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Senate

The Senate was not in session today. Its next meeting will be held on Monday, May 9, 2005, at 2 p.m.

House of Representatives

WEDNESDAY, MAY 4, 2005

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. GINGREY).

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

HOUSE OF REPRESENTATIVES
Washington, DC, May 4, 2005.

I hereby appoint the Honorable PHIL GINGREY to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

The Reverend M. Susan Peterson, Senior Pastor, Gloria Dey Lutheran Church, St. Paul, Minnesota, offered the following prayer:

God of grace, healer of the nations and source of all that is generous and good, we call You by many names, yet we seek the same hope. We travel on different pathways but long for the same promise of peace. Help us to discover within the great variety of Your people a common purpose to do justice, love kindness, and walk humbly on earth. Grant our elected leaders the wisdom and courage to stand for what is life-giving. And in full measure, support them in work both tedious and challenging to seek the well-being of all people.

Help each of us to overcome the barriers that separate us one from another, to advocate for those who have no voice, and to allow the freedom we know in this great land to move us to act with concern and compassion on behalf of others. May Your wisdom prevail in this place, and Your blessing rest on all who serve here. Together, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. 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.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from South Carolina (Mr. BARRETT) come forward and lead the House in the Pledge of Allegiance.

Mr. BARRETT of South Carolina 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.

WELCOMING THE REVEREND M. SUSAN PETERSON

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

Mr. GUTKNECHT. Mr. Speaker, I rise today to honor our guest chaplain, Reverend Susan Peterson of St. Paul, Minnesota. I often tell students when they come to the Capitol that the first official act of the Continental Congress was to appoint a chaplain. The second thing they did was they prayed. They prayed for an hour and a half. We have long understood the importance of faith in our society.

Reverend Peterson is the senior pastor of Gloria Dei Lutheran Church in St. Paul. She was the first woman in the ELCA to be called as a senior pastor to a large Lutheran congregation. A proud Minnesota native, she attended Gustavus Adolphus College in St. Peter, Minnesota; Bradley University in Peoria, Illinois; the Lutheran Theological Seminary in Philadelphia; and in 1985, she and her family moved to St. Paul where she was called to the position of associate pastor at Gloria Dei.

Susan has served in a variety of leadership positions for the St. Paul Area Synod, as well as a number of other church-related institutions.

I thank the Reverend Peterson for her service as guest Chaplain for the United States House of Representatives.

EMPLOYEE PENSION PRESERVATION AND TAXPAYER PROTECTION ACT

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

Mr. PRICE of Georgia. Mr. Speaker, the American taxpayer through the Pension Benefit Guaranty Corporation, has already assumed nearly $10 billion in unfunded pension liabilities from

two airlines in bankruptcy. I repeat, $10 billion. Something has to be done, and that is why I am introducing the Employee Pension Preservation and Taxpayer Protection Act today.

If a major airline files for bankruptcy, taxpayers lose, employees are out of jobs, retirements are jeopardized, and the economy suffers. My legislation would allow airline carriers to adopt new funding rules for their pension systems so the American taxpayer is not footing the bill.

Under this plan, the airline carriers must meet all of their current obligations, and the part that should make every taxpayer happy, this bill provides absolutely no subsidy from the Federal Government and thereby the taxpayer.

Mr. Speaker, pensions are not something workers hope to receive, or something we think might be there when we retire. Americans work hard and save for retirement, understanding that nothing can steal away a hard-earned pension. That is the way it should be, and that is what my bill will do. I urge my colleagues to support this much-needed legislation.

EDUCATION FUNDING CUTS WORTHY CONTEST

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

Mr. BLUMENAUER. Mr. Speaker, again this year the repeat State champions from my neighborhood high school, U.S. Grant, has had another outstanding national contest finishing second against the 1,500 students competing in the ''We the People'' Constitutional contest.

The Grant High School performance has a simple formula for success: Hard work, dedicated teachers, outstanding students and parents all joined together in a creative program. They demonstrate year in and year out what works in education.

I am sad to note that for some inexplicable reason the national program that inspired such interest in learning about our Constitution is absent from the President's budget, eliminating $29.4 million in civic education from the Department of Education. I hope we will be able to correct that deficiency. This is exactly the type of program and the positive reinforcement that the champions from Grant High School and students from across America deserve.

HONORING SPECIALIST GAVIN COLBURN

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

Mr. NEY. Mr. Speaker, I rise today to honor the ultimate sacrifice made by an American hero, Specialist Gavin Colburn of Frankfort, Ohio. He was an Army Reservist with the 542nd Transportation Company serving in the war on terror in Iraq.

Specialist Colburn would be considered a hero by anyone's standards for being willing to answer his Nation's call to duty. Yet, Gavin was a hero in an even greater sense. On April 22 when a roadside bomb exploded near Specialist Colburn's truck, he threw himself in between the bomb and a fellow soldier, saving her life while sacrificing his own.

As we struggle to deal with the loss of this young man, let me assure Members that Specialist Gavin Colburn's life was not sacrificed in vain. Specialist Colburn was a young man full of promise, passion, bravery and heart, a young man fighting for what he believed was right and fighting for a cause he believed to be true.

Gavin loved his fiancee, his family and friends. And he loved his country. His family, his fiancee, his friends, the community of Frankfort, Ohio, and the United States of America, will never forget the incredible sacrifice this young man has made, for Specialist Gavin Colburn was born more than a soldier, he was an American patriot and an American hero. May God rest his soul.

DEVELOPING PEACEMAKING SKILLS

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

Mr. KUCINICH. Mr. Speaker, has Congress gotten use to the idea of the U.S. being in a war, an occupation in Iraq?

Congress endorsed the President's actions over and over again even though those actions were based on misinformation and falsehoods. It has appropriated over $270 billion for the war. It has provided money to build new bases in Iraq. It has not held a single investigative hearing that has made one bit of difference in the administration's conduct of the war.

But if the war cannot be justified, then neither can the occupation. Some are now content to say well, we are there, we have to stay there.

Mr. Speaker, it was wrong to go in and it is wrong to stay in. We attacked a nation that did not attack us. We waged war against a people who did not want war with us. We have killed people who have more quarrel with us. We are occupying a nation that does not want us there.

This Congress has the power to end the war. We should work together to set a day for withdrawal and a cutoff of funds. We acted decisively to get into war, we should act decisively to get out. In doing so, we must begin to develop peacemaking skills superior to our war-making skills or our world will not survive.

UNITED NATIONS AMBASSADOR

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

Mr. PITTS. Mr. Speaker, if U.N. reform is the issue, then John Bolton would make a good ambassador to the United Nations. He supports a United Nations that is transparent and effective. He supports a U.N. that does not work against American interests. He supports a U.N. that respects the sovereign laws of member nations, and he supports the ability of the U.S. to act according to its own national interest.

The Senate Democrats do not agree with him. These senators support a U.N. that even works against American interests, a U.N. that is not accountable to member states. A classic tactic of people hiding their true agenda is do not debate the issue, attack the person.

Their cynical strategy has made the number one qualification for ambassador good manners, not experience. Because a partisan political operative accuses John Bolton of being rude to staff, he is not qualified.

Mr. Speaker, if being rude to staff disqualifies John Bolton, then probably half the Members of Congress would be disqualified as well. Let he who is without sin cast the first stone.

MISCONDUCT OF COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

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

Ms. WATSON. Mr. Speaker, the House of Representatives has an elaborate set of rules and regulations to ensure that Members' commitment to the public interest is never undermined by a conflict of interest. Unfortunately, the very House body charged with enforcing these rules and regulations is itself suffering from a conflict of interest.

At the start of this year, three Republican members of the Committee on Standards of Official Conduct were removed by their party because they were not friendly enough to the leadership. Two of the replacement members have given $15,000 to a legal defense fund for a member of the Republican leadership who likely will become subject to an ethics investigation.

Does any Member believe these two Members can fairly and independently, without bias, judge a Republican House leader while at the same time helping to pay his legal bills? The Committee on Standards of Official Conduct has not even yet met, but the deck is already stacked against getting to the real truth and restoring the high standards of this House. The American people should be rightfully troubled and outraged.

HONORING CHALLENGE TO CHANGE PROGRAM

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

Mr. KLINE. Mr. Speaker, I rise today to recognize the efforts of some exceptional young Minnesotans. The students and staff of Lakeville High School have taken it upon themselves to meet a growing need within their community. Inspired to act by the tragic drug and alcohol-related death of a Lakeville student, principals Julie Espe convened a task force focused on drug education and prevention, and the ''Challenge to Change'' effort was begun.

Lakeville students and staff members involved in this task force have organized awareness activities for high school and junior high school students, including panel discussions with students who have overcome challenges, as well as those who have made the tough choice to avoid drug and alcohol use. These events have made a significant impact on the youth of the Lakeville community, and have gained the attention of community leaders and local officials.

Encouraged by the early success, the group has many more activities planned to emphasize their message throughout the upcoming graduation season. The proactive efforts of the Challenge to Change group are a fantastic example of the positive power of community involvement in the lives of our children.

Mr. Speaker, I commend the efforts of those involved in the Challenge to Change program, and wish them continued success.

RECOGNIZING SENATOR ARAM GARABEDIAN

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

Mr. LANGEVIN. Mr. Speaker, I rise today to recognize a dedicated public servant and dear friend, Senator Aram Garabedian on the occasion of his 70th birthday. I have known Aram for 15 years, and he has never failed to inspire me with his commitment to the citizens of Rhode Island.

Born and raised in Rhode Island, Aram Garabedian currently resides in Cranston and serves as city council president. But this is only the most recent chapter in his distinguished career. Since the early 1970s, Aram has served in a number of capacities, most notably as a member of the Rhode Island House of Representatives and a State senator.

He has been a model citizen, and he has never stopped serving his community and fellow Rhode Islanders.

Mr. Speaker, it is a great honor to recognize my good friend, Aram Garabedian, for his lifetime of service, and to wish him a happy and healthy 70th birthday.

□ 1015

SOCIAL SECURITY

(Mr. BARRETT of South Carolina asked and was given permission to address the House for 1 minute.)

Mr. BARRETT of South Carolina. Mr. Speaker, the first 100 days of the 109th Congress have been very successful, but there is still a lot of work we have got to do. One item at the top of the list is our need to strengthen Social Security. I was honored to accompany President Bush to my home State of South Carolina as he addressed the general assembly regarding the issue of Social Security. I have found that for the most part people understand that Social Security is safe for today's seniors and those nearing retirement, but is still very dangerous for our younger workers; and they know the facts as they relate to the problem.

What they want is for Congress to present clear and concise ideas on a permanent fix. I look forward to working with my colleagues toward a solution in the coming weeks and months to fix once and for all the Social Security system. The time is now. The opportunity is now. The future is now.

REPUBLICAN ETHICS REVERSAL

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

Mr. PALLONE. Mr. Speaker, the House Republican majority finally did the right thing last week when it restored bipartisan ethics rules. Republicans fortunately caved to public criticism. And now, as the Ethics Committee gets ready to organize, we will see if the Republican majority is really interested in restoring the integrity of this institution.

The new chairman of the Ethics Committee has said that he wants to appoint his chief of staff from his personal office to be the new staff director of the Ethics Committee. This action would defy House rules, which explicitly state that Ethics Committee staffers are to be nonpartisan. The rule is important since the actions of the Ethics Committee are intended to protect the integrity of this institution, not the integrity of an individual Member of either political party.

By appointing a Republican as the main staffer on the Ethics Committee, the Republican majority would undermine any decision that came out of the committee. I would hope that Chairman HASTINGS would reconsider this political appointment before the Ethics Committee organizes in the coming days.

HONORING WILLIAM CLAY FORD, SR.

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

Mr. MCCOTTER. Mr. Speaker, I rise today to honor William Clay Ford, Sr., for 57 years of dedicated service as a member of the Ford Motor Company's board of directors. He has served on the board with distinction for over half of the Ford Motor Company's history of almost 102 years. As the only surviving grandson of the late Henry Ford and the father of the current chairman, he uniquely links Ford's past, present, and future.

Mr. FORD served the company as an employee from 1949 until 1989. He held a variety of executive positions, including vice president and general manager of the continental division. Throughout his career, he oversaw the design and development of a number of classic vehicles, including the Continental Mark II, a worthy successor to the Continentals designed by his father, Edsel Ford. The Mark II is considered by many to be one of the most beautiful personal luxury cars ever built.

Mr. Speaker, I ask my colleagues to join me in honoring William Clay Ford, Sr., as he retires from the Ford Motor Company board of directors and in wishing him the best of luck as he becomes director emeritus.

ASIAN PACIFIC ISLANDER AMERICAN HERITAGE MONTH

(Ms. SOLIS asked and was given permission to address the House for 1 minute.)

Ms. SOLIS. Mr. Speaker, today I rise in celebration of Asian Pacific Islander American Heritage Month. As a member of the Congressional Asian Pacific Islander American Caucus, I am proud to pay tribute to the 120,000 individuals of Asian descent that I represent in the 32nd Congressional District in California. Communities like Rosemead, Monterey Park, West Covina and other cities throughout my district have experienced firsthand the economic and cultural contributions of Asian and Pacific Islanders. Asian and Pacific Islanders in my district represent local government, entrepreneurs, educators, and patriots. This month we should also remember the great contributions that were provided by Congressman Robert Matsui, who was a great advocate and champion of Asian American issues throughout our country.

I encourage all my colleagues to celebrate with us throughout the month of May to learn more about the rich cultures of Asian and Pacific Islander Americans.

IN SUPPORT OF THE SOLOMON AMENDMENT

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

Mr. STEARNS. Mr. Speaker, recently the Supreme Court announced it would

decide whether some law schools might curb military recruiters' access to their students. The issue in question is the Solomon amendment, a Federal law that requires universities to give military recruiters equal access or risk losing millions of dollars in Federal funding. These universities allow IBM, GE and other corporations access, but not the military. I commend the Supreme Court for taking up this case and urge them to reverse a lower court injunction against enforcement of the Solomon amendment.

The Solomon amendment is necessary to protect the military against the antimilitary sentiment of some universities and colleges. Yet many of these universities receive millions and millions of hardworking American tax dollars in Federal funds. These universities will take taxpayers' money, but then will discriminate against the very people who put their lives on the line to protect our freedoms. This is not right. I urge support for the Solomon amendment.

NOTING CONTRIBUTIONS OF IMMIGRANTS ON OCCASION OF CINCO DE MAYO

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

Mr. CUELLAR. Mr. Speaker, I rise to recognize the strength of the contributions of our immigrants. We find our immigrants, our sons and daughters, in government; we find them in the arts; we find them in medicine, in our educational system. And the strength that they provide our country has been outstanding. My mother and my father went only to a third and sixth grade education. They worked hard. They taught us how to work hard, and they taught us the power of education.

This is why it is important that we recognize the strength and the diversity that our country is based on the immigrants, especially now that we rise and we see the Cinco de Mayo, especially my district, which is about 68 percent Hispanics. We should thank their contributions and recognize that contribution.

SENATE FILIBUSTER

(Ms. FOXX asked and was given permission to address the House for 1 minute.)

Ms. FOXX. Mr. Speaker, I rise to denounce the grave injustice occurring a few hundred yards from here in the United States Senate. As any student of American Government knows, it is the job of the President to nominate fellow Americans to serve as Federal judges, and it is the job of the Senate to either approve or reject those nominations. It is a simple system that guarantees proper checks and balances in the manner our forefathers envisioned.

Over the past 2 years, though, Senate Democrats have exploited parliamentary loopholes to prevent the Senate from voting up or down on many of President Bush's highly qualified nominees. They are hiding behind the Senate filibuster to block judicial nominees who have the support of the majority of the Senate, something that has never been done in American history.

Democrats in the Senate are not asking for time to debate these nominees. They are not going to the American people and explaining why they oppose them. They are not even using their talents of persuasion to urge their Republican colleagues to vote ''no.'' No, they are just refusing to vote. And that is just wrong.

I stand for this simple proposition, that every judicial nominee of the President deserves a fair yes-or-no vote. If Democrats do not like the President's nominees, they can vote ''no,'' but to avoid voting altogether is a dangerous disservice.

SECOND CHANCE REENTRY ACT

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

Mr. DAVIS of Illinois. Mr. Speaker, I understand that Representative Rob Portman's last day was Friday of last week. President Bush appointed him to be the U.S. Trade Representative, and Rob has gone off to pursue those duties. I want to wish him well.

Rob and I worked closely together, and we introduced something called the Second Chance Reentry Act, to assist inmates coming home from prison to rehabilitate and redeploy and redevelop and reestablish their lives. I have never enjoyed working more with a Member who was dedicated to what he was attempting to do, totally committed, willing to compromise; and we have a bill that we think will go a long way toward assisting these individuals.

And so I trust that in memory of the great work that Rob Portman did, all of us will support the Second Chance Reentry Act and continue the work that Rob was so proud of. Rob, we thank you.

IRAQI CABINET

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

Mr. CHOCOLA. Mr. Speaker, a few short months ago, millions of Iraqis risked their lives by simply casting a vote. This week, the bravery demonstrated on that historic January day came to fruition as the country's first freely elected government in over half a century was sworn in. The new cabinet is representative of the various ethnic and religious groups in Iraq and will be charged with the important task of writing a permanent Iraqi constitution. This milestone is yet another victory for the Iraqi people and delivers a further blow to the terrorists and advances the cause of freedom worldwide.

Mr. Speaker, I wish to reiterate our continued admiration and support of the Iraqi people, and I commend them for the courage and tenacity they continue to demonstrate as they embrace freedom and democracy.

109TH REPUBLICANS DELIVER ACCOMPLISHMENTS FOR AMERICA

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

Mr. WILSON of South Carolina. Mr. Speaker, America's economic future is bright. Since May 2003, more than 3 million American jobs have been created, and we have had 22 straight months of job growth. In the last month alone, more than 110,000 Americans have found jobs.

In the past 100 days, House Republicans have delivered a long list of accomplishments that are spurring economic growth and making a positive difference for millions of American families. The 109th Congress has passed legislation that will permanently repeal the death tax, decrease the deficit, strengthen America's borders, prevent frivolous lawsuits, improve our highways, and provide our country with a comprehensive energy plan. Because of our continued efforts, the unemployment rate is now at the lowest level since September 2001.

Each of these accomplishments will ensure that our economy continues to improve. However, we will not be satisfied until every American who wants a job can find a job. Although Democrats continue to try to obstruct our positive agenda, House Republicans will remain dedicated to helping American workers take care of their families.

In conclusion, God bless our troops, God bless Grace Christian School, and we will never forget September 11.

JUDICIAL NOMINEES

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

Mr. CHABOT. Mr. Speaker, as an elected official from the First District of Ohio, I took an oath to uphold the Constitution. In taking the oath, I have an obligation to ensure that the Constitution and the intent of the Founding Fathers is protected. The American people deserve to know that the Constitution, the intent of the Founders, and 214 years of tradition are being jeopardized by use, or the threatened use, of the filibuster on judicial nominations. Never before has a judicial nominee with clear majority support been denied an up-or-down vote. The filibuster is not part of the Constitution, nor is it even part of the original Senate rules. However, the use of the filibuster on judicial nominations threatens the very principles on

which this country was founded by forcing the Constitution to yield to a Senate rule, a predicament that should be untenable to all of us who have sworn to uphold that most sacred document.

The filibuster has been and continues to be useful when it comes to legislation. It should remain. However, judicial nominees deserve more and the American people deserve more. They deserve what the Constitution calls for, an up-or-down vote.

SOCIAL SECURITY

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

Mr. CANTOR. Mr. Speaker, Social Security is undoubtedly the sacred bond between the United States Government and the American people. The Social Security debate is one about how to best protect the interests of today's seniors while preserving benefits for our children and our grandchildren.

When visiting citizens in my congressional district over the last several months, I was able to hear from students, seniors, employers and others about their thoughts on the problem facing the Social Security system. Undoubtedly, I heard the message that the Social Security system is headed for a crisis. In the 1930s when Social Security was created, there were more than 40 workers for every retiree. Today, there are just over three workers for every retiree. By 2018, there will be less than three workers for every retiree. These are the facts. This is our reality. To ignore this problem or to claim that there is no problem is plain irresponsible.

I look forward to working with my colleagues on both sides of the aisle to produce a solution for the American people to save our Social Security system.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GINGREY). Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later today.

□ 1030

FRANCIS C. GOODPASTER POST OFFICE BUILDING

Mr. SHAYS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1082) to designate the facility of the United States Postal Service located at 120 East Illinois Avenue in Vinita, Oklahoma, as the ''Francis C. Goodpaster Post Office Building.''

The Clerk read as follows:

H.R. 1082

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FRANCIS C. GOODPASTER POST OFFICE BUILDING.

(a) DESIGNATION.—The facility of the United States Postal Service located at 120 East Illinois Avenue in Vinita, Oklahoma, shall be known and designated as the ''Francis C. Goodpaster Post Office Building''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the ''Francis C. Goodpaster Post Office Building''.

The SPEAKER pro tempore (Mr. GINGREY). Pursuant to the rule, the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from Connecticut (Mr. SHAYS).

GENERAL LEAVE

Mr. SHAYS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

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

Mr. Speaker, on behalf of the Committee on Government Reform and its chairman, I rise to begin the consideration of H.R. 1082. This legislation honors a caring community leader who personifies much of what is good about America. Francis Goodpaster was a veteran, postmaster, philanthropist, teacher, church elder, and lifelong resident of the northeast Oklahoma town of Vinita. All members of the Oklahoma State delegation have joined the gentleman from Oklahoma (Mr. BOREN), the sponsor, as cosponsors of H.R. 1082.

Born in Vinita, Oklahoma in 1909, Francis Goodpaster became employed by the Post Office Department in 1937. He left his job and his home to serve our Nation in the Army in World War II. He retired from the Army as a lieutenant colonel. In 1964 he became Postmaster in Vinita until his retirement in 1973.

In addition to his postal and military career, Mr. Goodpaster was very active in his native community. He served as Craig County Commissioner, President of the Vinita Lions Club, commander in the local American Legion, Red Cross board member, and he was even an elder at the Pilgrim Presbyterian Church.

Mr. Speaker, Francis Goodpaster passed away on March 3, 2002. We support this legislation that will memorialize his contributions to his hometown of Vinita, Oklahoma.

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

Mr. DAVIS of Illinois. Mr. Speaker, I yield such time as he may consume to the gentleman from Oklahoma (Mr. BOREN), the sponsor of this legislation.

Mr. BOREN. Mr. Speaker, I thank the gentleman from Illinois for yielding me this time.

Mr. Speaker, I rise today to voice my support for H.R. 1082, which will name the Vinita, Oklahoma Post Office after Francis C. Goodpaster.

Francis Goodpaster was a lifelong resident of Vinita, only leaving his hometown briefly to attend Oklahoma A&M and to serve his country during World War II. He was also a man who dedicated his life to public service. His service, however, was not only to the people of the great State of Oklahoma, but to the people of our Nation as well.

Mr. Goodpaster first entered service with the United States Postal Department in 1937. He remained in his post delivering mail to the people of Vinita until his retirement in 1973. In fact, his great service to the postal system and the people it serves earned him the position of Postmaster for the Vinita Post Office during the last decade of service. From what I am told, Francis Goodpaster put the ''service'' in the postal service, and he was proud to do so. In fact, I understand that several Christmases and several of those celebrations were put on hold in the Goodpaster household until all the packages were delivered to all the residents of Vinita. Again, this just shows the value that Francis Goodpaster saw in serving the public and making sure that his friends, neighbors, and community members were happy.

In addition to serving his community of Vinita, Francis Goodpaster was also a public servant for the State of Oklahoma. Upon returning from Oklahoma A&M, Mr. Goodpaster was elected by his peers to represent them as a representative in the Oklahoma State legislature. Having previously served in the Oklahoma legislature myself, I understand the respect that this deserves when the district sends someone to the State capital, and they did that with Francis Goodpaster.

Even more selflessly than being a public servant to his community and to his State, Francis Goodpaster was a public servant to his Nation. For a time during his early years in the postal service, Mr. Goodpaster served our Nation as part of the Greatest Generation in World War II. As a lieutenant colonel in the United States Army, he did his part to help ensure the freedoms that we enjoy here today. I feel that such selflessness should not go unacknowledged.

These are only a few of the many accomplishments in Francis Goodpaster's life. I could go on and on with many more examples of the great gifts of service that he gave to the State and the Nation, from filling a term as Craig County Commissioner to serving on the board of the Red Cross, to being a part of the State's Silver Hair Legislature for two terms. In the end, though, I

think that what needs to be said is that Francis Goodpaster was a good man who loved his hometown, who loved his State, and loved his Nation and showed his appreciation through public service. For this reason I believe we should now show our appreciation to him.

Mr. Speaker, I can think of very few people that are as deserving to have this honor bestowed upon them. Therefore, I urge my colleagues to join me in supporting H.R. 1082 to show our appreciation for all of Francis Goodpaster's public service.

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

As a member of the House Committee on Government Reform, I am pleased to join the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Oklahoma (Mr. BOREN) in consideration of H.R. 1082, legislation naming a postal facility in Vinita, Oklahoma after the late Francis C. Goodpaster. This measure, of course, was introduced by the gentleman from Oklahoma (Mr. BOREN) on March 3, 2005, and unanimously reported by our committee on April 13, 2005, and it enjoys the support and cosponsorship of the entire Oklahoma delegation.

