlement Trust shall include the period the property was held by the Native Corporation.

“(e) PROHIBITION.—No deduction shall be allowed under this section with respect to any contributions made to a Settlement Trust which are in violation of subsection (a)(2) or (c)(2) of section 39 of the Alaska Native Claims Settlement Act (43 U.S.C. 1629).

“(f) ELECTION TO SETTLE ALASKA NATIVE CLAIMS SETTLEMENT TRUSTS.

“(a) IN GENERAL.—In the case of a Native Corporation, there shall be allowed a deduction for any amount which such Native Corporation contributes to a Settlement Trust, and

“(B) for any amounts of the income or gain which are in excess of the amount of income which would be included in income at the time of contribution under subsection (f)(3) but for the taxpayer’s election under this subsection, having the same character as if this subsection did not apply.

“(c) ELECTION.—

“(a) IN GENERAL.—For each taxable year, a Settlement Trust may make an election to apply this section for any property described in paragraph (1) which was contributed during such year. Any property to which the election applies shall be included and described in the particularity on the income tax return or an amendment or supplement to the return of the Settlement Trust, with such election to have effect solely for such taxable year.

“(B) REVOCATION.—Any election made by a Settlement Trust pursuant to this subsection may be revoked pursuant to a timely filed amendment or supplement to the income tax return of such Settlement Trust.

“(c) ELECTION.—

“(a) IN GENERAL.—In the case of any property for which an election is in effect under this section and which is disposed of within the first taxable year subsequent to the taxable year in which such property was contributed to the Settlement Trust—

“(II) the settlement of an income tax return or an amendment or supplement to the income tax return of such Settlement Trust.

“(III) the Settlement Trust shall pay any increase in tax resulting from such inclusion, including any applicable interest, and increased by 10 percent of the amount of such increase with interest.
SEC. 13822. AMOUNTS PAID FOR AIRCRAFT MANAGEMENT SERVICES.

"(a) In General.—Chapter 1 is amended by adding at the end the following new paragraph:

"(5) AMOUNTS PAID FOR AIRCRAFT MANAGEMENT SERVICES.—

"(A) In General.—No tax shall be imposed by this section or section 4271 on any amounts paid by an aircraft owner for aircraft management services related to—

"(i) maintenance and support of the aircraft owner's aircraft, or

"(ii) support of the aircraft owner's aircraft.

"(B) AIRCRAFT MANAGEMENT SERVICES.—For purposes of subparagraph (A), the term 'aircraft management services' includes—

"(i) assisting an aircraft owner with administrative and support services, such as scheduling, flight planning, and weather forecasting,

"(ii) obtaining insurance,

"(iii) maintenance, storage and fueling of aircraft,

"(iv) hiring, training, and provision of pilots and crew,

"(v) establishing and complying with safety standards, and

"(vi) such other services as are necessary to support flights operated by an aircraft owner.

"(C) LESSOR TREATED AS AIRCRAFT OWNER.—

"(i) In General.—For purposes of this paragraph, the term 'aircraft owner' includes a person who leases the aircraft other than under a disqualified lease.

"(ii) DISQUALIFIED LEASE.—For purposes of clause (i), the term 'disqualified lease' means a lease from a person providing aircraft management services to an aircraft owner in respect to such aircraft (or a related person (within the meaning of section 465(b)(3)(C)) to the person providing such services), if such lease is for a term of 31 days or less.

"(D) PRO RATA ALLOCATION.—In the case of amounts paid to any person which (but for this subsection) are subject to the tax imposed by subsection (e) with respect to such aircraft (or a related person (within the meaning of section 465(b)(3)(C)) to the person providing such services), if such lease is for a term of 31 days or less.

"(e) INFORMATION REPORTING FOR DEDUCTIBLE CONTRIBUTIONS TO ALASKA NATIVE SETTLEMENT TRUSTS.—

"(1) In General.—Section 6039H is amended—

"(A) in the heading, by striking "SPONSORED", and

"(B) by adding at the end the following new subsection:

"(e) DEDUCTIBLE CONTRIBUTIONS TO NATIVE CORPORATIONS TO ALASKA NATIVE SETTLEMENT TRUSTS.—

"(1) IN GENERAL.—Any Native Corporation (as defined in subsection (m) of section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1652m)) which has made a contribution to a Settlement Trust (as defined in subsection (i) of such section) to which an election under subsection (e) of section 13822 applies shall provide such Settlement Trust with a statement regarding the election regarding such election not later than January 31 of the calendar year subsequent to the calendar year in which the election was made.

"(2) CONFORMING AMENDMENT.—The item relating to section 6039H in the table of sections for part VIII of subchapter B of chapter 1 is amended by inserting before the item relating to section 248 the following new item:

"Sec. 1400Z–2. Special rules for capital gains included in gross income of low-income community that is designated as a qualified opportunity zone.

"(a) IN GENERAL.—Chapter 1 is amended by adding at the end the following:

"Subchapter Z—Opportunity Zones.

"Sec. 1400Z–2.1. Designation.

"Sec. 1400Z–2.2. Special rules for capital gains included in gross income of low-income community that is designated as a qualified opportunity zone.

"Sec. 1400Z–2.3. Designation of Tracts Contiguous With Low-Income Communities.

"(1) IN GENERAL.—The Secretary may designate as a qualified opportunity zone any tract that is not a low-income community with the tract contiguous.

"(2) AMOUNT INCLUDIBLE.—The term 'qualified opportunity zone' means a tract that is designated as a qualified opportunity zone under this subsection.

"(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply on or after such date of designation.

"Sec. 1400Z–2.4. Special Rules for Capital Gains Invested in Opportunity Zones.

"(a) In General.—

"(1) TREATMENT OF GAINS.—In the case of gains from the sale to, or exchange with, an unrelated person of any property held by the taxpayer, at the election of the taxpayer—

"(A) with respect to any sale or exchange if an election previously made with respect to such sale or exchange is in effect, or

"(B) with respect to any sale or exchange after December 31, 2026.

"(2) DEFERRAL OF GAIN INVESTED IN OPPORTUNITY ZONE PROPERTY.—

"(A) IN GENERAL.—The amount of gain excluded by subparagraph (A) shall be included in gross income of the low-income community that is designated as a qualified opportunity zone in the taxable year in which such sale or exchange is in effect, or

"(B) with respect to any sale or exchange after December 31, 2026.
“(i) the lesser of the amount of gain excluded under paragraph (1) or the fair market value of the investment as determined as of the date described in paragraph (1), over the amount of gain deferred by reason of subsection (a)(1)(A) in this investment.

(2) DETERMINATION OF BASIS.—

(i) IN GENERAL.—Except as otherwise provided in subsection (c), the basis of the taxpayer’s basis in the investment shall be the basis in the investment as determined as of the date described in paragraph (1)

(ii) INCREASE FOR GAIN RECOGNIZED UNDER SUBSECTION (a)(1)(B).—The basis in the investment shall be increased by the amount of the gain recognized by reason of subsection (a)(1)(B) with respect to such property.

(A) INVESTMENTS HELD FOR 5 YEARS.—In the case of any investment held for at least 5 years, in addition to any adjustment made under clause (iii), the basis of such property shall be increased by an amount equal to 5 percent of the amount of gain deferred by reason of subsection (a)(1)(A).

(B) SPECIAL RULE FOR INVESTMENTS HELD FOR AT LEAST 10 YEARS.—In the case of any investment held by the taxpayer for at least 10 years and with respect to which the taxpayer makes an election under this clause, the basis of such property shall be equal to the fair market value of such investment on the date that the investment is sold or exchanged.

(3) QUALIFIED OPPORTUNITY FUND.—For purposes of this section—

(A) IN GENERAL.—The term ‘qualified opportunity fund’ means any investment vehicle which is organized as a corporation or a partnership for the purpose of investing in qualified opportunity zone property (other than another qualified opportunity fund) that holds at least 90 percent of its assets in qualified opportunity zone property, substantially all of the use of such property was in a qualified opportunity zone at the time such property was acquired, and substantially all of the use of such property was in a qualified opportunity zone property held by the fund, as determined by substituting ‘qualified opportunity fund’ each place it appears in paragraphs (36), (37) and (38), by striking the period at the end of such paragraphs and inserting ‘, and’, and by inserting after paragraph (37) the following:

‘(38) the aggregate amount of qualified opportunity zone property held by the fund, multiplied by

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(ii) the aggregate amount of qualified opportunity zone property held by the fund, multiplied by

(iii) the aggregate amount of qualified opportunity zone property held by the fund, multiplied by

(iv) the aggregate amount of qualified opportunity zone property held by the fund, multiplied by

(4) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including—

(A) rules for the certification of qualified opportunity funds for the purposes of this section,

(B) rules to ensure a qualified opportunity fund has a reasonable period of time to reinvest the return of capital from investments in qualified opportunity zone stock and qualified opportunity zone partnership interests, and to reinvest proceeds received from the sale or disposition of qualified opportunity zone property, and

(C) rules to prevent abuse.

(5) FAILURE OF QUALIFIED OPPORTUNITY FUND TO MAINTAIN INVESTMENT STANDARD.—

(A) IN GENERAL.—If a qualified opportunity fund fails to meet the 90-percent requirement of subsection (a)(1), the qualified opportunity fund shall pay a penalty for each month it fails to meet the requirement in an amount equal to—

(i) the excess of—

(ii) the amount equal to 90 percent of its aggregate assets, over

(iii) the aggregate amount of qualified opportunity zone property held by the fund.

(6) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.


Part I—Outbound Transactions

Subpart A—Establishment of Participation Exemption System for Taxation of Foreign Income

Sec. 14101. DEDUCTION FOR FOREIGN-SOURCE PORTION OF DIVIDENDS RECEIVED BY DOMESTIC CORPORATIONS FROM SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS.

(A) IN GENERAL.—Part VIII of subchapter B of chapter 1 is amended by striking “and” and at the end of paragraph (36), by striking the period at the end of paragraphs (37) and (38) and inserting “, and”, and by inserting after paragraph (37) the following:

‘(38) the extent provided in subsections (b) and (c) of section 1462-2.’.

(C) CLERICAL AMENDMENT.—The table of subchapters for chapter 1 is amended by adding at the end the following new item:

‘SUBCHAPTER Z. OPPORTUNITY ZONES’.

(D) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

Sec. 14102. DEDUCTION FOR FOREIGN-SOURCE PORTION OF DIVIDENDS RECEIVED BY DOMESTIC CORPORATIONS FROM SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS.

(A) IN GENERAL.—In the case of any dividend received from a specified 10-percent owned foreign corporation which is a United States shareholder with respect to such foreign corporation, there shall be
allowed as a deduction an amount equal to the foreign-source portion of such dividend.

(b) SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATION.—For purposes of this section—

(1) The term ‘specified 10-percent owned foreign corporation’ means any foreign corporation with respect to which any domestic United States shareholder with respect to such corporation.

(2) EXCLUSION OF PASSIVE FOREIGN INVESTMENT COMPANIES.—Such term shall not include any corporation which is a passive foreign investment company (as defined in section 929) with respect to the shareholder and which is not a controlled foreign corporation.

(c) For the item-source portion.—For purposes of this section—

(1) IN GENERAL.—The foreign-source portion of any dividend from a specified 10-percent owned foreign corporation computed in accordance with sections 964(a) and 986—

(A) as of the close of the taxable year of the specified 10-percent owned foreign corporation in which the dividend is distributed, and

(B) without diminution by reason of dividends distributed during such taxable year.

(2) UNDISTRIBUTED EARNINGS.—The term ‘undistributed earnings’ means the portion of the undistributed earnings which is attributable to the specified 10-percent owned foreign corporation, bears to

(3) DISPONELED EARNINGS.—The term ‘undistributed earnings’ means the amount of the earnings and profits of the specified 10-percent owned foreign corporation (computed in accordance with sections 962 and 986—

(4) DISALLOWANCE OF FOREIGN TAX CREDIT, ETC.—

(1) IN GENERAL.—No deduction shall be allowed under section 901 for any taxes paid or accrued (or treated as paid or accrued) with respect to any dividend for which a deduction is allowed under this section.

(2) GENERAL DISCLAIMER.—No deduction shall be allowed under this chapter for any tax for which credit is not allowable under section 901 by reason of paragraph (1) (determined by treating the having elected the benefits of subpart A of part III of subchapter N).

(e) SPECIAL RULES FOR HYBRID DIVIDENDS.—

(1) Hybridend Dividend.—The term ‘hybrid dividend’ means an amount received from a controlled foreign corporation—

(A) for which a deduction would be allowed under subsection (a) but for the application of foreign investment company provisions of such section; and

(B) for which the controlled foreign corporation received a deduction or other tax benefit with respect to any income from sources within the class profits taxes imposed by any foreign country or possession of the United States.

(2) SPECIAL RULE FOR PURGING DISTRIBUTIONS OF SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS.—Any amount which is treated as a dividend under section 1291(d)(2)(B) shall not be treated as a dividend for purposes of this section.

(3) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section, including regulations for the treatment of the United States shareholders owning stock of a specified 10 percent owned foreign corporation through a partnership.

(b) APPLICATION OF HOLDING PERIOD REQUIREMENT.—(1) by striking ‘or 245’ in paragraph (1) and inserting ‘245, or 245A’, and

(2) by adding at the end the following new paragraph:

(5) SPECIAL RULES FOR FOREIGN SOURCE PORTION OF DIVIDENDS RECEIVED FROM SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS.—

(A) 1-YEAR HOLDING PERIOD REQUIREMENT.

For purposes of section 245A—

(1) paragraph (1)(A) shall be applied—

(i) by substituting ‘365 days’ for ‘45 days’ each such period appears, and

(ii) by substituting ‘731-day period’ for ‘91-day period’, and

(2) paragraph (2) shall not apply.

(B) STATUS MUST BE MAINTAINED DURING HOLDING PERIOD.—For purposes of applying paragraph (1) with respect to section 245A, the taxpayer shall be treated as having the status referred to in paragraph (1) for any period only if—

(1) the specified 10-percent owned foreign corporation referred to in section 245A(a) is a specified 10-percent owned foreign corporation at all times during such period, and

(2) the taxpayer is a United States shareholder with respect to such specified 10-percent owned foreign corporation at all times during such period.

(c) APPLICATION OF RULES GENERALLY APPLICABLE TO DIVIDENDS RECEIVED DEDUCTION.—(1) GENERAL RULES.—

(2) COORDINATION WITH DIVIDENDS RECEIVED DEDUCTION.—In the case of the sale or exchange of a domestic corporation stock in a foreign corporation held for 1 year or more, any amount received by the domestic corporation which is treated as a dividend by reason of this section shall be treated as a dividend for purposes of applying section 245A.

(d) COORDINATION WITH FOREIGN TAX CREDIT.—

(1) GENERAL.—Section 961 is amended by adding at the end the following new paragraph:

(4) Coordination With Foreign Tax Credit Limitation.—Subsection (b) of section 904 is amended by adding at the end the following new paragraph:

(5) Coordination With Foreign Tax Credit Limitation.—Subsection (b) of section 904 is amended by adding at the end the following new paragraph:

(6) Coordination With Foreign Tax Credit Limitation.—

(1) IN GENERAL.—Section 964(e) is amended by adding at the end the following new paragraph:

(2) Coordination With Foreign Tax Credit Limitation.—Subsection (b) of section 904 is amended by adding at the end the following new paragraph:

(3) Coordination With Foreign Tax Credit Limitation.—

(1) IN GENERAL.—Section 951 is amended by striking ‘or 245’ in paragraph (1) and inserting ‘245, or 245A’, and

(2) by adding at the end the following new paragraphs:

(4) Coordination With Dividends Received Deduction.—In the case of the sale or exchange by a domestic corporation of stock in a foreign corporation under section 1291(d)(2)(B) shall not be treated as dividends for purposes of this section.
“(i) the foreign-source portion of such divi-
dend shall be treated for purposes of section 951(a)(1)(A) as part F income of the selling controlled foreign corporation for such taxable year.

“(ii) a United States shareholder with respect to the selling controlled foreign corporation shall include in gross income for the taxable year in which such dividend is received and before the close of the taxable year of the selling controlled foreign corporation an amount equal to the shareholder’s pro rata share (determined in the same manner as under section 954(c)(2) of the amount treated as subpart F income under clause (i)), and

“(iii) the deduction under section 264A(a) shall be allowable to the United States shareholder with respect to the subpart F income included in gross income under clause (ii) in the same manner as if such subpart F income were a dividend received by the shareholder from the selling controlled foreign corporation.

“(B) APPLICATION OF BASIS OR SIMILAR ADJUSTMENTS.—For purposes of this paragraph, any amount treated as a dividend under paragraph (1) shall be determined in the same manner as under section 264A(a).”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to sales or exchanges after December 31, 2017.

(3) DEFINITIONS.—For purposes of this title, in the same manner as under section 264A(a), (as defined in section 264A(a)) with respect to which a deduction was allowed to the transferee, and

“‘deemed as derived from sources within the United States.

“‘loss was incurred and through the close of the year described in subsection (a), with respect to such shareholder’s reduction under paragraph (1),”

(2) TRANSFERRED LOSS AMOUNT.—For purposes of this section, the term ‘transferred loss amount’ means, with respect to any transfer of substantially all of the assets of a foreign branch (within the meaning of section 954(a)(3)(C), as in effect before the date of the enactment of the Tax Cuts and Jobs Act) to a specified 10-percent owned foreign corporation (as defined in section 245A) with respect to which it is a United States shareholder after such transfer, such domestic corporation shall be treated as a United States shareholder after such transfer, and such domestic corporation shall include in gross income for the taxable year in which such transfer is treated as a dividend received by the shareholder from the selling controlled foreign corporation an amount equal to the transferred loss amount with respect to such transfer.

“‘TRANSferred loss amount shall be reduced (but not below zero) by the amount of gain recognized in respect of the assets transferred to the foreign corporation (other than amounts taken into account under subsection (b)(2)(B)).’

“‘source of income.—Amounts included in gross income of such United States shareholder as a result of the deemed as derived from sources within the United States.

“(e) BASIS ADJUSTMENTS.—Consistent with such regulations or other guidance as the Secretary shall prescribe, proper adjustments shall be made in the adjusted basis of the taxpayer’s stock in the specified 10-percent owned foreign corporation to which the transfer is made, and in the transferee’s adjusted basis in the property transferred, to reflect amounts included in gross income under this section.

“(2) Clerical Amendment.—The table of sections for part II of chapter B of chapter I is amended by adding at the end the following new item:

“‘SEC. 91. Certain foreign branch losses transferred to specified 10-percent owned foreign corporations.”.

“(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to transfers after December 31, 2017.

“(4) TRANSITION RULE.—The amount of gain taken into account under section 961(c) of the Internal Revenue Code of 1986, as added by this subsection, shall be reduced by the amount of gain which would be recognized under section 367(a)(3)(C) (determined without regard to the amendments made by subsection (c)) with respect to losses incurred before January 1, 2018.

“(5) Netting among United States shareholders.—For purposes of this section, the term ‘netting among United States shareholders’ means, with respect to any United States shareholder, the lesser of

“(II) the amount described in clause (i)(II) is less than the amount described in clause (i)(I), then the shareholder shall designate, in such form and manner as the Secretary shall prescribe, the amount of the specified E&P deficit which is to be taken into account for each E&P deficit corporation with respect to the taxpayer, and

“(B) E&P DEFICIT CORPORATION.—The term ‘E&P deficit corporation’ means, with respect to any taxpayer, any specified foreign corporation (as defined in section 959) of which such taxpayer is a United States shareholder, if, as of November 2, 2017—

“(i) the accumulated post-1986 deferred foreign income of such corporation determined as of November 2, 2017, or

“(ii) such corporation was a specified foreign corporation, and

“(iii) such shareholder was a United States shareholder of such corporation.

“(C) SPECIFIED E&P DEFICIT.—The term ‘specified E&P deficit’ means, with respect to any E&P deficit corporation, the amount of the specified E&P deficit referred to in subparagraph (B).

“(D) TREATMENT OF EARNINGS AND PROFITS IN FUTURE YEARS.—

“‘(A) REDUCED EARNINGS AND PROFITS TREATED AS PREVIOUSLY TAXED INCOME WHEN DISTRIBUTED.—For purposes of applying section 959 in any taxable year beginning with the taxable year described in subsection (a), with respect to any United States shareholder of a deferred foreign income corporation, an amount equal to such shareholder’s reduction under paragraph (1) which is allocated to such deferred foreign income corporation under this subsection shall be treated as an amount which was included in the gross income of such United States shareholder under section 951(a).

“(B) E&P DEFICITS.—For purposes of this title, with respect to any taxable year beginning with the taxable year described in subsection (a), a United States shareholder’s pro rata share of the earnings and profits of any E&P deficit foreign corporation under this subsection shall be increased by the decrease of the specified E&P deficit of such corporation taken into account by such shareholder under paragraph (1), and, in such case, any increase shall be attributable to the same activity to which the deficit so taken into account was attributable.

“(E) NETTING AMONG UNITED STATES SHAREHOLDERS OF SAME AFFILIATED GROUP.—In the case of any affiliated group which includes at least one E&P net
surplus shareholder and one E&P net deficit shareholder, the amount which would (but for this paragraph) be taken into account under section 951(a)(1) by reason of subsection (a) by each E&P net surplus shareholder shall be reduced (but not below zero) by such shareholder’s applicable share of the affiliated group’s aggregate unused E&P deficit.

(5) EXCLUSION FOR AFFILIATED GROUPS.—For purposes of this paragraph, the term ‘E&P net surplus shareholder’ means any United States shareholder which would (determined without regard to this paragraph) be taken into account under section 951(a)(1) by reason of subsection (a).

(C) E&P NET DEFICIT SHAREHOLDER.—For purposes of this paragraph, the term ‘E&P net deficit shareholder’ means any United States shareholder if—

(i) the aggregate foreign E&P deficit with respect to such shareholder (as defined in paragraph (3)(A) without regard to clause (i)(II) thereof), exceeds

(ii) the amount which would (but for this subsection) be taken into account by such shareholder under section 951(a)(1) by reason of subsection (a).

(D) AGGREGATE UNUSED E&P DEFICIT.—For purposes of this paragraph—

(i) in general.—The term ‘aggregate unused E&P deficit’ with respect to any affiliated group, the lesser of—

(1) the sum of the excesses described in subparagraph (C), determined with respect to each E&P net deficit shareholder in such group, or

(2) the amount determined under subparagraph (B)(ii);

(ii) the amount described in paragraph (B)(i) determined with respect to each E&P net deficit shareholder shall be treated as the group ownership percentage of such amount.

(E) APPLICABLE SHARE.—For purposes of this paragraph, the term ‘applicable share’ means, with respect to any E&P net surplus shareholder in any affiliated group, the amount which bears the same proportion to such group’s aggregate unused E&P deficit as—

(i) the product of

(ii) such shareholder’s group ownership percentage, multiplied by

(II) the amount which would (but for this paragraph) be taken into account under section 951(a)(1) by reason of subsection (a) by such shareholder, bears to

(iii) the aggregate amount determined under clause (i) with respect to all E&P net surplus shareholders in such group.

(F) GROUP OWNERSHIP PERCENTAGE.—For purposes of this paragraph, the term ‘group ownership percentage’ means, with respect to any United States shareholder in any affiliated group, the percentage of the value of the stock of such United States shareholder which is held by other includible corporations in such affiliated group. Notwithstanding the preceding sentence, the stock ownership percentage of the common parent of the affiliated group is 100 percent. Any term used in this subparagraph which is also used in section 1044 shall have the same meaning in the context in which the term is used.

(G) APPLICATION OF PARTICIPATION EXEMPTION TO INCLUDED INCOME.—

(i) in general.—In the case of a United States shareholder of a deferred foreign income corporation, there shall be allowed as a deduction equal to such United States shareholder’s 15.5 percent rate equivalent percentage of so much of the amount described in subparagraph (A)(ii) as does not exceed the amount described in subparagraph (A)(i).

(ii) 2 and 15.5 PERCENT RATE EQUIVALENT PERCENTAGES.—For purposes of this subsection—

(A) 8 PERCENT RATE EQUIVALENT PERCENTAGE.—The term ‘8 percent rate equivalent percentage’ means, with respect to any United States shareholder for any taxable year, the percentage (determined without regard to the amount in which such percentage applies being subject to a 8 percent rate of tax determined by only taking into account a deduction equal to such percentage of such amount and the highest rate of tax specified in section 11 for such taxable year. In the case of any taxable year of a United States shareholder to which section 15 applies, the highest rate of tax under section 11 after the effective date of the change in rates and the highest rate of tax under section 11 after the effective date of such change shall each be taken into account in determining the amount in which such percentage applies without applying the rule that a principal purpose of any transaction was to reduce the aggregate foreign cash position taken into account under this subsection, such transaction shall be disregarded for purposes of this subsection.

(B) 15.5 PERCENT RATE EQUIVALENT PERCENTAGE.—The term ‘15.5 percent rate equivalent percentage’ means, with respect to any United States shareholder for any taxable year, the percentage (determined without regard to the amount in which such percentage applies being subject to a 15.5 percent rate of tax determined by substituting ‘15.5 percent rate of tax’ for ‘8 percent rate of tax’).

(II) REDUCTION WITH RESPECT TO E&P NET DEFICIT SHAREHOLDERS.—For purposes of this subsection—

(A) IN GENERAL.—The term ‘aggregate foreign cash position’ means, with respect to any United States shareholder, the greater of—

(i) the aggregate of such United States shareholder’s pro rata share of the cash position of each specified foreign corporation of such United States shareholder determined as of the close of the last taxable year of such specified foreign corporation which begins before January 1, 2015, or

(ii) one half of the sum of—

(1) the aggregate described in clause (i) determined as of the close of the last taxable year of each such specified foreign corporation which ends before November 2, 2017, plus

(2) the aggregate described in clause (i) determined as of the close of the taxable year of each such specified foreign corporation which precedes the taxable year referred to in subclause (I).

(B) CASH POSITION.—For purposes of this paragraph, the cash position of any specified foreign corporation is the sum of—

(i) cash held by such foreign corporation,

(ii) the net accounts receivable of such foreign corporation,

(iii) the fair market value of the following assets held by such corporation:

(1) personal property which is of a type that is actively traded and for which there is an established financial market,

(2) certificates of deposit, the securities of the Federal government and of any State or foreign government,

(3) any foreign currency,

(4) any obligation with a term of less than one year,

(iv) any asset which the Secretary determines as being economically equivalent to any asset described in the preceding sentence;

(C) NET ACCOUNTS RECEIVABLE.—For purposes of this paragraph, the term ‘net accounts receivable’ means, with respect to any specified foreign corporation, the excess (if any) of—

(i) such corporation’s accounts receivable, over

(ii) such corporation’s accounts payable, determined consistent with the rules of section 481.

(D) PREVENTION OF DOUBLE COUNTING.—Cash positions of a specified foreign corporation described in clause (ii), (iii)(I), or (iii)(IV) of subparagraph (B) shall not be taken into account under section 951(a)(1) by reason of subsection (a).

(II) CASH POSITIONS OF CERTAIN NON-CORPORATE ENTITIES TAKEN INTO ACCOUNT.—An entity (other than a corporation) shall be treated as a specified foreign corporation of a United States shareholder for purposes of determining such United States shareholder’s foreign cash position if any interest in such entity is held by a specified foreign corporation of such United States shareholder (determined after application of this subparagraph) and such entity would be a specified foreign corporation of such United States shareholder if such entity were a foreign corporation.

(E) ANTI-ABUSE.—If the Secretary determines that a principal purpose of any transaction was to reduce the aggregate foreign cash position taken into account under this subsection, such transaction shall be disregarded for purposes of this subsection.

(F) DEFERRED FOREIGN INCOME CORPORATION; ACCUMULATED POST-1986 DEFERRED FOREIGN INCOME.—For purposes of this section—

(i) DEFERRED FOREIGN INCOME CORPORATION.—The term ‘deferred foreign income corporation’ means, with respect to any United States shareholder, any specified foreign corporation of such United States shareholder which has accumulated post-1986 deferred foreign income (as of the date referred to in paragraph (1) or (2) of subsection (a)) greater than zero.

(ii) ACCUMULATED POST-1986 DEFERRED FOREIGN INCOME.—The term ‘accumulated post-1986 deferred foreign income’ means, with respect to any United States shareholder, the excess of post-1986 earnings and profits except to the extent such earnings—

(A) are attributable to income of the specified foreign corporation which is effectively connected with the conduct of a trade or business within the United States and subject to tax under this chapter, or

(B) is held by a controlled foreign corporation, if distributed, would be excluded from the gross income of a United States shareholder under section 959.

(TAX PROVISIONS APPLIED IN REGULATIONS OR OTHER GUIDANCE) The term ‘tax provisions’ provided in regulations or other guidance prescribed by the Secretary, in the case of any controlled foreign corporation which has shareholders which are not United States shareholders, accumulated post-1986 foreign income shall be appropriately reduced by amounts which would be described in subparagraph (B) if such shareholders were United States shareholders.

(II) POST-1986 EARNINGS AND PROFITS.—The term ‘post-1986 earnings and profits’ means the earnings and profits of the foreign corporation computed in accordance with sections 983(a) and 986, and by only taking into account period of foreign income in the case of the foreign corporation which was a specified foreign corporation in a taxable year beginning after December 31, 1986, and determined—

(i) as of the date referred to in paragraph (1) or (2) of subsection (a), whichever is applicable, with respect to such foreign corporation, and

(ii) by only taking into account period of foreign income in the case of the foreign corporation which was a specified foreign corporation in a taxable year beginning after December 31, 1986, and determined—

(A) as of the date referred to in paragraph (1) or (2) of subsection (a), whichever is applicable, with respect to such foreign corporation, and

(B) without diminution by reason of dividends distributed during the taxable year described in subsection (a) otherwise than dividends distributed to another specified foreign corporation.

(E) SPECIFIED FOREIGN CORPORATION.—

(i) IN GENERAL.—For purposes of this section, the term ‘specified foreign corporation’ means—

(A) any controlled foreign corporation, and
“(b) any foreign corporation with respect to which one or more domestic corporations is a United States shareholder.

(2) Application to certain foreign corporations. - (A) The portion which is included in the income of a United States shareholder under section 951(a)(1) by reason of subsection (c) which is not attributable thereto.

(3) Exclusion of passive foreign investment corporation. - Any corporation described in paragraph (1)(B) shall not be treated as a controlled foreign corporation solely for purposes of taking into account any portion of F income of such corporation under subsection (a) (and for purposes of applying subsection (f)).

(4) Determinations of pro rata share. - (1) In general.—For purposes of this section, the determination of any United States shareholder's pro rata share of any amount with respect to any specified foreign corporation shall be determined under rules similar to the rules of section 951(a)(2) by treating such specified foreign corporation solely for purposes of taking into account any corporation described in paragraph (1)(B) as a controlled foreign corporation.

(2) Date for payment of installments.—If an election is made under paragraph (1), the first installment shall be paid on the due date (determined without regard to any extension of time for filing the return) for the return of a United States shareholder for the taxable year in which an amount is included in such United States shareholder's income, and each succeeding installment shall be paid on the due date (as so determined) for the return of a United States shareholder for the taxable year in which the preceding installment was made.

(3) Acceleration of payment.—If there is an addition to tax for failure to timely pay any installment required under this subsection, a liquidation or sale of substantially all the assets of such corporation (including in a title 11 or similar case, a cessation of business by such corporation), such corporation shall be treated as an S corporation (determined as of the first day of the first taxable year that such corporation is not an S corporation).

(4) A liquidation or sale of substantially all the assets of such corporation (including in a title 11 or similar case, a cessation of business by such corporation, such corporation ceases to exist, or any similar circumstance).

(5) Transfers of stock of such corporation by the taxpayer (including by reason of death, or otherwise).

(6) Taxpayer's shares of stock in the S corporation, such transfer shall only be a triggering event with respect to such liability if the tax liability under this section with respect to such S corporation as is properly allocable to such stock.

(7) Net tax liability under this section. — A shareholder's net tax liability under this section with respect to any S corporation is the net tax liability under this section which would be determined under subparagraph (a) if the only subpart F income taken into account by such shareholder by reason of this section were allocations from such S corporation.

(8) Election to pay deferred liability in installments.—In the case of a shareholder who elects to defer payment under paragraph (1), such S corporation shall be jointly and severally liable for the addition to tax, or additional amount attributable thereto.

(9) Joint and several liability of S corporation shareholders. — (1) In general.—In the case of any S corporation, the United States shareholder of a deferred foreign income corporation, each shareholder of such S corporation may elect to defer payment of such shareholder's net tax liability under this section with respect to such S corporation until the shareholder's taxable year which includes the triggering event with respect to such liability, and the payment of which is deferred under the preceding sentence shall be assessed on the return of tax as an addition to tax in the shareholder's taxable year which includes the triggering event.

(2) Triggering event. — (A) In general.—In the case of any shareholder's net tax liability under this section with respect to any S corporation, the triggering event with respect to such liability is whichever of the following occurs first:

(i) A liquidation or sale of substantially all the assets of such corporation (including in a title 11 or similar case, a cessation of business by such corporation, such corporation ceases to exist, or any similar circumstance).

(ii) A transfer of any share of stock in such corporation by the taxpayer (including by reason of death, or otherwise).

(iii) The transfer of the assets of such corporation (including in a title 11 or similar case, a cessation of business by such corporation, such corporation ceases to exist, or any similar circumstance).

(3) Description of triggering event. — For purposes of this subsection— (A) In general. — In the case of any net tax liability under this section which is deferred under the preceding sentence, the portion of such triggering event which is deferred under such sentence shall be determined under paragraphs (1)(B) and (2)(B) of section 955(f).

(B) Special rules. — (i) In general.—For purposes of this subsection— (A) such corporation shall be treated as an S corporation (determined as of the first day of the first taxable year that such corporation is not an S corporation).

(B) A liquidation or sale of substantially all the assets of such corporation (including in a title 11 or similar case, a cessation of business by such corporation, such corporation ceases to exist, or any similar circumstance).

(C) Transfers of stock of such corporation by the taxpayer (including by reason of death, or otherwise).

(D) Taxpayer's shares of stock in the S corporation, such transfer shall only be a triggering event with respect to such liability if the tax liability under this section with respect to such S corporation as is properly allocable to such stock.

(E) Net tax liability. — A shareholder's net tax liability under this section with respect to any S corporation is the net tax liability under this section which would be determined under subparagraph (a) if the only subpart F income taken into account by such shareholder by reason of this section were allocations from such S corporation.

(F) Election to pay deferred liability in installments. — In the case of a shareholder who elects to defer payment under paragraph (1), such S corporation shall be jointly and severally liable for the addition to tax, or additional amount attributable thereto.

(G) Joint and several liability of S corporation shareholders. — (1) In general.—In the case of any S corporation, the United States shareholder of a deferred foreign income corporation, each shareholder of such S corporation may elect to defer payment of such shareholder's net tax liability under this section with respect to such S corporation until the shareholder's taxable year which includes the triggering event with respect to such liability, and the payment of which is deferred under the preceding sentence shall be assessed on the return of tax as an addition to tax in the shareholder's taxable year which includes the triggering event.

(2) Triggering event. — (A) In general.—In the case of any shareholder's net tax liability under this section with respect to any S corporation, the triggering event with respect to such liability is whichever of the following occurs first:

(i) A liquidation or sale of substantially all the assets of such corporation (including in a title 11 or similar case, a cessation of business by such corporation, such corporation ceases to exist, or any similar circumstance).

(ii) A transfer of any share of stock in such corporation by the taxpayer (including by reason of death, or otherwise).

(iii) The transfer of the assets of such corporation (including in a title 11 or similar case, a cessation of business by such corporation, such corporation ceases to exist, or any similar circumstance).

(3) Description of triggering event. — For purposes of this subsection— (A) In general. — In the case of any net tax liability under this section which is deferred under the preceding sentence, the portion of such triggering event which is deferred under such sentence shall be determined under paragraphs (1)(B) and (2)(B) of section 955(f).

(B) Special rules. — (i) In general.—For purposes of this subsection— (A) such corporation shall be treated as an S corporation (determined as of the first day of the first taxable year that such corporation is not an S corporation).

(B) A liquidation or sale of substantially all the assets of such corporation (including in a title 11 or similar case, a cessation of business by such corporation, such corporation ceases to exist, or any similar circumstance).

(C) Transfers of stock of such corporation by the taxpayer (including by reason of death, or otherwise).

(D) Taxpayer's shares of stock in the S corporation, such transfer shall only be a triggering event with respect to such liability if the tax liability under this section with respect to such S corporation as is properly allocable to such stock.

(E) Net tax liability. — A shareholder's net tax liability under this section with respect to any S corporation is the net tax liability under this section which would be determined under subparagraph (a) if the only subpart F income taken into account by such shareholder by reason of this section were allocations from such S corporation.

(F) Election to pay deferred liability in installments. — In the case of a shareholder who elects to defer payment under paragraph (1), such S corporation shall be jointly and severally liable for the addition to tax, or additional amount attributable thereto.

(G) Joint and several liability of S corporation shareholders. — (1) In general.—In the case of any S corporation, the United States shareholder of a deferred foreign income corporation, each shareholder of such S corporation may elect to defer payment of such shareholder's net tax liability under this section with respect to such S corporation until the shareholder's taxable year which includes the triggering event with respect to such liability, and the payment of which is deferred under the preceding sentence shall be assessed on the return of tax as an addition to tax in the shareholder's taxable year which includes the triggering event.
(A) IN GENERAL.—Any shareholder of an S corporation which makes an election under paragraph (1) shall report the amount of such shareholder’s deferred net tax liability on such shareholder’s return of tax for the taxable year for which such election is made and on the return of tax for each taxable year thereafter until such amount has been fully assessed on such return.

(B) DEFERRED NET TAX LIABILITY.—For purposes of this paragraph, the term ‘deferred net tax liability’ means the amount of tax for any taxable year before the due date for the return of tax for such taxable year, the amount of net tax liability payment of which has been deferred under paragraph (1) and which has not been assessed on a return of tax for any prior taxable year.

(C) FAILURE TO REPORT.—In the case of any failure to report any amount required to be reported under subparagraph (A) with respect to any taxable year before the due date for the return of tax for such taxable year, there shall be assessed on such return as an additional tax 5 percent of such amount.

(D) EXCLUSION.—Any election under paragraph (1)—

(1) shall be made by the shareholder of the S corporation not later than the due date for the shareholder’s return of tax for the taxable year which includes the close of the taxable year of such S corporation in which the amount described in subsection (a) is taken into account, and

(2) shall be made in such manner as the Secretary shall provide.

(2) RULES FOR REPORTING BY S CORPORATION.—Each S corporation which is a United States shareholder of a specified foreign corporation shall report its return of tax under section 6031(a) the amount includable in its gross income for such taxable year by reason of this section and the amount of the deduction allowable by subsection (c). Any copy provided to a shareholder under section 6031(b) shall include a statement of such shareholder’s pro rata share of such amounts.

(3) EXTENSION OF LIMITATION ON ASSESSMENT.—Notwithstanding section 6501, the limitation on the time period for the assessment of the net tax liability under this section (as defined in subsection (b)(6)) shall not expire before the date that is 6 years after the return for the taxable year described in such subsection was filed.

(4) RECAPTURE FOR EXPATRIATED ENTITIES.—

(I) IN GENERAL.—If a deduction is allowed under subsection (c) to a United States shareholder of an S corporation which is an expatriated entity at any time during the 10-year period beginning on the date of the enactment of the Tax Cuts and Jobs Act (with respect to a sale or exchange of all stock in such corporation that becomes a surrogate foreign corporation during such period), then—

(A) the tax imposed by this chapter shall be increased for the first taxable year in which such taxpayer becomes an expatriated entity by an amount equal to 35 percent of the amount of the deduction allowed under subsection (c) and

(B) be required against the increase in tax under subparagraph (A).

(II) EXPATRIATED ENTITY.—For purposes of this subsection, the term ‘expatriated entity’ means an entity described in paragraph (A) of subsection (c) of section 8774(a) but which is not an entity described in paragraph (A) of subsection (c) of section 7874(a) except that such term shall not include any entity that is treated as a domestic corporation under section 7874(b).

(III) SURROGATE FOREIGN CORPORATION.—For purposes of this subsection, the term ‘surrogate foreign corporation’ means an entity described in paragraph (A) of subsection (c) of section 7874(a) except that such term shall not include an entity that is treated as a domestic corporation under section 7874(b).

(m) SPECIAL RULES FOR UNITED STATES SHAREHOLDERS WHICH ARE REAL ESTATE INVESTMENT TRUSTS.—

(I) IN GENERAL.—If a real estate investment trust is a United States shareholder in 1 or more deferred foreign investment corporations—

(A) any amount required to be taken into account under section 951(a)(1) by reason of this section shall not be taken into account as gross income of the real estate investment trust for purposes of applying paragraphs (2) and (3) of section 552(c) to any taxable year for which such amount is first taken into account under section 951(a)(1), and

(B) if the real estate investment trust elects the application of this subparagraph, notwithstanding the standards required to be taken into account under section 951(a)(1) by reason of this section shall, in lieu of the taxable year in which it would otherwise be included in gross income (for purposes of the computation of real estate investment trust taxable income under section 552(b)), be included in gross income as follows:

(i) 8 percent of such amount in the case of each of the taxable years in the 5-taxable year period beginning with the taxable year in which such amount would otherwise be included.

(ii) 20 percent of such amount in the case of the 1st taxable year following such period.

(iii) 25 percent of such amount in the case of the 2nd taxable year following such period.

(ii) APPLICATION FOR DEFERRED INCLUSION.—

(A) ELECTION.—Any election under paragraph (1)(B) shall be made not later than the due date for the first taxable year in the 5-taxable year period beginning with the taxable year in which such amount would otherwise be included.

(B) SPECIAL RULES.—If an election under paragraph (1)(B) is made with respect to any real estate investment trust, the following rules shall apply:

(i) APPLICATION OF PARTICIPATION EXEMPTION.—For purposes of subsection (c)(1)(A) or (A) the aggregate amount to which subparagraph (A) or (B) of subsection (c)(1) applies shall be determined without regard to the election.

(ii) Each such aggregate amount shall be allocated to each taxable year described in paragraph (1)(B) in the same proportion as the amount included in the gross income of such United States shareholder under section 951(a)(1) by reason of this section is allocated to each such taxable year.

(iii) NO INSTALLMENT PAYMENTS.—The real estate investment trust may not make an election under subsection (q) for any taxable year described in paragraph (1)(B).

(iv) ACCELERATION OF INCLUSION.—If there is a liquidation or sale of substantially all the assets of the real estate investment trust (including in a Title 11 or similar case), a cessation of business by such trust, or any similar circumstance, then any amount not yet included in gross income under paragraph (1)(B) shall be included in gross income as of the date before the date of the event and the unpaid portion of any tax liability with respect to such inclusion shall be due on the date of such event (or in the case of a Title 11 or similar case, the day before the petition is filed).

(v) ELECTION NOT TO APPLY NET OPERATING LOSS DEPRECIATION.—

(I) IN GENERAL.—If a United States shareholder of a deferred foreign income entity elects the application of this subsection for the taxable year described in subsection (a), then the amount described in paragraph (2) shall not be taken into account—

(A) in determining the amount of the net operating loss deduction under section 172 of such shareholder for such taxable year, or

(B) in determining the amount of taxable income for such taxable year which may be included in the net operating loss carryovers or carrybacks to such taxable year under section 172.

(ii) AMOUNT DESCRIBED.—The amount described in this subsection is—

(A) the amount required to be taken into account under section 951(a)(1) by reason of this section (determined after the application of subsection (c), plus

(B) in the case of a domestic corporation which chooses to have the benefits of subpart A of part III of subchapter N of chapter 1 be treated as if such corporation were a foreign corporation, the taxes deemed to be paid by such corporation under subsections (a) and (b) of section 960 for such taxable year with respect to the amount described in subparagraph (A) and which are treated as a dividends under section 78.

(iii) ELECTION.—Any election under this subsection shall be made not later than the due date for the return of tax for such taxable year.

(iii) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section, including—

(A) regulations or other guidance to provide for reasonable estimates and other appropriate time frames and procedures, for purposes of providing for appropriate basis adjustments, and

(B) regulations or other guidance to prevent the avoidance of the purpose of this section, including through a reduction in earnings and profits, through changes in entity classification or accounting methods, or otherwise.

(3) REGULATIONS.—The table of sections for subpart F of part III of subchapter N of chapter 1 is amended by striking the item relating to section 956 and inserting the following: ‘‘Sec. 956. Treatment of deferred foreign income upon transition to participation in the revised global intangible low-taxed income exemption system of taxation.’’.

Subpart B—Rules Related to Passive and Mobile Income

CHAPTER 1—TAXATION OF FOREIGN-RENTAL INCOME OF UNITED STATES SHAREHOLDERS

SEC. 14201. CURRENT YEAR INCLUSION OF GLOBAL INTANGIBLE LOW-TAXED INCOME OF UNITED STATES SHAREHOLDERS.

(a) IN GENERAL.—Subpart F of part III of subchapter N of chapter 1 is amended by inserting after section 951 the following new section:

‘‘SEC. 951A. GLOBAL INTANGIBLE LOW-TAXED INCOME INCLUDED IN GROSS INCOME OF UNITED STATES SHAREHOLDERS.

(a) IN GENERAL.—If a United States shareholder of any controlled foreign corporation for any taxable year of such United States shareholder shall include in gross income such shareholder’s share of the global intangible low-taxed income of such controlled foreign corporation for any taxable year of such United States shareholder, the excess (if any) of—

(A) such shareholder’s net CFC tested income for such taxable year, over

(B) such shareholder’s net deemed tangible income return for such taxable year.

(2) NET DEEMED TANGIBLE INCOME RETURN.—The term ‘net deemed tangible income return’ means, with respect to any United States shareholder for any taxable year, the excess of—

(A) 10 percent of the aggregate of such shareholder’s pro rata share of the qualified low-taxed income of each controlled foreign corporation with respect to which such shareholder is a United States shareholder for such taxable year (determined for each taxable year of each such controlled foreign corporation which ends in or with such taxable year of such United States shareholder), over

(B) the amount of the interest income taken into account under section 2(b)(2)(A)(ii) in determining the shareholder’s net CFC income for the taxable year to the extent the interest income attributable to such foreign income is not taken into account in determining such shareholder’s net CFC income.

(c) NET CFC TESTED INCOME.—For purposes of this section—

(I) IN GENERAL.—The term ‘net CFC tested income’ means, with respect to any United
States shareholder for any taxable year of such United States shareholder, the excess (if any) of—

(A) the aggregate of such shareholder’s pro rata share of the tested loss of each controlled foreign corporation with respect to which such shareholder is a United States shareholder for such taxable year of such United States shareholder, for each taxable year of such controlled foreign corporation which ends in or with such taxable year of such United States shareholder, over

(B) such shareholder’s pro rata share of the tested loss of each controlled foreign corporation with respect to which such shareholder is a United States shareholder for such taxable year of such United States shareholder,

(2) TESTED INCOME; TESTED LOSS.—For purposes of this section—

(A) TESTED INCOME.—The term ‘tested income’ means, with respect to any controlled foreign corporation for any taxable year of such controlled foreign corporation, the excess (if any) of—

(i) the gross income of such corporation determined for each taxable year of such United States shareholder, the excess (if any) of

(A) the aggregate of such shareholder’s pro rata share of the tested loss of each controlled foreign corporation with respect to which such shareholder is a United States shareholder for such taxable year of such United States shareholder, over

(B) such shareholder’s pro rata share of the tested loss of each controlled foreign corporation with respect to which such shareholder is a United States shareholder for such taxable year of such United States shareholder, over

(C) the aggregate of such shareholder’s pro rata share of the tested loss of each controlled foreign corporation with respect to which such shareholder is a United States shareholder for such taxable year of such United States shareholder, over

(D) any gross income earned during such taxable year by the controlled foreign corporation with respect to such property.

"(3) DETERMINATION OF ADJUSTED BASIS.—For purposes of this section, notwithstanding any provision of this title (or any other provision of law) which is enacted after the date of the enactment of this section, the adjusted basis in any property—

(A) by using the alternative depreciation system under section 168(g), and

(B) by allocating the depreciation deduction with respect to such property ratably to each day during the period in the taxable year in which such depreciation relates.

(2) PARTNER.—For purposes of this subsection, if a controlled foreign corporation holds an interest in a partnership at the close of such taxable year of the controlled foreign corporation, such controlled foreign corporation shall treat such partnership as a corporation for purposes of applying sections 951 through 954, and subsection (1) of this section (as so redesignated) the following new subparagraph (B) is inserted at the end of the following new subsection:

(b) foreign tax credit.—

(1) application of deemed paid foreign tax credit.—Section 960 is amended by inserting at the end of the following new subsection:

(4) REGULATIONS.—The Secretary shall issue such regulations or other guidance as the Secretary determines appropriate to prevent the avoidance of the purposes of this subsection, including regulations or other guidance which provide for the treatment of property if—

(e) DETERMINATION OF PRO RATA SHARE, ETC.—For purposes of this section—

(A) IN GENERAL.—The term ‘tested loss’ means, with respect to any controlled foreign corporation for any taxable year of such controlled foreign corporation, the excess (if any) of

(i) any item of income described in section 952(b)(3),

(ii) any gross income earned during such taxable year by the controlled foreign corporation with respect to such property.

"(2) ALLOCATION OF GLOBAL INTANGIBLE LOW-TAXED INCOME TO CONTROLLED FOREIGN CORPORATIONS.—For purposes of the sections referred to in paragraph (1), with respect to any controlled foreign corporation and any tested foreign income tax (as so redesignated), the portion of such global intangible low-taxed income which is treated as being with respect to such controlled foreign corporation, the portion of such controlled foreign corporation with no tested income, zero, and

(B) in the case of a controlled foreign corporation with tested income, the portion of such global intangible low-taxed income which bears the same ratio to such global intangible low-taxed income as—

(C) the aggregate amount described in subparagraph (A)(iv) with respect to such United States shareholder.

(3) PARTNER.—For purposes of this subsection, if a controlled foreign corporation holds an interest in a partnership at the close of such taxable year of the controlled foreign corporation, such controlled foreign corporation shall treat such partnership as a corporation for purposes of applying sections 951 through 954, and subsection (1) of this section (as so redesignated) the following new subparagraph (B) is inserted at the end of the following new subsection:

(b) foreign tax credit.—

(1) APPLICATION OF DEEMED PAID FOREIGN TAX CREDIT.—Section 960 is amended by inserting at the end of the following new subsection:

(B) the aggregate amount described in section 951(a)(1)(A) with respect to such United States shareholder.

(2) INCLUSION PERCENTAGE.—For purposes of paragraph (1), the term ‘inclusion percentage’ means, with respect to any domestic corporation which is a United States shareholder of a controlled foreign corporation, the foreign income taxes paid or accrued by such controlled foreign corporation which are properly attributable to the tested income of such foreign corporation taken into account by such domestic corporation under section 951A.

(3) TESTED FOREIGN INCOME TAXES.—For purposes of paragraph (1), the term ‘tested foreign income taxes’ means, with respect to any domestic corporation which is a United States shareholder of a controlled foreign corporation, the foreign income taxes paid or accrued by such controlled foreign corporation which are properly attributable to the tested income of such foreign corporation.

(T) DEEMED PAID CREDIT FOR TAXES PROP- ERTY ATTRIBUTABLE TO TESTED INCOME.—GENERAL.—For purposes of subsection (B) of this section, if any amount is includible in the gross income of a domestic corporation under section 951A, such domestic corporation shall be deemed to have paid foreign income taxes equal to 80 percent of the product of—

(A) such domestic corporation’s inclusion percentage, and

(B) the aggregate foreign income taxes paid or accrued by controlled foreign corporations.

(d) Deemed inclusion.—For purposes of paragraph (1), the term ‘deemed inclusion’ means, with respect to any domestic Corporation which is a United States shareholder of a controlled foreign corporation, the foreign income taxes paid or accrued by such domestic corporation which are properly attributable to the tested income of such foreign corporation.

(T) DEEMED PAID CREDIT FOR TAXES PROP- ERTY ATTRIBUTABLE TO TESTED INCOME.—GENERAL.—For purposes of subsection (B) of this section, if any amount is includible in the gross income of a domestic corporation under section 951A, such domestic corporation shall be deemed to have paid foreign income taxes equal to 80 percent of the product of—

(A) such domestic corporation’s inclusion percentage, and

(B) the aggregate foreign income taxes paid or accrued by controlled foreign corporations.

(T) DEEMED PAID CREDIT FOR TAXES PROP- ERTY ATTRIBUTABLE TO TESTED INCOME.—GENERAL.—For purposes of subsection (B) of this section, if any amount is includible in the gross income of a domestic corporation under section 951A, such domestic corporation shall be deemed to have paid foreign income taxes equal to 80 percent of the product of—

(A) such domestic corporation’s inclusion percentage, and

(B) the aggregate foreign income taxes paid or accrued by controlled foreign corporations.

(T) DEEMED PAID CREDIT FOR TAXES PROP- ERTY ATTRIBUTABLE TO TESTED INCOME.—GENERAL.—For purposes of subsection (B) of this section, if any amount is includible in the gross income of a domestic corporation under section 951A, such domestic corporation shall be deemed to have paid foreign income taxes equal to 80 percent of the product of—

(A) such domestic corporation’s inclusion percentage, and

(B) the aggregate foreign income taxes paid or accrued by controlled foreign corporations.
the end the following: “This subsection shall not apply to taxes paid or accrued with respect to amounts described in subsection (d)(1)(A).”.

(c) CLERICAL AMENDMENT.—The table of sections for part F of part III of subchapter X of chapter 1 is amended by inserting after the item relating to section 951 the following new item:

“Sec. 951A. Global intangible low-taxed income included in gross income of United States shareholders.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. 14202. FOREIGN-DERIVED INTANGIBLE INCOME AND GLOBAL INTANGIBLE LOW-TAXED INCOME.

(a) In General.—Part VIII of subchapter B of chapter 1 is amended by adding at the end the following new section:

“SEC. 250. FOREIGN-DERIVED INTANGIBLE INCOME AND GLOBAL INTANGIBLE LOW-TAXED INCOME.

“(a) Allowance of Deduction.—

“(1) In General.—In the case of a domestic corporation for any taxable year, there shall be allowed as a deduction an amount equal to the sum of—

“(A) 37.5 percent of the foreign-derived intangible income of such domestic corporation for such taxable year, plus—

“(B) 50 percent of—

“(i) the global intangible low-taxed income amount (if any) which is included in the gross income of such domestic corporation under section 951A for such taxable year, and—

“(ii) the amount treated as a dividend received by such corporation under section 78 which is attributable to the amount described in clause (i).”

“(2) Limitation Based on Taxable Income.—

“(A) In General.—If, for any taxable year—

“(i) the sum of the foreign-derived intangible income and the global intangible low-taxed income amount otherwise taken into account by the domestic corporation under paragraph (1), exceeds—

“(ii) the taxable income of the domestic corporation (determined without regard to this section),

then the amount of the foreign-derived intangible income and the global intangible low-taxed income amount so taken into account shall be reduced as provided in subparagraph (B).

“(B) Reduction.—For purposes of subparagraph (A)—

“(i) foreign-derived intangible income shall be reduced by an amount which bears the same ratio to the excess described in subparagraph (A) as such foreign-derived intangible income bears to the sum described in subparagraph (A)(i), and—

“(ii) the global intangible low-taxed income amount shall be reduced by the remainder of such excess.

“(C) Reduction in Deduction for Taxable Years After 2025.—In the case of any taxable year beginning after December 31, 2025, paragraph (1) shall be applied by substituting—

“(A) ‘27.5 percent’ for ‘37.5 percent’ in subparagraph (A), and—

“(B) ‘37.5 percent’ for ‘50 percent’ in subparagraph (B).

“(d) FOREIGN-DERIVED INTANGIBLE INCOME.—For purposes of this section—

“(1) In General.—The foreign-derived intangible income of any domestic corporation is the amount which bears the same ratio to the deemed intangible income of such corporation as—

“(A) the foreign-derived deduction eligible income of such corporation, bears to—

“(B) the deduction eligible income of such corporation.

“(2) Deemed Intangible Income.—For purposes of this subsection—

“(A) In General.—The ‘deemed intangible income’ means the excess (if any) of—

“(i) the deduction eligible income of the domestic corporation, over—

“(ii) the deemed tangible income return of the corporation.

“(B) Deemed Tangible Income Return.—The ‘deemed tangible income return’ means, with respect to any corporation, an amount equal to 10 percent of the corporation’s qualified business assets (as defined in section 951A(d), determined by substituting ‘deduction eligible income’ for ‘tested income’ in paragraph (2) thereof and without regard to whether the corporation is a controlled foreign corporation).

“(C) Deduction Eligible Income.—

“(1) In General.—The term ‘deduction eligible income’ means, with respect to any domestic corporation, the excess (if any) of—

“(i) gross income of such corporation determined without regard to—

“(II) any amount included in the gross income of such corporation under section 951(a)(1),

“(III) any financial services income (as defined in section 904(d)(2)(D)) of such corporation,

“(IV) any dividend received from a corporation which is a controlled foreign corporation of such domestic corporation,

“(V) any domestic oil and gas extraction income of such corporation (1), determined—

“(A) by substituting ‘deduction eligible income’ for ‘tested income’ in paragraph (2) thereof, and—

“(B) without regard to whether the corporation is a controlled foreign corporation

“(II) the taxpayer establishes to the satisfaction of the Secretary that such property is for a foreign use.

“For purposes of this clause, a sale of property shall be treated as a sale of each of the components thereof.

“(ii) Service Provided to Related Parties.—If a service is provided to a related party (other than a corporation of the United States in the United States, such service shall not be treated as described in subparagraph (A)(ii) unless the taxpayer established to the satisfaction of the Secretary that such service is not substantially similar to services provided by such related party to persons located within the United States.

“(D) Related Party.—For purposes of this paragraph, the term ‘related party’ means any member of an affiliated group as defined in section 1504(a), determined—

“(i) by substituting ‘more than 50 percent’ for ‘at least 80 percent’ each place it appears, and—

“(ii) without regard to paragraphs (2) and (3) of section 1504(b).

“A person (other than a corporation) shall be treated as a member of such group if such person is controlled by members of such group (including any entity treated as a member of such group for the reason of this section) or controls any such member. For purposes of the preceding sentence, control shall be determined under the rules of section 954(d)(3).

“(E) Sold.—For purposes of this subsection, the terms ‘sold’, ‘sells’, and ‘sale’ shall include any lease, license, exchange, or other disposition.

“(f) Regulations.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section.”.

(b) CONFORMING AMENDMENTS—

“(1) Section 172(d), as amended by this Act, is amended by adding at the end the following new paragraph:

“(ii) deduction for foreign-derived intangible income.—The deduction under section 250 shall not be allowed.

“(2) Section 246(b)(1) is amended—

“(A) by striking ‘and subsection (a) and (b) of section 245’ the first place it appears and inserting ‘, subsection (a) and (b) of section 245, and section 250’;

“(B) by striking ‘and subsection (a) and (b) of section 245’ the second place it appears and inserting ‘subsection (a) and (b) of section 245, and 250’;

“(3) Section 469(i)(3)(F)(iii) is amended by striking ‘and 222’ and inserting ‘, 222, and 250’.

“(4) The table of sections for part VIII of subchapter B of chapter 1 is amended by adding at the end the following new item:

“Sec. 250. Foreign-derived intangible income and global intangible low-taxed income.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

CHAPTER 2—OTHER MODIFICATIONS OF SUBPART F PROVISIONS

SEC. 14211. ELIMINATION OF INCLUSION OF FOREIGN BASE COMPANY OIL RELATED INCOME.

(a) REPEAL.—Subsection (a) of section 954 is amended—

“(1) by inserting ‘and’ at the end of paragraph (2),

“(2) by striking the comma at the end of paragraph (3) and inserting ‘or takes’, and—

“(3) by striking paragraph (5).

(b) CONFORMING AMENDMENTS.—
(1) Section 952(c)(1)(B)(iii) is amended by striking subclass (I) and redesignating subclasses (II) through (V) as subclasses (I) through (IV), respectively.

(2) Section 951(b) is amended—
(A) by striking the second sentence of paragraph (4),
(B) by striking “the foreign base company services income, and the foreign base company oil related income” in paragraph (5) and inserting “and the foreign base company services income”, and
(C) by striking paragraph (6).

(3) Section 954 is amended by striking subsection (q).

(4) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. 14212. REPEAL OF INCLUSION BASED ON WITHDRAWAL OF PREVIOUSLY EXCLUDED SUBPART F INCOME FROM QUALIFIED INVESTMENT.

(a) IN GENERAL.—Subpart F of part III of subchapter N of chapter 1 is amended by striking section 955.

(b) CONFORMING AMENDMENTS.—
(1) Section 951(a)(1)(A) is amended to read as follows—
“(A) his pro rata share (determined under paragraph (2)) of the corporation’s subpart F income for such year, and”;
(2) section 951(b)(2) is amended by striking “section 951(a)(1)(A)(ii)” in the flush language at the end and inserting “section 951(a)(1)(A)”; and
(3) section 954(c)(1)(B)(ii) is amended by striking “section 951(a)(1)(A)(ii)” and inserting “section 951(a)(1)(A)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. 14213. MODIFICATION OF STOCK ATTRIBUTION RULES FOR DETERMINING STATUS AS A CONTROLLED FOREIGN CORPORATION.

(a) IN GENERAL.—Section 958(b) is amended—
(1) by striking paragraph (4), and
(2) by striking “Paragraphs (1) and (4)” in the last sentence and inserting “Paragraph (1)”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. 14214. MODIFICATION OF DEFINITION OF UNITED STATES SHAREHOLDER.

(a) IN GENERAL.—Section 958(b) is amended by inserting “, or 10 percent or more of the total value of shares of all classes of stock of such foreign corporation” after “such foreign corporation”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

SEC. 14215. REMOVAL OF REQUIREMENT THAT CORPORATION MUST BE CONTROLLED FOR 30 DAYS BEFORE SUBPART F INCOME Applies.

(a) IN GENERAL.—Section 951(a)(1) is amended by striking “for an uninterrupted period of 30 days or more” and inserting “at any time”.

(2) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

CHAPTER 3—PREVENTION OF BASE EROSION

SEC. 14221. LIMITATIONS ON INCOME SHIFTING THROUGH INTANGIBLE PROPERTY TRANSFERS.

(a) DEFINITION OF INTANGIBLE ASSET.—Section 956(h)(3)(A) is amended—
(1) by striking “or” at the end of clause (v),

(2) by striking clause (vi) and inserting the following—
“(vi) any goodwill, going concern value, or workforce in place (including its composition and terms and conditions of employment, contractual or otherwise) of its employees; or”;
(3) by striking “or amounts referred to in clause (ii) or (iii) of section 956(h)(3)(A)”.

(b) CLARIFICATION OF ALLOWABLE VALUATION METHODS.—

(1) FOREIGN CORPORATIONS.—Section 367(d)(2) is amended by adding at the end the following new subparagraph:
“(D) REGULATORY AUTHORITY.—For purposes of the last sentence of subparagraph (A), the Secretary shall require—
“(i) the valuation of transfers of intangible property, including intangible property transferred with other property or services, on an aggregate basis, or
“(ii) the valuation of such a transfer on the basis of the realistic alternatives to such a transfer, if the Secretary determines that such basis is the most reliable means of valuation of such transfers.”;

(2) ALLOCATION AMONG TAXPAYERS.—Section 482 is amended by adding at the end the following:
“(D) REGULATORY AUTHORITY.—For purposes of this section, the Secretary shall require the calculation of transfers of intangible property (and any property transferred with other property or services) on an aggregate basis or the valuation of such a transfer on the basis of the realistic alternatives to such a transfer, if the Secretary determines that such basis is the most reliable means of valuation of such transfers.”

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to transfers in taxable years beginning after December 31, 2017.

(2) NO INFERENCE.—Nothing in the amendment made by subsection (a) shall be construed to create any inference with respect to the application of section 956(h)(3) of the Internal Revenue Code of 1986, or the authority of the Secretary of the Treasury to provide regulations for such application, with respect to taxable years beginning before January 1, 2018.

SEC. 14222. CERTAIN RELATED PARTY AMOUNTS PAID OR ACCRUED IN HYBRID TRANSACTIONS OR WITH HYBRID ENTITIES.

(a) IN GENERAL.—Part IX of subchapter B of chapter 1 is amended by inserting after section 267 the following:

“SECTION 267A. CERTAIN RELATED PARTY AMOUNTS PAID OR ACCRUED IN HYBRID TRANSACTIONS OR WITH HYBRID ENTITIES

(a) IN GENERAL.—No deduction shall be allowed under this chapter for any disqualified related party amount paid or accrued pursuant to a hybrid transaction or by, or to, a hybrid entity.

(b) DISQUALIFIED RELATED PARTY AMOUNT.—For purposes of this section—

“(1) DISQUALIFIED RELATED PARTY AMOUNT.—The term ‘disqualified related party amount’ includes any interest or royalty paid or accrued to a related party to the extent that—

“(A) such amount is not included in the income of such related party under the tax law of the country of which such related party is a resident for tax purposes or is subject to tax, or

“(B) such related party is allowed a deduction with respect to such amount under the tax law of such country.

Such term shall not include any payment to the extent such payment is included in the gross income of a United States shareholder under section 951(a).

