

While the bill does make some effort to reduce "cherry picking" the NAIC believes the provisions would be inadequate.

Commissioner Praeger goes on to say:

This self-selection is extremely disruptive to the marketplace and will create a very unstable situation in an already fragile small group market, likely reducing the number of insurers willing to offer coverage in the general market. Insurance is of little use unless the costs of caring for the relatively few can be distributed among the many who are healthy.

AHPs would exempt health insurers from State rules that are needed to effectively govern health insurance companies. AHPs would also be exempt from State solvency laws and oversight and subject to inadequate standards. The American Academy of Actuaries has said that the solvency standards for AHPs contained in H.R. 660 are inadequate, and Commissioner Praeger's testimony underscores these concerns. Her testimony states that the solvency standards under the bill are "woefully inadequate" and goes on to predict "If a nationwide AHP were offered to a large association, a capital surplus of only \$2 million would result in disaster." Supporters of H.R. 660 claim that the Department of Labor has sufficient resources to oversee the new plans and prevent insolvencies and fraud. Commissioner Praeger believes that this is not the case. She notes that "The Department of Labor has neither the resources nor the expertise to regulate insurance products."

More than 500 organizations—including many of the major consumer and health care provider organizations—have voiced their opposition to this legislation. The legislation is also strongly opposed by the Nation's Republican and Democratic governors, attorneys general and insurance commissioners. Additionally, many in the small business community oppose H.R. 660, including the National Small Business United (NSBU), which has voiced its opposition to this legislation because it would hurt, not help, many small employers. They cite a recent study by Mercer found that AHPs would result in more than 1 million more uninsured and cause premiums to skyrocket for the sickest workers.

I do understand that small employers are clamoring for relief from the high cost of health care, and I support efforts to improve individuals' and small businesses' ability to obtain quality health insurance. I have introduced H.R. 1937, the Small Business Health Insurance Availability Act. This bill would do several things to help uninsured Americans who work for small businesses get adequate health care. My legislation would establish a tax credit toward the purchase of health insurance for all small employers who choose to offer it. The credit will reimburse 20 percent of health insurance costs, up to \$400 per year for individuals and \$1000 for family coverage. Businesses can get an additional 10 percent tax credit (up to 30 percent total) if they join in a Health Benefit Purchasing Coalition, which provides small employers a way to pool resources, negotiate collectively with insurers, and administer health plans for small employer groups. In order to foster innovation on the State level, the bill creates State grant programs for initiatives that expand health insurance to the uninsured through market innovations.

I believe that we must help uninsured Americans to obtain health insurance while not put-

ting individual insurance markets or consumers at risk. My legislation, in contrast to the very controversial AHP proposals, could be enacted into law immediately without disrupting health insurance markets or regulatory structures. It would also preserve the rights and protections of consumers in States and ensure that the business of health insurance remain regulated on the State level. It would also give small business owners, like their big business competitors, the opportunity to band together and bargain for better insurance rates and terms.

INTRODUCTION OF H.R. 2620 TRAFFICKING VICTIMS PROTECTION REAUTHORIZATION ACT OF 2003

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 2003

Mr. LANTOS. Mr. Speaker, today I proudly joined my good friend from New Jersey, the Chairman of the Veterans Committee and the Vice-Chairman of the Committee on International Relations, in introducing H.R. 2620, the Trafficking Victims Protection Reauthorization Act of 2003.

Mr. Speaker, in the 106th Congress, Mr. Smith and our former colleague, Sam Gejdenson of Connecticut, spent enormous energy to pass the Trafficking Victims Protection Act of 2000. I was proud to be an original co-sponsor of that landmark legislation. It is wise to recall where we were just a few short years ago with respect to trafficking of persons. The CIA estimated that 50,000 people were being trafficked into the United States each year and being held in conditions that amounted to modern day slavery. They were being forced to labor in our fields, to work endless hours in sweatshops, and to serve in sexual slavery in cities across our land. U.S. prosecution of traffickers faltered because attorneys in our Department of Justice did not have the right tools to pursue the new forms of trafficking, which often relied on threats, not chains, and on document fraud, not bills of sale. Overseas, millions of people were being used as chattel, and the brothels of Bombay and Bangkok were overflowing with prostitutes, many young girls, who were forced to provide sex. Governments were barely aware of what was happening to their own people, and where they were, they usually blamed the victims and forgot about them. And the international community was just starting to fashion an international agreement to address the horrors of trafficking.

Today the picture is visibly brighter. Because of the enactment of the Smith-Gejdenson Act, the Attorney General is prosecuting cases from American Samoa to New Jersey and has recently achieved the first conviction under the new tools provided by that Act right here in the DC metropolitan area. Victims are coming forward because of the federal benefits we are offering to them, treating them like the refugees that they are. The naming of countries that are not making significant efforts to combat trafficking and the threat of sanctions against them are forcing measurable changes in the way that governments around the world are facing this modern day form of slavery. A new international criminal protocol

is gaining wide acceptance, and is being studied by the Administration. Modern day slavery is under assault from all directions.

But Mr. Speaker, we need to do more. In the two-and-a-half years since the enactment of the Smith-Gejdenson Act, we have learned much more about the phenomena of trafficking and how to combat it. It is time to do a thorough review of our trafficking statutes and ensure that we are doing everything we can to prevent trafficking, protect victims and prosecute traffickers.

And that is exactly what the Trafficking Victims Reauthorization Act of 2003 accomplishes. Drawing from the conference earlier this year held by the Department of State, this bill authorizes new strategies for prevention, including using trafficking victims to identify traffickers at the borders and deterring sex tourism, which is part of the fuel of sex slavery around the world. It increases protection by making measured expansions of the visa category for trafficking victims and related provisions to better enable cooperation, particularly with respect to state and local trafficking prosecutions, which are increasingly the front line of law enforcement in this area. And it enhances prosecution of traffickers by, for example, ensuring that trafficking is treated like the organized crime that it is. Perhaps most critically, it demonstrates Congressional commitment to fighting this scourge by authorizing additional funds for U.S. agencies to combat this human rights crisis around the world.

Mr. Speaker, I salute Congressman SMITH, Congressman PITTS and Congresswoman SLAUGHTER for the vision they are showing today by joining me in this fight against trafficking in human beings. Just as we made a real difference two-and-a-half years ago, we can accelerate our fight against modern-day slavery. I urge all my colleagues to join in this fight.

BILL TO MAKE PERMANENT THE EXPANDED EXPENSING BENEFITS PROVIDED TO SMALL BUSINESSES UNDER THE JOBS AND GROWTH TAX RELIEF RECONCILIATION ACT OF 2003

HON. WALLY HERGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 2003

Mr. HERGER. Mr. Speaker, last year Congress, working together with President Bush, enacted into law the Jobs and Growth Tax Relief Reconciliation Act of 2003. Among other provisions, this new law strengthens and expands the expensing provisions afforded to small businesses under section 179 of the Internal Revenue Code. As such, the law encourages small businesses to make new capital investments, thus spurring our economy and creating jobs. I believe Congress should make this provision permanent and today I am introducing the "Small Business Expensing Permanency Act of 2003" to do just that.

Specifically, the Jobs and Growth Act increases from \$25,000 to \$100,000 the amount of new investment a business can expense—or deduct from income—in a given year. The new law also increases—from \$200,000 to \$400,000—the amount of total investment a business can make in a year and still qualify