As we have heard, Mr. Goodpaster was indeed a ''man for all seasons,'' very active in his community, totally committed to his country, and I join with my colleagues in suggesting that there is no better person to name a United States postal facility after than Mr. Francis Goodpaster. So I join with my colleagues in urging swift passage.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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

I urge all Members to support this legislation introduced by the gentleman from Oklahoma (Mr. BOREN) and urge the passage of H.R. 1082.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Connecticut (Mr. SHAYS) that the House suspend the rules and pass the bill, H.R. 1082.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

HONORABLE JUDGE GEORGE N. LEIGHTON POST OFFICE BUILDING

Mr. SHAYS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1542) to designate the facility of the United States Postal Service located at 695 Pleasant Street in New Bedford, Massachusetts, as the ''Honorable Judge George N. Leighton Post Office Building.''

The Clerk read as follows:

H.R. 1542

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. HONORABLE JUDGE GEORGE N. LEIGHTON POST OFFICE BUILDING.

(a) DESIGNATION.—The facility of the United States Postal Service located at 695 Pleasant Street in New Bedford, Massachusetts, shall be known and designated as the ''Honorable Judge George N. Leighton Post Office Building''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the ''Honorable Judge George N. Leighton Post Office Building''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from Connecticut (Mr. SHAYS).

GENERAL LEAVE

Mr. SHAYS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

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

Mr. Speaker, H.R. 1542 names this postal facility in New Bedford Massachusetts as the ''Honorable Judge George N. Leighton Post Office Building.'' This fitting tribute honors a notable and ground-breaking judicial figure. Judge Leighton was born George Neves Leitao in New Bedford, Massachusetts on October 22, 1912. As a young man, Leitao fought for our Nation in World War II and was awarded the Bronze Star for his courageous service. After he returned safely home from the war, he pursued his dreams of going to law school and earned a law degree from Harvard in 1946.

After graduation he moved to Chicago to pursue his career in the law. He ultimately became a judge of the Circuit Court of Cook County, Illinois in 1964, and in 1969 he was elevated to judge of the Appellate Court, First District. In that capacity Judge Leighton became the first African American judge to sit on the Illinois Appellate Court.

Mr. Speaker, President Gerald Ford recognized Judge Leighton's judicial prowess and appointed him to the United States District Court for the Northern District of Illinois in 1976. His distinguished tenure as a Federal judge lasted until 1987.

Mr. Speaker, Judge George Leighton was a great legal mind who also was a professor at the John Marshall School of Law in Chicago for more than a quarter of a century. I thank the gentleman from Massachusetts (Mr. FRANK) for offering H.R. 1542. I know he is proud of Judge Leighton, who, at 95 years of age, continues to be the pride of all New Bedford residents.

Judge Leighton is tremendously deserving of this honor, and it is terrific that this post office will hopefully soon carry his name. I urge all Members to support this bill.

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

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as a member of the House Committee on Government Reform, I am pleased to join my colleague in consideration of H.R. 1542, legislation naming a postal facility in New Bedford, Massachusetts after Judge George N. Leighton. This measure, which was introduced by the gentleman from Massachusetts (Mr. FRANK) on April 12, 2005, and unanimously reported by our committee on April 13, 2005, enjoys the support and cosponsorship of the entire Massachusetts delegation.

George Leighton was born in New Bedford, Massachusetts, the son of natives of the African coastal Cape Verde Islands. Raised in New Bedford, he worked as a berry picker, dishwasher, and cook. After winning an essay contest, George used the prize money to pay the first semester tuition at Howard University in Washington, D.C.

Although not the recipient of a high school education, George went on to graduate from Howard in 1940, magna cum laude. He was accepted into Harvard Law School, graduating after serving 3 years in the infantry in World War II.

In 1947 George Leighton was admitted to the Bar of the State of Illinois. He became active in civic affairs, serving as chairman of the Chicago National Association for the Advancement of Colored People, NAACP, Political Action Committee and Legal Redress Committee.

Throughout his legal practice, Judge Leighton was involved in cases of national importance for many African Americans. His cases resulted in the desegregation of public schools in Harrisburg, Illinois and the release of a man sentenced to death row.

In 1964 George Leighton was elected a judge in the Circuit Court of Cook County, and in 1976 President Ford appointed him to the U.S. District Court for the Northern District of Illinois.

Judge Leighton, the recipient of numerous awards, honors, and honorary degrees, retired from the bench in 1987. Currently, a young man in his 90s, Judge Leighton serves ''Of Counsel'' in the Chicago law firm of Neal & Leroy and teaches as an adjunct professor at John Marshall Law School.

□ 1045

He is also a master chess player.

Mr. Speaker, I commend my colleague for sponsoring H.R. 1542, and I might note that Judge Leighton was appointed to the Federal bench by President Ford, a Republican. Judge Leighton in Chicago was always known to all of us as a Democrat and was very active in Chicago Democratic politics and political circles. So I think it is

noteworthy that he was appointed by a Republican President. I never knew that he had lived and grown up in Massachusetts, but obviously he did.

Mr. Speaker, I see that we are fortunate, because the sponsor of this legislation, the gentleman from Massachusetts (Mr. FRANK), is just entering the Chamber, and I know that he wanted to be able to make some comments, so he is very timely. I want to thank the gentleman from Massachusetts (Mr. FRANK) for honoring and recognizing a person that I always thought was a native of Chicago. I did not know that he was actually a native of New Bedford, Massachusetts.

Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. FRANK), the sponsor of the legislation.

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the gentleman from Illinois and the gentleman from Connecticut, good friends who kept debate alive so I could get here. I was in a hearing where I am the ranking member of the Committee on Financial Services, and I appreciate the chance to speak.

Let me say to my friend from Chicago that we are delighted to have lent you this very distinguished jurist, Judge Leighton. He has come back home now. Chicago was a nice place to visit, and the visit did last many decades; but I am delighted to have had the chance to respond to the unanimous vote of the City Council of New Bedford urging me to introduce this legislation. I appreciate the committee's processing it.

I think, as the gentleman from Illinois mentioned, I am delighted to be here on behalf of a Republican nominee to the Federal bench. Judge Leighton was an appointment of President Gerald Ford. Judge Leighton is a man who, in his own right as a jurist, as a distinguished legal scholar, deserves recognition. It does not, I think, diminish one iota, but rather enhances him, to note that he is not simply an extremely distinguished judge, a man who, born into difficult circumstances to immigrant parents who did everything they could to provide him with the opportunities; a man whose education was interrupted by service in World War II, so he overcame a number of obstacles and, despite that, graduated from law school and earned an appointment to the Federal bench and earned a great reputation on the Federal bench.

In addition, it is important to note, given the nature of this country and the fact that we are a country that has drawn enormous strength from immigration, from people coming from all over the world, the thing about immigrants is that they are not a random sample of the population from which they come. Immigration is itself an act that shows entrepreneurship and energy. Lazy people on the whole do not immigrate to foreign countries where they do not even speak the language. The very fact of immigration is a sign of a degree of eagerness to better yourselves, to work hard for yourselves and your family.

So I do not think it is an accident that our national prosperity and thriving democracy has been strengthened by our being the place where some of the most energetic and entrepreneurial people from all over the world come.

Judge Leighton's parents were in that category. They come from the Island Republic of Cape Cabo Verde, and it is a country which has recently been recognized by this administration for its commitment to democracy and its vigorous support for economic development by being in the very first group of countries that qualified for the Millennium Challenge Account.

Judge Leighton was in that first wave of Cape Verdean immigrants, a man born in 1912; and I do note for the record that Judge Leighton is exactly 2 days younger than my mother, as I looked at his birth date; and he is one of the people who was in the lead in this particular ethnic group, people of Cape Verdean descent, taking their place in America, as so many groups before them and after them continue to do. It is a source of great pride to the people of Cape Verdean descent and to the people of the Republic of Cape Verde that a man born to Cape Verdean immigrant parents rose by dint of his own intelligence and commitment to this very distinguished position.

I am particularly grateful that July 5 is Cape Verdean Independence Day, and I will be marching in a parade then, as I always do, sponsored by a very important organization, the Cape Verdean Veterans Association. Cape Verdeans have, from the moment of their coming here, been strongly patriotic Americans and they have a strong tradition and identification with the armed services.

I am very proud that one of the people who works for me in Massachusetts, Ervin Russell, is a Vietnam veteran, an in-country Vietnam veteran of Cape Verdean descent who is very active with that organization; and on July 5, we are looking forward to, after completing this parade run by the Cape Verdean Veterans Association, dedicating this post office; and we will have, I think, the ambassador and others, because this is a celebration of the triumph of a man. It is also a vindication of the American immigrant tradition, because it is a symbol of what the immigrants to this country have given to this country.

Judge Leighton has done enormous service to America, and he is being honored at the request, as I say, of the city council and the mayor of the city of New Bedford, both for his own work and as a symbol of the Cape Verdean immigration to this country. So I very much appreciate what my colleagues have done.

Mr. KENNEDY of Rhode Island. Mr. Speaker, I am pleased to support legislation to designate The Honorable Judge George N. Leighton Post Office Building in my neighboring State of Massachusetts. Judge Leighton was born to Cape Verdean immigrants in New Bedford, Massachusetts on October 22, 1912. Forced to leave school in the seventh grade to work on an oil tanker, he continued his education by reading books, attending night schools, and studying in Works Progress Administration classes. His education continued at the prestigious Howard University, where he graduated magna cum laude in 1940. He immediately enrolled in Harvard University's School of Law, but left to serve our Nation in World War II, where he earned a Bronze Star.

After earning his LL.B. degree from Harvard in 1946 and establishing a successful law practice in Chicago, Judge Leighton began his career as a Judge of the Circuit Court of Cook County, Illinois from 1964 to 1969. He then served as a Judge of the Appellate Court, First District from 1969 to 1976. In 1976, President Ford appointed Judge Leighton to the United States District Court for the Northern District of Illinois where he served until 1987 when he became legal Counsel to the Chicago law firm of Earl L. Neal & Associates.

Judge Leighton is certainly a hero for the estimated 15,000 Cape Verdean individuals who currently live in my home State of Rhode Island. His life is an example of how one person can overcome great obstacles to truly achieve the American Dream. Among his several accomplishments and honors, Judge Leighton was the first African-American lawyer to sit on the Board of Managers of the Chicago Bar Association, the first African-American judge to serve as a Chancellor in the Circuit Court of Cook County, and the first African-American judge to sit on the Illinois Appellate Court. I am pleased that his achievements have been recognized by the Congress with the naming of this post office and would once again like to offer my full support to this legislation.

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

Mr. SHAYS. Mr. Speaker, I urge all Members to support the passage of the bill sponsored by the gentleman from Massachusetts (Mr. FRANK), H.R. 1542, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. ISSA). The question is on the motion offered by the gentleman from Connecticut (Mr. SHAYS) that the House suspend the rules and pass the bill, H.R. 1542.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 1185, FEDERAL DEPOSIT INSURANCE REFORM ACT OF 2005

Mr. SESSIONS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 255 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 255

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the

House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1185) to reform the Federal deposit insurance system, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill. Each section of the committee amendment in the nature of a substitute shall be considered as read. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII. Amendments so printed shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Texas (Mr. SESSIONS) is recognized for 1 hour.

Mr. SESSIONS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentlewoman from California (Ms. MATSUI), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, the rule before us today is a fair and completely open rule that allows any Member with a germane amendment to this legislation to come to the floor and offer it for consideration by the whole House. It provides for 1 hour of general debate, equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services. It waives all points of order against consideration of the bill, and provides that the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill shall be considered as an original bill for the purpose of amendment.

Finally, it provides that the bill shall be considered for amendment by section and that each section shall be considered as read. It authorizes the Chair to accord priority and recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD, and provides for one motion to recommit, with or without instructions.

I rise today in strong support of this rule and the underlying legislation, which addresses some fundamental and largely uncontroversial reforms of the deposit insurance system, a system that dates back to 1934 and has served as a source of stability for the banking system of this country for over 7 decades. This legislation, which has the support of 40 bipartisan cosponsors, closely resembles legislation that was H.R. 3717 from the 107th Congress which overwhelmingly passed the House by a vote of 408 to 18, and a bill from the 108th Congress, H.R. 522, which passed the House by an even greater margin of 411 to 11.

The improvements that this legislation makes to the Federal Deposit Insurance Act are simple. First, the bill merges the separate insurance funds that currently protect the deposits of banks and savings associations, creating an even stronger, more stable fund than either fund can provide by itself.

Second, the bill addresses the ''procyclical bias'' of the current system that requires sharply higher premiums at low points in the business cycle, when banks are least able to pay them and funds are most needed for lending to create economic growth. By giving the FDIC the tools it needs to manage these funds more appropriately, this legislation will ease volatility in the banking system and speed up recovery during economic downturns.

Third, the bill increases the amount of deposit insurance available to depositors while also indexing it for future inflation. The system has gone 25 years without such an adjustment, the longest period in history; and this small increase in the safety net for savings of American families is now necessary if deposit insurance is to maintain its future relevance. By raising the levels to $130,000 for personal savings accounts, $260,000 for personal retirement accounts, and $2 million for in-state municipal deposits, it will encourage more people to save and to reinvest in their local communities.

Mr. Speaker, I have spent a great deal of time with community bankers from my district and all across north Texas, and one of the things that I have heard them say is that strengthening the deposit insurance system will help small neighborhood-based financial institutions to continue playing an important role in financing their own local economic development.

Deposits that community banks are able to attract through the Federal deposit insurance guarantee return to the community in the form of consumer and small business loans, community development projects, and home mortgages. We simply cannot allow such an important economic generator for our local communities to evaporate or to be rendered irrelevant by inflation. The savings of Americans should not be allowed to go unprotected, and we cannot forget how important the role of community banks is to the economic development and vitality of our Nation.

Mr. Speaker, I would like to thank today my friend, the gentleman from Alabama (Mr. BACHUS), the chairman of the Subcommittee on Financial Institutions and Consumer Credit, for his hard work in bringing this legislation to the floor today. I would also like to thank the gentleman from Ohio (Chairman OXLEY) for all of his leadership and vision on this issue on behalf of American families, and the safety and soundness of our Nation's banking system.

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

□ 1100

Ms. MATSUI. Mr. Speaker, I thank the gentleman from Texas for yielding me this time.

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

(Ms. MATSUI asked and was given permission to revise and extend her remarks.)

Ms. MATSUI. Mr. Speaker, I rise in support of this resolution and the underlying bill to reform the Federal Deposit Insurance. I am also very pleased that we will be able to fully debate this bill on the floor of the House under an open rule. This is only the second open rule the committee has reported this year, and I certainly hope it is a trend we will continue.

Since the creation of deposit insurance after the stock market crash in the early 1930s, Federal Deposit Insurance has created financial stability in our country for almost 70 years. Its effectiveness has been proven in our Nation's fiscal crises in the 1980s and 1990s, they were handled very differently with a far different outcome.

Also since the 1930s Congress had to evaluate deposit insurance and make changes to update this program. In 1980, Congress decided to increase the previous $40,000 coverage limit to $100,000 per account. It is common sense for us to increase the amount a deposit can be insured for, as inflation has eroded the current limits.

Increasing the limit to $130,000 is a wise decision. Indexed for inflation, the level would have risen to about $140,000. Further, this bill would increase the amount of security behind retirement accounts. This is especially important as companies eliminate their defined benefit plans and switch to providing benefits through defined contribution plans, like 401(k)s.

Deposit insurance reform has broad support. Even the FDIC staff agrees. The majority of the reforms included in this bill are the same recommendations they suggested in its April 2001 report, ''Keeping the Promise: Recommendations for Deposit Insurance Reform.''

I see no reason why we would not do this today. I urge my colleagues to support this resolution and the underlying bill.

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

Mr. SESSIONS. Mr. Speaker, at this time, I would like to inquire of my colleague if she has any additional speakers. I do not have any at this time, and

would allow the gentlewoman to go ahead and run down her time that I might close.

Ms. MATSUI. Mr. Speaker, I have no more speakers.

Mr. SESSIONS. Mr. Speaker, I would allow the gentlewoman, with the permission of the Speaker, to go ahead and make her closing.

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

Mr. Speaker, I encourage all of my colleagues to support this open rule. I look forward to hearing the debate on this legislation to reform Federal Deposit Insurance, and am hopeful that we can pass this legislation today.

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, today for the first time, I have had an opportunity now after being on the Committee of Rules for 8 years to have the gentlewoman from California (Ms. MATSUI) present the rule where we have worked together. I enjoyed this very much. I appreciate the gentlewoman working with us.

Mr. Speaker, I support this common sense legislation to improve the Federal Deposit Insurance system, and encourage reinvesting in our country's local communities.

I urge all of my colleagues to support this open rule and the underlying legislation.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 366, VOCATIONAL AND TECHNICAL EDUCATION FOR THE FUTURE ACT

Mr. BISHOP of Utah. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 254 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 254

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 366) to amend the Carl D. Perkins Vocational and Technical Education Act of 1998 to strengthen and improve programs under that Act. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Education and the Workforce. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Education and the Workforce now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. Notwithstanding clause 11 of rule XVIII, no amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House or any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. ISSA). The gentleman from Utah (Mr. BISHOP) is recognized for 1 hour.

Mr. BISHOP of Utah. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MCGOVERN), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 254 provides for the consideration of H.R. 366, the Vocational and Technical Education for the Future Act, under a structured rule. The rule waives all points of order against consideration of the bill, and provides for 1 hour of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Education and the Workforce.

The rule makes in order the amendments printed in the Rules report and provides for one motion to recommit with or without instructions.

Mr. Speaker, I am pleased to stand before the House today in support of this rule, and for the underlying legislation, H.R. 366, the Vocational and Technical Education for the Future Act.

The gentleman from Ohio (Mr. BOEHNER), the Chairman and the gentleman from Delaware (Mr. CASTLE), the subcommittee chairman, the original sponsors of the bill and many other committee members on both sides of the aisle, have put forward a bipartisan reauthorization of the Perkins Vocational Education Funding Programs, which have helped and will continue to help our Nation's young people, as well as older workers, attain the real-world technical skills that are vital in today's highly competitive world marketplace.

I make special note that this legislation was reported out of the full Committee on Education and the Workforce unanimously on a voice vote, and with no surviving opposition. This legislation reauthorizes the Carl Perkins Vocational and Technical Education Act through fiscal year 2011, and it would authorize $1.3 billion for grants to the States in fiscal year 2006, and ensure that all States are held harmless, and receive at least at a minimum the amount of vocational education funding as was in fiscal year 2005.

Mr. Speaker, this is a program that has been funded in one way or another from Congress since 1917. In talking to some educators from Utah who happen to be with me today, and I was meeting with today, to find out how this works in the real world, this particular program in one district in Utah, provides for a student center coordinator and a workforce coordinator within the district, a separate student counselor within the alternate learning program, and English as Second Language language assistance to help those trying to gain these skills to improve their ability to communicate within the language.

All of these programs come from this money. All of these programs could have been there without this money, but it would mean that other programs essential in the education community would have to be cut to compensate for that.

This bill goes beyond reauthorization and incorporates several changes to the past Perkins programs. Among those improvements is the combining and streamlining of two existing funding streams, the traditional State grant funding with a tech prep funding, and encouraging the States to apply the higher educational goals of the tech prep program in mathematics and science to all of the recipients.

At the same time, it would also give States and local recipients critical flexibility in customizing their implementation plans for incorporating tech prep education goals based on local needs and local concerns.

Mr. Speaker, this approach taken by this legislation increases local accountability for the use of these funds, and, according to the Congressional Budget Office review of H.R. 366, as published in the committee report, the bill does not contain any unfunded Federal mandates on State and local governments.

The bill does recognize that State and local communities shall have the final say as to what is taught in local schools and explicitly rejects the one-size-fits-all Federal standard for curriculum or academic content.

And, finally, Mr. Speaker, this bill reduces the amount of funding that can be consumed in administrative overhead from 5 percent to 2 percent, and instead pushes these extra cost savings out to the local recipients, actually resulting in more funding available on the local level for more student and better student programs.

This rule makes some very important amendments in order. The rule is fair. The rule allows this legislation to move forward.

And with that, Mr. Speaker, I would urge adoption of the rule.

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

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

Mr. Speaker, I want to thank the gentleman from Utah (Mr. BISHOP) for yielding me the customary 30 minutes.

(Mr. MCGOVERN asked and was given permission to revise and extend his remarks.)

Mr. MCGOVERN. Mr. Speaker, H.R. 366, the Vocational and Technical Education For the Future Act, is a good news/bad news piece of legislation. The good news is that this is a bipartisan bill. And the Republican majority in the Education and the Workforce Committee supports these important vocational programs, and were determined to bring this reauthorization bill to the House floor.

The bad news is that these same Republican leaders voted just last week for a budget resolution that eliminates all funding for these programs in fiscal year 2006. The good news, which we will no doubt hear from some of our Republican colleagues today, is that they are determined to restore some of the funding for the Perkins Vocational Education Programs when the House starts moving forward individual appropriations bills, and that there is room to fund these programs under the budget education numbers.

The bad news is that the education funding in the budget resolution is so limited that it already requires deep cuts and even elimination of many other critical education programs. So to restore the $1.3 billion for vocational, career and technical education and training programs that the Republicans just voted to eliminate from the Federal budget, will require cutting even deeper an additional $1.3 billion from all the other education programs.

Moving on, Mr. Speaker, the good news is that H.R. 366 increases State and local accountability for these programs and they are funded. The bill requires each local recipient to establish levels of performance for high school and post secondary students in core skills and knowledge. This is an important new responsibility for local educators, and for the States that must negotiate and monitor these accountability measures.

The bad news is that this bill does not authorize, let alone provide, additional funding or resources to ensure that local schools and States can successfully carry out these new responsibilities and requirements.

We have all seen this before, Mr. Speaker. We have seen this in the No Child Left Behind Act where the law mandates new responsibilities, new accountability measures, and new administrative tasks, but fails to provide the necessary resources to ensure their success.

At least in No Child Left Behind, Congress authorized the funding to support these new mandates, even though the President and the Republican Congress failed to provide the funding to carry them out successfully.

H.R. 366, does not even pretend to authorize additional resources. It just requires this additional workload happen. In fact, H.R. 366 actually reduces the setaside for State administrative funds while State responsibilities are being increased. Mr. Speaker, we used to call these unfunded mandates by the Federal Government, but I guess times have changed.

Finally, this bill consolidates into one block of funding both the Perkins State grant program for vocational education, and the tech prep program that prepares students and current worker for highly skilled technical occupations.

The good news is that this is an effort to save the tech prep program. The bad news is that history has shown us that when programs are rolled together into one block grant, they inevitably end up receiving less funding over time than they would have if they remained separated programs.

While this authorization requires the consolidated grant programs to ensure that fiscal year 2006 tech prep presumes received the same level of funding as in fiscal year 2005, it authorizes no such assurances for fiscal years 2007 through 2011.

But what does it matter, Mr. Speaker? There is no money for these programs in the 2006 budget resolution. So why quibble over the details of the authorization, when it is all window dressing anyway?

Mr. Speaker, Federal support for career and technical education is a critical means of ensuring that our students and our future workforce are well trained for the jobs of the present and the future. The career and technical education programs funded under the Carl D. Perkins Vocational and Education Act, and reauthorized by H.R. 366, provide the training and the skills for high school and community college students to prepare for their post secondary education and employment and ensure their future financial success.

□ 1115

It is shameful, then, that President Bush and the Republican-controlled Congress have undermined these critical programs by presenting budgets and approving budget resolutions that eliminate their funding.

America has lost over 1.7 million private sector jobs since the start of the Bush administration, and hundreds of thousands of American jobs have been outsourced to other countries. The Republican response has been to shortchange our students and workers instead of investing in them.

Businesses and rapidly growing industries face the prospect that many high-skilled, high-wage jobs will go unfilled or be outsourced because they cannot find enough qualified American workers. At the same time, millions of young adults ages 16 to 24 lack the skills needed to secure jobs that pay more than poverty-level wages.

Rather than invest more funds in career and technical education and training in our high schools and community colleges, President Bush and the Republican Congress have chosen to terminate the entire $1.3 billion Federal investment in these programs. Nearly half of all high school students and one-third of college students who take vocational courses will be denied funding, leaving many schools and communities unable to prepare these students to successfully enter the workforce.

Mr. Speaker, in Worcester, Massachusetts, the city has invested in constructing a modern vocational high school to serve over 1,000 students, recognizing the importance of training these students to enter the manufacturing and high-tech companies of central Massachusetts. Currently, several students at Worcester Vocational High School have received Skills USA Awards to the Vocational Industrial Clubs of America; and one student, Christopher Bradley, placed third in national competitions.

Just recently, three other vocational students, Amanda Niquette, Alicia Sheperd and Amy Trujillo, received an award for their work in raising community awareness about hunger. They created public service ads on hunger, appeared on local talk shows, and organized a breakfast that raised over $3,000 for the Worcester Food Bank.

Mr. Speaker, these students and tens of thousands of students just like them across our Nation deserve the support of this Congress. But the Republican majority is turning its back on these young men and women and their hopes to contribute to our communities and our national economy.

While it is important to reauthorize these programs, it is just as important to make sure that they are fully funded.

Mr. Speaker, the Republican majority cannot declare with a straight face that it supports these programs by passing H.R. 366 this week, when just last week in a rush to the House floor it approved a budget based on eliminating all funding for these programs.

I recognize that authorizations and appropriations are different bills; but they are all part of the same process, namely, the budget process. In fact, the budget resolution is like the mother of all authorization and appropriations bills. Mr. Speaker, despite what I expect to be widespread support for this bill, and I will vote for this bill, I do not want my colleagues on the other side to mislead the American public by claiming that this is a good and fair rule.