(2) RELATED PARTY.—The term ‘related party’ means a related person as defined in section 954(d)(2), except that such section shall be applied with respect to the person making the payment described in paragraph (1) in lieu of the controlled foreign corporation otherwise referred to in such section for—

“(c) HYBRID TRANSACTION.—For purposes of this section, the term ‘hybrid transaction’ means any transaction, series of transactions, arrangements which involve a hybrid transaction or by, or to, a hybrid entity, or which the entity is resident for tax purposes or is subject to tax, or

“(d) HYBRID ENTITY.—For purposes of this section, the term ‘hybrid entity’ means any entity which is either—

“(1) treated as fiscally transparent for purposes of this chapter but not so treated for purposes of the tax law of the foreign country of which the entity is resident for tax purposes or is subject to tax, or

“(2) treated as fiscally transparent for purposes of such tax law but not so treated for purposes of this chapter.

“(e) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section, including regulations or other guidance providing for—

“(1) rules for treating certain conduit arrangements which involve a hybrid transaction or a hybrid entity as subject to subsection (a),

“(2) rules for the application of this section to branches or domestic entities,

“(3) rules for treating certain structured transactions as subject to subsection (a),

“(4) rules for treating any related party amount paid or accrued as an exclusion from income for purposes of applying subsection (b)(1) if such tax preference has the effect of reducing the generally applicable statutory rate by 25 percent or more,

“(5) rules for treating the entire amount of interest or royalty paid or accrued to a related party as a disqualified related party amount if such amount is subject to a participation exemption system or other system which provides for the exclusion or deduction of a substantial portion of such amount,

“(6) rules for determining the tax residence of a foreign entity if the entity is otherwise considered a resident of more than one country or of no country.

“(7) exceptions from subsection (a) with respect to—

“(A) cases in which the disqualified related party amount is taxed under the laws of a foreign country other than the country of which the related party is a resident for tax purposes,

“(B) other cases which the Secretary determines do not present a risk of eroding the Federal tax base.

“(7) requirements for record keeping and information reporting in addition to any requirements imposed by section 6038A.”.

Section 267A, as added by section 2 of this Act, shall apply to taxable years of United States shareholders of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.
(b) CONFIRMING AMENDMENT.—The table of sections for part IX of subchapter B of chapter 1 is amended by inserting after the item relating to section 267 the following new item: "Sec. 267A. Certain related party amounts paid or accrued in hybrid transactions or with hybrid entities.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning on or after December 31, 2017.

SEC. 14223. SHAREHOLDERS OF SURROGATE FOREIGN CORPORATIONS NOT ELIGIBLE FOR REDUCED RATE ON DIVIDENDS.

(a) IN GENERAL.—Section 1(h)(11)(C)(ii) is amended—

(1) by striking "shall not include any foreign corporation" and inserting "shall not include—"

(2) by striking the period at the end and inserting ", " and ", "

(3) by adding at the end the following new clause: "shall be deemed to have paid so much of such other foreign corporation's foreign income taxes as are properly attributable to such item of income."

(b) DETERMINATION OF SECTION 960 CREDIT.—If a domestic corporation chooses to have the benefits of this subsection, it shall be deemed to have paid so much of such other foreign corporation's foreign income taxes as are properly attributable to such item of income."

(2) DETERMINATION OF SECTION 960 CREDIT ON CURRENT YEAR BASIS. —Section 960, as amended by section 14201, is amended by adding a new section 960(a) 2 as follows:

"Section 960. Deemed paid credit for part II

For purposes of subsection (a) for taxable years beginning after December 31, 2017, an amount equal to the taxes deemed to have been paid by such corporation under subsections (a), (b), and (d) of section 960 (determined without regard to the phrase '80 percent of' in subsection (d)(1) thereof) for the taxable year shall be treated for purposes of title other than sections 245 and 245A as a dividend received by such domestic corporation from the foreign corporation."

(2) Paragraph (4) of section 245(a) is amended to read as follows:

"(4) POST-1986 UNDISTRIBUTED EARNINGS.—The term 'post-1986 undistributed earnings' means the amount of earnings and profits of a foreign corporation (computed in accordance with sections 964(a) and 986) accumulated in taxable years beginning after December 31, 1986—

(A) as of the close of the taxable year of the foreign corporation in which the dividend is distributed, and

(B) without diminution by reason of dividends distributed during such taxable year.

(3) Section 245(a)(10)(C) is amended by striking "902, 907, and 960" and inserting "907 and 960".

(4) Sections 535(b)(1) and 545(b)(1) are each amended by striking "sections 902, 907," and inserting "907".

(5) Section 904(d)(3)," and

(6) Section 907(c)(5) is amended by striking "902 or"

(7) Section 907(f)(2)(B) is amended by striking "902 or"

(8) Section 907(g)(1) is amended by striking "902 or"

(9) Section 907(h)(1)(B) is amended by striking "902 or"

(10) Section 907(i)(1)(A) is amended by striking "902 or"

(11) Section 907(i)(1)(B) is amended by striking "902 or" and inserting "902 and 960".

(12) Section 907(m)(1)(B) is amended by striking "902 or" and inserting "902 or 960".

(13) Section 907(n)(1) is amended by striking "902 or" and inserting "902 or 960".

(14) Section 907(o)(1)(B) is amended by striking "902 or" and inserting "902 or 960".

(15) Section 907(r)(1)(B) is amended by striking "902 or" and inserting "902 or 960".

(16) Section 907(s)(1)(B) is amended by striking "902 or" and inserting "902 or 960".

(17) Section 907(t)(1)(B) is amended by striking "902 or" and inserting "902 or 960".

(18) Section 907(u)(1)(B) is amended by striking "902 or" and inserting "902 or 960".

(19) Section 907(v)(1)(B) is amended by striking "902 or" and inserting "902 or 960".

(20) Section 907(w)(1)(B) is amended by striking "902 or" and inserting "902 or 960".

(21) Section 907(x)(1)(B) is amended by striking "902 or" and inserting "902 or 960".

(22) Section 907(y)(1)(B) is amended by striking "902 or" and inserting "902 or 960".

(23) Section 907(z)(1)(B) is amended by striking "902 or" and inserting "902 or 960".

(24) Section 907(aa)(1)(B) is amended by striking "902 or" and inserting "902 or 960".

(25) Section 907(ab)(1)(B) is amended by striking "902 or" and inserting "902 or 960".

(26) Section 907(ac)(1)(B) is amended by striking "902 or" and inserting "902 or 960".

(27) Section 907(ad)(1)(B) is amended by striking "902 or" and inserting "902 or 960".

(28) Section 907(af)(1)(B) is amended by striking "902 or" and inserting "902 or 960".

(29) Section 907(ag)(1)(B) is amended by striking "902 or" and inserting "902 or 960".

(30) Section 907(ah)(1)(B) is amended by striking "902 or" and inserting "902 or 960".
SEC. 14303. SOURCE OF INCOME FROM SALES OF INVENTORY DETERMINED SOLELY ON BASIS OF PRODUCTION ACTIVITY.

(a) In General.—Section 863(b) is amended by adding at the end the following: "(B) an amount equal to 5 percent (10 percent in the case of a controlled foreign corporation) of the modified taxable income of such taxpayer for the taxable year, over the base erosion minimum tax amount determined for purposes of subparagraph (B) thereof, and
"[(i) the applicable section 38 credits]".

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 14401. BASE EROSION AND ANTI-ABUSE TAX.

(a) A of chapter 1 is amended by adding at the end the following new part: "PART VII—BASE EROSION AND ANTI-ABUSE TAX

"Sec. 59A. Tax on base erosion payments of taxpayers with substantial gross receipts.

"Sec. 59A. Tax on base erosion payments of taxpayers with substantial gross receipts.

(b) Imposition of Tax.—There is hereby imposed on each applicable taxpayer for any taxable year a tax equal to the base erosion minimum tax amount for the taxable year. Such tax shall be in addition to any other tax imposed by this subtitle.

"(2) Basis.—For purposes of paragraph (1), the term ‘base erosion minimum tax amount’ means, with respect to any applicable taxpayer for any taxable year, the excess (if any) of—
"[(i) the credits allowed under section 38 for the taxable year which is properly allocable to the research credit determined under section 41(a), plus
"[(ii) the portion of the applicable section 38 credits not in excess of 80 percent of the lesser of (A) the amount of such credits or the base erosion minimum tax amount (determined without regard to this subclause).

"(2) Modifications For Taxable Years Beginning After December 31, 2025.—In the case of any taxable year beginning after December 31, 2025, paragraph (1) shall be applied—
"[(A) by substituting ‘12.5 percent’ for ‘10 percent’ in subparagraph (A) thereof, and
"[(B) by reducing (but not below zero) the regular tax liability (as defined in section 26(b)) for purposes of subparagraph (B) thereof by the aggregate amount of the credits allowed under this chapter against such regular tax liability rather than the excess described in such subparagraph.

"(A) In General.—In the case of a taxpayer described in subparagraph (B) who is an applicable taxpayer for any taxable year, the percentage otherwise in effect under paragraphs (1)(A) and (2)(A) shall each be increased by one percentage point.

"(B) Taxpayer Described.—A taxpayer is described in this subparagraph if such taxpayer is a member of an affiliated group (as defined in section 54(b)(1)) which—
"[(i) has elected to use the foreign derived intangible income,

(c) Modified Taxable Income.—For purposes of this section—
"[(I) In General.—The term ‘modified taxable income’ means the taxable income of the taxpayer computed under this chapter for the taxable year, determined without regard to—
"[(i) any base erosion tax credit with respect to any base erosion payment, or
"[(ii) the base erosion percentage of any net operating loss deduction allowed under section 172 for the taxable year.

"(2) Base Erosion Tax Benefit.—
"[(A) In General.—The term ‘base erosion tax benefit’ means—
"[(i) any deduction described in subsection (d)(1) which is allowed under this chapter for the taxable year with respect to any base erosion payment, or
"[(ii) any reduction under subsection 803(a)(1)(B) in the gross amount of premiums and other consideration arising out of indemnity insurance.

"[(II) any reduction under section 832(b)(4)(A) from the amount of gross premiums written on policies or contracts described in section 832(b)(5) for years beginning after December 31, 2017, in the case of any taxable year covered by this chapter, and

"[(III) any reduction in the base erosion tax benefit described in subsection (d)(3),

"[(iv) in the case of a base erosion tax benefit described in subsection (d)(4), any reduction in the base erosion tax benefit with respect to such payment.
poses of paragraph (1)(B)—

(iii) the gross receipts of the taxpayer.

(b)(1) WITH RESPECT TO A PERSON DESCRIBED IN SECTION 448-(A) any 25-percent owner of the taxpayer, and

(B) any person who is related (within the meaning of section 267(b) or 707(b)(1)) to the taxpayer—

(i) surrogate foreign corporation which is a related party of the taxpayer, but only if such person first became a surrogate foreign corporation after November 8, 2017, or

(ii) foreign corporation which is a member of the same expanded affiliated group as the surrogate foreign corporation.

(C) DEFINITIONS.—For purposes of this paragraph—

(1) SURROGATE FOREIGN CORPORATION.—The term ‘surrogate foreign corporation’ has the meaning given in section 784(a)(2)(B) but does not include a foreign corporation treated as a domestic corporation under section 784(b).

(ii) EXPANDED AFFILIATED GROUP.—The term ‘expanded affiliated group’ has the meaning given such term by section 784(c)(1).

(3) EXCEPTION FOR CERTAIN AMOUNTS WITH RESPECT TO SERVICES.—Paragraph (1) shall not apply to any amount paid or accrued by a taxpayer for purposes of applying paragraph (1), in the case of a taxpayer to which section 163(j) applies for the taxable year, the reduction in the amount of interest for which a deduction is allowable by reason of such subsection shall not apply to the gross receipts of any person described in subsection (b)(3)(B)) applies for the preceding taxable year are at least $500,000,000, and

(4) BASE EROSION PERCENTAGE.—For purposes of paragraph (1)(B) (and similar instruments) with respect to shares of stock in foreign corporations shall be treated as shares of stock in such foreign corporations.

(A) IN GENERAL.—The term ‘qualified derivative payment’ means any payment made by a taxpayer pursuant to a derivative with respect to which the taxpayer recognizes gain or loss as if such derivative were sold for its fair market value on the last business day of the taxable year (and such additional times as required by this title or the taxpayer’s method of accounting),

(B) TREATMENT OF AMERICAN DEPOSITORY RECEIPTS AND SIMILAR INSTRUMENTS.—Except as otherwise provided by the Secretary, for purposes of this section—

(1) IN GENERAL.—The term ‘25-percent owner’ means, with respect to any corporation, any person who owns at least 25 percent of—

(A) the total voting power of all classes of stock of such corporation,

(B) the total value of all classes of stock of such corporation.

(2) SECTION 318 TO APPLY.—Section 318 shall apply for purposes of paragraphs (1) and (2), except that—

(A) that 10 percent shall be substituted for 50 percent and

(B) subparagraph (C) of section 318(a)(3) shall not be applied as to consider a United States person as owning stock or other investment held by a person who is not a United States person.

(4) CERTAIN PAYMENTS MADE IN THE ORDINARY COURSE OF TRADE OR BUSINESS.—For purposes of this section—

(A) IN GENERAL.—Except as provided in paragraph (3), any qualified derivative payment shall not be treated as a base erosion payment.

(B) QUALIFIED DERIVATIVE PAYMENT.—A derivative payment shall be treated as a qualified derivative payment under subsection (A) for any taxable year unless the taxpayer includes in the information report to be reported under section 6039(B)(2) with respect to such taxable year such information as is necessary to identify the payments to be so treated and such other information as the Secretary determines necessary to carry out the provisions of this subsection.

(5) EXCEPTIONS FOR PAYMENTS OTHERWISE TREATED AS BASE EROSION PAYMENTS.—This subsection shall not apply to any qualified derivative payment if—

(A) the payment would be treated as a base erosion payment if it were not made pursuant to a derivative, including any interest, royalty, or service payment, or

(B) in the case of a contract which has derivative and nonderivative components, the payment is properly allocable to the nonderivative component.

(2) DERIVATIVE DEFINED.—For purposes of this subsection—

(A) IN GENERAL.—The term ‘derivative’ means any contract (including any option, forward contract, futures contract, swap, or similar contract) the value of which, or any evidence of indebtedness, any rate, price, amount, index, formula, or algorithm.

(B) OTHER RULES MADE APPLICABLE.—Rules similar to the rules of subparagraphs (B), (C), and (D) of section 48(c)(3) shall apply in determining gross receipts for purposes of this section.

(3) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) of section 52 shall be treated as 1 person for purposes of this subsection and subsection (c)(4), except that income, deduction, gain, or loss with respect to which is (directly or indirectly) determined by reference to one or more of the following:

(i) Any share of stock in a corporation.

(ii) Any evidence of indebtedness.

(iii) Any commodity which is actively traded.

(iv) Any currency.

(v) Any price, amount, index, formula, or algorithm.

Such term shall not include any item described in clauses (i) through (v).

(4) TREATMENT OF AMERICAN DEPOSITORY RECEIPTS AND SIMILAR INSTRUMENTS.—Except as otherwise provided by the Secretary, for purposes of this part, American depository receipts and similar instruments with respect to shares of stock in foreign corporations shall be treated as shares of stock in such foreign corporations.

(C) EXCEPTION FOR CERTAIN CONTRACTS.—Subsection (A) shall not include—

(A) any contract for the sale, purchase, arbitration, or endowment contract issued by an insurance company to which subsection L applies.
(or issued by any foreign corporation to which such subchapter L would apply if such foreign corporation were a domestic corporation).

(i) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section, including regulations—

(1) providing for such adjustments to the application of this section as are necessary to prevent the avoidance of the purposes of this section, including through—

(A) the use of unrelated persons, conduit transactions, or other intermediaries, or

(B) transactions or arrangements designed, in whole or in part—

(i) to characterize payments otherwise subject to this section as payments not subject to this section, or

(ii) to substitute payments not subject to this section for payments otherwise subject to this section and

(2) the application of subsection (g), including rules to prevent the avoidance of the exceptions under subsection (g)(3).

(b) REPORTING REQUIREMENTS AND PENALTIES.

(1) IN GENERAL.—Subsection (b) of section 6038A is amended to read as follows:

(B) REQUIRED INFORMATION.—(i) The purposes of subsection (a), the information described in this subsection is such information as the Secretary prescribes by regulations relating to—

(A) the name, place of business, nature of business, and country or countries in which organized or resident, of each person which may be necessary or appropriate to carry out the provisions of this section, including regulation, or

(ii) is a related party to the reporting corporation, and

(ii) had any transaction with the reporting corporation during its taxable year.

(B) THE MANNER IN WHICH THE REPORTING CORPORATION RELATED PARTY TO THE REPORTING CORPORATION.

(1) The manner in which the reporting corporation is related to each person referred to in subparagraph (A), and

(2) The arrangements between the reporting corporation and each person which is a related party to the reporting corporation.

(2) ADDITIONAL INFORMATION REGARDING BASE EROSION PAYMENTS.—For purposes of subsection (a) and section 6038C, if the reporting corporation or the foreign corporation to whom such tax described in subsection (a) is attributable is an applicable taxpayer, the information described in this subsection shall include—

(A) such information as the Secretary determines necessary to determine the base erosion minimum tax amount, base erosion payments, and base erosion tax benefits of the taxpayer for purposes of section 59A for the taxable year, and

(B) such other information as the Secretary determines necessary to carry out such purposes. For purposes of this paragraph, any term used in this paragraph which is also used in section 59A shall have the same meaning as when used in such section.

(D) INCREASE IN PENALTY.—Paragraphs (1) and (2) of section 6039A(e) are each amended by striking “$10,000” and inserting “$25,000”.

(E) DISALLOWANCE OF CREDITS AGAINST BASE EROSION TAX.—Paragraph (2) of section 626(b) is amended by inserting after subparagraph (A) the following new subparagraph:

(2) RELATED TO EROSION AND ANTI-AFRADE TAX.—

“(A) the sum of—

(i) the tax imposed by section 11, or subchapter L of chapter 1, whichever is applicable, plus

(ii) the tax imposed by section 59A, over .

(A) Subparagraph (A) of section 6655(g)(1), as amended by sections 12901 and 13001, is amended by striking “plus” at the end of clause (ii), by substituting “as clause (iii),” for “as clause (ii),” and by inserting after clause (ii) the following new clause:

(iii) the modified taxable income. The term ‘modified taxable income’ has the meaning given by section 59A(c)(1).”.

(E) EFFECTIVE DATE.—The amendments made by this section shall apply to base erosion payments (as defined in section 59A(d) of the Internal Revenue Code of 1986, as added by this section) paid or accrued in taxable years beginning after December 31, 2017.

PART III—OTHER PROVISIONS

SEC. 14501. RESTRICTION ON INSURANCE BUSINESS EXCLUSION TO PASSIVE FOR- EIGN INVESTMENT RULES.

(a) IN GENERAL.—Section 1297(b)(2)(B) is amended to read as follows:

“(B) derived in the active conduct of an insurance business by a qualifying insurance corporation (as defined in subsection (f)).”.

(B) QUALIFYING INSURANCE CORPORATION DEFINED.—Section 1297 is amended by adding at the end the following new subsection:

“(2) QUALIFYING INSURANCE CORPORATION.—For purposes of subsection (b)(2)(B)—

(1) IN GENERAL.—The term ‘qualifying insurance corporation’ with respect to any taxable year, a foreign corporation—

(A) which would be subject to tax under subchapter L if such corporation were a domestic corporation, and

(B) the applicable insurance liabilities of which constitute more than 25 percent of its total assets, determined on the basis of such liabilities and assets reported on the corporation’s applicable financial statement for the last year ending with or within the taxable year.

(2) ALTERNATIVE FACTS AND CIRCUMSTANCES TEST FOR DETERMINATION OF QUALITY.—If a corporation—

(A) fails to qualify as a qualifying insurance corporation paragraph (1) solely because the percentage determined under paragraph (1)(B) is 25 percent or more, or

(B) owns stock in such corporation may elect to treat such stock as stock of a qualifying insurance corporation if—

(i) the corporation is predominantly engaged in an insurance business, and

(ii) such failure is due solely to runoff-related or rating-related circumstances involving such insurance business.

(3) APPLICABLE INSURANCE LIABILITIES.—For purposes of this subsection—

(A) the term ‘applicable insurance liabilities’ means, with respect to any life or property and casualty insurance business—

(i) loss and loss adjustment expenses, and

(ii) reserves for other than deficiency, contingency, or unearned premiums reserves) for life and health insurance risks and losses and health and life insurance claims with respect to contracts providing for such adjustments to the application of such section.

(4) MODIFIED TAXABLE INCOME.—The term ‘modified taxable income’ has the meaning given by section 59A(c)(1).”.

(F) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 14502. REPEAL OF FAIR MARKET VALUE METHOD OF INTEREST EXPENSE AP- PORTIONMENT.

(a) IN GENERAL.—Paragraph (2) of section 864(e) is amended to read as follows:

“(2) GROSS INCOME AND FAIR MARKET VALUE METHOD OF INTEREST EXPENSE AP- PORTIONMENT.—All allocations and apportionments of interest expense shall be determined using the adjusted bases of assets rather than on the basis of the fair market value of the assets or gross income.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

TITLE II

SEC. 20001. OIL AND GAS PROGRAM.

(a) DEFINITIONS.—In this section:

(1) COASTAL PLAIN.—The term “Coastal Plain” means the area identified as the 1002 Area on the plates prepared by the United States Geological Survey entitled “ANWR Map—Plate 1” and “ANWR Map—Plate 2”, dated October 24, 2017, and on file with the United States Geological Survey and the Office of the Solicitor of the Department of the Interior.

(2) SECRETARY.—The term “Secretary” means the Secretary of the Interior, acting through the Bureau of Land Management.

(b) OIL AND GAS PROGRAM.—

(1) IN GENERAL.—Section 1003 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3143) shall not apply to the Coastal Plain.

(2) ESTABLISHMENT.—

(A) IN GENERAL.—The Secretary shall establish and administer a competitive oil and gas program for the leasing, development, production, and transportation of oil and gas in and from the Coastal Plain.

(B) PURPOSES.—Section 3032(B) of the Alaska National Interest Lands Conservation Act (Public Law 96–487; 94 Stat. 2390) is amended—

(i) in clause (ii), by striking “and” at the end

(ii) in clause (iii), by striking the period at the end and inserting “; and”;

and (iii) by adding at the end the following:

“(v) to provide for an oil and gas program on the Coastal Plain.”.

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(3) MANAGEMENT.—Except as otherwise provided in this section, the Secretary shall manage the oil and gas program on the Coastal Plain in a manner similar to the administration of lease sales under the Oil and Gas Leasing Act of 1953 (30 U.S.C. 181 et seq.), including regulations.

(4) ROYALTIES.—Notwithstanding the Mineral Leasing Act (30 U.S.C. 181 et seq.), the royalty for leases issued pursuant to this section shall be 16.67 percent.

(5) RECEIPTS.—Notwithstanding the Mineral Leasing Act (30 U.S.C. 181 et seq.), the amount of additional bonus, rental, and royalty receipts derived from the oil and gas program and operations on Federal land authorized under this section—

(A) 50 percent shall be paid to the State of Alaska; and

(B) the balance shall be deposited into the Treasury as miscellaneous receipts.

(6) REVENUE DISTRIBUTION.—

(a) In general.—Notwithstanding the Mineral Leasing Act (30 U.S.C. 181 et seq.), the royalties receipts derived from the oil and gas program and operations on Federal land authorized under this section—

(A) not less than 75 percent shall be deposited in the general fund of the Treasury as miscellaneous receipts.

(b) Sale acreages; schedule.—

(i) ACREAGES.—The Secretary shall offer for sale the oil and gas program under this section—

(A) not fewer than 400,000 acres area-wide in each lease sale; and

(B) those areas that have the highest potential for the discovery of hydrocarbons.

(ii) SCHEDULE.—The Secretary shall offer—

(A) initial lease sale under the oil and gas program under this section not later than 4 years after the date of enactment of this Act; and

(B) second lease sale under the oil and gas program under this section not later than 7 years after the date of enactment of this Act.

(c) LIMITATION.—The Secretary of Energy shall not draw down and sell from the Strategic Petroleum Reserve 7,000,000 barrels of crude oil during the period of fiscal years 2026 through 2027.

(7) STRATEGIC PETROLEUM RESERVE.

SEC. 20002. LIMITATIONS ON AMOUNT OF DIS- TRIBUTED QUALIFIED OUTER CONTI- NENTAL SHELF REVENUES.

Section 105(f)(1) of the Gulf of Mexico Energy Security Act of 2006 (43 U.S.C. 1331 note; Public Law 109-432) is amended by striking ''exceed $500,000,000 for each of fiscal years 2016 through 2025.,” and inserting the following:—

“'(A) $500,000,000 for each of fiscal years 2016 through 2019;

'(B) $650,000,000 for each of fiscal years 2020 and 2021; and

'(C) $700,000,000 for each of fiscal years 2022 through 2025.”.

SEC. 20003. STRATEGIC PETROLEUM RESERVE DRAWDOWN AND SALE.

(a) DRAWDOWN AND SALE.—

(i) IN GENERAL.—Notwithstanding section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241), as excepted as subsections (b) and (c), the Secretary of Energy shall draw down and sell from the Strategic Petroleum Reserve 7,000,000 barrels of crude oil during the period of fiscal years 2026 through 2027.

(ii) AMOUNTS RECEIVED FROM SALE.—Amounts received from a sale under paragraph (1) shall be deposited in the general fund of the Treasury during the fiscal year in which the sale occurs.

(b) EMERGENCY PROTECTION.—The Secretary of Energy shall not draw down and sell crude oil under subsection (a) in a quantity that would limit the authority to sell petroleum products, as defined under subsection (b) of section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241), in the full quantity authorized by such subsection.

(c) LIMITATION.—The Secretary of Energy shall not draw down or conduct sales of crude oil under subsection (a) unless after the date on which a total of $600,000,000 has been deposited in the general fund of the Treasury from sales authorized under that subsection.

(2) DRAWDOWN AND SALE.

Mr. BRADY of Texas. Mr. Speaker, I have a motion at the desk. The SPEAKER pro tempore. The Clerk will designate the motion. The text of the motion is as follows: Mr. Brady of Texas moves that the House concur in the Senate amendment to H.R. 1.

The SPEAKER pro tempore. Pursuant to House Resolution 668, the gentleman from Texas (Mr. BRADY) and the gentleman from Massachusetts (Mr. NEAL) each will control 10 minutes.

The Chair recognizes the gentleman from Texas.

Mr. BRADY of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, both the House and now the Senate have taken action and legislated to reform America’s Tax Code for the first time in 31 years. Unfortunately, two targeted provisions did not meet Senate rules and had to be removed.

Today, the process continues to move forward, and, with this vote, it will be the House, the people’s House, that officially sends this historic legislation to President Trump’s desk.

I know the American people are excited. More than that, I know they are feeling a sense of relief. They are relieved that, for the first time in years, they are going to see more money in their paychecks that they can keep.

Think about that middle-income family of four, earning $70,000 a year. These are working families, and the tax cut of more than $2,000 they will see under this bill, that $2,000 is real money. It is real money these families worked hard to earn, but, until now, they have had to send it to Washington instead of being able to use it for their own needs, whether that is paying bills, saving for the future, or putting new tires on a car.

Think about the relief our job creators and our workers will feel. For so long, Americans have barely seen any growth in their paychecks, yet they are going to their jobs every day, and they are working harder than ever.

With this bill, that hard work is finally going to be rewarded, and we are going to see the growth of jobs and paychecks like we haven’t seen in years.

For our businesses, large and small, no matter if they are a small startup with just three workers or a large company with 3,000, they are finally going to have a Tax Code that works with them as they grow, innovate, and invest in our communities. They are going to see relief from complexity and high rates and the feeling they are always having to compete with one hand tied behind their back.

For all these Americans, all the hard-working moms and dads, and families who bring life to our communities and to our economy, I think the major source of relief is knowing that, starting in the new year, none of us has to accept this broken Tax Code and this slow-growing status in America anymore.

With the new tax system we will deliver today, things will change for the better, and they will change immediately. This new Tax Code will be simple, it will be fair, and it will be focused on the needs of the American people, not on Washington’s special interests.

This new Tax Code will be modern. It will be competitive. It will create more good-paying jobs right here in our communities, not on overseas tax havens. Above all, this new Tax Code, America’s Tax Code, will not belong to the special interests anymore. It will belong to the American people. It will help more Americans realize their own American Dream, whatever that may be. For all the Americans who struggle and have been left behind under today’s broken Tax Code, that has to be the biggest relief of all.

Mr. Speaker, I reserve the balance of my time.

Mr. NEAL. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. PELOSI), the distinguished leader of the Democratic Party.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding me time, and, once again, I commend him for being a champion of middle class families.

I want my colleagues all to hear the esteem in which we hold our Demo- cratic members of the Ways and Means Committee. I thank you. Thank you very much, Mr. NEAL, for being our ranking member and for your extraordinary leadership on behalf of America’s middle class working families, and that includes millions of veterans.

Thank you.

Mr. Speaker, today is a very sad day in the history of America because we have, on the floor, probably the worst bill in recent time to come to the floor. This does not mean that we have stiff competition from other legislation the Republicans have brought to the floor, but this is the worst because so many people are affected in such a negative way and because trillions of dollars of impact on our economy have been voted upon without any hearing, without any hearing from the people who will be most affected by it—no hearings, no experts, no listening to the American people.

Yesterday, our Republican colleagues stood on this floor and voted for a GOP tax scam that the American people oppose 2 to 1. Our Republican colleagues stood on the floor and cheered. They
cheered a bill that will raise taxes on 86 million middle class families and hand a staggering 83 percent of its tax cuts to the wealthiest 1 percent.

Shamefully, the Republicans were cheering against the children as they robbed their future and ransacked the middle class to reward the rich.

Today, the Republicans take their victory lap for successfully pillaging the American middle class to benefit the powerful and the privileged. It comes with stories of men and women and children that Republicans shamefully cheered against yesterday.

Yesterday, I wish the Republicans had heard, and did, the story of Ady Barkan, 30 years old, father of a beautiful baby son, and Ady is suddenly stricken with ALS, 30 years old.

From his wheelchair, with a strong but wavering voice, he begged Congress not to pass this bill. He pled with anyone who would listen not to vote for this tax scam that will raise his health benefits and condemn Medicaid to devastating cuts as the logical next step. He has been lobbying on Capitol Hill against this bill for a while. Ady said yesterday it would do so much damage.

It would deprive me of the Medicaid I need to stay alive a little longer and see baby Carl learn to read and teach him how to play chess and watch him grow to first grade.

But Republicans didn’t listen. They said “no.” They cheered. They cheered against little Simon. They cheered against Ady Barkan. They cheered against people in need.

Yesterday, I wish the Republicans had heard, and did, the story of Simon, 11-year-old Simon, one of the Little Lobbyists. Simon has a rare disease and cerebral palsy. His mother spoke of how their family watches the Muppet version of “A Christmas Carol” and sees himself in Tiny Tim, another kind boy with braces on his legs. Unfortunately, this story, as of today, does not have the same kind of happy ending as “A Christmas Carol.”

But the story is not over, and like Tiny Tim, Simon and his family now find their future in danger because of the greed of those with power, the cruelty that is in the heart of the tax scam.

As Simon’s mother, Laura, said:

Very soon I could, once again, be facing a future where I don’t know how I will be able to care for my child. This is a thought I simply find too difficult to bear.

As Laura Hatcher, mother of sweet and kind 11-year-old Simon, one of the Little Lobbyists, the voices of Little Lobbyists, sick children standing up for themselves and for their siblings, children standing with their siblings.

Yesterday, we heard from faith leaders. They implored Congress to reject this bill that punishes working families and rewards the wealthiest 1 percent.

I repeat: 83 percent of the benefits go to the top 1 percent; 86 million American working middle class families will have their taxes raised.

Sister Simone said she wept for the fact that our Representatives are not only keeping over $300 billion they are doing to families across America.

They challenged us to honor our faith in this holy season, to remember that our first responsibility is to those who have the least, not to enrich those who are already privileged and powerful.

They challenged us to heed not only the message of Christmas, but to remember the words of Jesus enshrined in the Gospel of Matthew.

But Republicans didn’t listen. They said “no.” They cheered. They cheered against little Simon. They cheered against Ady Barkan. They cheered against people in need.

President Trump will sign the bill whenever he signs it. I know it is supposed to be today, but I hear the special interests are weighing in for him to delay it for some reason.

President Trump will sign a bill that betrays the promises he made in the betrays the promises he made in the campaign.

President Trump promised to eliminate the carried interest loophole; yet the Republicans wrote a tax scam that not only continues this outrageous loophole, but it gives even more loopholes to the wealthy and well connected.

President Trump promised tax reform focused on middle class families. They have made no secret of tax breaks for middle class families. Republicans wrote a tax scam that raises taxes on 86 million middle class families in our country.

President Trump promised he would protect Medicare, Medicaid, and Social Security. But Republicans wrote a tax plan to explode the deficit and use it as an excuse to cut Medicare and Medicaid. They have made no secret of their plans. They have said this week they want to cut Social Security.

So who got conned? Did the people get conned by the promises? Did the President get conned by the Republicans? Is he signing a bill that betrays his promises to the American people?

It is all about the Republicans in Congress. They have in their DNA trickle-down economics. Tax breaks for the rich, tax breaks for corporations, and the former Speaker even said: If trickle-down creates jobs, that would be good. He doesn’t, so be it. That is the free market.

As Republicans head to the White House for their victory lap, hopefully they won’t trip over the wheelchair of Ady Barkan and other Americans with preexisting conditions.

I caution them not to trip over the wheelchair of Simon Hatcher and other children with severe medical needs. They will be in the path of your victory lap.

Don’t trip over the sisters and brothers and mothers and fathers who tend to the health and well-being of their sick children and their siblings and who will not stop fighting to protect them.

I told you yesterday in a public forum:

I caution you not to get in the way of a mother and father of a child with special needs and disabilities or extreme medical conditions. They will do anything to protect that child, and they notice what you are doing here.

If you are on this victory lap, you will probably have to put on earphones so you can block out the pleas of faith leaders speaking up for hardworking American families.

I know the Republicans want to talk some more. They can’t hear the truth about their bill, but the American people won’t forget the false representations you have made. They won’t forget how loudly you cheered when you hurt their families, their children with special needs, their reason to exist.

I know the Republicans want to talk some more. They can’t hear the truth about their bill, but the American people won’t forget the false representations you have made. They won’t forget how loudly you cheered when you hurt their families, their children with special needs, their reason to exist.

Who got conned? Did the people get conned?

Why? The answer is always the same: to give them room to give tax breaks to the wealthiest people in our country and to corporate America, unpaid for, permanently.

Our distinguished colleague from Massachusetts will show his credit card again today. They are putting this bill to the American people, their families struggling to attain some financial stability.

And why? These people say to me: How could they be so cruel as to put the health provision in this bill that would possibly eliminate 13 million people from the rolls of health insurance? How could they do that? Why did they do that?

Why? The answer is always the same: to give them room to give tax breaks to the wealthiest people in our country and to corporate America, unpaid for, permanently.

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Our distinguished colleague from Massachusetts will show his credit card again today. They are putting this bill to the American people, their families struggling to attain some financial stability.
Mr. BRADY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we hear a lot of false claims these days by opponents of tax reform. We hear that this isn't relief for the middle class, that people will see their taxes increase. But the Tax Policy Center, the most liberal economic group there is, just grudgingly admitted yesterday that 90 percent of Americans will see real tax cuts in this Tax Cuts and Jobs Act. In fact, the only ones who won't are the one-tenth of 1 percent who could.

We hear today about betrayal. Well, let's talk about that.

This tax reform bill doubles the child tax credit and expands it to nearly four times as many Americans, helping them with the expensive costs of childcare. Democrats oppose helping our parents raise their children. That is betrayal.

In this tax reform bill, we increase the ability of Americans to write off—medical expenses driven up by ObamaCare. Democrats oppose helping families write off those costs. That is betrayal.

Now we are expanding the number of Americans who can and, how much, give in charity to our churches and to their causes. Democrats oppose helping people give to the community and to the causes they believe in. That is betrayal.

In this bill, we, for the first time, allow families who are saving for their kids' future to be able to use that and transfer it to the new ABLE accounts because their child has special needs and may need help throughout their life. Democrats oppose letting families save for their disabled children's future. That is betrayal.

Then we hear over and over again how some stand for small business, our Main Street businesses. Republicans, for their part, provide a 20 percent deduction for our Main Street and small businesses across America. Democrats oppose helping our Main Street businesses. That is betrayal.

For too long, we have watched our jobs move overseas. This changes. This tax cut bill brings those jobs back and, more importantly, allows our companies, when they compete and win around the world, to bring those dollars back to be reinvested in our community, in jobs, in manufacturing, and in research. Democrats oppose bringing jobs back to America and bringing those dollars back to reinvest in our community. Mr. Speaker, that is betrayal.

At the end of the day, we have a choice. Do we give back to families, parents, small businesses, and to America the hope and opportunity of a new economy driven by what is important to them, not what is important to special interests in Washington, D.C.?

That is what this bill is all about.

Mr. Speaker, I reserve the balance of my time.

Mr. NEAL. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, the President just said in the last few minutes that the most important part of this legislation is the corporate tax cuts. Stop pretending that you are doing this for the middle class.

In the 20 hours that have elapsed, Mr. Speaker, since we last had this debate, we were promised a number of things. The only thing they left out was that this tax bill was going to stem the tide. It is going to be tomorrow, and the Cleveland Browns were going to win the Super Bowl.

The certainty of what they are telling us—if the stockmarket goes up, then they did it. The stockmarket has been going up since March of 2009. They talk about economic growth. Economic growth has now proceeded for 88 straight months. They keep telling us the rocket is about to launch because of this tax bill.

Mr. Speaker, I reserve the balance of my time.

Mr. BRADY of Texas. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. HOYER), who is the Democratic whip.

Mr. HOYER. Mr. Speaker, the other thing that the chairman did not say is that, after your last round of tax cuts, we had the deepest recession anybody in this body has experienced, starting in December 2007, when you had the Presidency, the House, and the Senate. You are at it again.

Mr. Speaker, I rise in sadness and disappointment that the House passed such an irresponsible, dangerous, and debt-exploding legislation yesterday. We should be better than this. We should be more responsible than this.

This bill gives 83 percent of its benefits to just 1 percent of the richest Americans.

Why didn't we have it reversed and give 83 percent to the people you talk about, Mr. Chairman?

It takes 13 million people off their health insurance coverage and it raises the deficit by $1.5 trillion.

There can be little doubt that the majority party is fixated on cutting taxes for the richest in our country.

Defeat this bill. Do right by the American people.

Mr. BRADY of Texas. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, let's talk deficits. Our Democrat opponents just hate the thought that we would give Americans back what they earned.

In 2009, when President Obama lifted the national debt by $1.6 trillion—more than this tax bill—they cheered. In the next year, when President Obama raised the national debt by almost $2 trillion in 1 year, they cheered. Three more times, President Obama and Democrats raised our national debt more than $1 trillion every year. And now, suddenly, they object.

Why?

Because that was about Washington spending your money. This is about giving it back to the American people, and now, suddenly, you object.

Two trillion dollars of deficit in 1 year.

Mr. Speaker, I reserve the balance of my time.

Mr. NEAL. Mr. Speaker, I yield 30 seconds to the gentleman from Michigan (Mr. LEVIN), who is the longest-serving member of the Ways and Means Committee.

Mr. LEVIN. Mr. Speaker, if you will listen, this bill is trickle-down at its worst. Except for the very wealthy trickle, it is, at best, a trickle; and for many, it is not even a trickle; and for the economy at large, a discredited theory.

It is a deficit time bomb.

The Speaker said to the middle class: Don't worry, the expiring tax cuts will simply be extended.

That means the real deficit from this bill is $2.5 trillion, a humongous deficit wrapped in your hypocrisy—in your hypocrisy.

The SPEAKER pro tempore. Members are again reminded that they should address their remarks to the Chair.

Mr. BRADY of Texas. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky (Mr. BARR).

Mr. BARR. Mr. Speaker. I rise today to applaud the great work of the chairman of the Ways and Means Committee, my good friend from Texas (Mr. BRADY) for his good work to overhaul America's Tax Code to deliver historic tax relief for workers, families, and job creators.

I resent the rhetoric from some of my friends on the other side of the aisle who talk about this as hurting disabled families. I am the brother of a disabled sister, and I am voting for this bill because it helps families with loved ones with disabilities, like expanding the ABLE Act.

I thank Chairman BRADY for working with me and others to address a provision in the Tax Cuts and Jobs Act, which would negatively impact work-study colleges, such as Berea College in my district.

The gentleman has fulfilled his commitment to me to fix this problem in the conference committee for work-study colleges and other small schools so that their endowments would be exempt from the excise tax on large college endowments.

Regrettably, last night, Senate Democrats used procedural rules to insist that this exemption be stripped from the final conference report. It is unfortunate that they put partisan politics ahead of ensuring that students—many of whom are low-income and...
first-generation college students—at work-study colleges would continue to be able to receive a tuition-free education.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BRADY of Texas. Mr. Speaker, I yield the balance of my time.

Mr. DOGGETT. Mr. Speaker, I yield 30 seconds to the gentleman from Texas (Mr. DOGGETT), who is a valued member of the Ways and Means Committee.

Mr. DOGGETT. Mr. Speaker, we are here solely because of Republican blunders. Hardly the first blunder. Many more blunders will need correcting from this trumped-up partisan bill.

If President Trump blunders into signing it today, it will trigger $25 billion in Medicare cuts.

This sad bill is left without any name. Like other towers, this towering monstrosity should be called “Trump”—the “Trump Inequality Act,” the “Trump Family Enrichment Act,” or perhaps just call it the “Whopper” because it is a lie wrapped in lies.

The truth will eventually catch up with these lies.

Mr. BRADY of Texas. Mr. Speaker, I yield the balance of my time.

Mr. NEAL. Mr. Speaker, I yield 30 seconds to the gentleman from Illinois (Mr. DANNY K. DAVIS), who is a Vietnam veteran and a distinguished member of the Ways and Means Committee.

Mr. Thompson of California. Mr. Speaker, this is one of the most important bills that any of us will ever vote on—things that will affect the most vulnerable among us. And so I yield to the gentleman from Texas.

Mr. DOGGETT. Mr. Speaker, I yield to the gentleman from Texas (Mr. BRADY) and the gentleman from Massachusetts (Mr. MITCHELL).

Mr. BRADY of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker. I thank Mr. BARR for his leadership. The gentleman is correct. Senate Democrats stripped this out. I am committed to working with the gentleman to find a permanent solution to this problem as soon as possible.

Mr. Speaker. I reserve the balance of my time.

Mr. NEAL. Mr. Speaker, I reserve the balance of my time.

Mr. BRADY of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I yield the balance of my time.

Mr. NEAL. Mr. Speaker, I reserve the balance of my time.

Mr. BRADY of Texas. Mr. Speaker, I reserve the balance of my time.

Mr. CROWLEY. Mr. Speaker, a few moments ago, the gentleman from New York (Mr. CROWLEY), who is the chairman of the Democratic Caucus and a valued member of the Ways and Means Committee, stated some facts about this bill. I would like to emphasize a couple of things that he said.

When they say, as they certainly will, “We have been doing hearings for 5 years,” we never had one hearing on this legislation. Not one. We did not seek testimony from one witness in the conference committee. We got to offer opening statements and no amendments. There was no chance for any input on our side.

Mr. Speaker, so in 1 month we have taken the entire revenue system of the United States without hearing from one expert witness, without having had one public hearing, without using any precedent, and we changed the entire tax system of the country, tilting it clearly to the people at the very top.

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More than anything else, this is a missed opportunity. This was a missed opportunity to change the tax system to reflect America today, to make it work for the middle class and not the wealthy, not renters or first-time home buyers.

Mr. Speaker, I urge each of you to be on the side of the people, on the side of history, and to vote against this bill.

Mr. Speaker, I yield the balance of my time.

Mr. NEAL. Mr. Speaker, I yield 30 seconds to the gentleman from Texas (Mr. DOGGETT), who is an extraordinary man. Our friend is the ranking member of the Ways and Means Committee.

Mr. DOGGETT of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge each of you to be on the side of the people, on the side of history, and to vote against this bill.

Mr. Speaker, I yield myself the balance of my time.

Mr. NEAL. Mr. Speaker, I yield 30 seconds to the gentleman from Illinois (Mr. DANNY K. DAVIS), who is a distinguished member of the Ways and Means Committee.

Mr. DANNY K. DAVIS of Illinois. Mr. Speaker, a few moments ago, the gentleman from New York (Mr. CROWLEY), who is the chairman of the Democratic Caucus and a valued member of the Ways and Means Committee, stated some facts about this bill. I would like to emphasize a couple of things that he said.

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Mr. Speaker, I urge each of you to be on the side of the people, on the side of history, and to vote against this bill.

Mr. Speaker, I yield the balance of my time.

Mr. NEAL. Mr. Speaker, I yield 30 seconds to the gentleman from Massachusetts (Mr. MITCHELL).

Mr. MITCHELL of Massachusetts. Mr. Speaker, I rise to urge my colleagues in the Ways and Means Committee to fight against this bill.

Mr. Speaker, as they say, the盲目的 Bill Clinton was President? What? What did they say about borrowing when Bill Clinton was President? What
did they say about borrowing when Barack Obama was President?

They lectured us, day in and day out, in an unyielding manner, even though the economic performance of Clinton and Obama outweighed the two Republican presidents in between.

So here is the game plan for the holiday season. Do you know what the holiday hangover on your credit card is? People go out and use their credit cards, and they figure out all year how to try to pay for it.

If it is going to take you more than 10 years to try to pay for this, all upon the spurious notion that they guarantee economic growth, as the President said, by the way, that is going to exceed 6 percent. That is 6 percent.

They are telling us that the stock market has gone up because of them, and prosperity to Americans.

Our choice is clear, and I have made mine. I will vote to send this bill to President Trump’s desk to get real tax reform done for the American people for the first time in 31 years. We will deliver for the American people.

Mr. Speaker, I encourage my colleagues to join me in support of this bill, and I yield back the balance of my time.

Mr. BRADY of Texas. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I say to my Democratic colleagues: The worst bill in 29 years! With ObamaCare, don’t sell yourselves short.

Today, we have a choice to make. We can either stick with the status quo—we just heard it—or we can take bold action to overhaul this broken Tax Code and restore hope, opportunity, and prosperity to Americans.

Our choice is clear, and I have made mine. I will vote to send this bill to President Trump’s desk to get real tax reform done for the American people for the first time in 31 years. We will deliver for the American people.

Mr. Speaker, I encourage my colleagues to join me in support of this bill, and I yield back the balance of my time.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 668, the previous question is ordered on the motion to concur.

The question is on the motion to concur by the gentleman from Texas (Mr. BRADY).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. NEAL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, this 15-minute vote on the motion to concur will be followed by a 5-minute vote on suspending the rules and passing H.R. 1159.

The vote was taken by electronic device, and there were—yeas 224, nays 201, not voting 7, as follows:

[Roll No. 699]

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[NAYS—201]

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| Crist |
| Crowley |
| Cuellar |
| Cummings |
| Davis (CA) |
| Davis, Danny |
| DeFazio |
| Delgte |
| Delauro |
| Del Bene |
| Demings |
| DeSaulnier |
| Deutch |
| Dingell |
| Doggett |

[1255]

Mr. COSTELLO of Pennsylvania changed his vote from “nay” to “yea.” So the motion to concur was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The Yeas were: Against: Mr. NAPOLITANO. Mr. Speaker, I was absent during rollcall vote No. 699 due to the death of my spouse. Had I been present, I would have voted “Nay” on the Motion to Concur in the Senate Amendment to H.R. 1, the Tax Cuts and Jobs Act.

UNITED STATES AND ISRAEL SPACE COOPERATION ACT

The SPEAKER. The unfinished business is the vote on the motion to suspend the rules and pass the bill (H.R. 1159) to provide for continuing cooperation between the National Aeronautics and Space Administration and the Israel Space Agency, and for other purposes, as amended, on which the yeas and nays were ordered.

Mr. Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Florida (Mr. DUNN) that the
The vote was taken by electronic device and there were—yeas 411, nays 0, not voting 20, as follows:

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H. Res. 668

Mr. HENSARLING. Mr. Speaker, pursuant to House Resolution 657, I call up the bill (H.R. 4015) to improve the quality of proxy advisory firms in the protection of investors and the U.S. economy, and in the public interest, by fostering accountability, transparency, responsiveness, and competition in the proxy advisory firm industry, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. Boozman). Pursuant to House Resolution 657, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 115–46 is adopted, and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 4015

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE. This Act may be cited as the “Corporate Governance Reform and Transparency Act of 2017”.

SEC. 2. DEFINITIONS.

(a) SECURITIES EXCHANGE ACT OF 1934.—Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78cc(a)) is amended by adding at the end the following new paragraphs:

“(81) PROXY ADVISORY FIRM.—The term ‘proxy advisory firm’ means any person who is primarily engaged in the business of providing proxy voting research, analysis, ratings, or recommendations to clients, which conduct constitutes solicitation within the meaning of section 14 and the Commission’s rules and regulations thereunder, except to the extent that the person is exempted by such rules and regulations from requirements otherwise applicable to persons engaged in a solicitation.

“(82) PERSON ASSOCIATED WITH A PROXY ADVISORY FIRM.—The term ‘person associated with’ a proxy advisory firm means any person, including any employee controlling, controlled by, or under common control with a proxy advisory firm, or any employee of a proxy advisory firm, except that persons associated with a proxy advisory firm whose functions are clerical or ministerial shall not be included in the meaning of such term. The Commission may by rules and regulations classify, for purposes of any portion or portions of this Act, persons, including employees controlled by a proxy advisory firm."

(b) APPLICABLE DEFINITIONS.—As used in this Act—

(1) the term “Commission” means the Securities and Exchange Commission; and

(2) the term “proxy advisory firm” has the same meaning as in section 3(a)(81) of the Securities Exchange Act of 1934, as added by this Act.

SEC. 3. REGISTRATION OF PROXY ADVISORY FIRMS.

(a) AMENDMENT.—The Securities Exchange Act of 1934 is amended by inserting after section 15G the following new section:

“SEC. 15H. REGISTRATION OF PROXY ADVISORY FIRMS.

“(a) CONDUCT PROHIBITED.—It shall be unlawful for a proxy advisory firm to make use of the mails or any means or instrumentality of interstate commerce to provide proxy voting research, analysis, or recommendations to any client, unless such proxy advisory firm is registered under this section.

“(b) REGISTRATION PROCEDURES.—

“(1) APPLICATION FOR REGISTRATION.—

“(2) GENERAL.—A proxy advisory firm must file with the Commission a registration statement for registration, in such form as the Commission shall require, by rule or regulation, and containing the information described in subparagraph (B).”

CORPORATE GOVERNANCE REFORM AND TRANSPARENCY ACT OF 2017

Mr. HENSARLING. Mr. Speaker, pursuant to House Resolution 657, I call up the bill (H.R. 4015) to improve the quality of proxy advisory firms for the protection of investors and the U.S. economy, and in the public interest, by fostering accountability, transparency,
“(i) a certification that the applicant is able to consistently provide proxy advice based on accurate information;

(ii) the procedures and methodologies that the applicant uses in developing proxy voting recommendations, including whether and how the applicant considers the size of a company when making proxy voting recommendations;

(iii) the organizational structure of the applicant;

(iv) whether or not the applicant has in effect a code of ethics, and if not, the reasons therefor;

(v) any potential or actual conflict of interest relating to the ownership structure of the applicant and any person associated with the applicant, including whether the proxy advisory firm engages in services ancillary to the provision of proxy advisory services such as consulting services for corporate issuers, and if so the revenues derived therefrom;

(vi) the policies and procedures in place to manage conflicts of interest under subsection (f), and

(vii) any other information and documents concerning the applicant and any person associated with such applicant as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

(2) REVIEW OF APPLICATION.

(A) APPLICATION FOR REGISTRATION.—Not later than 90 days after the date on which the application for registration is filed with the Commission under paragraph (1) (or within such longer period of time as the applicant consents) the Commission shall—

(i) by order, grant registration; or

(ii) institute proceedings to determine whether registration should be denied.

(B) CONDUCT OF PROCEEDINGS.—

(I) CONTENT.—Proceedings referred to in subparagraph (A)(ii) shall—

(I) include notice of the grounds for denial under consideration and an opportunity for hearing; and

(II) be concluded not later than 120 days after the date on which the application for registration is filed with the Commission under paragraph (1).

(II) DETERMINATION.—At the conclusion of such proceedings, the Commission, by order, shall grant or deny such application for registration.

(III) EXTENSION AUTHORIZED.—The Commission may extend the time for conclusion of such proceedings for not longer than 90 days, if it finds good cause for such extension and publishes its reasons for so finding, or for such longer period as to which the applicant consents.

(IV) GROUNDS FOR DECISION.—The Commission shall grant registration under this subsection—

(I) if the Commission finds that the requirements of this section are satisfied; and

(II) unless the Commission finds (in which case the Commission shall deny such registration) that—

(A) the application has failed to satisfy the Commission's satisfaction that it is able to consistently provide proxy advice based on accurate information and to materially comply with the procedures and methodologies disclosed under paragraph (1)(B) and with subsections (f) and (g); or

(B) the applicant were so registered, its registration would be subject to suspension or revocation under subsection (e).

(2) PUBLIC AVAILABILITY OF INFORMATION.—Subject to section 24, the Commission shall make the information and documents submitted to the Commission by a proxy advisory firm in its completed application for registration, or in any amendment submitted under paragraph (1) or (2) of this section, available on the Commission’s website, or through another comparable, readily accessible means.

(3) UPDATE OF REGISTRATION.—

(1) UPDATE.—Each registered proxy advisory firm shall promptly amend and update its application for registration under this section if any information or document provided thereunder becomes materially inaccurate, except that a registered proxy advisory firm is not required to amend the information required to be filed under subparagraph (B)(ii) by filing information under this paragraph, but shall amend such information in the annual submission of the organization under paragraph (2) of this subsection.

(2) CERTIFICATION.—Not later than 90 calendar days after the end of each calendar year, each registered proxy advisory firm shall file with the Commission, in such form as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors—

(A) certifying that the information and documents in the application for registration of such registered proxy advisory firm continue to be accurate in all material respects; and

(B) listing any material change that occurred to such information or documents during the preceding calendar year.

(3) TERMINATION OF REGISTRATION.—

(A) TERMINATION UPON REQUEST.—If the Commission finds that the requirements of this section are not satisfied, the Commission shall—

(i) if the Commission finds that the requirements of this section are not satisfied, the Commission shall withdraw from the Commission.

(B) TERMINATION UPON REVOCATION.—Subject to section 24, the Commission shall—

(i) if the Commission finds that the requirements of this section are not satisfied, the Commission shall withdraw from the Commission.

(ii) DETERMINATION.—At the conclusion of such proceedings, the Commission, by order, shall—

(A) if the Commission finds that the requirements of this section are not satisfied, the Commission shall withdraw from the Commission.

(B) if the Commission finds that the requirements of this section are not satisfied, the Commission shall withdraw from the Commission.

(ii) DETERMINATION.—At the conclusion of such proceedings, the Commission, by order, shall—

(A) if the Commission finds that the requirements of this section are not satisfied, the Commission shall withdraw from the Commission.

(B) if the Commission finds that the requirements of this section are not satisfied, the Commission shall withdraw from the Commission.

(ii) DETERMINATION.—At the conclusion of such proceedings, the Commission, by order, shall—

(A) if the Commission finds that the requirements of this section are not satisfied, the Commission shall withdraw from the Commission.

(B) if the Commission finds that the requirements of this section are not satisfied, the Commission shall withdraw from the Commission.

(4) CENSURE, DENIAL, OR SUSPENSION OF REGISTRATION; NOTICE AND HEARING.—The Commission, by order, shall censure, place limitations, suspend, or revoke the registration of any proxy advisory firm if the Commission finds, by correspondence and opportunity for hearing, that such censure, placing of limitations, suspension, or revocation is necessary for the protection of investors and in the public interest.

(5) has engaged in one or more prohibited practices; or

(6) has not employed an ombudsman to receive complaints in a timely fashion and in any event prior to voting on the matter to which the recommendation relates; and

(7) any other matter that is necessary or appropriate in the public interest or for the protection of investors.

2. THE MANAGEMENT OF CONFLICTS OF INTEREST.

(1) ORGANIZATION AND PROCEDURES.—Each registered proxy advisory firm shall establish, maintain, and enforce written policies and procedures reasonably designed, taking into consideration the nature of the business of such registered proxy advisory firm and any other factor that the Commission deems necessary or appropriate, including, without limitation, conflicts of interest relating to the offering of proxy advisory services by a registered proxy advisory firm, including, without limitation, conflicts of interest relating to—

(A) the manner in which a registered proxy advisory firm is compensated by the client, or any affiliate of the client, for providing proxy advisory services;

(B) the provision of consulting, advisory, or other services by a registered proxy advisory firm to any person or entity associated with such registered proxy advisory firm, to the client, or any affiliate of the client;

(C) business relationships, ownership interests, or any other financial or personal interests between a registered proxy advisory firm and any person associated with such registered proxy advisory firm, and any client, or any affiliate of such client;

(D) transparency around the formulation of proxy voting policies;

(E) the execution of proxy votes if such votes are based upon recommendations made by the proxy advisory firm to someone other than the issuer is a proponent;

(F) issuing recommendations where proxy advisory firms provide advisory services to a company; and

(G) any other potential conflict of interest, as the Commission deems necessary or appropriate in the public interest or for the protection of investors.

(2) RELIABILITY OF PROXY ADVISORY FIRM SERVICES.

(1) IN GENERAL.—Each registered proxy advisory firm shall have standards in place to produce proxy voting recommendations that are based on accurate and current information. Each registered proxy advisory firm shall detail procedures sufficient to persuade reasonable investors of the accuracy of proxy advisory firm recommendations, access in a reasonable time to the draft recommendations, with an opportunity to provide meaningful comments thereon, including the opportunity to present details to the person responsible for developing the recommendation in person or telephonically. Each registered proxy advisory firm shall also issue an ombudsman to receive complaints about the accuracy of voting information used in making recommendations from the subjects of the proxy advisory firm’s voting recommendations, and shall seek to resolve those complaints in a timely fashion and in any event prior to voting on the matter to which the recommendation relates. If the ombudsman is unable to resolve such complaints prior to voting on the matter, the proxy advisory firm shall include in its final report to its clients a statement from the company detailing its complaints, if required.

(2) REASONABLE TIME DEFINED.—For purposes of this subsection, the term ‘reasonable time’ means—

(A) means not less than 3 business days unless otherwise defined through a final rule issued by the Commission; and
“(B) shall not otherwise interfere with a proxy advisory firm’s ability to provide its clients with timely access to accurate proxy voting research, analysis, or recommendations.”

“(D) REGULATIONS.—For purposes of this subsection, the term ‘draft recommendations’—

“(A) means the overall conclusions of proxy voting research, analysis, or recommendations prepared for the client of a proxy advisory firm, including any public data cited therein, any company information or substantive analysis impacting the recommendation, and any specific voting recommendations on individual proxy ballot issues; and

“(B) does not include the entirety of the proxy advisory firm’s final report to its clients.

“(b) DESIGNATION OF COMPLIANCE OFFICER.—

Each registered proxy advisory firm shall designate an individual responsible for administering procedures and regulations that are required to be established pursuant to subsections (f) and (g), and for ensuring compliance with the securities laws and the rules and regulations thereunder, including those promulgated by the Commission pursuant to this section.

“(1) PROHIBITED CONDUCT.—

(1) PROHIBITED ACTS AND PRACTICES.—The Commission shall issue final rules to prohibit any act or practice relating to the offering of proxy advisory services by a registered proxy advisory firm that the Commission determines to be unfair, deceptive, or abusive, including any act or practice relating to—

“(A) conditioning a voting recommendation or other proxy advisory firm recommendation on the payment of any fee or other consideration or for the provision of other services or products of the registered proxy advisory firm or any person associated with such registered proxy advisory firm; and

“(B) modifying a voting recommendation or otherwise departing from its adopted systematic procedures and methodologies in the provision of proxy advisory services, based on whether an issuer, or affiliate thereof, subscribes or will subscribe to other services or products of the registered proxy advisory firm or any person associated with such organization.

“(2) RULE OF CONSTRUCTION.—Nothing in this section—

“(1) means the overall conclusions of proxy advisory services issued by a registered proxy advisory firm in accordance with this section; and

“(2) shall become effective not later than 1 year after the date of enactment of this section.

“(2) REVIEW OF EXISTING REGULATIONS.—Not later than 270 days after the date of enactment of this section, the Commission shall—

“(A) review its existing rules and regulations which affect the operations of proxy advisory firms;

“(B) amend or revise such rules and regulations in accordance with the purposes of this section, if necessary, and as the Commission may prescribe as necessary or appropriate to the public interest or for the protection of investors; and

“(C) direct Commission staff to withdraw the proxy advisory firms.

“(D) NEW PROVISIONS.—Such rules and regulations as are required by this section or are otherwise necessary to carry out this section, including the application form required under subsection (a) and the criteria for determining whether such an application should be approved.

“(e) RULES OF CONSTRUCTION.—Nothing in this section does not constitute a waiver of, or otherwise diminish, any right, privilege, or defense that a registered proxy advisory firm or any person associated with such organization.

“(f) PROHIBITED CONDUCT.—

“(A) means the overall conclusions of proxy voting research, analysis, or recommendations prepared for the client of a proxy advisory firm, including any public data cited therein, any company information or substantive analysis impacting the recommendation, and any specific voting recommendations on individual proxy ballot issues; and

“(B) does not include the entirety of the proxy advisory firm’s final report to its clients.

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“(A) conditioning a voting recommendation or other proxy advisory firm recommendation on the payment of any fee or other consideration or for the provision of other services or products of the registered proxy advisory firm or any person associated with such registered proxy advisory firm; and

“(B) modifying a voting recommendation or otherwise departing from its adopted systematic procedures and methodologies in the provision of proxy advisory services, based on whether an issuer, or affiliate thereof, subscribes or will subscribe to other services or products of the registered proxy advisory firm or any person associated with such organization.

“(2) RULE OF CONSTRUCTION.—Nothing in this paragraph (1), or in any rules or regulations adopted under this subsection or any act or practice prohibited by any rule or regulation, shall create a private right of action under section 18 or any other provision of law.

“(j) PROHIBITED CONDUCT.—

“(A) means the overall conclusions of proxy voting research, analysis, or recommendations prepared for the client of a proxy advisory firm, including any public data cited therein, any company information or substantive analysis impacting the recommendation, and any specific voting recommendations on individual proxy ballot issues; and

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“(2) does not include the entirety of the proxy advisory firm’s final report to its clients.

“(m) RULES OF CONSTRUCTION.—Nothing in this provision as required by this section or are otherwise necessary to carry out this section, including the application form required under subsection (a) and the criteria for determining whether such an application should be approved.

“(n) REGULATIONS.—

“(1) NEW PROVISIONS.—Such rules and regulations as are required by this section or are otherwise necessary to carry out this section, including the application form required under subsection (a) and the criteria for determining whether such an application should be approved.

“(A) identify applicants for registration under this Act;

“(B) review its existing rules and regulations which affect the operations of proxy advisory firms;

“(C) direct Commission staff to withdraw the registration of its staff;

“(D) recommend solutions, including any legislative or regulatory solutions, to any problems identified under paragraphs (e) and (f).

The SPEAKER pro tempore. The bill, as amended, shall be detable for 1 hour equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services.

The gentleman from Texas (Mr. HENSARLING) and the gentleman from California (Ms. Maxine Waters) each will control 30 minutes.

The Chair recognizes the gentleman from Texas.
collectively—make up 97 percent of the proxy advisory firms collectively—many more examples like these.

For example, in one instance, a company reported that, even though the total shareholder return the company actually had generated for its shareholders was 64 percent, a proxy advisory firm, Glass Lewis, erroneously reported this calculation to be 26 percent.

Another company reported that ISS erroneously reported that the company’s cash awards will be cut and pay out their maximum opportunity in the event of a change in control. Well, this was reported even though the company’s plan had been amended and approved by the shareholders. In a manner that would pay out at target upon change in control, and there are many other examples.

Some proxy advisory firms recommendations have been made without any contact to the public company at all, and then these same proxy advisory firms encourage companies to join their service in order to have the privilege to “influence” an advisory firm’s recommendations. I suspect, for many people, this simply does not pass the smell test.

An industrial company told its shareholders, Mr. Speaker: ‘‘ISS’ negative recommendation was based on flawed analysis of our compensation programs that did not appropriately take into account the significant declines in our CEO’s pay in 2015 or the performance-based nature of our annual and long-term incentive compensation programs.’’

A pharmaceutical company responded to a proxy advisory firm’s recommendation with this statement: ‘‘For the second year in a row, Glass Lewis did not include its full pay for performance analysis in this report. For shareholders who rely only on Glass Lewis analysis to make voting decisions, there is no discussion of the company’s industry-leading performance over this time period.’’

Again, Mr. Speaker, there are many, many more examples like these.