Yes, two of the three amendments made in order are Democratic amendments, but the Republican leadership denied five other amendments from being offered on the floor today. My

friends on the other side of the aisle will say it is a good thing that two-thirds of the amendments made in order are Democratic amendments. Let me respond right now. Denying five of eight amendments, a total of two-thirds of the total amendments offered before the Committee on Rules, is undemocratic and it is one more example of Republican leadership trying to stifle debate in this country on very important issues.

Of those amendments not made in order today, Mr. Speaker, the one that is most troublesome is the amendment offered by the gentleman from California (Mr. GEORGE MILLER), the ranking member on the Committee on Education and the Workforce.

The Miller amendment is simple. It prohibits the Department of Education from using Federal funds to pay journalists or media commentators to engage in publicity or propaganda. It also would have required prepackaged news segments paid with Federal funds to disclose such funding in the segment. This is a simple and straightforward amendment. Republicans and Democrats in this body and the Senate have publicly condemned the way President Bush paid Armstrong Williams and other journalists to publicly support partisan and controversial administration policies.

This amendment does not blame anyone. It just says that no administration now and in the future can use journalists to act as paid ambassadors for administration policy. Why would the Republican leadership deny this amendment? Why should this administration's actions be condemned but not prohibited?

My Republican friends, I am sure, will not answer these questions; but let me tell you, Mr. Speaker, that this is just one more case of the Republican leadership's actions not matching their rhetoric.

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

Mr. BISHOP of Utah. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I appreciate the comments from the gentleman from Massachusetts (Mr. MCGOVERN). If I could go through the speech itself and divide it into two halves of it, the points that the gentleman made under ''bad news'' basically are not germane to this particular bill and are issues that will be addressed in other positions that will be coming through at another time and another place. I am sure when we do address those particular issues on relevant pieces of legislation, the comments that the record number of Federal money that has gone into education over the last 5 years will be clearly made and clearly understood.

However, I also do appreciate his good points that he said because each of those good points did, indeed, deal with this particular bill, this particular program and they were laudatory; and I am assuming that that means that this particular bill has some positive aspects that are within the gentleman from Massachusetts' (Mr. MCGOVERN) purview.

I appreciate the gentleman bringing up what I think is one of the strengths of this particular bill which deals with the administrative costs and realizing fully that when we are talking about education there are two funds that will drive education. One is program costs. The other is the maintenance and operation costs. Within a traditional education program, once the maintenance and operation is there, that becomes a standard cost and standard form and everything else is driven by the program aspect which is almost always salaries. To tie administrative costs to that as a clear percentage makes a lot of sense.

In this particular area when you are dealing with a system that has both programs as well as the operational costs that are separate, but while the program costs may be constant, the operational costs, therefore, come in uniquely motivated fashion, which is high front end. To try to put a percentage on that and drive that automatically skews the entire area that deals with administration. That is why it is one of the bright parts of this particular bill, to try and scale back that so that more money can go into the programs and directly help kids and people trying to get jobs, as opposed to just simply the administration.

And I agree once again with the gentleman from Massachusetts (Mr. MCGOVERN) that at least without this bill, nothing goes forward as providing vocational, technical, agricultural training. And there are high-paying jobs out there begging for this kind of technical training that we need. I have seen them. I have seen the programs that do that.

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

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

Mr. Speaker, before I introduce our next speaker, let me respond to the gentleman. When he mentioned the fact, I think he used the word that some of these amendments were not germane to the bill, it is my understanding that all eight Democratic amendments were cleared by the Parliamentarian of this House as being germane. And if we had an open rule, every single one of them would have been germane to this bill and could have been offered. So, again, it is puzzling to me why some of these amendments were denied.

I would also say to the gentleman, the point I was trying to make is that while there is a lot in this reauthorization bill that is good in terms of reauthorizing programs, it seems inconsistent with the budget resolution that the Republican leadership passed just last week that eliminates a significant amount of funding from the education budget.

Mr. Speaker, I yield 5 minutes to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Speaker, I have concerns about this bill which I hoped would be addressed in the full House today and during conference with the Senate, because this bill is the result of a bipartisan process in our subcommittee and the committee as a whole.

I believe, however, that to continue that bipartisan process, the full House should have been able to consider this bill under an open rule. At the very minimum, I think the rule should have included all eight of the Democratic amendments that came before the Committee on Rules last evening.

The Miller amendment, the gentleman from California (Mr. GEORGE MILLER) is our full committee ranking member, was submitted as an important amendment that is designated to halt the abuses that we saw in the Armstrong Williams contract with the Department of Education. It simply says you cannot hire journalists and media commentators to do agency propaganda. And it requires that any prepackaged news pieces prepared with Department of Education funds fully disclose that fact in their piece. His amendment was not allowed.

The gentleman from Michigan (Mr. KILDEE) and the gentleman from New York (Mr. OWENS) submitted amendments to address drop-out rates and school construction, respectively. They were not allowed.

The Holt amendment to improve the skills of manufacturing workers was not allowed.

These are very important amendments, and once again the rule we are going to vote on today did not include them.

The amendment that I submitted would have authorized grants to school districts to help them increase girls' interest in studying for careers in science, math, engineering, and technology.

Mr. Speaker, girls and women continue to be underrepresented in these fields both in high school where my amendment is targeted and in college.

A recent GAO study found that men still outnumber women in nearly every field in the sciences. Women make up only 37 percent of scientists, 33 percent of mathematicians, and 14 percent of engineers. More important, this underrepresentation is tied to barriers that female students continue to face in school.

For example, in 2002 in testimony before the Senate Committee on Commerce, the National Women's Law Center cited a study that found that 70 percent of male teachers thought that boys were more interested in computers than girls. Not that they are more interested in computers than they are interested in girls. More interested in computers than girls are interested in computers.

That may be one reason why from 1984 to 2000 the percentage of women

awarded bachelor's degrees in computer science dropped from 37 percent to 28 percent. Another study showed that ineffective high school career counseling reduced women's entry into university science and engineering programs. My amendment would directly address that issue.

A 2001 investigation showed that none of New York City's vocational high schools that were predominantly female offered advanced placement courses in calculus, statistics, or computer science. And instead of focusing on high-tech careers, these schools tended to focus on careers like cosmetology and clerical support, not careers that pay a competitive wage with the technology careers.

My amendment would specifically address situations like that as well.

If we as a country do not address this issue, we will participate in the global 21st century economy with literally one hand tied behind our backs. It will be impossible for our country to have a highly qualified workforce as long as more than half of our population is steered away, intentionally or not, from studying and working in some of the most critical fields. This will have implications not only for our economic security as a Nation but for our national security as well because both depend on scientific innovation.

So, Mr. Speaker, I am disappointed in this rule and I would ask my colleagues to vote against it.

Mr. BISHOP of Utah. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. JINDAL).

Mr. JINDAL. Mr. Speaker, I rise in support not only of the bill but also this rule.

I can think of almost no issue more important than economic development and quality of life in my home State of Louisiana.

The U.S. Chamber of Commerce has said 75 percent of employers reported extreme difficulty when trying to hire qualified workers. Forty percent of employers say that applicants are often poorly skilled. Thirty percent say applicants have the wrong skills for the available jobs. The numbers are even worse in Louisiana.

I was privileged to serve as the president of the University of Louisiana system, a system comprised of eight 4-year universities and at one time some community colleges as well. In our State we see a disproportionately high number of students trying to continue their studies after high school in a 4-year college setting.

Now the result of that is, whereas a majority of high school graduates that continue their education in Louisiana start in a 4-year setting, that is not the norm across the rest of the South or the country. Across the South, 50 percent of most students that continue their education, 50 percent of those students continue in a 4-year setting. In California the numbers are exactly reversed. The majority continue their education in a community or technical college setting.

□ 1130

Because of Louisiana's unique numbers, one of the results is we have got a much lower graduation and retention rate than our colleague States. We do not do students any favors. We do not serve students well by putting them in a 4-year college setting where they may not be ready or interested in that particular program.

Indeed, at the same time, we have more students dropping out, many times with large amounts of college debt. We also have manufacturing and other employers with jobs that cannot be filled in Louisiana right now.

We have got a huge demand for welders in our shipyards. We have a huge demand for P-tech operators in our petrochemical plants. Indeed, we have got a generation of workers who are about to reach retirement age. We are going to need to have thousands of skilled workers. We are talking about good jobs, with good pay and good benefits, and this is the only State in the South that is losing population from people moving out faster than they are moving in, the only State in the South to consistently have more people leave faster than they are moving in, for one reason and one reason only, because of a lack of economic opportunity.

So I stand in support not only of the rule, but of this bill. It is a good investment, not only in our community and technical college system. It is a good investment in our children and in our economy and in our future. This bill is good for Louisiana. It is good for our Nation's economy. Most importantly, it is good for those students.

As I look at the things that we might do as a Congress, that will help to move my State forward, I can think of cutting taxes, reforming our legal system. I can think of some of the other regulatory relief measures we can pass, but other than that there is nothing more important than investing in workforce training. There is nothing more important than making sure that Louisiana students are ready for the jobs that are waiting for them.

I rise in strong support of the rule. I rise in strong support of the bill.

Mr. MCGOVERN. Mr. Speaker, I once again yield 1 minute to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Speaker, I would like to note the passing of Cindy Marano.

Ms. Marano was a founder of the National Displaced Homemakers Network, now known as Women Work! For 12 years, Cindy was executive director of Wider Opportunities for Women, which we call WOW.

Her work to improve opportunities for women, including displaced homemakers, who are specifically helped by this bill, was invaluable, and we will miss her. We will miss her vision and we will miss her leadership greatly.

Mr. BISHOP of Utah. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, I rise today in strong support of this rule and H.R. 366, the Vocational and Technical Education for the Future Act of 2005.

This bill, introduced by the gentleman from Delaware (Mr. CASTLE), my colleague, authorizes the Carl D. Perkins Act through fiscal year 2011.

H.R. 366 highlights student achievement, increases accountability, and strengthens cooperation between secondary and post-secondary vocational and technical education programs.

This bill responds to the needs of employers and future employees by emphasizing both academic and technical education in curriculum planning. It helps schools identify those students who wish to pursue specialized technical training and assists those schools in setting up a course of study that will best help those students receive that training.

Since its inception, the Perkins Act has provided many students in my district with the ability to continue to enhance their skills and their education.

Perkins equips students with the ability to proceed with post-secondary education or pursue other post-secondary opportunities.

I believe it is essential for our economy to strengthen the Perkins program.

Through Perkins, one of the largest technical schools in my district and in Pennsylvania, the Lehigh Career and Technical Institute, was able to upgrade its equipment. This new, high-tech equipment allows students to improve their skills and, hence, makes them more marketable in a work environment that stresses technology and innovation.

H.R. 366 would also allow local facilities to offer information on supportive services so students can address their transportation and child care needs while in school.

Lehigh University in Bethlehem, Pennsylvania, which is also located in the 15th Congressional District, has many students pursuing engineering and other degrees in the hard sciences who would not be able to graduate on time absent Perkins assistance. Without the money these programs provide, these students would have to secure full-time employment while completing their degrees. This leads to more student debt, more time in school, and ultimately, more taxpayer expenditure.

As the workforce continues to expand, we must continue to provide resources for Perkins, not cut or zero out this important program.

The Perkins program is extremely important, not just for the numbers of students it serves, but for the communities that benefit from the better prepared workforce that results from these programs.

I urge my colleagues to vote in favor of this legislation and support the rule.

Mr. MCGOVERN. Mr. Speaker, I reserve my time.

Mr. BISHOP of Utah. Mr. Speaker, I yield 3 minutes to the gentleman from Nebraska (Mr. OSBORNE), someone who

has a unique insight into the needs of education.

Mr. OSBORNE. Mr. Speaker, I thank the gentleman for the time, and I rise to support the reauthorization of the Vocational and Technical Education for the Future Act and the underlying rule.

One of our Nation's greatest needs at the present time is a well-trained, competent workforce with specific skills. As most people in our country realize, at the present time, our educational system is not producing enough of these people to meet our needs, and therefore, we are bringing in people from overseas to fill highly skilled jobs, and Perkins is one solution to this dilemma.

Currently, the Perkins program trains 10 million Americans for specialized jobs requiring specific skills.

As has been stated previously, this reauthorization provides greater flexibility and more control at the local level. So each local entity that controls the educational endeavor at that point can decide how to best structure the Perkins program. It increases academic rigor, improves accountability and provides for a better transition from high school to post-secondary schools.

One thing that I would like to point out at this time is that in rural areas our greatest challenge is the loss of young people. We are depopulating our rural areas, and one reason for this is that farms are getting bigger and it is crowding people off the land. So one allowable use of the Perkins grant is to provide entrepreneurial training, and we find that in rural areas that the young person can be taught how to write a business plan, how to access capital, how to write a grant, how to market, how to create a Web site. This is the best alternative we have, the best way we have to keep young people employed in rural areas.

In some areas, we are losing 75 percent, 80 percent of our graduates. It costs $85,000 to educate them K through 12, and they are taking off. So we think that these Perkins grants can be used in this way and in a very effective way.

So I think vocational and technical education may be the most important, yet least appreciated, segments of our educational system. I certainly support the bill and the rule.

Mr. MCGOVERN. Mr. Speaker, does the gentleman have any more speakers on his side?

Mr. BISHOP of Utah. I have two more speakers.

Mr. MCGOVERN. Mr. Speaker, I continue to reserve my time.

Mr. BISHOP of Utah. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. ISSA). The gentleman from Utah (Mr. BISHOP) has 16½ minutes remaining.

Mr. BISHOP of Utah. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. BOEHNER) who spends much time working in this particular area, is very knowledgeable, and has a great deal of respect for the education system in all the States, including my own, the chairman.

Mr. BOEHNER. Mr. Speaker, I thank my colleague from Utah for his kind words, and Mr. Speaker, I rise in support of the rule which will allow for debate on an important piece of legislation, the Vocational and Technical Education for the Future Act.

The Vocational and Technical Education for the Future Act is a bipartisan bill that helps States and local communities improve educational opportunities for their students. This bill was crafted in cooperation with Members on both sides of the aisle, and with the support of numerous vocational and technical education leaders.

I am going to applaud the gentleman from Delaware (Mr. CASTLE) for producing this bill in a bipartisan manner and with the support of educators around the country. This bill fulfills our principles for reform by focusing on academic achievement for students and by preserving local control for States and communities.

H.R. 366 will improve vocational and technical education by focusing on academics without expanding the Federal role in education.

We streamline bureaucracy and give more money to local communities. We also streamline funding by consolidating the Tech-Prep program with the basic State grant.

Like other important education reform efforts, including No Child Left Behind and the Individuals With Disabilities and Education Act, the bill ensures equitable treatment for private school students. We ensure students and families are not denied access to programs because they choose to attend a private school.

Above all else, the bill recognizes the importance of maintaining local control. We are continuing to move away from the so-called ''School to Work'' model of the past, and we are maintaining our commitment to ensuring States and local communities have the final say when it comes to educational choices for their students.

The bill was approved by the Committee on Education and the Workforce by a voice vote. I look forward to similar bipartisan support for this legislation today.

Vocational and technical education is a vital component of our Nation's educational system. State and local communities use Perkins funding to help prepare youth and adults for the future.

Each year, millions of students enrich their secondary and post-secondary educational opportunities through participation in vocational and technical education. In fact, nearly all students, 96 percent, leave public high school having taken some vocational education courses. Further, nearly half of all high school students and about one-third of college students are involved in vocational programs as a major part of their studies. Perhaps as many as 40 million adults, one in four, engage in short-term, post-secondary occupational training.

The bill before us will build on the framework of the Perkins program by protecting the role of States and local communities, and asking for results in exchange for the money that we are already spending at the Federal level.

Mr. Speaker, I support the rule. I support the underlying bill. I believe that H.R. 366 will help States and local communities to strengthen opportunities for their students and improve vocational and technical education programs. I encourage my colleagues to vote ''yes'' on the rule and ''yes'' on passage of this important piece of legislation.

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

I want to close by again expressing my disappointment that this is not an open rule, and that if they did not want to give an open rule, they should have made at least all eight amendments in order.

Five Democratic amendments were not made in order under this rule, notwithstanding the fact that, according to the parliamentarian, they were germane. These amendments were thoughtful. They certainly would not have disrupted the debate on this bill. They could have been dealt with in a short period of time, but I think my friends on the majority side are so addicted to denying amendments and stifling debate and closing rules that it is hard for them to break the habit.

So I express my regret and I hope that in the future, that they will be more forthcoming with allowing Members to have their say on the floor.

Mr. Speaker, I yield back my time.

Mr. BISHOP of Utah. Mr. Speaker, I yield myself such time as I may consume.

I appreciate this opportunity because the reauthorization of the Perkins vocational funding is a fundamental part of the educational funding of this Nation, as well as American competitiveness.

This bill will help provide both the public and private sector of our economy with an educated, capable, highly trained skilled workforce, which is essential for our economy to grow and be competitive in our environment.

This is a good, well-balanced and bipartisan, I emphasize that word ''bipartisan'' bill that deserves its vote on final passage.

I am appreciative that the words that were said here today, talking specifically about this particular bill, have all been positive. We may have differences on other educational concepts and issues at other times, that will be the point at other times and other places, but for this particular bill it moves us forward.

With that, I urge the adoption of the rule and the underlying legislation.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1145

GENERAL LEAVE

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 366.

The SPEAKER pro tempore (Mr. BISHOP of Utah). Is there objection to the request of the gentleman from Ohio?

There was no objection.

VOCATIONAL AND TECHNICAL EDUCATION FOR THE FUTURE ACT

The SPEAKER pro tempore. Pursuant to House Resolution 254 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 366.

The Chair designates the gentleman from Illinois (Mr. LAHOOD) as chairman of the Committee of the Whole, and requests the gentleman from California (Mr. ISSA) to assume the chair temporarily.

□ 1146

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 366) to amend the Carl D. Perkins Vocational and Technical Education Act of 1998 to strengthen and improve programs under that Act, with Mr. ISSA (Acting Chairman) in the chair.

The Clerk read the title of the bill.

The Acting CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Ohio (Mr. BOEHNER) and the gentlewoman from California (Ms. WOOLSEY) each will control 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. BOEHNER).

Mr. BOEHNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today in support of the Vocational and Technical Education for the Future Act. The bill has received strong support from educators, school administrators, principals, and vocational and technical education advocates around the country. In this bill, we are protecting the role of States and local communities, and we are asking for results in exchange for the money we are already spending at the Federal level.

The gentleman from Delaware (Mr. CASTLE) wrote a good bill and deserves great credit for his commitment to this issue. He produced a bill that has received bipartisan support in the committee while still fulfilling our principles for reform.

I would also like to thank the gentleman from California (Mr. GEORGE MILLER) and the gentlewoman from California (Ms. WOOLSEY) for their hard work and cooperation in bringing this bill forward today.

This bill will improve vocational and technical education by focusing on academics without expanding the Federal role in education. We streamline bureaucracy and give more money to local communities. H.R. 366 reduces the share of funds going to State administrative activities and targets more funding to the local level. We also streamline funding by consolidating the Tech-Prep program with a basic State grant.

The bill also focuses on success at the local level. Under the bill, local communities will establish achievement targets; and to reward increased academic achievement, States and local communities can receive incentive grants for success. Above all, we maintain local control. The bill continues to move away from the so-called ''School to Work'' model of the past and maintains our commitment to ensuring that States and local communities have the final say when it comes to the educational choices for their students.

Mr. Chairman, I strongly support this legislation, which will help States and local communities strengthen and improve vocational and technical education and help ensure academic success for students. I urge my colleagues today to join me in voting ''yes'' on the bill.

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

Ms. WOOLSEY. Mr. Chairman, I yield myself such time as I may consume. I want to thank my committee chairman, the gentleman from Ohio (Mr. BOEHNER), and our full ranking member, the gentleman from California (Mr. GEORGE MILLER), and always my partner, the chairman of the subcommittee, the gentleman from Delaware (Mr. CASTLE), for working together in a bipartisan way the last Congress and this one to bring this bill to the floor.

As I have said, I have my concerns about this bill, even though it is the result of a bipartisan process. I am especially pleased that the majority has brought this bill forward, in light of the President's proposal to eliminate career and technical education. I hope that we will send a strong bipartisan signal today that we in the House believe that career and technical education is critical to our students and to our country's economic future.

But, Mr. Chairman, I do, as I said, have concerns regarding this bill. First, the bill rightly strengthens accountability for State and local programs, but at the same time it cuts by 60 percent the funds that States can use for that very purpose. I support these accountability measures, but if we do not enable the States to administer them, they will be an empty promise.

I also am concerned this bill merges the Tech-Prep program with the basic State grant. I appreciate that our Republican colleagues in the committee have maintained funding for Tech-Prep activities; but as we all know, not sending Tech-Prep funding separately to the States means that eventually States will lose their focus on those very activities we consider so crucial.

Finally, I am disappointed we are not being allowed to debate most of the amendments that my colleagues and I submitted to the Committee on Rules. I support the amendments that we are debating, but there are many critical issues that we are leaving undiscussed. The gentleman from California (Mr. GEORGE MILLER), the gentleman from Michigan (Mr. KILDEE), the gentleman from New York (Mr. OWENS), and the gentleman from New Jersey (Mr. HOLT) all offered important amendments on government paying journalists to create propaganda, on dropout prevention, on school construction, and helping out-of-work manufacturing workers. But we are not debating any of those issues today, and I do not understand why.

Finally, we are not debating an issue that has long been important to me and I consider critical to our country's future, that is, the lack of women and girls in science, math, engineering, and technology. My amendment would have helped school districts increase girls' interest in studying in these careers and in these areas. A recent GAO study, Mr. Chairman, found that men still outnumber women in nearly every field in the sciences. In his recent article, ''It's a Flat World, After All,'' and new book, ''The World is Flat,'' The New York Times writer Thomas Friedman explained that America's historical economic advantages have disappeared now ''that the world is flat, and anyone with smarts, access to Google, and a cheap wireless laptop can join the innovation fray,'' no matter what continent they are living on.

Mr. Friedman's and others' remedy is to attract more young women and men to science and engineering. But it will be impossible for our country to continue to lead the world in innovation as long as more than half our population, women, are steered away, intentionally or not, from studying and working in the fields from where that innovation would come.

Consider this, from Dr. Susan Hockfield, the president of the Massachusetts Institute of Technology, who recently said that squandered talent, and I quote her, ''is one of the key issues of women in science and engineering.'' All of our children, not just girls, would have benefited if we had been able to debate this issue today, and I am sorry that we are not.

But, again, Mr. Chairman, I thank my colleagues for their hard work on this bill, and I look forward to improving it even more in conference.

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

Mr. BOEHNER. Mr. Chairman, I am pleased to yield 6 minutes to the gentleman from Delaware (Mr. CASTLE), the author of the bill and the chairman of the Subcommittee on Education Reform.

Mr. CASTLE. Mr. Chairman, I thank the chairman for yielding me this time; and more importantly, I thank him for his continuing excellent work in heading this committee and dealing with significant legislation to help all of us.

Obviously, I rise in support of H.R. 366, and I also want to thank my comrade in arms at the subcommittee, the gentlewoman from California (Ms. WOOLSEY), for her work on this, and the gentleman from California (Mr. GEORGE MILLER), who has a continuing interest in education. They are a pleasure to work with, most of the time, and we appreciate that. I think together we produce good legislation, even though there may be small differences on some of the amendments.

The Perkins Act aims to prepare youth and adults for the future by building their academic and technical skills in preparation for postsecondary education and/or employment. The bill we are considering today enhances Perkins by ensuring both secondary and postsecondary students participating in the program are acquiring rigorous academic and technical skills and will have the opportunity to transition into further education and/or successful employment.

The Perkins Act governs widely supported programs at both the secondary and postsecondary level. For example, nearly all high school students complete at least one vocational education course; and approximately 26 percent of students are considered vocational concentrators, those students that focus on a single occupational area. In my home State of Delaware, we have five career and technical high schools that enroll 5,500 of the 29,500 total high school students. At the postsecondary level, the Perkins Act supports a broad array of options primarily at the community college level. In the 1999–2000 school year, over 50 percent of all students enrolled at the less-than-4-year postsecondary level reported they were majoring in vocational education areas.

Vocational education represents one of the first education laws at the Federal level, with the passage of the Smith-Hughes Act in 1917. H.R. 366 seeks to build on reforms made in past reauthorizations and seeks to enhance this popular program to ensure its success in years to come.

The legislation before us today makes significant reforms to academic achievement and accountability to ensure students have the skills necessary to enter the workforce or continue to an institution of higher learning. As I mentioned, there are five career and technical high schools in Delaware. While all these schools met adequate yearly progress under the No Child Left Behind Act, there is more to be done in academic achievement in these schools and schools across the country. H.R. 366 will improve vocational and technical education by increasing the focus on academics in conjunction with the skill attainment that is incumbent on the program.

The emphasis on academics will be assessed through the act's alignment with No Child Left Behind, as well as enhanced accountability. H.R. 366 strengthens accountability by requiring that locals establish adjusted levels of performance to complement the State adjusted levels of performance already in current law. The State agency will evaluate annually whether the local recipient is making substantial progress toward achieving these goals. The intent is not to penalize those local areas that are facing difficulty in achieving high-quality outcomes for their students, but to create a structure that includes technical assistance, opportunities for program improvement, and sanctions only as a last resort.

One of the unique attributes of vocational technical education programs is their ability to show students a path that could end in a certificate, credential, employment, military, or postsecondary education. The Tech-Prep program currently within the Perkins Act is intended to focus on a well-defined link between high school and at least 2 years of postsecondary education.

Research has shown, however, that funds are rarely, if ever, used to meet this goal. Rather, funds are often used for purposes within the larger vocational technical education program. Therefore, H.R. 366 folds the separate Tech-Prep program activities and funding into the larger State grant to create a more streamlined system. Under the bill, States will still be expected to spend the same amount of money on Tech-Prep activities as they did under the former stand-alone program. To ensure that the intent of the Tech-Prep program is met, the legislation revises the requirements of the program in order to ensure articulation agreements, or two-plus-two agreements, between secondary and postsecondary institutions are implemented.

Along this same track, H.R. 366 requires States to establish model sequences of courses to emphasize further student academic and vocational and technical achievement. Sequences of courses will incorporate a nonduplicative progression of both secondary and postsecondary elements, which would include both academic and vocational and technical content. Local recipients of both the secondary and postsecondary level would adopt at least one model sequence of courses as developed by the State. I believe this also will help drive program improvements by ensuring that States clarify the progression of academic and vocational and technical courses needed for the postsecondary education and training or employment of a student's choice.

While the President has proposed another avenue for high school reform in the Perkins Act, I believe strongly that the reforms in H.R. 366 will go a long way in driving program improvement and ultimate success for high school students across the country. The dialogue surrounding high school reform is growing and the President is right to force it at the Federal level. I commend those States and businesses across the country that are pioneering efforts at the local level and look forward to following these developments.

As a result of the changes in the bill, I believe that H.R. 366 would help States, community colleges, and other postsecondary education institutions and local educational agencies better meet the needs of the students participating in career and technical education. I urge my colleagues to support this education.

Ms. WOOLSEY. Mr. Chairman, I am pleased to yield 2 minutes to the gentlewoman from California (Mrs. DAVIS), who is a valued member of the subcommittee.

Mrs. DAVIS of California. Mr. Chairman, I rise in support of H.R. 366. I want to thank the chairman of our subcommittee, the gentleman from Delaware (Mr. CASTLE), for his leadership in crafting a bill which could receive bipartisan support.

Mr. Chairman, as we all know, education for careers is terribly important for young people. Members have worked hard to balance planning for academic courses and introductory training to create a seamless move from secondary to postsecondary education.

□ 1200

In my district there are several community colleges which offer excellent training for nursing and the health support occupations, as do the universities. But the truth is that high school students need to have taken the math and science courses that will enable them to move into these post-secondary courses directly. They deserve to progress quickly to qualify for these needed and available jobs.

But I have to reiterate the concern that I expressed in committee when I offered a sense of the Congress amendment to state that this Act must not only be reauthorized, but also funded. Unfortunately, that amendment failed on a party-line vote. I appreciate the sentiments that were expressed saying that well, of course appropriations would be made for the program.

But Members, we have failed to do that. Last week we passed a budget which omits funding for this program as well as for programs like Trio and GearUp that also help high school students prepare for post-secondary education. So it is only wishful thinking, I am afraid, to suppose that this $1.3 billion program can be paid for as part of the President's proposed $1.2 billion high school initiative, along with many of the other 48 unfunded education programs. I believe that our young people deserve better.

Mr. BOEHNER. Mr. Chairman, I yield 2 minutes to the gentlewoman from Pennsylvania (Ms. HART).

Ms. HART. Mr. Chairman, I thank the gentleman for yielding me this time.

As some Members on the floor have stated, there is some concern about Perkins-funded programs and what their fate might be. I am pleased to be supportive of this bill today. There are some sections of the bill that do my heart well, and a couple have to do with some programs that are working very well for women and girls.

Perkins will help fund training for displaced homemakers and single mothers to help them attain self-sufficiency through programs that provide career counseling, skills training and job placement. These are different kinds of programs than traditional job-training programs because they do include broader education, programs such as some of the programs in my State where women who have been displaced homemakers who have now attained self-sufficiency and are now supporting their families are involved in the training, where they help women to understand they can do it themselves, because part of the job training effectiveness has to do not only with the skills that they learn, but with the confidence they gain and their belief in themselves to be able to do well at their jobs.

The Perkins funds will certainly help to continue many of these programs that have very high success rates. According to the 2004 National Assessment of Vocational and Education, employment growth in occupations that require vocational associates degree of 30 percent is to more than double overall employment growth as well. Graduates of these types of programs can be employed more quickly and at better salaries, and in a situation where a woman is a displaced homemaker, that is key.

Our goal here is to make sure there are all different levels of education available, and the Perkins funding certainly will help us. It will have a lot to do also with working hand in hand with States. In fact, the Perkins law requires States to fund programs that prepare students for nontraditional careers as well.

Again, an example is a woman, instead of going into a clerical job where she will make less money, perhaps going into something with more of a technical skill required where she can and make a lot more money and therefore support her family and be more successful.

I support the bill and the Perkins-funded programs, and I appreciate my colleagues who have worked so hard to get this done.

Ms. WOOLSEY. Mr. Chairman, I yield 2½ minutes to the gentleman from Massachusetts (Mr. TIERNEY), a valued member of the full committee.

Mr. TIERNEY. Mr. Chairman, I thank the gentlewoman from California (Ms. WOOLSEY) for yielding me this time, and I thank the gentleman from Ohio (Chairman BOEHNER) and the gentleman from Delaware (Mr. CASTLE), as well as the gentlewoman from California, for working to reauthorize the Perkins Vocational and Technical Education Act.

I have to note, however, at the same time we are debating this reauthorization, we have the problem that the President's budget and the conference report to the budget resolution that we passed just last week eliminate this worthy program. I hope our debate and discussion of this today indicates our support of moving forward and making sure that we do not only authorize but fund this particular program.

As has been mentioned already, this is a law that provides quality vocational education at high schools and community colleges that teach and enhance workforce skills. We have a serious need for a skilled workforce in this evolving economy. We have a shortage of skilled workers in technical fields; so, obviously, the importance of quality education and career preparation in developing that skilled workforce should be imperative. Our support for this Perkins vocational opportunity ought to continue.

Perkins career and technical education provides programs, policies and resources for students to obtain education and training that they need for those high-wage, high-skilled jobs. I think we all agree that every student deserves a fair and equal opportunity for a quality education that meets the need for personal and academic career development. This program does that for millions of students.

The United States Department of Education Office of Vocational and Adult Education tells us that one-third of college students are involved in career and technical programs, and that over 40 million adult learners engage in short term, post-secondary educational opportunity and training.

Before I close, I would like to address one particular aspect of this bill, and that is that this bill merges the successful tech prep program into Perkins basic State grants. The gentleman from Wisconsin (Mr. KIND) and I tried to amend that in the committee and were not successful. We wanted to restore the separate authorization for tech prep. If we restore the separate authorization, we would block any potential loss of funds.

The General Accountability Office indicates when programs are block granted, they not only lose funding eventually, but the focus on the program is lost and accountability is lost. We hope to deliver these programs through the State-wide network of consortia of secondary schools, post-secondary institutions, employment and training providers, and business and industry groups so they can work collaboratively on this tech prep program. It is a seamless pathway for that type of education into high-tech fields, and it is important. Many groups are behind this. I ask hopefully the Senate version will prevail in the final bill, and that program will survive.

Mr. BOEHNER. Mr. Chairman, I yield 3 minutes to the gentlewoman from North Carolina (Ms. FOXX), a member of the committee and an educator and someone who knows more about this probably than most Members of Congress.

Ms. FOXX. Mr. Chairman, I thank the gentleman from Ohio (Chairman BOEHNER) for the time to speak on this bill, and am proud to serve on the gentleman's committee.

I think I am unique in this body in my experience with this kind of program. I am an educator, a former Trio director, I began a tech prep program, and I was a community college president and university administrator. I understand firsthand the importance of good, solid technical and vocational education. Armed with the proper skills, our students can achieve anything they set their minds to.

The gentleman from Ohio (Chairman BOEHNER) and the gentleman from Delaware (Mr. CASTLE) are to be commended for putting together a bill that strengthens accountability so that we can ensure that the vocational and technical courses provided to our students are the best that can be offered. Our students deserve no less.

This bill also includes provisions to ensure States and local communities will have more control rather than the Federal Government. That is very important. In this bill, State and local communities are empowered to determine academic content and curriculum. This is an extremely important part designed to provide students with an appropriate education based on what skills and industries are important to their local communities.

H.R. 366 streamlines Federal funding of vocational and technical education programs, thereby increasing flexibility for States and allowing more funding to reach the local communities.

The benefits of vocational and technical education to our communities are incredible. With the world changing so rapidly and all of the constant changes in our workforce, education is the key to our success as a Nation. In order to keep our Nation competitive in the global economy, we must ensure that our students maintain the best opportunities to better themselves, learn a new skill and give back to their communities.

Mr. Chairman, the key to good education does not lie in the hands of the Federal Government. It lies in the willing and able hands of those in our localities. That is why I am supporting this bill. Our students deserve no less than the best education. With these tools, the possibilities are endless.

Ms. WOOLSEY. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina (Mr. ETHERIDGE), superintendent of schools for 8 years in North Carolina.

Mr. ETHERIDGE. Mr. Chairman, I rise in support of H.R. 366 as it reauthorizes the Perkins Act, which provides critical funding for occupational preparation and vocational and technical education at secondary and postsecondary education levels. It is the largest Federal investment in secondary education.

Although I am concerned about some provisions of this bill, like the merger of tech prep into the basic State grants, on balance, H.R. 366 makes many improvements to current law, and I will vote to pass it. But let me say, we started the tech prep in North Carolina, and I share with my colleagues that merging raises some real concerns.

More flexibility without more funding is not necessarily what we need. Talk to any educator, and what they need is resources to get the job done. The American people need to understand what this charade is about. Although H.R. 366 reauthorizes critically important education programs under the Perkins Act, Republicans in Congress last week passed a budget that eliminates those very same initiatives. Only in Washington, D.C. could Congress eliminate a program one week and reauthorize it the next week.

In North Carolina, we have one of the strongest community college systems in this country. Our community colleges work in partnership with our universities and the public schools to provide career training and critical technical skills. My State has suffered hundreds of thousands of layoffs in recent years in agriculture, furniture and in the textile industry. To a mill worker laid off from the only job he or she has ever known, the services provided through the Perkins Act literally are a lifeline. These services are the difference between hope of gainful employment and the despondency of unemployment and dependence on others.

Brown University has conducted a study that demonstrates that obtaining a high school equivalency makes a clear difference between moving into a new job after a layoff and not. These are real people that we are talking about. We ought not to be cutting out the only real hope that they have for a better life for themselves and their families.

In conclusion, I encourage and urge my colleagues to pass H.R. 366. But more importantly, I urge my Republican colleagues and leadership and the administration to restore these devastating education budget cuts. That is where we will make a huge difference.

Mr. BOEHNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, several of my colleagues on the other side of the aisle have referenced the fact that our fiscally responsible budget may, in fact, require changes to how we fund various education programs. While we will have plenty of time to debate those issues when we get into the appropriations process, I think all of my colleagues realize the Perkins program providing for vocational and technical education around the country is widely popular with Members on both sides of the aisle. I have no doubts, no doubts that the funding called for in the President's budget, the funding that is authorized in this bill will, in fact, happen, just to set the record straight.

Mr. Chairman, I yield 2 minutes to the gentlewoman from Illinois (Mrs. BIGGERT), a member of the committee.

Mrs. BIGGERT. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise today in support of H.R. 366. In today's competitive economies, students must be equipped not only with the technical skills of their chosen field, but basic academic knowledge as well. Realizing this, H.R. 366 focuses on academics. I am particularly pleased that the bill is designed to support student achievement in core academic subjects, including math and science.

I think we can agree that our new high tech economy demands that students have stronger math, science, engineering and technological skills.

Mr. Chairman, vocational education works. Earlier this year I toured two vocational centers in my district, the Technology Center of DuPage County and the Will County Career Center. Several of the students there told me without vocational education programs, they would not be in school.

□ 1215

For whatever reason, they were not interested in the traditional high school education or going on to a traditional 4-year college. Instead of these students slipping through the cracks, they are learning cutting-edge technology in some of the fastest growing career fields: aerospace, computer technology and engineering, health care and aviation, just to name a few. Other students have already been accepted to college and are augmenting their education with technical classes. For example, many students in the health care program will go on to college nursing programs next year. Through vocational ed programs, they can take classes for college credit while still in high school. Not only do these students go to college already having the basic skills needed in their field; it takes them less time to complete their training. The sooner these students finish their training, the sooner they are out earning good paychecks and the sooner we are able to get highly skilled workers in high-demand fields.

H.R. 366 will help the students in my district and all across the country get even more out of their education. I am proud to support this bill, and I urge my colleagues to do the same.

Ms. WOOLSEY. Mr. Chairman, I am pleased to yield 2 minutes to the gentlewoman from Illinois (Ms. BEAN).

Ms. BEAN. Mr. Chairman, reauthorizing the Perkins Act gives Congress the opportunity to restate our belief in vocational and technical education, a partnership between academics, the business community, and our constituents for more than 40 years. As a graduate of Oakton Community College, I have a special appreciation for the value our community college system provides to our communities. OCC prepared me for and complemented my entrance into the computer industry and that education served me well over my 20-plus-year career in the high-tech field.

Like community colleges across the country, those in Illinois' Eighth District, The College of Lake County, McHenry County College, Harper College and Elgin Community College, provide opportunities for all Americans, from young people starting out their careers to those who are transitioning their careers later in life to adjust to the economy of a global workforce. We should absolutely put our full support behind such flexible and proven programs. H.R. 366 will allow our local schools and community colleges to plan for the future and to continue supplying trained workers to industries of all types.

Like much of the legislation brought before this body, however, the Vocational and Technical Education For the Future Act has room for improvement. Merging Tech-Prep into the basic State grants calls into question the Federal Government's commitment to math and science education and could allow targeted funding to be used for other purposes and allow Tech-Prep to fall by the wayside. The Senate version of this bill is more receptive to high schools', community colleges', and industries' needs; and I hope that Tech-Prep will be retained as a separate program in the conference report.

Vocational and technical education programs help Americans to continue their education and expand their skill sets in their chosen professions. Encouraging innovation through a more educated workforce has helped our economy adapt to changing times and will continue to do so in the future. Reauthorizing the Perkins Act is a step in the right direction.

Mr. CASTLE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from the Commonwealth of Pennsylvania (Mr. PETERSON).

Mr. PETERSON of Pennsylvania. Mr. Chairman, for the first 2 years I served in Congress, I was fortunate to serve on this committee; and I will have to honestly say I miss that opportunity because I really did enjoy it. The future of America depends on the work of this committee.

I want to commend the committee on the work they have done on this bill. I think they have done outstanding work at working through the process of making this a strong bill. It is my belief that our economic future depends on the use of the latest, most modern technology. Historically, the academically gifted in America have unlimited opportunities; but, unfortunately, the

technically gifted have too often been left behind because we have undervalued technology education. This bill modernizes Perkins and advances technical education to what I hope is a brighter future.

When you look at the delivery of health care, it is about technology. When you look at manufacturing, if we are going to be successful against cheap labor, it is about technology. You talk the whole IT revolution in this country, it is technology. It is what caused it. Marketing is technology. Warehousing and distribution, it is technology. Repairing autos and equipment, it is about technology. Technology is what makes our country work today, and it is vital.

We have too often had high schools that were using 1970 technology in the era of 2005. That does not cut it. We have to advance technical education and make sure that America's youth realize that the jobs that are wanting in America have the word ''technology'' beside them. There are many people with 2-year technology degrees that will earn a better income than those with 4-year liberal arts degrees, and we do not offer them adequately in the same manner that we offer academic education.

If you look at the successful companies that are competing globally, it is about the massive use of technology. We must make sure that our high schools is where it begins, in the early middle schools, that young people realize the excitement of the technology world and that we have the latest, most modern technology there and that we bridge it into the community colleges. In some of the more progressive States, we have community colleges paralleling at the high schools, joint teaching in the 11th and 12th grade, adding the 13th year and giving a 2-year associate's degree in technology that equips people to go to work more. All of those fields needing the technology workers would be happy if we could do that on a broad scale across this country.

I commend again this committee and the staff for putting together a good bill, and let us hope that it is the beginning of technology education being valued in this country, because it must be if we have an economic future because our economy in the future is about the massive use of technology.

Ms. WOOLSEY. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from New Jersey (Mr. HOLT), a member of the full committee.

Mr. HOLT. Mr. Chairman, I thank the gentlewoman for yielding time. While I rise in support of H.R. 366, I must point out that we are reauthorizing a program that the President proposed eliminating. I hope we can help him see the importance of this program. It is unfortunate that the President has attempted to undermine these programs through proposals for spending cuts totaling nearly $700 million since he took office. We have lost nearly 2 million private sector jobs in the last 4 years and hundreds of thousands of American jobs have been outsourced to other countries. Unfortunately, the budgetary approach of this administration and the majority here, I would say, is to shortchange students and workers rather than to invest in them.

I would like to point out a couple of things that are missing in this bill. The gentleman from Oregon (Mr. WU) and I offered an amendment before the Committee on Rules that intended to stem the tide of outsourcing of American manufacturing jobs. Specifically, the amendment would establish a Federal fund for local programs that would give American manufacturing workers additional skills and educational training through competitive grants to States. Unfortunately, the Committee on Rules would not allow this amendment.

I am also concerned about the elimination of separate authorization for Tech-Prep. Tech-Prep combines and coordinates secondary and postsecondary vocational education activities into a coherent sequence of courses.

I am pleased that the bill includes some things and I would like to mention two: one is eligible recipients may use Perkins funds to provide information and referrals to students regarding the availability of services such as transportation and child care which would enable students to enroll and take full advantage of the Perkins programs. I am also pleased to mention a point that was addressed by the gentlewoman from Illinois (Mrs. BIGGERT) which is that this legislation includes programs to acquire math and science skills.

So although I rise in support of this legislation, I still think we can do better.

Mr. CASTLE. Mr. Chairman, I yield 3 minutes to the gentleman from Louisiana (Mr. BOUSTANY).

Mr. BOUSTANY. Mr. Chairman, I want to thank the gentleman from Delaware for yielding me this time. I want to thank the chairman for his leadership on this bill.

I am a proud cosponsor of H.R. 366. This bill is important to Louisiana and to our country. Many students back home in my State, Louisiana, do not attend college; and they seek work opportunities immediately after high school or even before graduating. Louisiana's employers need proficient workers with training and education past the high school level to work in the energy, chemical, and high-tech industries. Voc ed programs are an avenue for these students to obtain advanced training or certification to enter the workforce ready to be productive.

SOWELA Technical Community College in Lake Charles, Louisiana, provides a number of accredited programs. The school is recognized as one of the top aircraft maintenance programs in the Nation, and they have successfully used Tech-Prep to engage area high school seniors as they finish high school.

This bill increases the focus on student achievement in core academic subjects such as math and science education that incorporate the use of technology and strengthen the transition from secondary to postsecondary education. The bill empowers States and local communities to insist on accountability and improvement for students. By establishing separate performance indicators for secondary and postsecondary students, it focuses on success at the local level and allows States and local communities to reward performance.

Furthermore, this bill would combine funding for the Tech-prep and Perkins State grant programs. This will give much needed flexibility for States, streamlining funding and ensuring current activities continue while the program as a whole is updated to meet the challenges of the future. This will also ensure that a greater share of the funds are targeted to the local level so that communities have more control over their programs.

Mr. Chairman, I urge passage of this bill. I hope the other Chamber will also take action, as well, to improve the vocational education opportunities for our students.

Ms. WOOLSEY. Mr. Chairman, I am pleased to yield 2½ minutes to the gentleman from Wisconsin (Mr. KIND), a member of the subcommittee.

(Mr. KIND asked and was given permission to revise and extend his remarks.)

Mr. KIND. Mr. Chairman, I thank the gentlewoman for yielding me this time, and I commend her for her hard work in the reauthorization of this very important bill.

Mr. Chairman, Wisconsin is very proud of the career and technical college system that we have back home. In fact, I have four of the technical schools in the Third Congressional District in western Wisconsin as well as many of their campus satellites. They have been vital components for economic growth and economic development in our region under the fine leadership of Karen Knox; Lee Rasch; Bill Ihlenfeldt, who actually testified before the Education Committee on this bill; as well as Tim Schreiner, David Hilderbrand, Dr. Mark Hurley. Even though the President did not support reauthorization of this legislation, we believe it is an important investment to make, Mr. Chairman.

The single most important factor in determining America's success in the 21st century will be maintaining our ability to be an innovative and creative society. Over the last few years, the world has become a smaller and more integrated place with technology that is leveling the playing field like never before. Competition and collaboration exist now not just between countries and companies but also between individuals. Meeting this challenge requires a new set of big ideas.

Instead of the administration being so eager to dismantle the New Deal, we

should be working together to offer the American people a New New Deal. A New Deal that will enable our people to compete successfully in the 21st century economy with a renewed commitment to worker training programs; an education investment that emphasizes math, science and engineering; research funding in science and medicine; and a comprehensive broadband strategy so every American has access to high-speed Internet hookup.

We believe that economics does not necessarily have to be a zero-sum game; it can be a win-win proposition for everyone involved so long as they have the tools in which to succeed.

One of the unfortunate aspects of this reauthorization bill is the attempt to remove as a separate funded program the Technical Preparation program. I commend my friend from Delaware who is about to offer an amendment later today at least calling for level funding of the Tech-prep program for the next fiscal year. But once you eliminate the separate status of the Technical Preparation program, the fear is that we are going to lose focus and that the institutions will lose focus or, even worse, that the funding stream will become weakened in future years. I would encourage my colleagues to support the amendment that the gentleman from Delaware will be offering to at least provide level funding of this important program.

Technology is driving the innovation. Technology is driving the creativity. Technology and the use of that is going to determine our workers' ability to compete in the 21st century global marketplace. I would hope that the Senate version which keeps the Tech-prep program as a separate funded entity will remain; but at the very least let us support the Castle amendment when it comes up today.

Mr. CASTLE. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana (Mr. JINDAL).

Mr. JINDAL. Mr. Chairman, I want to thank the gentleman from Ohio and thank the gentleman from Delaware for their leadership on this issue. I certainly stand in strong support of the bill. This is an issue that is so important to the future of Louisiana and the future of our country. I can think of no better investment in our children's future than in their training and their education. As I have said before on this House floor, I was privileged to serve as the president of the University of Louisiana system, and there I saw the difference we were making in the lives of many families. However, Louisiana for too many years has encouraged too many of our students to start their postsecondary education in a 4-year setting.

□ 1230

The result is as many as 80 percent of our students continue their education, have started their education in a 4-year setting. The result has been the second highest dropout rates in the South, the second lowest retention rates in the South, one of the highest dropout rates in the country. The result of that has been many students not completing their education, many students dropping out with large debts, with large loans rather than starting their education in a community or a technical college, rather than graduating and being certified with the skills they need to get a good-paying job.

Employers across my State, employers across the country say one of the top obstacles to economic development, one of the top obstacles to their growing right here in Louisiana, right here in our country is the inability to find skilled workers, to find trained workers. Critical to growing our economy would be to provide these graduates and the number one challenge in my State is to keep our young people home. We are the only State in the south that has had more people moving out than moving in, and at the same time, we have got employers that cannot grow. We have got shipbuilders that need thousands of welders. We have petrochemical plants up and own our river that need pretec operators. The community and technical system fills a critical gap in our post-secondary educational system. In Louisiana in the last few years, our former Governor actually created, for the first time, an integrated community and technical college system. The Federal support for students pursuing their educations in that system is absolutely critical.

At the same time, we are seeing so many of our manufacturing jobs going overseas because of taxes, because of the threat of lawsuits, because of unnecessary regulations. We need to level the playing field. We need to provide a skilled workforce so that companies can expand right here in our country, in Louisiana.

I think this is an important bill. It is a good bill. I stand in strong support of the legislation.

Ms. WOOLSEY. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-MCDONALD. Mr. Chairman, I thank the gentlewoman for yielding me this time. And I really commend the leadership on both sides for this H.R. 366.

This is a very important piece of legislation, the Vocational and Technical Education for the Future Act.

This legislation is so important for many reasons. Specifically, it is vital to my district, the 37th District in California. But, first of all, it reauthorizes the Perkins Vocational Program that provides for many citizens the ability to learn a marketable skill that allows them the ability to partake in a career that allows upward mobility and job satisfaction. Experienced trade workers can earn up to six-figure salaries with the right type of training. Perkins programs have traditionally provided this type of skills training.

In California, only 8 percent of the ninth graders will complete the high school years and college in 10 years. The Perkins programs provide opportunities for students who need to develop the different skills for them to grow and to have career choices. With vocational training, students will aspire to entering into a career path that allows them to make a comfortable living, having the same ability to do so as students who attend a 4-year college or university.

Second, students who avail themselves of this training are able to enter into fields where there is a ready supply of jobs. They are currently more jobs available in these industries than there are students enrolled in vocational tech training. There is a large demand for skilled technicians. These programs, when they are adequately funded through the Perkins Act, prepares students for these jobs.

Finally, Mr. Chairman, I ask Members to support this legislation because it provides for programs and resources for women and girls to obtain education and training for high-wage/high-skill and nontraditional jobs. When I was director of Gender Equity, I was responsible for bringing a lot of the nontraditional jobs to the forefront.

Mr. Chairman, this is a great piece of legislation, and I ask all of my friends to support it.

Mr. BOEHNER. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana (Mr. SOUDER), a member of our committee.