So another concern that many people have, Mr. Speaker, is that the two largest proxy advisory firms collectively—collectively—make up 97 percent of the proxy advisory industry—97 percent. This monopolization and the lack of transparency regarding proxy advisory firms means that the writings, analysis, reports, and voting recommendations of these two firms have a disproportionate effect on fundamental business decisions or acquisitions, the approval of corporate directors, and shareholder proposals. In other words, these two firms have a huge impact on our economy.

The bill of the gentleman from Wisconsin (Mr. Duffy) will also help address these concerns by setting up a new regulatory regime for proxy advisory firms that looks out for the interest of investors, shareholders, by ensuring they receive complete information through the proxy process and can better vote in a manner consistent with shareholder interest as opposed to the potential conflicted interest of a proxy firm.

Mr. Duffy’s bill also helps ensure that shareholders and their proxies have information regarding companies by allowing companies to provide input on proxy recommendations. This is especially important for emerging growth companies that rely heavily on investors.

A bad proxy recommendation in which emerging growth companies cannot refute the recommendation can be devastating to those emerging growth companies and, thus, have a harmful impact on our economy.

In a letter to our committee, the Biotechnology Industry Organization wrote: ‘‘Small business innovators operate in a unique industry that values a strong relationship with investors. Yet they are often held to standards that are not applicable to their company and forced to engage in proxy fights over issues that do not add value to shareholders.’’

H.R. 4015 would provide for SEC oversight of proxy advisory firms, ensuring that they operate within appropriate boundaries and are accountable to regulators and the public.

To be clear, Mr. Speaker, nothing in this bill permits companies to rewrite a proxy firm’s report or forces a proxy firm to change its recommendation based on feedback received from the company.

In summary, H.R. 4015 will improve transparency in the proxy system and enhance shareholder access to information by ensuring that proxy advisory firms are registered with the SEC, disclose potential conflicts of interest and codes of ethics, and make publicly available their methodologies for formulating proxy recommendations and analysis. For every Member who believes in investor protection and supports a fair system that looks out for the interest of investors, shareholding clients, they should support H.R. 4015.

Mr. Speaker, I reserve the balance of my time.

Mr. Speaker, H.R. 4015, the so-called Corporate Governance Reform and Transparency Act, would create an untested, inappropriate, and burdensome regulatory framework for proxy advisory firms, making it much more difficult for shareholders to obtain unbiased research used to make well-informed voting decisions about the companies they own.

Institutional investors, like pension funds and mutual funds, typically invest money on behalf of hardworking breadwinning members in a large number of public companies. In exchange for their investment, companies provide investors with shares of ownership and a say on important proposed changes to how the companies are run.

These proposals may relate to who sits on the board of directors, how much executives are paid, environmental practices, employee minimum wage, and nondiscrimination policies.

Shareholders often hire independent researchers called proxy advisory firms to inform their voting decisions on the many proposals they consider each year.

H.R. 4015 contains numerous provisions that would undermine proxy advisory firms and the shareholders that rely on them for unbiased advice.

First, H.R. 4015 would essentially fulfill the wishes of corporate management by regulating proxy advisory firms out of existence. The bill requires proxy advisory firms to register with the Securities and Exchange Commission and authorizes the SEC to deny applications on a whim.

Additionally, H.R. 4015 would force proxy advisers to publicly disclose their internal proprietary research methodologies and voting policies, which firms invest time and money into developing.

The bill would also require proxy advisers to hire a sort of compliance department dedicated entirely to the grievances of corporate management rather than the adviser’s own shareholder clients.

These burdensome requirements would deter new proxy advisers from entering the market and squeeze out smaller, cost-sensitive firms. As a result, shareholders would be faced with ever-increasing fees to obtain research from a shrinking universe of advisers.

Second, H.R. 4015 would grant corporate management the right to review and weigh in on a proxy adviser’s draft recommendations before the shareholder-clients, who pay for the recommendations, get to see a final report. If management raises a complaint that the adviser disagrees with, the bill allows management to get the last word by publishing its dissenting opinion in the adviser’s final report. In other words, the bill is the equivalent of requiring that a teacher circulate a report card with a student before sending it to his or her parents.

Finally, H.R. 4015 is unnecessary in light of existing Federal securities

Mr. Speaker, H.R. 4015...
laws. For example, some proxy advisers, such as the largest firm, Institutional Shareholder Services, are already registered and regulated as investment advisers under the Investment Advisers Act of 1940. As such, they already have heightened obligations under that Act to ensure that their recommendations are complete, that they have performed a full analysis of the issues in question, and that they have disclosed any conflicts of interest.

Proponents of effective corporate governance, including Americans for Financial Reform, Consumer Federation of America, Public Citizen, and Principles for Responsible Investment, have similarly written to oppose this bill. For example, the Consumer Federation of America wrote that H.R. 4015 would empower companies to bully proxy advisory firms into dropping their objections to management proposals or watering down their recommendations. Private institutional investors also agree that H.R. 4015 would leave shareholders with information tilted toward the interests of company management. Sound corporate governance requires shareholders to have access to impartial information when voting on key corporate issues.

If our Nation’s investors, who provide the capital for businesses to grow jobs and our economy, are unable to hold corporations accountable, they will be increasingly reluctant to invest. H.R. 4015 would, thereby, hurt the very businesses it purports to assist. Mr. Speaker, for these reasons, I urge my colleagues to join me in opposing H.R. 4015. Mr. Speaker, I reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield 10 seconds.

Mr. Speaker, it is a historic day in America. Republicans deliver historic tax relief for working Americans and small businesses.

The ranking member has articulated concern over burdensome requirements. I look forward to working with her now on reducing the burdensome requirements of the Dodd-Frank Act.

Mr. Speaker, I yield 4 minutes to the gentleman from Michigan (Mr. HUizeNga), the chairman of the Committee on Financial Services’ Subcommittee on Capital Markets, Securities, and Investments.

Mr. HUizeNga. Mr. Speaker, as has been pointed out each year, public companies convene these shareholder meetings at which the companies’ shareholders, their directors and on other significant corporate actions that require shareholder approval.

As part of this annual process, the Securities and Exchange Commission requires public companies to provide their shareholders with a proxy statement before those meetings. A proxy statement includes all important facts about the matters to be voted upon, including, for example, information on board of directors candidates, director compensation, executive compensation, related party transactions, securities ownership by management, and eligible shareholder proposals.

The information contained in the statement must be filed with the SEC before soliciting a shareholder vote on the election of directors and the approval of these other corporate actions. Solicitations, whether by management or shareholders, must disclose all important facts about the issues on which the shareholders are being asked to vote.

Institutional investors, including investment advisers to mutual funds and pension funds, typically hold shares in a large number of public companies. Each year, the investment advisers to these funds vote billions of shares on behalf of their clients on thousands of proxy proposals. What you have heard about, really, was the theoretical way this is supposed to run. Unfortunately, that is not reality, and that is not what you are hearing from the other side, because in 2003, the SEC adopted a rule under the Investment Advisers Act of 1940, requiring an investment adviser that exercises voting authority over its clients' proxies to adopt policies and procedures designed to ensure that the investment adviser votes those proxies in the best interests of their clients. Perfect. That is exactly what they should be doing.

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money to make sure that they are behaving.

So let’s talk about reality here. Regulators, market participants, and academic observers have highlighted potential conflicts of interest inherent to the business model and activities of these proxy firms. For example, proxy advisory firms may feel pressured by their largest clients, who may be activist investors, to issue voting recommendations that reflect those clients’ specific agendas, not the boards’ or the corporations’.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HENSIARLING. Mr. Speaker, I yield an additional 1 minute to the gentleman from Michigan (Mr. HUIZENGA).

Mr. HUIZENGA. Mr. Speaker, additionally, proxy advisory firms often provide voting recommendations to investment advisers on matters for which they also provide consulting services to public companies. So let’s talk about, again, a conflict of interest.

Some proxy advisory firms also rate or score these public companies on their governance structures, policies, practices, and they are trying to actually influence the corporate governance practices of these companies. Essentially, these proxy advisory firms have hijacked the proxy system by aligning themselves with activist shareholders, who also might be their clients, to push social and political initiatives that they believe are important. They are employing tactics that are questionable. They are hiring to do just that.

I agree that the current regulatory system for proxy advisers is not perfect. Two proxy advisory firms account for 97 percent of the market—ISS and Glass Lewis—but, for some reason, they are regulated differently. ISS is a registered investment adviser, while Glass Lewis is not. Surely, this is not an ideal setup, so I am open to the idea of a better and more consistent regulatory regime for proxy advisers.

But there are several things in this bill that concern me deeply. I don’t see why companies should have a statutory right to receive and comment on a proxy adviser’s draft recommendations before they are sent to investors. Proxy advisers are counselors with a notice-and-comment for private companies. They are working for private companies that are providing a valuable service. This is not appropriate at all.

Asset managers that use proxy advisers also tell me that they would find proxy advisers a lot less useful if the proxy firm had to give the company an opportunity to comment on their vote recommendations before sending them to the asset manager.

And a new addition to the bill is very troubling. This would raise the possibility of proxy advisers being forced to send the clients the companies’ own complaints about the proxy adviser’s recommendations, even if the complaint is completely untrue.

This is totally inappropriate and, I would say, plain wrong. So while I am sympathetic to the idea that a better and more consistent regulatory regime could be developed, I cannot support this bill. And I have good company here.

Mr. Speaker, I yield in the RECORD a letter from the Comptroller of the State of New York, Comptroller DiNapoli; a statement from the AFL–CIO of the United States of America; a statement from the Council of Institutional Investors; a statement from the Consumer Federation of America, and a statement by Glass Lewis.

This is a troubling bill. I urge my colleagues to vote “no” on it. It is bad for safety and soundness and for good governance in this country.

STATE OF NEW YORK,
OFFICE OF THE STATE COMPTROLLER,


Dear Members of the NYS Congressional Delegation:

I write to express my strong opposition to H.R. 4015, the Corporate Governance Reform and Transparency Act of 2017, which I understand will soon be voted on by the United States House of Representatives. I believe that H.R. 4015, if passed and enacted, will create an unnecessary and expensive regulation. Further, this legislation was not promoted by those it purports to protect: shareholders. It would weaken corporate accountability and oversight, undercut proxy advisory firms’ invaluable independence, increase costs to consumers of research and redirect proxy advisors to answer to companies rather than the clients it serves.

As Comptroller of the State of New York, I am the Trustee of the New York State Common Retirement Fund (Fund) and the administrative head of the New York State and Local Retirement System (the System). An fiduciary responsible for assets of over one million state and local government employees, retirees, and beneficiaries, I am especially troubled by H.R. 4015’s provisions that would weaken corporate accountability and shareholder oversight.

The system of corporate governance that has evolved in the United States relies on the accountability of boards of directors to shareholders, and proxy voting is a critical means by which shareholders hold boards to account. Currently, proxy advisors provide shareholders of corporations with independent advice. The proposed bill threatens that very independence, which is integral to the responsible exercise of a shareholder’s voting rights.

In public comments defending H.R. 4015, members of the Financial Services Committee have voiced the erroneous assertions that proxy advisory firms dictate proxy voting results and that institutional investors utilizing proxy advisors do not make their own voting decisions. I personally review and approve the Fund’s customized Proxy Voting and Corporate Governance Guidelines (Guidelines). In 2017, the Fund voted on nearly 30,000 agenda items on its portfolio companies’ proxy statements, and every single one of those items was voted pursuant to the guidelines which state that decisions are based on internal reviews of available information relating to items on the ballot at each company’s annual meeting.

The Fund analyzes a variety of materials from publicly available sources, which include but are not limited to, U.S. Securities and Exchange Commission (SEC) filings, analyst reports, regulatory filings, materials from proponents and opponents of shareholder proposals, third-party independent perspectives and analyses from several corporate governance advisory firms.” All of our proxy voting decisions are made independently and in the best interest of our System.

Proxy advisory firms provide cost-efficient, informed, and independent research,
Re Vote No on H.R. 4015, the “Corporate Governance Transparency Act”.

Dear Representative:

We understand the House is scheduled to vote this week on legislation (H.R. 4015, the Corporate Governance Reform and Transparency Act) that would undermine the ability of shareholders to get reliable, independent analysis of proxy issues on which they are asked to vote. We urge you to vote no.

Although H.R. 4015 is presented as a bill to regulate proxy advisory firms in order to better protect investors and the economy, its effect would be to undermine their independence, simultaneously increasing their costs and undermining their value to the investors who use their services. Indeed, several of the bill’s provisions are specifically designed to give the companies whose proxy proposals the firms are supposed to independently analyze greater input into and influence over their recommendations.

It would, for example, require proxy advisory firms to provide companies with a first look at their draft recommendations and an opportunity to comment on them before any recommendation to investors is finalized.

Many of the provisions are designed to create a new regulatory regime for proxy advisory firms that would harm investors, not help them. H.R. 4015 would give corporate executives an effective veto over proxy advisor recommendations by enabling companies to delay vote recommendations. Corporate executives will also be able to object to any proxy voting recommendation that is contrary to their own preferences, including votes on their own executive compensation packages.

The bill would create a new regulatory regime that would force proxy advisory firms to independently analyze greater input into and influence over their recommendations describing in more detail the basis for their strong opposition to H.R. 4015. Thank you for considering our views. We welcome the opportunity to discuss our position on this important issue with you or your staff in more detail.

Sincerely,

Jeffrey P. Mahoney, General Counsel.

Consumer Federation of America, December 18, 2017.

For these reasons, we strongly urge you to vote against “Corporate Governance Reform and Transparency Act of 2017” (H.R. 4015).

Sincerely,

William Samuel, Director, Government Affairs Department.

Re: H.R. 4015

Dear Mr. Speaker and Minority Leader Pelosi:

On behalf of the Council of Institutional Investors (CII or Council), we are writing to express our opposition to H.R. 4015, which we understand will soon be voted on by the United States House of Representatives.

CII is a nonpartisan, nonprofit association of institutional investors representing millions of members, retirees and beneficiaries of the System for whom the Fund invests.

Thank you for your consideration of this very important matter. Please feel free to contact me if you would like to discuss these issues further.

Sincerely,

Thomas P. DiNapoli, State Comptroller.

AFL-CIO.

Re: H.R. 4015

Dear Representative:

We strongly urge you to vote against “Corporate Governance Reform and Transparency Act of 2017” (H.R. 4015).

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William Samuel, Director, Government Affairs Department.


Hon. Paul Ryan,
Speaker of the House of Representatives,
Washington, DC.

Hon. Nancy Pelosi,
Minority Leader, U.S. House of Representatives,
Washington, DC.

Re: H.R. 4015.

Dear Mr. Speaker and Minority Leader Pelosi:

On behalf of the Council of Institutional Investors (CII or Council), we are writing to express our opposition to H.R. 4015, which is its report the Treasury found that “institutional investors, who pay for proxy advice and are responsible for voting decisions, find the [proxy advisory firm] recommendations describing in more detail the basis for their strong opposition to H.R. 4015. Thank you for considering our views. We welcome the opportunity to discuss our position on this important issue with you or your staff in more detail.

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Sincerely,

Thomas P. DiNapoli, State Comptroller.

AFL-CIO.
Mr. HENSARLING. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas (Mr. HILL), our Republican Conference whip.

Mr. HILL. Mr. Speaker, I rise in support today of the Corporate Governance Reform and Transparency Act of 2017, and I appreciate my good friend, SEAN DUFFY’s work on it.

Over the past 3 decades, I have advocated for responsible shareholder activism and urged for corporate boards of directors to perform their responsibility of careful stewardship, particularly in their essential functions in approving transactions, overseeing an able hardworking executive management, and, critically, capital allocation.

For example, as Berkshire Hathaway’s CEO, Warren Buffett recommends, corporate compensation committees must be composed of “saber-toothed tigers,” not “house cats,” in their work.

Likewise, investors must take their responsibility to hold boards accountable for their irreplaceable role in maximizing returns for shareholders, while executing a corporate strategy that balances shareholder returns with employees and customers.

So the question is: How can investors effectively lower agency costs and actively meet this accountability mission?

For 20 years, this has been a much-discussed area by thoughtful experts like Warren Buffett, ISS founder Robert Monks, Marty Lipton, and Lawrence Cunningham. Grad schools at UCLA, Stanford, Harvard, Yale all researched this challenge. Organizations of institutional investors and corporate directors all proffer best practices.

And how do we best align these interests for this mission, but make conflicts of interest readily apparent?

The role of proxy advisory firms in the U.S. economy has grown over the last 2 decades and is a major shaper of corporate governance, and it is of national importance. These firms counsel our pension plans, our mutual funds, other institutional investors, which are more and more in the market; 75 percent of the market, compared to when Robert Monks started thinking about this.

Under the current system, two proxy advisory firms now have 97 percent of the market. Mr. Speaker, and this monopolization and the lack of transparency regarding their work means that the writings, analyses, reports, and vote recommendations of just these two firms have a disproportionate effect on the fundamental corporate transactions, like mergers and acquisitions, the appointments of corporate directors, and other shareholder proposals.

Also, this has created more of a checklist mentality in the boardroom. Directors today need information, yes, but, more importantly, they need wisdom. And the proxy advisory firms are driving people in boardrooms, in my view, to more of a checklist mentality, regulatory mentality, and less using the writings, analyses, reports, and vote recommendations of just these two firms have a disproportionate effect on the fundamental corporate transactions, like mergers and acquisitions, the appointments of corporate directors, and other shareholder proposals.

Proxy advisory firms aren’t immune to conflicts of interest.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HENSARLING. Mr. Speaker, I yield an additional 30 seconds to the gentleman from Arkansas.
Mr. HILL. Mr. Speaker, these conflicts are provided by providing additional recommendations to the very firms that they are rating.

So, Mr. Speaker, we need balance in this arena, and I think Mr. Duffy’s bill provides a step toward that balance, an improvement in transparency and in competition in the proxy system, thereby enhancing shareholder access to important investment information. I appreciate his work on it. I thank him for his work in our committee.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. DAVID SCOTT), a hardworking member of the Financial Services Committee.

Mr. DAVID SCOTT of Georgia. Mr. Speaker, this is indeed a very, very important issue. I come at this from one who has worked with my good friend, Mr. Duffy, on this issue. More than that, I voted with Mr. Duffy for this bill in committee.

However, there are some troubling things about this bill that could do one very damaging thing. It could put many of these proxy firms out of business.

I want to take a moment to explain what the danger is in the bill that made me change my mind. I chatted with Mr. Duffy about it. He understands it. This is not to shed any negative light on his objective, but it is what he is doing to get to that objective that worries me and, I think, should disturb the people of this Congress and this country, and that is this: It could be summed up in, basically, 2 words: unilateral authority.

That is what this bill provides to the Securities and Exchange Commission: unilateral authority to set the requirements, first of all, for what it means to be a proxy firm.

When you put unilateral authority into the hands of a regulatory agency, we know that that can be done. And I agree that there may be some things that need to be done, but these words, “unilateral authority,” would mean that the Securities and Exchange Commission could establish any number of hurdles for these proxy advisory firms to jump over in order to just stay in business.

Unilateral authority to do such things as setting financial requirements, one would say that nothing may be wrong with that; but other hurdles, I think, that the Securities and Exchange Commission could put up likely will be arbitrary, illogical, such as them setting requirements for how many employees a proxy firm should have.

Mr. Speaker, this is a step too far, especially in a time in our country when Federal regulators have used their powers to attack the American people at any and every level.

The SPEAKER pro tempore. The time gentleman has expired.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield an additional 30 seconds to the gentleman from Georgia.

Mr. DAVID SCOTT of Georgia. Mr. Speaker, second, let me give you an example of how you can put too much regulatory authority into an agency.

When HHS, this year, used their powers to attack women’s health, that happened; or when the Department of Justice gave its powers to reverse community policing reform at the Department of Justice.

All I am saying in this particular argument, Mr. Speaker, is that Mr. Duffy is well-intended, but this goes too far, and I urge my colleagues to reject and vote “no” on this bill.

Mr. HENSARLING. Mr. Speaker, I yield 4 minutes to the gentleman from North Carolina (Mr. BUDD).

Mr. BUDD. Mr. Speaker, I rise today in support of H.R. 4015. I thank Chairman DUFFY for his leadership on this bipartisan piece of legislation, which will improve our country’s shareholder proxy system.

Since the early 2000s, we have seen market share and the shareholder proxy system consolidate, essentially, into a duopoly, as two firms control 97 percent of the market, so, under the current system, potential conflicts of interest abound.

For example, proxy advisory firms that provide voting recommendations to advisers often provide consulting services to those same public companies. So wouldn’t it make sense that they at least notify their shareholders of this potential conflict of interest?

Well, right now, while the SEC has offered guidance on this problem, the proxy firm wouldn’t be required to do so. We need to get this bill on the books just to address this problem.

This bill is also timely because we have seen proxy firms align themselves with political causes, unions, and interest groups that do not always represent their shareholders’ best interests. Shareholders oftentimes aren’t even aware of these conflicts. Again, reform is needed.

So it should go without saying, Mr. Speaker, that the two problems outlined above pose problems for the shareholder and for the average investor. We cannot continue to allow the security laws and processes to be wrapped in a service of political agendas.

Mr. Speaker, we have dealt with this issue in the Financial Services Committee on a number of fronts with regard to disclosure of information that is being weaponized against public companies, from mining to conflict minerals. It is time to deal with the proxy issue today.

The number of public companies has fallen in recent years. It was never easy to be public, to be subject to the financial markets and the pressures that come from being accountable to your shareholders. This issue, the proxy issue, is part of a larger tapestry of challenges that public companies face. They are increasingly choosing not to play the game. They are getting capital from dark pools; they are getting capital from hedge funds; and they are just staying private. That puts investment opportunities in the hands of the 1 percent, and that leaves retail investors out in the cold.

Mr. Speaker, my constituents and North Carolina shareholders are from the part-time trader to the full-time trader. They deserve better than this. Luckily, this body can do something to address these problems, and that is to pass Chairman DUFFY’s bipartisanship legislation into play. His bill will bring about much-needed accountability, competition, and, most importantly, transparency in the proxy advisory firm industry.

This bill also protects clients and their financial future from being influenced by activists and outside interest groups. His legislation accomplishes this by mandating that proxy advisory firms register with the SEC, disclose potential conflicts of interest to the shareholders, and make their methods for coming up with proxy recommendations available to the public.

Two proxy advisory firms should not have this much control of the market and the power to disproportionately affect fundamental corporate transactions. This bill is a win for the consumer, a win for the free market, and should be a bipartisan priority for this body.

A number of outside commentators have been clear that the proxy industry has gained a worrisome degree of authority over companies. In fact, Columbia Law Professor Jeffrey Gordon said that the burden of annual voting would lead investors, particularly institutional investors, to farm out evaluation of most pay plans to a handful of proxy advisory firms who, themselves, will seek to economize on those very proxy review costs. There are a handful of others who are saying these same things about the way things are today in proxy voting.

Ultimately, the shareholder is the one who suffers. We should put a stop to it.

Mr. Speaker, once again, I want to thank Chairman DUFFY for leading the fight on this issue, and I urge adoption of his legislation.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. CAPUANO), an invaluable member of the Financial Services Committee.

Mr. CAPUANO. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, this is one of those mundane issues that 95 percent of America doesn’t understand. I didn’t understand much about it a while back because I don’t have any proxy advisers. I do have money in retirement funds. I do get those 100-page documents in the mail, saying, “We are having a proxy fight and you should read it,” in the smallest print possible, and I do what 95 percent of America...
does when I get those: I throw them right in the trash. 

Now, that doesn’t make me smart. It just means I can’t read through that stuff. I can’t understand what they are doing with my pension funds. I kind of have to go on faith that they are not sticking it to me. That is what most of us do, and most anybody listening to this, that is the only thing they have to do with this issue.

So I went out and found out what is a proxy adviser. Here is what I put together for the very purpose of ripping the heart out of corporate America. Those Dominican Sisters, they are evil investors.

Let’s not forget the Daughters of Charity. Oh, terrible, terrible people. They are the same people in the world that they take time out of that in order to find a way to stick it to the biggest corporate people in the country.

The SPEAKER pro tempore. The time of the gentleman has expired.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield an additional 30 seconds to the gentleman from Massachusetts.

Mr. CAPUANO. Mr. Speaker, they use proxy advisers.

Let me see. Who wants this bill? Every corporation in America. Why? They don’t want you knowing what they are doing.

Let’s see. Whose side am I on? I think if I have a choice between being on the side of the biggest corporations in this country or being with the Dominican Sisters, I am choosing the Dominican Sisters. They are doing God’s work. They use and need proxy advisers. Leave them.

Mr. HENSARLING. Mr. Speaker, I yield myself 5 minutes to the gentleman from Wisconsin (Mr. DUFFY), the sponsor of the legislation and the chairman of the Financial Services Subcommittee on Housing and Insurance.

Mr. DUFFY. Mr. Speaker, I appreciate the gentleman for yielding time to me, the chairman of Financial Services. I appreciate his leadership and stewardship on our committee.

Mr. Speaker, I want to get into the bill in a second, but I can’t let the Dominican Sisters reference go.

It is not the Dominican Sisters who are using proxy advisers. It is the largest financial investors in the world that are using these advisers, which we are going to get into in a little bit.

And if you want to talk about sisters, I will talk about the Little Sisters of the Poor, who have been ravaged by Obamacare because they can’t practice their faith, if you want to talk about sisters. We are not going to go there today.

Mr. Speaker, we are in a situation where, my friends, if you listen to the debate, you might say, “Well, Republicans are asking for a little more regulation in the proxy advisory space,” and Democrats, miraculously, are saying, “We don’t want any regulation.” Well, our concern is that you have consolidated power in two companies that control 97 percent of the industry, and some have made the claim and the allegation that there might be political motivations behind both—or at least one—of these massive proxy advisory firms, because Glass Lewis is owned by the Ontario Teachers’ Pension fund, and they might have a political agenda that might affect the recommendations that were made on American corporate governance. Maybe that could be the distinction between the two parties in today’s debate.

Mr. Speaker, we have covered this quite a bit, but I want to go into it again. The role of proxy advisory firms in the U.S. economy is incredibly important. It is important stuff.

These firms counsel pension plans and mutual funds and institutional investors on how to vote their shares. No one is trying to get rid of proxy advisory firms. We think they are a good thing, but we think they should have a little bit of regulation and a little bit of oversight.

I think it is troubling, when you look at the share of institutional ownership, in 1987, it was 46 percent. Today, that has grown to 75 percent, meaning that institutional investors control billions of shares.

There was a recent study that was done by Stanford that says that asset managers with $100 billion or more under their control only make 10 percent of the decisions on these proxy issues, meaning they outsource 90 percent of the decisions to one of two firms, consolidating great power in these proxy advisory firms.

This was pointed out before as well, but again, two firms, one of the component of the market share, writing analysis reports, voting recommendations that affect the fundamentals of corporate governance, mergers, acquisitions, approval of corporate directors, and shareholder proposals.

What is of greatest concern is that these firms are not free of conflicts of interest. For example, in addition to providing recommendations to institutional investors about how to vote, proxy advisory firms may advise companies about corporate governance issues, rate companies on corporate governance, help companies improve governance, help companies improve their corporate governance, help companies improve those ratings, and advise proponents about how to frame a proposal to get the most votes. They are playing every side of the issue. They are getting every dollar from anybody who cares about the corporate governance space. They play everybody. And if you want advice, you pay.

I am going to give you an example in just a little bit of one of the hundreds of letters that I have received on this issue. But before I do that, I think it is important to say: What are we asking for? What is the radical idea that we brought to the floor today, which, by the way, had six Democrats’ support?

Mr. SCOTT commented about his support as well, and I know he had an issue with the cost. This would impact proxy advisory firms, but the CBO, which I rarely quote, did a study on this and said the cost to proxy advisory firms of this bill is minimal, if
I am not going to give the name of the company, but it says: Upon contacting ISS and seeking explanation on one of the recommendations, we were told there was a firewall between the ISS recommendation group and the ISS group that deals with corporate matters. Ultimately, we were advised that if we were willing to join ISS, which includes payment of a relatively substantial amount of money, we could have input in the recommendations before they were made.

So, Mr. Speaker, pay for the input.

The time of the gentleman has expired.

Mr. HENSARLING. Mr. Speaker, I yield an additional 1 minute to the gentleman from Wisconsin.

Mr. DUFFY. Mr. Speaker, I don’t know what my friends across the aisle have been doing, but maintaining a code of ethics and disclosing potential conflicts of interest or instituting an ombudsman to resolve issues that might come up. This is commonsense stuff. This is good governance, and I would encourage all of my friends across the aisle to join us.

Mr. Speaker, I want to read one part of a letter that I received that I think embodies what is going on in corporate America.

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Texas (Mr. AL GREEN), who is the ranking member of the Subcommittee on Oversight and Investigations.

Mr. AL GREEN of Texas. Mr. Speaker, I thank the ranking member for yielding.

Mr. Speaker, I would also like to note that the ranking member, the Honorable MAXINE WATERS, is often the sentinel on watch. She is the person who is like us investors. She is there to protect persons who might, but for her absence, be taken advantage of. So I am honored to speak with her and to stand with her.

Mr. Speaker, I oppose this bill today because this bill epitomizes what I believe is a business model that allows corporate America to take advantage of investors. This business model is one that has been perpetuated and perpetuated by my colleagues on the other side. This business model is one that has surfaced in 2008, when the credit rating agencies became captives of the businesses that were providing the instruments that were to be rated. They were catering to the businesses to the detriment of the investors.

I believe this business model is one that allows the fiduciary rule to be compromised. The fiduciary rule simply said that, if you are working on behalf of an investor, you can’t put your interest ahead of the investor’s interest. This rule was compromised by my colleagues on the other side.

So today they again come with another business model that will allow investors to be taken advantage of. Caveat emptor is going to apply in a way that it has never been seen before as it will relate to these investors.

It is time for us to prevent the business model of allowing investors to be taken advantage of and to present a business model where the investor has the benefit of advice from the proxy. That is what we have currently. Let’s not change the business model. Let’s make sure that the investor is properly protected.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON LEE).

Ms. JACKSON LEE. Mr. Speaker, I thank the gentlewoman from California for yielding. It is certainly my pleasure to be on the side of the gentlewoman from California. Every time we have had big fights to attack Dodd-Frank, she has been on the right side of the issue.

So let me clearly, though my voice is a little raspy, speak on behalf of those, as my colleagues have spoken about, of us who certainly have a degree of education and receive those long statements where there are big fights and the print is so small.

I will tell you that the proxy advisers are representing not us, but those vulnerable pensioners who put everything they have ever had in that pot, and those advisers give those public pension funds the counsel and advice that is necessary.

First of all, this bill is entirely impractical. Pension plans and other institutional investors often hold shares in thousands of public companies. The bill will require proxy advisory firms, who provide voting recommendations to these shareholders, to provide the management with more than 4,000 public companies with the opportunity to present detailed comments on the firm’s draft recommendations before paying shareholders receive a final report.

It also wants to burden them with all kinds of extra trinkets that they have to give information about, an unprecedented right to weigh in by the corporations on voting recommendations, executive compensation, non-discrimination policies. Again, the proxy advisers work with the public pension funds. Who are they?

They are the coal miners and the bus drivers. They are, in fact, those teachers, firemen, and policemen. They are Americans who depend upon their pension funds for retirement security. The pension funds are the largest owners of public companies.

Mr. Speaker, the reason that I wanted to stand on this floor today is, just a few minutes ago, we again voted for this catastrophic tax bill. I wanted to think, as I heard my good friend from Texas, Mr. BARR, jumping up and celebrating. I assume they will run to the White House when this bill is passed in one way or the other.
Let me describe to you what I believe is the scenario on the tax bill. We all like cliffhanger movies. Cliffhanger movies always get the family together to be able to tell the story or to sit in the movie and look at the cliffhanger because it’s always the heroes that win on a cliffhanger. You are waiting for the hero to launch down and save everyone.

Here is the Republican cliffhanger: it is this tax bill, and the cliffhanger is you are going up a mountain. As you go up, you see there are the Republicans and this tax bill that is going to take away millions of dollars from Medicaid.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Ms. MAXINE WATERS of California.

Mr. Speaker, I yield an additional 30 seconds to the gentlewoman from Texas.

Ms. JACKSON LEE. They are throwing over the cliff the Medicaid recipients, people with dementia. My good friend who has ALS, who is in a wheelchair, thrown over the cliff. They are throwing over teachers. They are throwing over individuals who are believing them that they are going to get jobs, they are getting no jobs. They are throwing over families, working-class families, 86 million of them—throwing over the cliff.

It is not a good ending. It is a tragic ending, and they are standing one by one, and they are throwing over this cliff with this phony tax bill. They are not going to be able to do what is needed, and they are standing one by one, and they are throwing over individuals who are believing them that they are going to get jobs.

The benefits for those who are working Americans is temporary, and those of corporations is forever.

Mr. HENSARLING. Mr. Speaker, I reserve the balance of my time.

Ms. MAXINE WATERS of California.

Mr. Speaker, I yield myself such time as I may consume.

Ms. MAXINE WATERS. Mr. Speaker, I include in the RECORD letters from the California Public Employees' Retirement System, the California State Teachers' Retirement System, the Ohio Public Employees Retirement System, and the National Conference on Public Employee Retirement Systems.

The Committee on Appropriations submits to the House of Representatives a bill entitled The Corporate Governance Reform and Transparency Act of 2017.


Hon. Kevin McCarthy, Majority Leader, House of Representatives, Washington, D.C.

Hon. Nancy Pelosi, Minority Leader, House of Representatives, Washington, D.C.

Dear Leaders McCarthy and Pelosi: On behalf of the California Public Employees' Retirement System (CalPERS), I write to express our support for H.R. 4015, the "Corporate Governance Reform and Transparency Act of 2017," which is scheduled to be considered by the full House this week.

CalPERS is the largest public, defined benefit pension plan in the United States, with approximately $366.13 billion in global assets, as of market close December 13, 2017. CalPERS manages investment assets on behalf of more than 1.8 million public employees, retirees, and beneficiaries. As a global, institutional investor that invests in more than 11,000 public companies worldwide, we rely on the integrity and efficiency of our financial markets to fund the long-term sustainability of retirement returns that allow us to meet our liabilities.

Although we support the House Financial Services Committee's focus on bipartisan ways to set standards that promote capital formation and maximizes shareholder value, we have several substantive concerns about H.R. 4015. Given the large number of public companies in which CalPERS holds voting shares, we share proxy advisory firms and other data providers to assist us with analysis of management and shareholder proposals and director elections. In providing these services to CalPERS, these firms are guided by our Governance and Sustainability Principles and proxy voting policies to efficiently provide independent research and analysis that helps to inform our voting decisions. While we are certainly in favor of ensuring that proxy advisory firms are well-regulated and that they avoid conflict of interest management requirements that are duplicative of existing Securities and Exchange Commission (SEC) authority. Currently, shareowners pay proxy advisory firms through contractual arrangements, and this provision of H.R. 4015 appears designed to fix a problem that does not exist among contracting parties.

In addition, the bill would establish a process by which corporations have preliminary access to the proxy information that investors pay for through proxy advisory firms. Finally, the bill's definition of "proxy advisory firm" makes it unclear whether the intent is to regulate the hundreds of entities that provide advice to institutional investors or only the three or so that would be considered proxy advisory firms under this definition.

Considering increased resources and ever-increasing responsibilities for addressing a broad range of emerging challenges in our securities markets, it would be imprudent to impose unnecessary requirements on the agencies. As an institutional investor that uses proxy advisory services, we oppose H.R. 4015.

Thank you for your consideration of these views. Please do not hesitate to contact me if we can be of any assistance.

Sincerely,

March Frost, Chief Executive Officer.
over proxy voting. Moreover, the proposed legislation is likely to limit competition by reducing the current number of proxy advisors and imposing additional barriers to entry for new firms—again raising costs for investors.

Thank you for considering our views on this important matter. We would be happy to discuss our perspectives with you or your staff at your convenience. Should you have any immediate questions or wish to discuss our concerns, please contact Aeisha Mastagni, Portfolio Manager.

Sincerely,

ANN SHEEHAN,
Director of Corporate Governance.

Ohio Public Employees Retirement System,
Columbus, Ohio, December 15, 2017.

Dear Representative:

We are writing on behalf of the Ohio Public Employees Retirement System (OPERS) to oppose HR 4015, the Corporate Governance Reform and Transparency Act of 2017 (Act), a bill that could significantly and negatively impact OPERS’ ability to effectively and efficiently vote its proxies and fulfill its fiduciary obligations.

OPERS is the 12th largest public retirement system in the world, with over one million active, inactive, and retired members, which means that almost one out of every 12 Ohioans has some connection to our System. OPERS is responsible for providing secure retirement benefits for our members, OPERS has invested more than $78 billion in capital markets around the world, including holdings in more than 18,000 public companies. As a fiduciary, OPERS is required to act in the best interests of its members, and this responsibility extends to the prudent management of the investments we make on behalf of our members’ retirement contributions. We believe it is our duty to engage with, participate in, and exercise our voting rights for each of the public companies in which we are invested in an effort to ensure that those companies continue to generate value for their shareholders.

However, with limited time and resources, it is difficult for an investor, even one as sophisticated as OPERS, to fully research every proxy and follow every issue. That is why we rely on the services of proxy advisory firms—they perform the research and analyses that we cannot, and provide us with impartial voting recommendations that we consider when making our own proxy voting decisions. Without timely access to the reports provided by our proxy advisory firm, it would be significantly more difficult to meet our obligations to our members.

We are aware of the criticisms that have been leveled at proxy advisory firms, namely that they wield too much influence over the proxy voting decisions of their clients, but OPERS has taken steps to ensure that this is not the case. Our Board of Trustees has adopted proxy voting guidelines that require our voting decisions as shareholders. To the extent that a proxy advisory firm report or recommendation conflicts with our proxy voting guidelines, OPERS Corporate Governance staff will closely scrutinize the discrepancies and the firm’s recommendations can be disregarded.

Given the sheer necessity of proxy advisory firms and the services they provide, it is troubling that the House of Representatives is considering changes that would erode investor confidence by constraining the impartiality and independence of proxy advisory firm reports. If enacted, the Act would make it harder—perhaps impossible—for OPERS to effectively vote its proxies and receive the reports it receives during any given proxy season. In our view, this constitutes a violation of our duty to our members and the people of Ohio, and is therefore unacceptable.

We urge you to oppose the Corporate Governance and Transparency Act of 2017. Thank you for considering our concerns, should you have questions regarding OPERS’ comments or proxy voting guidelines, do not hesitate to contact OPERS’ Corporate Governance Officer, Pati Bramer.

Sincerely,

KAREN CARRAKER, Executive Director,
PATTI BRAMMER, Corporate Governance Officer.

National Conference on Public Employee Retirement Systems,

Dear Speaker Ryan and Leader Pelosi:

On behalf of the National Conference on Public Employee Retirement Systems (NCPERS), I am writing to relay our serious concerns with, and opposition to, H.R. 4015, the “Corporate Governance Reform and Transparency Act of 2017,” which was reported out of the House Financial Services Committee on November 15. The legislation, with worrisome provisions, premised on false assumptions, that undercut the ability of pension plans to receive independent, unbiased corporate governance research, introducing new costs and burdens to pension plans and undermining their ability to effectively exercise their fiduciary responsibilities. We are alarmed by the precedent this legislation would set. NCPERS is the largest, nonprofit public pension advocate, representing more than 500 funds that manage more than $3 trillion in pension assets, we strive to protect the autonomy and independence of state and local government retirement systems. H.R. 4015 would undermine this very principle.

Many pension plan administrators employ proxy advisory firms to provide them with unbiased and independent data and analysis to make the best investment decisions on behalf of their plan’s beneficiaries while providing no additional benefits. NCPERS is the largest, nonprofit public pension advocate, representing more than 500 funds that manage more than $3 trillion in pension assets. We strive to protect the autonomy and independence of state and local government retirement systems. H.R. 4015 would undermine this very principle.

Many pension plan administrators employ proxy advisory firms to provide them with unbiased and independent data and analysis to make the best investment decisions on behalf of their plan’s beneficiaries while providing no additional benefits. NCPERS is the largest, nonprofit public pension advocate, representing more than 500 funds that manage more than $3 trillion in pension assets. We strive to protect the autonomy and independence of state and local government retirement systems. H.R. 4015 would undermine this very principle.

Sincerely,

HANK KIM, ESQ., Executive Director & Counsel.

Ms. MAXINE WATERS of California. Mr. Speaker, they are frightened, absolutely frightened, that we could possibly be on the floor today negotiating with the opposite side of the aisle about investor recommendations. They can’t understand why it is that we have Members of Congress who do not understand how important it is to have someone protecting the interest of middle class workers all over America.

You have heard the reference to the teachers, firefighters, garbage collectors, and on and on and on. These people work every day. They invest in their retirement and they expect their retirement to be taken care of, honored, and not to be basically undermined by corporate interests. So these investment advisers are extremely important to the investors of these retirement systems.

Having said that, Mr. Speaker, H.R. 4015 is simply the latest effort by Republicans to check off every item on the corporate wish list before the holiday season, in order to empower corporate management at the expense of institutional shareholders, like our Nation’s public pension plans, by allowing corporations to unfairly influence proxy voting recommendations.

Because of the size of their portfolios, public pension plans who may hold shares in thousands of companies must rely on proxy advisers to provide independent research and voting recommendations on the merits of proposals. Without the work of proxy advisors, institutional shareholders would needlessly drive up costs for public pension plans while reducing market choice. While NCPERS welcomes the opportunity to protect public pensions, we are puzzled by the need to impose a new federal regulatory regime that is largely duplicative of existing SEC requirements and that is designed to protect investors, including those for registered investment advisers under the Investment Advisers Act of 1940. Other provisions of H.R. 4015 propose to impose unnecessary costs to the SEC to pre-qualify industry entrants based on a set of vague and highly subjective standards. We believe that contrary to the sponsors’ stated intent, namely to increase competition and protect investors, the heavy-handed regime would result in fewer market participants, would enhance barriers to potential new firms and could potentially lead small proxy advisory firms to exit the industry altogether, reducing market choice for our members. In the end, H.R. 4015 would increase costs, perhaps significantly increase costs, to pension plans administrators and beneficiaries while providing no additional benefits.

Public pensions play an important role in the local, state and national economies. We ask that you consider the detrimental impact that H.R. 4015 would have on the independence and financial stability of public pension plans, and urge you to oppose this and any similar legislation.

Thank you for your time and consideration. If there is any additional information I can provide that would assist you, please do not hesitate to contact me.

Sincerely,

HANK KIM, ESQ., Executive Director & Counsel.
compensation, executive pay, and environmental sustainability.

H.R. 4015 would give corporate management the unprecedented right to interfere in the relationship between institutional investors and the proxy advisory firms that represent them.

At its core, the bill is based on the false premise that shareholders blindly follow the recommendations of proxy advisers who themselves are beholden to activist interests. This belief is directly contradicted by reality.

For example, in 2017, the largest proxy advisory firm recommended “no” votes on less than 12 percent of say-on-pay proposals, which are non-binding votes on executive compensation practices required under the Dodd-Frank Act. That means they sided with company management 88 percent of the time.

When it comes to director elections, the largest proxy firm voted “yes”—“yes” votes for 90 out of 100 directors. Proxy advisers understand that the vast majority of companies’ proposals are good for shareholders, but not for all.

Mr. Speaker, I ask for a “no” vote on this misdirected bill, and I yield back the balance of my time.

Mr. HENRASLING. Mr. Speaker, may I inquire how much time I have remaining?

The SPEAKER pro tempore. The gentleman from Texas has 2 minutes remaining.

Mr. HENRASLING. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, while I was fascinated to hear so many of my friends on the other side of the aisle exclaim how much they care about working Americans, it just makes me wonder why now twice—twice—in the last 24 hours they have voted against giving the average working American a $2,059 tax cut.

Twice now they have voted to deny workers the right to organize and to bolster their paychecks. I wonder about that.

I also wonder, as I listened to this litany of groups whose letters were entered into the RECORD, how often I heard labor union; government pension; Washington, D.C.; and special interest groups.

What I didn’t hear about is average working Americans who have their investment in trying to save to buy a home, to raise a family, to perhaps fund a small business, or send a kid to college. It is their interest that we are trying to stand up for.

So what we know is that the SEC—the Securities and Exchange Commission—have, for all intents and purposes, required investment advisers to use one of two proxy advisory firms, one of which, as my colleague, the author of the bill pointed out, is owned by a foreign labor union. Yet the SEC requires us to use them.

So here is the radical nature of the bill: the bill, H.R. 4015, simply says that we ought to have transparency—something apparently my friends across the other side of the aisle are against.

We say they have to register with the SEC—something my friends on the other side of the aisle are against.

They have to disclose potential conflicts of interest. Apparently my friends on the other side are against that.

They have to disclose codes of ethics. Apparently my friends on the other side of the aisle are against that, as well as making their methodologies public.

This is a disclosure bill to help investors, pure and simple. We ought to vote in favor of H.R. 4015.

Mr. Speaker, I yield back the balance of my time.

Ms. MAXINE WATERS of California. Mr. Speaker, I include in the RECORD the following letters:

AMERICANS FOR FINANCIAL REFORM,

Washington, DC—December 18, 2017,

DEAR REPRESENTATIVE: On behalf of Americans for Financial Reform (AFR), we are writing to urge you to vote against H.R. 4015, the “Corporate Governance Reform and Transparency Act of 2017”, which will be considered on the House floor this week. By placing an excessive and unnecessary regulatory burden on proxy advisory firms, this bill would unfairly disadvantage shareholders as compared to firm management, and raise serious First Amendment concerns as well. AFR joins major representatives of shareholders such as the Council of Institutional Investors (CII) and the California Public Employee Retirement System (CALPERS) in opposition to H.R. 4015 would establish a new Federal regulatory scheme for proxy advisory firms. These firms provide institutional investors, including pension funds, with the research and information they need in order to exercise their voting rights as shareholders. The regulations proposed in H.R. 4015 would require proxy advisory firms to provide the management of public companies with detailed voting recommendations relevant to their firms before these recommendations were shared with the employees who paid for proxy advisory services. Advisory firms would also be required to resolve any complaints from firm management, and employ an ombudsman to ensure that such complaints were addressed. If complaints were not resolved to the satisfaction of firm management, then the full text of complaints from companies would be included next to voting recommendations in proxy advisory reports. Regulations would also mandate extensive disclosure requirements for the details of proxy advisory methodologies, reducing incentives to invest in developing such methodologies. The costs of this regulatory regime would be passed on to investors and pension funds that use proxy advisory services.

The regulatory scheme is a transparent attempt to weaken if not eliminate the independence of proxy advisory firms from firm management by placing sharp restrictions on their expression of opinions which differ from those of firm management. Besides raising First Amendment issues, this improperly restricts the ability of shareholders to obtain independent views on how they should vote in proxy contests.

This legislation cannot be justified, as some have attempted to do, by any analogy to the regulation of credit rating agencies. Proxy advisory firms do not face a fundamental conflict of interest in their business model because they are not paid by securities regulators alone but by millions of people who vote with their feet.

Any concerns about the independence of proxy advisory services can be addressed by simply requiring such services to register as investment advisers under the Investment Advisers Act. The radical regulatory scheme laid out in H.R. 4015 goes far beyond anything even mentioned in the recent Treasury Department report on capital markets, which examined the issue of proxy advisory firms and recommended only that regulators engage in “further study and evaluation of proxy advisory firms, including regulatory responses to promote free market principles if appropriate.” The regulatory scheme in H.R. 4015, besides being misguided in other ways, certainly does not promote free market principles.

The effort in H.R. 4015 to eliminate the independent voice of proxy advisory services should be rejected. We urge you to vote against it.

For more information please contact AFR’s Policy Director, Marcus Stanley.

Sincerely,

AMERICANS FOR FINANCIAL REFORM.

COUNCIL OF INSTITUTIONAL INVESTORS,

Washington, DC, November 9, 2017.

Re Proposed Legislation Relating to Proxy Advisory Firms

Hon. JEB HENSARLING,
Chairman, Committee on Financial Services,
House of Representatives, Washington, DC.

Mr. MAXINE WATERS,
Ranking Member, Committee on Financial Services,
House of Representatives, Washington, DC.

Dear Mr. Chairman and Ranking Member Waters:

On behalf of the Council of Institutional Investors (CII or the Council) and the undersigned 45 investors and investor organizations, we are writing to express our opposition to legislation that has recently been introduced and is pending in the Committee on Financial Services related to proxy advisory firms.

CII is a nonpartisan, nonprofit association of public, corporate, and union employee benefit funds, other employee benefit plans, state and local entities chartered with investing public assets, and foundations and endowments with combined assets under management exceeding $3 trillion. CII’s member funds include major long-term shareholders with a duty to protect the retirement savings of millions of workers and their families.

H.R. 4015, the “Corporate Governance Reform and Transparency Act of 2017,” and similar proposed legislation as included in Subtitle Q of Title IV of H.R. 16, “the Financial CHOICE Act,” would require, as a matter of federal law, that proxy advisory firms share their research reports and proxy voting recommendations with the companies about whom they are writing before they are shared with the institutional investors who are their clients. In essence, the ultimate goal of the proposed legislation is the “protection of investors,” as the primary customer of proxy advisory firms. In a number of institutional investors believe that adding the new proposed requirements to the industry is unnecessary, overly burdensome and counterproductive.

The proposed legislation appears to be based on several false premises, including...
the erroneous conclusion that proxy advisory firms dictate proxy voting results and that institutional investors do not drive or form their own voting decisions. Indeed, many of the other institutional investors contract with proxy advisory firms to review their research, but most large holders have adopted their own policies and employ proxy advisory firms for those reasons. They help administer proxy voting, which does not mean that they abdicate their responsibility for their own voting decisions.

The independence that shareholders exercise when voting their proxies is evident in the statistics related to ‘‘say on pay’’ proposals and director elections. Although Institutional Shareholder Services Inc. (ISS), the largest proxy advisory firm, recommended against over 11,000 proposals at 11,000 Russell 3000 companies in 2017, only 1.28 percent of those proposals received less than majority support from shareholders. Similarly, in 2016, ISS recommended against the election of 10.43 percent of director-nominees during the most recent proxy season, just 0.185 percent failed to obtain majority support.

We believe the pending legislation (both Subtitle Q of Title IV of H.R. 10 and H.R. 4015, which was introduced last month) would allow the system of corporate governance in the United States; undercut proxy advisory firms’ ability to uphold fiduciary obligation to their investor clients; and reorient any standards for actual corporate conduct or structure rather than investors. The system of corporate governance that has evolved in the United States relies on the accountability of boards of directors to shareholders, and proxy voting is a critical means by which shareholders hold boards to account. Currently, proxy advisors provide equity holders of U.S. corporations with independent advice. The proposed bills threaten to abrogate that very independence, which is a hallmark of ownership and accountability.

Proxy advisory firms, while imperfect, play an important and useful role in enabling effective and cost-efficient independent research. They inform large institutional investors about the quality of proxy advisory firms’ advice for large institutional shareholders, particularly since many funds hold thousands of companies in their investment portfolios. In our view, the proposed legislation would undermine proxy advisory firms’ ability to provide a valuable service to pension funds and other institutional investors. We are particularly concerned that, if enacted, H.R. 10 and H.R. 4015 would:

Require that proxy advisory firms: 1) provide companies early review of their recommendations; 2) give companies an opportunity to review and lobby the firms to change their independent recommendations; and 3) give companies early review of their reports; 4) provide companies an opportunity to review and lobby the firms to change their independent recommendations; and 5) provide companies an opportunity to review and lobby the firms to change their independent recommendations.

For the reports go to the paying customers would not only give corporate management substantial undue influence over proxy advisory firms’ reports, but could completely undermine the independence of all institutional investors that have to rely on their own clients, beneficiaries and shareholders. We believe the objective of the bills is to bias proxy advisory firms out of criticizing management on subjects such as CEO pay, without providing the same pre-publication right to others. Another concern is that such forced pre-publication review may not be consistent with First Amendment rights to freedom of speech. Regardless, the attempt by government fiat to interpose corporate management between investors and those investors hire to provide them with independent research is highly questionable as a matter of public policy.

Further, the additional regulatory hurdles imposed would surely increase the complexity of the challenges faced by the proxy advisory firms out of criticizing management on subjects such as CEO pay, without providing the same pre-publication right to others. Another concern is that such forced pre-publication review may not be consistent with First Amendment rights to freedom of speech. Regardless, the attempt by government fiat to interpose corporate management between investors and those investors hire to provide them with independent research is highly questionable as a matter of public policy.

In summary, the proposed legislation does not appear to contemplate a parallel requirement for institutional shareholders or proxy advisory firms to perform their duties and to recommend in the context of their own adopted proxy voting guidelines to arrive at informed voting decisions. Time is already tight, particularly in the highly concentrated spring ‘‘proxy season,’’ due to the limited period between a company’s publication of the annual meeting proxy materials and annual meeting dates.

In that report, the Treasury found that ‘‘institutional investors, who pay for proxy advice and are responsible for voting decisions, find the services valuable, particularly in circumstances where matters are contested in corporate elections, management and shareholder advocates should operate on a level playing field.

Increase costs for institutional investors with no clear benefits.

If enacted, the proposed legislation is likely to result in higher costs for pension plans that pay for proxy advisory firm services, potentially much higher costs if investors seek to maintain current levels of scrutiny and due diligence around proxy voting amid exit constraints on all proxy advisory firms from the business. The proposed legislation is highly likely to limit competition, by reducing the number of firms in the U.S. market and imposing serious barriers to entry for potential new firms.

We believe that the cost estimate provided by the Congressional Budget Office to the House Financial Services Committee in September 2016 on substantially similar legislation in the 114th Congress (that is, that private sector costs of about $10 million) understimates the costs that this bill would impose through private-sector mandates. The CBO should analyze the probable effects of the proposal on competition, and the costs to investors if (a) competition is reduced and the pricing power of a surviving proxy advisory firm is enhanced, and (b) if proxy advisory firms exit the business they provide are no longer available, forcing individual investors to use internal resources not subject to the new regulatory mandate.

Finally, we note that in recent months the United States Department of Treasury (Treasury) performed outreach to identify views on proxy advisory firms in connection with its recently issued report to the President on ‘‘A Financial System that Creates Economic Opportunities, Capital Markets.’’ More importantly, the Treasury did not recommend any legislative changes governing the proxy advisory firm industry.

Thank you for considering these views. CH would be very happy to discuss its perspectixe in more detail.

Sincerely,

Jeff Mahoney, General Counsel, Council of Institutional Investors; Marcie Frost, Chief Executive Officer, California Public Employees’ Retirement System; Director of Corporate Governance, California State Teachers’ Retirement System; Gregory W. Smith, Executive Director/CFO, Colorado Public Employees’ Retirement Association; Denise I. Nappier, Connecticut State Treasurer, Trustees, Connecticut Retirement Plans and Trust Funds; Michael McCauley, Senior Officer, Investment Programs & Governance, Florida State Board of Administration; Michael Frenich, Illinois State Treasurer; Jonathan Grabel, Chief Investment Officer, Los Angeles County Employees Retirement Association; Scott Stringer, New York City Comptroller; Karen Carraher, Executive Director, National Association of State Comptrollers; Richard Stensrud, Executive Director, School Employees Retirement System of Ohio; Jeffrey S. Davis, Executive Director, Seattle City Employees’ Retirement System; Tobias Reid, Treasurer, State of Oregon; Michael J. Nehf, Executive Director, SIRS Ohio; Theresa Whitmarsh, Executive Director, Washington State Investment Board; Heather Slavin Corzo, Director, Office of Investment, AFL-CIO: Dieter Waizenegger, Executive Director, CIW Investment Group; James Curry, Executive Director, International Union of Bricklayers & Allied Craftworkers; Janice J. Pueser, Research Coordinator, Corporate Governance, UNITE HERE Pension Trust; Steven Steward & ESG Investing, Aberdeen Standard Investments; Blaine Townsend, Senior Vice
President, Director, Sustainable, Responsible and Impact Investing Group Ballard, Inc.; Jennifer Coulson, Senior Manager, ESG Integration, British Columbia Investment Management Corporation (bcIMC); Tania Payn, Head of Corporate Governance North America, Legal & General Investment Management; Susan S. Makos, Vice President of Social Responsibility, Mercy Investment Services, Inc.; Luan Jenifer, Head of Portfolio Advisor Program, Norwegian Investment Authority; John Egan, Portfolio Manager, Shareholder Engagement, CapWealth Capital Management, LLC; Maureen O’Brien, Vice President and Corporate Governance Director, Sagen McAdams; Kevin Kinney; Don Van Horne, President of Shareholder Engagement, Shareholder Advisory Board, Adrian Dominican Sisters; Corporate Responsibility Chair, Portfolio Manager for Sustainable Investing, Pax World Management, LLC; Kathleen Woods, Corporate Responsibility Chair, Portfolio Advisory Board, Adrian Dominican Sisters; Judy Byron, OP, Director, Northwest Coalition for Responsible Investment; Mary Payn, Head of Responsible Investing, Nuveen, the investment manager of TIAA; Julie Fox Gorte, Ph.D, Senior Vice President for sustainable Investing, Pax World Management, LLC; Kathleen Woods, Corporate Responsibility Chair, Portfolio Advisory Board, Adrian Dominican Sisters; Judy Byron, OP, Director, Northwest Coalition for Responsible Investment. Many of our members and other institutional investors voluntary contract with proxy advisory firms to obtain research reports to assist the funds in voting their proxies according to the funds’ own proxy voting guidelines. This contractual relationship provides investors a cost-efficient means of obtaining supplemental research on proxy advisory firms and their capacity to provide reliable, independent advice to public company investors: institutional investors such as pension funds that serve firefighters, teachers, and police officers. My amendment would restore the ability of advisory firms to provide research and vote recommendations regarding a public company’s spending on political campaign contributions.

CII is a nonpartisan, nonprofit association of public, corporate and union employee benefit funds, other employee benefit plans, state and local plans, and foundations and endowments with combined assets under management exceeding $3 trillion. CII’s member funds include major long-term shareholders with a duty to protect the retirement savings of millions of workers and their families. The Council’s associate members include a broad range of asset managers with more than $20 trillion in assets under management. Many of our members and other institutional investors voluntary contract with proxy advisory firms to obtain research reports to assist the funds in voting their proxies according to the funds’ own proxy voting guidelines. This contractual relationship provides investors a cost-efficient means of obtaining supplemental research on proxy advisory firms and their capacity to provide reliable, independent advice to public company investors: institutional investors such as pension funds that serve firefighters, teachers, and police officers. My amendment would restore the ability of advisory firms to provide research and vote recommendations regarding a public company’s spending on political campaign contributions. Over the past half a century, public companies have increasingly entered the political arena, spending huge sums on political contributions and campaign activity. Court rulings like Citizens United and SpeechNOW.org have opened new avenues of influence for corporate America and have worked to undermine the role of public companies in our politics. Mr. Speaker, the public is becoming increasingly anxious about this.
The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit. There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the yea and nay votes were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

After Recess

The House having expired, the House was called to order by the Speaker pro tempore (Mr. MITCHELL) at 6 o'clock and 8 minutes p.m.

HOUR OF MEETING ON TOMORROW

Mr. YODER. Mr. Speaker, pursuant to clause 4 of rule XVI, I move that when the House adjourns on this legislative day, it adjourn to meet at 9 a.m. on Thursday, December 21, 2017.

The Speaker pro tempore. The question is on the motion ordered by the gentleman from Kansas.

The motion was agreed to.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The Speaker pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on questions previously postponed.

Votes will be taken in the following order:

The motion to recommit on H.R. 4015; Passage of H.R. 4015, if ordered; and Agreeing to the Speaker's approval of the Journal, if ordered.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.

CORPORATE GOVERNANCE REFORM AND TRANSPARENCY ACT OF 2017

The Speaker pro tempore. The unfinished business is the vote on the motion to recommit on the bill (H.R. 4015) to improve the quality of proxy advisory firms for the protection of investors and the U.S. economy, and in the public interest, by fostering account-
The question was taken; and the Speaker pro tempore announced that the Yeas appeared to have it.

Mr. HENSARLING. Mr. Speaker, on that I demand the Yeas and Nays.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—Yeas 238, nays 182, not voting 11, as follows:

[YEAR]—238

[Names of representatives]

The result of the vote was announced by the Clerk, who said:

Mr. TURNER changed his vote from 'yea' to 'nay.'

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

Mr. TURNER changed his vote from 'nay' to 'yea.'

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

THE JOURNAL

The SPEAKER pro tempore. The unfinished business is the question on agreeing to the Speaker's amendment to the Journal, which the Chair will put de novo.

The question is on the Speaker's amendment to the Journal.
The question was taken; and the Speaker pro tempore announced that the yeas and nays appeared to have it.

Mr. HENSARLING. Mr. Speaker, on that demand the yeas and nays.

The yeas and nays were ordered.

Mr. HENSARLING. Mr. Speaker, on the request of Mr. Goodlatte, that I demand the yeas and nays.

Mr. Speaker, Mr. Matt Bravo is a living example of a public servant who has truly made a difference in the city of Flemington.

Flemington built its first-ever city hall for meetings and events. Before that time, citizens needed to search around town for a city council member to speak with.

The city also went from being an inconspicuous town on the side of the highway to advertising itself and coaxing visitors to come in and experience its hospitality.

I am proud to have a city official like Mayor Martin who is immensely dedicated to public service. Mayor Martin is a talented public servant who has truly made a difference in the city of Flemington. He has worked for the Energy and Commerce Committee.

He has dedicated more than 10 years of his life to public service in this institution with honor and integrity.

Mr. Speaker, Mr. Matt Bravo is somebody who has the full respect of not only our Members on the House Republican side, but he is respected by the Democratic leadership as well and is a key part of our staff and, again, has helped us pass critical legislation. I would call him the best floor director ever.

We are going to miss him here. Jennifer and I wish him and his wife, Summer, and their soon-to-be growing family all the best in their future life.

Mr. Speaker, I want to thank him for the time and the public service he has given to this House of Representatives.
Again, thank you. Mr. Matt Bravo, for the service you have given to all of us.

Mr. HOYER. Mr. Speaker, will my friend yield?

Mr. SCALISE. Mr. Speaker, I yield to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding time to me. Mr. Speaker, I agree with everything the previous speaker said. Maybe he is not the best floor director—I have got a pretty good one myself—but he is a very, very good floor director.

Mr. SCALISE. Mr. Speaker, we can maybe disagree on that like we disagree on who has the best crabs, but we will enjoy that disagreement.

Mr. HOYER. Mr. Speaker, I was going to say that one of the problems that I have with Mr. Bravo is that he thinks that Louisiana crabs are better than Maryland crabs, but loyalty is an important aspect of our service.

Mr. Speaker, I am pleased to rise to join my friend, Mr. SCALISE, the majority whip. Matt Bravo for the leadership that he has given on this floor, and particularly on behalf of my floor staff with whom he has worked very closely, both when he was with Mr. Cantor, with whom I worked very closely, and now Mr. SCALISE, with whom I work closely. We thank him for his service to this House.

Every time I rise, I say, whether it is a Democratic or a Republican staffer who works this floor, they work with all of us, and they work in a way that tries to facilitate the doing of the people’s business.

They are not always as successful as they would like to be. It is the fault of the Members, not of the staff. They have plans that go awry because the Members do not cooperate. Mr. Speaker, I would like to tell Matt that I understand that very well.

Mr. Speaker, we want to thank Matt for the very collegial, positive, constructive way in which he has worked with my staff, with the leader’s staff, with other staff on this side of the aisle, as well as staff on the side of the aisle to assure that we can, to the best extent possible, work in a constructive way on behalf of the American people.

I am sure that Matt will be as successful in future endeavors as he has been here, and, if so, very, very successful indeed.

Mr. Speaker, I thank the majority whip for yielding me time, and I wish Matt Bravo the very best.

Mr. SCALISE. Mr. Speaker, I want to thank the Democratic whip for his kind words and for the way that our offices do work together on those occasions. Frankly, it is most occasions where we are working together on things. Obviously, there are times when we are not; but even in those times, our staffs have a great working relationship and a trust level that is really helper to the House getting its business done.

Mr. Speaker, I thank the Democratic leader.

Mr. McHENRY. Mr. Speaker, will the gentleman yield?

Mr. SCALISE. Mr. Speaker, I would be honored to yield to the chief deputy whip, Mr. McHENRY.

Mr. McHENRY. Mr. Speaker, I want to thank my friend for yielding time. Mr. Speaker, it is a special pleasure to come and speak to the career of a great public servant, Matt Bravo.

Matt has worked here in the House for 11 years in various roles. He started off as body guy for Leader Cantor when Leader Cantor served as chief deputy whip. In addition to that, he has held various roles in the whip operation, in the leader’s office on the Republican side of the aisle, as well as important work on the Energy and Commerce Committee.

Matt Bravo has a great sense of humor, a great love for the game of golf. He is much better at the game of golf than he is at his jokes. We love Matt Bravo. We love teasing him. We love giving him a hard time, but we love giving him a hard time because we know his true character. We know how he works intensely to see things through, to grind out the votes to get 218 to pass our agenda.

Mr. Speaker, we know Matt will be successful in this next phase of his career. We thank him for his friendship. We thank him for his service to this House. On both sides of the aisle, the respect that he has gained is immense, and we congratulate him on this next phase.

Mr. Speaker, we thank Matt for his service in the people’s House, to his government, to the United States of America’s people. We will miss him. Mr. SCALISE. Mr. Speaker, I would be remiss if I didn’t recognize that Matt’s lovely wife, Summer, is in the balcony, too, and I thank her for the support that she has lent him to us and to this great institution. The best of luck to her family and her future with Matt.

PROTECT BOB MUELLER

(Mr. COHEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COHEN. Mr. Speaker, today the Republicans showed their values.

They showed their values in the tax bill that gave 83 percent of the dollars to the upper 1 percent of the economic strata in this country. It is the greatest transfer of wealth.

They showed their values in giving real estate developers special tax breaks, like President Trump and others, and gave people who are extremely wealthy the opportunity to will more money to their children or whoever they choose than they can today, an $11 million break.

They showed their values in giving Hezbollah cocaine makes its way into Hezbollah’s coffers. Hezbollah terrorists and criminals ought to be prosecuted.

That is just the way it is.

GOP TAX BILL IS THE GREATEST TRANSFER OF WEALTH

(Mr. BEYER asked and was given permission to address the House for 1 minute.)

Mr. BEYER. Mr. Speaker, the tax bill we passed today has little in common with what Speaker RYAN described to the American people. There is more money into the pockets of working people would be great, but that is not what they wrote this bill to do.

I have grown a business, made payroll every 2 weeks for more than 40 years, and invested many millions of dollars in plant and equipment. I still voted “no,” though, because I was just wise enough to realize that without our people, our employees, we have nothing. I would be enthusiastic about a tax bill that actually put more money into the pockets instead of enriching President Trump and his friends.

We have 381 hardworking men and women on our payroll today. Not a single one will benefit from the doubling...
of the estate tax exclusion, but every one will be affected by the medical insurance premium rates, which this bill will drive up.

Every one will be at risk when their minimal so-called tax cuts expire in just a few years. Mine, by the way, are permanent. Our children and grandchildren will suffer ever more greatly as we continue to balloon the Federal debt.

This tax bill may be the greatest transfer of wealth from working Americans to the idle rich in the history of our country. Mr. Speaker, this is a very sad day for the country I love.

Mr. Speaker, I could not, and proudly did not, vote for this disastrous piece of legislation.

UNION COUNTY FREEHOLDER VERNELL WRIGHT RETIRES

(Mr. PAYNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAYNE. Mr. Speaker, I rise to honor a public servant from my district in Union County, New Jersey. Freeholder Vernell Wright, on the occasion of her retirement.

Freeholder Wright began her career in public service in 1966 as a title 1 teacher at Jefferson School in Union Township, New Jersey. For 36 years, she helped educate the county’s public schoolchildren.

In 2012, the people of Union Township sent their beloved educator to represent them on the Union County Board of Chosen Freeholders.

Freeholder Wright’s legacy as an elected official is best characterized by her unselfish devotion to the constituants whom she represents. As recognition for her dedicated work and selfless service, she has been awarded New Jersey’s Freeholder of the Year Award and Union County’s Chester Holmes Humanitarian Award.

Freeholder Wright is a model for the next generation of public servants.

Mr. Speaker, I ask my colleagues to join me and the people back in Union County tonight at a dinner to honor Freeholder Wright’s lifetime of service. I am honored to be her Member of Congress.

God bless Freeholder Wright.

HONORING THE LIFE OF LORIMER ARENDESE, PRINCIPAL OF GRAND PRAIRIE HIGH SCHOOL

(Mr. VEASEY asked and was given permission to address the House for 1 minute.)

Mr. VEASEY. Mr. Speaker, I rise today to honor the life of Lorimer Arendse, the principal of Grand Prairie High School, who lost his battle with stage IV lung cancer on December 15.

Never shy about sharing his hatred for school during his formative years, Lorimer found his passion for academics once he met and fell in love with his wife, Jeanelle, while attending Grace College in Warsaw, Indiana. Upon graduating Grace College, Lorimer continued his passion for education upon earning his master’s degree in educational administration from Ashland University.

From there, he began his career in education as a math teacher and advanced to assistant principal. In 2013, Lorimer was named principal of the Young Men’s Leadership Academy at Kennedy Middle School in Grand Prairie. In 2014, he was named principal of Grand Prairie High School.

Although his time with us was short, let us all be encouraged by his final lesson: treat each other with kindness. Be respectful. Be courteous. Be what a Gopher is.

At this time, I ask my colleagues to join me in extending their prayers to Principal Lorimer Arendse’s family and the Grand Prairie High School community.

CELEBRATING THE LIFE OF COUNCILMAN PETER BROWN

(Ms. JACKSON LEE asked and was given permission to address the House for 1 minute.)

Ms. JACKSON LEE. Mr. Speaker, I rise this evening to celebrate the life of a dear friend, the Honorable Peter Brown, former council member at large for the city of Houston. Tomorrow he will be memorialized in Houston, Texas.

It saddened me that I will not be able to join him and his family and the many, many Houstonians and friends who will come to honor him. The reason is because Peter Brown was Houston’s chief champion. He loved Houston. He loved to talk about mobility in Houston. Even before most Houstonians understood the value of the light rail system, Peter Brown was on the forefront.

He was an architect, and he understood beauty and planning. He had a humorous and wonderful touch, but he also was serious and stern when it came to planning and the environment. Peter Brown wanted to see Houston as it is and as it continues to be a world class city. Before we spoke of greenery and all the things that make a city great, the parks, green space, Peter Brown was doing so.

Peter Brown was also a dear friend to me, my family, and so many others. He lost his battle just about 10 days ago to a terrible and vicious disease. But as I visited Peter, I can assure you that on the occasions I went to see him, he was always thinking about others and thinking about the city, thinking about our State and the Nation, always sharing, but fighting his fight.

To his family and his children and to the people who love him, I just simply want to say: tonight and tomorrow we honor a great American, a friend to us all.

He may be from Houston, Texas, but if you got a chance to know him, you would love him, too.

Mr. Speaker, I ask for a moment of silence in honor of the Honorable Peter Brown.

HEALTHCARE AND LITTLE LOBBYISTS

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, I rise today to defend our Nation’s children.

The GOP tax scam repeals the provision assuring all families have health
It was less than 10 years ago that the passage of the Affordable Care Act made sure that people with preexisting conditions, like my Simon, would always have the right to health care. I know families like mine could not be cut off by insurers and forced into bankruptcy because our child’s health care was just too expensive. It expanded Medicaid, including waiver programs, so more kids like Simon can have access to the therapy, health care, and inclusion programs they need to survive and thrive in their communities.

I remember the exact moment it passed—I was in the grocery store and I burst into tears of relief when my husband texted me with the news. The following day is still the only day I would be able to care for our sweet boy in the future, it finally seemed like things were going to be okay. Living with that knowledge has been a huge gift for a family like ours, who routinely deal with life and death situations most families can’t imagine.

But since this summer there have been multiple attempts to repeal the ACA, including as a part of this Tax Bill. Non-partisan experts have told us that 13 million people will lose their insurance if it passes. Once the ACA is weakened, protection for people with pre-existing conditions will become too costly to afford. Very soon, I could once again be facing a future where I don’t know how I’ll be able to care for my child. This is a thought I simply find too difficult to bear.

And all of this is happening against the advice of experts. Without the input of those it will impact. It makes one wonder who our government is listening to, if not us. According to lobbying disclosure forms, this tax bill was written with the input of over 6,000 (real, not little) lobbyists. Some representatives have even said that the donors have told them to “get it done, or else.” Or else. We parents of medically complex kids understand consequences. We know what will happen if this tax bill passes, if our country does not turn from this destructive and immoral path.

And so, here we are. We are the ghosts of Christmas past, we are here to show legislators what access to affordable, quality health care and programs like Medicaid mean for our families. These programs that the Republican Congress intends to cut to fund tax breaks for wealthy heirs and corporations, are literally cutting back into institutions reminiscent of a Dickens novel. This is wrong.

Mr. Speaker, Members of Congress were elected to protect and defend the American people. But put yourself in the Hatcher’s at risk because of the Republican’s billionaire tax bill.

Mr. Speaker, I include in the RECORD Laura Hatcher’s remarks:

LaURA HATCHER REMARKS

Thank you Leader Pelosi for inviting the Little Lobbyists here today to speak on behalf of families of children with complex medical needs.

It’s the holidays and the Muppet version of “A Christmas Carol” has been on repeat at my house. We’re all big Muppet fans and my 11-year-old son Simon loves music, silliness, and a sweet story. I also think another reason Simon likes the movie so much is because he identifies with the character “Tiny Tim.” It’s easy to see the resemblance. Like Tim, Simon is sweet and kind, he loves Christmas, he even sits by the fireplace and sings sometimes.

Dickens doesn’t identify Tiny Tim’s diagnosis, but I imagine he might have had cerebral palsy like Simon. Simon has trouble walking and like Tim, he wears braces to support his legs. Though I miss him being able to support his legs. Though I miss him being able to walk, and I do hug him all the time, as often as I can. Because, like the Cratchits, due to another rare disease we don’t yet understand, we Hatchers don’t know how long we’ll have Simon with us.

I also find it’s strikingly easy to draw an analogy between “A Christmas Carol” (Muppet version) and what’s happening in our lives right now. In the story, the miserly Ebenezer Scrooge is warned that reaching consequences for us all.

We need to find out what else they lied about and what else they are hiding.

The SPEAKER pro tempore (Mr. KUSTOFF of Tennessee), Members are reminded to refrain from engaging in personalities toward the President.

CONGRATULATING AMSTERDAM RADIO LEGEND SAM ZURLO ON HIS RETIREMENT

(Mr. TONKO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TONKO. Mr. Speaker, I rise to congratulate Amsterdam radio legend, Sam Zurlo, on his retirement this week.

For over 60 years, Sam’s voice has greeted the residents and visitors of Montgomery County, New York. Sam has been working in broadcasting since 1953. Now at 82, he hosts the longest-running talk show in the history of the county.

Sam’s broadcasting career was born from his service with Armed Forces Radio in Germany, where he delivered a nightly broadcast for 3 years. Sam also worked as a print journalist for the Schenectady Gazette for some 35 years.

Decade after decade, his distinctive voice has been the catalyst for free and open debate. He has brought an air of familiarity and of community to our humble corner of upstate New York. Listening to conversations about current events with Sam has always made the distractions of politics a little more real. Sam’s personality has inspired many and brought light, com- fort, and connection to countless neighbors and friends.

Mr. Speaker, I thank Sam Zurlo for his years of exceptional work and a legendary career in local journalism. I wish him the best for an equally special retirement.
THE GOP TAX SCAM
(Mr. RYAN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RYAN of Ohio. Mr. Speaker, what a day in Washington, D.C. We have many Republicans in this town saying: What a great day it is for the American people, what a great Christmas for America.

The average family—63 percent in America—can’t withstand a $500 emergency. With this tax cut, Apple is going to get $47 billion and Donald Trump’s family is going to get $1 billion. They are going to toss out a few crumbs to working class families who work 60, 70 hours a week, and the fat cats in Washington and Wall Street are going to run off with the whole pot of gold.

Whatever happened in this country where we said, To whom much is given, much is expected?

We need to challenge the wealthy corporations. They are sitting on $4 trillion worth of cash. If they want to start a factory, buy a machine, or hire workers, they could do it now. They don’t need to take it from the middle class.

PROJECT CASSANDRA
The SPEAKER pro tempore. Under the Speaker’s announced policy of January 3, 2017, the gentleman from Georgia (Mr. JODY B. HICE) is recognized for 60 minutes as the designee of the majority leader.

Mr. JODY B. HICE of Georgia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of my Special Order.

The SPEAKER pro tempore. The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. JODY B. HICE of Georgia. Mr. Speaker, today I rise to speak on an issue that is just now beginning to gain momentum and traction. Already, this issue of great importance is bringing great alarm and concern, as well as focus. I speak specifically in regard to the Obama administration’s apparent decision to sacrifice the opportunity to take down Hezbollah and bring terrorists to justice.

What most Americans know about Hezbollah is that it is an Iran-backed proxy militia based in Lebanon, which was formed as a string of terrorist attacks against Americans in the 1980s, including the attack in 1983 of the Beirut barracks, which killed 241 American servicemen.

Since that time, Hezbollah has openly attacked Israel. They have propped up murderous regimes led by an erratic Bashar al-Assad in Syria. They are defied by their violence and human rights abuses.

But what most Americans are not aware of, Mr. Speaker, is that over the last 30 years, Hezbollah has evolved beyond its origins as Iran’s attack dog in the Middle East and they now run one of the world’s most expansive and dangerous multinational criminal networks in the world.

Hezbollah works directly with corrupt governments, like Venezuela and others, to create criminal networks across Latin America, Africa, Europe, and the Middle East. They have litigious tons of cocaine across the world, laundered money, and trafficked weapons and individuals. They are a critical part of a network responsible for the use of IEDs in the Middle East, which have killed literally thousands of American soldiers in Iraq and Afghanistan.

Hezbollah, Mr. Speaker, is a scourge not only in the Middle East, but throughout the entire world. The reason we know this—which has just, in recent days, become public—is because, in 2008, the DEA launched a campaign known as Project Cassandra, which amassed evidence over 8 years of investigation regarding Hezbollah’s criminal activities. They used wiretaps, undercover operations, informants, and so forth to map Hezbollah’s illicit networks with the help of some 30 different U.S. and foreign security agencies. These DEA agents traced the activities all the way to the inner circles of Hezbollah and its state sponsors in Iran.

But—and here is where all of this starts coming into play—when the time came to extradite and prosecute these terrorists, the Obama administration’s Department of Justice and Department of State refused to move forward.

That is unthinkable to me. It is unthinkable to many people in our country.

The Justice Department refused to file criminal charges against suspects that were already in custody in Europe. The State Department refused to put meaningful pressure on allied countries to extradite Hezbollah leaders to the United States.

Why? Why did they refuse to get involved?

According to an Obama administration Treasury official, in her written testimony to the House Foreign Affairs Committee, investigations to Hezbollah were tapped down for fear of rocking the boat with Iran and jeopardizing the nuclear deal.

The nuclear deal is already deeply, deeply flawed in so many ways. The Iran nuclear deal apparently took precedence over crippling a foreign terrorist organization directly responsible for the deaths of American citizens and one of the world’s largest drug and weapons trafficking networks.

Hezbollah is responsible for procuring parts for Iran’s nuclear and ballistic missile program, the very program that the nuclear deal was supposed to curtail. Hezbollah is supplying parts to them.

Instead of prosecuting the leadership of Hezbollah and shutting down Iran’s weapons pipeline, the Obama administration legitimized Iran’s nuclear program and let Hezbollah slip through the cracks and let them totally off the hook.

After the conclusion of the Iran nuclear deal, the Obama administration shut down Project Cassandra. We lost all that we had gained in 8 years of investigations—all the information. We had them in our grasp, Mr. Speaker, after 8 years of investigation. We lost unprecedented insight into these global criminal networks.

Mr. Speaker, this is morally reprehensible. It is stunning that we had our previous administration and that administration’s Justice Department and State Department evidently involved, engaged, and deliberately letting these criminals off the hook.

How in the world can our allies in the global war on terror trust us when we won’t prosecute terrorists when we have the chance to do so?

How can our allies in Latin America trust us when we refuse to prosecute leaders of one of the world’s largest drug trafficking networks?

I have a few colleagues here tonight who are going to address this issue as well. Before I introduce the first one, I want to bring up one more point.

Ali Fayad is a suspected leader in Hezbollah. He is an operative and a major weapons supplier. He has been indicted on charges of planning the murders of U.S. citizens, attempting to provide material support to a terrorist organization and attempting to acquire, transfer, and use aircraft missiles.

For nearly 2 years, this terrorist was held in custody in the Czech Republic. For nearly 2 years, the Obama administration failed to provide enough pressure to the Czech Republic, our NATO ally. The Obama administration refused to put pressure to extradite that terrorist to the United States.

All Fayad now, as we speak here tonight, is a free man and alleged to be back in the business of arming militants in Syria. This is inexcusable.

Mr. Speaker, I want to personally thank those who served on Project Cassandra for their service to our Nation and for the work they did. I want them to know that what they did mattered.

I am appalled that the Obama administration did virtually nothing to stop Hezbollah’s criminal activities. I think this warrants an investigation by the U.S. House of Representatives, and that is what this Special Order tonight is all about: getting to the bottom of what is yet another example of a swamp that stinks to high heaven that needs to be cleaned up and drained out.

I am investigating into what happened in the Obama administration, the Department of Justice, and the Department of State in allowing these
terrorists and this terrorist network to get off the hook.

Mr. Speaker, I yield to the gentleman from Arizona (Mr. BIGGS), a good friend. He has been a leader in issues such as this, bringing to our attention both the highlighting of dangerous, harmful activity such as this tonight. He has been a great champion.

Mr. BIGGS. Mr. Speaker, I thank my friend from Georgia for yielding.

This is an important topic. I am going to touch on this by beginning with this idea of the distinction between the current administration and its foreign policy as outlined in the recent statement from President Trump and that of the previous administration.

The distinction is very clear. The previous administration basically clung to an idea of neo-liberal institutionalism. That is to say, where there was a vacuum of power, we did not set the stage. America did not fill it. It remained a vacuum, with the idea being that an institution would fill that. Maybe the United Nations, maybe some other regional institution. But in doing so, we ceded over much of our sovereignty and failed to act to preserve and protect America’s best interests.

The current administration has taken a more realistic point of view. They are realists. That is, America’s interests will be first and paramount. We will see to it, we will foster alliances, and we will foster participation with our fellow nations to preserve America’s best interests.

When America is strong, there is a greater chance for peace in the world. I believe that. That is the position of realists all the way back to Hans Morgenthau. Even neo-realists like Kenneth Waltz might agree.

One thing that we know is that this particular episode that unfolds is a scandalous episode that put America in greater danger, probably, and perhaps, in doing so, in fostering political gains by the previous administration.

One Treasury Department official who served in the Obama administration, these Hezbollah-related investigations were ramped down for fear of rocking the boat with Iran and jeopardizing the nuclear deal.

That becomes the heart and the rationale for how the previous administration handled a political decision instead of a foreign policy national security decision.

We know a number of things that took place, and this is why the House needed its own investigation: so we can know how this played out, why this played out, who is responsible, and we can resolve never to do this again.

We have Project Cassandra. This was a DEA campaign designed to expose a money-laundering scheme in which Latin American drug-running was being funneled to Hezbollah.

Hezbollah is a pro-Iranian Lebanese militia and has been a foreign terrorist organization since 1987, and so designated. It fosters alliances with rogue nations such as North Korea, Iran, and is violently anti-Israel and anti-United States.

It has become a player in international cocaine trafficking—using the proceeds of that drug trafficking to purchase explosives, EFPs, which is the deadliest type of IED used against American soldiers in Iraq. EFPs killed hundreds of American soldiers, and they were supplied by the Iranian Government and its Hezbollah allies. EFPs were literally ripping Abrams tanks in half. It is a weapon that makes all the armor protection they have irrelevant. Merely threats of EFPs shut down all ground supply routes near American bases on the Iranian border.

The result: cut off the head of the financial of Hezbollah through these international cocaine distribution routes.

Project Cassandra was born in 2008. It found clear evidence that Hezbollah had grown from a Middle East-focused military and political organization into an international criminal syndicate, likely collecting somewhere in the neighborhood of $1 billion a year from drug and weapons trafficking, money laundering, and other criminal activities.

For 8 years, DEA agents conducted high-stakes investigations—dangerous investigations—using technology as well as undercover operations and informants. That type of capital is expensive and dangerous.

The result was to map these illicit drug networks. They did this with the help of 30 U.S. and foreign security agencies. They saw worldwide, flagging international drug trafficking from South America to Africa, from Europe to the U.S., and in the United States, where drug funds were funneled through an array of businesses, including used car lots.

What happened?

As we saw the previous administration’s desire and design to leave a signature legacy foreign policy win, the negotiations for the Iran nuclear deal got going and were in place. Project Cassandra’s agents say the Justice and Treasury Departments repeatedly hindered their attempts to pursue these investigations—the prosecutions, arrests, and financial sanctions against the key figures in this far-reaching drug scheme.

This was a policy decision. It was a systematic decision.

David Asher is quoted as saying: “They serially ripped apart this entire effort that was very well supported and resourced, and it was done from the top down.”

They didn’t bring criminal charges. They didn’t continue to pursue these Hezbollah members or the banks that were laundering those billions in drug profits. Instead, they tore down the apparatus that was working on apprehending the head of the snake.

Well, we are going to go on with this. We need to go on with this. We need to investigate this further. This type of political decision that impacts and actually works cross-wised to our very purpose in the Middle East must be stopped, and we must find out why that happened. Those who allowed our men and women to be put in harm’s way for a political decision need to be held accountable.

Mr. Speaker, those who cling to the neo-liberal institutionalist mantra, who rely on multilateral institutions rather than putting America first, are the ones who produced this result.

We are going to find out more in the coming weeks. My request is that the leadership in Congress, in this House of Representatives, instigate and prosecute an investigation to get to the bottom of this very heinous and very wrongheaded and dangerous decision.

I thank the gentleman for allowing me to participate and for his lead on this tonight.

Mr. JODY B. HICE of Georgia. Mr. Speaker, this highlights the importance of the issue that we are dealing with and the need for an investigation. Hundreds, even thousands, of lives have been put in danger, not to mention our own Nation’s national security interests.

Next up is a tremendous leader, not only here in Congress, but in our military. He is a general who has done an outstanding job. I don’t know that anyone understands the importance of the issue any more than my good friend.

Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. PERRY). I am honored to have him here addressing this issue.

Mr. PERRY. Mr. Speaker, I thank the gentleman from Georgia (Mr. JODY B. HICE), my good friend. I thank him for bringing this issue to the attention of Congress and for this Special Order.

When I was growing up, Mr. Speaker, I believed that my government would do all it could to stop crime from happening in the community I lived in, including drug use.
And, of course, we all know, since the Ayatollah took over and took American hostages back in the day that Iran is a known liar. That is what they do. They lie. They obfuscate. They just say one thing and do another. It is not a question of if they will have a nuclear weapon. Mr. Speaker; it is a question of when.

So what we did here was we said, look, let’s not offend the Iranians. Even though they are killing Americans and even though they are killing Americans in your hometown by selling drugs to them—and the two are working towards each other; they are selling drugs and using that money to buy the articles of war, the implements of war that are killing Americans—it is okay. We are going to allow that to happen as long as we delay Iran from having a nuclear weapon for 15 years. That is exactly what it looks like.

Now, I didn’t do the investigative reporting. It is, I think, 14,000 words, so it is pretty in-depth. But I will tell you this. It is being discredited out there. These are a couple of rogue employees who just don’t trust the policy. Mr. Speaker, the Drug Enforcement Agency agent on the case, who has over 20 years of government experience tracking the financing of terror networks, said this of the leader of Hezbollah:

I had no clue who he was, but this guy was sending money into Iraq to kill American soldiers.

The point is he had 20 years on the job. This wasn’t some piker who just showed up on the job at Treasury and said: “Hey, track this money and see what you can find.” This is a guy who did this for a living for 20 years, and he ran into Hezbollah. He ran into Hizbollah, based on his investigation.

And then they tracked him. They tracked the money. They tracked the drugs—not just a little bit, tons—tons of drugs coming into the United States, literally at a time when we have 60,000 American servicemen on the battlefield, and even then, when they are killing Americans—it is okay. We are going to allow that to happen as long as we delay Iran from having a nuclear weapon for 15 years. That is exactly what it looks like.

So not only did Iran get to sell drugs, they got to use that money that they got from the United States and Europe, but also to use that money to then make EFPs to send them to Iraq, to send them to Afghanistan to kill American soldiers. That all had to stop because, heaven forbid, we can’t offend Iran. We can’t offend Iran.

Now, I will tell you this, Mr. Speaker. Nuclear war is a grave issue and it is worth a lot. If we have to stop nuclear war and give up some things to do that, I get it, I get it completely. There are no second chances with nuclear war. Once the bomb goes off, it is over. So if you have to give a little bit to get something on that, that is something even I could understand, even though I find some of it objectionable.

Who is the conflict in this, Mr. Speaker? There is no question, at this point, whether Iran will have a nuclear weapon. There is no reason to be testing ballistic missiles except to deliver a nuclear weapon. They are not delivered to a woman. Mr. Speaker, the American citizens in your hometown, but they used that money to then make EFPs to kill the soldiers from your hometown who went to defend America’s freedom.

And, oh, by the way, in less than 15 years now, you can expect Iran to be a nuclear armed power.

Mr. Speaker, if nothing else, if absolutely nothing else happens here from this, we need to have hearings on this in both the Foreign Affairs Committee and the Oversight and Government Reform Committee to make sure that this never ever can happen again, that we don’t trade the safety of the lives of American servicemembers overseas and American citizens in this country for a bad deal overseas of something that we are never really going to be able to reconcile with, which is a nuclear-armed Iran.

There are going to have very few options at stopping them, like we do with North Korea right now. That is where we are headed. We will not only have North Korea to deal with, but we will also have a nuclear-armed Iran.

That circumstance can never happen again, which is why hearings are so critical, so that we get to the truth, so that we get to the bottom of this, so that there are no skeletons in the closet, Mr. Speaker, so we understand who did what for why, so we can rationalize with this worth it or or an international expediency. We need to know that so that we learn from that, so that we never make those mistakes again.

Mr. Speaker, again, I thank the gentleman from Georgia (Mr. BUCK). Mr. Speaker, I appreciate his interest in this topic, as I am, and bringing it to the floor.

Mr. JODY B. HICE of Georgia. Mr. Speaker, I appreciate the gentleman so much. I just think it is critically important that in a Special Order such as this we have someone who has been there, on the front line, who knows exactly from the perspective of a soldier defending our country what has been taking place. I appreciate his expertise and his willingness to talk about it here this evening.

Another colleague who is going to address the seriousness of the issue this evening is Ken Buck from Colorado, a good friend and another leader on this issue and many others. The American people deserve to know what happened. The dots are coming into play. The dots are being connected. We need to finish connecting those dots to find out what went on, and let the American people know.

Mr. Speaker, I yield to the gentleman from Colorado (Mr. BUCK).

Mr. BUCK. Mr. Speaker, I thank my friend and colleague, Representative Jody Hice, for the opportunity to speak this evening on such an important issue.

We are here today to discuss the recent revelations that the Obama administration, in their pursuit of the Iran deal, blocked important efforts by U.S. law enforcement officials to fight the terrorist organization Hezbollah.

The past administration’s treatment of Iran reveals an imprudent and negligent approach to American foreign policy that must never be repeated. We see in their actions, at best, an incompetence born of a lack of clarity and information and, at worst, an administration determined to create a false foreign policy legacy so that America’s
best interests were thrown to the way-side.

In a recent report from Politico men-
tioned by some of my colleagues al-
ready, we have learned that the Obama
administration allegedly blocked ef-
forts to disrupt Hezbollah-liaised oper-
dations, resulting in over $1 billion every year from their illicit
activities. We have learned that,
through an expansive criminal traf-
ficking network, they funnel cocaine
throughout the Middle East, Europe,
Africa, Latin America, and the United
States.

It has also come to light that
Hezbollah laundered millions of dollars
through schemes involving used car
purchases in the United States, and, ul-
timately, the money earned through
these deals was used for violent
terrorist activities aimed at spreading
fear and pain throughout the world.

Politico quoted the following from a
confidential DEA report on Hezbollah's
criminal activities: Hezbollah “has le-
veraged relationships with corrupt for-
egn government officials and
transnational criminal actors in order to
create a network that can be utilized to
move metric ton quantities of cocaine,
launder drug proceeds on a global scale,
and procure weapons and procur-
ors for explosives.” It “has at its disposal one of the
most capable networks of actors coa-
lacing elements of transnational orga-
nized crime with terrorism in the world.”

The DEA’s acting deputy adminis-
trator in 2016 stated that Hezbollah’s
criminal operations “provide a revenue
and weapons stream for an interna-
tional terrorist organization respon-
sible for devastating terror attacks around the world.”

Certainly, an organization like that
deserves America’s utmost scrutiny;
and for years, the men and women of the
Drug Enforcement Administra-
tion’s Project Cassandra poured their
lives into investigating Hezbollah’s
criminal activities. These agents
tracked financial transactions, cul-
tivated sources, and trailed operatives.
But, in several cases, when the DEA
asked for prosecutions, arrests, or
sanctions, President Obama’s Depart-
ment of Justice delayed or denied their
requests. The State Department also
reportedly declined to demand the ex-
tradition of important suspects who
could have aided the investigation and
spurred a full investigation of this inter-
national operation.

Unfortunately, thanks to multiple
sources involved in the matter now
coming forward, we have learned that
the Obama administration likely
stalled the Hezbollah investigations
and prosecutions in order to keep Iran
happy and nuclear deal talks on the
agenda. If the DEA rocked the boat by
arresting and charging key members of
Hezbollah’s drug and weapons traf-
ficking operations, then Iran might
walk away from the negotiating table.

This thinking reveals a fundamental
blindness to reality. Hezbollah is fund-
amentally and predominantly Iran. While
negotiating with Iran, the former admin-
istration turned a blind eye to
Hezbollah’s extensive criminal activi-
ties that were only worsening the drug
crisis here in the United States and
criminogenic activities to terrorists in the
Middle East region.

American foreign policy can be prag-
matic, but this was not pragmatism.
This was foolishness. U.S. foreign pol-
icy-makers traded an end to Iran’s nu-
clear program for the protection of
Iran’s terrorist program. And even
then, we can’t even trust Iran to abide
by the agreement meant to end their
nuclear program.

So we are left with a bad deal. I have
said it many times before. But now we
know the deal is even worse than we
suspected. Aside from just delivering
pallets of cash to Iran, aside from just
freeing billions in frozen assets, aside
from just lifting sanctions, we are also
giving a transnational criminal organiza-
tion and terrorist network free rein over
the world.

We are here today to affirm to the
world that Iran and its affiliated ter-
rorist organizations, Hezbollah, are en-
emies of the free world.

We should never negotiate with ter-
rorists. I urge President Trump and
America’s law enforcement community to
turn again its attention to
Hezbollah. This terrorist organization
has spread its evil influence through-
out the world, and we have a duty to
fight it.

Mr. Speaker, I thank my friend, the
gentleman from Georgia, for this oppor-
tunity to thank him for bringing this issue up and shining some
light on this important subject.

Mr. JODY B. HICE of Georgia. Mr.
Speaker, I thank my colleague from California, a celebrated law enforce-
ment, former Director of the FBI,
former U.S. Attorney for the Common-
wealth of Massachusetts and the State
of California, a celebrated law enforce-
ment figure, and a registered Repub-
lican—why suddenly has he come under
withering attack by everyone from our
cohorts across the aisle, a decorated Vietnam war vet-
eran, former Director of the FBI,
former U.S. Attorney for the Common-
wealth of Massachusetts and the State
of California, a celebrated law enforce-
ment figure, and a registered Repub-
lican—why suddenly has he come under
withering attack by everyone from our
cohorts across the aisle, a decorated Vietnam war vet-
eran, former Director of the FBI,
former U.S. Attorney for the Common-
wealth of Massachusetts and the State
of California, a celebrated law enforce-
ment figure, and a registered Repub-
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every person living in this country, a country that we say is the greatest country in the world, where every person can have an opportunity, where every person can have a right to life, liberty, the pursuit of happiness, and the protection of law.

The promise of America, though, relies on the police officer who walks his beat, come rain or shine. Mr. Speaker, either we enforce our laws, or, if we do not, they are just words on a piece of paper. The promise of America is fulfilled every time a person receives a fair trial. For you see, without a fair-minded search for the truth, we have no society. Or, Mr. Speaker, put it another way, the truth will, indeed, set us free.

The special counsel is a decorated veteran. You have heard my colleague say it, a registered Republican appointed by a Republican President, President Bush. I have personally met Mr. Mueller serving 27 years in law enforcement, working very closely with the Federal Bureau of Investigation, I know him to be a person of honor and integrity.

Mr. Mueller has been praised for his integrity by every Republican leader. You see, he is, Mr. Speaker, a man searching for the truth, and the truth does matter. Without truth, life becomes death, liberty becomes slavery, and the pursuit of happiness becomes impossible.

If a President can shut down an investigation into his activities and deny our right to the truth, then the promise of the America that we love to celebrate is broken. Over the past year, our institutions—law enforcement, the judiciary—have come under daily assault, so persistent, so relentless, that we, on occasion, have tuned it out or brushed it aside. But these assaults, Mr. Speaker, undermine what is essential to our country and our society.

If President Trump chooses to fire the special counsel or otherwise interfere with the legal and appropriate investigation by the counsel and the special counsel will go only where the evidence leads him. That is the man President Bush appointed, and that is the same person leading this investigation at this very time.

Mr. Speaker, we must let the special counsel finish his work. Failure to do so leaves us with only one question: What is the administration afraid of?

Mr. RASKIN. Mr. Speaker, I thank Mrs. DEMINGS for her passion and her leadership. I am delighted to learn today that she will be joining the House Judiciary Committee as a new colleague next week, and I am thrilled about that.

Mrs. DEMINGS. Mr. Speaker, I thank the congressman.

Mr. RASKIN. Mr. Speaker, Mrs. DEMINGS focused our attention on the rule of law and the startling disdain for the rule of law that is being shown in Washington right now, and the President’s failure to understand the proper role for the Department of Justice.

One of my revered colleagues on the House Committee on the Judiciary from California (Mr. TED LIEU), who also serves on the Foreign Affairs, has had a front row seat to everything that has happened over the course of this year. He saw the Speaker of the House praise Mr. Mueller’s appointment; he saw Senator McCONNELL praise Mr. Mueller’s appointment as special counsel; he saw Mr. Mueller’s nonpartisanship and professionalism being widely heralded by our colleagues on the Republican side; and now he is watching every day as they do everything in their power to destroy the credibility of Mr. Mueller and his excellent team at the special counsel’s office.

I have invited Mr. TED LIEU to come up and speak and tell us what he thinks is going on and what is behind this smear campaign. Mr. TED LIEU of California. Mr. Speaker, I thank Congressman RASKIN for organizing this terrific forum tonight.

I am here first of all, commend Senator WARNER for going on the Senate floor earlier today and drawing very bright lines for the President of the United States. If Donald Trump were to either get Robert Mueller fired or part key witnesses, he will be violating those red lines.

Now, everyone is entitled to their opinions, but not to your own facts. So I am going to run through three facts about the special counsel’s investigation.

The first is that it is being led by three people: Deputy Attorney General Rod Rosenstein, who is overseeing the entire investigation; Special Counsel Robert Mueller; and FBI Director Christopher Wray. All three of them are Republicans. They were also appointed by a Republican President.

FBI Director Christopher Wray also happened to have given over $39,000 in political contributions exclusively to Republicans. So the notion that this investigation and the Democratic investigation is false. It is a Republican investigation investigating a Republican President.

The second fact you should know is that Donald Trump cannot actually fire Robert Mueller directly. He would have to fire Deputy Attorney General Rod Rosenstein first because Mr. Rosenstein came to the Judiciary Committee and testified under oath that there is no cause to fire Special Counsel Mueller.

So for this to happen, Donald Trump would have to get Rod Rosenstein fired. He would have to fire him. Then he would have to find another person to put in that position who would fire Robert Mueller. So the next person to take Rod Rosenstein’s place would be Associate Attorney General Rachel Brand. And while she is conservative and while she also made over $37,000 of political contributions exclusively to Republicans, she is also known as a person of integrity. I believe she will not fire Robert Mueller. So Donald Trump would have to then fire her. He would then have to pick a third person in, find anyone to fire Robert Mueller.

The third fact you should know is that no one has been indicted: Paul Manafort and Mr. Gates. The President, Mr. Manafort was the campaign manager for Donald Trump for a period of time. No one disputes that those guilty pleas have a solid legal and factual basis. Two other people have also been indicted: Paul Manafort and Mr. Gates. As you know, Mr. Manafort was the campaign manager for Donald Trump for a period of time. No one disputes that those two indictments have a solid factual and legal basis.

So nothing Robert Mueller has done can be attacked, and that is why they are now doing a smear campaign on his team because they are getting desperate. And when I say “they,” I am talking about the White House as well as some of my colleagues in the House on the Republican side.

I sat through a Judiciary Committee hearing that I thought was disgraceful, with Members on the other side of the aisle trying to smear not only FBI Director Christopher Wray, but also Rod Rosenstein and Deputy Director Mueller. These are good people. They have integrity. And if they think that the Women’s March was large, wait till they see what happens if the President actually tries to take these unconstitutional and, what would really amount to, criminal actions because he would be obstructing justice.

So, at the end of the day, it is very important for the American people to understand that no one is above the law. That was the central lesson of Watergate, it is the central lesson of American history, and I urge the President to understand what happened in Watergate and to refrain from taking criminal and unconstitutional actions.

Mr. RASKIN. Mr. Speaker, I thank Mr. Ted Lieu for his excellent presentation. I would ask one question, and I hope that the law professor in me isn’t showing too much, but I wanted to ask
Mr. TED LIEU about one thing he said at the beginning.  
Mr. TED LIEU made the point very well that Mr. Mueller is a distinguished law enforcement officer, who is also Republican, and he was appointed by a Republican, or whether they were appointed by a well-respected law enforcement official, who himself had been appointed by Attorney General Sessions, who is a Republican.

All of that is true. But then Mr. LIEU said this is not a Democratic investigation, which certainly it is not. It is a Republican investigation. But wouldn’t it be more appropriate to say it is a law enforcement investigation?

And if you want to be searching for some kind of partisan tilt, you are going to find that these are Republicans, not Democrats.

Mr. TED LIEU of California. Mr. Speaker. I thank the gentleman for letting me clarify that statement.

It is a law enforcement investigation led by Republicans.

Mr. RASKIN. It is a critical point because until all of this started, basically the President respected the independence of the Department of Justice and we didn’t go around searching in people’s garbage cans trying to find out whether their wife was a registered Democrat or whether they voted Republican. Rather, we assumed that prosecutors and FBI agents and police officers can have a partisan registration and they can vote and participate as long as they do their jobs.

Mr. LIEU’s point here is they are doing their job. Nobody is making any complaint about any of the guilty pleas or any of the prosecutions. They are complaining about a bunch of irrelevant stuff.

Mr. TED LIEU of California. Mr. Speaker, that is absolutely right. I trust FBI Director Christopher Wray and Associate Attorney General Rachel Brand to do the right thing, even though they have made contributions to Republicans, because it is demeaning and offensive to the FBI and Department of Justice prosecutors to say that somehow they can’t be fair just because they have a political opinion in exercising their rights under the First Amendment.

Keep in mind that under our democracy, fundamental to it is the rule of law. To attack law enforcement and smear their credibility just because you don’t like where an investigation is going can make a great contribution for his people whenever he is here.

Mr. SCHNEIDER. Mr. Speaker, I thank my colleague from Maryland for organizing this special hour this evening and for leading the conversation.

Mr. Speaker, I share my colleagues’ concern about the unfounded attacks on the special counsel and the need to make sure that the investigation is allowed to proceed to its conclusion.

But, Mr. Speaker, I join my colleagues tonight in also raising grave concerns about the unwillingness of our present administration, including not only the President, but the Justice Department, as well, to take seriously the threat of foreign interference in our elections.

It is the unanimous assessment of our intelligence community that the Russian Government launched a focused campaign, at the direction of Vladimir Putin, to interfere in our elections last year.

Irrespective of President Trump’s refusal to accept this objective reality or his ongoing efforts to obfuscate the truth, the ongoing threat to the integrity of our elections is real and only likely to increase in 2018. As the Russians sought to disrupt our elections last year, and as they have done so in elections around the world, we can be certain that they will be back next year.

That is why we, as Congress and as a country, need to be urgently focused on how to prevent in future elections the kinds of foreign interference we saw in 2016.

Mr. Speaker, the first primary elections are barely 3 months away and Americans will collectively head to the polls in November and then for his leadership and for his outspokenness.

Mr. Speaker, this is not a partisan issue. The very foundation of our democracy depends on the integrity of our elections.

I urge my colleagues to join us in our efforts to defend against foreign interference and hold this administration accountable for doing all it can to prevent any interference in the future.

Mr. RASKIN. Mr. Speaker, I thank the gentlewoman for that excellent and indispensable discussion about what is really at stake here, which is democracy itself. If we can’t rely on the integrity of our elections and the authenticity of the results, then democracy is in danger, in deep peril. I thank the gentlewoman for that excellent and indispensable discussion.

Mr. Speaker, to recap, we are here in this Special Order hour to demand Robert Mueller, because, in America, we live and die by the rule of law under democracy.

In November, Attorney General Jeff Sessions came before the House Judiciary Committee. Three weeks prior to that, in testimony before the Senate Judiciary Committee, he admitted to the Senate that his Department had fallen short in addressing election security.

I was, therefore, surprised when I asked Attorney General Sessions about the actions he had taken to secure our elections subsequent to his Senate hearing. He could not name any single specific step taken by the Justice Department.

He admitted: ‘‘I have not followed through to see where we are on that.’’ And then he committed: ‘‘I will personally take action to do so.’’

Nevertheless, when Deputy Attorney General Rod Rosenstein appeared before the committee a month later, he could not demonstrate that the Department had even formally reviewed the matter.

It is clear to me that the administration is not handling this threat with the seriousness it deserves.

Last month I led a letter with 15 of my Judiciary colleagues to the Attorney General, calling on him to make good on his commitment to urgently and aggressively take measures to protect our elections.

Mr. Speaker, this is not a partisan issue. The very foundation of our democracy depends on the integrity of our elections.

As Republicans, we need to act now. Our Nation needs—and the American people are right to expect—this administration to urgently and aggressively take measures to protect our elections.

Mr. Speaker, to recap, we are here in this Special Order hour to demand Robert Mueller, because, in America, we live and die by the rule of law under democracy.

The rule of law is the revolutionary idea, the one that our forebears fought for in the 18th century, that the most powerful officials in the land will be governed just like everybody else: by constitutional and statutory boundaries fixed in writing in the law in order to protect democracy and the rights of the people.

Ever since he whipped up chants of ‘‘Lock her up’’ in the 2016 campaign, Donald Trump has displayed complete ignorance of the difference between a constitutional democracy and a banana republic, a complete ignorance of the role of judges and the Justice Department.

These men and women who work at the Department of Justice for us, they inhabit a world of law, facts, and evidence. They cannot be forced to execute the President’s personal vendettas
or prosecute his enemies, real or imaginied, or provide support for his propagan-danda and delusional alternative facts.

President Trump has been on a collision course with the rule of law for a long time. Remember during the campaign, when he accused Judge Curiel for being Mexican American, implying that his ethnic identity somehow disqualified him from being a competent judge with integrity.

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crime, the king is above the law; if the wrong, the king cannot commit a chical dogma that the king can do no

fired him. This was about as naked a oath to the President, something that United States by swearing a personal

ride his oath to the Constitution of the United States of America.

When Comey refused these orders, he tried to convince then-FBI Director, to cancel out the in-

vestigations in the United States of America.

That is not constitutional democ-

racy. That is a banana republic, when the President dictates to law enforce-

ment, dictates to prosecutors what they are going to do, who they are going to investigate, and who will be prosecuted.

So now the race is on. Mr. Speaker, to smear Mr. Mueller, the very man who was praised by Senator MCCONNELL, who was praised by Speaker RYAN, who was described by all of our colleagues as beyond reproach, unimeachable, the former Director of the FBI, former U.S. Attorney for Massachusetts and California, a decorated veteran of the Vietnam war.

Now, suddenly, they cry havoc. They set loose the dogs of war on Mr. Mueller.

Why? Because he is doing his job. Because we have two guilty pleas: one by the President's former National Security Advisor, Mr. Flynn; and one by Mr. Papadopoulos for lying to government agents.

We have got 12-count indictments that have been handed down against Mr. Manafort and Mr. Gates, and they are afraid that investigation might be closing in on the very highest levels of government.

So what do they do? They attack the prosecution.

That is what we have been seeing in Washington over the last couple of weeks, a truly extraordinary display of contempt for the rule of law, for the Justice Department, and honest pros-

ecution and law enforcement in the United States of America.

Now, the first effort revolved around an FBI agent who Robert Mueller re-

in the summertime. He removed him because there were text messages revealed in which he was trashign a lot of political

figures, not just President Trump. He was trashign BERNIE SANDERS, who he called an idiot. He also called Presi-

dent Trump an idiot.

He had unkind words for Eric Holder, and he had very harsh words for my friend and the former Governor of Maryland, Martin O'Malley. He was an equal opportunity insulter.

In one of our emails, he said, our friends, seeing the progress of the Trump-Russia investigation of this special counsel's work, now sud-
nenly decided: We found a villain. We have got our villain. His name is Peter Schenkt, and he wrote all these texts, so let's go back to a guy who was removed from the investigation in the summer-
time. Let's leak all these texts out in the most mysterious and suspicious way, because this was the middle of an seizure. They didn't say legislation, and they leaked out thousands of texts.

When I asked Mr. Rosenstein about it, he said it had been approved by the inspector general. But the inspector general released a statement the next day which professed that they had not been contacted about it, so there is a whole mystery there.

But, clearly, somebody wanted to get these texts out there. They wanted to create a thick fog of propaganda and confusion. And all that we heard from our colleagues was: Did you see what he said in this text to his friend? Did you see what he said in this text to his friend?

Nobody claimed that the guilty pleas by Flynn or Papadopoulos were legally flawed in any way. They didn't say there were any legal problems with anything that the special counsel had done—no illegal searches, no illegal seizures. They didn't say anything was wrong with the indictment.

But they find some text messages by a guy who was removed from the inves-
tigation, and then this becomes the big propaganda smoke screen, this guy who upstaged, to my count, a lot more Democrats than he insulted Repub-

licans. Regardless, he showed unprofessionalism.

He was removed quickly by Mr. Mueller—unlike, for example, what President Trump did when he learned that General Flynn, his National Security Advisor, was a serial liar, was lying to Federal agents, was lying to the Cabi-

tet about his dealings with Russia and foreign governments.

It took President Trump 18 days be-

f he removed him from office in the mos-

tergrading way, and then, even then, after learning that he had been lying about his contacts with foreign agents, he tried to get Mr. Comey, the then-FBI Director, to cancel out the investigation of Michael Flynn, asserting that he is a good guy. Let it go. Let the whole thing go, he said.

But, no, that is not what Mr. Mueller did. He fired the special counsel. When he learned that there were these text mes-
ges going out attacking various pub-
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kind of stuff on this investigative team. And he got rid of them, end of story.

Except this: It is an opportunity to create an irrelevant distraction from what is going on, to put up a big propagandistic campaign, that is an irrelevant distraction. And that wouldn’t even be such a big deal in itself. Their arguments are transparently silly. We have colleagues who are saying this is a fruit of the poisonous tree; they intoned. It is all fruit of the poisonous tree.

Except a fruit of a poisonous tree belonging to do with fruit of the poisonous tree. That is a Fourth Amendment document which says that, if there is an illegal search or seizure by the government, the government may not use that unlawfully obtained evidence against someone in court. At that point, the exclusionary rule operates; the exclusionary rule is activated.

We asked our colleagues, and I asked Mr. Rosenstein: Was there an illegal search?

No.

Was there an illegal seizure?

No.

There was no illegality. You had an agent who sent some text messages trash- ing a bunch of politicians in the middle of the COINTELPRO campaign, which is what millions of people were doing. It was irresponsible. He got removed, end of story.

That didn’t work so well. That was the first time that they were throwing spaghetti with tomato sauce on it all over the walls. They threw it up and it slipped off. Nobody bought it.

So the next day, or a day later, they came back with another claim about asserting that the OSA had improperly released emails of the Trump Presidential transition team.

Well, there are a few problems with that. One is everybody was told from the beginning that all of those are government property. They were turned over by Trump’s GSA, voluntarily. And Mr. Mueller released a one-sentence statement saying that all of the information that we have received was either voluntarily given or was lawfully obtained, end of story.

That didn’t work so well either. They threw some more spaghetti against the wall in this smear campaign, and it slides off. It leaves a tomato sauce stain all over the wall, but it doesn’t really stick.

Now they are going after Mr. McCabe, the number two person at the FBI. And I haven’t been told exactly what their complaint is, but we are going to have a closed-door hearing about it tomorrow in the House Judiciary Committee. From published reports, all I understand is that he has committed the great sin and crime of being married to a woman who is active in Democratic Party politics.

Look, let’s get something straight here. The United States of America, and law enforcement officers have a right to be registered as a Democrat, as an Independent, as a Republican, as a Green Party member, as a Libertarian. They can register however they want. And consistent with the Hatch Act, they can be involved in politics and members of their family can be involved in politics. There is nothing wrong with that.

There is something wrong with the fact that Mr. Mueller, who is now the target of all of their venom, is a registered Republican or that he got appointed by another Republican, Mr. Rosenberg, or that he got appointed by a Republican, Attorney General Sessions, or that he got appointed by a Republican President Trump; right? All those people are Republicans. They have a right to be Republicans, but they have got to do their public duty.

The irony, of course, is that the Republicans are attacking Republicans in office for being partisan against Republicans. It is completely incoherent; it is fantastical; and it shows the desperation of this smear campaign. It just doesn’t make sense to anyone.

So the implication is that they are able to smear another good, qualified, competent law enforcement official, which is what they want to do with the number two person at the FBI.

And what is interesting is that the people who are trying to discredit Mr. Rockefeller Republicans for somehow being partisan just for doing their jobs never have anything to say about what we know was the real political corruption and contamination of the FBI back in the days of J. Edgar Hoover, when he used the resources of the FBI to go after Martin Luther King, Jr., and the civil rights movement, or the days of COINTELPRO, where the FBI actively tried to disrupt the civil rights movement and the antiwar movement and so on. They don’t say anything about that.

It would strengthen their argument, of course, that their fellow Republican partisans somehow might be capable of political bias, but they don’t even have the historical context to do that, and they don’t believe in it.

The fact is that the FBI used to have a real problem with being a tool of political prosecution, and it has gotten over that. It has gotten beyond it today, in 2017.

Now, suddenly, all of their fire is trained on Mr. Mueller. It is trained on the special counsel: discredit and undermine him. And it wouldn’t be such a big deal except they don’t even have the historical context to do that, and they don’t believe in it.

This is the kind of stuff on this investigative team. And he got rid of them, end of story. The President works for us. The Constitution is not the Constitution that is in crisis; it is us. They would be creating a political crisis that would require a resort to extraordinary constitutional mechanisms.

This would be a clearly impeachable offense for the President to use his power in order to thwart a criminal investigation that implicates the President. That is the very definition of obstruction of justice. It would just be an expansion and a refinement of what the President was doing when he fired Mr. Comey way back in the beginning of his administration for refusing to lay off Michael Flynn and for refusing to swear a personal loyalty oath to the President of the United States instead of to the Constitution and the people of the country.

That is where we are. The people need to know. The people need to know what is going on, that there is an organized campaign being orchestrated at the highest levels of government to discredit Mr. Mueller and the special counsel investigation—not for not doing their job, but for doing their job. That is why they are being attacked today.

Mr. Speaker, I close with a thought just about the rule of law. The rule of law is the idea that even the people who occupy the highest office in the land are subject to the Constitution, are subject to the laws of the people, because here is the people govern. We have no kings here. That is what we rebelled against.

Our Founders believed, with Madison, that the very definition of tyranny is the collapse of all powers into one, where someone says: I have got all the power; I am the boss. Our Founders said: No, we are going to divide powers up.

Article I, we will vest the lawmaking power in the representatives of the people in the House and the Senate;

Article II, we will create a President who will take care that the laws be faithfully executed;

And then Article III, we will vest the judicial power in the Supreme Court and the Federal judiciary to sort out actual cases or controversies about what law is to be executed.

But notice what comes first there, Article I. The people’s representatives come first. The President works for us. The President works for a Congress, the people’s representatives.
which works for the people. The President implements the laws that we pass here.

The President is not above the law. The President is subject to the law, and the President has the honor of enforcing the laws that we adopt.

So let’s get that straight. No one is above the law. Anybody can be found guilty of obstructing justice if one thing can be shown: if they obstruct justice.

And it looks like they are setting the stage for a further obstruction of justice with this outrageous smear campaign being leveled this week against Robert Mueller, against Mr. Rosenstein, against Mr. McCabe, and against the men and women of the FBI. That is what is taking place in Washington today.

Mr. Speaker, the people need to know, and we in Congress have got to do our constitutional duty, too.

I yield back the balance of my time.

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RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 8 o’clock and 42 minutes p.m.), the House stood in recess.

□ 2244

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Ms. Cheney) at 10 o’clock and 44 minutes p.m.

ADJOURNMENT

Mr. BYRNE. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o’clock and 45 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, December 21, 2017, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XIV, executive communications were taken from the Speaker’s table and referred as follows:

3461. A letter from the Principal Deputy Assistant Secretary, Energy Efficiency and Renewable Energy, Department of Energy, transmitting a letter report on Federal Government energy management for FY 2015 providing information on energy consumption in Federal buildings, operations, and vehicles, with multiple reporting requirements, pursuant to 42 U.S.C. 1562(d); Public Law 109-58, Sec. 203(d); (119 Stat. 655); to the Committee on Energy and Commerce.

3462. A letter from the Acting Assistant Secretary for Legislation, Department of Health and Human Services, transmitting the Department’s annual report entitled “United States Tobacco Product Exports That Do Not Conform to Tobacco Product Standards” pursuant to Sec. 801(p)(1) of the Federal Food, Drug, and Cosmetic Act; to the Committee on Energy and Commerce.

3463. A letter from the Deputy Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting a report covering the period from August 9, 2017, to November 8, 2017, on the Authorization for Use of Military Force Resolution, pursuant to 50 U.S.C. 1541 note; Public Law 102-1, Sec. 3 (as amended by Public Law 106-113, Sec. 1000(a)(7)); (113 Stat. 1501A-422); to the Committee on Energy and Commerce.

3464. A letter from the Deputy Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting a report covering the period from August 9, 2017, to November 8, 2017, on the Authorization for Use of Military Force Resolution, pursuant to 50 U.S.C. 1541 note; Public Law 102-1, Sec. 4(a); (116 Stat. 1501); to the Committee on Foreign Affairs.

3465. A letter from the Secretary, Department of the Treasury, transmitting a six-month periodic report on the national emergency with respect to Belarus that was declared in Executive Order 13465 of June 16, 2006, pursuant to 50 U.S.C. 1641(c); Public Law 94-412, Sec. 401(c); (90 Stat. 1257) and 50 U.S.C. 1705(c); Public Law 95-223, Sec. 204(c); (91 Stat. 1899); (197 Stat. 1627); to the Committee on Foreign Affairs.

3466. A letter from the Deputy Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting reports concerning international agreements other than treaties entered into by the United States to be transmitted to the Senate within the sixty-day period specified in the Case-Zablocki Act, pursuant to 1 U.S.C. 112(a); Public Law 92-603, Sec. 1(a) (as amended by Public Law 108-458, Sec. 712(b)); (118 Stat. 3907); to the Committee on Foreign Affairs.

3467. A letter from the Deputy Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting a certification, pursuant to Sec. 36(c) of the Arms Export Control Act, Transmittal No.: DDTC 17-036; to the Committee on Foreign Affairs.

3468. A letter from the Deputy Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting a report on the status of persons detained in Iran and the Department’s efforts to secure their release, pursuant to Public Law 115-44, Sec. 110; to the Committee on Foreign Affairs.

3469. A letter from the Acting Director, Office of Personnel Management, transmitting a detailed report justifying the reasons for the extension of locality-based comparability payments to non-disability Schedule categories of positions that are in more than one executive agency, pursuant to 5 U.S.C. 5304(h)(2)(C); Public Law 95-223, Sec. 1312; (91 Stat. 1899); (197 Stat. 1627); to the Committee on Oversight and Government Reform.

3470. A letter from the Secretary, Department of Education, transmitting the Department’s Agency Financial Report for FY 2017, pursuant to 42 U.S.C. 3521; Public Law 101-576, Sec. 331(a)(1); (112 Stat. 2861-614); to the Committee on Oversight and Government Reform.

3471. A letter from the Assistant Attorney General for General Law, Department of Justice, transmitting a notification of a vacancy and designation of acting officer, pursuant to 5 U.S.C. 3519(a); Public Law 101-576, Sec. 331(a)(1) (as amended by Public Law 107-299, Sec. 2(a)); (116 Stat. 2163); to the Committee on Oversight and Government Reform.

3472. A letter from the Associate General Counsel for General Law, Department of Homeland Security, transmitting a notification of a vacancy and designation of acting officer, pursuant to 5 U.S.C. 3519(a); Public Law 101-576, Sec. 331(a)(1); (112 Stat. 2861-614); to the Committee on Oversight and Government Reform.

3473. A letter from the Acting Assistant Secretary for Congressional and Intergovernmental Relations, Department of Housing and Urban Development, transmitting the Department’s Fiscal Year 2017 Financial Report, pursuant to 31 U.S.C. 3515(a)(1); Public Law 101-576, Sec. 331(a)(1) (as amended by Public Law 107-299, Sec. 2(a)); (116 Stat. 2163); to the Committee on Oversight and Government Reform.

3474. A letter from the Acting Assistant Secretary for Congressional and Intergovernmental Relations, Department of Housing and Urban Development, transmitting the Department’s Fiscal Year 2017 Federal Housing Administration Mutual Mortgage Insurance Fund Report, pursuant to 12 U.S.C. 1708(a)(4); June 27, 1934, ch. 487, title II, Sec. 202(a)(4) (as amended by Public Law 110-289, Sec. 211(b)(a)); (122 Stat. 2830); to the Committee on Oversight and Government Reform.


3476. A letter from the Deputy Liaison, Institute for Education Science, Department of Education, transmitting a notification of a nomination, pursuant to 5 U.S.C. 3319(a); Public Law 105-277, 151(b); (112 Stat. 2861-614); to the Committee on Oversight and Government Reform.

3477. A letter from the Chairman, National Endowment for the Arts, transmitting the Endowment’s Semianual Report to the Congress of the United States on the Arts, pursuant to 20 U.S.C. 903(g)(1)(B); (90 Stat. 1694); to the Committee on Oversight and Government Reform.

3478. A letter from the Labor Member and Chairman’s Designee, National Gallery of Art, transmitting the Gallery’s Inspector General’s Annual Report for FY 1978 to FY 2017, to the Committee on Oversight and Government Reform.

3479. A letter from the Labor Member and Management Member, Railroad Retirement Board, transmitting the Board’s Performance and Accountability Report for Fiscal Year 2017, pursuant to 31 U.S.C. 3515(a)(1); Public Law 101-576, Sec. 331(a)(1) (as amended by Public Law 107-299, Sec. 2(a)); (116 Stat. 2163); to the Committee on Oversight and Government Reform.

3480. A letter from the Acting Chairman, Surface Transportation Board, transmitting the Board’s Performance and Accountability Report for Fiscal Year 2017, pursuant to 31 U.S.C. 3515(a)(1); Public Law 101-576, Sec. 331(a)(1) (as amended by Public Law 107-299, Sec. 2(a)); (116 Stat. 2163); to the Committee on Oversight and Government Reform.

3481. A letter from the Assistant Attorney General, Department of Justice, transmitting the Report of the Attorney General to the Congress of the United States on the Administration of the Foreign Agents Registration Act, pursuant to Sec. 277, 151(b); (80 Stat. 511); to the Committee on Oversight and Government Reform.

3482. A letter from the Assistant Attorney General, Department of Justice, transmitting the Report of the Attorney General to the Congress of the United States on the Administration of the Foreign Agents Registration Act, pursuant to Sec. 277, 151(b); (80 Stat. 511); to the Committee on Oversight and Government Reform.

3483. A letter from the Assistant Attorney General, Department of Justice, transmitting the Report of the Attorney General to the Congress of the United States on the Administration of the Foreign Agents Registration Act, pursuant to Sec. 277, 151(b); (80 Stat. 511); to the Committee on Oversight and Government Reform.

3484. A letter from the Assistant Attorney General, Department of Justice, transmitting the Report of the Attorney General to the Congress of the United States on the Administration of the Foreign Agents Registration Act, pursuant to Sec. 277, 151(b); (80 Stat. 511); to the Committee on Oversight and Government Reform.
to the Committee on House Administration, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as have been reenacted, for other purposes; to the Committee on Agriculture.

By Mr. JONES:
H.R. 4692. A bill to revise the boundaries of a John H. Chafee Coastal Barrier Resources System Unit in Topsail, North Carolina; to the Committee on Natural Resources.

By Mr. FITZPATRICK (for himself and Mr. CRIST):
H.R. 4693. A bill to amend the Animal Welfare Act to provide for the humane treatment of dogs, and for other purposes; to the Committee on Agriculture.

By Mr. BETER (for himself, Mr. WITT, Mr. RUPE, Mr. DeSOTO of Florida, Mr. POCAN, Mr. BRADY of Pennsylvania, Ms. NOETON, Mrs. COMSTOCK, Mr. KILMER, Ms. BAHRAGAN, Mr. ROHM, Mr. SHEA-PORTEER, Mr. CONNOLLY, Mr. CICILLINE, Ms. CLARK of Massachusetts, Mr. CUMMINGS, Mr. SCOTT of Virginia, Ms. MENG, Mr. LOWE, Mr. FINGERLING of Maryland, Mr. TAKANO, Mr. BROWN of Maryland, Mr. HOYER, Mr. RASKIN, Mr. DELANEY, Mr. GARASENDI, and Mr. LENCH):
H.R. 4694. A bill to provide for the compensation of Federal employees furloughed during a Government shutdown; to the Committee on Oversight and Government Reform.

By Mr. SCHRADER (for himself, Mr. REED, Mr. GOTTHEIMER, Mr. LANCE, Mr. BERA, Mr. TSOTT, Mrs. MURPHY of Florida, Mr. THOMPSON of Pennsylvania, Mr. O’HALLERAN of Alabama, Mr. COSTELLO of Pennsylvania, Mr. SUOZZI, Mr. DINT, Mr. PANETTA, Mr. CURBelo of Florida, Ms. SINEMA, Mr. FITZPATRICK, Mr. SOTO, Mr. KATKO, Mr. LIPINSKI, Mr. FASO, Ms. ESTY of Connecticut, Mr. CONDOLIA, Mr. NOLAN, Mr. SCHNEIDER, Mr. PETERS, and Mr. WELCH):
H.R. 4695. A bill to amend the Patient Protection and Affordable Care Act to provide for stabilization in the individual health insurance market, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BUCSHON:
H.R. 4696. A bill to amend the Federal Power Act to promote hydropower development at existing nonpowered dams, and for other purposes; to the Committee on Energy and Commerce.

By Mr. CHENEY:
H.R. 4697. A bill to amend the Wyoming Wilderness Act of 1984 to clarify authorized recreational use of the Palisades, North Lakes, and Shoul Creek Wilderness Study Areas; to the Committee on Natural Resources.

By Mr. JEFFRIES:
H.R. 4698. A bill to protect the safety of judges by extending the authority of the Judicial Conference to redact sensitive information from their financial disclosure reports, and for other purposes; to the Committee on the Judiciary.

By Mr. JOHNSON of Georgia (for himself, Mr. BROWN of Maryland, Mr. CARSON of Indiana, Mr. CRIST, Mr. DEBAULINIER, Mr. ELLISON, Mr. CONCannon, Ms. DELAUNA, Ms. LEF, Mr. LOWENTHAL, Mr. SHAN PATRICK MALONEY of New York, Mr. PALMIRO, Mr. POCAN, Mr. SERRANO, Mr. SWALWELL of California, Ms. TITUS, Mrs. WATSON COLEMAN, and Mr. NORTON):
H.R. 4699. A bill to amend the Higher Education Act of 1965 to authorize the use of III funds for the establishment of LGBTQ resource centers; to the Committee on Education and the Workforce.

By Mr. JIM QUAYL of New Mexico (for himself, Mr. WILSON of South Carolina, Mr. LIPINSKI, Mr. REED, Mr. SWALWELL of California, and Mr. WITTMER):
H.R. 4700. A bill to establish the IMPACT for Energy Foundation; to the Committee on Science, Space, and Technology, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the Jurisdiction of the committee concerned.

By Mr. RENACCI (for himself, Mr. DELANEY, Mr. KELLY of Pennsylvania, Ms. DINGELL, and Mr. PALAZZO):
H.R. 4701. A bill to amend title XVIII of the Social Security Act to eliminate the 3-day prior hospitalization requirement for Medicare care coverage of skilled nursing facility services in qualified skilled nursing facilities, and for other purposes; to the Committee on Ways and Means.

By Mr. FRANCIS ROONEY of Florida (for himself and Mr. SMUCKER):
H.R. 4702. A bill to provide accountability and protect taxpayers in the Department of Education; to the Committee on Education and the Workforce, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SMUCKER (for himself and Mr. FRANCIS ROONEY of Florida):
H.R. 4703. A bill to improve accountability of senior officials and other supervisory employees of the Department of Labor; to the Committee on Education and the Workforce, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. WASSERMAN SCHULTZ (for herself and Mr. WALLOPO):
H.R. 4704. A bill to amend titles XVIII and XIX of the Social Security Act to codify the emergency preparedness final rule for skilled nursing facilities and nursing facilities as conditions of participation under the Medicare and Medicaid programs, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. WASSERMAN SCHULTZ (for herself and Ms. FRANKEL of Florida):
H.R. 4705. A bill to amend the Congressional Accountability Act of 1995 to require the automatic referral to the congressional ethics committees of the disposition of any allegation that an employing office of the House of Representatives has violated any part A of title II of such Act; to the Committee on House Administration, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CROWLEY:
H.R. 4690. A resolution electing a Member to a certain standing committee of the House of Representatives; which was considered and agreed to.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 7 of rule XII of the Rules of the House of Representatives, the following statements are submitted regarding the specific powers granted to Congress in the Constitution to enact the accompanying bill or joint resolution.