Mr. SOUDER. Mr. Chairman, I thank the gentleman for yielding me this time.

First, I want to praise the gentleman from Ohio (Mr. BOEHNER), chairman of this committee; and the gentleman from Delaware (Mr. CASTLE), subcommittee chairman, because I rise in strong support of H.R. 366, the Vocational and Technical Education for the Future Act, because it does a number of basic things. It continues to help States better utilize federal funding, increasing accountability, emphasizes student academic vocational and technical achievement, and improves coordination between secondary and post-secondary vocational and technical education.

We have continually worked at how to get this type of cooperation to streamline it, not to micromanage the States, to give them flexibility on how to do it, but set guidelines as to what we expect and the type of results that we want.

In my home district in Northeast Indiana in Fort Wayne, vocational education has been a cooperative effort between the city of Fort Wayne and the Chamber of Commerce in taking the old Central High School, which had been abandoned, which my mom had attended in the 1940s, and it is now the Anthis Career Education Center. There they have laboratories, classrooms, worksites, different career options, youth apprenticeships, cooperative education. They have nearly 20 different career options that work with

Indiana Vocational Technical State College.

In addition, they have programs for kids who may go to 4-year colleges, that they can take part of their day and go over and get specialized courses, go out and work with manufacturers.

What is great about this bill is it addresses a whole range of what we need to look at in vocational education.

Many people are concerned that we are tracking people, that we say they are going to decide to be this because their dad was this. The fact is that we need a multiplicity of options, and as kids see those different options, they can test them out and see which one works best for them.

Way back in the 1960s in our family retail business, we took a number of students in order to keep them in school and let them work part time in our business and got them through high school. Some of them then went on to 2-year colleges. Others got interested. Others stayed in various business segments.

I recently met with Mr. Colin Schottlaender, who is the director of the Raytheon Network Centric Systems. He oversees 68 Raytheon plants in this Nation. And one of the things they try to do is to get kids, like my son went out to Raytheon, visited there for a day to see what the job was like. Then they look for people to see whether they work for summer employment. Some of them may go to 4-year colleges to move in management. Others may do a mid-technical thing and go to a 2-year vocational educational institution. Others may go to work and then come back to the education because they had been exposed to it. But, increasingly, companies want to see kids in high school get some practical experience and then develop them through summer programs, through education programs, and develop people who can compete in an international market. And to do this, the vocational technical education is a critical component.

We cannot compete worldwide unless we are developing at every level of kids who are at risk of not finishing high school, of kids who will finish high school, of kids who will go on to vocational education, kids who will go on to a 4-year college and people will do lifelong learning. We cannot compete worldwide unless we focus on vocational and technical education, and this bill is an important start.

Ms. WOOLSEY. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. GEORGE MILLER), our full committee ranking member and my leader on education and many other issues.

Mr. GEORGE MILLER of California. Mr. Chairman, I thank the gentlewoman for yielding me this time.

I also want to thank her for all of her work on behalf of our Members on this side of the aisle in helping to shape this legislation. And I want to thank the gentleman from Ohio (Chairman BOEHNER) for bringing this bill to the floor in a timely fashion, and to the gentleman from Delaware (Chairman CASTLE) for all of his work and his dedication to the vocational education programs within our jurisdiction.

I rise today for two reasons: One, I am hopeful that bringing this bill to this floor at this time and all of the statements made by Members on both sides of the aisle as to the successes of vocational education and the various components of vocational education in their districts and in their States will forever put an end to this idea of the administration that it is going to somehow zero out this legislation or that it is going to take this money for some other initiative when Members of Congress recognize in such an overwhelming fashion the importance of vocational education to the students in their districts, to the success of the educational programs, and certainly to their local economies and to their State economies.

That is really the second reason that I rise, and that is to again reiterate the idea that this is not our fathers' or our grandfathers' vocational education. A dramatic transition and a transformation has been made within many of our educational establishments in high schools and community colleges that now provide for the linking and the merging and integration of academic programs and vocational programs and skills-acquiring programs so that students now not only are taking vocational education or participating in vocational education to get a job.

What they are getting is a set of skills that will allow them to get that job but also to have the options to create career paths within that industry or within that vocation, within that sector of our economy. Far different than has been done in the past.

In the integration of the academic skills, again, building upon the research that has been developed over the last decade, and that is that really for people to be proficient, to continue to maintain a middle-class life-style, to be able to continue to maintain their opportunities in employment. The set of skills that they need on the academic side and on the vocational skills side really are equivalent of what one needs to have an AA degree.

So now students are put on that path. They are given the opportunity to relate the academic skills that they need to acquire for the job opportunities, for the career opportunities, and for the academic opportunities in their future lives. And that is a dramatic change from what many people view as vocational education of the past or of their experiences when they were in school.

We now talk to young people. I just recently visited a program at the Serendipity training program in Mr. Diablo High School in my district, where Chevron Corporation just made a major grant to the county schools for the purposes of enhancing these kinds of economic opportunities and educational opportunities for young people. And when we talk to the young people, whether they are participating in the health academies or they are participating in the fire academies or the food service academies or the technical academies, the fact of the matter is they now see themselves having multiple options. For some it is just to simply get a job. A number of students said they were go to become EMTs because they wanted to be able have that work and that work schedule and that income to pay for their college education. Others decided that they would go just to the fire academy and try to get a job. Others thought that they would go to the fire academy and go on to Humboldt State and to the 4-year programs in terms of fire sciences.

So what these students now see are the multitude of opportunities that are available to them, the opportunities for career and advancement and providing for them and their families into the future.

I would hope that we would support this bill. I am disappointed that the Committee on Rules, in its continued abuse of power, simply could not provide for the debate of the amendments that many on this side of the aisle wanted to offer. Again, it is not like the Congress is running at maximum RPMs here day in and day out and there is no time for that debate. It is unfortunate that the Committee on Rules continues that abuse of power, but we will have an opportunity to debate a couple of amendments and then push this bill forward to conference committee, where a couple of its modest shortcomings can be hopefully corrected.

Mr. Chairman, I want to thank Chairman BOEHNER and CASTLE for bringing this bill the floor. The V ocational and Technical Education for the Future Act reflects a bipartisan work product and I am pleased to be able to join the chairman, Chairman CASTLE and Ranking Member WOOLSEY in supporting this reauthorization.

Career and technical education has traditionally been a bipartisan effort in Congress and that continues today. Unfortunately, the President, for the fourth year in a row has tried to eliminate this program, and this is a mistake.

Career and technical education programs make high school matter for many young people, offer college students pathways into productive employment and new hope for displaced homemakers and workers reentering the workforce.

Now, is not the time to retreat on our investment in career training. The global economy demands a highly skilled workforce and the Perkins program has been instrumental in building that workforce.

H.R. 366 moves the successful Perkins Act, named after the distinguished Senator from Kansas, to the next level in career and technical education. This program may have started out as second tier education program for students who sought employment after graduation from high school, but today, these programs are changing the face of secondary and

post-secondary education. Perkins equips America's workforce with the skills they need to compete in a global economy.

More and more schools are using career and technical education programs to develop highly challenging and academically sound education systems, combining secondary and postsecondary education elements. H.R. 366 adopts this model.

Successful career tech programs allow academic and vocational teachers to develop curriculum together and teach together so that students can apply academic content in a real world context. In order to make high school matter, learning, must become more meaningful to students. Career technical education programs do this.

H.R. 366 also ensures that students learn the identical challenging academic content as students who are in a purely academic program further reinforcing the goals of No Child Left Behind: that all students should be taught to high standards.

We know that students who are enrolled in career technical programs are less likely to drop out before graduation. Students who graduate from these programs perform better than their academic-only counterparts in math and science. And, students who complete these programs are able to obtain higher salaries than their counterparts.

Mr. Chairman, while I will support this bill, I remain concerned that it fails to address two critical issues: the bill eliminates the separate authorization for the Tech Prep Program and cuts State Administrative funding far below what states need to carry out the new responsibilities that have been added to the bill. These problems can and should be corrected in conference.

The Perkins Act is a critical workforce development tool and the bill before us represents sound education policy. It contains critical improvements in the areas of accountability, integration and coordination and is supported by a range of organizations to include the Association for Career Technical Education, the National Association of State Directors of Career Technical'' Education, the NEA, and the National Coalition for Women and Girls in Education.

I want to thank these organizations for their input on the bill and I want to thank our staff for their efforts in bringing this bill together in a relatively short period of time.

I will vote in favor of final passage and urge my colleagues to do the same.

Mr. BOEHNER. Mr. Chairman, I reserve the balance of my time.

Ms. WOOLSEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to say one more time how much I appreciate the bipartisan work that we accomplished on the subcommittee and on the full committee, and I thank both the full Chair, the subcommittee Chair, and my ranking member for making all that possible.

In closing, I want to reiterate my main concerns with the bill, which I hope will be addressed in conference.

First, the bill rightly strengthens accountability for State and local programs, but at the same time, it cuts 60 percent of the funds that the States can use for that very purpose. I support these accountability measures, but if we do not enable the States to administer them, we will be providing empty promises. I offered an amendment in the committee to restore this cut.

I am also concerned that this bill merges the tech prep program with the basic State grant, and I appreciate that our Republican colleagues on the committee have maintained funding for tech prep activities. But as we all know, not sending tech prep funding separately to the States means that eventually States will lose their focus on those activities.

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Another area that I am concerned about and I want to reiterate is the issue that the gentleman from California (Mr. GEORGE MILLER) has just discussed, which is his amendment offered to end abuses like the Department of Education's contract with Armstrong Williams. His amendment simply said that the government cannot hire journalists to create government propaganda and required that if the Department of Education continues to produce prepackaged news pieces, it has to fully disclose that fact in the piece. I am sorry that that language, which is really about government being honest with the people, is not in this bill.

Finally, we must ask ourselves, despite bipartisan support and despite the support of the gentleman from Ohio (Chairman BOEHNER) and the gentleman from Delaware (Chairman CASTLE), where will the appropriators find the funds to support this and other critical education programs that the President wants to eliminate or underfund? For example, this year alone, the President wants to provide our schoolchildren $12 billion less than he promised under the No Child Left Behind Act.

Mr. Chairman, one last comment: this is a good, bipartisan bill, and we must fix the little pieces that are missing in conference.

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

Mr. BOEHNER. Mr. Chairman, I yield myself the balance of our time.

I want to thank the gentleman from California (Mr. GEORGE MILLER) and the gentlewoman from California (Ms. WOOLSEY) for their work on this bill; and I want to thank my colleague, and the author of the bill, the subcommittee chairman, the gentleman from Delaware (Mr. CASTLE), for his fine work. While there are 435 of us in the Congress, of course everyone would like to make this bill look as though it were theirs and written exactly the way they would like to write it. Clearly, I would like to have that opportunity too, but that is not how the process works. We have a bipartisan bill, and we should not make the perfect the enemy of the good.

I also want to thank my staff, Krisann Pearce and Whitney Rhoades, for their fine work on this bill. I want to thank Denise Forte and Lloyd Horwich on the Democrat side for their work. As most of my colleagues know, we could not do the fine work that we do without excellent staff on both sides. They have done very good work in helping us get to where we are today.

Vocational education, as my colleague from California pointed out, is not vocational and technical education like it was 20 years ago or even 10 years ago. We all recognize that those in vocational and technical education also need a strong academic background. This program, over the last several reauthorizations, has attempted to move to stronger academics; and we continue that process in the reauthorization that we bring to the floor today. It is one of the reasons why the Tech-Prep program, which used to be separate and in this bill we have merged it with a basic grant, although we preserve the funding, is not quite as significant as it once was, because Tech-Prep was intended to help encourage those in vocational and technical education from outlining a program where they would do 2 years at the local Tech-Prep school and then go on and do 2 years probably at a community college. By improving the academics across the board, I think it is good for all students.

I have two technical schools in my own district, Butler Tech, Butler County Tech and Miami Valley Tech, who offer wonderful programs and wonderful Tech-Prep programs for many of their students. They have articulation agreements with Sinclair Community College in Dayton, Ohio, and other community colleges to help put students on a path where they will gain the skills necessary to be able to go out in the workforce and have very productive jobs.

There are two or three million jobs in America today that have gone begging because we do not have employees and people with skills to fill those jobs; and many of them could be filled if, in fact, we have stronger technical vocational programs around the country.

So I would encourage my colleagues to support the underlying bill, and we are about to get into the amendment process, and we will see where that takes us.

Ms. BEAN. Mr. Chairman, reauthorizing the Perkins Act gives Congress the opportunity to restate our belief in vocational and technical education, a partnership between academics, the business community and our constituents for more than 40 years.

As a graduate of Oakton Community College, I have a special appreciation for the value of our community college system. Oakton Community College prepared me for and complemented my entrance into the computer industry. That education served me well over my 20 plus year career in the high-tech field.

Like community colleges across the country, those in Illinois' Eighth District—The College of Lake County, McHenry County College, Harper College and Elgin Community College—provide opportunities for all Americans,

from young people starting out their careers to older workers continuing theirs.

We should absolutely put our full support behind such flexible and proven programs. H.R. 366 will allow our local schools and community colleges to plan for the future and to continue supplying trained workers to industries of all types.

Like much of the legislation brought before this body, however, The Vocational and Technical Education for the Future Act has room for improvement. Merging Tech Prep into the Basic State Grants calls into question the federal government's commitment to math and science education by allowing targeted funding to be used for other purposes. The Senate version of this bill is more receptive to high schools', community colleges' and industries' needs, and I hope that Tech Prep will be retained as a separate program in the conference report.

Vocational and technical education programs help Americans to continue their education and expand their skill set. Encouraging innovation through a more educated workforce has helped our economy adapt to changing times and will continue to do so in the future. Reauthorizing the Perkins Act is a step in the right direction.

Mr. SCOTT of Virginia. Mr. Chairman, I rise in support of H.R. 366, the Vocational and Technical Education Act of the Future. This bill reauthorizes the Perkins Act, which provides career and technical education (CTE) programs at the State and local levels. In addition, the Perkins Act provides skill-building and academic opportunities for our youth and improves employment outcomes.

We live in an information and knowledge-based economy. It is imperative, therefore, that we continue to recognize that a strong academic foundation is necessary for all students emerging from high school. Moreover, the skills necessary for entering postsecondary education are similar to the skills necessary for success in the modem workplace. For example, it is a fact that high school students entering construction related apprenticeship programs must have algebra, geometry and trigonometry skills, which are also requirements for college university systems.

The research is clear. High school students completing a rigorous academic core coupled with a career concentration have test scores that are equal to or higher than those of students considered to be "college prep". They are more likely to pursue postsecondary education, have a higher grade point average in college, are less likely to drop out in their first year of college, and they have better employment and earnings outcomes than other students.

This bill will ensure that "rigorous and challenging academic content" in the high school curriculum is aligned with postsecondary education.

For the foregoing reasons, I encourage support for this bill to ensure that all high school students' educational needs are adequately met.

Mr. POMBO. Mr. Chairman, today I rise to speak in favor of H.R. 366, the Vocational and Technical Education for the Future Act.

Vocational education is an extremely important component of secondary education for millions of students. It is too often neglected at the State level and does not receive adequate funding or attention.

Many students do not go on to an undergraduate university for their post-secondary education. Only about 40 percent of high school students who pursue post secondary education enroll in a college program. One third (over 5 million people) enroll in a vocational education program.

There are many good paying jobs available to students interested in vocational training, but not enough students are being prepared for these types of jobs.

However, we do have the ability to encourage more schools and their students to participate in vocational education. We can get businesses involved with the education of the skilled workers of tomorrow by helping them train the students of today.

Among other things, H.R. 366 includes provisions to make funds available to eligible recipients for local education and business partnerships, including the establishment and operation of special arrangements with industry partners that allow qualified industry professionals to serve as faculty in postsecondary programs. It also makes funds available for leasing, purchasing, upgrading or adapting equipment, including instructional aides and publications.

This bill also emphasizes teacher preparation programs that address the integration of academic and vocational and technical education and that assist individuals who are interested in becoming vocational and technical education instructors, including individuals with experience in business and industry.

I have supported increasing the number of these kinds of public/private partnerships because I believe that is one of the best ways to get students to learn current skills and get hands-on experience. I recently introduced H.R. 2008, the Public-Private Vocational Partnership Act. It would establish a tax credit for companies that donate equipment or resources for vocational education training. In addition, it establishes a tax credit for companies hiring full-time students who work as interns in fields relating to vocational education.

I hope my colleagues will join me in strengthening vocational education.

Mr. SHAYS. Mr. Chairman, I rise in support of H.R. 366, the Vocational and Technical Education for the Future Act.

In order for the United States to continue to compete in today's global economy we must continue educating our youth. I was disappointed the President's FY 06 budget request did not include funding for most current vocational education programs authorized under the Perkins Act.

I support the Perkins Act because I believe it is necessary to develop the academic, vocational, and technical skills of secondary students and post-secondary students enrolled in vocational and technical education programs. I am concerned, however, that sometimes when Congress gives grants to Universities they increase tuition and other costs, so the benefit to the students is minimal.

I am hopeful the $1.3 billion allocated in this legislation will benefit the students who need the grant to improve their future and the future of our country, not the universities who take advantage of additional funds to raise tuition.

I support this legislation and encourage my colleagues to do so as well.

Mr. GENE GREEN of Texas. Mr. Chairman, I rise today to urge my colleagues to support this bill.

Unfortunately, last week when the majority of members in this body passed the Budget Resolution, they also voted to zero out funding for programs under the Carl Perkins Act.

Through the Perkins Act, hundreds of thousands of students have received an education beyond just high school. They have developed marketable skills that enable them to work at competitive wages, often to support themselves or their families as they receive their college education.

Sam Houston High School is in my District. It is a school with hard-working students who often live under circumstances that do not allow them to enter a 4-year university right after high school graduation. Many of these students stay at home and enter the workforce to help support their families.

Due to decreases in state and Federal funding, Sam Houston High School recently lost their vocational education program. This has been devastating to some students who were relying on learning a unique skill that would give them the ability to earn enough to pay for the rising cost of college and get the work experience that will benefit them in the future.

These programs allow high schools to enter articulation agreements with our local community colleges so students receive college credit for many of the courses they take and they develop skills to enter the workforce. Perkins offers a win-win opportunity for many students to earn college credit and get training and job offers from companies such as General Motors, Continental Airlines and Lockheed Martin.

The Carl Perkins Act recognizes that not everyone goes to college immediately, but that does not mean these students do not want to further their education. Many students who participate in programs such as Tech Prep enter higher-paying jobs after high school to help pay for college.

Recently, the National Association of Manufacturers released a report stating the U.S. will face a shortage of almost 10 million skilled workers by 2020. The students who benefit from the Perkins Act also benefit our economy by preventing the outsourcing of jobs and keeping industry in America flowing.

I urge my colleagues to join me in supporting this bill. The students in my district support Perkins and if we pass this bill today, they will be able to continue to pursue their goals.

Mr. VAN HOLLEN. Mr. Chairman, I rise today in support of H.R. 366, the Vocational and Technical Education for the Future Act. Although Democrats would in candor have crafted a different Perkins reauthorization bill, I do want to recognize and salute the bipartisan process that has brought us here today.

Mr. Chairman, this is timely legislation. As the premiere Federal investment in career and technical education for secondary and post-secondary students, the Carl D. Perkins Vocational and Technical Education Act is a critical tool in our efforts to stem the flow of outsourcing and train a world class American workforce for the 21st century.

In particular, I am pleased that H.R. 366 includes a model sequence of courses so that students will have a seamless transition between high school and post-secondary education. Additionally, I believe the establishment of separate indicators for postsecondary education represents a common sense improvement to current law.

Given the loss of 446,000 private sector jobs since the beginning of the Bush Administration, I am frankly at a loss as to how the President could continue to recommend the elimination of the programs funded under the Perkins Act. And while the majority has in this instance correctly reached its own conclusion about the value of Perkins, I believe a Congress with its priorities in order would be in a position to do better than the level funding for Perkins programs we are passing today. Additionally, while I acknowledge the hold harmless provisions regarding funding for Tech Prep in the base bill and in Mr. CASTLE's amendment, I remain concerned that eliminating the separate funding stream for Tech Prep will over time result in inadequate funding for these important initiatives. Finally, while we should always be interested in finding administrative savings in order to free up funds for actual education and training on the ground, I fear the additional, important responsibilities we are placing on our states under this bill run the risk of getting shortchanged due to our slashing in half the money we are making available to implement them.

In conclusion, I'd like to thank Chairman BOEHNER, our ranking committee and subcommittee members Mr. MILLER and Ms. WOOLSEY, minority and majority staff—and especially Mr. CASTLE for his leadership on this issue and for his willingness to reach across the aisle when crafting this bill. While I will be supporting efforts to improve this legislation in conference, for today I urge a "yes" vote.

Mr. BOEHNER. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN (Mr. CULBERSON). All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 366

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 ''Vocational and Technical Education for the Future Act''.

SEC. 2. REFERENCES.

Wherever in this Act an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.).

SEC. 3. PURPOSES AND DEFINITIONS.

(a) PURPOSES.—Section 2(2) (20 U.S.C. 2301(2)) is amended by inserting ''rigorous and challenging'' after ''integrate''.

(b) DEFINITIONS.—Section 3 (20 U.S.C. 2302) is amended—

(1) by striking paragraph (26) and redesignating paragraphs (21) through (25) as paragraphs (23) through (27), and paragraphs (27) through (30) as paragraphs (29) through (32), respectively;

(2) by redesignating paragraphs (4) through (20) as paragraphs (5) through (21), respectively, and inserting after paragraph (3) the following:

''(4) ARTICULATION AGREEMENT.—The term 'articulation agreement' means a written commitment, agreed upon at the State level or approved annually and facilitated by the lead administrators of the secondary and postsecondary consortia members as described in section 135(b)(3)(A), to provide a program designed to provide students with a nonduplicative sequence of progressive achievements leading to degrees, certificates, or credentials in a tech-prep education program linked through credit transfer agreements.'';

(3) in paragraph (5) (as so redesignated), by inserting ''to students (and parents, as appropriate)'' after ''providing access'';

(4) in paragraph (6) (as so redesignated), by striking ''section 5206'' and inserting ''section 5210'';

(5) in paragraph (7) (as so redesignated)—

(A) by striking ''method of instruction'' and inserting ''method''; and

(B) by inserting ''rigorous and challenging'' after ''required'';

(6) in paragraph (11)(A) (as so redesignated), by striking ''an'' and inserting ''a public or nonprofit private'';

(7) in paragraph (18) (as so redesignated)—

(A) in the paragraph heading, by striking ''TRAINING AND EMPLOYMENT'' and inserting ''FIELDS'';

(B) by striking ''training and employment'' and inserting ''fields''; and

(C) by inserting ''current and'' after ''technology, and other'';

(8) in paragraph (19) (as so redesignated), by striking ''the Republic of the Marshall Islands, the Federated States of Micronesia,'';

(9) by inserting after paragraph (21) (as so redesignated) the following:

''(22) SCIENTIFICALLY BASED RESEARCH.—The term 'scientifically based research' has the meaning given that term in section 9101(37) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801(37)).'';

(10) in paragraph (25) (as so redesignated)—

(A) in subparagraph (C), by striking ''training and employment'' and inserting ''fields'';

(B) in subparagraph (E), by striking ''and'';

(C) in subparagraph (F)—

(i) by striking ''individuals with other barriers to educational achievement, including''; and

(ii) by striking the period and inserting ''; and''; and

(D) by inserting after subparagraph (F) the following:

''(G) individuals with other barriers to educational achievement, as determined by the State.'';

(11) by inserting after paragraph (27) (as so redesignated) the following:

''(28) SUPPORTIVE SERVICES.—The term 'supportive services' means services such as transportation, child care, dependent care, and needs-based payments, that are necessary to enable an individual to participate in activities authorized under this Act.'';

(12) in paragraph (29) (as so redesignated), by striking ''section 2'' and inserting ''section 2(a)(4)'';

(13) in paragraph (30) (as so redesignated)—

(A) by inserting ''of subsection (a)'' after ''paragraph (2)''; and

(B) by striking ''paragraph (5)(A) of such section'' and inserting ''paragraph (5)(A) of such subsection''; and

(14) by amending paragraph (31)(A) (as so redesignated) to read as follows:

''(A) offer a sequence of courses that—

''(i) provides individuals with the rigorous and challenging academic and technical knowledge and skills the individuals need to prepare for further education and for careers (other than careers requiring a master's or doctoral degree) in current or emerging employment sectors;

''(ii) may include the provision of skills or courses necessary to enroll in a sequence of courses that meet the requirements of this subparagraph; and

''(iii) provides, at the postsecondary level, for a 1-year certificate, an associate degree, or industry-recognized credential; and''.

SEC. 4. TRANSITION PROVISIONS.

Section 4 (20 U.S.C. 2303) is amended—

(1) by striking ''the Carl D. Perkins Vocational and Applied Technology Education Act'' and inserting '' the 'Carl D. Perkins Vocational and Technical Education Act of 1998' ''; and

(2) by striking ''the Carl D. Perkins Vocational and Applied Technology Education Amendments of 1998'' and inserting ''the Vocational and Technical Education for the Future Act. Each eligible agency shall be assured 1 full fiscal year for transition, to plan for and implement the requirements of this Act''.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

Section 8 (20 U.S.C. 2307) is amended to read as follows:

''SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

''There is authorized to be appropriated to carry out this Act (other than subsection (a), (b), and (c) of section 114, and sections 117 and 118) $1,307,000,000 for fiscal year 2006 and such sums as may be necessary for each of fiscal years 2007 through 2011.''.