By Mr. OLSON:
H.R. 4690. Congress has the power to enact this legislation pursuant to the following:
Article I, Section 8 of the United States Constitution.

By Mr. FITZPATRICK:
H.R. 4691. Congress has the power to enact this legislation pursuant to the following:
Article I, Section 8, Clause 1.

By Mr. JONES:
H.R. 4692. Congress has the power to enact this legislation pursuant to the following:
Article I, Section 8, Clause 1.

By Mr. SCHRADER:
H.R. 4693. Congress has the power to enact this legislation pursuant to the following:
Clause 7 of section 9 of Article I of the Constitution of the United States.

By Mr. FITZPATRICK:
H.R. 4694. Congress has the power to enact this legislation pursuant to the following:
Article I, Section 8, Clause 1.

By Mr. BETER:
H.R. 4695. Congress has the power to enact this legislation pursuant to the following:
Article I, Section 8, Clause 1.

By Mr. BUCSHON:
H.R. 4696. Congress has the power to enact this legislation pursuant to the following:
Article I, Section 8, Clause 3.

By Ms. CHENEY:
H.R. 4697. Congress has the power to enact this legislation pursuant to the following:
Article I, Section 8, Clause 18.

To make all laws which shall be necessary and proper. . .

By Mr. JOHNSON of Georgia:
H.R. 4698. Congress has the power to enact this legislation pursuant to the following:
The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; and Tax or Levy duties, Imposts and Excises, shall be uniform throughout the United States.—And
To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.

By Mr. BEN RAY LIJAN of New Mexico.

H.R. 4700.

Congress has the power to enact this legislation pursuant to the following:

Clause 1 of Section 8 of Article I of the United States Constitution and Amendment XVI of the United States Constitution.

H.R. 1606: Mr. SCHNEIDER.

H.R. 1783: Mr. COHEN and Mr. GHJALVA.

H.R. 1447: Mr. WEBER of Texas, Mr. MEADOWS, and Mr. DIAZ-BALART.

H.R. 1928: Mr. FASO and Mr. MESSER.

H.R. 1659: Mr. MESSER.

H.R. 2234: Mr. MIRIZZI.

H.R. 2404: Mrs. LOVE and Mr. FREILING-HUYSEN.

H.R. 2472: Mr. DELANEY, Mr. JOHNSON of Georgia, and Mr. SWALWELL of California.

H.R. 2475: Mr. CAPUANO.

H.R. 2687: Mr. RUSH, Mr. WALZ, and Mr. LEWIS of Georgia.

H.R. 2711: Mr. GENE GREEN of Texas.

H.R. 2723: Mrs. BROOKS of Indiana, Mr. BISHOP of Utah, Mr. SANFORD, and Mr. ROTHFUS.

H.R. 2790: Mr. MCEACHIN.

H.R. 2832: Mr. BROOKS of Alabama, Mr. SCHWIEKERT, Mr. MARCHANT, Mr. ESTES of Kansas, Mr. PERRY, and Mrs. BLACK.

H.R. 2851: Mr. OLSON.

H.R. 2906: Mr. THOMPSON of Pennsylvania and Mr. BOST.

H.R. 2925: Mr. SPEIER.

H.R. 2996: Mr. MESSER.

H.R. 3032: Mr. BERNHARD.

H.R. 3034: Mr. HARPER, Mr. HASTINGS, Mr. CLAY, Mr. HURD, Mr. DENHAM, Ms. KAPTRU, Mr. GIBBS, Mr. DESJARDINS, Mr. VELA, and Ms. NORTON.

H.R. 3148: Ms. JAYAPAL.

H.R. 3205: Mr. MESSER.

H.R. 3370: Mr. TIPPETT.

H.R. 3409: Mr. STEVENS and Mr. HUDSON.

H.R. 3495: Mr. McNERNY.

H.R. 3513: Ms. WASSERMAN SCHULTZ.

H.R. 3542: Ms. TENNEY.

H.R. 3773: Mr. HIGGINS of New York.

H.R. 3798: Mr. STEWART.

H.R. 3920: Mr. KELLY of Pennsylvania.

H.R. 3931: Mr. PARCELL.

H.R. 3942: Mrs. BROOKS of Indiana.

H.R. 3981: Mr. BLUMENAUER, Ms. BARRAGAN, and Mr. ELLISON.

H.R. 4012: Mr. MESSER.

H.R. 4022: Mr. STEWART and Ms. DELAURO.

H.R. 4049: Mr. COHEN.

H.R. 4058: Mr. HARPER, Mr. Cramer, and Mr. PORTENGER.

H.R. 4083: Mr. O’ROURKE.

H.R. 4099: Mr. POLIQUIN.

H.R. 4124: Mr. GARRETT, Mr. JEFFRIES, and Mr. MEADOWS.

H.R. 4131: Mr. PALMER.

H.R. 4143: Mr. YOUNG of Iowa, Mr. BYRNE, Mr. SUDI, Ms. BONAMICI, Mr. RUPPERSBERGER, and Mr. WILSON of South Carolina.

H.R. 4146: Mr. DEFAZIO.

H.R. 4152: Mr. DESaulnier.

H.R. 4232: Mr. FITZPATRICK and Mr. COSCELLI of Pennsylvania.

H.R. 4222: Mr. COHEN.

H.R. 4242: Mr. STEWART and Mr. MESSER.

H.R. 4256: Mr. PAULSEN and Mr. LARSEN of Washington.

H.R. 4274: Mr. GOSAH, Mr. GRAVES of Georgia, Mr. PITTENGER, Mr. MCLINTOCK, Mr. MARCHANT, Mrs. WAGNER, Mr. LAMBORN, Mr. RENACCI, Mr. COMER, Mr. GROMAN, Mr. LONG, and Mr. RATCLIFFE.

H.R. 4345: Mr. WASSERMAN SCHULTZ, Ms. MOORE, Mrs. DEMINGS, Mr. CARSON of Indiana, Ms. FRANKEL of Florida, Mr. GONZALEZ of Texas, Ms. PINGREE, and Mr. BORDALLO.

H.R. 4369: Mr. DEFAZIO.

H.R. 4382: Mr. TUITTON, Ms. MICHELLE LIJAN GRISHAM of New Mexico, and Mr. STEWART.

H.R. 4413: Mrs. RUSTOS.

H.R. 4437: Mrs. BROOKS of Indiana.

H.R. 4444: Ms. MATSU, Mr. PETERSON, Mr. AL GREEN of Texas, Mr. DEFAZIO, Mr. LOESBACK, Mr. FOSTER, and Mr. GUTIERREZ.

H.R. 4446: Mr. GROMAN, Mr. WELCH, Mr. RASKEIN, Mr. MACARTHUR, and Mrs. CAROLYN MALONEY of New York.

H.R. 4453: Ms. HARTZELL and Mr. POSHY.

H.R. 4485: Mr. POCAN and Mr. BEN RAY LIJAN of New Mexico.

H.R. 4494: Mr. ROSE, Mr. GIANFORTI, Ms. STEFANIK, and Mrs. COMSTOCK.

H.R. 4513: Ms. TENNEY.

H.R. 4541: Ms. KUSTER of New Hampshire, Mr. LARSEN of Washington, Mr. CARBAJAL, and Mrs. TORRES.

H.R. 4545: Mr. MESSER.

H.R. 4546: Mr. MESSER.

H.R. 4547: Mr. PAULSEN, Mr. BLUMENAUER, and Mr. GONZALEZ of Texas.

H.R. 4563: Mr. JONES and Mr. POLKIN.

H.R. 4576: Mr. FASO.

H.R. 4610: Mr. MESSER and Mr. TONKO.

H.R. 4617: Mr. BISHOP of Utah.

H.R. 4633: Mr. CRAWFORD.

H.R. 4656: Mr. THOMPSON of California, Mr. HUFFMAN, and Mr. MOUTON.

H.R. 4663: Mr. FASO.

H.R. 4668: Mr. LANCE.

H.J. Res. 6: Mr. JENKINS of West Virginia.

H.Con.Res. 66: Mr. CRAWFORD.

H.Res. 188: Mr. BARR.

H.Res. 211: Ms. JACKSON LEE.

H.Res. 269: Mr. DELANEY.

H.Res. 279: Mrs. WALORSKI and Mrs. BROOKS of Indiana.

H.Res. 428: Mr. DELANEY.

H.Res. 467: Mr. MESSER.

H.Res. 648: Mr. BUCHON.

H.Res. 661: Mrs. WAGNER.

CONGRESSIONAL EARRMARKS, LIMITED TAX BENEFITS, OR LIMITED TARIFF BENEFITS

Under clause 9 of rule XXI, lists or statements on congressional earmarks, limited tax benefits, or limited tariff benefits were submitted as follows:

OPPERED BY MRS. BLACK

The provisions that warranted a referral to the Committee on the Budget in H.R. 4667, further Additional Supplemental Appropriations for Disaster Relief Requirements, 2017, do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.

OPPERED BY MR. FREILINGHUYSEN

H.R. 4667, making further supplemental appropriations for fiscal year 2018, and for other purposes, does not contain any congressional earmark, limited tax benefits, or limited tariff benefits as defined in clause 9 of XXI.
The Senate met at 11 a.m. and was called to order by the President pro tempore (Mr. HATCH).

PRAYER
The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal God, in this season of gladness and cheer when many celebrate Your breakthrough at Bethlehem, we pause to thank You for Your mercy and grace. While we were sinners, You initiated the process of our redemption and restoration. Great is Your faithfulness.

Lord, make our lawmakers ambassadors of reconciliation for Your Kingdom, using them to demonstrate Your precepts and represent Your purposes. As they strive to bring the illumination of Your wisdom to a dark world, may people see their labors and glorify Your Holy Name. Because of our Senators’ faithful service, may our Nation experience the unity of Your healing presence.

Lord, let there be peace on Earth, and let it begin with us.

We pray in Your merciful Name. Amen.

PLEDGE OF ALLEGIANCE
The President pro tempore led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE MAJORITY LEADER
The PRESIDING OFFICER (Mr. SULLIVAN). The majority leader is recognized.

TAX REFORM BILL
Mr. MCCONNELL. Mr. President, last night, the United States accomplished something really remarkable. After years of work, dozens of hearings, and an open process, we passed a historic overhaul of the Nation’s Tax Code. It will deliver real relief to families and small businesses all across our country. We passed tax reform to spur the American economy, to encourage job creation and grow economic opportunity, to bring jobs and investment home, and to put more money into the pockets of hard-working men and women whom we represent. We voted to repeal ObamaCare’s individual mandate tax so that low- and middle-income families are not forced to purchase something they either don’t want or can’t afford. We voted to responsibly develop more of Alaska’s oil and gas potential, strengthening our economy and our national security in the process.

I would like to commend my colleagues in the Senate for their work to pass these historic reforms and bring our Tax Code into the 21st century.

I want to extend special thanks to Senate Finance Committee Chairman ORRIN HATCH, a skilled legislator whose expertise was essential to shepherding this legislation through a challenging process while faced with complete and total obstruction.

I thank Chairman MIKE ENZI for his assistance and Chairman LISA MURKOWSKI and Senator DAN SULLIVAN, who worked tirelessly to bring the people of Alaska a victory on energy exploration for which they have been waiting for almost 40 years.

I am grateful to the other Senate conferees—Senators CORNYN, TRUNE, PORTMAN, SCOTT, and TOOMEY—who worked day and night to get this legislation across the finish line.

And of course, in addition to Senator HATCH, his colleagues on the Senate Finance Committee deserve our gratitude as well: Senators BARR, CASSIDY, CRANK, GRASSLEY, HELMER, ISAAKSON, and ROBERTS. This could not have happened without all of them.

Of course, a great deal of credit goes to President Trump, Vice President PENCE, and their dedicated White House team. Their efforts were absolutely essential to this process, and we are proud to have worked together to deliver on a key part of the President’s agenda.

It goes without saying that tax reform would have been impossible without Speaker RYAN, Chairman BRADY, and the Members of the House who contributed to this legislation. It passed the House, where Speaker Ryan and the previous House Speaker—an even more brilliant tax cutter—worked day and night to get it to the floor.

Our constituents called out for relief from the Obama economy, and Congress delivered.

As they strive to bring the illumination of Your wisdom to a dark world, may people see their labors and glorify Your Holy Name. Because of our Senators’ faithful service, may our Nation experience the unity of Your healing presence.

Lord, let there be peace on Earth, and let it begin with us.

We pray in Your merciful Name. Amen.
new nondefense spending, notwithstanding the actual needs of our military.

This week, let’s dispense with the arbitrary standard—as we did earlier this year—and provide our warriors with the funding they need to accomplish the tasks put before them.

Americans whose premiums are soaring or whose coverage is in jeopardy because of the failures of ObamaCare are counting on us to take bipartisan steps toward stabilizing health insurance markets.

The parents of 9 million children enrolled in the Children’s Health Insurance Program are counting on us to renew the program’s funding.

Our country’s law enforcement professionals are counting on us to renew an important foreign intelligence program that helps them defend the homeland from those who wish us harm.

Veterans are counting on us to renew the popular Veterans Choice Program and preserve their flexibility to access care outside of the VA system.

Just as we have done in the past, we need to pass a routine pay-go waiver to avoid a draconian sequester that none of my colleagues want to see take effect. Americans are counting on us not to inflict harmful cuts on Medicare and other essential operations.

I look forward to working together in the coming days to fund our government in a manner that does right by the American people.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. The previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senate will be in a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

The majority leader.

RECOGNIZING THREATS TO FREEDOM OF THE PRESS AND EXPRESSION AROUND THE WORLD

Mr. McCONNELL. Mr. President, I ask unanimous consent that the Senator proceed to the immediate consideration of Calendar No. 277, S. Res. 150.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 150) recognizing threats to freedom of the press and expression around the world and reaffirming the United States Government to promote democracy and good governance.

There being no objection, the Senate proceeded to consider the resolution.

Mr. McCONNELL. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motions to reconsider be considered made and laid upon the table with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 150) was agreed to.

The preamble was agreed to.

(The resolution, with its preamble, is printed in the RECORD of May 3, 2017, under “Submitted Resolutions.”)

RECOGNIZING THE CREW OF THE “SAN ANTONIO ROSE”, B–17F, WHO SACRIFICED THEIR LIVES DURING WORLD WAR II

Mr. McCONNELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be discharged from further consideration of S. Res. 326 and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 326) recognizing the crew of the San Antonio Rose, B–17F, who sacrificed their lives during World War II, and honoring their memory during the week of the 75th anniversary of that tragic event.

There being no objection, the Senate proceeded to consider the resolution.

Mr. McCONNELL. I further ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motions to reconsider be considered made and laid upon the table with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 326) was agreed to.

The preamble was agreed to.

(The resolution, with its preamble, is printed in today’s RECORD under “Submitted Resolutions.”)

Mr. McCONNELL. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motions to reconsider be considered made and laid upon the table with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 362) was agreed to.

The preamble was agreed to.

(The resolution, with its preamble, is printed in the RECORD of November 9, 2017, under “Submitted Resolutions.”)

Mr. McCONNELL. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motions to reconsider be considered made and laid upon the table with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 362) was agreed to.

The preamble was agreed to.

(The resolution, with its preamble, is printed in the RECORD of November 30, 2017, under “Submitted Resolutions.”)


Mr. McCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Res. 362, submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 362) recognizing the service of the Los Angeles-class attack submarine the USS Jacksonville and the crew of the USS Jacksonville, who served the United States with valor and bravery.

There being no objection, the Senate proceeded to consider the resolution.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motions to reconsider be considered made and laid upon the table with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 362) was agreed to.

The preamble was agreed to.

(The resolution, with its preamble, is printed in today’s RECORD under “Submitted Resolutions.”)

Mr. McCONNELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SCHUMER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The Democratic leader is recognized.

REPUBLICAN TAX BILL

Mr. SCHUMER. Mr. President, last night the Senate passed an awful, partisan rewrite of the Tax Code. I said a good deal about the bill over the course of the debate and added my concluding thoughts into the RECORD before the final vote, but let me just reiterate one point. The Republican tax bill will cement the Republican Party as the party of the wealthy and the party of the big corporations against the middle class and the working people of this country.

If regulations get permanent tax breaks. The individual tax breaks expire. By 2027, according to the Joint Committee on Taxation, 83 percent of the middle class—that is almost 145
million American families—will either get a tax increase or a tax cut of less than $100.

Meanwhile, according to the Tax Policy Center, the top 1 percent of earners in our country will reap 83 percent of the benefits of the tax plan.

Let’s go over that again. The middle class, 83 percent, either get a tax increase or a tax break of less than $100. The top 1 percent, the wealthiest, get 83 percent of the benefits. Middle-class America—something else. How does the top get far more than I do? Why do I get a tax increase when so many of them get a huge decrease? To boot, millions of middle-class Americans will now go without health insurance and millions more will see their premiums rise. At the same time, multinational corporations and wealthy hedge fund managers enjoy a massive tax break. To repeat, the legacy of this bill will be to cement the Republican Party as the party of the rich and powerful.

We Democrats have been saying this for years, but our Republican colleagues with this tax bill have done us a major favor. Even their Republican supporters are realizing where the Senate Republicans and House Republicans are—on the side of the most wealthy, on the side of the big powerful corporations, not on the side of the middle class.

Whenever we have had a Republican President and Republican Congress, we get the same thing—a program of tax cuts for the rich, higher deficit and debt, and then threats to Social Security and Medicare. That is what happened under President Bush, and we are seeing the exact same playbook today. There is nothing about this bill that is suited to the needs of the American worker or the American economy. My Republican friends would propose it in a booming economy or recession, whether employment and surpluses or deficits. No matter what, it seems to our Republican colleagues that tax cuts for the rich and big corporations are the answer to our problems. The benefits will trickle down like magic to the rest of us.

Trickle down is the entire philosophy of this tax bill—trickle down. When they say they are helping the middle class, when they say they are creating jobs, it is because the wealthy get money and, in their belief, will create jobs. It hasn’t happened. It hasn’t happened. Corporate America has more money than ever before. The stock market is higher than ever before, and job creation isn’t.

That is where this bill is at. There is nothing about this bill that suits the needs of the American worker, as I said. Trickle down has been widely discredited as an economic theory. It has been discredited by recent history, and it will be discredited again.

Our Republican colleagues are clinging. They are saying: This bill is so unpopular, but don’t worry, once the economy takes off, once people see hundreds of dollars in their pockets, they will change their mind.

The economy is not going to take off. The wealthy will do better. There will be a lot of dividends. The wealthy will get far more than I do. From now until then, we have precious little time left to keep the government open and to solve a legion of problems.

We still haven’t reached a budget deal to lift the spending caps equally for both defense and urgent domestic priorities such as combating the opioid crisis, improving veterans’ healthcare, and building infrastructure.

We have not reached a deal to reauthorize the Children’s Health Insurance Program, community health centers, or to extend the 702 FISA Court program.

Two major sticking points remain in the form of the disaster supplemental, which still does not treat Puerto Rico, California, and the U.S. Virgin Islands as well as Florida, Texas, and Louisiana. Of course we have the Dreamers and a moral imperative to protect them. These are kids who were brought here very young through no fault of their own. Many of them know no other country. They learn in our schools, work in our companies, serve in our military, and want to be Americans more than anything in the world.

They are Americans in every single important way but one; they lack the paperwork. We have to solve that problem.

We have been negotiating with our Republican counterparts for weeks in search of a deal to pair DACA protections with reasonable border security. Democrats have always believed in border security, as the comprehensive immigration bill in the Senate showed. I hope now that the tax bill is behind them, my Republican colleagues are finally willing to reach an agreement, but because of the particular importance of all of these issues, especially Dreamers, we cannot do a short-term funding bill that picks and chooses what problems to solve and what not to solve. We can’t leave any of the issues behind. Our Republican colleagues on tax and healthcare decided not to work with us. In this case they have to work with us, and working with us means that we sit down around the table and decide there are some things you want, some things we want, and let’s compromise and get it done—not just picking and choosing what you want to get done and telling us to deal with it. That will not work this time.

I can assure my friends the majority leader that my caucus will be working in good faith with his caucus as long as they choose to work with us, and we will work with our colleagues in the House as well to reach a deal as soon as possible.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Ms. KLOBUCHAR. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPUBLICAN TAX BILL

Ms. KLOBUCHAR. Mr. President, early this morning, the Senate voted on the tax bill. I voted against the measure, and as I have said many times, I don’t think this is a bill that is going to work for my State or for America. The House has one more opportunity. I don’t think many people think they are going to change their vote, but I just hope, instead of celebrating what happens today, they are going to step back and look at what this really means.

I am in a group of people who have long called for tax reform. In fact, 2 weeks before this bill passed, we stood before the public and said we would like to work with the Republicans on a truly global deal. Though it is outdated and disproven, I hold out the hope that this bill will change their mind.
The bill creates a new and complicated system of taxing the income of companies, especially with regard to their international income. The practical effect of this systemic change is entirely untested. While the bill seeks to impose a minimum tax on overseas earnings, it blends the tax rate for income overseas. This seemingly minor detail opens a big loophole that can give companies incentives to move jobs to foreign countries and may create a whole new tax on dividends and celebration in this Chamber last night. I can tell you who are really celebrating—the tax accountants, the lawyers, as people are going to pay them millions and millions of dollars to look for loopholes in a scheme that, again, didn’t even get a hearing. I support bringing down the rate on foreign earnings held overseas and to make sure the money, though, is invested here and invested in infrastructure.

I would say one of those top priorities is infrastructure, including broadband, including hardband. If we add $500 billion in economic gain. If anything, at this time of low unemployment and strong market performance, it gives us a rare opportunity to try to do something about our debt and, two, while we are doing something about our debt, figure out what our priorities are for investment. I would say one of those top priorities is infrastructure, and that means less money in the pockets of American middle-class families. The American people want us to move forward together to make fixes to the Affordable Care Act like the Murray-Alexander bill, but instead this bill moves us backward with a partisan approach that kicks people off their healthcare.

This bill, in the end, is really a bait and switch. Millions of middle-class Americans will end up paying more in taxes in the long run since many of the tax cuts they receive, if they receive a tax cut at all, would only be temporary. In 10 years, most Americans earning $75,000 or less will pay more in taxes while people earning more than $100,000 a year will continue to pay less. According to the analysis by the Institute on Taxation and Economic Policy, 644,900 people in my State with incomes on $153,800 would see a tax hike of $27. Meanwhile, the bill would benefit only the top 1 percent of Americans.

The bill clerk proceeded to call the roll.
Mr. CASEY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHILDREN'S HEALTH INSURANCE PROGRAM

Mr. CASEY. Madam President, I rise this afternoon to talk about the Children’s Health Insurance Program and, particularly, the reauthorization of that program. By reauthorization I mean taking action to continue a program that is not just worthy but battle-tested now for almost a quarter of a century nationally, at least 20 years. In States like Pennsylvania, it is more than 20 years, more like 25.

The unfortunate reality, though, is this isn’t done. This program should have been reauthorized at the end of September, and it is not done yet. It has gone from unacceptable to inexcusable. We should not leave this week without either having it reauthorized or having a game plan that would guarantee it will be reauthorized in the very early days of 2018, literally, the early days of January.

In just the last 2 weeks, I met with families across Pennsylvania and even families that came from beyond Pennsylvania here to Washington to talk about what the Children’s Health Insurance Program means to them.

CHIP provides health insurance to some 9 million American children each year, including over 342,000 children in Pennsylvania, if you look at it over the course of the year. As you might recall, when the CHIP program expired on September 30, there were a lot of indications or promises made that it would be reauthorized rather soon, but that was 81 days ago. Whether you want to express it in days or months—81 days or 2½ months or more now—that is inexcusable. We have to get this done for these families.

I just saw a report this morning on “NBC News” that profiled a family. They were talking in this case to the mom and talking to her children, and it was a very moving story about the importance of the Children’s Health Insurance Program and what would happen to that family if the program were not reauthorized.

This is a bipartisan program. It was bipartisan in its inception in the mid-1990s, and it has remained bipartisan. Now there is only one party that runs the House, the Senate, and the administration, and I hope that this one party—in this case, the Republican Party—can get things done. You don’t even have to talk about votes. It is really talking about floor time and really making sure there is an agreement on a pay-for.

The most recent action by the Finance Committee on CHIP was in the Keep Kids’ Insurance Dependable and Secure Act, known by the acronym KIDS. The KIDS Act came through the Finance Committee by a voice vote.

That almost never happens, even on reauthorization. There was a voice vote on October 4. It seems like a long time ago now. It is ready to go. If it came onto the Senate floor, we can pass it here. I have to ask: Why isn’t that happening?

Maybe the better person to ask that question would be a family who is benefiting and who could be harmed if it is not reauthorized. I am thinking about Connie, a woman I met here in Washington just last week. Then, I saw her again on Monday at Children’s Hospital of Pittsburgh. That is one of those great institutions for children across our country. She was there with two of her children. Carmen and Diego are both on the CHIP program. CHIP provides good health insurance so that they can get the healthcare they need.

I had a picture with Connie’s daughter Carmen here in Washington. She dutifully handed me a copy of the picture when we were a few days later in Pittsburgh at Children’s Hospital.

Both Carmen and Diego might lose their health insurance because there is a lot of activity here and focus and a lot of things that are coming in a big tax bill. In this case, it is a tax bill that gives permanent corporate tax cuts to multinational, profitable corporations. At the same time, there is almost no action or any sense of momentum right now to get the Children’s Health Insurance Program in place again, or reauthorized, as we call it.

We had an event here in Washington yesterday where not only were there child advocates but so many others coming together to talk about this program. Maybe the most important thing we did yesterday, in addition to the mechanics, was to talk about the children in the room, Here are the children and the States they came from. I will just read through them quickly: Jason and Kelsey from Utah; Deanna came from Pennsylvania; Malachi came from Colorado; Jeridan, Kendra, and Makayla from the State of Wisconsin; and, finally, another Michaela—spelled a different way—and Grace came from the State of West Virginia. They and their parents—these children and their parents—spoke about what CHIP means to their families. Several of the parents said CHIP means their children can get the prescription eyeglasses they need.

I have to ask: How is a child supposed to learn and succeed in school without eyeglasses? CHIP provides that.

While some kids don’t know if they are going to be able to get the glasses they need to be able to read and to learn, the Senate is busy passing a tax bill. It is OK to pass a tax bill, even if I didn’t agree with it, but we should find the time in the remaining hours of this year to get CHIP done.

I saw a tweet just 2 days ago that said the following: “Congress must renew funding for the Children’s Health Insurance Program so the parents of the nine million children who are covered by CHIP can know their children’s healthcare is secure.”

The good news about that tweet is, it was a Member of Congress. The even better news is, it was a Senator. Better news even than that, the Senator happened to be the Senate majority leader, Senator McConnell.

I ask Senator McConnell, please allow floor time and be able to obtain the consensus you need in your own party to get this on to the floor and get it passed.

As I said, the KIDS Act, the Finance Committee bill, is ready to go. I ask for the majority leader’s help because I know he cares about this program as well. We have to get this done.

Just a final note before I yield the floor. I wanted to note several other healthcare priorities that Congress must address.

Community health centers are facing a funding cliff that will hurt millions of people around the country, and over 800,000 in Pennsylvania whom they serve, and other priority community health centers. Manufacturers—meaning tax provisions that are extended from one year to the next or from one year into the future—including support for rural hospitals and lifting the so-called therapy cap to ensure patients with disabilities have access to physical and occupational therapy services have also expired, just like the CHIP program, or will expire at the end of this calendar year. Failing to address these extensions is also unacceptable and will harm our children, our seniors, and our communities.

So we have a lot of work to do in a short amount of time on all of these healthcare issues. I think we should start with voting on reauthorizing the Children’s Health Insurance Program for 9 million American children.

Thank you.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Ms. MURKOWSKI. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX REFORM BILL

Ms. MURKOWSKI. Madam President, last night—I guess, actually, early this morning—was a pretty historic time for us. Our final vote to approve the Tax Cuts and Jobs Act was a historic moment for America, and it was clearly a historic moment for my State of Alaska.

It is the first time in 31 years, since President Reagan was in office, we passed tax reform that will make our Tax Code work better for American families and businesses.
After 37 long years—yesterday, I said it was 38, I stand corrected. It was 37 years. That is a long time that we have been working to advance the opportunity to open a small portion of the non-wilderness 1002 area in northeast Alaska, up in our North Slope, to responsible development.

Many in our State believed this would happen in the early 1980s after Congress specifically set aside the 1002 area for exploration—and it is something we have been fighting for ever since. That day is long overdue, and it was a solid effort by the committee, and it was a good and important part of the energy debate that we have been having over the years was outdated, that the arguments were stale and needed to be refreshed, thus allowing them to understand what we are doing with new technology. Today, technology has given us the ability to develop the area in a way that allows us to access more resources with less of a footprint, with less land, and with less intrusion on the surface, working to ensure that we are not only protecting the wildlife that is there, whether it be caribou or polar bears, but also ensuring that the people who live there in the 1002 region—the people of Kaktovik, the children who are going to school there, those who have called this place home for decades, if not centuries, that all the opportunity there not only for the potential for jobs, but for what the resources will bring to them.

I thank my colleagues for being open to the opportunity we have been developing in Alaska’s North Slope, as we have been seeking to provide resources the country needs, jobs my State and the country need, and truly to help us from an energy security and a national security perspective. So I thank the Members of the Senate.

I thank the members of the Finance Committee, led by Chairman Hatch, for their excellent work and for letting us ride shotgun when it came to tax reform. We knew we had to make it to the finish line together, and that is exactly where we are right now.

I thank the President and Secretary Zinke, among others in this administration who have been working with us, fighting for Alaska, as we have moved forward.

Of course, this wasn’t just a Members-led effort. We could not have done it without the men and the women who work for us and whom we work for in many ways but who were at the very core of the effort. As usual, within the Energy Committee, certainly it is always a team effort. Everyone contributed in a rock-solid way. My team was very ably led by Brian Hughes, supported by Kellie Donnelly, Lucy Murfitt, Chuck Kleeschulte, Patrick McCormick, Annie Hoeffler, Brianne Miller, Nicole Daigle, Michelle Lane, Lane Dickson, Isaac Edwards, Reese Eisenhower, Ben Reinke, Suzanne Cunningham, Melissa Enriquez, Sean Solie, John Starkey, Tonya Parish, Robert Ivanaukas, Barbara Repeta, and Diana Nielsen. There were so many on the committee who came together in a host of different ways to some of the work on this Issue some of the work on this new: others, like Chuck Kleeschulte—27 years working here in the U.S. Senate and, prior to that, working for the State of Alaska. If there is anyone who has a collective history and wisdom about the background of ANWR and the battles we have endured, it is Chuck Kleeschulte. I know that, as he is approaching retirement, he is looking forward to knowing that we have succeeded in moving this opportunity forward for Alaskans and for the Nation.

I also thank those in my personal office who helped not only with ANWR but with the tax provisions as well. My chief of staff, Laura Pawlowski, has done an extraordinary job for me. My assistant, Kristen Daimler-Nothdurft, has done amazing things. Karina Petersen, Garrett Boyle, Madeline Lefton, and Parker Haymans, among many others—you really recognize a team when you reflect on how so many have given in so many different ways.

It is not just within my own office or the Energy Committee; it is those who run the operations here. Specifically, I want to thank Leader MCCONNELL’s staff—Sharon Soderstrom, Hazen Marshall, and Terry Van Doren—and especially the outstanding floor staff here, led by Laura Dove. I know of many of them—certainly Laura and Sharon—certainly those who have been around for their fair share of the ANWR debates and fights, and this is no new issue for them. I appreciate their help and their support a great deal.

From Finance, I thank Betsy McDonnell, Eric Ueland, Paul Vinovich, and Alison McGuire.

From Budget, I thank and congratulate Jay Khosla, who has done a terrific job, and Mark Prater. I had the added benefit of going to law school with Mark Prater, a brilliant guy who had and even more brilliant now. I greatly appreciate all they did on the tax reform bill.

I also want to give a shout-out to Tara Shaw, who is now with Senator Enzi and who has been a good friend and a help to me.

Lastly and certainly not least, I thank all of the Alaskans who have contributed to this effort over the years. We had a group of about two dozen Alaskans who traveled all the way from Alaska’s North Slope—some 5,000 miles—to be here last night for this vote. These are men and women who, for decades now, have fought to open up the 1002 area for the opportunities it presents to them and to their families. For them, to see this advance is as significant and as historic as most anything they have seen in a considerable period of time.

Oliver Leavitt is an elder. He is certainly a legend in my time. To have Oliver here last night was extraordinarily significant. Matthew Rexford and Fenton Rexford, who live in Kaktovik—there were four or five different individuals from the village of Kaktovik—again, those who actually live there like Mike Pawlowski, who lives in Utqiagvik. They were here not only to
be a part of the culmination of this effort, but they are men and women who have been part of this battle for decades, truly decades. The number of trips they have made to Washington, DC, over the years, the doors they have knocked on, and the efforts they have continued are incredible.

When I start to name names, I think of Tara Sweeney and the folks who have been there year in and year out, those who have been supportive by traveling with and those who call and those who write.

It is gratifying, it is heartwarming, and it is a reality that one can never say thank you enough for the efforts that you have made over the years. To know that you spoke as Alaskans, your voices have been heard, and that Congress has finally listened is, indeed, gratifying.

Of course, we would not have reached this point without two particular Alaskans. I am proud to serve with here in our delegation. Don Young, the dean of the House and Congres- sman for all Alaska, has single- handedly kept this issue alive in the House for a generation. He reminds me that it has been 13 times now that he has put this issue on the House to be able to recognize his extraordinary work is, indeed, a pleasure and an honor. And, of course, my friend, my very able partner in the Senate, Sena- tor Dan Sullivan, was an incredible able partner in this effort, and I thank him greatly for his work.

I also recognize that it is not just the delegation present who needs to be thanked. As I have said, this has been a decades-long battle. This has been a generational battle. We are standing in the footsteps of those who have pre- ceded us, including my father, Frank Murkowski, who was chairman of the Energy Committee and at a point in time had advanced this, only to see it fall at the very end. And, of course, my dear friend, my mentor, one who helped give me such great guidance over the years was our former Senator, Ted Stevens.

Yesterday, you may have noticed I was wearing some unusual earrings. When my friend Ted, the former Sena- tor Stevens, had a serious matter in front of him, he wanted the rest of his colleagues to know that, by gosh, he was serious that day, and this was an issue he was serious about, and he would don a Hulk tie. It was somewhat legendary around here. I am not one to wear ties, but after finding a nice pair of Hulk earrings, it seemed to me only appropriate to wear them on a day that would acknowledge the work that I think we haven’t seen in years. I think it is worth noting that today is winter solstice. This is the shortest day of the year—today and tomorrow. In Alaska, it is the darkest day of the year. I men- tioned yesterday the effort we have seen from the Senate, which, hopefully, we will finalize shortly, is one that will bring a brightness and an energy to the people of Alaska. For that, I thank my colleagues who have supported us in this epic bat- tle, and I thank all those who have helped to make it possible.

I yield the floor.

I suggest the presence of a quorum. The PRESIDING OFFICER (Mr. STRANGE). The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

Mr. FRANKEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EDUCATION

Mr. FRANKEN. Mr. President, unlike most of my colleagues, the time I spent here in the Senate represents the sum total of my experience in elected office. For most of my life I approached poli- tics from the public policy perspective, but after finding a nice pair of Hulk earrings, it seemed to me only appropriate to wear them on a day that would acknowledge the work that I think we haven’t seen in years. I think it is worth noting that today is winter solstice. This is the shortest day of the year—today and tomorrow. In Alaska, it is the darkest day of the year. I men- tioned yesterday the effort we have seen from the Senate, which, hopefully, we will finalize shortly, is one that will bring a brightness and an energy to the people of Alaska. For that, I thank my colleagues who have supported us in this epic bat- tle, and I thank all those who have helped to make it possible.

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in addition to the required NCLB tests—computers so the teachers could get the results right away and adaptive so that if a kid was getting all the questions right, the questions would get harder and if the kid was getting all of them wrong, the questions would get easier. That way, instead of measuring whether or not a student was appropriately proficient at grade level in reading and math, educators could find out exactly what grade level each student was at in those subjects. No other test, other than the No Child Left Behind, didn’t allow a State to test outside of grade level. Schools and teachers were judged on whether a sufficient percentage of kids met this arbitrary standard. This became known as measuring for proficiency, and it created what teachers in Minnesota described to me as “a race to the middle.” It made them focus on kids just below or just above proficiency. So the ones just below would get above and the ones just above would stay above proficiency, and they would ignore the kid at the top because those kids at the top, no matter what you did, wouldn’t go below proficiency. They would ignore the kids at the bottom because no matter what you did that year you couldn’t get those kids to proficiency. So there was this race to the middle. Think about how perverse that is.

Think about a fifth grade teacher who takes a kid from a second grade level and puts them in a fourth grade level of reading. Well, that kid didn’t get to proficiency. So under No Child Left Behind, that teacher was a goat. But a teacher who helps a child grow by two grade levels in a single year is a hero. Teachers, principals, superintendents, school board members and parents all argued that it was time to stop measuring just for proficiency and to measure for growth or measure just growth, instead. This became quickly a central focus of how to reform No Child Left Behind, and it remains a pivotal debate when it comes to the future of our education system, which is why it was so shocking when President Trump picked a Secretary of Education, Betsy DeVos, who turned out to have no idea what the growth versus proficiency debate was even about.

It would be as if our children’s future relied on the outcome of a football game and the President nominated a head coach who didn’t know how many yards it took to get a first down. It was a deeply upsetting moment, not just because of what it revealed about Mrs. DeVos or the President who had picked her to be in charge of our Nation’s education system but because these are the kinds of problems that we should be able to solve. There is nothing ideological about the debate. It is simply a matter of coming together and working in good faith to make things work better. A functioning democracy should be able to get stuff like this right, and sometimes we have.

For example, in the bipartisan Every Student Succeeds Act we were able to address some of the excessive testing that was burdening educators and students alike. Under the new law, schools would still have to test every year between third and eighth grade and once in high school, but each State would have discretion to determine the tests required and that would almost certainly mean fewer high stakes tests, less drilling, more time to teach and learn.

Meanwhile, the law included important priorities like strengthening STEM education, expanding student mental health services, increasing access to courses that help high school students earn college credit, and preparing and recruiting more and better principals to lead better schools. These are all things that I fought to include in that final law.

It also included a long overdue investment in early childhood education, but not enough—not enough. We know from study after study that a quality early childhood education returns between two and three times the dollar invested. That is because children who get a quality early childhood education are less likely to be referred to special ed and less likely to be held back a grade. They have better health outcomes. They are less likely to go to prison. If we really want to address future deficits, we would be pouring money into training early childhood educators. Instead, in his budget in the Congress, the Trump administration proposed major cuts to early childhood education. We could easily put more money into these programs if we weren’t giving enormous tax cuts to the wealthy and to powerful corporations.

We also need to make sure that as our kids get older, they can rely on quality afterschool programs. Last spring, I visited Roosevelt High School in Minneapolis. During my tour of the school’s afterschool program, I saw students rehearsing for a production of the “Addams Family.” I saw students getting critical academic support like tutoring and college prep. In fact, Roosevelt’s successful afterschool programs contributed to their graduation rate going from less than 50 percent to over 80 percent in just 3 years. That is pretty incredible. That is why I fought to renew the 21st Century Community Learning Centers Program in the reformation of No Child Left Behind. It is a program that keeps schools open after school.

If we all agree that education should be a priority, we should be willing to put our money where our mouths are and fund these programs. I am proud that during the course of my time here, we have had a bipartisan commitment in doing just that. We made progress—not enough, but we made progress. Again, however, that progress was put at risk under this administration. That afterschool program was zeroed out in its proposed budget. What is more, this administration seems to be outright hostile to the idea that we have responsibilities to provide children with a quality public education.

I am proud of the work we have done to support and improve our public schools, but the Department of Education is now led by a Secretary with a long history of actively undermining education. Secretary DeVos and her family have spent millions of dollars advocating for an ideology that would steal funds from public schools in order to fund private and religious education.

Let’s take a moment to talk about what that means. Secretary DeVos ran a political action committee called All Children Matter, which spent millions in campaign contributions to promote the use of taxpayer dollars for vouchers for years, even though research clearly shows that voucher programs don’t work. In fact, the academic outcomes for students who use vouchers to attend private schools is abysmal.

A New York Times article from February of this year reported on three different studies of large State voucher programs in Indiana, Louisiana, and Ohio. Each study found that vouchers negatively impact results in both reading and math. In fact, in Louisiana’s voucher program, public elementary school students who started at the 50th percentile in math and then used a voucher to transfer to a private school dropped to the 26th percentile in a single year. Harvard education professor Martin West said this negative effect was “as large as any I’ve seen in the literature,” and he was talking about all literature, the entire history of American education research.

Secretary DeVos is a serious threat to our public school system and a threat to the quality of education in this country overall. I have pushed as hard as I can to protect our students from what this administration has been trying to do. I have sent the Secretary over a dozen letters this year on protecting students from harassment, helping defrauded students, and holding for-profit schools accountable. It is my hope that my colleagues will continue to be vigilant in overseeing the Department of Education and making sure our public education system is not dismantled.

Our public education system was designed to give all kids a real chance in life, but teachers and administrators often lack the resources they need to give the kids the opportunities they deserve. Every year, I push appropriators to give the funding for a number of critical education programs like early childhood, STEM, and professional development for teachers, and I hope my
compared to their peers. That inequity with the tragic disparities from which others do not, and we have to do more to make sure they are not left behind. For example, particularly kids who grow up poor are far more likely to suffer what are called adverse childhood experiences, not just the stress of living in poverty itself but exposure to domestic violence, abuse or neglect, drug and alcohol abuse, the incarceration of a parent, the death of a sibling. All of those adverse childhood experiences affect brain chemistry and the ability to learn. If we want to improve education, we need to do a better job of helping these children overcome these traumas and a better job of addressing economic inequality so fewer have to deal with the traumas in the first place. This is another reason we need more high-quality, early childhood programs and more training for childcare providers so they can better support kids who have experienced trauma.

Here is another example, foster kids. It is not uncommon for foster children to have 10, 11, 12 sets of foster parents during their childhood. This wreaks havoc on their education. Sometimes foster kids change schools with the cracks of our education system. If a child’s new foster parents live in a different school district, the foster child is yanked out of school and sent to one in the new school district. Kayla VanDyke, who at the time was an incredibly impressive high school senior from Minnesota, testified before the HELP Committee that she had been in seven foster homes, and she did fall through the cracks. She missed fourth grade entirely. For foster kids, school is often the one constant they can count on. And maybe they see their teacher they really like or an extracurricular activity that means everything to them or maybe they have these things called friends. That is why I wrote a provision in the Every Student Succeeds Act to require school districts to work with child welfare agencies to make sure foster children who are changing homes are not forced to change schools. I would like to think that somewhere there is a foster child who would say, ‘Thank you for doing something for me.’

One more example: LGBT students deserve to learn in an environment free from intimidation without recourse. I have a day job—good jobs with benefits cause they had the credentials to get those jobs—good jobs with benefits because they had the credentials to get those jobs. LGBT students deserve to learn in an environment free from intimidation without recourse. I have a bill called the Student Non-Discrimi-

nation Act that would merely provide LGBT students the same legal remedies available to other kids under our Federal civil rights laws. It says, schools would have to listen when a parent says “my child isn’t safe,” and the school has to do something about it. LGBT students continue to face bullying and intimidation without recourse. I have a bill called the Student Non-Discrimi-
those benefits are often that company paying for the rest of your education—finishing, maybe, your associate’s degree or your bachelor’s degree or graduate school.

We need to overcome the assumption that technical schools are a dead end, that there is one ceiling to future success. They are a ladder to careers with good wages and benefits that can support a comfortable lifestyle.

There is a high demand for these workforce skills. That is because we have what is called a skills gap in this country. Every Senator has it in their State. It is one of the things I hear about frequently when I travel around Minnesota, especially when I talk to businesses. I hear about job positions employers can’t fill because they can’t find qualified workers or workers with the right skills. At the same time, I hear from students who are anxious to start a career but lack specific technical skills.

To remain competitive in today’s global economy, we need a better trained workforce. That is why I introduced the Community College to Career Fund Act. The grants would help create public-private partnerships that support and expand on-the-job training programs. Employers would develop a workforce with the specific skills they need to grow their businesses, and everybody wins.

Here is how it works. You go to get a credential. That credential gets you a job. Then the employer will pay for you to continue your education as you continue to work and make a living. I have seen this time and again, and it works. We also need to reauthorize the Perkins Career and Technical Education law, which includes support for public-private partnership training programs in K-12.

I think some of the things we need to do to make college more affordable and accessible and valuable for students are pretty clear. But let’s be honest. The Trump administration—after nearly a year in office—has been going in a very different direction and has been working against the best interests of college students. One of the most unfortunate aspects of this is that predatory for-profit colleges have been able to get a foothold in our higher education system since Secretary DeVos took over.

The truth is, when it comes to education that America still has teachers and principals and school board members and superintendents who work hard every day to take responsibility for every student under their care and deliver on the promise of a great education. We still have parents and neighbors and coaches who look out for our children’s well-being and who work to equip them with the skills they need to succeed in school and beyond.

As anyone who has spent any time in a school lately can tell you, our kids themselves still have some pretty impressive potential. What is more, we still have people on both sides of the aisle in the Senate who care passionately about education and are willing to do the hard work of bipartisan legislating in order to improve our schools and keep that promise of opportunity for the next generation.

If the last year has taught me that progress on education is possible, even in a divided Washington, this past year has taught me that further progress isn’t inevitable and that the progress we have already made may not be safe.

It will be up to my colleagues not to address just the policy challenges posed by an education system that faces a big transition and a budget that forces hard choices but also the political challenges of the moment. It is my hope and prayer that they will be up to the task. Our children’s future depends on it.

Thank you.

I suggest the absence of a quorum.

The PRESIDING OFFICER. (Mr. Sasse). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Ms. DUCKWORTH. Mr. President, I ask unanimous consent that the order for the quorum be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LIBYAN SLAVE TRADE

Ms. DUCKWORTH. Mr. President. I rise today to bring to this body’s attention and to the attention of all Americans what can best be characterized as a modern-day slave trade. It is an outrage that is hard to fathom but that still exists today.

I was recently speaking to a group of pastors from my home State of Illinois who do wonderful work advocating on behalf of human rights and human dignity. One of them, Rev. Walter Johnson of the Greater Institutional Church in Chicago, shared his frustration that abuses and atrocities being inflicted upon migrants and refugees in Libya have received not nearly enough attention or outrage in the American public, government, or in the press. I couldn’t agree more. That is why I have come to the Senate floor today to speak on this alarming human rights crisis.

Every American should be appalled by chilling images of modern-day slave auctions. Earlier this month in an investigative piece, CNN released video of an auction taking place. It was not an auction for a piece of art or another item one might bid on but an auction for human beings—human beings sold for the equivalent of $400.

The reports were a wake-up call for the world about the gravity of this situation in North Africa as migrants fleeing danger and economic hardship face new horrors on their journey to seek a better future. The wars in the Middle East and instability in North Africa have upended huge swaths of the region, displacing thousands of vulnerable men, women, and children.

Sands of people fleeing Africa and the Middle East make their way through Libya, hoping to cross the Mediterranean. Unfortunately, many of them face horrifying human rights abuses and danger along the way.

Because of Libya’s limited capacity to govern, its restrictive policies against migrants, and its inability or refusal to accommodate the migrants, conditions are ripe for exploitation and in their detention. Particularly horrifying have been reports from survivors about the exploitation at the hands of smugglers who are openly engaging in human slavery, preying on the most vulnerable, who have surrendered everything for a shot at the future. Migrants have been subjected to horrible human rights abuses in Libya over the past few years, including forced labor, torture, and sexual violence.

Administration must put this issue front and center when we engage with Libyan officials and demand accountability and progress. Sadly, it appears the administration missed such an opportunity to address this issue during Prime Minister Meitah’s visit to Washington earlier this month.

The United Nations-backed Government of National Accord in Tripoli, however, has taken an important step in acknowledging these abuses and is requesting international support. The European Union and African Union evacuation plan to repatriate the detained migrants that was agreed upon in the Ivory Coast is a move in the right direction.

In 2016, the United States provided emergency funding for the International Organization for Migration—the IOM—to help shift down migrant detention centers in Libya. While the Trump administration—after nearly a year in office—has been going in a very different direction.

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the help of the United Nations and other international partners to eradicate slavery and the conditions that precipitate it.

Thank you. I yield back.

DACA

Mr. DURBIN. Mr. President, I rise today to speak to an issue that I have spoken to many times on the floor of the Senate, and that is the issue of the DREAM Act, a measure which I introduced in the Senate 16 years ago.

Sixteen years ago I tried to find a way to give young people brought into the United States, who grew up here in this country but did not have legal status, a chance—just a chance—to earn their way to legal status, to earn their way to citizenship. We set a number of hurdles in their path. We made it clear that they had to complete their education. We made it clear that they had to pass a serious criminal background check. We gave a timetable when they would be able to reach legal status and not fear deportation. That was 16 years ago, and it still is not the law of the land. Unfortunately, there are hundreds of thousands of young people who fit the description that I have just given.

When President Obama was in the White House, I wrote him a letter and said: Mr. President, can you do something to help them? And he did. He created something called DACA, or Deferred Action for Childhood Arrivals. It was an Executive order that said to these young people: If you fit that definition of the DREAM Act and if you will come forward and pay a filing fee of $500 or more, if you will submit yourself to a criminal background check and give us all of your background information about you and your family, then, we will give you temporary, renewable status to stay in America, not be deported, and be allowed to work.

It was a big leap for many of these young people to do it because they had grown up in families where, in whispered conversations in the evening, their parents told them: Be careful. If you get arrested and they come to see this family, many of us will be forced to leave this country. Be careful.

These young people decided to trust the President of the United States, and to run the risk of disclosing everything—giving the most sensitive, personal information about themselves and about their families. They trusted us, and they trusted this country to treat them fairly and justly.

So 780,000 have come forward. They submitted their filing fees. They paid for the expenses of the government. They did it knowing that even with this new status—this DACA status—under President Obama’s Executive order—they didn’t qualify for one penny of Federal Government benefits, and by working, they would be forced to pay taxes, which they were glad to do. Again, 780,000 came forward.

Then came the last election—the election of a President of the United States who had made immigration the centerpiece of his election message and who had really-seen-sweat, and even fear, about allowing immigrants into our Nation of immigrants. It is not a new message in America. It is hardly a new message worldwide. Being suspicious and fearful, even hateful, of immigrants has been a part of human experience from the beginning of time.

So what would happen to these DACA-protected 780,000 young people? President Trump announced, through his Attorney General, Jeff Sessions, on September 5 of this year, that DACA protection was ending. As of March 5 of next year, 2018, no one could sign up for DACA protection, and the protection expired for each of them, there was no renewal for 780,000 young people.

The President then challenged Congress and said: Do something. If I believe, he said, that DACA is wrong, pass a law; take care of the problem. He said that on September 5. Here we are in December, just days away from the end of the year, and we have done nothing—nothing. And what has happened?

Across America, these young people, their families, and the people who believe in them have begged us to step up and do something. They have said: In the name of justice, in the name of fairness, in the name of morality, do something. And we have done nothing—nothing.

Many of them have decided in desperation to bring their message here to the Capitol. Right now, as I stand and speak on the floor of the Senate, there are thousands outside on the Mall, roaming through the corridors, trying to stop people who they believe might be Congressmen or Senators, to beg for the passage of the Dream Act, to beg for the reinstatement of the DACA protection. Some of them have made great sacrifices. I have gone out to talk to a lot of them. They have never been to Washington before. They have never been inside this Capitol Building. They don’t know what it means to lobby. They can’t afford a lawyer or a lobbyist. They are coming here to beg for their lives and to beg for their families. Some people are shunning them, refusing to go to meetings where they are crucial and warm and welcoming. They get on people’s nerves because there are a lot of them and they want to talk to people about solving the problem. Some of them have sat in our offices, and they say to us: We understand it. As awkward as it may be, as uncomfortable as it may be, I welcome them. I want them to know what America is about—a place where people in this country have the right to speak, to assemble, to participate. They believe this is their government. They look at that flag and they say: That is my flag too.

Legally, they are wrong. They are undocumented. Many have no country at all to which they can turn.

Who are they? Who are these 780,000 young people? I can tell you who 900 of them are. Nine hundred of these undocumented youth, they came to this country and took an oath to a country that will not legally recognize them to serve in our military and risk their lives for each and every one of us. What greater proof can we ask about their commitment to the country for which they have taken this oath?

If we fail to provide DACA or Dream Act protection to them, these 900 will be forced to leave the military of the United States of America. They will be turned away, despite the fact that they have volunteered their lives for this country.

Twenty thousand of them teach in our classrooms around America. I have met many of them. They are teaching in inner city schools through a program called Teach for America, which sends them to some of the poorest school districts in America. They are spending their lives, as undocumented in America, trying to help the least of those of the population, those in desperate need of their protection.

Among them are thousands who are going to school now and college. Let me tell you that their challenge in college is a heck of a lot harder than the challenge for most young people. They don’t qualify for any Federal assistance to go to college—no Pell grants, no Federal loans. They have to go to work. They have to work and earn the money to pay for tuition. That is what that lives are all about.

So for those who would dismiss these as lazy people who really can’t offer much to the future of America, take a minute to get to know them.

Yesterday, one of my Republican colleagues looked me in the eye and said: We are talking about amnesty; these are people who violated the law. You are talking about forgiving them for violating the law.

Some, by his definition, violated the law when they were carried in their mothers’ arms to the United States at the age of 2. Does that sound right? Does that sound just? Does it sound fair to say that these are people who have broken the law in America? I don’t think so.

Let me say a word about their parents. There are some people who say: OK, I don’t hate the Dreamers, but I go hate their parents, right? They did break the law.

Technically, they probably did. I will not argue the point, but I will tell you something. As a father, I would risk breaking the law for the life, future, and happiness of my children. And most people would, and they did. It wasn’t for any selfish motive. It was so that their kids had a chance. That is what it was all about, and that is why they came to this country. They knew that at any minute it could fall apart and they would be asked to leave, or worse. They risked it for their children. So I am not going to stand in...
moral judgment of these parents of Dreamers. As to legal judgment, the case is clear. But as to a moral judgment, no, I just will not do it.

What I have done 101 or 102 times is to come to this floor and just tell a story about a Dreamer—so that people know who they are. Today I would like to tell you the story of this young lady whose name is Karen Reyes. Karen Reyes is the 104th Dreamer whom I have introduced on the floor of the Senate, brought to the United States. She grew up in San Antonio. She had a childhood like other American kids—Girl Scouts, summer camps, church groups, volleyball. Karen didn’t even know she was undocumented until she was in junior high school.

She was a good student. She graduated with honors from high school. She was a member of the marching band. Here is what she said about growing up in America.

I must be an undocumented American, but I am an American. I came to this country when I was 2 years old. The only recollection that I have of Mexico is when I visited as a young child. By the time I was 10 years old, I grew up here. I formed a life here. I made friends here. I received my education here.

After high school, Karen went to San Antonio College and then transferred to the University of Texas San Antonio. She made the President’s Honors List and the Dean’s List.

She found time to volunteer at the University Health System and at the San Antonio Youth Literacy project. She tutored second grade students in reading, and she worked with communities and schools where she mentored and tutored elementary students.

In 2012, Karen graduated with a bachelor’s degree in interdisciplinary studies.

In 2014, Karen graduated with a master’s degree in deaf education and hearing science.

Today, she is working as a special education teacher in Austin, TX. Here is a picture of her with the kids. She teaches 3- and 4-year-old kids who are deaf or hard of hearing. She teaches kids with disabilities. Here is what she said about DACA, the program that was abolished by President Trump, which allows her to live in the United States and to work as a teacher.

DACA made me visible. DACA made it possible for these children who are deaf and hard of hearing. I am helping these students and families on their journey to being able to communicate and achieve their dreams. Before I didn’t think I had a voice, but now I do. . . . I get to change lives every single day.

Twenty thousand other DACA students and recipients like Karen are teachers in our schools. Because DACA was repealed, Texas stands to lose 2,000 teachers. I ask the State of Texas: Are you ready to lose Karen? Are you ready to lose 2,000 more just like her because the Senate and the House of Representatives refused to act, refused to legislate, refused to provide protection to her?

As for Karen, her DACA expires in August of next year. This will be her last chance to step up and meet its responsibility and pass the Dream Act, her time teaching these deaf and hard of hearing children will come to an end.

In a few days we are going to go home and celebrate Christmas with our families. It is a big, important time of year. My wife and I are looking forward to it. We get to see all of the grandkids in one place. It is going to be pure bedlam, but we are very happy. But we will forever think about how much of it, Christmas means that much to our families. Being together means so much to our families.

Think for a moment about those who are protected with DACA. This may be their Karen chesetrasa a chance. Over three out of four Americans believe she is a chance. Over three out of four Americans believe she should be allowed to stay and earn her way to legal status and citizenship. Incidentally, 60 percent of those who voted for Donald Trump happen to believe that same.

But there are voices of division and fear and hatred in this administration. I have seen them face to face—are ready to tell us. We don’t need you anymore, Karen. Go back to wherever you came from. Just get out of here. That is their attitude. It is not mine nor the majority of Americans.

I spoke yesterday on the floor about a very important group of Americans. From the Civil War to the World Wars, to the Korean war, to Vietnam, the Cold War, the Gulf war, and our fight against terrorism, Michigan’s veterans have given us their all. Our veterans have always been the first in line to defend our democracy. That is why, in 2014, Congress passed something called the Veterans Access, Choice, and Accountability Act, called the Veterans Choice Program.

This legislation aimed to reduce wait times and provide medical services to veterans in their communities after we heard of very serious issues and horrible situations that had occurred for veterans in some parts of our country.

The Veterans Choice Program was created to meet a real need—getting our veterans prompt healthcare in locations that are convenient for them. This program is especially critical for veterans in rural communities throughout Michigan as well as throughout the country—people in rural areas who were previously required to travel long distances, hours and hours, for services.

However, since it was enacted, providers across my State and in many parts of the country have not been getting paid, rural hospitals have pulled out, and this program in Michigan has not been working.

But worst of all, too many Michigan veterans and veterans across the country are struggling to get the appointments and the healthcare they need. That is why, last week, I introduced a bill I am calling the Veterans Deserve Better Act.

This bill will help our veterans in three ways to be able to correct what is occurring right now in Michigan with a private contractor—a private provider...
who has not been doing the job. I have talked to the Secretary of Veterans Aff- fairs who understands the problem and agrees this has to be fixed.

My bill will improve the scheduling process for veterans seeking health care. They shouldn’t have to wait weeks or months to be able to get an appointment with a doctor.

Our military operates under the simple creed, “Leave no person behind,” but far too many of our veterans in need healthcare are languishing in a system that simply isn’t accountable to them. Through this private con- tracting process, that certainly has been the case.

My bill would require the VA, and any outside contractors who are setting up healthcare appointments through the Veterans Choice Program, to provide veterans with more and better information, and if veterans are still struggling to get appointments, they will be told exactly how to file a complaint so it can get fixed.

Second, my legislation will hold third-party contractors accountable. We have excellent service through our VA medical facilities, but this new sys- tem—which is supposed to make it better, faster, and more—has not been working, and third-party contractors, at least in Michigan, have not been held accountable.

The VA will track all appointments made through outside contractors who must schedule appointments within 5 days. Any appointments not scheduled within 5 days will be sent to the VA for followup.

Within 30 days of this legislation being signed, third-party contractors will be required to submit a list of the veterans who have been waiting for more than 15 days for their appoint- ments. I know of many waiting much longer. We don’t leave soldiers on the battlefield. We shouldn’t leave veterans to go home to get their healthcare needs met.

Third, this legislation ensures that Veterans Choice Program providers receive prompt payment or denial of pay- ment. If payment is denied, the healthcare provider will need to be told why and what information they need to submit in order to get the claim processed.

The VA will also be required to sub- mit a report to Congress on the number of unscheduled to Veterans Choice Program providers and to take action on those claims within 45 days.

What do I mean by providers? I am talking about our hospitals in northern Michigan, in the Upper Peninsula, in the northwest side of the State, and the northwest state of the State signed up under this program to be able to provide the care for someone who is more than 40 miles away from a VA medical center; then, they find they are not getting paid for their services to the tune of millions and millions of dollars.

Veterans who have served their coun- try and the medical providers who treat them deserve nothing less than getting this system right. Appointment- ments should be made quickly, pay- ments should be made for service, and there has to be continual account- ability. Unfortunately, we know they aren’t always getting what they need.

As Jerry, a former National Guardsman who was stationed in Greenville, MI, on the west side of the State. He now lives in Sumner Township in Gratiot County. Last year, he need to see a specialist for a scary diagnosis. He had a lesion on his brain. He needed to see a specialist right away. Veterans Choice was supposed to make an appointment for Jerry to see an endocrinologist, but when he showed up for the appointment, he was un- able to meet him. He discovered he was mistak- enly sent to a urologist. After that, Veterans Choice sent Jerry to a family practitioner who had no record that he even had an appointment. It was 2 days off of work and travel to visit doctors that Jerry had never been sent to in the first place.

By this time, Jerry was understand- ably very upset. He reached out to my office, and I am glad he did, so we could help. We were able to contact Veterans Choice and get them the appointment he needed with the right specialist. Now, this is after his spend- ing 5 months—5 months—trying to get to the right doctor. There is no excuse for this.

However, Jerry’s issues weren’t over. When he saw the same specialist a sec- ond time, Jerry learned the doctor had never been reimbursed for his previous visit. As Jerry said, “It shouldn’t take five months to see a specialist, espe- cially with something this scary and serious. And I shouldn’t have to worry about whether or not Veterans Choice will pay for my care that I have earned.”

Yes, Jerry, you have earned and been promised that care. Jerry is exactly right. Unfortunately, he is not alone in Michigan—I know this from talking to colleagues in other areas—particularly with this same pro- vider. I have heard from many other Michigan veterans who can’t get ap- pointments, are getting the wrong ap- pointments, are having to travel long distances to appointments—which, this was supposed to stop veterans from having to drive long distances for ap- pointments—or whose healthcare pro- viders aren’t being paid for their serv- ices and then deciding they don’t want to participate in the Veterans Choice Program.

My colleagues on the Veterans’ Af- fairs Committee are working on com- prehensive reforms to the Veterans Choice Program, and we are staring down another funding deadline. It is important this gets done, and we need to do it right away. We need to fix the problems veterans are having to deal with on a daily basis. I am looking forward to working with colleagues to fix this as quickly as possible. Our veterans deserve better. It is time we pass this legislation and make sure they get it.

I would like to end with the words of a man who knew something about serv- ice and sacrifice on behalf of our coun- try.

Before he was President, before he was a member of this very Chamber, John F. Kennedy was a veteran who served in the U.S. Navy during World War II. On August 2, 1943, the PT boat he commanded was struck by a Japa- nese destroyer in the South Pacific. The entire crew ended up in the water, and two of his men died. Although Lieutenant Kennedy badly injured his back in the collision, he helped his men find safety on an island several miles away, where they were rescued a week later. Kennedy later was awarded the Navy and Marine Corps Medal for his leadership. He once said: “As we express our gratitude, we must never for- get that the highest appreciation is not to utter words, but to live by them.”

I believe that is our responsibility. It is not enough to praise our veterans on special days, although they have cer- tainly earned every word of praise. In- stead, we must work together to up- hold each and every promise we have made to them. Veterans like Jerry and so many oth- ers have always been first in line to de- fend us. It is time to make sure they are not at the back of the line when it comes to getting the healthcare they need.

CHIP AND COMMUNITY HEALTH CENTERS

Ms. STABENOW. Mr. President, on a different subject, talking about keep- ing promises; that is, other people who are counting on us to be able to act in order to get their healthcare.

We have had 81 days since the fund- ing ended for the Children’s Health In- surance Program and community health centers. Each State is a little different because of the various com- binations of funding and so on, which meant not everyone lost care imme- diately right after. There are three States this month, others in the first of the year, and so on.

I literally received just a few mo- ments ago a notice from our State say- ing it is very likely that if we don’t act, in January, families in Michigan are going to get a notice that what we call MICHild, which provides healthcare for 100,000 children in Michi- gan of working families who don’t qualify for help through Medicaid or other assistance—they are working and maybe at work they are getting healthcare, but it doesn’t cover their children, or maybe they are not getting healthcare, and they want to at least be able to cover their children, that is what MICHild is all about.

He has fewer than 10 days, the deadline of September 30, which stopped the Federal funding from going forward. This affects 9 million children nation- wide and 100,000 children in Michigan.
In addition to that, community health centers across the country serve 25 million patients every year; 300,000 of them are veterans, and 7.5 million of them are children.

I had the opportunity last Friday to visit two wonderful facilities—one in Flint, which is in Genesee County, and one in western Wayne County—and see the great work they do and talk to some of the people who were there to get care. People are counting on community health centers and they are counting on the Children’s Health Insurance Program in order to make sure they have the care they need for themselves and their families.

It is important that we act. We could act right now. This is bipartisan. We passed a bipartisan bill out of the Finance Committee in September, before the deadline. I want to thank the chairman, Senator HATCH, and the ranking member, Senator WYDEN. I was pleased to join with them. We passed it out of committee with only one no vote. We have bipartisan support to get this done. Senator BLINK and I offered a bill that is bipartisan and has had the support of 70 Members of this body in signing a letter saying to continue funding for community health centers.

Our plan all along was to pass the children’s health insurance bill out of committee in September and add health centers and then pass it before the deadline so that it would take away the anxiety, worry, and fear that families now have about what is going to happen.

Every day that goes by, people are worried about what is going to happen. Are they going to be able to take their child to the doctor, be able to get their asthma treatments, handle their juvenile diabetes, cancer treatments, or the normal things that happen to kids every day?

I am not sure if there will be any votes today. We could, today, pass the Children’s Health Insurance Program and community health centers and let families across America know they are going to be able to have the medical care they need for themselves and their children coming into the new year.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

Mrs. GILLIBRAND. Mr. President, I rise to speak about an urgent crisis that Congress must solve now for nearly 800,000 Dreamers in this country. I am proud to represent New York State in the U.S. Senate. One of the things I am most proud of is that my State is home to tens of thousands of Dreamers—tens of thousands of young people who have never known any other country as home but this one.

When President Trump announced that he wanted to end the DACA Program, it was one of the most inhumane actions of his entire Presidency. Let me be clear: We must keep DACA alive. Ending DACA will force thousands of Dreamers to lose their jobs. It will force them to go into hiding. It will force them to have to make the unimaginable choice between staying here unlawful or being forced out of the United States.

I ask my colleagues, are you really OK with letting that happen when you personally have the power to prevent it from happening right now? Attacking Dreamers like this goes against our most basic values as Americans, our most basic sense of right versus wrong.

I know this Chamber is divided about how to fix our broken immigration system, but just for a second, forget about ideology. That actually means for these young people who have spent their entire lives here. They are waiting and wondering if Congress actually has the guts to stand up to President Trump and do what is right. If the President must lead, then Congress must lead, and we need to lead now. We have to protect our Dreamers, and we need to pass the Dream Act.

Most of all, we should never allow our Dreamers to be used as political pawns. We should simply do what both parties have said is the right thing to do, which is to pass the Dream Act. This is a matter of basic human rights and human dignity. It is about people’s lives, and I am not going to compromise on that.

Mr. President, are you willing to compromise on that?

We need to fix this problem, and we don’t have a lot of time to do it. Every day that goes by, more Dreamers lose their DACA status. Very soon, we are going to have to pass a long-term spending bill just to keep the government running, but the Republican leadership has not yet committed to including a provision in the bill to protect our Dreamers.

I want to say this very clearly: If my Republican colleagues refuse to do the right thing and protect our Dreamers in the upcoming long-term spending bill, I will vote no. I will ask my colleagues to know that I will ask all of them to see that this issue is not a political question. It is a basic question of whether or not we are a country that protects children.

I am never going to compromise when it comes to our Dreamers, not when their lives are literally hanging in the balance. Time is desperately running out. I urge my colleagues to do what is right. We must protect the Dreamers.

I yield the floor.

I suggest the absence of a quorum.

Mr. ISAKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX REFORM BILL

Mr. ISAKSON. Mr. President, it is a historic day for our country, for the Senate, and for the Congress.

As we speak, the President of the United States is about to sign the bill that we passed on the floor of the Senate last night, which was the agreement on the conference report—the largest tax reform in the history of our country or, certainly, the largest since 1986. It is historic in many other ways because we are fighting wars overseas, and we are wrestling with the idea that we are looking at the economic climate for the future and trying to inspire our country to be better and be everything that it can be. We are talking about all of those types of things, and we are getting ready for Christmas.

TRIBUTE TO JIM McCOOL

Mr. ISAKSON. Mr. President, we are busy about lots of things, but there is one thing that you should never be too busy to do, and that is to pause and say thank you—thank you to someone or some entity or some institution that has made a difference in your life or in the life of your country.

I don’t often come down here on points of personal privilege. I do it, but I don’t often do it. When I do it, it is special for me, and I hope it is special for the people I am talking about.

Jim McCool, who I am about to talk about, is retiring from the Southern Company in the next few months. His name is Jim McCool.

Now, most of you probably don’t know Jim McCool. Jim is one of those people who someone would call a lobbyist and others refer to as a professional advocate. I refer to him as my good friend. I met him in the 1980s. He had started his own formal wear business. He then sold that business and went to work for Mississippi Power. It was later one of the Southern Company’s companies. He then worked as a liaison to Washington for the Southern Company, for Georgia Power, for Mississippi Power, and for Alabama Power.

Mr. ISAKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

First of all, it was when I was in the Georgia State Senate and the Georgia State House. On the industry committee, we worked on issues that dealt with electric utilities. I didn’t know anything about those, as I was a real estate broker. My knowledge of electricity was that when I threw that switch, I wanted it to come on. Once it got beyond that, I didn’t have knowledge of it.

Jim was one of those people who didn’t just come and say: This is my company’s position. We want you to do it. He asked: What is it about my company’s position that I can help explain
for you to make a decision? He never, ever asked me to do anything for him or anyone. He always offered to give me the information that I needed to make the decision myself. That is not a rarity in that profession, but it is certainly something that the average person does not think of when they hear of a lobbyist or a professional advocate.

Jim McCool is, has been, and, for me, always will be very special. He takes his job seriously. He is honest, serious, and his country seriously. Jim and his wife, Kathy, raised three great sons. They are proud of their dad, and he is proud of them. I have seen him in enough situations with his family to know that his family comes first for Jim McCool, and that is why I put that in there.

Over the years, I have worked with Jim on many, many projects. Right now, we are working on a nuclear production tax credit, in addition to the tax extenders bill, which, hopefully, will pass the Congress within the next 2 weeks, after January 1, to continue the construction and the completion of units 3 and 4 at Plant Vogtle in Georgia. For me, ironically, this was such a special moment because I had worked on Vogtle units 1 and 2 when they were built in the early 1980s and when Jim was an advocate, at that time, for Mississippi Power. He later joined the Southern Company team.

Jim and I have watched Plant Vogtle go from a dream and an aspiration for the Southern Company to a reality in terms of units 1 and 2. If we get our work done here soon, units 3 and 4 will be online. For a long time after Jim McCool is gone and I am gone and all of you are gone, Georgia will have reliable, clean, energy from a renewable source called nuclear, and we will continue to be a pioneer and a leader in the southern United States.

When I heard that Jim was retiring, obviously, I knew it was a special moment for him and his family. I wish him all the best, and I know that he is going to do great. I started thinking back over all of those times that we had worked on all of those issues that had such an impact on his job and his employers, on my career, and his State. Jim never wavered in his commitment to doing the best job he could possibly do in always representing the best interests of his company while never losing the best interests of those who were served by his company and its customers.

On this day today, when the President of the United States signs major, sweeping tax reform and as we approach Christmas—a special holiday for all families, especially the families on the floor of the Senate to take note of Jim McCool from the State of Mississippi, employee of the Southern Company, professional advocate, father of three, and husband to a great lady. Jim McCool has gone the long way down the long road, and he has done it with style, with class, and he has delivered every single time. Washington doesn’t have a better advocate working in this town than Jim McCool. We are going to miss him, but I am sure he will spend a lot more golf with him in the years ahead because he is going to have more free time than he has right now. So I wish Jim and his family the best. I thank him for all he has done for us as Georgians.

I yield the floor.

I suggest the absence of a quorum.

Mr. GARDNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. The PRESIDING OFFICER. The PRESIDING OFFICER. The clerk will call the roll.

Mr. GARDNER. Mr. President, I rise today to note this Congress’s historic achievement in our nation’s tax system for the first time in 30 years. I congratulate the hard-working teams, the staffers, and others from the Budget, Finance, and Energy Committees and their colleagues in the House for their efforts.

It is not easy to modernize a Tax Code that has languished for over 30 years. Many groups have worked for a long time to solidify their special benefits, and they don’t want to see those perks or special benefits go away. Many others just don’t know how to work things under the status quo and think that must be the only way to do things, is to find a new status quo that represents the old status quo.

Reforming the Tax Code is not easy, but it is important. It is important to America’s economy. It is important to America’s working families. It is important to Colorado. It is important for a lot of reasons. For instance, right now, we waste 6 billion hours and $293 billion just to file our taxes every year. After this reform, 92 percent of taxpayers will take the standard deduction. That simplifies the code, cuts those hours, and eliminates wasted dollars.

Perhaps most importantly, it will shake our economy out of its slow-walking recovery. While there are booming areas in our country—and undoubtedly Colorado’s Front Range represents some of the best examples of those areas in our Nation—there are many areas of the country that haven’t seen the growth and have, quite frankly, been left behind. They haven’t seen their wages go up for a long time. In fact, yesterday the Denver Post published an article about wages. Those workers point out that their wages in Colorado in 2016 were still below the levels of 2007 and even 2000. While I appreciate these reports, the fact is, we knew it wasn’t anything unheard of. It certainly isn’t new to those Coloradans who live outside of the Front Range and who they haven’t seen their wages grow. It is a reality they have been dealing with for far too long.

Over the years, we have become detached from corporate profits, and this chart is a good example of what has occurred. Prior to 1990, a 1 percent increase in corporate profits led to a greater than 1 percent increase in worker wages. But from 2008 to 2016, a 1 percent increase in corporate profits led to only a 0.3 percent increase in wages.

What you can see right here is the corporate rate over time. You can see that in 1990, 1986, the U.S. rate remained at 35 percent, what is today, for at least a little bit longer, the highest statutory tax rate in the world when it comes to business rates. You can see that right here. High-tax countries see annually dropped theirs beginning in 1990 and going down through today. That is what has happened. Over that same period, our once-competitive corporate tax system has gotten more and more out of date. Our corporate tax rate, as I said, is about the same as it was 30 years ago—35 percent. Meanwhile, foreign countries, such as Germany, France, Italy, and even Socialist Greece, have lowered their tax rates. Now America has the highest corporate tax rate in the industrialized world, and Europe has an average statutory rate of around 18.5 percent. So American businesses have shifted their work overseas. New factories were built in Poland, not Pueblo. New offices opened in Dublin, not Delta. With fewer opportunities, American wages stagnated.

The empirical data on this is clear. We have another chart to talk about this. High-tax countries see much stronger wage growth—well under 1 percent a year—but low-tax countries see much stronger growth—between 1 and 4 percent.

You can see right here on the red line—this line represents the highest statistical corporate rates in the world, the 10 countries with the highest statutory corporate rates. They have less than 1 percent wage growth. You can see the lowest statutory corporate rates—the countries that represent the bottom 10 statutory rates in the world have wage growth at 4 percent a year. That is clear data—growth between 1 and 4 percent in low-tax countries.

You can make no mistake. America is on the red line because we have an out-of-date corporate Tax Code—an out-of-date Tax Code that we have begun to address.

Lowering the corporate tax rate has historically had support on both sides of the aisle, including something President Obama said back in 2011 in his State of the Union Address at a joint session of Congress. But suddenly, over the last couple of months, that is not the case anymore, and sadly I suspect that opposition to tax cuts has more to do with partisan politics than the merits of the proposal.
Whatever the reason, instead of reaching out and working together, we have heard a parade of horrors: It will run up deficits. It only benefits the wealthy. Instead of investing in workers to make more profits, businesses will just hoard their money. We have even heard that the other side use procedural rules to complain about the title of the bill. What we haven’t heard is how those opposed to this bill would solve the wage problem. They don’t have a theory about why wages have stagnated or a vision for how to get them moving again, but we do. We passed it last night, and this reform will start to move wages again.

This reform makes our corporate tax rates competitive again. It removes the incentive to invest abroad rather than right here at home.

It is no surprise that the Business Roundtable, the Chamber of Commerce, the National Federation of Independent Business—the organization that represents small businesses across America; the National Retail Federation, the National Association of Home Builders, and the American Farm Bureau Federation support this bill.

In fact, you can see this small portion of a stack of letters I received from hundreds of farmers from across the State of Colorado who wrote to my office and said: I would like to join Colorado Farm Bureau to support tax reform that works for Colorado’s farmers and ranchers. There are hundreds of people saying: Please help reform our Tax Code; cut our taxes. These letters came from real Coloradans, people from all four corners of the State who know how important real reform is to them. We know that tax reform—these individuals know that this reform translates into more growth for the American economy, higher wages for American workers.

The Tax Foundation has estimated that this reform will bring 339,000 new, full-time equivalent jobs, increase GDP, and raise workers’ wages. I have heard a lot of doubt about that part. I have heard a lot of people say that no wage growth is going to occur, that no money will come from these greedy corporations. But look at the news today, because today companies across America have already started to respond to this pro-growth tax reform.

Just hours ago, AT&T announced that it will invest an additional $1 billion in the United States in 2018 and that it will give more than 200,000 of its U.S. employees a bonus of $1,000—all because of the tax relief bill that we have been working on that we passed today. Tomorrow, Boeing announced that it will make a $30 billion investment in charitable giving, worker training and education, and infrastructure and facility enhancements. Both of these companies made it very clear that these investments—over $1 billion of investment and $1,000 to 200,000 employees in the United States—are because of the tax bill that the House passed today and that we passed early this morning.

These provisions, and many others, will be pretty universally popular. Unfortunately, you would be wrong.

The corporate average fuel economy standards, known as the CAFE standards, set a minimum threshold for the average fuel economy of cars and light trucks that are sold in the United States. In 2011, the major automakers here in America—GM, Ford, and the others—enthusiastically endorsed voluntary new fuel efficiency standards which would gradually increase the fuel economy for their cars and light trucks to 54.5 miles per gallon on average by 2025.

Think about that for a second. In 2011, average fuel economy for these vehicles was stuck below 30 miles per gallon. The CAFE standards hadn’t budge in years, and as a result, our automakers had stopped innovating to make cars more fuel efficient. They didn’t have to make them more fuel efficient. And when gas prices soared in the mid-2000s, it was consumers who were on the hook.

Today, thanks to the voluntary agreement that was reached by the automakers, the CAFE standard is presently over 40 miles per gallon for cars and over 30 miles per gallon for light trucks. Consumers have already saved $42 billion at the pump because of these increased fuel economy standards. Consumers who purchase a new car in 2025, on average, will save about $8,000 on gas over the lifetime of that car because of those new fuel economy standards.

Of course, it is not just the consumers who win under the new CAFE standards; the environment also wins. Already the American auto fleet’s increased average fuel economy has resulted in 195 million fewer metric tons of carbon emissions, and, of course, with the carbon emissions come all the rest of the pollution out of a car’s tailpipe, so it is a big environmental benefit. Over the life of the CAFE standards program, total carbon emissions reductions should total 6 billion metric tons.

This is bipartisan. Transportation is now the largest source of carbon emissions in the United States, and carbon emissions from cars and...
We sell these cars in an international market, so let’s look at what that international market is moving to. Countries around the world have realized that the future of the automobile lies not with the gasoline-powered internal combustion engine but with alternative sources—electricity or hydrogen fuel cells, for instance.

By the way, I just got a Chevrolet Bolt, the all-electric car. Not only is that good for the environment, it is a wonderful car to drive. It is a fun car to drive. It is incredible.

China, the world’s largest car market, recently announced that by 2025, 20 percent of new cars sold there must run on alternative fuels, and it is on its way to an eventual total ban of the sale of gasoline and diesel-powered cars. That is where the biggest car market in the world is headed.

The European Union is the world’s third largest car market. The Netherlands has announced that starting in 2019, all cars must be emissions-free. Belgium is considering a similar measure. France and the United Kingdom will ban sales of new gasoline and diesel-powered cars starting in 2040. Norway, while not a member of the EU, is very much part of that European economy. They are even more ambitious. By 2025—just over 7 years from now—all new cars sold in Norway must be emissions-free.

Moving on, Japan, the world’s fourth largest car market—Japan now has more electric charging stations than it has gas stations. India is the fifth largest car market. It has announced that by 2030, all new cars sold there must be electric or hybrid vehicles. So with the entire world moving toward cleaner, newer technology and innovative vehicles, why does this automotive lobby group—the Auto Alliance—suddenly want to renge on the promises its members made to the American people and abide by those CAFE standards?

We should hope that our business leaders would be honorable enough to keep their word. That is a fairly basic proposition. But if the future of the industry lies with ever more fuel-efficient cars—hybrids, electric cars, fuel cell cars—why would the auto industry in America be furiously lobbying the Trump administration to go backward? Breaking your word to go backward doesn’t seem to make sense, even from a business point of view.

Electric vehicles and alternative fuel vehicles represent the future of the auto industry. China and other countries get this. The Chinese are trying to poach our electrical engineers to develop their automotive industry so that it can one day beat ours. Meanwhile, executives at our automakers are scheming with Pruitt to head back to the past, to get out of the promise that they made to build more innovative, fuel-efficient power. Investing in the technologies of the future will help ensure that the electric vehicle revolution, which is on our doorstep, doesn’t leave America behind, doesn’t leave American innovators behind, doesn’t leave American workers behind, and doesn’t leave American automakers behind.

A midterm review of these CAFE standards found that the CAFE standards provide automakers and their suppliers the certainty they need to increase investment in the very early-stage technologies that are necessary for the long-term health of the industry, and with that certainty that leads to increased investment, the increased investment leads to a better future.

This ought to be a no-brainer. A policy that protects consumers and the environment while promoting innovation and making American companies more competitive for the global market should be something we can all agree on. But there is also a simpler, more old-fashioned principle at stake here: Keep your word.

Ford, GM, and the others told the American public that they would comply for car buyers’ business by delivering quality, energy-efficient vehicles. That is what they told the American public, and they said it voluntarily. This wasn’t forced down their throats through a regulatory proceeding; this was a voluntary agreement that they signed up for and were enthusiastic about at the time.

They should keep their word. Why is that asking too much of American corporate leadership? Keep your word. How basic a principle is that? They should stop their trade association lobbying to water down the CAFE standards promises that they made.

It is a recurring problem around here, so many of us think that the trade association is usually on the trailing edge of the industry; it is like the worst voice of the industry. That is surely the case here, where the trade association for our American automakers is trying to get them to set it up so they will break their word to the American people about a promise that they made—a very simple one, which the technology is already there to achieve.

Even if you don’t care one whit about climate change, even if you laugh that off, even if you go down the Trump road that it is a Chinese hoax, we still ought to be honoring those CAFE standards for American jobs, for American ingenuity, and for American innovation.

Thank you.
I yield the floor.
I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GARDNER). The clerk will call the roll.

The bill clerk proceeded to call the roll.
Mr. CARDIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

2017 SERGEI MAGNITSKY SANCTIONS LIST

Mr. CARDIN. Mr. President, I wish to take this time to talk about two matters of human rights, which I know the Presiding Officer has been very much engaged with as an active member of the Senate Foreign Relations Committee. I want to share this information with our colleagues.

This month marks the fifth anniversary of the 2012 Sergei Magnitsky Rule of Law and Accountability Act. Today, with the publication of five new sanctions designations, the citizens of the Russian Federation—many of whom strive for a future governed by the rule of law and human rights—can see small victories over oppression. I hope that today’s news provides a semblance of justice for the family of Sergei Magnitsky and those who continue to fight against corruption and human rights abuses across the country.

The Magnitsky list now includes 49 names—an important testament to the central importance that accountability and human rights should play in U.S. foreign policy.

I think the Members of this body are familiar with the circumstances surrounding Sergei Magnitsky’s death. He was a young lawyer in Russia representing a company. He discovered corruption, and he did what any lawyer representing a company should do. He reported it to the authorities. As a result, he was arrested. He was tortured, denied medical care, and died in prison.

As a result of that, legislation was introduced. I was proud to sponsor it with my good friend Senator MCCAIN. It was enacted into law, as I said, 5 years ago. It holds those who perpetrate these violations of human rights accountable by denying them the right to visit our country—visa applications—or to use our banking systems.

The five additions to this list include Andrei Pavlov, Yulia Mayorova, and Alexei Sheshenya for their roles in the Magnitsky case and Ramzan Kadyrov and Ayub Kataev for gross violations of human rights. I appreciate the work of career officials at the Treasury and State Departments for their work in investigating and designating these important cases.

Andrei Pavlov is a Russian lawyer who played a central role orchestrating the false claims used in the $230 million tax fraud that Sergei Magnitsky uncovered. His addition to the Magnitsky list is long overdue, as he played an essential role in the plot.

Yulia Mayorova is the head of the Office of Alexei Sheshenya, a Russian lawyer. She also reportedly played a role in helping to facilitate the fraud uncovered by Sergei Magnitsky.

Alexei Sheshenya also reportedly played key roles in both the 2006 theft of the $107 million in taxes paid by RenGaz and in the 2007 theft of the $230 million of taxes paid by Hermitage. I understand that in both tax thefts, shell companies beneficially owned by Alexei Sheshenya were used to forge backdated contracts to obtain judgments against companies that paid a significant amount of taxes.

Ramzan Kadyrov is a renowned human rights abuser who has brutally run the Republic of Chechnya for more than 10 years. Under his rule, human rights offenders have been murdered, and gay men have disappeared. He has destroyed any semblance of the rule of law in the Republic. Over the course of his time in power, there have been credible allegations of his directing assassinations deployed across Russia and Europe. Human rights groups have documented many cases of torture and extrajudicial killings by forces under his control.

Ayub Kataev is a prison warden and head of the branch of the Chechen internal affairs ministry. Earlier this year, Chechen authorities reportedly set up concentration camps for gay men under his control. He certainly belongs on this list.

Since 2012, Senator MCCAIN and I have conducted rigorous oversight to ensure robust implementation of the Magnitsky law. In 2016, we wrote to the State Department with certain suggestions for inclusions on the list relevant to the death of Sergei Magnitsky. We also expressed concerns that the allegations of torture in Chechnya against gay men and other human rights violations in the North Caucasus should be investigated. I am pleased they took action that was responsive to both of our inquiries.

I want my colleagues to know that I do believe this administration has conducted the review on the Magnitsky list the way it should have been—keeping in close contact with Members of the Senate. I think the result speaks to the quality of work that was done in this year’s list.

America’s values are our interests. As a country, we must remain steadfastly committed to the principles embodied in the Magnitsky law—accountability, the rule of law, and respect for human rights. The American people expect U.S. policymakers to advance these principles in all aspects of our diplomatic relations. I welcome today’s announcement and also expect the first publication of the “Global Magnitsky” sanctions designations next week.

The result is that the United States and our partners in the hemisphere now confront the situation where the Maduro regime would rather see its people go hungry than accept the foreign assistance the Venezuelans desperately need. This man-made tragedy is absolutely unacceptable.

VENEZUELA HUMANITARIAN CRISIS

Mr. CARDIN. Mr. President, a second subject that I wish to talk about today is human rights deals with the collapse in Venezuela. I come to the floor to speak about Venezuela’s growing humanitarian tragedy and accelerating economic collapse.

Late last June, here on the Senate floor, I described Venezuela as a nearly failed State, where authoritarian leaders profit from links to corruption and drug trafficking, while the Venezuelan people are subject to precarious humanitarian conditions and human rights abuses. Disturbingly, the situation has only deteriorated since the time I was last on the floor talking about the circumstances.

With Venezuela’s humanitarian crisis growing daily, conditions facing Venezuelan children are particularly dire. This week, the New York Times published a heartbreaking investigation of how Venezuelan children dying of hunger. It states:

Parents go days without eating, shivering to the weight of children themselves. Women line up at sterilization clinics to avoid having children they cannot feed. Boys leave home to join street gangs that scavenge for scraps. . . . Crowds of adults storm supermarkets after restaurants close. Babies die because it is hard to find or afford infant formula, even in emergency rooms.

That is in our hemisphere in Venezuela.

The Catholic relief organization Caritas has determined that over 50 percent of the children are suffering from nutritional deficiencies. They project that 280,000 Venezuelan children could eventually die of hunger without an urgently needed humanitarian response.

As the Venezuelans increasingly suffer the ravages of hunger, the country’s hospital system is collapsing. Essential medicines are in short supply, and more than half of the Nation’s operating facilities no longer function or have sufficient supplies. Disturbingly, international relief organizations have found that over 60 percent of the Venezuelan hospitals don’t even have potable water.

Amid these crisis conditions, Venezuelan President Maduro repeatedly denies the existence of this country’s humanitarian crisis. He has even taken to the unprecedented step of setting up a party-controlled food distribution system referred to as CLAPS, and his government now uses food as a tool of political patronage.

The result is that the United States and our partners in the hemisphere now confront the situation where the Maduro regime would rather see its people go hungry than accept the foreign assistance the Venezuelans desperately need. This man-made tragedy is absolutely unacceptable.
Today I have written to Ambassador Nikki Haley, our Ambassador to the United Nations, to urge her to call an emergency special session of the U.N. Security Council to evaluate which United Nations mechanisms, including U.N. Security Council resolutions, should be pursued to alleviate the humanitarian suffering inside Venezuela.

As humanitarian concerns mount, human rights abuses of Venezuela are rampant. Last month, the U.N. High Commissioner for Human Rights told the U.N. Security Council that this year Venezuelan security forces “systematically resorted to the arbitrary detention of more than 5,000 protestors.”

A more recent report by Human Rights Watch and Foro Penal, a Venezuelan nongovernmental organization, documents how Venezuelan security forces have subjected political opponents to “torture involving electric shock and asphyxiation.”

In June, Almagro, the Secretary General of the OAS, has convened a series of hearings to receive testimony to ascertain whether members of the Venezuelan Government have committed crimes against humanity. He be referred to the International Criminal Court for prosecution. These efforts deserve our attention and our support.

Against this alarming backdrop, we require no explanation for why the United States has received more asylum requests from Venezuela than from any other nationality for 2 years straight.

These challenges will only grow as Venezuela’s economy continues to collapse. The country is in a selective default on its bonds. Hyperinflation and rapid currency devaluation are ravaging family incomes. This week, the country’s parallel exchange rate reached 12,000 times the official rate, meaning that the average Venezuelan now earns less than $10 a month.

The reasons for this collapse are simple. Venezuela’s economy is plagued by endemic corruption and gross mismanagement. As this calamity grows, Senators need to be aware that Venezuela will eventually need a major IMF program that may well surpass the $17 billion intervention that Ukraine required in 2014. The international community will have to respond, which will also include, of course, the United States.

We also need to recognize that Russia and China are now major stakeholders in Venezuela, in our hemisphere, and will be at the table as the international community copes with the pending collapse.

Russia, in particular, is playing geopolitics with the situation—refinancing Venezuela’s debt, offering loans in return for financial stakes in U.S.-based CITGO, securing stakes in Venezuela’s oil industry, and expanding its influence in our hemisphere.

In response to these growing challenges, the Trump administration has applied greater pressure by imposing targeted sanctions against a number of individuals, including President Maduro. With this designation, President Maduro has joined the list of notorious heads of state on U.S. sanction lists, including North Korea’s Kim Jong Un, Syrian President Bashar al-Assad, Zimbabwe’s former President Robert Mugabe, and Panama’s former President Manuel Noriega.

President Trump has also imposed financial sanctions blocking the issuance of new bonds to fund the Maduro regime’s ongoing repressive and economic mismanagement. The bond market has been one of the last lifelines for the Maduro government. Investors are right to lose trust in Venezuela’s ability to pay its debt.

We must recognize, however, that sanctions alone will not resolve the challenges the people of Venezuela are facing. We need a comprehensive strategy that utilizes all elements of U.S. diplomacy. We must provide critical foreign assistance to help mitigate the humanitarian crisis and bolster essential support for human rights and democratic change.

In May I introduced S. 1018, a bipartisan bill that lays out a comprehensive strategy for U.S. policy. My bill includes humanitarian assistance and funding to protect and promote human rights and democracy. It also includes a more aggressive approach to tackling the endemic corruption.

Earlier this month, the House of Representatives approved its version of this legislation. I urge the Senate to act. While I see an opportunity for bipartisanship in the Senate on U.S. policy toward Venezuela, I must say that I was alarmed by President Trump’s statement in August about a potential military option. Such cavalier comments once again call into question whether he has the temperament and judgment for dealing with serious national security challenges.

We must rise to the challenge of Venezuela as a great nation, bringing our full diplomatic resources and skills to bear and avoiding stooping to mere saber rattling.

I urge our colleagues to take on this challenge, to help the people of Venezuela, who are suffering from this humanitarian crisis, and to allow America’s entire toolkit to be used to help resolve this problem in our hemisphere. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RUSSIA INVESTIGATION

Mr. WARNER. Mr. President, I rise today concerned about the threats to the special counsel’s critical investigation of Russian interference in the 2016 election.

Over the last several weeks, a growing chorus of irresponsible and reckless voices have called for President Trump to simply shut down Special Counsel Mueller’s investigation. At first, these calls came from the fringes of our political discourse—those who refuse to put our country and our security before base political instincts.

Earlier this year, many of my colleagues on both sides of the aisle were right to push back on these misdirected calls and urge that the special counsel be allowed to do his job without interference. However, in recent weeks, those voices seem to be growing in stridency and in volume. Just this weekend, one major news organization suggested that Special Counsel Mueller could be involved in a coup against the President key witnesses or evidence at the White House has now outrageously alleged that “the fix was in against Donald Trump from the beginning.” Those statements are reckless. They are inappropriate, and they are extremely worrisome.

They are alarming. They are alarming as the President’s own lawyers who have pledged to cooperate with the special counsel.

Beyond being irresponsible, the seemingly coordinated nature of these claims should alarm us all—particularly since, in recent days, these baseless accusations have been repeated by several Members of the House of Representatives.

I believe it is up to every Member of this institution, Republican or Democratic, to make a clear and unambiguous statement that any attempt by this President to remove Special Counsel Mueller from his position or to pardon key witnesses or evidence at the White House has now outrageously alleged that “the fix was in against Donald Trump from the beginning.” Those statements are reckless. They are inappropriate, and they are extremely worrisome.

They are alarming. They are alarming as the President’s own lawyers who have pledged to cooperate with the special counsel.

Let’s take a moment to remember why Special Counsel Mueller was appointed in the first place and why it remains so critical that he be permitted to finish his job without obstruction.

Recall, last spring, when we were all reeling from a series of confounding actions by this President, beginning with the firing of FBI Director Jim Comey on May 9. Mr. Comey was fired just 2 months after publicly revealing the FBI’s ongoing investigation of the Trump campaign and—as we would find out later—after several attempts by this President to improperly influence Director Comey.

Try to put yourself back into those dangerous days. Director Comey’s dismissal was met with confusion and widespread condemnation. We needed a stabilizing action from our Nation’s law enforcement leadership. We needed some certainty that the facts would be found and brought to light, regardless of what they were.

To put a hold on the investigation. At first, these calls came from the fringes of our political discourse—those who refuse to put our country and our security before base political instincts.

Earlier this year, many of my colleagues on both sides of the aisle were right to push back on these misdirected calls and urge that the special counsel be allowed to do his job without interference. However, in recent weeks, those voices seem to be growing in stridency and in volume. Just this weekend, one major news organization suggested that Special Counsel Mueller could be involved in a coup against the President key witnesses or evidence at the White House has now outrageously alleged that “the fix was in against Donald Trump from the beginning.” Those statements are reckless. They are inappropriate, and they are extremely worrisome.

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Try to put yourself back into those dangerous days. Director Comey’s dismissal was met with confusion and widespread condemnation. We needed a stabilizing action from our Nation’s law enforcement leadership. We needed some certainty that the facts would be found and brought to light, regardless of what they were.
Eight days after Mr. Comey’s firing, Trump appointee and Deputy Attorney General Rod Rosenstein appointed Robert Mueller to oversee the investigation into “any links and/or coordination between the Russian government and individuals associated with the campaign of President Donald Trump,” and “any matters that arose or may arise directly from the investigation.”

His appointment reassured Americans that there will be a full and thorough law enforcement investigation. The announcement was met with widespread support on both sides of the aisle and received nearly universal praise. In fact, many of the same people who are attacking him today praised Mr. Mueller’s appointment just months ago.

Indeed, there is much to praise. The fact is, Robert Mueller has impeccable credentials as a man of the law. He has assembled a team that includes some of the Nation’s best investigators, and he is leading the investigation with the professionalism it deserves.

Mr. Mueller is a dedicated Vietnam war veteran and a lifelong Republican, appointed to his current role by Deputy Attorney General Rod Rosenstein, also a war veteran and a lifelong Republican. In fact, all of the major players to date in this investigation—former Director Comey, current FBI Director Rosenstein, and even Attorney General Sessions, who has had to recuse himself—are all Republicans. The charges that some have made that this President has long called the investigation into Russian meddling into the 2016 election a witch hunt, and he has done much to discredit the intelligence community’s unanimous assessment of Russian interference in our election. The failure of this Administration to appoint to the White House to lead a whole-of-government approach to prevent this type of election interference in the future—either by the Russians or some other adversary—defies understanding. The President’s refusal to accept the intelligence community’s assessment and his blatant disregard for ensuring that Russia never again infiltrates our election process has been unnerving and cause for significant concern.

In recent days, the President has said he is not considering removing Special Counsel Mueller, but the President’s track record on this front is a source of concern. I am certain most of my colleagues believed he wouldn’t fire Jim Comey either.

Firing Mr. Mueller, or any other of the top brass involved in this investigation, would not only call into question this administration’s commitment to the truth but also to our most basic concept, the rule of law. It also has the potential to provoke a constitutional crisis.

In the United States of America, no one—not even the President—Congress must make clear to the President that firing the special counsel is not an option. Here are four essential witnesses is unacceptable and would have immediate and significant consequences.

I hope these concerns are unfounded—in many ways, I had hoped I would never have to make this kind of speech—but there are troubling signs. It is critical that all of us, as elected officials and as citizens, speak out against these threats now before it is too late.

Thank you.
I yield the floor.
I suggest the absence of a quorum.

We have a lot of work to do. Our committee has gone out of its way to ensure continued bipartisan backing for this effort, and I am committed to seeing the effort through. However, it should be very clear that our committee cannot and will not stand as a substitute for Mr. Mueller’s investigation.

As Chairman Burr and I have noted on numerous occasions, the FBI is responsible for determining any criminal activities related to this inquiry. As such, Mr. Mueller needs to indict two individuals and has negotiated two additional guilty pleas. This was an investigative path reserved solely for law enforcement, and it is essential that it be permitted to go on unimpeded.

The country no doubt remains severely divided on the question of the last election. However, the national security threat facing us today should demand that we rise above partisan divisions and the political divide, surely each of us—and all Americans—should want to know the truth of what happened during last year’s election, and, no doubt, we want to know that as quickly as possible.

The charges that as quickly as possible.

In recent weeks, much has been made of some political opinions expressed by an FBI agent during the election last year. This specious line of argument conveniently ignores the fact that as soon as Mr. Mueller learned about those comments, he immediately removed the agent in question from the investigation. If anything, this incident only adds to Mr. Mueller’s credibility as a fair and independent investigator.

I stand here as the vice chairman of the Senate Intelligence Committee. We are in the midst of our own investigation into Russian incursion, and I am proud of the way Chairman Burr and our committee has taken on this very difficult task.

We have made tremendous progress uncovering the facts of Russian interference in our elections. Our committee’s work helped expose the dark underbelly of disinformation on many of our social media platforms. We have successfully pressed for the full accounting of Russian cyber efforts to target our State electoral systems, and, despite the initial denials of any Russian contacts during the election, this committee’s efforts have helped uncover numerous and troubling high-level contacts between the Trump campaign and Russian affiliates, many of which have only been revealed in recent months.

We have a right to expect the the truth but also to our most basic concept, the rule of law. It also has the potential to provoke a constitutional crisis.

In the United States of America, no one—no one—is above the law, not even the President. Congress must make clear to the President that firing the special counsel is not an option. Here are four essential witnesses is unacceptable and would have immediate and significant consequences.

I hope these concerns are unfounded—in many ways, I had hoped I would never have to make this kind of speech—but there are troubling signs. It is critical that all of us, as elected

officials and as citizens, speak out against these threats now before it is too late.

Thank you.
I yield the floor.
I suggest the absence of a quorum.

Mr. FRANKEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TELECOMMUNICATIONS AND TECHNOLOGY COMPANIES AND CONSUMER PROTECTION

Mr. FRANKEN. Mr. President, I rise to deliver the second in a series of floor speeches that I offer as I close out my time in the Senate.

This afternoon, I want to talk about Americans’ relationship with telecommunications and technology companies and what that means for their access to essential services and for their privacy.

When I entered the Senate in July of 2009, then-Majority Leader Harry Reid asked me to serve on the Judiciary Committee. I pointed out that there are a lot of lawyers in the Senate and that I wasn’t one of them, but he said he needed Members with my perspective on the committee. I wondered how my background could possibly serve me on Judiciary, but it did—almost immediately—when in December of that year, Comcast announced its intention to acquire NBCUniversal.

I happened to know a lot about the effects of media consolidation because I used to work in media. When powerful corporations are permitted to acquire other powerful corporations, it is the American consumers who are left facing higher prices, fewer choices, and even worse service from their telecommunications providers. I questioned why an already powerful company should be allowed to get even bigger and thus extract more leverage over consumers and the businesses reliant on its platform.

It was through my work on Comcast and NBCUniversal that I learned about the rising costs of internet, phone, and TV services, as well as the importance of preserving net neutrality. I also became interested in how giant telecommunications companies, as well as ever-evolving tech companies, were treating the massive troves of user data they were collecting on a perpetual basis.

I believe consumers have a fundamental right to know what information is being collected about them. I believe they have a right to decide whether they want to share that information with whom they want to share it and when. I believe consumers have a right to expect that companies that store their personal information will store it securely.
I also believe all Americans deserve affordable access to high-quality telecommunications services—services they depend on to communicate with the world, get an education, and find a job. I believe the internet should remain the open platform for innovation, economic growth, and freedom of expression it has always been.

Perhaps it was the complex nature of these issues or even the financial incentive to turn a blind eye, but when I came to the Senate, very few Members of Congress were talking about corporate consolidation, commercial privacy, or net neutrality—issues that have gained much deserved attention in more recent years. Whatever the reason for other Members’ hesitance, I felt it was incumbent upon me to get into the weeds on these issues so I could be a leader in the Senate and ultimately address the concerns of ordinary Minnesotans.

That is why when the interests of the American consumers have clashed with the desires of powerful telecommunications and technology companies, I have always tried to put the public first and to fight on their behalf by shedding light on corporate abuses and using all the tools at my disposal to curb them.

Again, it is through my work on the Judiciary Committee—and, more specifically, my work on media and technology policy—that I believe my perspective from my previous career has been of most value.

Comcast’s proposal to acquire NBCU immediately made me uncomfortable because I had seen their motives for this deal before. In 1992, during my 13th season at “Saturday Night Live,” the Big Three networks—NBC, CBS, and ABC—pressured Congress to change the rules that had previously prevented them from owning any of the shows they aired in prime time. The purpose of the bill was and remains to prevent the networks from prioritizing their own shows over others or otherwise harming competing programming.

Unsurprisingly, after the rules were repealed, the networks—contrary to their guarantees and assurances they had given Congress—began giving the shows they owned preferential treatment. At the time, “Seinfeld,” which aired on NBC, was not owned by NBC and had been produced before the rules had been dropped after objections from the FCC and the Department of Justice. The giant internet service providers treated YouTube’s videos the same as they did Google’s, and Google couldn’t pay them to gain an unfair advantage, like a fast lane into consumer homes.

They were treated differently neutrally. The content was neutral—net neutrality. People really liked YouTube. They preferred YouTube to Google Video, and YouTube thrived. In 2005, three guys set up shop over a pizzeria in a strip mall in San Mateo, CA, where they launched the now-ubiquitous YouTube. Video-sharing websites were in their infancy, but these guys already faced competition from something that preceded it called Google Video, but Google Video wasn’t very good. Because of net neutrality, YouTube was able to compete with Google Video on a level playing field.

For a long time in the Senate, it was a lonely battle. For over a year, I was the only Senator to oppose Comcast’s proposals to buy Time Warner Cable—a deal that would have given the combined company 57 percent of the broadband market—but advocates and ordinary citizens raised their voices, and together we were able to stop the deal.

Most recently, I have led my colleagues in scrutinizing AT&T’s proposed acquisition of Time Warner, and I have once again called on regulators to move swiftly to make the deal for the inevitable harm it will cause to competition and consumers. I have been proud to lead these efforts, and I leave here in a much different environment than when I arrived. I know there are strong voices in the Senate that will carry on the fight when I am gone.

These efforts to slow down and halt media consolidation are part of a very important, larger development we have seen over the last 15 years: there has been a resurgence in the American public’s—and, in turn, Congress’s—interest in combating corporate consolidation.

When I first entered the Senate, I wasn’t sure most Americans understood what was at stake when these powerful companies wanted to combine. Vertical integration and antitrust laws sounded like obscure, almost boring, topics, but more and more Americans are getting educated about the power of corporate market power. Federal and state Members of Congress are working to get Washington focused on how they affect the lives of real people. Just look at the fight for net neutrality. For many of the same reasons that I opposed Comcast’s acquisition of NBCUniversal, I have long supported strong net neutrality rules to ensure that the internet remains a level playing field where all can participate on equal footing, free from discrimination by large internet service providers like Comcast, Verizon, and AT&T.

Net neutrality preserves the internet as the engine for innovation that it has always been and allows businesses of all sizes to thrive—even when they are up against the largest, most profitable corporations. Here is just one example I found useful in explaining net neutrality.

In 2005, three guys set up shop over a pizzeria in a strip mall in San Mateo, CA, where they launched the now-ubiquitous YouTube. Video-sharing websites were in their infancy, but these guys already faced competition from something that preceded it called Google Video, but Google Video wasn’t very good. Because of net neutrality, YouTube was able to compete with Google Video on a level playing field. The giant internet service providers treated YouTube’s videos the same as they did Google’s, and Google couldn’t pay them to gain an unfair advantage, like a fast lane into consumer homes.

They were treated the same neutrally. The content was neutral—net neutrality. People really liked YouTube. They preferred YouTube to Google Video, and YouTube thrived. In fact, in 2006, Google bought it for stock valued at $1.65 billion. That is a nice chunk for three guys over a pizzeria in San Mateo.

It is not just tech companies and small businesses that rely on open internet policies. In 2014, a coalition that includes Visa, Bank of America, UPS, and Ford explained that “every retailer with an online catalogue, every manufacturer with online product specifications, every insurance company with online claims processing, every bank offering online account management, every company with a website—every business in America interacting with its customers online is dependent upon an open Internet.” I have repeated this quote on the floor and at rallies time and time again over the years because I think it perfectly exemplifies the importance of this issue.

Preserving net neutrality is only controversial for the few deep-pocketed entities that stand to financially gain without it. If FCC Chairman Pai ultimately has his way, we will be entering a digital world where the powerful outrank the majority, a world where a handful of multibillion-dollar companies have the power to control how users get their information, and a world where the deepest pockets can pay for a fast lane while their competitors stall in the slow lane.

For nearly 9 years, I have been calling net neutrality the free speech issue
of our time because it embraces our most basic constitutional freedoms. And ironically, the kind of civic participation that has inspired so many of us in recent months—and has affected real change, like the fight for net neutrality and the successful efforts to save the Affordable Care Act—depends in no small part on a free and open internet.

In 2015, the FCC’s vote to reclassify broadband providers as common carriers under Title II of the Communications Act didn’t just mean good things for net neutrality: it also had important implications for consumer privacy. It gave the agency the authority and the responsibility to implement rules to protect Americans’ privacy by giving consumers greater control of their personal data that is collected and used by their broadband providers. That was a big win. Republicans didn’t see it that way. One of the first things they did this Congress was to repeal those rules—a huge blow to Americans’ right to privacy.

For my part, I have long believed that Americans have a fundamental right to privacy. I believe they deserve both transparency and accountability from the companies that have the capacity to trade on the details of their lives. And should they choose to leave personal information in the hands of those companies, they certainly deserve to know that their information is being used and treated in a way that is transparent and accountable. This transparency and accountability should come from all the companies that have access to Americans’ sensitive information. This includes internet service providers like Comcast and AT&T but also edge providers like Google, Facebook, and Amazon.

In 2011, I served as chair for the inaugural hearing of the Judiciary Subcommittee on Privacy, Technology and the Law—a subcommittee that I found very important to the Senate’s policy responses to the mass collection of personal information and to the mass surveillance that follows it. The Subcommittee examined Russia’s manipulation of social media during the 2016 campaign, and both the public and Members of Congress were shocked to learn the outsized role that the major tech companies play in so many aspects of our lives, based primarily on the mass collection of personal information and complex algorithms that are shrouded in secrecy. Not only do these companies guide what we see, read, and share; they are also the engines that drive our economy and shape the future of journalism. It should go without saying that such power comes with great responsibility.

Everyone is currently and rightfully focused on Russian manipulation of social media, but as lawmakers, it is incumbent upon us to ask the broader questions: How did big tech come to control so many aspects of our lives? How is it using our personal information to strengthen its reach and its bottom line? Are these companies engaging in anticompetitive behavior that restricts the free flow of information in commerce? Are they failing to take simple precautions to respect our privacy and to protect our democracy? And finally, what role should these companies play in our lives, and how do we ensure transparency and accountability from them going forward?

Modern technology has fundamentally altered the way we live our lives, and it has given us extraordinary benefits. As these companies continue to grow and evolve, challenges like those we have recently confronted in the Judiciary Committee will only grow and evolve with them. So we must now find a way to address the tough questions related to competition, privacy, and ultimately the integrity of our democracy.

I will not be here to ask those questions. I will do what I can to find the answers from the outside, but it is my colleagues in the Senate who must prioritize them going forward. There is simply too much at stake. I know that they will do so with the help of a tireless advocacy community and the brilliant minds who have long contemplated these incredibly complex issues and ensured that lawmakers pay attention. And more importantly, they will do so with the support and encouragement of the American people.

I have witnessed significant highs and significant lows in the fight to protect consumers’ rights, but the most important lesson I have learned along the way is that ordinary Americans can wield extraordinary power when they raise their voices. For this reason and despite significant setbacks in recent months, I know that it is the public’s interests that can ultimately prevail.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Lee). The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

Mr. SANDERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.
REPUBLICAN TAX BILL AND ADDRESSING THE NEEDS OF THE MIDDLE CLASS

Mr. SANDERS. Mr. President, I understand that my Republican colleagues and President Trump are busy celebrating the passage of the tax bill that was voted on at 1:30 in the morning. They are excited, and they are very happy about it. I understand that. I guess, if one is a billionaire like President Trump or is a wealthy campaign contributor, you do have a whole lot to celebrate. Maybe, if you are 1 of the 600 or so people in Washington, DC, who helped to write the bill, you are celebrating a lot today. Yet, if you are one of the vast majority of the American people who is in the middle class, you should not be celebrating today. It is true that you have made the wealthy a lot richer, and that is what we are fighting. That is what the American people want. This gives huge tax breaks to billionaires—to the Trump family, to the Koch brothers—and then pays for those tax breaks by cutting Social Security, Medicare, and Medicaid. There are millions of senior citizens and people with disabilities in Vermont and all across this country who, today, are struggling to buy food, to heat their homes, and to buy the prescription drugs that they need because they are trying to survive on $12,000, $13,000, $14,000 a year in Social Security. There are people who have worked their entire lives and have exhausted themselves as they approach retirement. Do not tell older workers—many of whom are already doing phenomenally well, and that 60 percent of the benefits will go to the top one-tenth of 1 percent. Meanwhile, at the end of 10 years, some 92 million middle-class households will be paying more in taxes.

Now, at a time when the very wealthy are becoming much richer, tens of millions of American families are struggling to keep their heads above water economically. There are 40 million Americans who are living in poverty. The nonpartisan Tax Policy Center tells us that in terms of this legislation, 83 percent of the tax benefits will go to the top 1 percent by the end of this decade, who are already doing well, and that 60 percent of the benefits will go to the top one-tenth of 1 percent. Meanwhile, at the end of 10 years, some 92 million middle-class households will be paying more in taxes.

On top of all of that, as the only Nation—major country—on Earth not to guarantee healthcare to all people, this bill will result in 13 million Americans losing their health insurance. I understand that. It was really excited about this. Hey, what a great day. There are 13 million more Americans who are losing their health insurance when we are the only major country on Earth not to guarantee healthcare to all people.

In the ending of the individual mandate, what all of the experts tell us is that our healthcare premiums will go up. If you are an average person out there, your healthcare premiums will very likely go up as a result of this legislation. Meanwhile, starting next year—I am not talking about 10 years from now—some 8 million middle-class families will pay more in taxes.

Doesn’t it say a lot about Republican priorities when they make permanent the tax breaks for corporations; yet they make temporary the tax breaks for working families, which will expire in 8 years?

Furthermore, I would hope that every American is listening closely to what Speaker of the House PAUL RYAN is talking about. I have to give RYAN credit for being pretty honest about the intentions of the Republican Party. Just this morning, he was on ABC, saying that this was going to be all about the rich, and that is that the Republican plan is a two-step approach. Step No. 1 is passing the legislation that passed last night here and today in the House. Step No. 2 is, having run up a deficit of $1.5 trillion, they are now going to come back and offset that deficit by making massive cuts to Social Security, Medicare, and Medicaid.

According to RYAN, they have a two-step program. Step No. 1 is to give massive breaks to the rich and to large corporations and to run up the deficit by $1.5 trillion. Step No. 2 is to offset that deficit by cutting Social Security, Medicare, and Medicaid. How unspeakable and outrageous is this plan? How does it go against what the American people want? This gives huge tax breaks to billionaires—to the Trump family, to the Koch brothers—and then pays for those tax breaks by cutting Social Security, Medicare, and Medicaid.

There are millions of senior citizens and people with disabilities in Vermont and all across this country who, today, are struggling to buy food, to heat their homes, and to buy the prescription drugs that they need because they are trying to survive on $12,000, $13,000, $14,000 a year in Social Security. There are people who have worked their entire lives and have exhausted themselves as they approach retirement. Do not tell older workers—many of whom are already doing well, and that 60 percent of the benefits will go to the top one-tenth of 1 percent. Meanwhile, at the end of 10 years, some 92 million middle-class households will be paying more in taxes.

In this country, there are 1.5 million Vermonters who are in the middle class, there are 9 million Vermonters who are in the middle class, and we have 600 people who are in the middle class. In this country, there are 1.5 million Vermonters who are in the middle class, and we have 600 people who are in the middle class. In this country, there are 1.5 million Vermonters who are in the middle class, and we have 600 people who are in the middle class. In this country, there are 1.5 million Vermonters who are in the middle class, and we have 600 people who are in the middle class.
working people could lose the pensions they were promised by up to 60 percent cuts in those pensions. Congress needs to act before the end of the year to ensure that no one in America in a multi-employer pension plan will see their pensions cut.

There are real issues impacting real people, but there are more. There was an article recently in the Washington Post, and it said that because of major cuts to the Social Security Administration—people with disabilities not getting their claims processed in a timely manner. The result was that in 1 year, if you can believe it, 10,000 people with disabilities died before they got their claims processed.

What the Republicans have been very active on is making sure that the Social Security Administration does not get the funding it needs, which means that it is harder for people who have retired and people who have disabilities to get the information they need or the help they have been promised in a timely manner. We must make sure that every senior and person with a disability gets treated with dignity. We have to restore adequate funding to the Social Security Administration.

One of the great outrages that currently is taking place in this country and really is quite beyond belief is that at a time when we live in a competitive global economy and when we need the best educated workforce in the world to be able to build the new jobs that are being created, which require more education, we have over 40 million people in our country who have left college or graduate school in debt and sometimes deeply in debt. I am talking about people I have met who have gone to medical school or dental school and are $300,000 or $400,000 in debt. People graduate college $100,000 or $150,000 in debt. This is a crisis that is impacting millions of people. It is impacting our entire economy in an issue that must be addressed. Maybe, just maybe, before we give tax breaks to billionaires, we might want to significantly lower the debt burden so many people in this country have in their student debt.

This is the year 2017, soon to be 2018. This is the wealthiest country in the history of the world. Yet there are communities in Vermont, Utah, and communities all over this country that do not have adequate broadband service. We must invest in rural infrastructure to make sure every community in this country has quality, affordable broadband.

There is an opioid epidemic sweeping this country, impacting Vermont, my neighboring State of New Hampshire, West Virginia, Kentucky, and all parts of this country are seeing people dying from overdoses from opioids and heroin. This is an epidemic that must be addressed. We can’t simply walk out of here and leave people all across the country without the resources they need to treat people who are addicted and prevent our young people from becoming addicts. We need to invest in treatment and prevention for the opioid epidemic.

As we speak, there are over 30,000 vacancies in the Veterans’ Administration. That means that we have to make sure every veteran in this country who goes to the VA gets the quality and timely healthcare he or she needs. We can’t turn our backs on the veterans. We have to invest in the VA.

The bottom line is that, as much as all of us would like to get out of Washington and go home, we simply cannot turn our backs on tens of millions of working people and people in the middle class. It is not good enough to pass tax breaks for billionaires and then leave town. So I hope the Republican leadership will immediately bring to this floor the legislation that we need to address the many crises facing the middle class of this country.

With that Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McConnell. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO MARK E. MILLER

Mr. Hatch. Mr. President, today I wish to honor Mark E. Miller, for his distinguished public service and professional assistance to the Senate Finance Committee, as well as to the rest of Congress.

Mr. Miller served as the executive director of the Medicare Payment Advisory Commission, or MedPAC, for the last 15 years. During that time, he dedicated himself to our country, ensuring Congress received impartial, data-driven, and sound policy advice to transform the Medicare Program while protecting our Nation’s seniors and the disabled.

MedPAC was established by Congress in 1997 as part of the Balanced Budget Act of 1997. It is a nonpartisan, nongovernmental organization that provides analysis and policy recommendations regarding the Medicare Program, including payment, beneficiary access to care, and quality of care for traditional fee-for-service Medicare and Medicare Advantage. As all of us know, the analysis we get from MedPAC is critical in how we, as Members of Congress, debate, address changes, and ultimately make improvements to the Medicare Program.

Throughout his service, Mr. Miller ensured that MedPAC consistently fulfilled its mission of providing objective, empirically driven policy analysis and advice to Congress.

Mr. Miller himself also testified, answered calls, and otherwise provided invaluable advice on complicated Medicare payment issues to both majority and minority leaders, Finance Committee chairmen and ranking members, as well as other members and other Member offices regarding all things healthcare. Throughout his years of service, Mr. Miller has proven himself a trusted source of objective information.

Mr. Miller gave years of his life, including countless long nights, weekends, and early mornings to make sure Congress has the best and most reliable information it can get. In turn, that analysis has guided many ideas and recommendations into legislation that made its way to a President’s desk for signature. Mr. Miller’s professionalism, expertise, energy, patience, humor, and dedication make him an example to all of us as we work the process of designing and ultimately enacting legislation.

Mark has been there from the beginning, watching an idea being born, helping to develop policy to achieve that idea, and providing valuable policy counsel as it works its way through the legislative process to ultimately becoming law.

Thanks to his sense of purpose, dedication, and love for this country, Mr. Miller should be seen as just as much an influence on our current Medicare policy as most Members in this body. Mark is a consummate professional, and he will be missed. I wish him all the very best as he takes the next steps in his successful career.

As we ever return to our Mark’s service, and may MedPAC ever be guided by the same sense of duty and purpose Mr. Miller instilled in his 15 years leading that organization.

TRIBUTE TO STEVE JOHNSON

Mr. Durbin. Mr. President, Cesar Chavez, the great champion of justice and human dignity, once offered this advice about friendship: ‘If you really want to make a friend, go to someone’s house and eat with him... The people who give you their food give you their heart.’

The Senate Dining Room isn’t Steve Johnson’s house, but for the 22 years that he has worked there, Steve has poured his heart into his job, and he has become a friend—or at least a friendly face—to Senators, our family staff members, and other visitors.

As general manager of the Senate Dining Rooms and two other eateries in the Capitol, Steve works hard to create places where people who might not normally talk to each other can sit down at adjoining tables, eat a meal, and maybe swap stories or jokes.

In the Senate Dining Room, with its white linen table cloths and crystal chandeliers, you might see Republican and Democratic Senators and staff members asking after each other’s families. In the refectories on the first floor, reporters and visitors to the Capitol stand in line together to grab a
quick bite. Downstairs, in the carry-out, you can find the whole Capitol family, as Steve calls them; “the white collars, the blue collars, the green collars, and the Capitol Police,” all eating together.

It is a little like stepping back into a better, less partisan time.

On Friday, December 22, Steve Johnson is leaving the Senate. He is retiring. Before he does, I want to take a moment to thank Steve for his many years of good and loyal service to the Senate. Until 1995, when Steve began working as a maître d’ in the Senate Dining Room, he had never seen the inside of the U.S. Capitol, but he had seen the outside of this magnificent building many times.

You see, Steve grew up in Freehold, NJ, home of “The Boss,” Bruce Springsteen. He was one of six kids. His mom trained as a nurse, and his dad was a director of a YMCA.

In 1963, Steve’s Dad, Herbert, attended the March on Washington, where Martin Luther King gave his “I Have a Dream” speech. The experience made a profound impression.

During Steve’s childhood and teen years, there was a big march or rally in Washington, the whole Johnson family—mom, dad, and six kids—would pile into the family station wagon, drive to Washington, DC, for the day, and drive back to Freehold that night.

During those childhood trips, Steve developed a reverence for this building. After 22 years of working here, he still has it. He is still awed when he sees the Capitol dome gleaming in the sun as he arrives at work, or sees the Capitol Christmas tree lit up at night.

It is a feeling that many of us share.

Steve started his career in food service nearly 40 years ago, shortly after he graduated from Glassboro State College in New Jersey with a bachelor’s degree in business administration. He went to work at a restaurant in his hometown.

A few years later, he and a business partner took over running a more than 200-year-old inn, the Liberty Tavern, in New Jersey’s capitol city of Trenton. They gave it their best try, with clever marketing and a hard-working staff, but couldn’t make good of it.

Fortunately for us, Steve’s wife, Joanne, a partner in the Federal Government in Washington, and Steve made the move with her.

Before the Senate, he worked at the Mayflower Hotel, another Washington legend. As I mentioned, he started in the Senate Dining Room as maître d’ and worked his way up to assistant general manager and finally general manager.

He works incredibly hard, from early in the morning until evening or later. With his calm demeanor, he makes a tough job look almost easy.

That calm may have something to do with the fact that Steve is a dedicated marathon runner. He has run 18 marathons, including seven Boston Marathons. He is a modest man in a sea of big egos, a scrupulously nonpartisan man in era of sharp partisan lines. He and his dedicated staff are important members of the Senate family.

There is a line in a Bruce Springsteen song where Bruce says, “I’m ready to grow young again.”

Sadly, none of us can actually do that.

But Steve has decided that he is ready to be a rookie again and try something completely new and different. In this next chapter of his life, he will work as a volunteer literacy tutor for adults who speak English as a Second Language.

It is another way, I think, of making people feel at home and cared for, something that Steve Johnson is so good at.

In closing, I want to thank Steve again for his many years of service to the Senate. Steve and Joanne the very best of luck as they start this new chapter in their lives.

HONDURAS

Mr. LEAHY. Mr. President, on Monday, the head of the Honduras Supreme Electoral Tribunal declared Juan Orlando Hernandez the next President of Honduras. Shortly thereafter, the Secretariat of the Organization of American States, one of the principal international observers, announced that it could not certify the election as free and fair and called for a new election. Yesterday, after his top advisers rebuked the OAS for infringing on Honduras’s sovereignty, President Hernandez, stating that “the Honduran people have spoken,” declared himself President-elect.

On December 5, I spoke at length about the Honduran election, and I have made several statements since then. I will not repeat what I and many others have already said about the troubling process orchestrated by President Hernandez and his associates over the past several years to lay the groundwork for his reelection for an unprecedented second Presidential term, nor about the many irregularities that have caused masses of people to take to the streets in protest since the end of November. As of today, at least 12 protesters, and perhaps as many as 20, have been killed and many more injured, mostly from military police firing live ammunition. I was disappointed that, in his speech yesterday, President Hernandez made no mention of those tragic deaths.

As we await the Trump administration’s decision on whether to support the OAS’s call for a new election or accept President Hernandez’ claim to a second term, I want to make three points.

First, if this flawed election had been held in a country not led by a President whose consolidation of power and reliance on the military and police have had the strong backing of the White House and the State Department, it is doubtful that it would be accepted as free and fair. Instead, the White House, which has been willing to excuse the Hernandez government’s corruption scandals, has played down the press and civil society, would likely be calling for a recount or, if the integrity of the ballots could not be assured, a new election.

Second, the OAS deserves the thanks of people throughout this hemisphere for the role it has played in ensuring that there be a free and fair election in Honduras at a time when democratic processes, freedom of expression and association, and independent judiciaries are threatened not only in Honduras but in many parts of Latin America. Next year, Presidential and Parliamentary elections are scheduled in many countries in Central and South America, and the OAS, which has been a strong defender of democracy and human rights in Venezuela, has a vital role to play in seeking to ensure that those elections meet international standards of fairness and transparency. It is therefore particularly important and reassuring that the OAS Secretariat has insisted on such standards in Honduras by calling for a new election, and it is just as important that the United States stands with the OAS at this time.

Third, it is ultimately for the people of Honduras to decide what kind of a government they want and whether to accept the result declared by the Supreme Electoral Tribunal, which has little credibility outside of President Hernandez’s National Party. It is clear that the country is sharply divided politically, socially, and economically. And to have an election that is widely accepted as fair and free, that divisiveness will imperil the progress that is urgently needed in combating poverty, violence, organized crime, corruption, and impunity that pose immense challenges for the future.

But the international community and particularly the people of this hemisphere also have a stake in this election and in Honduras’s future. In the past decade alone, the United States has provided many hundreds of millions of dollars in aid to Honduras, much of which I supported, but that aid has not achieved the results that the Honduran people and we wanted, and the reason for that, I believe, is primarily because successive Honduran Governments were not serious about addressing many of the key problems I have mentioned, yet the aid kept flowing. Unfortunately, I am not convinced that the current government is sufficiently serious about this, either.

Honduras today desperately needs a freely and fairly elected leader who can unite the country. Unfortunately, this election lacked the conditions of fairness and transparency necessary to produce that result. If a new election is
LATIN AMERICA NEEDS TO START ITS BIG ELECTION YEAR ON THE RIGHT FOOT

HONDURAS

Mr. GRASSLEY. Mr. President, I intend to object to any unanimous consent requests at the present time relating to the nominations of David J. Ryder, of New Jersey, to be Director of the Mint; and of Isabel Marie Keenan Patelnia, of New Jersey, to be Assistant Secretary for Intelligence and Analysis, Department of the Treasury.

I object because the Department of the Treasury has failed to respond to a letter I sent on September 29, 2017, to a bureau within the Department seeking documents relevant to an ongoing investigation by the Senate Committee on the Judiciary. Despite several phone calls between committee staff and Treasury personnel to prioritize particular requests within that letter, the Treasury Department has to date failed to provide any documents.

My objection is not intended to question the credentials of Mr. Ryder or Ms. Patelnia in any way. However, the Department must recognize that it has an ongoing obligation to respond to congressional inquiries in a timely and reasonable manner.

ARCTIC NATIONAL WILDLIFE REFUGE

Mr. BENNET. Mr. President, in 2008, the Senate took up the question of whether to drill in the Arctic National Wildlife Refuge. I wasn’t here at the time, but I remember the issue prompted a rigorous debate.

The Senate spent months on the topic. Experts weighed in, and the American people had a chance to share their views in a fairly open process. It is worth pausing to recall the context for that discussion. In 2008, America produced nearly 7 million barrels of oil a day and imported another 12 million. The price of oil was roughly $150 a barrel. There was talk about the world hitting “peak oil.”

In that context, one side claimed that drilling in the Arctic Refuge was needed to boost domestic production, reduce foreign imports, and lower prices at the pump. The other side countered that any economic benefit from drilling was far outweighed by the need to preserve the Arctic Refuge, a jewel of land for irreplaceable habitat for wildlife and a sacred place for the Gwich’in people—a place so sacred they are reluctant to even enter it.

In the end, after weighing the facts and considering the costs, 56 Senators, included 6 Republicans, voted to protect the Arctic Refuge.

That was 2008. Now fast forward to 2017. The Arctic Refuge remains a jewel of our public lands. It remains a vital habitat for so many flora and fauna. It remains a sacred place for local tribes, and one of America’s most spectacular wild places. The case for preservation has not changed.

By contrast, the case for drilling has never been weaker. Compared to 2008, domestic oil production has nearly doubled. Oil imports are down 22 percent. The price of oil has fallen 50 percent. Terminals we built to import oil and gas are now being used to export oil and gas.

None of these reasons, unlike 2008, oil companies are not clamoring for more opportunities to drill. Just last week, oil companies had the chance to bid on 19.3 million acres open for drilling in Alaska. In the end, less than 1 percent of the land was leased.

Think about that. We are not even using all of the land now available for drilling in Alaska. It defies reason that we would open up even more, especially in a place as treasured as the Arctic Refuge.