SEC. 6. PROHIBITIONS.

(a) IN GENERAL.—The Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.) is amended by adding after section 8 the following new section:

''SEC. 9. PROHIBITIONS.

''(a) LOCAL CONTROL.—Nothing in this Act shall be construed to authorize an officer or employee of the Federal government to mandate, direct, or control a State, local educational agency, or school's curriculum, program of instruction, or allocation of State or local resources, or mandate a State or any subdivision thereof to spend any funds or incur any costs not paid for under this Act.

''(b) NO PRECLUSION OF OTHER ASSISTANCE.—Any State that declines to submit an application to the Secretary for assistance under this Act shall not be precluded from applying for assistance under any other program administered by the Secretary.

''(c) PROHIBITION ON REQUIRING FEDERAL APPROVAL OR CERTIFICATION OF STANDARDS.—Notwithstanding any other provision of Federal law, no State shall be required to have academic and vocational and technical content or student academic and vocational and technical achievement standards approved or certified by the Federal government, in order to receive assistance under this Act.

''(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to affect the requirements under section 113.''.

(b) TABLE OF CONTENTS AMENDMENT.—The table of contents in section 1(b) is amended by inserting after the item relating to section 8 the following:

''Sec. 9. Prohibitions.''.

SEC. 7. ALLOTMENT AND ALLOCATION TO STATES.

(a) ALLOTMENT FOR NATIONAL ACTIVITIES FOR 2006.—Section 111(a)(1) (20 U.S.C. 2321(a)(1)) is amended to read as follows:

''(1) RESERVATIONS.—From the sum appropriated under section 8 for each fiscal year, the Secretary shall reserve—

''(A) 0.12 percent to carry out section 115;

''(B) 1.50 percent to carry out section 116, of which—

''(i) 1.25 percent of the sum shall be available to carry out section 116(b); and

''(ii) 0.25 percent of the sum shall be available to carry out section 116(h); and

''(C) 0.54 percent to carry out section 114(d).''.

(b) MINIMUM ALLOTMENTS.—Section 111(a) (20 U.S.C. 2321(a)) is further amended—

(1) in paragraph (3), by striking ''(or in the case of fiscal year 1999'' and all that follows through ''Amendments of 1998)'' each place it appears and inserting ''(or in the case of fiscal year 2006 only, under this section and under title II of this Act, as such section and title were in effect on the day before the date of enactment of the Vocational and Technical Education for the Future Act)''; and

(2) by amending paragraph (4)(A) to read as follows:

''(A) IN GENERAL.—No State shall receive an allotment under this section for a fiscal year that is less than the allotment the State received for fiscal year 2005 under this section and under title II of this Act (as such section and title were in effect on the day before the date of enactment of the Vocational and Technical Education for the Future Act).''.

(c) WITHIN STATE ALLOCATION.—Section 112 (20 U.S.C. 2322) is amended—

(1) by amending subsection (a) to read as follows:

''(a) ALLOCATION FORMULA.—From the amount allotted to each State under section 111 for a fiscal year, the State board (hereinafter referred to as the 'eligible agency') shall allocate such amount as follows:

''(1) Subject to paragraph (4), not less than 88 percent shall be made available for distribution under section 131 or 132, of which the eligible agency shall first make available for the activities described in section 135(b)(3) not less than the amount allotted in fiscal year 2005 to such eligible agency under title II of this Act (as such title was in effect on the day before the date of enactment of the Vocational and Technical Education for the Future Act), reduced by the percentage by which the amount allotted to the State under section 111 for the fiscal year is less than the amount allotted under such section to such State for fiscal year 2005. Of the remainder of the 88 percent, not more than 10 percent may be used in accordance with subsection (c).

''(2) Subject to paragraph (4), not more than 10 percent shall be made available to carry out State leadership activities described in section 124, of which—

''(A) an amount equal to not more than 1 percent of the amount allotted to the State under section 111 for the fiscal year shall be made available to serve individuals in State institutions, such as State correctional institutions and institutions that serve individuals with disabilities; and

''(B) not less than $60,000 and not more than $150,000 shall be available for services that prepare individuals for nontraditional fields.

''(3) An amount equal to not more than 2 percent, or $250,000, whichever is greater, shall be made available for administration of the State plan, which may be used for the costs of—

''(A) developing the State plan;

''(B) reviewing the local plan;

''(C) monitoring and evaluating program effectiveness;

''(D) assuring compliance with all applicable Federal laws; and

''(E) providing technical assistance.

''(4) If the amount allocated for any fiscal year under paragraph (2) shall be less than the amount allocated under such paragraph for fiscal year 2005, additional amounts may be made available from the amount allocated under paragraph (1) for the purposes described in paragraph (2). If such additional amounts are made available under this paragraph, the percentage of the total amount allotted under section 111 that is allocated for the purposes described in paragraph (2) shall not exceed the percentage of the total amount allotted under section 111 for fiscal year 2005 that was allocated under paragraph (2) for fiscal year 2005.''; and

(2) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking the semicolon and inserting ''; and'';

(ii) in subparagraph (C), by striking ''; and'' and inserting a period; and

(iii) by striking subparagraph (D); and

(B) in paragraph (2), by striking ''through (D)'' and inserting ''through (C)''.

SEC. 8. ACCOUNTABILITY.

(a) PURPOSE.—Section 113(a) (20 U.S.C. 2323(a)) is amended—

(1) by striking ''establish a State'' and inserting ''support a State and local''; and

(2) by inserting ''and its eligible recipients'' after ''effectiveness of the State''.

(b) STATE PERFORMANCE MEASURES.—Section 113(b) (20 U.S.C. 2323(b)) is amended—

(1) in paragraph (2)—

(A) by redesignating subparagraphs (B) through (D) as subparagraphs (C) through (E), respectively;

(B) in subparagraph (A)—

(i) in the subparagraph heading, by inserting ''FOR SECONDARY STUDENTS'' after ''PERFORMANCE'';

(ii) by inserting ''of secondary students that are, to the extent practicable, valid and reliable and'' after ''indicators of performance'';

(iii) in clause (i), by striking ''State established academic,'' and inserting ''academic content and achievement standards, as established by the State under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(b)(1)),'';

(iv) in clause (ii)—

(I) by striking ''or its recognized equivalent,'' and inserting '', General Education Development credential (GED), or other State-recognized equivalent (including recognized alternative standards for individuals with disabilities), or''; and

(II) by striking '', or a postsecondary degree or credential'';

(v) by amending clause (iii) to read as follows:

''(iii) Student graduation rates (as described in section 1111(b)(2)(C)(vi) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(b)(2)(C)(vi))).'';

(vi) by redesignating clause (iv) as clause (v) and inserting after clause (iii) the following:

''(iv) Placement in postsecondary education or advanced training, placement in military service, or placement in employment.''; and

(vii) in clause (v) (as so redesignated), by striking ''training and employment'' and inserting ''fields'';

(C) by inserting after subparagraph (A) the following:

''(B) CORE INDICATORS OF PERFORMANCE FOR POSTSECONDARY STUDENTS.—Each eligible agency shall identify in the State plan core indicators of performance of postsecondary students that are, to the extent practicable, valid and reliable, and that include, at a minimum, measures of each of the following:

''(i) Student attainment of challenging academic and vocational and technical skill proficiencies.

''(ii) Student retention in postsecondary education, attainment of an associate degree or postsecondary credential, or transfer to a baccalaureate degree program.

''(iii) Placement in military service or placement or retention in employment.

''(iv) Student participation in and completion of vocational and technical education programs in nontraditional fields.'';

(D) in subparagraph (C) (as so redesignated), by striking ''under the title'' and inserting ''under this title''; and

(E) in subparagraph (D) (as so redesignated), by inserting ''vocational and technical education'' after ''has developed State''; and

(2) in paragraph (3)—

(A) by amending the paragraph heading to read as follows:

''(3) STATE LEVELS OF PERFORMANCE.—''; and

(B) in subparagraph (A)—

(i) in clause (i)—

(I) by striking ''paragraph (2)(A)'' and inserting ''subparagraphs (A) and (B) of paragraph (2)''; and

(II) in subclause (II), by striking ''to continually'' and all that follows through ''performance'', and inserting ''to make continuous and substantial improvement in the academic and vocational and technical achievement'';

(ii) by amending clause (v) to read as follows:

''(v) AGREEMENT ON STATE ADJUSTED LEVELS OF PERFORMANCE FOR SUBSEQUENT YEARS.—

''(I) 3RD AND 4TH PROGRAM YEARS.—Prior to the third program year covered by the State plan, the Secretary and each eligible agency shall reach agreement on the State adjusted levels of performance for each of the core indicators of performance for the third and fourth programs years covered by the State plan, taking into account the factors described in clause (vi).

''(II) 5TH AND 6TH PROGRAM YEARS.—Prior to the fifth program year covered by the State plan, the Secretary and each eligible agency shall reach agreement on the State adjusted levels of performance for each of the core indicators of performance for the fifth and sixth programs years covered by the State plan, taking into account the factors described in clause (vi).

''(III) AGREEMENTS INCORPORATED INTO STATE PLAN.—The State adjusted levels of performance agreed to under this clause shall be considered the State adjusted levels of performance for the State for such years and shall be incorporated into the State plan.'';

(iii) in clause (vi)(II), by inserting ''and substantial'' after ''continuous''; and

(iv) in clause (vii)—

(I) by striking ''clause (vi)(II)'' and inserting ''clause (vi)''; and

(II) by striking ''under clause (iii) or (vi)'' and inserting ''under clause (iii) or (v)''.

(c) LOCAL LEVELS OF PERFORMANCE.—Section 113(b) is further amended by adding at the end the following:

''(4) LOCAL LEVELS OF PERFORMANCE.—

''(A) LOCAL ADJUSTED LEVELS OF PERFORMANCE FOR CORE INDICATORS OF PERFORMANCE.—

''(i) IN GENERAL.—Each eligible recipient shall establish in the local plan submitted under section 134, levels of performance for each of the core indicators of performance described in paragraph (2)(A) and (B), as appropriate for the eligible recipient, for vocational and technical education activities authorized under this title. The levels of performance established under this subparagraph shall, at a minimum—

''(I) be expressed in a percentage or numerical form, so as to be objective, quantifiable, and measurable; and

''(II) require the eligible recipient to make continuous and substantial improvement in the academic and vocational and technical achievement of vocational and technical education students.

''(ii) IDENTIFICATION IN THE LOCAL PLAN.—Each eligible recipient shall identify, in the local plan submitted under section 134, levels of performance for each of the core indicators of performance for the first 2 program years covered by the local plan.

''(iii) AGREEMENT ON LOCAL ADJUSTED LEVELS OF PERFORMANCE FOR FIRST 2 YEARS.—The eligible agency and each eligible recipient shall reach agreement on the levels of performance for each of the core indicators of performance, for the first 2 program years covered by the local plan, taking into account the levels identified in the local plan under clause (ii) and the factors described in clause (v). The levels of performance agreed to under this clause shall be considered to be the local adjusted level of performance for the eligible recipient for such years and

shall be incorporated into the local plan prior to the approval of such plan.

''(iv) AGREEMENT ON LOCAL ADJUSTED LEVELS OF PERFORMANCE FOR SUBSEQUENT YEARS.—

''(I) 3RD AND 4TH PROGRAM YEARS.—Prior to the third program year covered by the local plan, the eligible agency and each eligible recipient shall reach agreement on the local adjusted levels of performance for each of the core indicators of performance for the third and fourth program years covered by the local plan, taking into account the factors described in clause (v).

''(II) 5TH AND 6TH PROGRAM YEARS.—Prior to the fifth program year covered by the local plan, the eligible agency and each eligible recipient shall reach agreement on the local adjusted levels of performance for each of the core indicators of performance for the fifth and sixth program years covered by the local plan, taking into account the factors described in clause (v).

''(III) AGREEMENTS INCORPORATED INTO LOCAL PLAN.—The local adjusted levels of performance agreed to under this clause shall be considered to be the local adjusted levels of performance for the eligible recipient for such years and shall be incorporated into the local plan.

''(v) FACTORS.—The agreement described in clause (iii) or (iv) shall take into account—

''(I) how the levels of performance involved compare with the local adjusted levels of performance established for other eligible recipients taking into account factors including the characteristics of participants when the participants entered the program and the services or instruction to be provided; and

''(II) the extent to which such levels of performance promote continuous and substantial improvement on the indicators of performance by such eligible recipient.

''(vi) REVISIONS.—If unanticipated circumstances arise with respect to an eligible recipient resulting in a significant change in the factors described in clause (v), the eligible recipient may request that the local adjusted levels of performance agreed to under clause (iii) or (iv) be revised. The eligible agency shall issue objective criteria and methods for making such revisions.

''(B) LEVELS OF PERFORMANCE FOR ADDITIONAL INDICATORS.—Each eligible recipient may identify in the local plan, local levels of performance for any additional indicators of performance. Such levels shall be considered to be the local levels of performance for purposes of this title.

''(C) LOCAL REPORT.—

''(i) CONTENT OF REPORT.—Each eligible recipient that receives an allotment under section 111 shall annually prepare and submit to the eligible agency a report regarding—

''(I) the progress of such recipient in achieving the local adjusted levels of performance on the core indicators of performance; and

''(II) in the case of an eligible recipient that receives funds described in section 112(a) for activities described in section 135(b)(3), the progress in achieving the local adjusted levels of performance on the core indicators of performance with respect to tech-prep program participants.

''(ii) DATA.—Each eligible recipient shall—

''(I) disaggregate data for each of the indicators of performance under section 113(b)(2) for the categories of students enumerated under section 1111(b)(2)(C)(v)(II) of the Elementary and Secondary Education Act of 1965 that are served under this Act; and

''(II) identify and quantify any disparities or gaps in performance between any such category of students and the performance of all students served by the eligible recipient under the Act.

''(iii) RULES FOR REPORTING OF DATA.—The disaggregation of data under clause (ii) shall be required except in a case in which the number of students in a category is insufficient to yield statistically reliable information or in which the results would reveal personally identifiable information about an individual student.

''(iv) AVAILABILITY.—The report described in clause (i) shall be made available to the public through a variety of formats, including electronically through the Internet.''.

(d) STATE REPORT.—Section 113(c) (20 U.S.C. 2323(c)) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively, and inserting after paragraph (1) the following:

''(2) DATA.—Each eligible agency under this subsection shall—

''(A) disaggregate data for each of the indicators of performance under section 113(b)(2) for the categories of students enumerated under section 1111(b)(2)(C)(v)(II) of the Elementary and Secondary Education Act of 1965 that are served under this Act; and

''(B) identify and quantify any disparities or gaps in performance between any such category of students and the performance of all students served by the eligible agency under the Act.

''(3) RULES FOR REPORTING OF DATA.—The disaggregation of data under paragraph (2) shall be required except in a case in which the number of students in a category is insufficient to yield statistically reliable information or in which the results would reveal personally identifiable information about an individual student.''; and

(2) in paragraph (4) (as so redesignated)—

(A) by striking ''special populations'' and inserting ''each of the populations described in section 3(25) and the populations described in section 1111(h)(1)(C)(i) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(h)(1)(C)(i))''; and

(B) by striking ''have made'' and inserting ''has made''.

SEC. 9. NATIONAL ACTIVITIES.

(a) PROGRAM PERFORMANCE INFORMATION.—Section 114(a)(3) (20 U.S.C. 2324(a)(3)) is amended by inserting ''in the aggregate'' after ''international comparisons''.

(b) EVALUATION AND ASSESSMENT.—Section 114(c) (20 U.S.C. 2324(c)) is amended—

(1) by amending paragraph (2) to read as follows:

''(2) INDEPENDENT ADVISORY PANEL.—The Secretary shall appoint an independent advisory panel, consisting of academic and vocational and technical education educators, administrators, experts in evaluation, research, and assessment, representatives of labor organizations, businesses, parents, guidance and counseling professionals, and other individuals with relevant expertise, to advise the Secretary on the implementation of the assessment described in paragraph (3), including the issues to be addressed and the methodology of the studies involved to ensure the assessment adheres to the highest standards of quality. The advisory panel shall transmit to the Secretary and to Congress an independent analysis of the findings and recommendations resulting from such assessment. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the panel established under this subsection.'';

(2) in paragraph (3)—

(A) in subparagraph (A), by inserting ''the implementation of the'' after ''and assessment of'';

(B) in subparagraph (B)—

(i) by inserting ''but shall not be limited to'' after ''paragraph (1) shall include'';

(ii) by striking clauses (i), (ii), (iv), and (vii) and redesignating clauses (iii), (v), (vi), and (viii) as clauses (i) through (iv), respectively;

(iii) in clause (i) (as so redesignated), by striking '', and academic, curricula in vocational and technical education programs,'' and inserting ''education (such as meeting State established teacher certification or licensing requirements)''; and

(iv) in clause (ii) (as so redesignated)—

(I) by striking ''and employment outcomes'' and all that follows through ''including analyses of'' and inserting ''and vocational and technical education achievement and employment outcomes of vocational and technical education students, including analyses of'';

(II) in subclause (I), by striking ''and tech-prep students'' and inserting ''and students participating in the activities described in section 135(b)(3)'';

(III) in subclause (II), by striking ''academic, and vocational and technical, education'' and inserting ''rigorous and challenging academic and vocational and technical education, including a review of the effect of integrated rigorous and challenging academic and vocational and technical education on the achievement of students''; and

(IV) in subclause (III), by inserting '', particularly those in which math and science skills are critical,'' after ''high-skill careers''; and

(C) in subparagraph (C)—

(i) in clause (i)—

(I) by striking ''the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate'' and inserting ''Congress''; and

(II) by striking ''2002'' and inserting ''2009'' both places it appears; and

(ii) in clause (ii), by striking ''the Committee on Education and the Workforce of the House of Representatives, the Committee on Labor and Human Resources of the Senate,'' and inserting ''Congress'';

(3) in paragraph (5)(A)—

(A) by striking ''to carry out research'' each place it appears, and inserting ''to carry out scientifically based research'';

(B) in clause (i), by inserting ''scientifically based'' after ''programs, including'';

(C) in clause (ii), by inserting ''that are integrated with rigorous and challenging academic education'' after ''implementation of vocational and technical education programs''; and

(D) in clause (iii)(I), by inserting ''and the integration of those systems with the academic education system'' after ''technical education systems'';

(4) in paragraph (6)—

(A) by striking:

''(6) DEMONSTRATIONS AND DISSEMINATION.—

''(A) DEMONSTRATION PROGRAM.—The'', and inserting:

''(6) DEMONSTRATIONS AND DISSEMINATION.—The''; and

(B) by striking subparagraph (B); and

(5) in paragraph (8), by striking ''this section'' and all that follows and inserting ''subsections (a), (b), and (c) of this section, such sums as may be necessary for each of fiscal years 2006 through 2011.''

(c) INCENTIVE GRANTS FOR ELIGIBLE AGENCIES.—Section 114 is further amended by adding at the end the following new subsection:

''(d) INCENTIVE GRANTS FOR ELIGIBLE AGENCIES.—

''(1) IN GENERAL.—From funds reserved under section 111(a)(1)(C), the Secretary may award grants to eligible agencies for exemplary performance in carrying out programs under this Act. Such awards shall be based on an eligible agency exceeding State adjusted levels of performance established under section 113(b) and showing sustained or significant improvement.

''(2) SPECIAL CONSIDERATION.—In awarding these grants, the Secretary may consider—

''(A) an eligible agency's success in effectively developing connections between secondary education and postsecondary education and training;

''(B) an eligible agency's integration of rigorous and challenging academic and technical coursework; and

''(C) an eligible agency's progress in having special populations participating in vocational and technical education meet State adjusted levels of performance.

''(3) USE OF FUNDS.—The funds awarded to an eligible agency under this subsection may be used to carry out any activities authorized under section 124, including demonstrations of innovative programs.''.

SEC. 10. OUTLYING AREAS, NATIVE AMERICAN PROGRAMS, AND TRIBALLY CONTROLLED INSTITUTIONS.

(a) ASSISTANCE FOR THE OUTLYING AREAS.—Section 115 (20 U.S.C. 2325) is amended to read as follows:

"SEC. 115. ASSISTANCE FOR THE OUTLYING AREAS.

''(a) OUTLYING AREAS.—From funds reserved pursuant to section 111(a)(1)(A), the Secretary shall—

''(1) make a grant in the amount of $660,000 to Guam;

''(2) make a grant in the amount of $350,000 to each of American Samoa and the Commonwealth of the Northern Mariana Islands; and

''(3) make a grant in the amount of $160,000 to the Republic of Palau.

''(b) REMAINDER.—Subject to the provisions of subsection (a), the Secretary shall make a grant of the remainder of funds reserved pursuant to section 111(a)(1)(A), in equal proportion, to each of Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, for the purpose of providing direct vocational and technical educational services, including—

''(1) teacher and counselor training and retraining;

''(2) curriculum development; and

''(3) the improvement of vocational and technical education and training programs in secondary schools and institutions of higher education, or improving cooperative education programs involving both secondary schools and institutions of higher education.

''(c) RESTRICTION.—The Republic of Palau shall cease to be eligible to receive funding under this section upon entering into an agreement for extension of United States educational assistance under the Compact of Free Association after the date of enactment of the Vocational and Technical Education for the Future Act.''.

(b) NATIVE AMERICAN PROGRAM.—Section 116 (20 U.S.C. 2326) is amended—

(1) in subsection (a), by inserting a period at the end of paragraph (5); and

(2) in subsection (b)—

(A) in paragraph (1), by striking ''subsection (d)'' and inserting ''subsection (c)''; and

(B) in paragraph (2), by striking ''(other than in subsection (i))''.

(c) TRIBALLY CONTROLLED INSTITUTIONS.—Section 117 (20 U.S.C. 2327) is amended—

(1) by amending subsection (b) to read as follows:

''(b) USES OF GRANTS.—Amounts made available under this section shall be used for vocational and technical education programs for Indian students and for institutional support costs of the grant, including the expenses described in subsection (e).'';

(2) in subsection (c), by inserting after paragraph (2) the following:

''(3) INDIRECT COSTS.—Notwithstanding any other provision of law or regulation, the Secretary shall not require the use of a restricted indirect cost rate for grants issued under this section.'';

(3) by striking subsection (g) and redesignating subsections (h) and (i) as subsections (g) and (h), respectively; and

(4) in subsection (h) (as so redesignated)—

(A) by striking ''$4,000,000 for fiscal year 1999 and''; and

(B) by striking ''the 4 succeeding fiscal years'' and inserting ''fiscal years 2006 through 2011''.

(d) OCCUPATIONAL AND EMPLOYMENT INFORMATION.—Section 118 (20 U.S.C. 2328) is amended—

(1) by amending subsection (b) to read as follows:

''(b) STATE LEVEL ACTIVITIES.—

''(1) DESIGNATED ENTITY.—In order for a State to receive a grant under this section, the eligible agency and the Governor of the State shall jointly designate an entity in the State responsible for conducting the activities in this subsection.

''(2) APPLICATION.—The jointly designated agency shall submit an application to the Secretary at the same time the State submits its state plan under section 122. The application shall be in such a manner and be accompanied by such information as the Secretary may reasonably require. At a minimum, the application shall describe how the jointly designated agency will assist the eligible agency in meeting its adjusted levels of performance under section 113(b).

''(3) ACTIVITIES.—The jointly designated agency shall conduct activities—

''(A) to provide support for career guidance and academic counseling programs designed to promote improved career and education decision making by students (and parents, as appropriate) regarding education and training options and preparations for high skill, high wage occupations;

''(B) to make available to students, parents, teachers, administrators, and counselors, and improve accessibility to, information and planning resources that relate academic and vocational and technical educational preparation to career goals and expectations;

''(C) to equip teachers, administrators, and counselors with the knowledge, skills, and occupational information needed to assist students and parents with educational and other postsecondary opportunities and education financing;

''(D) to assist appropriate State entities in tailoring resources and training for use by such entities;

''(E) to improve coordination and communication among administrators and planners of programs authorized by this Act and by section 15 of the Wagner-Peyser Act (29 U.S.C. 49l–2) at the Federal, State, and local levels to ensure nonduplication of efforts and the appropriate use of shared information and data; and

''(F) to provide ongoing means for customers, such as students and parents, to provide comments and feedback on products and services and to update resources, as appropriate, to better meet customer requirements.'';

(2) in subsection (e)(1), by striking ''an identification'' and inserting ''a description''; and

(3) in subsection (f), by striking ''1999 through 2003'' and inserting ''2006 through 2011''.

SEC. 11. STATE ADMINISTRATION.

Section 121 (20 U.S.C. 2341) is amended to read as follows:

"SEC. 121. STATE ADMINISTRATION.

''(a) ELIGIBLE AGENCY RESPONSIBILITIES.—The responsibilities of an eligible agency under this title shall include—

''(1) coordination of the development, submission, and implementation of the State plan, and the evaluation of the program, services, and activities assisted under this title, including preparation for nontraditional fields;

''(2) consultation with the Governor and appropriate agencies, groups, and individuals including parents, students, teachers, representatives of businesses, labor organizations, eligible recipients, State and local officials, and local program administrators, involved in the planning, administration, evaluation, and coordination of programs funded under this title;

''(3) convening and meeting as an eligible agency (consistent with State law and procedure for the conduct of such meetings) at such time as the eligible agency determines necessary to carry out the eligible agency's responsibilities under this title, but not less than four times annually; and

''(4) the adoption of such procedures as the eligible agency considers necessary to—

''(A) implement State level coordination with the activities undertaken by the State boards under section 111 of Public Law 105–220; and

''(B) make available to the service delivery system under section 121 of Public Law 105–220 within the State a listing of all school dropout, postsecondary, and adult programs assisted under this title.

''(b) EXCEPTION.—Except with respect to the responsibilities set forth in subsection (a), the eligible agency may delegate any of the other responsibilities of the eligible agency that involve the administration, operation, supervision of activities assisted under this title, in whole or in part, to one or more appropriate State agencies.''.

SEC. 12. STATE PLAN.

Section 122 (20 U.S.C. 2342) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''5-year period'' and inserting ''6-year period'';

(B) in paragraph (2)(B), by striking ''5 year State plan'' and inserting ''6-year period''; and

(C) in paragraph (3), by striking ''(including employers, labor organizations, and parents)'' and inserting ''(including charter school authorizers and organizers, employers, labor organizations, parents, students, and community organizations)'';

(2) in subsection (b)(1), by striking ''teachers, eligible recipients, parents, students, interested community members'' and inserting ''academic and vocational and technical education teachers, eligible recipients, charter school authorizers and organizers, parents, students, interested community members (including parent and community organizations), institutions of higher education'';

(3) in subsection (c)—

(A) in paragraph (1)—

(i) by redesignating subparagraphs (A) through (D) as subparagraphs (B) through (E), respectively, and inserting before such subparagraphs (as so redesignated) the following:

''(A) the development of model sequences of courses for vocational and technical content areas that—

''(i) incorporate both secondary and postsecondary education elements;

''(ii) include rigorous and challenging academic content and vocational and technical content in a coordinated, nonduplicative progression of courses that align secondary education with postsecondary education to adequately prepare sudents to succeed in postsecondary education;

''(iii) lead to a postsecondary 1-year certificate, associate or baccalaureate degree, or a proficiency credential in conjunction with a secondary school diploma; and

''(iv) may be adopted by local educational agencies and postsecondary institutions to be offered as an option to students (and their parents as appropriate), when choosing future coursework;'';

(ii) in subparagraph (B) (as so redesignated), by inserting ''and how the eligible agency will distribute information identifying eligible recipients that offer elements of the model sequences of courses'' before the semicolon;

(iii) by amending subparagraph (C) (as so redesignated) to read as follows:

''(C) the criteria that will be used by the eligible agency to evaluate and approve eligible recipients for funds under this title, including criteria to assess the extent to which the local plan will promote continuous and substantial improvement in academic achievement and technical skill attainment;'';

(iv) in subparagraph (D) (as so redesignated)—

(I) by inserting '', both academically and technically,'' after ''students''; and

(II) by striking ''; and'' and inserting '', and how participating students will be made aware of such opportunities;'';

(v) in subparagraph (E) (as so redesignated), by inserting ''aligned with rigorous and challenging academic content'' before the semicolon; and

(vi) by inserting after subparagraph (E) (as so redesignated) the following:

''(F) the process through which the eligible agency will develop the secondary or postsecondary elements of the model sequences of courses described in subparagraph (A);

''(G) the role that any eligible recipients successfully implementing the activities described in section 135(b)(3) will play in assisting other eligible recipients in establishing agreements and plans for coordinating the offering of model sequences of courses to students at both the secondary and postsecondary levels;

''(H) how funds will be used effectively to link secondary and postsecondary academic and vocational and technical education in a manner that increases student academic and vocational and technical achievement; and

''(I) how the eligible agency will report the integration of rigorous and challenging academics in vocational and technical education programs in order to adequately evaluate the quality of such integration;'';

(B) by amending paragraph (2) to read as follows:

''(2) describes how comprehensive professional development (including initial teacher preparation and activities that support recruitment) for vocational and technical, academic, guidance, and administrative personnel will be provided, especially professional development that—

''(A) promotes the integration of rigorous and challenging academic and vocational and technical education curriculum development;

''(B) increases the percentage of teachers that meet teacher certification or licensing requirements;

''(C) increases the academic and industry knowledge of vocational and technical education teachers; and

''(D) encourages applied learning that contributes to the academic and vocational and technical knowledge of the student;'';

(C) in paragraph (3), by inserting ''academic and vocational and technical'' after ''parents,'';

(D) in paragraph (5)(A)—

(i) by inserting ''(especially as pertaining to math, science, and technology)'' after ''academic and technical skills''; and

(ii) by striking ''core academic, and vocational and technical, subjects'' and inserting ''core academic subjects (as defined in section 9101(11) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801(11))), and vocational and technical subjects'';

(E) in paragraph (11), by inserting ''and technology'' after ''equipment'';

(F) by striking paragraph (19) and redesignating paragraphs (12) through (18) as paragraphs (13) through (19), respectively;

(G) by inserting after paragraph (11) the following:

''(12) describes how the eligible agency will ensure that any entity in the State that purchases equipment with funds under this Act will dispose of that equipment in such a manner as to ensure that any personally identifiable information contained in that equipment will be totally destroyed prior to, or as part of, the disposition;'';

(H) in paragraph (18) (as so redesignated), by striking ''training and employment'' and inserting ''fields''; and

(I) by redesignating paragraphs (20) and (21) as paragraphs (22) and (23), respectively, and inserting after paragraph (19) (as so redesignated) the following:

''(20) describes how the eligible agency will award grants, on a competitive basis or on the basis of a formula determined by the eligible agency, using funds described in section 112 (a)(1) for activities described in section 135(b)(3);

''(21) describes how the eligible agency will carry out measurable, sustainable, and coordinated tech-prep activities in the State (as described in section 135(b)(3)), with funds allocated under section 112(a), that are developed in consultation with the entities described in subsection (b)(1) and that effectively prepare students for post-secondary education or employment in high-demand occupations through a seamless program of study consisting of appropriate advanced academic and technical courses that include a minimum of 2 years of secondary school preceding graduation and a minimum of 2 years of higher education or an apprenticeship program of at least 2 years following secondary instruction;''; and

(4) by striking subsections (d) and (f) and redesignating subsection (e) as subsection (d).

SEC. 13. IMPROVEMENT PLANS.

Section 123 (20 U.S.C. 2343) is amended to read as follows:

''SEC. 123. IMPROVEMENT PLANS.

''(a) STATE PROGRAM IMPROVEMENT.—

''(1) PLAN.—If a State fails to meet the agreed upon State adjusted levels of performance required under section 113(b)(3), the eligible agency shall develop and implement a program improvement plan (with special consideration to performance gaps identified under section 113(c)(2)) in consultation with the appropriate agencies, individuals, and organizations for the first program year succeeding the program year in which the eligible agency failed to meet the State adjusted levels of performance, in order to avoid a sanction under paragraph (3).

''(2) TECHNICAL ASSISTANCE.—If the Secretary determines that an eligible agency is not properly implementing the eligible agency's responsibilities under section 122, or is not making substantial progress in meeting the purposes of this Act, based on the State's adjusted levels of performance, the Secretary shall work with the eligible agency to implement improvement activities consistent with the requirements of this Act.

''(3) SUBSEQUENT ACTION.—

''(A) IN GENERAL.—If an eligible agency fails to meet the State adjusted levels of performance and the purposes of this Act, has not implemented an improvement plan as described in paragraph (1), has shown no improvement within 1 year after implementing an improvement plan as described in paragraph (1), or has failed to meet the State adjusted levels of performance and the purposes of this Act for 2 or more consecutive years, the Secretary may, after notice and opportunity for a hearing, withhold from the eligible agency all, or a portion of, the eligible agency's allotment under this title.

''(B) WAIVER FOR EXCEPTIONAL CIRCUMSTANCES.—The Secretary may waive the sanction in subparagraph (A) due to exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State.

''(4) FUNDS RESULTING FROM REDUCED ALLOTMENTS.—

''(A) IN GENERAL.—The Secretary shall use funds withheld under paragraph (3) for a State served by an eligible agency, to provide (through alternative arrangements) services and activities within the State to meet the purposes of this Act.

''(B) REDISTRIBUTION.—If the Secretary cannot satisfactorily use funds withheld under paragraph (3), then the amount of funds retained by the Secretary as a result of a reduction in an allotment made under paragraph (3) shall be redistributed to other eligible agencies in accordance with section 111.

''(b) LOCAL PROGRAM IMPROVEMENT.—

''(1) LOCAL EVALUATION.—Each eligible agency shall evaluate annually, using the local adjusted levels of performance described in section 113(b)(4), the vocational and technical education activities of each eligible recipient receiving funds under this title.

''(2) PLAN.—

''(A) IN GENERAL.—If, after reviewing the evaluation, the eligible agency determines that an eligible recipient is not making substantial progress in achieving the local adjusted levels of performance, or that an eligible recipient demonstrates under section 113(b)(4)(C) persistent or a widening of performance gaps between multiple categories of students served by the eligible recipient in comparison to all students in the State served under the Act, the eligible agency shall—

''(i) conduct an assessment of the educational needs that the eligible recipient shall address to overcome local performance deficiencies;

''(ii) enter into an improvement plan agreement with an eligible recipient based on the results of the assessment, for the first program year succeeding the program year in which the eligible recipient failed to meet the local adjusted levels of performance, which plan shall demonstrate how the local performance deficiencies will be corrected and include strategies for professional development and instructional and other programmatic innovations of demonstrated effectiveness, giving special consideration to performance gaps identified under section 113(b)(4)(C); and

''(iii) conduct regular evaluations of the progress being made toward reaching the local adjusted levels of performance as described in section 113(b)(4) and progress on implementing the improvement plan.

''(B) CONSULTATION.—The eligible agency shall conduct the activities described in paragraph (2) in consultation with teachers, parents, other school staff, appropriate agencies, and other appropriate individuals and organizations.

''(3) TECHNICAL ASSISTANCE.—If the eligible agency determines that an eligible recipient is not properly implementing the eligible recipient's responsibilities under section 134, or is not making substantial progress in meeting the purpose of this Act, based on the local adjusted levels of performance, the eligible agency shall provide technical assistance to the eligible recipient to assist such recipient in carrying out the improvement activities consistent with the requirements of this Act.

''(4) SUBSEQUENT ACTION.—

''(A) IN GENERAL.—If an eligible recipient fails to meet the local adjusted levels of performance as described in section 113(b)(4) and the purposes of this Act, has not implemented an improvement plan as described in paragraph (2), has shown no improvement within 1 year after implementing an improvement plan as described in paragraph (2), or has failed to meet the local adjusted levels of performance and the purposes of this Act for 2 or more consecutive years, the eligible agency may, after notice and opportunity for a hearing, withhold from the eligible recipient all, or a portion of, the eligible recipient's allotment under this title.

''(B) WAIVER FOR EXCEPTIONAL CIRCUMSTANCES.—The eligible agency may waive the sanction under this paragraph due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State.

''(5) FUNDS RESULTING FROM REDUCED ALLOTMENTS.—The eligible agency shall use funds withheld under paragraph (4) to continue to provide (through alternative arrangements) services and activities in the area served by such recipient to meet the purpose of this Act.''.

SEC. 14. STATE LEADERSHIP ACTIVITIES.

Section 124 (20 U.S.C. 2344) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''learning'' and inserting ''education'';

(B) in paragraph (2)—

(i) by inserting '', and the required math and science education,'' after ''use of technology in vocational and technical education''; and

(ii) in subparagraph (B)—

(I) by inserting ''(including the math and science knowledge that provides a strong basis for such skills)'' after ''technical skills''; and

(II) by striking ''and telecommunications field'' and inserting ''fields, including nontraditional fields'';

(C) in paragraph (3)—

(i) by inserting ''at the secondary and postsecondary levels'' after ''academic, guidance, and administrative personnel'';

(ii) by redesignating subparagraphs (A) through (D) as subparagraphs (C) through (F), respectively, and inserting before such subparagraphs (as so redesignated) the following:

''(A) will provide inservice and preservice training for vocational and technical education

teachers in the integration and use of rigorous and challenging academics with vocational and technical subjects;

''(B) are high quality, sustained, intensive, and classroom-focused in order to have a positive and lasting impact on classroom instruction and the teacher's performance in the classroom, and are not 1-day or short-term workshops or conferences;'';

(iii) in subparagraph (C) (as so redesignated)—

(I) by inserting ''scientifically based'' after ''based on''; and

(II) by striking ''; and'' and inserting a semicolon;

(iv) in subparagraph (D) (as so redesignated), by striking ''assist students in meeting'' and inserting ''improve student achievement in order to meet''; and

(v) by amending subparagraph (E) (as so redesignated) to read as follows:

''(E) will support education programs for teachers of vocational and technical education in public schools and other public school personnel who are involved in the direct delivery of educational services to vocational and technical education students to ensure that teachers and personnel—

''(i) stay current with the needs, expectations, and methods of industry;

''(ii) meet teacher certification or licensing requirements, especially in core academic subjects as defined in section 9101(11) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801(11));

''(iii) effectively develop integrated rigorous and challenging academic and vocational and technical education curriculum;

''(iv) develop a high level of academic and industry knowledge and skills necessary to provide effective instruction in vocational and technical education; and

''(v) effectively use applied learning that contributes to the academic and vocational and technical knowledge of the student; and'';

(D) in paragraph (4), by striking ''integration of academics'' and all that follows through ''core academic,'' and inserting ''provision of rigorous and challenging academics that are integrated with vocational and technical education to ensure achievement in the core academic subjects (as defined in section 9101(11) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801(11))),'';

(E) in paragraph (5), by striking ''training and employment'' and inserting ''fields'';

(F) in paragraph (6), by inserting ''and complete a model sequence of courses, as described in section 122(c)(1)(A)'' after ''technical skills'';

(G) in paragraph (7), by striking ''; and'' and inserting a semicolon;

(H) in paragraph (8), by striking the period and inserting ''; and''; and

(I) by inserting after paragraph (8) the following:

''(9) technical assistance for eligible recipients.''; and

(2) in subsection (c)—

(A) by striking paragraph (1), and redesignating paragraphs (2) through (10) as paragraphs (1) through (9), respectively, and paragraphs (11) and (12) as paragraphs (12) and (13), respectively;

(B) in paragraph (9) (as so redesignated), by inserting ''that prepare individuals academically and technically for current and emerging occupations in demand'' after ''education courses''; and

(C) by inserting after paragraph (9) (as so redesignated) the following:

''(10) awarding incentive grants to eligible recipients for exemplary performance in carrying out programs under this Act, which awards shall be based on—

''(A) eligible recipients exceeding challenging performance measures established under section 113(b) in a manner that reflects sustained or significant improvement;

''(B) eligible recipients effectively developing connections between secondary education and postsecondary education and training;

''(C) the adoption and integration of rigorous and challenging academic and technical coursework;

''(D) an eligible recipient's progress in having special populations participating in vocational and technical education programs meet local adjusted levels of performance; or

''(E) other factors relating to the performance of the eligible recipient under this Act as the eligible agency determines are appropriate;

''(11) providing for activities to support entrepreneurship education and training;''.

SEC. 15. DISTRIBUTION OF FUNDS TO SECONDARY SCHOOL PROGRAMS.

Section 131 (20 U.S.C. 2351) is amended—

(1) by striking subsection (a) and redesignating subsections (b) through (i) as subsections (a) through (h), respectively;

(2) in subsection (a) (as so redesignated)—

(A) in the subsection heading, by striking ''Special'' and ''for Succeeding Fiscal Years''; and

(B) by striking ''for fiscal year 2000 and succeeding fiscal years''; and

(3) in subsection (b) (as so redesignated)—

(A) by striking ''subsection (b)'' and inserting ''subsection (a)''; and

(B) by striking ''(42 U.S.C. 9902(2))'' and inserting ''(42 U.S.C. 9902(2)))''.

SEC. 16. ELIMINATION OF REDISTRIBUTION RULE.

Section 133 (20 U.S.C. 2353) is amended by striking subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

SEC. 17. LOCAL PLAN FOR VOCATIONAL AND TECHNICAL EDUCATION PROGRAMS.

Section 134(b) (20 U.S.C. 2354(b)) is amended—

(1) in paragraph (2), by inserting ''and local'' after ''State'';

(2) in paragraph (3)—

(A) by redesignating subparagraphs (A) through (C) as subparagraphs (B) through (D), respectively, and inserting before such subparagraphs the following:

''(A) offer the appropriate courses of at least one of the model sequences of courses described in section 124(c)(1), as appropriate to the eligible recipient responsible for that element of the sequence;'';

(B) in subparagraph (B) (as so redesignated)—

(i) by inserting ''rigorous and challenging'' after ''integration of''; and

(ii) by inserting ''subjects (as defined by section 9101(11) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801(11)))'' after ''core academic''; and

(C) in subparagraph (D) (as so redesignated), by inserting ''rigorous and'' after ''taught to the same'';

(3) by redesignating paragraphs (4) through (10) as paragraphs (5) through (11), respectively, and inserting after paragraph (3) the following:

''(4) describe how comprehensive professional development (including initial teacher preparation) for vocational and technical, academic, guidance, and administrative personnel will be provided that promotes the integration of rigorous and challenging academic and technical education (including curriculum development);'';

(4) in paragraph (5) (as so redesignated)—

(A) by inserting ''academic and vocational and technical'' after ''students,''; and

(B) by inserting ''(including the eligible recipients that offer elements of the model sequence of courses)'' after ''such individuals and entities''; and

(5) in paragraph (8) (as so redesignated)—

(A) in subparagraph (A), by striking ''; and'' and inserting a semicolon;

(B) in subparagraph (B), by inserting ''and'' after the semicolon; and

(C) by inserting after subparagraph (B) the following:

''(C) will provide activities to prepare special populations, including single parents and displaced homemakers, for high skill, high wage occupations that will lead to self-sufficiency;''.

SEC. 18. LOCAL USE OF FUNDS.

Section 135 (20 U.S.C. 2355) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''to ensure learning in the core academic'' and inserting ''as established in the State-developed model sequences of courses described in section 122(c)(1)(A) to ensure learning in the core academic subjects (as defined by section 9101(11) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801(11)))'';

(B) by striking paragraph (8);

(C) by redesignating paragraphs (2) through (7) as paragraphs (4) through (9), respectively, and inserting after paragraph (1) the following:

''(2) link secondary vocational and technical education and postsecondary vocational and technical education, including offering model sequences of courses and implementing tech-prep programs consistent with the activities described in paragraph (3);

''(3) support tech-prep programs (if the eligible recipient receives the funds from the eligible agency under section 112(a)(1)) that—

''(A) are carried out under an articulation agreement between the participants in a consortium, which shall include—

''(i) a local educational agency, an intermediate educational agency or area vocational and technical education school serving secondary school students, or a secondary school funded by the Bureau of Indian Affairs; and

''(ii)(I) a nonprofit institution of higher education that offers—

''(aa) a 2- or 4-year degree program, or a 2-year certificate program, and is qualified as an institution of higher education pursuant to section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002) (except those institutions described in section 102(a)(1)(C) of such Act), including an institution receiving assistance under the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801 et seq.) and a tribally controlled postsecondary vocational and technical institution; or

''(bb) a 2-year apprenticeship program that follows secondary instruction, if such nonprofit institution of higher education is not prohibited from receiving assistance under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) pursuant to the provisions of section 435(a)(3) of such Act (20 U.S.C. 1083(a)); or

''(II) a proprietary institution of higher education that offers a 2-year associate degree program and is qualified as an institution of higher education pursuant to section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002), if such proprietary institution of higher education is not subject to a default management plan required by the Secretary,

and may include nonprofit organizations that provide eligible recipients with technology and programs to enhance math and science skills, employers, and labor organizations;

''(B) consist of a minimum of 2 years of secondary school preceding graduation and a minimum of 2 years of higher education, or an apprenticeship program of at least 2 years, following secondary instruction;

''(C) meet academic standards developed by the State, including standards developed under section 1111 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311) for secondary students, and support proficiency in mathematics, science, reading, writing, communications, and technologies;

''(D) are comprised of model sequences of courses that integrate rigorous and challenging academics and vocational and technical education;

''(E) provide technical preparation in a career field such as engineering technology; applied science; a mechanical, industrial, or practical art or trade; agriculture; health occupations; business; applied economics; advanced manufacturing; or other high-skill, high-wage, high-demand occupations as determined by the State;

''(F) use, if appropriate and available, work-based or worksite learning in conjunction with academic and vocational and technical education;

''(G) use educational technology and distance learning, as appropriate, to involve all the consortium partners more fully in the development and operation of programs;

''(H) facilitate and promote close working relationships among eligible recipients to ensure that programs within a geographic area are closely integrated with tech-prep program activities;

''(I) are sustainable and use performance indicator data, described in section 113, to inform program quality;

''(J) include academic and career counseling for participants that provides information to students (and parents, as appropriate) regarding tech-prep programs and supports student progress in completing tech-prep programs;

''(K) include in-service training for teachers that—

''(i) provides for joint training for teachers in tech-prep programs; and

''(ii) is designed to ensure that teachers and administrators stay current with the needs, expectations, and methods of business and all aspects of an industry; and

''(L) provide students with transferable credit between the consortium members, as described in subparagraph (A), and may include programs that allow secondary programs to be co-located on postsecondary campuses;'';

(D) in paragraph (5) (as so redesignated)—

(i) by inserting '', and the related math and science education'' after ''use of technology in vocational and technical education'';

(ii) in subparagraph (B)—

(I) by inserting ''(including the math and science knowledge that provides a strong basis for such skills)'' after ''technical skills''; and

(II) by striking ''and telecommunications field'' and inserting ''fields''; and

(iii) in subparagraph (C)—

(I) by striking ''work'' and inserting ''collaborate''; and

(II) by inserting ''that improve the math and science knowledge of students'' after ''mentoring programs'';

(E) in paragraph (6) (as so redesignated)—

(i) by striking ''teachers,'' and inserting ''secondary and postsecondary teachers, instructors,''; and

(ii) in subparagraph (A), by striking ''in effective teaching skills based on research'' and inserting ''in effective integration of rigorous and challenging academic and vocational and technical education, in effective teaching skills based on scientifically based research''; and

(F) by inserting after paragraph (9) (as so redesignated) the following:

''(10) provide activities to prepare special populations, including single parents and displaced homemakers, for high skill, high wage occupations that will lead to self sufficiency.''; and

(2) in subsection (c)—

(A) in paragraph (2), by inserting '', regarding the range of postsecondary options available, including for adult students who are changing careers or updating skills'' before the semicolon;

(B) in paragraph (5), by inserting '', including the establishment and operation of special arrangements with industry partners that allow qualified industry professionals to serve as faculty in postsecondary programs'' before the semicolon;

(C) in paragraph (8), by striking ''aides'' and inserting ''aids and publications'';

(D) in paragraph (9), by inserting ''that address the integration of academic and vocational and technical education and'' after ''teacher preparation programs'';

(E) by redesignating paragraphs (10) through (14) as paragraphs (12) through (16), and paragraph (15) as paragraph (19), respectively, and inserting after paragraph (9) the following:

''(10) to develop and expand postsecondary program offerings that are accessible by students, including the use of distance education;

''(11) to provide activities to support entrepreneurship education and training;'';

(F) in paragraph (12) (as so redesignated), by inserting '', including development of new proposed model sequences of courses for consideration by the eligible agency and courses that prepare individuals academically and technically for current and emerging occupations that are in demand, and dual enrollment opportunities by which secondary vocational and technical education students could obtain postsecondary credit to count towards an associate or baccalaureate degree'' before the semicolon;

(G) by amending paragraph (16) (as so redesignated) to read as follows:

''(16) to support training in nontraditional fields;''; and

(H) by inserting after paragraph (16) (as so redesignated) the following:

''(17) to provide accurate information relating to the availability of supportive services available in an area served by the eligible recipient, and referral to such services, as appropriate;

''(18) to support the activities described in subsection (b)(3); and''.

SEC. 19. REPEAL OF TECH-PREP EDUCATION ACT.

Title II (20 U.S.C. 2071 et seq.) is repealed.

SEC. 20. GENERAL PROVISIONS.

(a) REDESIGNATION OF TITLE III.—

(1) REDESIGNATION.—Title III (20 U.S.C. 2391 et seq.) is amended—

(A) by striking section 318;

(B) by redesignating such title as title II of such Act; and

(C) by redesignating sections 311 through 317 as section 211 through 217 and sections 321 through 325 as sections 221 through 225, respectively.

(2) TABLE OF CONTENTS AMENDMENT.—The table of contents in section 1(b) is amended—

(A) by striking the items relating to title III; and

(B) by amending the items relating to title II to read as follows:

''TITLE II—GENERAL PROVISIONS

''PART A—FEDERAL ADMINISTRATIVE PROVISIONS

''Sec. 211. Fiscal requirements.
''Sec. 212. Authority to make payments.
''Sec. 213. Construction.
''Sec 214. Voluntary selection and participation.
''Sec. 215. Limitation for certain students.
''Sec. 216. Federal laws guaranteeing civil rights.
''Sec. 217. Participation of private school children and personnel.

''PART B—STATE ADMINISTRATIVE PROVISIONS

''Sec. 221. Joint funding.
''Sec. 222. Prohibition on use of funds to induce out-of-State relocation of businesses.
''Sec. 223. State administrative costs.
''Sec. 224. Limitation on Federal regulations.
''Sec. 225. Student assistance and other Federal programs.''.

(b) FISCAL REQUIREMENTS.—Section 211(b) (20 U.S.C. 2391(b)) (as so redesignated) is amended by inserting after paragraph (2) the following:

''(3) DEFINITION.—For purposes of this subsection, the term 'preceding fiscal year' means the Federal fiscal year or the 12-month fiscal period used by a State for official reporting purposes, prior to the beginning of the Federal fiscal year in which funds are available for obligation by the Secretary.''.