All of this is to say that, if it made little sense to drill in 2008, it makes no sense to drill now.

So it should surprise no one that the other side doesn’t want a real debate. That is why they tucked this into their massive tax bill, hoping to sneak it in under the hood.

Their justification? We need revenue from the oil to pay down the deficit that we are creating with this tax bill. There are two problems with that. First, the Congressional Budget Office found that, because of low demand, revenue from drilling would be far less than projected, potentially hundreds of millions less.

Second, the only reason we are having this conversation is because the other side wants to spend $1.4 trillion on tax cuts for corporations and the wealthiest Americans.

Consider this: Their plan spends $37 billion to give an average tax cut of $61,000 to those lucky enough to make over $1 million a year.

To help pay for that, we are about to drill in one of the most stunning places in America.

I am not opposed to oil and gas production. We need transition fuels as we move toward low-carbon, renewable energy. I also recognize that, for many small towns across America, the oil and gas sector is a rare source of steady, high-paying jobs.

I also recognize that, for many small towns across America, the oil and gas sector is a rare source of steady, high-paying jobs.

In Colorado, we have managed to increase energy production to meet our growing demand. But we have done so in a way that protects our public lands and creates jobs, for those in oil and gas and our thriving outdoor economy.

We have found a way for all sides to win.

If my colleagues from Alaska want to increase energy production, create jobs, and spur growth, I stand ready to help, but let’s not pretend that drilling in the Arctic Refuge is the only way to do that.

There are places in America where you can set up an oil rig, lay down...
roads, and run pipelines in responsible way. The Arctic Refuge is not one of those places. It is a treasure we should leave for our children, not a place to drill for no good reason.

Sadly, the Senate voted to allow drilling in the Arctic Refuge when it took up the tax bill.

For every American who opposed this move, know that this isn’t over.

Senator Mark Warner and I have authored a bill, which now has 41 cosponsors, that would shield the Arctic Refuge from drilling.

So I urge everyone to keep fighting, to keep speaking out for America’s public lands, which are the envy of the world, to keep standing up for the beautiful places in America we must pass on to the next generation, as our parents and grandparents did for us.

TRIBUTE TO CAPTAIN LUDVIG K. TANDE

Mr. RUBIO. Mr. President: I wish to pay tribute to a member of my staff, Kris Tande, who is retiring from the Senate at the end of this year. This is not the first time he has retired from public life. Retired Navy Capt Ludvig K. Kris Tande spent a career as a naval aviator prior to working for several legislators from the State of Florida.

Captain Tande currently serves as my senior State military director, and I am the fourth Florida Senator to have had Captain Tande help me represent northwest Florida. Starting in 1998, Captain Tande served as regional director for Senator Connie Mack, later serving in the same position for Senators Mel Martinez and George LeMieux. Former Congressman Jeff Miller tapped Captain Tande as his district director from 2001–2005. Captain Tande has served the constituents of Northwest Florida for the past 19 years, notably included the 2005 Base Realignment and Closure Commission, which saw Florida gain vital military missions such as the re-location of 7th Special Forces Group from North Carolina and the standup of multiservice F–35 Joint Strike Fighter training at Eglin Air Force Base. During my time, when our country lost one of its brave troops, Captain Tande helped connect me with the families to whom we owed a great debt. When disaster struck, Captain Tande was instrumental in assisting Floridians adversely affected by the 2010 Deepwater Horizon oil spill that resulted in substantial economic damage in northwest Florida.

Former Senator Mel Martinez has this to say about Kris: ‘‘Captain Tande was one of the most valued members of my Senate staff. My service in the Senate came at the beginning of the ‘War on Terror.’ Kris provided me valuable insight into the military issues we were confronting. He particularly helped me to understand the plight of military families impacted by long deployments, and the physical cost of war on our troops. He was much more than a regional representative. He was an integral part of my Senate life. Kris became a friend and trusted advisor and was a genuine pleasure to know. My visits to the Panhandle were always great because of good, cheerful company and full of snacks! Captain Tande, enjoy a well-earned retirement and thank you for your many years of dedicated service to our country.’’

For many people, this could be considered a full career. For Kris Tande, this was his second act. Captain Tande was designated a Naval aviator in 1970 and subsequently flew 4,000 hours in helicopters and fixed-wing aircraft and deployed on several aircraft carriers. He is a plankowner of the amphibious ship USS Wasp LHD–1. Tande held several commands, most notably as commanding officer Naval Air Station Whiting Field, 1993–1995, in Milton, FL, and commander Training Wing Five (1995). His flight helmet sits in the reconstructed Joint Officers’ Club, originally in the Republic of the Philippines, now at the National Naval Aviation Museum in Pensacola, FL.

As he leaves the service of his country and heads into retirement with his wife of 47 years, J.J., his four children, and six beloved grandchildren, I wanted to thank Captain Tande for his service to his country and particularly to northwest Florida. The business, military personnel, veteran and their families who make up so much of the Florida Panhandle will miss this good public servant’s steady hand.

Best wishes to Kris and J.J. as they embark on a well-earned retirement.

TRIBUTE TO KATIE MURRAY

Mr. ROUNDS. Mr. President, today I recognize Katie Murray for all of her hard work on behalf of myself, my staff, and the citizens of South Dakota while working in my Rapid City and Sioux Falls, SD offices.

Katie is a joy to work with, and she has been an excellent public servant. We wish her the best in all of her future endeavors.

The citizens of South Dakota, my staff, and I are grateful to Katie for her service. We are a better State because of her hard work.

TRIBUTE TO MICHELE MUSTAIN

Mr. ROUNDS. Mr. President, today I recognize Michele Mustain for all of her hard work on behalf of myself, my staff, and the people of South Dakota while working in my Sioux Falls, SD office.

We are grateful for the excellent work she has done for other elected leaders and for all of the help she has given to the citizens of the United States.

Because she has helped so many soldiers and their families, it is fitting that she will now be working for the Employer Support for the Guard and Reserve.

My staff and I wish her the best in the future. We will always appreciate her and her willingness to help us become better public servants.

ADDITIONAL STATEMENTS

TRIBUTE TO FREDERIKA S. JENNER

Mr. CARPER. Mr. President, it is with great pleasure that, on behalf of Delaware’s congressional delegation, I wish to honor the exemplary service of educator and Delaware State Education Association leader Frederika S. Jenner. She has served Delaware as a teacher and education advocate since 1972, and during that time, she worked to effectively improve our education system and shape thousands of young children’s lives. Frederika has now retired after more than four decades of serving in Delaware’s schools and advocating on behalf of its students and teachers. She is a selfless education advocate and adviser, as well as a devoted wife and mother. Delaware’s education system and countless Delawarians will benefit from her life’s work for decades to come.

Frederika is a graduate of A.I. DuPont High School in Wilmington, DE. She earned her bachelor’s degree in education from Goucher College in Baltimore and then returned to Delaware where she taught elementary school for 39 years. She had such a dedication to education that she furthered her own while she was teaching and ultimately received her master’s in instruction from the University of Delaware. Although she started as an English and reading specialist, Frederika took a leap to become a science teacher along the way, teaching herself and earning her certification all in the first year in her new position. She then went on, science remained an intense passion of hers, as well as a focus of much of her work both in and out of the classroom. Throughout her career, Frederika also encouraged a love of reading among her students and took great pride in her voluminous classroom library, with over 2,000 books on its shelves.

Throughout her many years in the classroom, Frederika became a trusted voice among her fellow educators. From day one, she was involved as a voting and then non-voting board member of the Delaware State Education Association, and her activism grew from there. Later, she would serve as president of the 1,200-member Red Clay Education Association and then went on to serve as an at-large board member of the Delaware State Education Association for 3 years. In 2011, Frederika was elected president of the Delaware State Education Association. In that role, she emerged as a strong and fair leader, working to shape education policy decisions and then returned to the Delaware State Education Association for another 4 years.
new educational standards that we use today and to chart a course to reach them.

Frederika also took on the task of improving science education in Delaware. She worked for 5 years as a Coalition Scientist and School Districts all over Delaware integrate new State science standards and innovative teaching practices, including the Smithsonian Kits Programs. She regularly traveled the State, training teachers and delivering necessary supplies, everything from magnets and batteries to live crayfish, all in the interest of ensuring that students receiving hands-on science training. In 2010, Delaware Governor Jack Markell recognized her immense capabilities and appointed Frederika to the State Employee Advisory Committee.

There is a reason why, as Governor of Delaware, I was laser-focused on education and strengthening families. I believe these are two areas where we can make a lasting difference in the trajectory of a young person’s life. Frederika shares this belief and dedicated her career to the young people of Delaware. On behalf of both U.S. Senator Chris Coons and U.S. Representative Lisa Blunt Rochester, I want to thank Frederika S. Jenner for her service to the people of Delaware. Her love of children, along with her leadership and dedication to the notion that all children can learn, have improved the quality of education for countless Delawareans fortunate enough to be in her classroom and many who were not. However, all Delawareans have benefitted from the educational system she has worked so hard to help improve.

We are delighted to offer today our heartfelt congratulations to Frederika Jenner on a job well done, and we want to convey our thanks as well to her husband, Charles, and their sons Andrew and Nick for sharing with the children the qualities that make a remarkable woman and educator.

TRIBUTE TO CHARLES DALTON

Mr. GRAHAM. Mr. President, I am genuinely honored to recognize before the U.S. Senate and the Nation Charles Dalton of Greenville, SC, on the occasion of his retirement as chief executive officer and president of Blue Ridge Electric Cooperative and Blue Ridge Security Solutions.

Born and raised on a farm in Pickens, SC, Charles from an early age developed a love for antique cars, Clemson football, and serving the Upstate of South Carolina. Charles cofounded and operated a furniture company in Pickens with his brother, Allison Dalton, before starting his career with Blue Ridge Electric Cooperative.

Charles was elected chief executive in 1982 and has committed his time to serving the State of South Carolina by bringing power to remote, mountainous communities in five counties in the Upstate. His leadership over the last 36 years has helped the energy provider’s membership to more than double, growing from 29,000 members to approximately 66,000. Charles has a reputation as a humble, accessible leader. In fact, he has been known to give out his home phone number to Blue Ridge Electric Cooperative members to provide constant service and maintain relationships in the communities in which he serves.

In addition to contributing to the Upstate’s growing economy during his tenure, Charles was also served in multiple capacities on nonprofit boards, including the Greenville chapter of the American Red Cross, Peace Center, and Cannon Memorial Hospital. He was selected to serve as a commissioner for the South Carolina Department of Transportation and co-founded the Upstate South Carolina Alliance, an organization committed to establishing the Upstate as a prominent economic region competing in the global economy. After his retirement, Charles and his wife, Libby, are looking forward to remaining engaged and active in the Upstate.

Charles has received statewide recognition for his contributions to business, community, and educational service in South Carolina. In 1998, he was selected by Governor Beasley to serve as South Carolina’s “Ambassador for Economic Development.” As a proud graduate of Clemson University, Charles was recognized with the 2014 Distinguished Service Award by the Clemson Alumni Association for serving as an exceptional role model for present and future students. Last year, Charles was awarded the Spirit of the Upstate Award for consistently exhibiting exceptional leadership and dedicating his personal and professional life to strengthening the Upstate region in South Carolina. These accolades serve as a testament to the profound role Charles has played in improving the lives of South Carolinians in the Upstate, and I am confident that he will continue to do so in this next chapter of his life.

It is a distinct honor to recognize Charles Dalton on this important milestone. I ask that my colleagues join me in thanking Charles for the many contributions he has made over the course of his career, and I wish him all the best.

150TH ANNIVERSARY OF BETHEL AFRICAN METHODIST EPISCOPAL CHURCH

Mr. PETERS. Mr. President, today I wish to recognize the 150th anniversary of Bethel African Methodist Episcopal—A.M.E.—Church in Saginaw, MI. This occasion commemorates the humble beginnings of Bethel A.M.E. from a church of 6 to now more than 1,000 congregants, celebrating 150 years of faith, family, and community.

Bethel A.M.E. Church, the first African-American church in Saginaw, began in the home of Mr. and Mrs. Allen Ford, with six congregants in 1867. The church began to rapidly grow and became the social and religious foundation and place of refuge for African Americans in the community. As Bethel A.M.E. rose to prominence, it attracted the attention of notable figures in the community, including abolitionist and women’s rights activist Sojourner Truth in 1871.

Over the past 150 years, more than a dozen pastors have led Bethel A.M.E. and have left lasting contributions to the church’s fundamental mission and community outreach. Reverend J.A. Daniels’ passion for ministering to youth laid the foundation for youth programs such as the Daily Vacation Bible School and the Carver Center of National Youth Organization in Saginaw. Each pastor had a hand in the expansion of the church, including the construction of a church complex. Under Rev. Harold C. Huggins’ tenure in 1967, Bethel A.M.E. celebrated the church’s centennia and dedication to the new development within the same year.

Bethel A.M.E. has had many successes over the years and has also endured great tragedy. Kenneth Bowman stepped into the role of substitute pastor when Rev. R.C. Boyd, who served from 1949 to 1954, became ill. Pastor Bowman accomplished many goals within his 1-year tenure, until he was killed in an automobile accident on March 13, 1954. Soon after, Pastor Boyd passed away on March 18, 1954, succumbing to his illness.

Through the tragedies, Bethel A.M.E. has held fast to its motto, “Love Conquers All,” by providing for the physical and spiritual needs of the Saginaw community with steadfast and compassionate stewardship by organizations, youth programs, and prison ministries. Bethel A.M.E., also feeds the hungry, assists residents experiencing homelessness, and operates both a credit union and daycare center.

Today Bethel A.M.E. Church, led by Pastor Dennis Laffoon, is the oldest African-American church in the Great Lakes Bay Region. Their membership has grown from its six founding members into a proud and active body of more than 1,000 strong. In its 150 years, Bethel A.M.E. has been a community institution, spiritual refuge, and civic leader in Saginaw.

I am pleased to rise today to ask my colleagues to join me in recognizing the 150th anniversary of Bethel African Methodist Episcopal Church. From modest beginnings in that little home on Fourth Street to expanding its square footage and its mission to pass on the blessings they have received onto the community, Bethel A.M.E. has much to celebrate. I wish the leadership and congregation continued success and prosperity in the years ahead.
MESSAGES FROM THE PRESIDENT
Messages from the President of the United States were communicated to the Senate by Ms. Ridgway, one of his secretaries.

EXECUTIVE MESSAGES REFERRED
As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting nominations which were referred to the Committee on the Judiciary.

The message received today is printed at the end of the Senate proceedings.

MESSAGES FROM THE HOUSE
At 11:02 a.m., a message from the House of Representatives, delivered by Mr. Novotny, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 1536. An act to designate a human trafficking prevention coordinator and to expand the scope of activities authorized under the Federal Motor Carrier Safety Administration's outreach and education program to include human trafficking prevention activities, and for other purposes.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3312. An act to amend the Dodd-Frank Wall Street Reform and Consumer Protection Act to specify when bank holding companies may be subject to certain enhanced supervision, and for other purposes.

H.R. 4254. An act to amend the National Science Foundation Authorization Act of 2002 to strengthen the aerospace workforce pipeline by the promotion of Robert Noyce Teacher Scholarship Program and National Aeronautics and Space Administration internships and fellowship opportunities to women, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 4323. An act to promote veteran involvement in STEM education, computer science, and scientific research, and for other purposes; to the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES
The following reports of committees were submitted:

By Mr. HATCH, from the Committee on Finance, with an amendment in the nature of a substitute:

S. 1827. A bill to extend funding for the Children's Health Insurance Program, and for other purposes (Rept. No. 115-197).

By Mr. HOEVEN, from the Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 3333. A bill to provide for rental assistance for homeless or at-risk Indian veterans (Rept. No. 115-196).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS
The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. YOUNG (for himself and Ms. BALDWIN):

S. 2256. A bill to reauthorize title VI of the Higher Education Act of 1965 in order to improve and encourage innovation in international education, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. YOUNG (for himself, Mr. GRASSLERY, Mr. CHAPRO, Mr. ROBERTS, Mr. THUNE, and Mr. KARKY):

S. 2256. A bill to amend the Internal Revenue Code of 1986 to extend expiring provisions, and for other purposes; to the Committee on Finance.

By Mr. COONS (for himself and Mr. GRAHAM):

S. 2257. A bill to establish the IMPACT for Energy Foundation; to the Committee on Energy and Natural Resources.

By Mr. PORTMAN (for himself, Mr. COONS, and Mr. KING):

S. 2258. A bill to provide for the discharge of parent borrower liability if a student on whose behalf a parent has received certain student loans becomes disabled; to the Committee on Health, Education, Labor, and Pensions.

By Mr. BOOKER (for himself, Mrs. MURRAY, Mr. MURPHY, Mr. WHITEHOUSE, Mr. BALDWIN, Mr. FRANKEN, Ms. GILLIBRAND, Mr. KAIN, Mrs. SHAHREN, Mr. BLUMENTHAL, Mr. SANDERS, Ms. HRON, Mr. MARKEY, Mr. MURPHY, Mr. VAN HOLLEN, Ms. DUCKWORTH, Mr. MENENDEZ, Mr. MERKLEY, and Mr. WYDEN):

S. 2259. A bill to establish certain duties for pharmacies to ensure provision of Food and Drug Administration-approved contraception, medication related to contraception, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS
The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. RUBIO (for himself and Mr. NELSON):

S. Res. 362. A resolution recognizing the service of the Los Angeles-class attack submarine USS Jacksonville, which it requests the concurrence of the House of Representatives, delivered by Ms. Ridgway, one of his secretaries.

By Mr. NELSON (for himself and Mr. RUBIO):

S. Res. 363. A resolution expressing profound concern about the growing political, humanitarian, and economic crisis in Venezuela and the widespread human rights abuses perpetrated by the Government of Venezuela; to the Committee on Foreign Relations.

ADDITIONAL COSPONSORS
S. 515

At the request of Mr. CASEY, the name of the Senator from North Dakota (Ms. HETTIG) was added as a cosponsor of S. 515, a bill to require the Secretary of Labor to maintain a publicly available list of all employers that relocate a call center overseas, to make such company public; and to establish Federal grants or guaranteed loans, and to require disclosure of the physical location of business agents engaging in customer service communications, and for other purposes.

At the request of Mr. RUBIO, the names of the Senator from Oregon (Mr. MERKLEY) and the Senator from Maryland (Mr. VAN HOLLEN) were added as cosponsors of S. 1580, a bill to enhance the transparency, improve the coordination, and intensify the impact of assistance to support access to primary and secondary education for displaced children and persons, including women and girls, and for other purposes.

S. 1635

At the request of Mr. NELSON, his name was added as a cosponsor of S. 1615, a bill to authorize the cancellation of removal and adjustment of status of certain individuals who are long-term United States residents and who entered the United States as children, and for other purposes.

S. 1898

At the request of Mr. PORTMAN, the names of the Senator from Wyoming (Mr. ENZI) and the Senator from New Jersey (Mr. MENENDEZ) were added as cosponsors of S. 1693, a bill to amend the Communications Act of 1934 to clarify that section 230 of that Act does not prohibit the enforcement against providers and users of interactive computer services of Federal and State
criminal and civil law relating to sex trafficking.

At the request of Mr. HATCH, the name of the Senator from Kentucky (Mr. PAUL) was added as a cosponsor of S. 1774, a bill to provide protections for workers with respect to their right to select or refrain from selecting representation by a labor organization.

At the request of Mr. WARNER, the name of the Senator from Indiana (Mr. YOUNG) was added as a cosponsor of S. 1914, a bill to amend title XVIII of the Social Security Act to strengthen rules in case of competition for diabetic testing strips, and for other purposes.

At the request of Mr. GRASSLEY, the name of the Senator from Wisconsin (Ms. BALDWIN) was added as a cosponsor of S. 2070, a bill to amend to amend the Violent Crime Control and Law Enforcement Act of 1994, to reauthorize the Missing Alzheimer’s Disease Patient Alert Program, and to promote initiatives that will reduce the risk of injury and death relating to the wandering characteristics of some children with autism.

At the request of Mr. BOOZMAN, the name of the Senator from Massachusetts (Ms. WARREN) was added as a cosponsor of S. 2105, a bill to modify the provisions concerning compensation for veterans who were exposed to herbicide agents while serving in the Armed Forces in Thailand during the Vietnam era, and for other purposes.

At the request of Mr. BROWN, the name of the Senator from Pennsylvania (Mr. CASEY) was added as a cosponsor of S. 2137, a bill to amend the Internal Revenue Code of 1986 to create a Pension Rehabilitation Trust Fund to establish a Pension Rehabilitation Administration within the Department of the Treasury to make loans to multiemployer defined benefit plans, and for other purposes.

At the request of Mr. HATCH, the name of the Senator from Oregon (Mr. MERKLEY) was added as a cosponsor of S. 2152, a bill to amend title 18, United States Code, to provide for assistance for victims of child pornography, and for other purposes.

At the request of Mrs. GILLIBRAND, the name of the Senator from Rhode Island (Mr. WHITEHOUSE) was added as a cosponsor of S. 2236, a bill to require covered discrimination and covered harassment awareness and prevention training for Members, officers, employees, interns, fellows, and detailees of Congress within 30 days of employment and reemployment, to require a biennial climate survey of Congress, to amend the enforcement process under the Office of Congressional Workplace Rights for covered discrimination and covered harassment complaints, and for other purposes.

**SUBMITTED RESOLUTIONS**


Mr. RUBIO (for himself and Mr. NELSON) submitted the following resolution; which was considered and agreed to:

WHEREAS the USS Jacksonville (SSN 699) is named after Jacksonville, the largest and most populous city in Florida, and is the first ship to bear that name; and

WHEREAS the slogan of the city of Jacksonville, Florida, is “The Bold New City of the South” and inspired the nickname of the USS Jacksonville, which is “The Bold One”; and

WHEREAS, on August 10, 2017, the USS Jackson- ville returned to the home port of the USS Jacksonville at Joint Base Pearl Har- bor-Hickam in the Western Pacific after 209 days out to sea, thus completing the 15th and final deployment of the USS Jacksonville; and

WHEREAS, on the last deployment of the USS Jacksonville, the USS Jacksonville steamed more than 48,000 nautical miles while conducting:(1) maritime security operations in the areas of operation of the Fifth Fleet and Seventh Fleet of the United States; and (2) joint exercises with the Maritime Self-Defense Force of Japan and the navy of the Republic of India; and

WHEREAS, since the commissioning of the USS Jacksonville on May 16, 1981, the USS Jacksonville has completed 2 around-the-world cruises, visited ports on nearly every continent, and completed countless critical missions; and

WHEREAS, on September 11, 2001, while the USS Jacksonville was attached to the Enterprise Battle Group, the USS Jacksonville— (1) was in the Mediterranean Sea; and (2) stayed on-station to provide critical intelligence support as the United States prepared for Operation Enduring Freedom.

WHEREAS, in the last deployment of the USS Jacksonville, the USS Jacksonville, the USS Jacksonville served the United States with valor and bravery.

**SENATE RESOLUTION 363—EXPRESSION OF CONCERN ABOUT THE GROWING POLITICAL, HUMANITARIAN, AND ECONOMIC CRISIS IN VENEZUELA AND THE WIDESPREAD HUMAN RIGHTS ABUSES PERPETRATED BY THE GOVERNMENT OF VENEZUELA**

Mr. NELSON (for himself and Mr. RUBIO) submitted the following resolution; which was agreed to:

WHEREAS the crisis in Venezuela continues to ravage the country and the Venezuelan people suffer from shortages of essential medicines, food, and basic supplies; and

WHEREAS because of the crisis in Venezuela, approximately 1,300,000 people are undernourished and roughly the population has lost an average of 19 pounds since the start of the economic crisis; and

WHEREAS the largest impact of the crisis in Venezuela is felt by children, who suffer from nutritional deficiencies, according to the nongovernmental organization Caritas; and

WHEREAS public health organizations in Venezuela report that only 38 percent of essential drugs are present in the country and more than 60 of the hospitals in Venezuela no longer have potable water, leading to a rise in chronic diseases such as malaria and diphtheria; and

WHEREAS the crisis forces thousands of Venezu- elans to leave the country in vulnerable conditions and the number of Venezuelans seeking asylum in 2017 was almost double that in 2016, according to the United Nations High Commissioner for Refugees; and

WHEREAS President of Venezuela Nicolas Maduro has repeatedly denied the existence of Venezuela’s humanitarian crisis and rejected offers of international humanitarian assistance; and

WHEREAS, instead of responding to the demands of its people, the Government of Venezuela has prioritized consolidation of power, undermined Venezuela’s democracy, and engaged in a campaign of repression and human rights abuses; and

WHEREAS the Government of Venezuela categorically freedom of expression, harasses journalists, and limits the ability of the Venezuelan people and the world to learn about the crisis and its effects; and

WHEREAS, starting in April 2017, Venezuelan citizens staged massive, nationwide protests for more than four months in direct opposition to President Maduro’s efforts to consolidate power and undermine Venezuela’s democracy; and

WHEREAS, the United Nations Office of the High Commissioner on Human Rights reported that 124 deaths have been investigated by the Venezuelan Attorney General’s Office in connection with the death of at least 46 victims allegedly killed by security forces and 27 more by members of armed pro-government civilian groups, bringing the total number of extrajudicial deaths to 357 between July 2015 and March 2017; and

WHEREAS, the United Nations Office of the High Commissioner concluded that there has been widespread and systematic use of excessive force and arbitrary detentions against demonstrators, as well as violent raids of homes, torture, and ill-treatment of those detained in connection with the protests; and

WHEREAS human rights organizations in Venezuela have identified more than 5,000 arbitrary detentions between April 1, 2017, and October 31, 2017, and 299 political prisoners currently detained; and

WHEREAS Amnesty International documented repeated use of various methods of arbitrary detention, including torture and forced disappearances intended to silence dissidents and limit freedom of expression; and

WHEREAS nongovernmental organizations Human Rights Watch and Penal have documented how Venezuelan security forces have used tactics of torture, including electric shocks and asphyxiation, against individuals who oppose the Government of Venezuela; and

WHEREAS the Government of Venezuela continues to use the Bolivarian National Guard and National Police to detain protesters and subsequently try them in military courts with at least 198 documented
cases against civilians in military courts; and

Whereas, on July 25, 2017, the Organization of American States Secretary General Luis Almagro convened public hearings to review whether the Government of Venezuela has committed crimes against humanity and should be referred to the International Criminal Court; therefore, be it

Resolved, That the Senate—

(1) expresses its profound concern about the humanitarian impacts of the crisis suffered by the people of Venezuela, including widespread shortages of basic food commodities and essential medicines;

(2) urges President of Venezuela Nicolas Maduro to consider the delivery of international humanitarian assistance;

(3) calls on the Government of Venezuela to immediately release all political prisoners and to respect internationally recognized human rights;

(4) calls on the Government of Venezuela to ensure the neutrality and professionalism of all security forces and to respect the Venezuelan people’s rights to freedom of expression and assembly;

(5) supports the Secretary General of the Organization of American States in his review of whether the widespread human rights abuses in Venezuela warrant an investigation by the International Criminal Court; and

(6) urges the President of the United States to provide full support for OAS efforts in examining the human rights situation in Venezuela and to instruct appropriate Federal agencies to hold officials of the Government of Venezuela accountable for violations of United States law and abuses of internationally recognized human rights.

NOTICE OF INTENT TO OBJECT TO PROCEEDING

I, Senator Charles E. Grassley, intend to object to proceeding to the nomination of David J. Ryder, of New Jersey, to be Director of the Mint, and Isabel Marie Keenan Pateluhas, of Pennsylvania, to be Assistant Secretary of Defense for Legislative and International Affairs, to the Senate on Wednesday, December 20, 2017.

AUTHORITY FOR COMMITTEES TO MEET

Mr. GARDNER. Mr. President, I have a request for one committee to meet during today’s session of the Senate. It has the approval of the Majority and Minority Leaders.

Pursuant to rule XXVI, paragraph 5(a), of the Standing Rules of the Senate, the following committee is authorized to meet during today’s session of the Senate:

SUBCOMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

The Subcommittee on Transportation and Infrastructure of the Committee on Environment and Public Works is authorized to meet during the session of the Senate on Wednesday, December 20, 2017, at 10:30 a.m. in room SD-408 to consider the nominations: Executive Calendar Nos. 489, 498, 509, 531, and 532; that the Senate vote on the nominations en bloc with no intervening action or debate; that if confirmed, the motions to reconsider be considered made and laid upon the table en bloc; that the President be immediately notified of the Senate’s action; that no further motions be in order; and that any statements relating to the nominations be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is, Will the Senate advise and consent to the nominations en bloc?

The nominations were confirmed en bloc.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. McCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to executive session for the en bloc consideration of the following nominations: Executive Calendar Nos. 489, 498, 509, 531, and 532; that the Senate vote on the nominations en bloc with no intervening action or debate; that if confirmed, the motions to reconsider be considered made and laid upon the table en bloc; that the President be immediately notified of the Senate’s action; that no further motions be in order; and that any statements relating to the nominations be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is, Will the Senate advise and consent to the Kees, McAllister, Parsons, Patrick, and Sturt nominations en bloc?

The nominations were confirmed en bloc.

UNANIMOUS CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. McCONNELL. Mr. President, I ask unanimous consent that at a time to be determined by the majority leader, in consultation with the Democratic leader, on January 3, 2018, the Senate proceed to executive session for the consideration of the following nominations: Executive Calendar Nos. 560 through 569; that the Senate vote on the nomination with no intervening action or debate; that if confirmed, the motion to reconsider be considered made and laid upon the table; that the President be immediately notified of the Senate’s action; that no further motions be in order; and that any statements relating to the nomination be printed in the RECORD.

The question is, Will the Senate advise and consent to Executive Calendar Nos. 571, 572, 573, 574, and 575?

Without objection, it is so ordered.

The clerk will report the nominations en bloc.

The legislative clerk read the nominations of Duane A. Kees, of Arkansas, to be United States Attorney for the Western District of Arkansas for the term of four years; Stephen R. McAllister, of Kansas, to be United States Attorney for the District of Kansas for the term of four years; Ronald A. Parsons, Jr., of South Dakota, to be United States Attorney for the District of South Dakota for the term of four years; Ryan K. Patrick, of Texas, to be United States Attorney for the Southern District of Texas for the term of four years; and Michael B. Stuart, of West Virginia, to be United States Attorney for the Southern District of West Virginia for the term of four years.

Thereupon, the Senate proceeded to consider the nominations en bloc.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the Senate vote on the nominations en bloc with no intervening action or debate; that if confirmed, the motions to reconsider be considered made and laid upon the table en bloc; that the President be immediately notified of the Senate’s action; that no further motions be in order; and that any statements relating to the nominations be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE CALENDAR

Mr. McCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Executive Calendar Nos. 560 through 569 and all nominations placed on the Secretary’s desk; that the nominations be confirmed; that the motions to reconsider be considered made and laid upon the table with no intervening action or debate; that no further motions be in order; that any statements related to the nominations be printed in the RECORD; that the President be immediately notified of the Senate’s action, and the Senate then resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed are as follows: IN THE AIR FORCE

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general Maj. Gen. Anthony J. Cotton
The following named officer for appointment in the United States Air Force to the grade indicated under title 10, U.S.C., section 624:
To be brigadier general
Col. Sharon A. Shaffer

The following named officer for appointment in the United States Air Force to the grade indicated under title 10, U.S.C., section 8069:
To be brigadier general
Col. Robert J. Marks

The following named officers for appointment in the United States Air Force to the grade indicated under title 10, U.S.C., section 624:
To be brigadier general
Col. Ronald G. Allen, Jr.
Col. Mark R. August
Col. Charles E. Brown, Jr.
Col. Joel L. Carey
Col. Brenda P. Cartier
Col. Darren R. Cole
Col. Heath A. Collins
Col. Douglas S. Coppinger
Col. Matthew W. E. Driscoll
Col. Todd A. Dozier
Col. Peter M. Fesler
Col. Eric H. Froehlich
Col. Michael A. Groen
Col. Andrew P. Hansen
Col. Michelle L. Hayworth
Col. Thomas K. Hensley
Col. Stephen F. Jost
Col. Jeffrey R. King
Col. Leonard J. Kosinski
Col. Thomas E. Kunkel
Col. Laura L. Lemler
Col. Rodney D. Lewis
Col. Robert K. Lyman
Col. David B. Lyons
Col. Michael E. MacDill
Col. Joseph D. McFall
Col. David N. Miller, Jr.
Col. Christopher J. Nemi
Col. Clark J. Quinn
Col. George M. Reynolds
Col. Douglas A. Schiss
Col. David W. Snoddy
Col. Adrian L. Spain
Col. Ernest J. Telschert, III
Col. Alice W. Trevino

IN THE ARMY

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:
To be lieutenant general
Maj. Gen. Christopher G. Cavoli

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:
To be general
Lt. Gen. Stephen J. Townsend

IN THE NAVY

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:
To be vice admiral
Rear Adm. Nancy A. Norton

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:
To be vice admiral
Rear Adm. Richard A. Brown

IN THE AIR FORCE

The following named officer for appointment in the Reserve of the Air Force to the grade indicated under title 10, U.S.C., section 12203:
To be brigadier general
Col. Mitchel Neurow

The following named officer for appointment in the Reserve of the Air Force to the grade indicated under title 10, U.S.C., section 12203:
To be major general
Brig. Gen. Hubert C. Hegtvedt
Brig. Gen. Timothy P. Kelly
Brig. Gen. Albert V. Lupinski
Brig. Gen. Samuel M. C. Mahaney
Brig. Gen. John B. Williams

NOMINATIONS PLACED ON THE SECRETARY’S DESK

PN1296 AIR FORCE nomination of Arianne R. Morrison, which was received by the Senate and appeared in the Congressional Record of December 1, 2017.

PN1297 AIR FORCE nomination of Richard A. Hanahan, which was received by the Senate and appeared in the Congressional Record of December 1, 2017.

PN1298 AIR FORCE nominations (2) beginning ALECK A. BROWN, and ending JOHN D. RITTER, which nominations were received by the Senate and appeared in the Congressional Record of December 1, 2017.

PN1299 AIR FORCE nominations (2) beginning YON T. CHUNG, and ending MICHAEL B. PAYNE, which nominations were received by the Senate and appeared in the Congressional Record of October 16, 2017.

PN1142 ARM Nominations (2) beginning NATHANIEL H. ANDERSON, and ending JOHN T. BILLY, which nominations were received by the Senate and appeared in the Congressional Record of October 16, 2017.

PN1265 ARM Nominations (2) beginning NATHANIEL H. ANDERSON, and ending JOHN T. BILLY, which nominations were received by the Senate and appeared in the Congressional Record of October 16, 2017.

PN1266 ARM Nominations (2) beginning THOMAS W. GREEN, and ending KENNETH M. KOOP, which nominations were received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1267 ARM Nomination of Adam R. Liberman, which was received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1268 ARM Nomination of Michael E. Steelman, which was received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1269 ARM Nomination of Gerald D. Gangaram, which was received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1270 ARM Nomination of Brian R. Johnson, which was received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1271–1 ARM Nominations (18) beginning SCOTT T. AYERS, and ending TYEE ISA L. SMITH, which nominations were received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1272 ARM Nomination of Peter J. Armstrong, which was received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1273 ARM Nomination of Ali S. Zaza, which was received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1274 ARM Nomination of Phillip T. Buckler, which was received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1275 ARM Nomination of Vernice K. Favor-Williams, which was received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1290 ARM Nomination of Heather M. Lee, which was received by the Senate and appeared in the Congressional Record of December 1, 2017.

IN THE NAVY

PN1245 NAVY nominations (50) beginning WILLIAM L. ARNEST, and ending KAREN J. WOOD, which nominations were received by the Senate and appeared in the Congressional Record of November 14, 2017.

PN1301 NAVY nomination of Sharif H. Calife, which was received by the Senate and appeared in the Congressional Record of December 1, 2017.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now resume legislative session.

THE CALENDAR

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the following bills en bloc: Calendar No. 124, S. 117 and Calendar No. 56, S. 501. I further ask unanimous consent that, where applicable, the committee-reported amendment be agreed to, the bills, as amended, if applicable, be considered read a third time and passed, and the motions to reconsider be considered made and laid upon the table, all en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

ALEX DIEKMANN PEAK DESIGNATION ACT OF 2017

The Senate proceeded to consider the bill (S. 117) to designate a mountain peak in the State of Montana as “Alex Diekmann Peak,” which had been reported from the Committee on Energy and Natural Resources, with an amendment as follows:

(1) was a loving father of two and an adoring husband who lived in Bozeman, Montana, where he was a renowned conservationist who dedicated his career to protecting some of the most outstanding natural and scenic resource areas of the Northern Rockies;
(2) played a central role in securing the future of an array of special landscapes, including—

S. 117

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Alex Diekmann Peak Designation Act of 2017.”

SEC. 2. FINDINGS.

Congress finds that Alex Diekmann—
(1) was a loving father of two and an adoring husband who lived in Bozeman, Montana, where he was a renowned conservationist who dedicated his career to protecting some of the most outstanding natural and scenic resource areas of the Northern Rockies;
(2) played a central role in securing the future of an array of special landscapes, including—

THE CALENDAR

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the following bills en bloc: Calendar No. 124, S. 117 and Calendar No. 56, S. 501. I further ask unanimous consent that, where applicable, the committee-reported amendment be agreed to, the bills, as amended, if applicable, be considered read a third time and passed, and the motions to reconsider be considered made and laid upon the table, all en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

ALEX DIEKMANN PEAK DESIGNATION ACT OF 2017

The Senate proceeded to consider the bill (S. 117) to designate a mountain peak in the State of Montana as “Alex Diekmann Peak,” which had been reported from the Committee on Energy and Natural Resources, with an amendment as follows:

(1) was a loving father of two and an adoring husband who lived in Bozeman, Montana, where he was a renowned conservationist who dedicated his career to protecting some of the most outstanding natural and scenic resource areas of the Northern Rockies;
(2) played a central role in securing the future of an array of special landscapes, including—

S. 117

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Alex Diekmann Peak Designation Act of 2017.”

SEC. 2. FINDINGS.

Congress finds that Alex Diekmann—
(1) was a loving father of two and an adoring husband who lived in Bozeman, Montana, where he was a renowned conservationist who dedicated his career to protecting some of the most outstanding natural and scenic resource areas of the Northern Rockies;
(2) played a central role in securing the future of an array of special landscapes, including—
SEC. 3. DESIGNATION OF EAST ROSEBUD CREEK.

(a) DESIGNATION.—The unnamed 9,765-foot peak located 2.2 miles west-northwest of Finger Mountain on the western boundary of the Lee Metcalf Wilderness, Montana (UTM coordinates Zone 12, 45766 E., 4922589 N.), shall be known and designated as “Alex Diekmann Peak”.

(b) REFERENCES.—Any reference in a law, map, regulation, document, record, or other paper of the United States to the peak described in subsection (a) shall be considered to be a reference to “Alex Diekmann Peak”.

The committee-reported amendment was adopted.

The bill (S. 117), as amended, was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 117

SEC. 3. DESIGNATION OF WILD AND SCENIC RIVERS SEGMENTS.

(a) DESIGNATION.—Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1271(a)) is amended by adding at the end the following: (213) East Rosebud Creek, Montana. The portions of East Rosebud Creek in the State of Montana, consisting of—

(A) the 13-mile segment exclusively on public land within the Custer National Forest from the source in the Absaroka-Beartooth Wilderness downstream to the point at which the Creek enters East Rosebud Lake, including the stream reach between Two Owls and Rosebud Lake, to be administered by the Secretary of Agriculture as a recreational river; and

(B) the 7-mile segment exclusively on public land within the Custer National Forest from immediately below, but not including, the outlet of East Rosebud Lake downstream to the point at which the Creek enters private property for the first time, to be administered by the Secretary of Agriculture as a recreational river.

(b) ADJACENT MANAGEMENT.—In general.—In paragraph (213) of section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1271(a)) (as added by subsection (a)) creates a protective perimeter or buffer zone outside the designated boundary of the river segment designated by that paragraph.
IN THE AIR FORCE

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under Title 10, U.S.C., section 601:

To be lieutenant general


The following named officer for appointment in the United States Air Force to the grade indicated under Title 10, U.S.C., section 604:

To be brigadier general

Col. Sharon A. Shaffer

The following named officer for appointment in the United States Air Force to the grade indicated under Title 10, U.S.C., section 606:

To be brigadier general

Col. Robert J. Marks

The following named officers for appointment in the United States Air Force to the grade indicated under Title 10, U.S.C., section 609:

To be brigadier general

Col. Ronald G. Allen, Jr.
Col. Mark R. August
Col. Charles R. Brown, Jr.
Col. Joel L. Carey
Col. Brenda F. Carter
Col. Darren R. Cole
Col. Heath A. Collins
Col. Douglas S. Coppinger
Col. Matthew W. Davidson
Col. Todd A. Dozier
Col. Peter M. Fessler
Col. Todd A. Dozier
Col. Heath A. Collins
Col. Darren R. Cole
Col. Michael A. Greiner
Col. Duane A. Kees, of Arkansas

To be major general

Brig. Gen. Thomas J. Buhler
Brig. Gen. Christopher A. Grotness
Brig. Gen. Jonathan L. Werkheiser
Brig. Gen. John B. Williams
Brig. Gen. Samuel C. Mahaney
Brig. Gen. Albert V. Lupenski
Brig. Gen. Timothy P. Kelly
Brig. Gen. Hubert C. Hegtvedt
Brig. Gen. John J. Kees, of Kansas

To be vice admiral

Brig. Adm. Nancy A. Norton

To be brigadier general

Col. Mitchell Neurock

The following named officers for appointment in the Reserve of the Air Force to the grade indicated under Title 10, U.S.C., section 12203:

To be brigadier general

Col. Mitche111 e Neurock

The following named officers for appointment in the Reserve of the Air Force to the grade indicated under Title 10, U.S.C., section 12206:

To be major general

Brig. Gen. Hubert C. Grotness
Brig. Gen. Timothy P. Kelly
Brig. Gen. Albert V. Lupenski
Brig. Gen. Samuel C. Mahaney
Brig. Gen. John B. Williams

DEPARTMENT OF JUSTICE

Duane A. Kees, of Arkansas, to be United States Attorney for the Western District of Arkansas for the term of four years;

Stephen H. McAllister, of Kansas, to be United States Attorney for the District of Kansas for the term of four years;

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under Title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Christopher G. Cavoli

To be brigadier general

Col. Stephen J. Townsend

IN THE NAVY

The following named officers for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under Title 10, U.S.C., section 601:

To be vice admiral

Brig. Adm. Nancy A. Norton

IN THE ARMY

The following named officer for appointment in the Reserve of the Army to the grade indicated while assigned to a position of importance and responsibility under Title 10, U.S.C., section 601:

To be major general

Brig. Gen. Hubert C. Grotness
Brig. Gen. Timothy P. Kelly
Brig. Gen. Albert V. Lupenski
Brig. Gen. Samuel C. Mahaney
Brig. Gen. John B. Williams

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

Brig. Adm. Richard A. Brown

IN THE AIR FORCE

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under Title 10, U.S.C., section 601:

IN THE ARMY

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under Title 10, U.S.C., section 601:

IN THE NAVY

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under Title 10, U.S.C., section 601:

IN THE ARMY

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under Title 10, U.S.C., section 601:

IN THE NAVY

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under Title 10, U.S.C., section 601:

IN THE ARMY

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under Title 10, U.S.C., section 601:

IN THE NAVY

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under Title 10, U.S.C., section 601:
CONGRATULATING THE ARMY FOOTBALL TEAM’S VICTORY OVER NAVY

HON. ELISE M. STEFANIK
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Ms. STEFANIK. Mr. Speaker, I rise today to acknowledge the Army football team’s victory over the Navy.

The Army-Navy football game is one of college football’s most famous rivalries, played this year on December 9, 2017, at Lincoln Financial Field in Philadelphia. Last year in December of 2016, the Army Black Knights won their first game against the Navy Midshipmen in 14 years. This year, Army won its second consecutive game with a score of 14–13, earning the Commander-in-Chief’s Trophy. The victory was hard-fought in harsh, snowy conditions, not unfamiliar to the men and women who have served in the 10th Mountain Division.

Army wore uniforms that were a tribute to the 21st Congressional District’s own 10th Mountain Division, which was established in 1943. The soldiers of the 10th Mountain Division are notorious for training in severe conditions created by high elevations and mountain climates. To honor those who have served while assigned to the unit, the uniform featured the division’s coat of arms along with the words “Vires Montesque Vincimus” on the right shoulder, which means “We Conquer Powers and Mountains.” The Mountain Salute, “Climb to Glory,” could be seen under the coat of arms and the “Follow Me” sign was placed on their helmets. Additionally, the team wore the Panda Patch on their cleats, a patch that originally helped identify the soldiers who were nicknamed the Pando Commandos, a nod to the 10th Mountain Division’s roots in Pando, Colorado.

On behalf of the 21st District, I want to congratulate the United States Military Academy at West Point on their victory and recognize the Soldiers of the 10th Mountain Division who fought in World War II and those who continue to fight today to keep our nation safe.

PERSONAL EXPLANATION

HON. VICENTE GONZALEZ
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. GONZALEZ of Texas. Mr. Speaker, on roll call No. 690 I was inadvertently recorded as voting “no.” I support the Women in Aerospace Education Act and my vote should be recorded as “yes.”

TRIBUTE TO PAT AND JOHN WHEELER

HON. DAVID YOUNG
OF IOWA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate Pat and John Wheeler of Council Bluffs, Iowa on the very special occasion of their 50th wedding anniversary. They were married on October 6, 1967 at St. Paul’s United Church of Christ in Council Bluffs.

Pat and John’s lifelong commitment to each other and their family truly embodies Iowa values. As they reflect on their 50th anniversary, may their commitment grow even stronger, as they continue to love, cherish, and honor one another for many years to come.

Mr. Speaker, I commend this great couple on their 50th year together and I wish them many more. I ask that my colleagues in the United States House of Representatives join me in congratulating them on this momentous occasion and in wishing them nothing but the best.

CONFERENCE REPORT ON H.R. 1, TAX CUTS AND JOBS ACT

SPEECH OF
HON. KEVIN BRADY
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 19, 2017

Mr. BRADY of Texas. Mr. Speaker, I include in the RECORD letters from the Faith and Freedom Coalition, Taxpayers Protection Alliance, Club for Growth, and FreedomWorks:

FAITH AND FREEDOM COALITION.

Dear Representative, on behalf of the 1.5 million members and supporters of the Faith & Freedom Coalition, I urge you to vote YES on the Conference Report to H.R. 1, the Tax Cuts and Jobs Act.

A vote for this bill is a vote for tax cuts that Republicans have promised and America’s hardworking families desperately deserve. The Tax Cuts and Jobs Act will strengthen families, grow the economy, and create jobs. To that end, Faith & Freedom Coalition will score the vote on H.R. 1 as a vote to cut taxes for families and as a vote to begin the process of repealing Obamacare. This vote will appear in tens of millions of Congressional Scorecards and voter guides distributed in over 100,000 churches.

Since Congress last passed major tax reform over thirty years ago, the tax code has become riddled with corporate giveaways and special-interest provisions that benefit Wall Street corporations. These small businesses are the backbone of the American economy and the American family. Over 80% of new jobs are created by Main Street businesses and they need a tax rate that enables them to compete with overseas competitors and Wall Street corporations. These small businesses are often family affairs and are a key component to supporting stronger, more secure families.

Finally, repealing Obamacare’s individual mandate and returning the savings to families is another tax cut for working families. Nearly 7 million American families paid over $3 billion because of Obamacare’s individual mandate tax, and 80 percent make less than $50,000 a year. The Obamacare individual mandate is one of the most regressive taxes in the nation, punishing work and savings and hurting those least able to pay. Repealing it is a critical, if partial, fulfillment of the larger promise to end the disaster of Obamacare.

For all these reasons, Faith & Freedom Coalition will include the vote on Conference Report to H.R. 1, the Tax Cuts and Jobs Act (TCJA) in our Congressional Score and voter guides as a key vote in the 115th Congress.

Thank you for considering the views of our millions of members and supporters.

TAXPayers PROTECTION AllIANCE.

The Taxpayers Protection Alliance (TPA), representing millions of taxpayers across the country, urges the House of Representatives to vote YES for the Tax Cuts and Jobs Act. TPA is encouraged by the final tax reform package crafted by the conference committee. This legislation will provide comprehensive tax relief for millions of American families.

The conference report has many positive aspects, including a doubled standard deduction, a 21 percent corporate rate, and a $2,000 child tax credit. This legislation allows the economy to flourish, as small businesses get the green light to expand, hire, and increase wages. Individuals and families will have an easier time saving for education and retirement, with the thousands of dollars in annual savings from the legislation.

Additionally, the repeal of the Obamacare individual mandate personal penalty is an enormous burden for taxpayers while saving hundreds of billions in exchange subsidy payments. Taxpayers will finally have the freedom to forgo health insurance, if they choose.
without risking penalty from the federal government. TPA is pleased that the conference committee offers a plan that sharply curtails government while giving power back to hardworking Americans.

TPA urges every Congressman to vote YES on the Tax Cuts and Jobs Act.

Club for Growth: Key vote alert—"YES" on Conference Report to the Tax Cuts and Jobs Act, H.R. 1.

The Club for Growth supports the conference report to the Tax Cuts and Jobs Act (H.R. 1) and we urge all members of Congress to vote YES on it. A vote is expected in the next few days. The bill will be included in the Club’s 2017 congressional scorecard. This bill is not perfect, but it’s still very pro-growth. Some of the more pro-growth elements of the bill include: lowering the corporate tax rate down to 21%, a new 20% deduction for pass-through businesses, doubling the Death Tax exemption, and moving to an international territorial tax system.

The bill also modestly lowers individual tax rates and doubles the standard deduction.

The Club for Growth urges immediate passage of H.R. 1. Congress should also begin work on another pro-growth tax bill for next year that addresses other parts of the tax code left untouched by this proposal.

Our Congressional Scorecard for the 115th Congress provides a comprehensive rating of how well or how poorly each member of Congress supports pro-growth, free-market policies and will be distributed to our members and to the public.

FreedomWorks: Key Vote YES on the Conference Report for the Tax Cuts and Jobs Act, H.R. 1

On behalf of our activist community, I urge you to contact your representative and senators and ask them to vote YES on the conference report to the Tax Cuts and Jobs Act, H.R. 1. This final agreement on the Tax Cuts and Jobs Act provides much-needed relief to taxpayers across the country and to American businesses.

The Tax Cuts and Jobs Act lowers individual rates for the vast majority of taxpayers. In addition, the Tax Cuts and Jobs Act nearly doubles the standard deduction, meaning Americans keep more of their hard-earned money, and doubles the child tax credit from $1,000 to $2,000. This bill also provides relief by doubling the exemption amount from the unfair death tax.

Pass-through business owners, who file their taxes on their individual tax return, will be able to take a 20 percent deduction. This lowers the tax burden currently faced by pass-through businesses, which, according to the Tax Foundation, employ 70 million people, and promotes fairness.

America’s business community will also see added growth as a result of the policy changes in this bill. The corporate tax rate will be lowered substantially from 35 percent to 21 percent, making American businesses more globally competitive and allowing them the resources they need to innovate and create jobs. It also eliminates confusion and complexity so job creators can focus on building their company and hiring working Americans.

This bill also repeals the harmful Obamacare individual mandate, a coercive tax on Americans. It’s estimated that 80 percent of households subject to this tax earn less than $50,000 per year. This is an unnecessary hardship being placed on working Americans. The federal government should not punish individuals who cannot afford Obamacare’s costly health insurance plans or decide it is not the best course for them.

For these reasons, I urge you to call your representative and senators and ask them to vote YES on the conference report for the Tax Cuts and Jobs Act, H.R. 1. FreedomWorks will count the vote on our 2017 Congressional Scorecard. The scorecard is used to determine eligibility for the FreedomFighter Award, which recognizes Members of the House and Senate who consistently vote to support economic freedom and individual liberty.

IN RECOGNITION OF THE UNION OF NIGERIAN FRIENDS 30TH ANNIVERSARY

HON. MARC A. VEASEY
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 20, 2017

Mr. VEASEY. Mr. Speaker, I rise today to honor the Union of Nigerian Friends for its 30 years of service to Forest Hill and the North Texas community.

In 1987, the Union of Nigerian Friends was founded in order to provide a safe environment for dialogue on issues that affect the political, economic, and social progress for Nigerians here in the United States. Since its establishment 30 years ago, the Union of Nigerian Friends continues to promote cultural awareness and unity among all Nigerians and Americans, while serving as a shining example of civic engagement for our community.

The Union of Nigerian Friends takes great pride in its active civic participation through its numerous community partnerships in the areas of business, family recreation and education. For their longstanding excellence in community engagement Mayor Lyndia Thoms of the city of Forest Hill, Texas recognized the Union of Nigerian Friends for their success.

I honor the Union of Nigerian Friends 30th anniversary celebration.

TRIBUTE TO JEAN AND HOWARD GILLESPIE
HON. DAVID YOUNG
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 20, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate Jean and Howard Gillespie of Red Oak, Iowa on the very special occasion of their 65th wedding anniversary. They celebrated their anniversary on September 20, 2017.

Jean and Howard’s lifelong commitment to their family and their community is matched only by their commitment to enhancing the lives of others. They have served the community through numerous organizations and have exemplified the values of generosity, compassion, and inclusiveness.

Today, I want to take a moment to recognize the Gillespies and wish them nothing but the best.

IN HONOR OF ALEXANDRIA WINNING CLASS 5A WOMEN’S VOLLEYBALL STATE TITLE

HON. MIKE ROGERS
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 20, 2017

Mr. ROGERS of Alabama. Mr. Speaker, I ask for the House’s attention today to recognize Alexandria High School for winning the Class 5A State Title.

The Valley Cubs sealed their victory by beating Lawrence County High School on November 2nd at Bill Harris Arena in Birmingham in three sets for the Class 5A State Title: 25–23, 25–16, 25–13.

The Head Coach is Whitney Welch and Assistant Coaches are Kelli Johnson and Toni Hess. Players include: Kendal Bumpus, Madison Chastain, Kinsley Gregory, Kaitlin Harvey, Anna Johnson, Kate Johnson, China Lane, Gracie Muncher (All-State Team), Aubrey Pope (All-State Team), Kyleigh Rhodes, Devyn Taylor Spradley (Class 5A MVP), Kameron Simpson, Kayleigh Steen and Mattie Wade (All State Team).

Mr. Speaker, please join me in congratulating the students and faculty of Alexandria High School, the coaches, the players and all the Valley Cubs fans on this exciting achievement. Go Valley Cubs.

PERSONAL EXPLANATION
HON. TERRI A. SEWELL
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 20, 2017

Ms. SEWELL of Alabama. Mr. Speaker, had I been present, I would have voted NAY on Roll Call No. 697.
Hall of Fame and commend him for his dedication to our great state. I ask that my colleagues in the United States House of Representatives join me in congratulating him for this outstanding achievement and in wishing him nothing but continued success.

CONFERENCE REPORT ON H.R. 1, TAX CUTS AND JOBS ACT

SPREE OF
HON. KEVIN BRADY
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 19, 2017

Mr. BRADY of Texas. Mr. Speaker, I include in the RECORD letters from the Retail Industry Leaders Association, Dow Chemical Company, Semiconductor Industry Association, Information Technology Industry Council, Coalition for American Insurance, AT&T, and the National Roofing Contractors Association:

RETAIL INDUSTRY LEADERS ASSOCIATION.

To Members of the United States Congress: Retail Industry Leaders Association (RILA) urges Congress to pass the conference report to H.R. 1, the “Tax Cuts and Jobs Act,” which is scheduled for floor consideration this week. The bill provides for comprehensive tax reform, which is crucial to growing the economy and improving U.S. international competitiveness. It accomplishes these goals by doing, among other things: immediately reducing the corporate tax rate from 35 to 21 percent; replacing our current worldwide tax system with a territorial tax system; modifying individual tax rates, with a focus on providing a tax cut for middle income taxpayers.

RILA is the trade association of the world’s largest and most innovative retail companies. RILA members include more than 200 retailers, product manufacturers, and service suppliers, which together account for more than $1.5 trillion in annual sales, millions of American jobs, and more than 100,000 stores, manufacturing facilities, and distribution centers located both domestically and abroad.

Over 42 million jobs in the United States are either in retail or supported by retail, making retail America’s largest private sector employer. With more than $3.6 trillion in sales and hundreds of billions paid in wages, retail is one of America’s most powerful economic engines. In fact, consumer spending represents two-thirds of U.S. gross domestic product (GDP).

Despite the retail industry’s prominent place in the economy, retailers pay among the highest effective tax rates among U.S. industries. In 2016, retailers paid an average domestic effective tax rate of 34.6 percent. As a result, retailers paid $32.5 billion in federal taxes, which is 10 percent of the total federal corporate income tax paid by all corporate taxpayers. This tax treatment for the retail sector stifles job creation, investment, and consumer savings for a sector so important to our nation’s economy.

It has been 31 years since the tax code has been fundamentally reformed. RILA and its member companies urge passage of the conference report to H.R. 1, “Tax Cuts and Jobs Act” to finalize this once in a generation opportunity to reform our tax code to benefit the economy and America’s workers, consumers, and businesses.

DOW CHEMICAL COMPANY.

Dear Representative Brady: On behalf of The Dow Chemical Company, I write to urge you to vote in favor of the Tax Cuts and Jobs Act. This bill represents a hard-won compromise based on constructive dialogue among many stakeholders, and it deserves to become law.

Tax reform is critical for American manufacturers and our ability to thrive at home and compete globally. The legislation before you achieves the right rates and a shift to a territorial system—the key components of a pro-growth policy that will help U.S. manufacturers succeed in an increasingly competitive global marketplace and infrastructure. This bill, with a focus on U.S. growth and competitiveness, will drive further investments such as ours, resulting in more jobs and strengthening the U.S. manufacturing sector, along with the many industries it supports.

Passing this bill and enacting the first major overhaul of our tax code in a generation will be a significant accomplishment for this Congress. Most importantly, tax reform will bolster American businesses of all sizes, their employees and the communities they call home.

SEMICONDUCTOR INDUSTRY ASSOCIATION.


Re Semiconductor Industry backs Corporate Tax Reform Conference Report.

The Semiconductor Industry Association (SIA), representing U.S. leadership in semiconductor manufacturing, design, and research, today announced its support for the conference report to H.R. 1, the Tax Cuts and Jobs Act. The report reconciles differences between tax reform bills passed by the House and Senate in recent weeks. Votes on the conference report are expected this week.

“America’s economic strength and global technology leadership depend heavily on corporate tax policy that promotes growth and encourages innovation,” said John Neuffer, president & CEO, Semiconductor Industry Association. “We support the conference report because it includes several important provisions to help semiconductor and American companies more globally competitive. SIA is particularly pleased that conferees largely retained the balanced international approach to remittance taxation that ensures more equal tax treatment for U.S. and foreign-based insurers and consumers by addressing a longstanding loophole that allowed foreign-based insurers and consumers to avoid tax.

“With this agreement, Congress has made good on its promise to reforms that will keep American companies competitive in the global marketplace. Importantly, the Tax Cuts and Jobs Act helps to close the tax haven loophole in the current law that unfairly rewarded the transfer of profits and jobs overseas. Now, with the inclusion of the Base Erosion and Anti-Abuse Tax (BEAT) to improve the offshoreing of profits by foreign companies to tax havens, all insurers operating in the U.S. market will do so on the most level playing field in decades.”

“The BEAT is not discriminatory. Instead, it ensures that all companies doing business in the United States will pay U.S. taxes on that business. This is an important reform that will help maintain a level playing field for American and foreign-based insurance industry and enhance choices for all consumers.”

“We strongly urge members of the House and Senate to approve the Tax Cuts and Jobs Act so that this bill can be signed into law this year.”

AT&T.

AT&T remains committed to invest an additional $1 billion in the United States in 2018 if the bill proposed by the House and Senate conference committee is passed into law.

INFORMATION TECHNOLOGY INDUSTRY COUNCIL.

Dear Leaders McConnell and Schumer, Speaker Ryan and Leader Pelosi: On behalf of the Information Technology Industry Council (ITI), I write to express our strong support of the conference report to the H.R. 1, The Tax Cuts and Jobs Act. Given the importance of these provisions to the high-tech community, we will consider scoring votes in support of final passage of the tax reform legislation in our 115th Congressional Voting Guide.

ITI has long advocated for tax reform that builds a more competitive economy and incentivizes innovation. We are pleased to see that this critical legislation includes a permanent, competitive corporate rate, moves to a territorial system and creates better incentives for innovation including a permanent Research and Development Credit, and a tax incentive for income made abroad on intellectual property held in the United States.

Updating the over 30-year-old U.S. tax code is an essential step towards a more rational system for the nation. Adopting a territorial tax system where profits are taxed where they occur is essential to aligning the US system with the rest of the world. Similarly lowering the corporate rate, from one the lowest of any major global leader, will make the United States more competitive in the global arena. Critically for our sector, the law will help ensure the United States remains the global leader in innovative technologies by providing incentives for the development and retention of intellectual property.

On behalf of ITI’s member companies, we urge members of the House and Senate to support the final conference report to the Tax Cuts and Jobs Act.

COALITION FOR AMERICAN INSURANCE.


Re we support the Tax Cuts and Jobs Act. LEGISLATION ESTABLISHES LEVEL PLAYING FIELD FOR ALL INSURERS IN U.S.

The Coalition for American Insurance strongly supports the final version of the Tax Cuts and Jobs Act. The historic legislation modernizes the U.S. tax code to ensure more equal tax treatment for U.S. based insurers and consumers by addressing a longstanding loophole that allowed foreign-based insurers and consumers to avoid tax.

“With this agreement, Congress has made good on its promise to reforms that will keep American companies competitive in the global marketplace. Importantly, the Tax Cuts and Jobs Act helps to close the tax haven loophole in the current law that unfairly rewarded the transfer of profits and jobs overseas. Now, with the inclusion of the Base Erosion and Anti-Abuse Tax (BEAT) to improve the offshoreing of profits by foreign companies to tax havens, all insurers operating in the U.S. market will do so on the most level playing field in decades.”

“The BEAT is not discriminatory. Instead, it ensures that all companies doing business in the United States will pay U.S. taxes on that business. This is an important reform that will help maintain a level playing field for American and foreign-based insurance industry and enhance choices for all consumers.”

“We strongly urge members of the House and Senate to approve the Tax Cuts and Jobs Act so that this bill can be signed into law this year.”

AT&T.

AT&T remains committed to invest an additional $1 billion in the United States in 2018 if the bill proposed by the House and Senate conference committee is passed into law.

NATIONAL ROOFING CONTRACTORS ASSOCIATION.

The National Roofing Contractors Association (NRCA) supports the conference report
for the Tax Cuts and Jobs Act (H.R. 1). NRCA has long supported pro-growth tax reform that lowers rates for all types of employers and better enables roofing industry entrepreneurs to grow their businesses and more easily access the need for high paying, family-sustaining jobs. We believe the final version of H.R. 1 will increase incentives for productive investment in our industry and ultimately expand economic growth in the U.S.

Established in 1898, NRCA is one of the nation’s oldest trade associations and the voice of professional roofing contractors worldwide. NRCA’s 3,600 member companies represent all segments of the roofing industry, including contractors, manufacturers, distributors, consultants and other industry suppliers. NRCA members are typically small, privately held companies, but our membership includes businesses of all sizes. During peak season, the average member employs 45 people.

NRCA applauds your leadership in advancing tax reform through the House and Senate. We are pleased to see that the final bill provides lower tax rates for both corporations and businesses structured as pass-through entities; expands expenses capabili-
ties for qualifying property, including commercial roofs; doubles the death tax exemp-
tion; and improves accounting methods for small businesses, among other provisions.

We are especially pleased to see progress made on improving the new tax credit for pass-through employers and ensuring that family-owned businesses that utilize trusts are not excluded from benefiting from tax reform.

Again, NRCA supports the conference report on H.R. 1 and commends you for your leadership in advancing tax reform that will strengthen the roofing industry. We urge members of the House and Senate to approve this legislation so it may be signed into law by the president. Thank you for your consid-
eration of NRCA’s view on this crucial legis-
lation.

HUMAN TRAFFICKING
HON. GUS M. BILIRAKIS
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 20, 2017

Mr. BILIRAKIS. Mr. Speaker, I rise today to raise awareness of an important issue facing our nation and community: the rise of human trafficking.

The United States was founded on basic notions of human rights: that all people are born with an inalienable right to freedom, liberty and self-determination. Human trafficking is a crime against a person whereby through exploitation an individual is compelled to work or engage in a commercial sex act through force, fraud, or coercion, thereby being stripped of his/her fundamental human rights.

Human trafficking is a form of modern-day slavery in which traffickers target vulnerable populations, including men, women, children, citizens and non-citizens, forcing them into servitude and/or the sex trade. Traffickers typically use multiple means to control their vic-
tims, including: beatings, rape, isolation, drug and/or alcohol dependency, document with-
holding, and psychological and emotional abuse.

The International Labor Organization estimates that globally there are 20.9 million vic-
tims of trafficking. Nationally, the criminal enter-
prise of human trafficking is second only to the illegal drug trade, in terms of the speed of its growth and being among the most lucrative international crimes.

Human trafficking has been reported in all 50 states and reported cases of trafficking in-
crease each year, with 7,621 cases reported and 26,727 calls made to the National Human Trafficking Hotline in 2016. Sadly, the State of Florida consistently ranks third in the number of calls made to the National Human Traf-
ficking Hotline. In 2016, Florida, with 550 cases reported, had the third highest number of human trafficking cases in the country.

Human trafficking is a crisis that impacts Pasco County, Florida. Through the Pasco County Commission on Human Trafficking, our local community unites to combat this modern-
day slavery, bringing together nonprofits, gov-
ernment and non-government organizations, private sector businesses to aid in the prevent-
ion, prosecution, education and awareness ef-
forts needed to restore freedom and dignity to survivors.

Just last month, my responsibilities on the Energy and Commerce Subcommittee on Communications and Technology allowed me to question experts on the human trafficking crisis and the growing utilization of the Internet to facilitate illegal activities as well as combatting criminals. At that hearing, my colleague even told a harrowing story of how his own daugh-
ter was nearly kidnapped while traveling over-
seas. I fully hope that these exchanges not only shed a light on human trafficking, but pro-
vide more ammunition for law enforcement to save people from their captivity.

More awareness, education, and advocacy is needed, as it is crucial to eradicating human trafficking in our local communities, state, and nation. To this end, January is declared as National Slavery and Human Trafficking Pre-
vention Month and January 11th is declared as National Human Trafficking Awareness Day. Every community and every individual is needed to fight human trafficking wherever it exists. Let us declare as one that slavery has no place in our world, and let us finally restore to all people the most basic rights of freedom, dignity, and justice.

TRIBUTE TO MARSHA AND MIKE FISHER
HON. DAVID YOUNG
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 20, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate Marsha and Mike Fisher of Adel, Iowa, on the very special occasion of their 50th wedding anni-
versary. They celebrated their anniversary on November 25th, 2017.

Marsha and Mike’s lifelong commitment to each other and their family truly embodies our Iowa values. As they reflect on their 50th anni-
versary, may their commitment grow even stronger as they love, cherish, and honor one another for many years to come.

Mr. Speaker, I commend this great couple on their 50th year together and I wish them many more. I ask that my colleagues in the United States House of Representatives join me in congratulating them on this momentous occasion and in wishing them both nothing but continued success.
Mr. BRADY of Texas. Mr. Speaker, I include in the RECORD letters from Heritage Action, American Action Network, SBE Council, and Americans for Prosperity:

AMERICANS FOR PROSPERITY.

LETTER NO. 1

AFP: HISTORIC TAX REFORM AGREEMENT WILL UNLEASH ECONOMIC GROWTH AND PROSPERITY

Arlington, VA.—Americans for Prosperity today cheered the final version of the Tax Cuts and Jobs Act released by the tax reform conference committee. The organization commended lawmakers for crafting a bill that remains true to the principles of the United Framework and advances the ultimate goal of unrigging the economy for hardworking Americans.

In praising the package, the group is pointing out that it would provide tax relief for individuals at every income bracket, make U.S. businesses significantly more competitive by lowering the corporate tax rate from 35 percent to 21 percent, and includes efforts to simplify and ease the burden of tax compliance. In addition, the tax plan includes provisions long championed by AFP, such as repealing Obamacare’s unpopular individual mandate.

Americans for Prosperity President Tim Phillips offered the following statement: “This final tax reform plan delivers relief to the working class while unleashing opportunity and growth for America’s small business owners and job creators. All year, we’ve been calling on Congress to go bold and focus on making this pro-growth. We think they’ve done that. Although not perfect, the House and Senate should be commended for their diligent work to significantly improve our broken system, and the Trump White House deserves credit for its relentless focus on getting tax reform done this year.

“Lawmakers now face a historic moment—a once-in-a-generation opportunity to overhaul our nation’s broken tax code in order to create and support more jobs, fuel economic growth and unleash American innovation. We urge all members of Congress to embrace this historic plan and fulfill their promise to create a simpler, fairer and more competitive tax code by sending it to the president’s desk this year.”

SBE COUNCIL STATEMENT ON TAX REFORM CONFERENCE REPORT: A SOLID BILL THAT SUPPORTS ECONOMIC GROWTH AND ENTREPRENEURSHIP

WASHINGDON, DC.—Small Business & Entrepreneurship Council President and CEO Karen Kerrigan issued the following statement about the “Tax Cuts and Jobs Act” conference report unveiled today: “The conference report is a solid bill that will enable strong and sustainable economic growth, which is critical to healthy entrepreneurship and small business growth. It is vital to note that this tax package be signed into law this year to fuel the optimism and confidence that is strengthening our economy and bolstering investment, which is key to more job growth and more opportunity in areas of the country that have never recovered from the great recession.

“We appreciate the efforts of the conference committee, especially as it relates to keeping entrepreneurs, their workforce and the dreamers who want to start businesses at the center of tax reform. We urge the House and Senate to quickly pass the legislation so it can be signed by President Trump this year.”

AMERICAN ACTION NETWORK.

AMERICAN ACTION NETWORK STATEMENT ON TAX CONFERENCE AGREEMENT: CONGRESS REACHES BUDGET MILESTONE WITH HISTORIC, ONCE-IN-GENERATION TAX REFORM TO THE AMERICAN PEOPLE

WASHINGTON.—Following the House and Senate’s announcement of a conference agreement on tax reform, American Action Network (AAN) Executive Director Cory Bliss issued the following statement: “House and Senate leadership should be commended for their work, and today’s progress, toward making meaningful tax reform a reality for working families across the country. Congress is on the verge of delivering historic, once-in-a-generation tax reform to the American people, and this is an opportunity that cannot be wasted. Right now, millions of Americans, paycheck-to-paycheck, struggling to make ends meet because of an archaic and unfair tax code. The plan presented by Congress today will deliver much-needed economic opportunity for all Americans by unleashing more jobs, lower taxes and a fairer playing field for businesses. Now, it is up to the House and Senate to work together to balance the budget and sign this historic tax reform bill into law in the next few days.”

SPEECH OF

HON. KEVIN BRADY
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 19, 2017

Mr. BRADY of Texas. Mr. Speaker, I include in the RECORD letters from Heritage Action, American Action Network, SBE Council, and Americans for Prosperity:

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In praising the package, the group is pointing out that it would provide tax relief for individuals at every income bracket, make U.S. businesses significantly more competitive by lowering the corporate tax rate from 35 percent to 21 percent, and includes efforts to simplify and ease the burden of tax compliance. In addition, the tax plan includes provisions long championed by AFP, such as repealing Obamacare’s unpopular individual mandate.

Americans for Prosperity President Tim Phillips offered the following statement: “This final tax reform plan delivers relief to the working class while unleashing opportunity and growth for America’s small business owners and job creators. All year, we’ve been calling on Congress to go bold and focus on making this pro-growth. We think they’ve done that. Although not perfect, the House and Senate should be commended for their diligent work to significantly improve our broken system, and the Trump White House deserves credit for its relentless focus on getting tax reform done this year.

“Lawmakers now face a historic moment—a once-in-a-generation opportunity to overhaul our nation’s broken tax code in order to create and support more jobs, fuel economic growth and unleash American innovation. We urge all members of Congress to embrace this historic plan and fulfill their promise to create a simpler, fairer and more competitive tax code by sending it to the president’s desk this year.”

SBE COUNCIL STATEMENT ON TAX REFORM CONFERENCE REPORT: A SOLID BILL THAT SUPPORTS ECONOMIC GROWTH AND ENTREPRENEURSHIP

WASHINGDON, DC.—Small Business & Entrepreneurship Council President and CEO Karen Kerrigan issued the following statement about the “Tax Cuts and Jobs Act” conference report unveiled today: “The conference report is a solid bill that will enable strong and sustainable economic growth, which is critical to healthy entrepreneurship and small business growth. It is vital to note that this tax package be signed into law this year to fuel the optimism and confidence that is strengthening our economy and bolstering investment, which is key to more job growth and more opportunity in areas of the country that have never recovered from the great recession.

“We appreciate the efforts of the conference committee, especially as it relates to keeping entrepreneurs, their workforce and the dreamers who want to start businesses at the center of tax reform. We urge the House and Senate to quickly pass the legislation so it can be signed by President Trump this year.”

AMERICAN ACTION NETWORK.

AMERICAN ACTION NETWORK STATEMENT ON TAX CONFERENCE AGREEMENT: CONGRESS REACHES BUDGET MILESTONE WITH HISTORIC, ONCE-IN-GENERATION TAX REFORM TO THE AMERICAN PEOPLE

WASHINGTON.—Following the House and Senate’s announcement of a conference agreement on tax reform, American Action Network (AAN) Executive Director Cory Bliss issued the following statement: “House and Senate leadership should be commended for their work, and today’s progress, toward making meaningful tax reform a reality for working families across the country. Congress is on the verge of delivering historic, once-in-a-generation tax reform to the American people, and this is an opportunity that cannot be wasted. Right now, millions of Americans, paycheck-to-paycheck, struggling to make ends meet because of an archaic and unfair tax code. The plan presented by Congress today will deliver much-needed economic opportunity for all Americans by unleashing more jobs, lower taxes and a fairer playing field for businesses. Now, it is up to the House and Senate to work together to balance the budget and sign this historic tax reform bill into law in the next few days.”

AAN has been the highest spending outside group in the effort to pass meaningful tax reform, and launched the Middle-Class Growth Initiative in August to promote pro-growth tax reform passage. Despite a multi-year effort, now totaling over $24 million, has included advertising on television, radio, digital, direct mail, and mobile billboards in 66 congressional districts across the country.

HERITAGE ACTION.

“YES” ON CONFERENCE REPORT FOR THE TAX CUTS AND JOBS ACT (H.R. 1)

DECEMBER 18, 2017.—This week, the House and Senate will vote on the Tax Cuts and Jobs Act (H.R. 1), the most significant tax reform legislation in a generation since the 1986 tax reform package passed under President Ronald Reagan. The bill would make sweeping changes to the individual and corporate codes, and eliminate Obamacare’s individual mandate penalty.

The Tax Cuts and Jobs Act Conference report would unleash economic growth, increase wages for American workers, create new jobs, and provide tax relief to all Americans including the middle and working classes, main street businesses, and U.S. corporations. It accomplishes everything that was accomplished by the corporate tax rate from 35 percent to 21 percent, 2) allowing pass-through businesses to deduct 20 percent of taxable income, 3) permanently full and immediate expensing of new and capital equipment for five years, 4) moving toward a territorial tax system that incentivizes foreign investment here in America, 5) lowering marginal tax rates for all Americans, 6) doubling the standard deduction, and 7) providing substantial relief from the death tax.

According to Heritage Foundation research, the GOP tax reform bill could increase long-run gross domestic product (GDP) by almost 3 percent, translating into an increase of $4,000 per household. The Tax Foundation estimates, if enacted permanently, the tax plan will increase wages by 3.3 percent and create roughly 1.6 million new full-time equivalent (FTE) jobs. This is exactly the kind of economic growth our country needs and what congressional Republicans and President Trump promised on the campaign trail. Two important provisions contained in the tax plan is the near elimination of the state and local tax (SALT) deduction and the elimination of the Obamacare individual mandate penalty. Eliminating the SALT deduction ends the practice of federal taxpayers subsidizing liberal state governments, which will put pressure on state and local governments to be more fiscally responsible. In fact, New Jersey Senator Steve Sweeney said “it’s going to have to re-evaluate everything” if the bill becomes law. Like the House bill, the Senate bill allows for a $10,000 deduction for property tax. Eliminating the individual mandate provides relief to working class Americans who can’t afford expensive Obamacare insurance plans. Additionally, both provisions raise significant revenue needed to lower marginal tax rates under Senate budget reconciliation rules.

It’s been far too long since Congress made lasting positive changes to the U.S. tax code—three decades in fact. Since that time, our convoluted 74,000-page tax code has suppressed American entrepreneurship, driven companies and jobs overseas, and made it harder and harder for families to leave a better life for their children. Members of Congress justifiably concerned about the national debt should look to cut federal spending and mandate expensive new confiscate hard-earned income from individuals or punish profitable businesses. Congress
cannot tax the American people into economic prosperity nor can it raise enough revenue to balance the budget if it continues to spend nearly $1 trillion a year.

Adam Michel, Policy Analyst in the Thomas A. Roe Institute at The Heritage Foundation explains:

‘‘Holding pro-growth tax reform hostage over the deficit unwittingly makes fiscally responsible reforms harder. The deficit cannot be eliminated with tax increases. The notion that we can tax our way out of trouble denies the fundamental problem: The deficit is driven by uncontrolled spending. Tax reform that grows the economy can also ease the burden of paying down the debt. Robust economic growth is a necessary component of managing our debt. Pro-growth tax reform that allows for a larger and more robust economy means our debt relative to our output shrinks and makes the necessary spending reforms easier.’’

Due to the self-imposed $1.5 trillion deficit tax cut box Senate Republicans elected to put themselves in, the Tax Cuts and Jobs Act is not as robust as tax reform should be under a unified Republican government, but it certainly is what President Trump would call ‘‘half a loaf.’’ While Congress cannot tax the country into prosperity, it can and should deliver meaningful tax reform that spurs sustainable, long-term economic growth. The Tax Cuts and Jobs Act is a strong step in that regard. The time for pro-growth tax reform is now.

*** Heritage Action supports the Tax Cuts and Jobs Act and will include it as a key vote on our legislative scorecard. ***

IN RECOGNITION OF THE VICTIMS OF CYBER ABUSE

HON. SEAN P. DUFFY
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 20, 2017

Mr. DUFFY. Mr. Speaker, I rise today on behalf of Kati Milberg-Pavek in recognition of and in shared grief for the indefensible cyber abuse she faced following the deaths of her daughter and two nieces: Clara Diana Pavek, Lydia Marie Milberg and Laynie Jo Amos. On December 12, 2015, a terrible tragedy took the lives of three wonderful children. I was further saddened and disturbed by the unprovoked comments and harassment that the victims and their families subsequently faced on social media, as well as local news outlets and publications.

As First Lady to the United States of America, Melania Trump has declared a campaign against cyber-bullying and reckless abuse, and like her I rise to condemn the hatred by these reckless individuals. Though my words can never reverse the awful heartbreak Ms. Milberg-Pavek and her family have suffered, I hope that by speaking out against victims’ abuse, we can encourage those in control of online platforms to play a more active role in monitoring these hateful attacks, especially when innocent children are involved. No one should have to endure these types of spiteful on-line comments in the wake of a loss again, and I stand with those who actively seek to provide solutions for this growing problem. My deepest sympathies are with Ms. Milberg-Pavek and her family.

HON. ELIZABETH E. ESTY
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 20, 2017

Ms. ESTY of Connecticut. Mr. Speaker, I rise today to honor John Trentacosta upon his retirement as President and CEO of Newtown Savings Bank in Newtown, Connecticut. For the past nineteen years, John has provided experienced and insightful leadership at Newtown Savings Bank, and his contributions have been crucial to guiding the institution through both successful and challenging economies.

John is a native of Bronx, New York, and completed his undergraduate degree at Manhattan College before going on to earn his Master of Business Administration at Iona College. He began working in finance in New York before moving with his wife Linda to Connecticut in 1988. Throughout his long and successful career in the financial industry, John has served in a number of leadership roles, such as Chief Financial Officer, for a variety of institutions. Following a decade of working at the Bank of New Haven, John joined Newtown Savings in 1998, and became President in 2003 and CEO in 2009. His experience and leadership have been instrumental in continuing the organization’s success for the future.

In addition to his successful career, John has shared his time and expertise with a number of community and professional organizations in Connecticut. He currently serves on the Western Connecticut State University Foundation Board, and has previously been Director of Habitat for Humanity of New Haven and Chairperson of the Newtown Rotary Golf Fundraiser Event. John has also served as a board member of the Connecticut Society of CPA’s Educational Trust Fund, a member of the Connecticut Community Bankers Association’s Executive Committee, and a member of the Greater Danbury Chamber of Commerce board.

Mr. Speaker, in his nineteen years of leadership at Newtown Savings Bank, John Trentacosta has been a successful leader in Connecticut’s financial services industry, and he has also been a true partner to our community. Therefore, it is fitting and proper that we honor him here today.

HON. ED PERLMUTTER
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 20, 2017

Mr. PERLMUTTER. Mr. Speaker, I rise today to recognize Dot Miller for being honored as a “7Everyday Hero” by KMGH Channel 7 for her outstanding service to the community. Dot is the former President of the Arvada Chamber of Commerce. During her leadership the Chamber grew from 450 members to more than 700 members. During that time, she also helped educate Arvada businesses and develop future leaders by exposing students to the workforce.

In 2011, Dot created the Jefferson County Business Education Alliance (JCBEA) which partners business owners and students with educational opportunities such as internships and job shadowing opportunities. One of the signature programs of the JCBEA is the Career Readiness Program which brings together teachers, administrators and business leaders in the community to help students in the classroom. This program is a 9-week course made up of six modules where students learn various skills ranging from work ethic and customer service to financial responsibility. In addition, students learn interview skills and how to write resumes. The JCBEA also provides workforce-ready training by conducting mock interviews between students and business leaders in the community.

I extend my deepest congratulations to Dot Miller for receiving this well-deserved honor as a “7Everyday Hero”. Her positive impact on the community will be felt for many years to come.

PERSONAL EXPLANATION

HON. SEAN P. DUFFY
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 20, 2017

Mr. DUFFY. Mr. Speaker, on Monday, December 18, 2017, I missed the following votes and was not recorded. Had I been present, I would have voted YEA on Roll Call No. 685, YEA on Roll Call No. 686, and YEA on Roll Call No. 687.

TRIBUTE TO DONNA AND RON MARTIN

HON. DAVID YOUNG
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 20, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate Donna and Ron Martin of Greenfield, Iowa on the very special occasion of their 50th wedding anniversary. They celebrated their anniversary on October 28, 2017. Donna and Ron’s lifelong commitment to each other and their family truly embodies Iowa values. As they reflect on their 50th anniversary, may their commitment grow even stronger, as they continue to love, cherish, and honor one another for many years to come.

Mr. Speaker, I commend this great couple on their 50th year together and I wish them many more. I ask that my colleagues in the United States House of Representatives join me in congratulating them on this momentous occasion and in wishing them nothing but the best.

CONFERENCE REPORT ON H.R. 1, TAX CUTS AND JOBS ACT

SPEECH OF
HON. KEVIN BRADY
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 19, 2017

Mr. BRADY of Texas. Mr. Speaker, I include in the RECORd letters from Ford Motor Company, MetLife, Coalition Letter, Americans for
percent of filers will be able to avoid the complicated process of itemization. For businesses, the TCJA drops the corporate rate from 35 percent to a far more competitive 21 percent, which is below the average for industrialized nations. Corporations and small businesses alike would see lower rates and reduced burdens. It also creates a modern, territorial system of taxation that ends the competitive disadvantage that U.S. businesses face internationally. These changes will encourage more entrepreneurship, increase wages, create jobs, and lead to more investment in the domestic economy.

With these changes, lawmakers are casting a vision for the future of this country; one that empowers individuals, families and businesses to invest and succeed in the American economy.

The Conference Report to H.R. 1 is a pro-growth, pro-family, and pro-worker legislative proposal. We encourage all Members of Congress to support its passage.


**AMERICANS FOR TAX RELIEF.**

**LETTER NO. 2**

**NO QUOTATION STATEMENT ON CONFERENCE REPORT FOR TAX CUTS AND JOBS ACT**

A floor wax AND a delicious dessert topping that will create millions of American jobs and simplify and lower taxes on Americans.

A TR president Grover Norquist praised the conference report for Tax Cuts and Jobs Act as follows:

"Today in December 1975 Saturday Night Live un-velied ‘Shimmer’ which was a floor wax AND a delicious dessert topping. (See the video here)"

"Our 2017 report to Congress shows that the Tax Cuts and Jobs Act will make tax reform a reality. It will increase take-home pay AND grow the economy. It will end the Obamacare mandate tax paid by millions of Americans—80% of whom earn less than $50,000—and it will free up $100 billion in taxes across the country."

**LETTER NO. 2**

**KEY VOTE**

A TR urges "YES" vote on the Conference Report to H.R. 1, the Tax Cuts and Jobs Act.

The Tax Cuts and Jobs Act will create millions of American jobs and higher wages AND simplify and lower taxes on Americans at every income level. A TR urges a YES vote on this pro-growth, pro-family legislation.

This legislation offers tax reduction and simplification for families, individuals, small businesses, and corporations. Over the next decade, the Tax Cuts and Jobs Act reduces taxes by $5.5 trillion and eliminates $4 trillion worth of distortional credits and deductions.

H.R. 1 simplifies the tax code so most Americans can file on a postcard and offers tax relief for Americans at every income level. Under this plan, the nationwide median income of $73,000 will receive a tax cut of $2,059.

The Tax Cuts and Jobs Act will also grow the economy leading to increased wages and pay and the creation of new or better jobs for families across the country.

In addition, the Tax Cuts and Jobs Act repeals the Obamacare mandate tax paid by millions of Americans—80% of whom earn less than $50,000—and allows responsible production of oil in Alaska.

A TR YES on the Tax Cuts and Jobs Act, members of the House and Senate have a rare opportunity to reform the broken tax code and offer relief to families and businesses across the country. All Senators and Congressmen should vote for H.R. 1.

**NATIONAL TAXPAYERS UNION.**

**NATIONAL TAXPAYERS UNION VOTE ALERT.**

NTU strongly urges Congress to vote “YES” on the Conference Report to H.R. 1, the “Tax Cuts and Jobs Act.” This legislation would overhaul our nation’s broken tax code, stimulate economic growth, and provide struggling American families with much-needed tax relief. Tax reform is our nation’s highest fiscal priority. For too long, our tax code has held back our economy and placed a heavy burden on American workers and job creators. H.R. 1 will make U.S. businesses significantly more competitive by lowering the corporate tax rate from 35 percent to 21 percent, shifting to a territorial system of taxation, and incentivizing capital investment into the economy. All of these changes will benefit American workers from across the economic spectrum by increasing wages and creating new jobs.

Additionally, H.R. 1 will ease the burden of taxation by fully dubling the standard deduction so that over 90 percent of filers can avoid the complicated process of itemization. It will provide immediate benefits to families via a 100 percent increase in the child tax credit and lower rates on taxable income across the board. Under H.R. 1, a typical family of four will be able to earn just over $50,000 before paying a penny in federal income taxes, expanding what is known as the “zero percent tax bracket.” Americans need tax re- form and tax relief. H.R. 1 delivers on both.

Roll call votes on H.R. 1 will be heavily weighted in our annual Rating of Congress.
and a “YES” vote will be considered the pro-taxpayer position.

CONGRATULATING CAPTAIN JOHN LUNA ON HIS RETIREMENT FROM THE GRAPEVINE POLICE DEPARTMENT

HON. KENNY MARCHANT
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. MARCHANT. Mr. Speaker, I rise today to recognize and congratulate Captain John Luna on his well-earned retirement from the Grapevine Police Department in Grapevine, Texas, after thirty-two years of dedicated service as a law enforcement officer.

John’s esteemed career began when he joined the police department of San Marcos, Texas, in 1985. John’s service to the City of San Marcos continued for over ten years when, in 1996, he began his career with the City of Grapevine.

Since joining the department, John has honorably served his community and built a reputation as a hardworking and respected officer. Throughout his career in Grapevine, John received 29 letters of commendation, recognizing his professionalism and service to the community. He has served as a Field Training Officer, Police Instructor, Detective, Grapevine SWAT Team Hostage Negotiator, Honor Guard Member, and a Public Information Officer.

John’s dedication as a public servant is apparent in his pursuit of continued education and trainings to help provide a better service to his community. He completed his basic, intermediate, advanced, and master’s police certifications, accumulating over 3,968 hours of police in-service trainings. Furthermore, John is a 2009 graduate of the 236th session of the F.B.I. National Academy, which is a professional course of study for U.S. and international law enforcement managers who are nominated by their agency heads because of demonstrated leadership qualities.

John’s contributions to the law enforcement operations in the City of Grapevine have helped ensure that countless officers have been superbly trained and prepared for the challenges they face in their everyday duties as police officers. His legacy will leave a lasting mark on the City of Grapevine and the Grapevine Police Department for years to come.

Mr. Speaker, it is a pleasure to recognize the exceptional efforts John has contributed to the City of Grapevine. I ask all of my distinguished colleagues to join me in recognizing Captain John Luna and his many years of service and wishing him the best in his retirement.

HONORING THE MESSIAH COLLEGE MEN’S SOCCER TEAM FOR WINNING THE NCAA DIVISION III NATIONAL CHAMPIONSHIP

HON. SCOTT PERRY
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. PERRY. Mr. Speaker, today I extend sincere congratulations to the Messiah College Men’s Soccer Team for winning the NCAA Division III National Championship. This is the 11th time the Messiah Falcons earned the title, “National Champions.”

The Falcons defeated the North Park Vikings in a 2–1 victory on December 2, 2017. The win completed a 24–2 campaign for the Falcons that matched their team record for single-season wins, while also making Messiah 11–for–11 in title game appearances.

The dedication and perseverance of these student athletes should inspire everyone. I extend my congratulations as well to head coach Brad Marciniak and the school officials, family, and friends who supported these young men on their incredible journey.

On behalf of Pennsylvania’s Fourth Congressional District, I commend and congratulate the Messiah College Men’s Soccer Team on the hard work and determination that led to their National Championship.

TRIBUTE TO VICKIE AND GENE PEEL

HON. DAVID YOUNG
OF IOWA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate Vickie and Gene Peel of Perry, Iowa, on the very special occasion of their 50th wedding anniversary. They celebrated their anniversary on November 25th, 2017.

Vickie and Gene’s lifelong commitment to each other and their family truly embodies our Iowa values. As they reflect on their 50th anniversary, may their commitment grow even stronger, as they continue to love, cherish, and honor one another for many years to come.

Mr. Speaker, I commend this great couple on their 50th year together and wish them many more. I ask that my colleagues in the United States House of Representatives join me in congratulating them on this momentous occasion and in wishing them both nothing but continued success.

ST. FRANCES XAVIER CABRINI

HON. ED PERLMUTTER
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. PERLMUTTER. Mr. Speaker, I rise today to recognize the life and missionary work of St. Frances Xavier Cabrini (Mother Cabrini) and commemorate the 100th anniversary of her passing.

Mother Cabrini came to Denver, Colorado in 1902 to help Italian Immigrants who worked in the mines and on the railroad. She opened the Queen of Heaven Orphanage to care for girls ages 2 through 15 at 48th & Federal Blvd. which remained open from 1905 to 1967. Mother Cabrini believed the girls in the orphanage would benefit from trips out of the city to the Sacred Holy land of St. Peter's in Mount Vernon Canyon to serve as a summer camp for the girls from the Queen of Heaven Orphanage. The summer camp in Mount Vernon Canyon was said to have no source of water on the property. Mother Cabrini told her Sisters who accompanied her to foothills, “move that rock and you will find water clean enough to drink.” The spring of water from that location still flows today. Many have given testimony to the water’s impact in helping their suffering and ailments.

Mother Cabrini was canonized America’s first citizen saint in 1946 and was also named the Patroness of Immigrants. In total, she opened 67 schools, orphanages and hospitals in her relatively short lifetime. The Missionary Sisters of the Sacred Heart of Jesus, the religious order founded by Mother Cabrini, have served and ministered to the people of Colorado since 1902.

Mother Cabrini died 100 years ago on December 22, 1917. Throughout her life she cared for the poorest of the poor and immigrants in need. Her life and legacy have been celebrated during this centenary year throughout the world.

I extend my deepest gratitude in recognition of all that Mother Cabrini accomplished in her time in Colorado. I am grateful for the continuous dedication the Mother Cabrini Shrine offers the community in her memory.

CONFERENCE REPORT ON H.R. 1,
TAX CUTS AND JOBS ACT

SPEECH OF
HON. KEVIN BRADY
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 19, 2017

Mr. BRADY of Texas. Mr. Speaker, I include in the RECORD letters from the U.S. Chamber of Commerce, Business Roundtable, National Association of Manufacturers, National Federation of Independent Business, and the Alliance for Competitive Taxation:

U.S. CHAMBERS OF COMMERCE

TO THE MEMBERS OF THE UNITED STATES CONGRESS: The U.S. Chamber of Commerce urges Congress to complete its final step to enact comprehensive, pro-growth tax reform legislation and pass the conference report to accompany H.R. 1, the Tax Cuts and Jobs Act. The Chamber will include votes related to this legislation in our How They Voted scorecard. By passing the conference report, Congress would unleash resources for businesses large and small to hire new workers, expand facilities, and purchase new equipment. Bringing about tax reform would help ensure that these investments are made here in the United States, and these investments would lead to higher wages and catalyze broad economic growth.

Moreover, H.R. 1 would provide additional growth by allowing for environmentally-senstive oil and gas production in an area in northern Alaska set aside by Congress for energy exploration in 1980.

The Chamber applauds the work of the conference for reporting a strong pro-growth tax reform bill. The members of the Finance and Ways and Means Committees from this and previous congresses also deserve much credit for their work during this multi-year effort.

Tax reform is a big engine that will power a growing economy for years to come. Only one step remains for Congress to keep its commitment to approving pro-growth, comprehensive tax reform legislation.
WASHINGTON, DC.—Business Roundtable today issued the following statement in support of the conference report on H.R. 1, the Tax Cuts and Jobs Act of 2017:

"This bill represents a remarkable, once-in-a-generation moment, championed by the House and Senate. Business leaders applaud the conference committee for coming to an agreement that will promote U.S. competitiveness and economic growth. This agreement results from years of serious policy work and debate that produced legislation the President can now sign into law. Business Roundtable strongly endorses this conference report and urges both chambers to pass it without delay."

NATIONAL ASSOCIATION OF MANUFACTURERS.

LETTER NO. 1

NAM ON TAX CUTS AND JOBS ACT: HISTORIC PROGRESS FOR MANUFACTURERS,UFACTURERS WILL INVEST IN THEIR COMPANIES AND WORKERS."

WASHINGTON, DC.—National Association of Manufacturers (NAM) President and CEO Jay Timmons released the following statement on the Tax Cuts and Jobs Act conference report:

"America will be better off than we are today once this tax reform bill becomes law. This legislation represents historic progress for manufacturers and for all Americans. As manufacturers across our country have said many times, tax reform done right will empower us to create more well-paying jobs and invest and build more right here in America. According to the NAM’s latest Manufacturers’ Outlook Survey, a pro-growth tax code will encourage manufacturers to increase capital spending, expand their businesses and hire more workers—and nearly half will increase employee wages and benefits."

While this bill is good news, we can never quit looking at what other countries are doing every single day to take away our mantle of economic leadership. The NAM has fought for years—decades, really—for even lower rates than provided in this legislation for manufacturers of all sizes, especially small manufacturers, organized as pass-through entities. We will not let up. We will work to ensure this legislation functions as intended.

"We will continue our fight and will rally manufacturing workers and their families to encourage more progress in the years ahead. Today, we’re calling for our government to produce a comprehensive study every three years to compare how the U.S. tax code stacks up with our competitors around the world. The last true tax reform was enacted in this country over 30 years ago. If we wait until 2048 to revisit the tax code, we will no doubt discover that we have fallen significantly behind once again. For the future of every manufacturing worker in America, our elected leaders must constantly strive to ensure our country’s business climate is far better than merely average. Manufacturers and the NAM will never stop leading that fight."

LETTER NO. 2

The National Association of Manufacturers (NAM), the largest manufacturing association in the United States, representing manufacturers in every industrial sector and in all 50 states, urges you to support the Conference Report to H.R. 1, the Tax Cuts and Jobs Act of 2017.

American workers need bold tax reform to not just raise their job prospects but to improve their lives. For years, manufacturing workers have sought an updated tax code that spurs economic growth and global competitiveness. Instead, they have a system that holds our nation back due to high tax rates on our small manufacturers, the backbone of our economy, and hinders large manufacturing enterprises that provide livelihoods for millions of American families. Manufacturers are saddled with arcane rules for taxing international income and significant compliance burdens that exacerbate our competitive disadvantage. Manufacturers believe it will take major investments in the United States to lift up these hardworking men and women.

The Conference Report to H.R. 1 takes the important steps toward addressing five key elements that manufacturers believe will set the stage for manufacturing growth: a lower corporate rate, reduced burdens on business income earned by pass-through entities, a territorial tax system, robust incentives for capital equipment purchases and retention of tax incentives for research and development. While this bill could go even further to address these key areas that promote added economic growth, it still provides the opportunity to strengthen the manufacturing economy. With this vote, you have the ability to improve our global competitiveness, grow the economy, spur investment and create more well-paying manufacturing jobs. Every dollar spent in manufacturing an additional $1.39 is added to the economy. In 2015, the average manufacturing worker earned nearly $52,000 per year in salary and benefits. In short, passing historic tax reform will lead to better jobs, better wages and better opportunities for more people to achieve their American Dream. The NAM’s Key Vote Advisory Committee has recommended that votes on the Conference Report to H.R. 1, including procedural motions, may be considered for designation as Key Votes in the 115th Congress. Thank you for your consideration.

NATIONAL FEDERATION OF INDEPENDENT BUSINESS.

LETTER NO. 1

National Federation of Independent Business says this is the tax relief that small business needs, urges quick passage

The National Federation of Independent Business (NFIB) issued the following statement today on behalf of President and CEO Juanita Duggan on the Tax Cuts and Jobs Act, released today by the conference committee:

"We are very pleased by the tax bill report out of conference today, and we are grateful to leaders in the House and Senate for following through on their promise to cut taxes on small businesses.

"Tax relief is the number-one priority for small businesses, which represent half the GDP. This bill will allow millions of small business owners to keep and reinvest more of their money, so they can grow and create jobs. We urge both chambers to pass the bill quickly, so it can be signed into law before the end of the year."

LETTER NO. 2

On behalf of the National Federation of Independent Business (NFIB), the nation’s leading small business advocacy organization, I am writing to support the Conference Report to H.R. 1, the Tax Cuts and Jobs Act conference report. This legislation will provide much needed tax relief to America’s job-creating small businesses. This will be...
an avid hunter, lacrosse player, and environmental advocate. He worked to obtain a new health center for the Onondaga Nation School, and to return sacred objects from museums to the Onondaga people. He published several books, including, “Who are These People Anyway?” It is my honor to recognize the life and legacy of this great leader in our community. May Chief Irving Powless, Jr. name and legacy forever be remembered in the RECORD. Rest peacefully.

HEZBOLLAH’S ILLICIT ACTIVITIES

HON. TED POE
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 20, 2017

Mr. POE of Texas. Mr. Speaker, a recent report reveals that the Obama White House, in a desperate attempt to appease the Ayatollahs in Iran, let Hezbollah off the hook. The report outlines how the DEA was on to Hezbollah’s illicit network of drug and arms trafficking, money laundering and other criminal activities, yet the Obama administration stalled or blocked any prosecutions that would have disrupted a nefarious activity that Iran would agree to the nuclear deal. This stunning revelation adds more evidence to why the JCPOA was a bad deal.

For years Hezbollah built an extensive network in Latin America to raise money for its terrorist activities. Addressing Hezbollah’s illicit activities across the globe, but in particular the Western Hemisphere, has been a top priority for Congress for many years.

Through hearings and legislation we have exposed the direct ties between Hezbollah and criminal groups in the region that allowed Hezbollah to amass nearly $1 billion annually. Yet the U.S. failed to take sufficient action to disrupt this massive flow of money, drugs, and arms that have made Hezbollah the most powerful terrorist group in the world.

In 2014, a GAO review noted that only two of 12 requirements that were mandated by the Countering Iran in the Western Hemisphere Act were being addressed. Meanwhile, Hezbollah’s activity in our hemisphere increased. In June 2017, an individual with alleged ties to the terrorist group was arrested in Paraguay and extradited to the U.S. That same month, another individual was arrested for attempting to provide support to Hezbollah in targeting the U.S. and Israeli embassies in Panama. These events followed the 2014 arrest of a Hezbollah operative in Peru, an Iranian-linked assassination attempt on the Saudi Ambassador in Washington in 2011, and the deadly terrorist attacks against two Jewish targets in Argentina in the 1990s. Moreover, the special prosecutor who uncovered Iran and Hezbollah’s role in the Argentina attacks was murdered in 2015.

Together with my colleagues, Chairman Cook of the Western Hemisphere Subcommittee and Chairman Ros-Lehtinen of the Middle East and North Africa Subcommittee, I have sent a letter to President Trump urging him to address the shortfalls that occurred under the Obama administration in terms of dismantling Hezbollah’s illicit activities. We, in the House, have provided the tools necessary to pursue Hezbollah, passing H.R. 3329, the Hezbollah International Financing Prevention Amendments Act, which includes Section 105 mandating a U.S. strategy to address Iran and Hezbollah’s networks in the Western Hemisphere and requiring the alignment of U.S. actions with our regional partners. We are prepared to do more to make up for years of negligence under the Obama White House that allowed these killers to go untouched. And that’s just the way it is.

TRIBUTE TO THE CUMBERLAND TELEPHONE COMPANY

HON. DAVID YOUNG
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 20, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate the Cumberland Telephone Company of Cumberland, Iowa. This year marks the 120th year of operations for the telecommunications company, which opened its doors in 1897.

The company was originally named the Briscoe-Cumberland Telephone Company. Briscoe was a small mining town located in Adams County, Iowa. Today, the Cumberland Telephone Company is a full-service communications company offering internet, local and long distance phone service, and fiber-to-the-home packages for their customers. It also provides wireless internet services throughout the Cumberland exchange.

Mr. Speaker, I commend and congratulate the Cumberland Telephone Company and its staff for providing cutting-edge telecommunications services to the Cumberland community and Southwest Iowa for the past 120 years. I urge my colleagues in the United States Congress to join me in congratulating Cumberland Telephone Company for their numerous achievements in the communications industry and in wishing them all nothing but continued success.

REMEMBERING POTA VALLAS

HON. DAVID E. PRICE
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 20, 2017

Mr. PRICE of North Carolina. Mr. Speaker, I rise today to honor the life and legacy of Pota Vurnakes Vallas, who died last week at the age of 109, surrounded by her family. A loving wife, mother and grandmother, pio- neering businesswoman, and public-spirited citizen, Mrs. Vallas was one of the Fourth District’s oldest residents and the matriarch of Raleigh’s Greek community. Lisa and I extend our condolences to her family and her many friends and admirers in the Greek community and beyond.

Mrs. Vallas was born in 1908 in the small village of Kritisfa, Greece, the eldest of ten children. In 1924 her father, Gus Vurnakes, became the first Greek immigrant to settle in Raleigh and Pota soon followed. Gus opened a fruit and soda stop in downtown Raleigh and Pota assisted him, delivering ice cream and chocolates on a horse-drawn wagon to homes and businesses in Raleigh.

In 1927, she married fellow immigrant George Vallas and began raising her family. She and George were stalwart members of the community, helping to establish a Greek Orthodox Church in downtown Raleigh. Eventually George and Pota donated the land upon which Holy Trinity Greek Orthodox Church stands today.

George and Pota lost their home and business in the Great Depression. To provide for her young family, she applied to work for the Singer Sewing Company in 1931 and quickly emerged as a talented salesperson and manager. Her dream of owning her own business finally came to fruition in 1944 when she bought the distributorship of the National Sewing Machine Company and opened National Art Interiors, one of the first interior decorating businesses in Raleigh. Pota’s store became a landmark for the finest furniture and fabric companies, furnishing many homes and businesses throughout the state. She ran the business with her daughters and other family members until retiring at the age of 94 in 2002.

In addition to managing a thriving company, Mrs. Vallas served on the Boards of First Citizens Bank and the North Carolina Community Foundation. She was a lifelong member of the Holy Trinity Greek Orthodox Church and a member of Philoptochos. She was honored with the Saint Michael’s Award, the highest recognition for a layperson, for her years of dedicated service by the Greek Orthodox Diocese of America.

Mrs. Vallas was one of my most memorable constituents. I often saw her at Raleigh’s Greek Festival and treasure the memory of delivering a birthday letter from President Obama to her on one such occasion. She was quick with a smile and an encouraging word. She was a woman of great energy and faith, an indomitable spirit. She leaves behind a community that she loved and that loved her in return. We join with that community in mourning her passing and honoring her exemplary life.

TRIBUTE TO SHIRLEY AND BILL KOENIG

HON. DAVID YOUNG
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 20, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate Shirley and Bill Koenig of Underwood, Iowa on the very special occasion of their 60th wedding anniversary. They celebrated their anniversary on October 26, 2017 and were married in Treynor, Iowa in 1957.

Shirley and Bill’s lifelong commitment to each other and their family truly embodies Iowa values. As they reflect on their 60th anniversary may their commitment grow even stronger, as they continue to love, cherish, and honor one another for many years to come.

Mr. Speaker, I commend this great couple on their 60th year together and I wish them many more. I ask that my colleagues in the United States House of Representatives join me in congratulating them on this momentous occasion and in wishing them nothing but the best.
Mr. PERLMUTTER. Mr. Speaker, I rise today to publicly recognize and honor Gregory Smith for his service and dedication to the State of Colorado. Greg had a remarkable career and served the citizens of Colorado for more than 15 years.

Greg served five years as Executive Director of the Public Employees Retirement Association (PERA). He joined PERA as General Counsel in 2002 and in 2009 he was promoted to Chief Operating Officer. Greg was known for his extensive knowledge of the public pension system and had a passion for ensuring retirement security for hundreds of thousands of Colorado public employees. In addition, Greg served on several national industry boards, including the National Institute of Retirement Security, the Council of Institutional Investors, the National Council on Teacher Retirement and the National Association of Public Pension Attorneys. Greg was also a former president of the Denver Mile High Rotary Club. Greg will be missed by PERA members and the community he served.

I extend my deepest appreciation to Gregory Smith for his service and dedication to the citizens of Colorado. His positive impacts will be felt for many years to come.

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NATIONAL ASSOCIATION OF HOME BUILDERS

LETTER NO. 1

NAHB SUPPORTS FINAL TAX BILL

WASHINGTON, D.C.—Granger MacDonald, chairman of the National Association of Home Builders (NAHB) and a home builder and developer in Texas, issued the following statement regarding the final House-Senate conference report on tax reform legislation:

"NAHB fully supports the final conference report on tax reform legislation and commends the work of House-Senate conferees. This comprehensive overhaul of the nation’s tax code will benefit families, maintain the nation’s commitment to affordable housing and ensure that small businesses are treated fairly relative to large corporations. Lower tax rates and a fairer tax code will spur economic growth and increase competitiveness, and that is good for housing. We urge the House and Senate to move quickly to pass this legislation."

On behalf of the approximately 140,000 members of the National Association of Home Builders (NAHB), I am writing to express strong support for the conference report to H.R. 1, the Tax Cuts and Jobs Act. NAHB commends the work of the House and Senate conferees to deliver a final bill that will spur greater economic growth. Due to the importance of this legislation to our economy, NAHB has designated support of H.R. 1 as a key vote.

This comprehensive overhaul of the nation’s tax code provides tax relief to middleclass families, maintains the nation’s commitment to affordable housing, and ensures that small businesses are treated fairly relative to large corporations. Lower tax rates and a fairer tax code will spur economic growth and increase competitiveness, and that is good for housing. Housing not only equals jobs, but jobs mean more demand for housing.

By passing this bill, housing can be a key engine for the job growth we all seek. After all, the housing sector—representing roughly one-sixth of the U.S. economy—is operating at only two-thirds of its potential capacity. There is tremendous potential in unlocking and unleasing housing to lead the country to greater economic growth.

Again, NAHB has designated passage of H.R. 1 as a key vote, and we urge the House and Senate to move quickly to pass this legislation. Thank you for considering our views.

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AMERICAN BANKERS ASSOCIATION

ABA STATEMENT ON TAX REFORM LEGISLATION

(By Rob Nichols, ABA president and CEO)

"We congratulate the House and Senate conference committee for reaching a final agreement on comprehensive tax reform. Committee members have moved the nation another step closer to the first major overhaul of the tax code in more than three decades."

"ABA believes the significant reforms included in this legislation will help grow the economy and create jobs, and generally applaud the provisions that significantly lower tax rates for all types of businesses beginning in 2018. Banks currently have one of the highest effective tax rates of any industry, and these important changes will allow our members to better serve their customers and the broader economy."

"While there is much to like in the bill, lawmakers missed an opportunity to reform the outdated, unfair and unreasonable tax advantages enjoyed by credit unions and the Farm Credit System. Congress should treat businesses providing the same services the same way, and that is not happening today."

"We will continue to argue that this field is not yet in the clear until Congress ends this inequity."

"We still believe this legislation as a whole will benefit our members, their customers, and the country. As a result, ABA supports the conference report and encourages members of the House and Senate, and ultimately President Trump, to enact it into law as soon as possible."

The American Bankers Association is the voice of the nation’s $17 trillion banking industry, which is composed of small, midsize, regional and large banks that together employ more than 2 million people, safeguard $3 trillion in deposits and extend more than $9 trillion in loans.

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RATe COALITION

RATe COALITION STATEMENT ON THE Tax Cuts and Jobs Act Conference Report

The Reforming America’s Taxes Equitably (RATE) Coalition—whose affiliated companies represent over 30 million employees in all 50 states—released the following statement on the Tax Cuts and Jobs Act Conference Report:

"We are proud of the diligence with which the Tax Cuts and Jobs Act Conference Report has worked to craft historic tax reform. We are equally proud to fully support the end result of those efforts: The Tax Cuts and Jobs Act Conference Report. A return to our broken tax system—one that punishes job-creating businesses of all sizes with the highest
Mr. SCHWEIKERT. Mr. Speaker, I rise today in honor and tribute to Michael Ira Wiesner, who passed away April 19, 2015. This past May 30 Michael’s family, loved ones, and community celebrated what would have been Michael’s 70th birthday.

Michael was a wonderful husband to his wife Beth, and a great role model and confidant to his children: Amy, Adam, Ben, Ana, and Ashley. Michael had great love for his family and always supported everyone in their journeys to grow and learn. Throughout his life, Michael enjoyed playing golf and spending time in Vermont and always shared his interests with his wife and children.

I am proud to honor the life and legacy of Michael Ira Wiesner for his remarkable character, love of country, and care for his fellow citizens which included Beth Wiesner, Oliver Schwab, my Chief of Staff, his wife Ana Schwab, Ashley Ellis, Amy Wiesner, Adam Wiesner, and Ben Wiesner.

TRIBUTE TO THE LIFE OF MICHAEL IRA WIESNER

HON. DAVID SCHWEIKERT
OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 20, 2017

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TRIBUTE TO GERALD KIRKE

HON. DAVID YOUNG
OF IOWA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 20, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate Gerald Kirke of Des Moines, Iowa, for his induction into the 2017 Iowa Business Hall of Fame.

The Greater Des Moines Committee founded the Iowa Business Hall of Fame in 1975 to honor Iowans who have helped to enhance the state’s business climate. Gerald is the Chairman and CEO of Kirke Financial Services, L.L.C., an investment, real estate and consulting firm he founded in 1999. His other business ventures over his long career include owning a company that manufactured patient fixation and tumor targeting software, a carbon fiber composite manufacturing plan, and an entertainment company that operates three casinos in Iowa.

Mr. Speaker, I congratulate Gerald on his induction into the 2017 Iowa Business Hall of Fame and commend him for his dedication to our great state. It is with great pride that I recognize him today and I ask that my colleagues in the United States House of Representatives join me in congratulating him for this outstanding achievement and in wishing him nothing but continued success.

IN RECOGNITION OF FALCON STEEL AMERICA

HON. KEVIN BRADY
OF TEXAS

IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 20, 2017

Mr. BRADY of Texas. Mr. Speaker, today I rise to recognize Falcon Steel America and its employees for their efforts to aid in the recovery and relief of Montgomery County in the aftermath of Hurricane Harvey.

In 1963, Falcon Steel America was founded as a small steel shop in Haltom City, TX. Since its creation, Falcon Steel has grown to be considered one of the most dependable suppliers of structural steel in Texas. Additionally, Falcon Steel serves as the only producer of high-voltage, steel-lattice towers in the United States.

On August 25, 2017, Hurricane Harvey made landfall in Texas, carrying its wind, rains, and flooding across the state and devastations, homes and businesses throughout the greater Houston community.

As the flood waters receded, donations of food, water, clothing, toys, and necessities came pouring into the community from across the United States. To coordinate the distribution of these supplies, Falcon Steel America partnered with Interfaith of The Woodlands and hundreds of local volunteers to organize a massive distribution center in its Conroe facility. With over 225,000 square feet of life-saving supplies, Falcon Steel’s willingness to donate its facilities allowed thousands of affected residents to receive much needed assistance. This effort has now become known as one of the largest distribution efforts Montgomery County has ever witnessed.

Falcon Steel’s core values of ethical behavior, excellence, and teamwork were reflected in their actions after Hurricane Harvey. Through its willingness to come to the aid of our community, Falcon Steel provided an outlet for thousands of local residents to receive life-saving assistance.

On December 21, 2017, Falcon Steel will complete the renovation of its new manufacturing facility in Conroe, TX. I am proud to join the entire Eighth Congressional District of Texas to congratulate Falcon Steel on this achievement and thank them for their continued commitment to serving our community.

TRIBUTE TO ROLLING HILLS BANK AND TRUST

HON. DAVID YOUNG
OF IOWA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 20, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate Rolling Hills Bank and Trust of Anita, Iowa, for celebrating over 140 years in business. Founded in July of 1876, Rolling Hills Bank has remained dedicated to family traditions and committed to making its community better. Their motto is: “A Homeowned Hometown Bank Investing in People.”

Originally named the Anita State Bank, its name was changed in 1989 to Rolling Hills Bank and Trust. They have been a lot during their time in operation, helping customers through the Great Depression and the Farm Crisis of the 1980s. The bank has expanded with branches in Iowa, Minnesota, and Wyoming. Bank officials are committed especially to helping students and families in agriculture through their Heifer program. Each year, they purchase ten heifers then select students to purchase their own heifer so they can experience the responsibility of raising the heifers, maintaining records, and the cost associated with it. After five years, the students pay back the bank in

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Mr. Speaker, I commend and congratulate Rollings Hills Bank and Trust for their many years of dedicated and devoted service to their customers. It is with great pride that I recognize today, I ask that my colleagues in the United States House of Representatives join me in applauding their accomplishments and in wishing them all nothing but continued success.

RECOGNIZING MR. DARRELL SUPAK

HON. JOHN J. FASO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. FASO. Mr. Speaker, it is with great respect and admiration that I rise today to recognize the illustrious career of Mr. Darrell Supak on the occasion of his retirement. Mr. Supak is retiring after twenty-five years of exemplary service to Granite Associates, LP in Liberty, New York.

I cherish the commitment of those distinct individuals who have tirelessly devoted themselves to their community, and Mr. Supak is no exception. Mr. Supak exemplifies compassion and leadership as a dedicated man of faith, an advocate for the arts, and a fierce defender of health care. A valued member of his community, Mr. Supak’s regular involvement with numerous organizations and projects to further the causes he believes in, as well as to safeguard the wellbeing of his friends and neighbors, has set a high standard for others to follow.

As a graduate of Texas A&M University’s ROTC program and a retired U.S. Army Colonel, Mr. Supak is a fervent patriot, actively committed to supporting his fellow veterans. I am fortunate to have him, a man of great wisdom and experience, as a longtime member of our Congressional District’s U.S. service academy panel.

A true testament to his steadfast loyalty to country and community, Mr. Supak has received countless civil and military awards and decorations, including the prestigious Walter A. Rhenen Award for Business, Community and Humanity from the Sullivan County Partnership for Economic Development.

Mr. Supak’s legacy of hard work and philanthropy is a source of inspiration, instilling the values of dedication, confidence, and civility in his community. I am grateful for Mr. Supak’s years of dedicated service to the 19th District and to New York state. I wish Mr. Supak continued happiness as he embarks on this new chapter, and I am confident that even in retirement he will continue to be actively involved in service to our nation.

HON. CHARLIE CRIST

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. CRIST. Mr. Speaker, I rise today to honor the life and public service of retired St. Petersburg Police Officer Freddie Crawford, one of the “Courageous 12,” who put his career and life on the line in the fight against discrimination and segregation.

The Courageous 12 were the first African Americans employed by the St. Petersburg Police Department who bravely served the residents of the city for many years. In the face of constant threats in the field and discrimination within their department, these 12 officers withstood both professional and physical risk to keep the peace and ensure equality and justice in their communities.

In the early 1960s, Officer Crawford and his fellow black police officers serving on St. Petersburg’s police force were only permitted to police black neighborhoods. The segregation of authority even went so far as to mark patrol cars with a “C” for “colored” to designate that it was a black officer inside. Officer Crawford and his colleagues attempted to express their grievances to the Chief of Police on multiple occasions, only to be ignored and swept aside. After persevering through years of segregation in both his civilian and professional life, Officer Crawford and his colleagues in the Courageous 12 took their fight to the judicial system. Despite the personal and professional risk, Officer Crawford and his fellow officers sued the city of St. Petersburg in 1965.

Baker vs. the City of St. Petersburg did not initially receive a favorable ruling for the Courageous 12. But in 1968, a federal appeals court overturned the decision. In one year’s time, Officer Crawford was patrolling a primarily white area in North-East St. Petersburg. The monumental efforts by Officer Crawford and his colleagues would inspire black officers in nearby areas, creating a domino effect of positive change in communities throughout the Tampa Bay region.

Even after retiring from the St. Petersburg Police Department, Freddie Crawford continued his efforts to address and eradicate segregation. He went on to work for the Community Relations Services division at the U.S. Department of Justice where he used his experiences with conflict resolution to resolve racial tensions in various communities across the country.

Mr. Speaker, please join me once again in commemorating Officer Freddie Crawford’s life, and thanking him for his contribution to the cause of justice. He leaves behind a legacy of tireless dedication to equality and serves as an inspiration to the city of St. Petersburg and to our country.

TRIBUTE TO REGGIE GREENE

HON. KEVIN BRADY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

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Senator Committee Meetings

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. The Senate requires the committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place and purpose of the meetings, when scheduled and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily
Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week. Meetings scheduled for Thursday, December 21, 2017 may be found in the Daily Digest of today’s RECORD.
Daily Digest

Senate

Chamber Action

Routine Proceedings, pages S8153–8186

Measures Introduced: Five bills and two resolutions were introduced, as follows: S. 2255–2259, and S. Res. 362–363.

Measures Reported:

- S. 1827, to extend funding for the Children’s Health Insurance Program, with an amendment in the nature of a substitute. (S. Rept. No. 115–197)
- S. 1333, to provide for rental assistance for homeless or at-risk Indian veterans, with an amendment in the nature of a substitute. (S. Rept. No. 115–198)

Measures Passed:

    * Freedom of the Press: Senate agreed to S. Res. 150, recognizing threats to freedom of the press and expression around the world and reaffirming freedom of the press as a priority in efforts of the United States Government to promote democracy and good governance.

    * San Antonio Rose 75th Anniversary: Committee on Armed Services was discharged from further consideration of S. Res. 326, recognizing the crew of the San Antonio Rose, B–17F, who sacrificed their lives during World War II, and honoring their memory during the week of the 75th anniversary of that tragic event, and the resolution was then agreed to.

    * National Ernie Pyle Day: Committee on the Judiciary was discharged from further consideration of S. Res. 345, designating August 3, 2018, as “National Ernie Pyle Day”, and the resolution was then agreed to.

    * USS Jacksonville: Senate agreed to S. Res. 362, recognizing the service of the Los Angeles-class attack submarine the USS Jacksonville and the crew of the USS Jacksonville, who served the United States with valor and bravery.

    * Alex Diekmann Peak Designation Act: Senate passed S. 117, to designate a mountain peak in the State of Montana as “Alex Diekmann Peak”, after agreeing to the committee amendment.

    * East Rosebud Wild and Scenic Rivers Act: Senate passed S. 501, to amend the Wild and Scenic Rivers Act to designate certain segments of East Rosebud Creek in Carbon County, Montana, as components of the Wild and Scenic Rivers System.

    * Rood Nomination-Agreement: A unanimous-consent-time agreement was reached providing that at a time to be determined by the Majority Leader, in consultation with the Democratic Leader, on January 3, 2018, Senate begin consideration of the nomination of John C. Rood, of Arizona, to be Under Secretary of Defense for Policy; that there be 30 minutes of debate, equally divided in the usual form, and that following the use or yielding back of time, Senate vote on confirmation of the nomination, with no intervening action or debate, and that no further motions be in order; provided further that notwithstanding Rule XXXI of the Standing Rules of the Senate, the nomination be held in status quo into the second session of the 115th Congress.

Nominations Confirmed: Senate confirmed the following nominations:

    * Bruce D. Jette, of Virginia, to be an Assistant Secretary of the Army.
    * James E. McPherson, of Virginia, to be General Counsel of the Department of the Army.
    * Randall G. Schriver, of Virginia, to be an Assistant Secretary of Defense.
    * Thomas Harker, of Virginia, to be an Assistant Secretary of the Navy.
    * John P. Roth, of Virginia, to be an Assistant Secretary of the Air Force.
    * Duane A. Kees, of Arkansas, to be United States Attorney for the Western District of Arkansas for the term of four years.
    * Stephen R. McAllister, of Kansas, to be United States Attorney for the District of Kansas for the term of four years.
    * Ronald A. Parsons, Jr., of South Dakota, to be United States Attorney for the District of South Dakota for the term of four years.
Ryan K. Patrick, of Texas, to be United States Attorney for the Southern District of Texas for the term of four years.

Michael B. Stuart, of West Virginia, to be United States Attorney for the Southern District of West Virginia for the term of four years.

44 Air Force nominations in the rank of general.
2 Army nominations in the rank of general.
2 Navy nominations in the rank of admiral.
Routine lists in the Air Force, Army, and Navy.

Nominations Received: Senate received the following nominations:
Susan Paradise Baxter, of Pennsylvania, to be United States District Judge for the Western District of Pennsylvania.
Joel M. Carson III, of New Mexico, to be United States Circuit Judge for the Tenth Circuit.
Colm F. Connolly, of Delaware, to be United States District Judge for the District of Delaware.
Gordon P. Giampietro, of Wisconsin, to be United States District Judge for the Eastern District of Wisconsin.
Marilyn Jean Horan, of Pennsylvania, to be United States District Judge for the Western District of Pennsylvania.
Chad F. Kenney, of Pennsylvania, to be United States District Judge for the Eastern District of Pennsylvania.
Maryellen Noreika, of Delaware, to be United States District Judge for the District of Delaware.

Messages from the House: Page S8181
Measures Referred: Page S8181
Additional Cosponsors: Pages S8181–82
Statements on Introduced Bills/Resolutions: Pages S8182–83
Additional Statements: Pages S8179–80
Authorities for Committees to Meet: Page S8183

Adjournment: Senate convened at 11 a.m. and adjourned at 6:04 p.m., until 10 a.m. on Thursday, December 21, 2017. (For Senate's program, see the remarks of the Majority Leader in today's Record on page S8185.)

Committee Meetings
(Committees not listed did not meet)

FREIGHT MOVEMENT

Committee on Environment and Public Works: Subcommittee on Transportation and Infrastructure concluded a hearing to examine freight movement, after receiving testimony from David Thomas, Maryland Department of Transportation Port Administration Deputy Executive Director, Baltimore; Tim Parker, Waterways Council, Inc., Tuscaloosa, Alabama; Chris Spear, American Trucking Associations, Arlington, Virginia; and Mark Policinski, Ohio-Kentucky-Indiana Regional Council of Governments, Cincinnati, on behalf of the Coalition for America's Gateways and Trade Corridors.

House of Representatives

Chamber Action

Public Bills and Resolutions Introduced: 16 public bills, H.R. 4690–4705; and 1 resolution, and H. Res. 669 were introduced.

Additional Cosponsors: Page H10346
Report Filed: A report was filed today as follows:
H. Res. 668, providing for consideration of the Senate amendment to the bill (H.R. 1) to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018 (H. Rept. 115–476).

Speaker: Read a letter from the Speaker wherein he appointed Representative Rogers (KY) to act as Speaker pro tempore for today. Page H10249
Recess: The House recessed at 9:11 a.m. and reconvened at 10 a.m. Page H10250
Journal: The House agreed to the Speaker's approval of the Journal by a yea-and-nay vote of 217 yea's to 194 nays with two answering "present", Roll No. 703. Pages H10250, H10330–31
Committee Election: The House agreed to H. Res. 669, electing a Member to a certain standing committee of the House of Representatives. Page H10261
Tax Cuts and Jobs Act: The House agreed to the motion to concur in the Senate amendment to H.R.
1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, by a yea-and-nay vote of 224 yeas to 201 nays, Roll No. 699. Pages H10252–H10312

H. Res. 668, the rule providing for consideration of the Senate amendment to the bill (H.R. 1) was agreed to by a yea-and-nay vote of 232 yeas to 190 nays, Roll No. 698, after the previous question was ordered by a yea-and-nay vote of 234 yeas to 188 nays, Roll No. 697. Pages H10252–61

Suspension—Proceedings Resumed: The House agreed to suspend the rules and pass the following measure:

Consideration began Monday, December 18th.

**United States and Israel Space Cooperation Act:**
H.R. 1159, amended, to provide for continuing cooperation between the National Aeronautics and Space Administration and the Israel Space Agency, by a 2⁄3 yea-and-nay vote of 411 yeas with none voting "nay", Roll No. 700.

Recess: The House recessed at 2:21 p.m. and reconvened at 6:08 p.m.

**Motion to Fix Next Convening Time:** Agreed by voice vote to the Yoder motion that when the House adjourns today, it adjourn to meet at 9 a.m. tomorrow, December 21.

**Corporate Governance Reform and Transparency Act of 2017:** The House passed H.R. 4015, to improve the quality of proxy advisory firms for the protection of investors and the U.S. economy, and in the public interest, by fostering accountability, transparency, responsiveness, and competition in the proxy advisory firm industry, by a yea-and-nay vote of 238 yeas to 182 nays, Roll No. 702.

Rejected the Sarbanes motion to recommit the bill to the Committee on Financial Services with instructions to report the same back to the House forthwith with amendments, by a yea-and-nay vote of 189 yeas to 231 nays, Roll No. 701.

Pursuant to the Rule, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 115–46 shall be considered as adopted.

H. Res. 657, the rule providing for consideration of the bills (H.R. 2396) and (H.R. 4015) was agreed to Wednesday, December 13th.

Recess: The House recessed at 8:42 p.m. and reconvened at 10:44 p.m.

**Senate Message:** Message received from the Senate by the Clerk and subsequently presented to the House today appears on page H10251.

**Quorum Calls Votes:** Seven yea-and-nay votes developed during the proceedings of today and appear on pages H10260, H10261, H10312, H10313, H10329–30, H10330, H10331. There were no quorum calls.

**Adjournment:** The House met at 9 a.m. and adjourned at 10:45 p.m.

**Committee Meetings**

**SENATE AMENDMENT TO AN ACT TO PROVIDE FOR RECONCILIATION PURSUANT TO TITLES II AND V OF THE CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2018**

Committee on Rules: Full Committee held a hearing on the Senate amendment to H.R. 1, an Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018 [Tax Cuts and Jobs Act]. The Committee granted, by record vote of 8–4, a rule providing for the consideration of the Senate amendment to H.R. 1. The rule makes in order a motion offered by the chair of the Committee on Ways and Means or his designee that the House concur in the Senate amendment to H.R. 1. The rule waives all points of order against consideration of the motion. The rule provides that the Senate amendment and the motion shall be considered as read. The rule provides 20 minutes of debate on the motion equally divided and controlled by the chair and ranking minority member of the Committee on Ways and Means. The rule provides that clause 5(b) of rule XXI shall not apply to the motion.

**Joint Meetings**

No joint committee meetings were held.

**NEW PUBLIC LAWS**

(For last listing of Public Laws, see Daily Digest, p. D1324)

H.R. 228, to amend the Indian Employment, Training and Related Services Demonstration Act of 1992 to facilitate the ability of Indian tribes to integrate the employment, training, and related services from diverse Federal sources. Signed on December 18, 2017. (Public Law 115–93)

S. 371, to make technical changes and other improvements to the Department of State Authorities Act, Fiscal Year 2017. Signed on December 18, 2017. (Public Law 115–94)
COMMITTEE MEETINGS FOR THURSDAY,
DECEMBER 21, 2017

(Committee meetings are open unless otherwise indicated)

Senate
No meetings/hearings scheduled.

House
Committee on Rules, Full Committee, hearing on H.R. 4667, making further supplemental appropriations for the fiscal year ending September 30, 2018, for disaster assistance for Hurricanes Harvey, Irma, and Maria, and calendar year 2017 wildfires, and for other purposes; and continue hearing on the Senate amendment to H.R. 1370, the "Department of Homeland Security Blue Campaign Authorization Act of 2017" [Further Continuing Resolution], 8 a.m., H–313 Capitol.
Next Meeting of the SENATE
10 a.m., Thursday, December 21

Senate Chamber
Program for Thursday: Senate will be in a period of morning business.

Next Meeting of the HOUSE OF REPRESENTATIVES
9 a.m., Thursday, December 21

House Chamber
Program for Thursday: To be announced.

Extensions of Remarks, as inserted in this issue

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Extensions of Remarks, as inserted in this issue

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