(c) PARTICIPATION OF PRIVATE SCHOOL CHILDREN AND PERSONNEL.—Section 217 (as so redesignated) is amended to read as follows:

''SEC. 217. PARTICIPATION OF PRIVATE SCHOOL CHILDREN AND PERSONNEL.

''(a) PARTICIPATION ON EQUITABLE BASIS.—

''(1) IN GENERAL.—To the extent consistent with the number of children in the school district of a local educational agency that is eligible to receive funds under this Act, or that serves the area in which a program assisted under this Act is located, who are enrolled in private nonprofit elementary schools and secondary schools, or, with respect to instructional or personnel training programs funded by an eligible agency, the local educational agency, after consultation with appropriate private school officials—

''(A) shall provide, on an equitable basis and as may be necessary, for the benefit of such children in such schools, secular, neutral, and nonideological services (or other benefits), materials, and equipment, including the participation of the teachers of such children (and other educational personnel serving such children) in training programs; or

''(B) if such services, materials, and equipment are not feasible or necessary in one or more such private schools (as determined by the local educational agency after consultation with the appropriate private school officials), shall provide such other arrangements as will assure equitable participation of such children in the purposes and benefits of this Act.

''(2) APPLICATION OF REQUIREMENTS.—The requirements of this section relating to the participation of children, teachers, and other personnel serving such children shall apply to programs carried out under this Act by an eligible agency or local educational agency, whether directly or through grants to, or contracts with, other public or private agencies, institutions, or organizations.

''(b) EQUAL EXPENDITURES.—

''(1) IN GENERAL.—Expenditures for programs under subsection (a) shall be equal (consistent with the number of children to be served) to expenditures for programs under this Act for children enrolled in the public schools of the local educational agency.

''(2) CONCENTRATED PROGRAMS.—When funds available to a local educational agency under this Act are used to concentrate programs on a particular group, attendance area, or grade or age level, the local educational agency shall, after consultation with the appropriate private school officials, assure the equitable participation in both the purposes and benefits of such programs for children enrolled in private schools who are included within the group, attendance area, or grade or age level selected for such concentration, taking into account the needs of the individual children and other factors that relate to the expenditures referred to in paragraph (1).

''(c) ADMINISTRATIVE REQUIREMENTS.—

''(1) FUNDS, MATERIALS AND EQUIPMENT.—

''(A) FUNDS.—The control of funds expended under this section shall be administered by a public agency.

''(B) MATERIALS AND EQUIPMENT.—The title to materials and equipment provided under this section, shall remain with a public agency for the uses and purposes provided in this Act

''(2) PROVISION OF SERVICES.—Services provided under this Act shall be provided by employees of a public agency or through contract by such a public agency with a person, association, agency, organization, institution or corporation that, in the provision of such services, is independent of the private school and of any religious organizations, and such employment or contract shall be under the control and supervision of such a public agency. The funds utilized under this section shall not be commingled with State or local funds.

''(3) TIMING AND CONTENT OF CONSULTATION.—The consultation required under this section shall include meetings of agency and private school officials and shall occur before the eligible agency and local educational agency makes any decision that affects the opportunities of eligible private school children to participate in

programs under this Act. Such meetings shall include a discussion of service delivery mechanisms (including third party contractors) and shall continue throughout implementation and assessment of services under this Act.

''(d) WAIVER AND BYPASS PROCEDURES.—

''(1) STATE PROHIBITION.—If an eligible agency or local educational agency is prohibited, by reason of any provision of law, from providing for the participation in programs of children enrolled in private elementary schools and secondary schools as required by subsections (a) through (c), the Secretary shall waive such requirements for the agency involved and shall arrange for the provision of services to such children through arrangements that shall be subject to the requirements of this section.

''(2) FAILURE TO COMPLY.—If the Secretary determines that an eligible agency or a local educational agency has substantially failed, or is unwilling, to provide for the participation on an equitable basis of children enrolled in private elementary schools and secondary schools as required by subsections (a) through (c), the Secretary may waive such requirements and shall arrange for the provision of services to such children through arrangements that shall be subject to the requirements of this section.

''(3) PAYMENT FROM STATE ALLOTMENT.—When the Secretary arranges for services under this subsection, the Secretary shall, after consultation with the appropriate public school and private school officials, pay the cost of such services, including the administrative costs of arranging for those services, from the appropriate allotment of the eligible agency under this Act.

''(4) DURATION OF DETERMINATION.—Any determination by the Secretary under this section shall continue in effect until the Secretary determines that there will no longer be any failure or inability on the Act of the eligible agency or local educational agency to meet the requirements of subsections (a) through (c).

''(5) REVIEW OF DETERMINATION.—The Secretary shall not take any final action under this section until the eligible agency and the local educational agency affected by such action have had an opportunity, for not less than 45 days after receiving written notice thereof, to submit written objections and to appear before the Secretary or the Secretary's designee to show cause why that action should not be taken.

''(e) WITHHOLDING OF ALLOTMENT OR ALLOCATION.—Pending final resolution of any investigation or complaint that could result in a waiver under subsection (d)(1) or (d)(2), the Secretary may withhold from the allotment or allocation of the affected eligible agency or local educational agency the amount estimated by the Secretary to be necessary to pay the cost of services to be provided by the Secretary under such subsection.

''(f) PRIOR DETERMINATION.—Any bypass determination by the Secretary under Title I or Title IX of the Elementary and Secondary Education Act of 1965 shall, to the extent consistent with the purposes of this Act, apply to programs under this Act until such determinations terminate or expire.''.

The Acting CHAIRMAN. No amendment to the committee amendment is in order except those printed in House Report 109–69. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

It is now in order to consider amendment No. 1 printed in House Report 109–69.

AMENDMENT NO. 1 OFFERED BY MR. CASTLE

Mr. CASTLE. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. CASTLE:

Page 10, line 23, strike ''not less than the amount allotted'' and insert ''an amount equal to the amount allotted''.

The Acting CHAIRMAN. Pursuant to House Resolution 254, the gentleman from Delaware (Mr. CASTLE) and a Member opposed each will control 7½ minutes.

The Chair recognizes the gentleman from Delaware (Mr. CASTLE).

Mr. CASTLE. Mr. Chairman, I yield myself such time as I may consume.

Before discussing the amendment, I, too, would like to thank all the staff who worked on this. We sit here and we say nice things about these bills, and I think that the gentlewoman from California (Ms. WOOLSEY) and I and others in the room who have worked on these bills know that without our staffs they simply would not be done in the same detail, the same execution. But all those on the committee who the gentleman from Ohio (Chairman BOEHNER) referred to I particularly thank. They do a great job on our Committee on Education and the Workforce. I am very grateful to them and to my staff who helped with this as well. It is the reason we get legislation, I think, that we can all pretty much agree to on the floor of the House of Representatives.

My amendment before us, Mr. Chairman, is very simple. It would make an important clarification to the underlying bill. As we have heard, H.R. 366 consolidates the funding streams of Tech-Prep and the basic State grant, but still requires States to fund Tech-Prep activities. I have worked with my colleagues on the other side of the aisle to draft this amendment that will clarify our intent. This amendment simply explains that Tech-Prep activities are held harmless to the amount that was appropriated to the Tech-Prep program in fiscal year 2005.

Evidence suggests that under current law, the Tech-Prep program has not worked as anticipated and designed. The intent of the program is for high schools and postsecondary institutions to draft agreements that allow for a nonduplicative, seamless transition for students.

The rationale behind consolidating the programs was to streamline the funding stream. We can all agree that Tech-Prep is an important component of technical and vocational education, which is what this amendment is intended to clarify by ensuring Tech-Prep activities are still funded. In order to prohibit the inadequacies of the past, H.R. 366 incorporates program improvements to ensure that Tech-Prep activities will include credit transfer agreements, ensuring that secondary vocational and technical education students can move easily into postsecondary education, a necessary exercise for those students who decide to go on to some form of postsecondary education or training.

I urge my colleagues to support my simple and technical amendment.

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

Ms. WOOLSEY. Mr. Chairman, I rise to clearly not oppose this amendment, and I claim the time in opposition, and I yield myself such time as I may consume. I would echo what the gentleman on the other side of the aisle have said about our good and wonderful staffs. I do not know what we would do without them, and I thank them very much, our wonderful staff and the Republican staff.

I want to thank, again, the chairman of my subcommittee, the gentleman from Delaware (Mr. CASTLE), for letting me work with him in a bipartisan way on this bill and for offering this amendment. As I noted in my opening statement, I do not think that merging Tech-Prep programs into the basic State grant is good policy, and I would prefer that this amendment allow proportional increases for Tech-Prep funding as overall funding increases, because as things get more expensive, it is pretty hard to flat fund. But I hope we will address this as the bill moves forward.

I need to say, though, that I appreciate the commitment of the gentleman from Delaware (Mr. CASTLE) to hold Tech-Prep funding harmless at the fiscal year 2005 level, and I do agree with his amendment.

Mr. Chairman, I am pleased to yield such time as he may consume to the gentleman from Wisconsin (Mr. KIND).

(Mr. KIND asked and was given permission to revise and extend his remarks.)

Mr. KIND. Mr. Chairman, I thank the gentlewoman for yielding me this time.

I too want to commend everyone on the committee and the staff in regards to the bipartisan process of bringing the vocational education bill to the floor for reauthorization. I think it is pretty self-evident that those of us who do have career and tech colleges in our district understand the true value that they bring in preparing the workforce for the future, and the incredible involvement that they have in our community, the leadership that they provide, the economic development and spin-off opportunities that arise from them.

Just one example: we had before the Committee on Education and the Workforce a little bit earlier this year President Bill Ihlenfeldt, who is president of the Chippewa Valley Tech College in my congressional district in western Wisconsin. They have just launched and broken ground on a new nanotechnology center that they are moving forward on, clearly trying to advance the skills of our workers in the region on what could be the next ''new'' thing in regards to economic opportunities, job creation, cutting-edge

science and engineering, and technological discoveries in this new nanotechnology center.

Every bill, as the chairman of the committee expressed, may not be a perfect bill; but this one is good. It could be better. This amendment makes it a little bit better, and I commend my colleague and friend from Delaware for offering the amendment to clarify the language that at least for the next fiscal year we will be looking at level funding for the Tech-Prep program.

During markup of the legislation in committee, the gentleman from Massachusetts (Mr. TIERNEY) and I offered an amendment that would have restored and kept in tact the separate identity as well as the separate funding stream for the Tech-Prep program. We were not doing this just willy-nilly in support of the status quo, but we were doing it in response to those who have worked with the Tech-Prep program, the feedback that we were getting from outside organizations, and the leadership of the tech education system in the country, about the importance of maintaining Tech-Prep as a separate, distinct identity with a separate funding stream, which the Senate bill recognizes and is moving forward on.

They fear, as I do and others who supported the amendment in committee, that by removing it as a separate entity, by merging it into the general grant program, we are going to lose focus, lose attention, lose incentives for these programs to continue to function in the highly successful manner in which they have. I think, hopefully, we will have a chance to come back and address that issue in conference once the Senate completes their work.

But I would encourage my colleagues to support this amendment. I would encourage them to support the underlying bill. I think it is an important investment in regards to maintaining our ability to be creative and innovative as a society. Right now, we are just leaving too many students behind. There was a recent report submitted to Congress that showed that because of tuition increases and fees, with the cutbacks in financial aid programs at the Federal and State level, with the eroding value of the Pell grant, that 48 percent of low-income students are not going on to postsecondary education opportunities, whether it is a career or technical college, whether it is a 4-year college or university. In short, we are leaving too many students behind at the exact time when we cannot afford to leave anyone behind.

Just a few weeks ago, under the leadership of the gentleman from California (Chairman MCKEON), some of us on the Education Committee had a chance to do an education tour of China. China is getting it. China is trying to propel themselves into the modern economy of the 21st century. This whole globalization that is going on and the trade debates that we have is not so much a race to the bottom with weak labor and environmental standards as it is a race to the top. And China is a country, having just come from there, that is not content at just being good at copying what we make and mass producing it. They want to be good at the cutting-edge research of technology and science and medicine, and they are making major investments in their education infrastructure today that we have never seen before.

They are graduating eight times the number of engineers that we are in our own country. Unless we are willing to accept a fate which may lead us to a less competitive position with countries like China and India that are making this conversion in regards to their education system, we need to recognize the value of a vocational and technical education system, the reauthorization of this bill, the higher education bill, which we will hopefully have an opportunity to bring up later in the year; and offer a new New Deal for the American people, for the workers and the students and our children by holding out hope and a promise that they will be able to develop the skills and the qualities that they need to survive and to succeed in what is a very integrated, competitive playing field throughout the world today.

This, I think, is an important and significant step to making that investment. Hopefully, through the work the Senate and the conference committee later this year will do, we will be able to improve some of the provisions in this bill to make it even better. But this amendment is worthy of support, the bill is worthy of bipartisan support, so that we can at least be moving in the right direction in regards to the global competition that we are all facing, but especially the students who are in the audience here today and the rest of our children, so that they know that they are going to have the ability to compete in a global marketplace.

Again, I commend the leadership on the committee for the work done on this bill, and I encourage support of the amendment and the underlying legislation.

□ 1300

Ms. WOOLSEY. Mr. Chairman, I yield back the balance of my time.

Mr. CASTLE. Mr. Chairman, I urge the support of the amendment by everybody.

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

The Acting CHAIRMAN (Mr. CULBERSON). The question is on the amendment offered by the gentleman from Delaware (Mr. CASTLE).

The amendment was agreed to.

The Acting CHAIRMAN. It is now in order to consider amendment No. 2 printed in House Report 109–69.

AMENDMENT NO. 2 OFFERED BY MR. WU

Mr. WU. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. WU:

Page 56, line 15, strike ''paragraphs (12) through (13), respectively'' and insert ''paragraphs (13) and (14), respectively''.

Page 57, line 21, strike the quotation mark and period and insert:

''(12) support for initiatives to facilitate the transition of sub-baccalaureate career and technical education students into baccalaureate degree programs, including—

''(A) statewide articulation agreements between sub-baccalaureate degree granting career and technical postsecondary educational institutions and baccalaureate degree granting post-secondary educational institutions;

''(B) postsecondary dual and concurrent enrollment program;

''(C) academic and financial aid counseling; and

''(D) other initiatives to—

''(i) encourage the pursuit of a baccalaureate degree; and

''(ii) overcome barriers to participation in baccalaureate degree programs, including geographic and other barriers affecting rural students and special populations;''.

The Acting CHAIRMAN. Pursuant to House Resolution 254, the gentleman from Oregon (Mr. WU) and a Member opposed each will control 7½ minutes.

The Chair recognizes the gentleman from Oregon (Mr. WU).

Mr. WU. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have heard much about America and Americans losing our competitive edge. In math and science, our fourth graders are among the best in the world. But, by their senior year in high school, they score near the bottom among all industrialized nations.

This problem is further exacerbated by the fact that only 68 percent of the young people who start high school as freshmen ultimately graduate. The rest drop out of high school at some time, and for minorities, the drop-out rate is considerably higher.

Our college drop-out rate is one of the highest in the world. The United States has dropped from first to fifth in the percentage of young adults with a college degree. Singapore has displaced in United States as the top economy in information technology competitiveness, and the number of patents awarded to Americans is declining.

Collectively, these are all indicators for concern about our global competitiveness as a people, and as an economy. More than ever, we need rigorous, relevant career and technical education programs to help students prepare for post secondary education, and to address the shortage of highly skilled workers necessary to meet the demands of a contemporary workforce. A skilled and flexible workforce is essential to building a strong and dynamic economy and to maintaining our country's ability to compete in this increasingly globalized economy.

I am very pleased to support H.R. 366, the Vocational Technical Education Act for the Future, because it does this through the promotion of a rigorous

curriculum, innovative learning environments, and relevant course work and training.

However, as always, there is more to be done, and that is exactly what my amendment is aimed at. We must ensure that we do not leave career and technical education students behind a glass ceiling of lack of further training and education. We must encourage them to continue their training and education at a 4-year institution and hopefully continue on to a baccalaureate degree.

By 2010, 80 percent of all jobs in this Nation will require secondary and postsecondary education and training, as a prerequisite for a job that supports a middle-class lifestyle. It is important that we do all we can to encourage career and technical education students to continue their education and training at a college or university.

My amendment would do just that. Specifically, it would allow States to use funds under this bill to facilitate the transition of vocational and career education students into baccalaureate degree programs. This permissible use of activities would include Statewide agreements between career and technical schools, and colleges and universities to facilitate transfers of students, and to facilitate concurrent enrollment.

It would permit dual and concurrent enrollment programs between career and technical schools and baccalaureate-granting institutions. It would encourage the joining of academic and financial aid counseling, and it would also encourage other initiatives for the pursuit of a baccalaureate degree, including overcoming geographic and special populations barriers.

This language is contained in the Senate version of this bill. And I urge my colleagues to support this common sense amendment to H.R. 366.

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

Mr. BOEHNER. Mr. Chairman, while I do not object to the gentleman's amendment, I would like to claim the time in opposition.

The Acting CHAIRMAN. Without objection, the gentleman from Ohio (Mr. BOEHNER) will control the time.

There was no objection.

Mr. BOEHNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I support the amendment. Clearly those who take technical and vocational education programs ought to have the ability to take those credits and that time that they have invested in that program and be able to move on, if they choose, into, whether it is a 2-year school or a 4-year school.

What we have seen in the past, many students who were in vocational schools, technical schools, and who may have then decided to change their minds, did not have the ability to move on to get that 2-year degree or to get that certificate they may be looking for, or even a 4-year degree. And I think that the articulation agreements that would be permissible under this bill, with the gentleman from Oregon (Mr. WU's) amendment, are growing from State to State.

I know in Ohio, all of the State-sponsored schools now have an articulation agreement, a transfer of credit policy, as well, which I think will help facilitate students who want to continue their education at various schools. And I think the allowable use of funds in this amendment will, in fact, help students all over the country, and I am pleased to support the gentleman from Oregon (Mr. WU's) amendment.

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

Mr. WU. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to thank the gentleman from Ohio (Mr. BOEHNER) the Chairman, and the gentleman from Delaware (Mr. CASTLE) the chairman of the subcommittee, for their hard work on this bipartisan piece of legislation, and recognize the leadership of the gentlewoman from California (Ms. WOOLSEY) and for her hard work on this bill also.

The intent of this amendment is exactly as the chairman laid out. People develop further ambitions, and maybe perhaps change their goals in life, and we ought to make it as easy as possible for folks to pursue their dreams as broadly as they can.

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

Mr. BOEHNER. Mr. Chairman, I yield myself the balance of our time.

Let me just thank the gentleman from Oregon (Mr. WU) for his amendment and thank him for working with us on this language. It is similar language to what is in the Senate bill. The gentleman from Oregon (Mr. WU) is a valued member of our committee, and we have worked closely on a number of issues, and we are glad to support this amendment.

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

The Acting CHAIRMAN. The question is on the amendment offered by the gentlewoman from Oregon (Mr. WU).

The amendment was agreed to.

The Acting CHAIRMAN. It is now in order to consider Amendment No. 3 printed in House Report 109–69.

AMENDMENT NO. 3 OFFERED BY MS. MILLENDER-MCDONALD

Ms. MILLENDER-MCDONALD. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Ms. MILLENDER-MCDONALD:

Page 68, line 17, strike '' paragraph (19)'' and insert ''paragraph (20)''.

Page 69, line 23, strike ''and'.'' and insert a semicolon.

Page 69, after line 23, insert the following: ''(19) for programs that assist in the training of automotive technicians in diesel retrofitting, hybrid, hydrogen, and alternative fuel automotive technologies; and''.

The Acting CHAIRMAN. Pursuant to House Resolution 254, the gentlewoman from California (Ms. MILLENDER-MCDONALD) and a Member opposed each will control 7½ minutes.

The Chair recognizes the gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-MCDONALD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today I am offering an amendment that establishes an automotive technicians workers training program and makes eligible this particular program under the Vocational and Technology Education for the Future Act, the use of funds for establishing curricula to train automotive technicians to work on hybrid, hydrogen and alternative fuel technologies for the new automobile fleets sold in the United States.

This amendment speaks to the true intent of the Perkins Act. It will graduate students into employable jobs that will have an immediate return on our educational system. Automotive technicians are in great demand. We need to educate the new generation of automotive workers so that they will be able to work on the new hybrid vehicles that are fast becoming a dominant part of the automotive marketplace.

The numbers speak for themselves, Mr. Chairman. In 2004, close to 90,000 hybrid vehicles were sold in the United States. Since the hybrid vehicles debut in the American market in 1999, U.S. hybrid sales have doubled every year. An estimated 10 percent of the 2 million mid-sized vehicles sold in 2006 will be hybrid vehicles.

By 2007, it is estimated that over 400,000 hybrid vehicles will be sold in the United States. The American public is willing to invest in automobiles that incorporate environmentally sound technology. Whether consumers are motivated by environmental concerns, such as the health of their children, by rising fuel costs that causes further dependence on foreign oil, or by a combination of the two, the car dealerships are consistently selling out the hybrid vehicles.

In order for this purchasing trend to continue, consumers need to be able to purchase hybrid automobiles with the knowledge that they are doing their part to help the environment along with the reassurance that they will be able to find high quality service. We need the work force to meet these new demands.

Currently the average age of automotive technicians is 50 years old. As the Department of Labor has projected, we will need almost 32,000 new automotive technicians a year for the next several years to service these new vehicles. Automotive technicians are high skilled, high wage and high demand.

In my home State of California alone the need for new highly skilled technicians will outpace supply by 42,750. The need for technicians is expected to increase by 18 percent in the next year.

When this is added to an expected turnover rate of 34.5 percent, which is due to attrition, the true scope of educating new automotive technicians become apparent.

This is a much needed training program, and a much needed amendment, and I ask my colleagues to support the amendment.

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

Mr. BOEHNER. Mr. Chairman, while I am not opposed to the amendment, I would like to claim the time in opposition to it.

The Acting CHAIRMAN. Without objection the gentleman from Ohio (Mr. BOEHNER) will control the time.

There was no objection.

Mr. BOEHNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I appreciate the gentlewoman's amendment. I appreciate her willingness to work with us on her amendment, to put it in a form that we think is acceptable. And while these activities are clearly allowed under the bill, the specific training that is outlined here, I think is, in fact, needed not only in her State of California, but all across the country, as we look at a lot of high skilled jobs that are out there, but yet no one to fill them.

And I think if you look at vocational and technical education in a broader sense is intended to help provide the type of skills necessary in today's economy. We think the gentlewoman has a good amendment.

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

Ms. MILLENDER-MCDONALD. Mr. Chairman, I yield 1½ minutes to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Chairman, I want to thank my colleague, the gentlewoman from California (Ms. MILLENDER-MCDONALD) for offering this very important amendment. We hear a lot of talk, especially with every increasing gas prices of the need for alternative automotive fuel technologies.

And we need to do more, because we are not developing the technologies nor the talent to develop the technologies. In fact, several Congresses ago, then Secretary Reich encouraged us to take more interest in high-tech automotive job training, noting then of the severe shortage of workers for the industry, and because cars and trucks are not simply machines, simply machines at that, we have to have a workforce of technicians who understand what is needed, or else we will all be in really big trouble, not just personally, but economically as a country.

□ 1315

This amendment would ensure that regardless of changes in fuel technology, we will have the workforce we need; and I encourage my colleagues to support it.

Ms. MILLENDER-MCDONALD. Mr. Chairman, I thank the chairman, the ranking member, and all of the subcommittee chairs and ranking members for their support for this very needed amendment.

Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. BOEHNER. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN (Mr. CULBERSON). The question is on the amendment offered by the gentlewoman from California (Ms. MILLENDER-MCDONALD).

The amendment was agreed to.

The Acting CHAIRMAN. There being no further amendments, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The Acting CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. FEENEY) having assumed the chair, Mr. CULBERSON, Acting Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 366) to amend the Carl D. Perkins Vocational and Technical Education Act of 1998 to strengthen and improve programs under that Act, pursuant to House Resolution 254, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. GEORGE MILLER OF CALIFORNIA

Mr. GEORGE MILLER of California. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. GEORGE MILLER of California. I am, Mr. Speaker, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. George Miller of California moves to recommit the bill, H.R. 366, to the Committee on Education and the Workforce, with instructions to report the bill back to the House forthwith with the following amendment:

Page 8, line 20, strike the closed quotation mark and following period and insert the following:

"(e) PROHIBITION ON USE OF FUNDS FOR PROPAGANDA.—Notwithstanding any other provision of this Act, no funds authorized under this Act may be used—

"(1) to pay journalists or media commentators, or any organization owned or controlled by a journalist or media commentator, for publicity or propaganda purposes related to this Act, or any services related to such publicity or propaganda; or

"(2) for the production of any television or radio news segment or program related to this Act unless the segment or program includes a clear notification to the audience that the segment or program was prepared or funded by the Federal government.".

Mr. GEORGE MILLER of California (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. GEORGE MILLER) is recognized for 5 minutes.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as Members have heard, the purpose of this amendment is to make sure that no monies expended under this act will be used to pay for propaganda by members of the media.

Specifically, my motion requires that the prepackaged news stories put together with Federal funds must be disclosed to viewers. This portion of the motion was offered as an amendment to the supplemental by Senator BYRD and was passed 98 to 0.

The motion also prohibits using public funds to pay journalists or media commentators to promote the views of the agency, which directly addresses the Armstrong Williams propaganda fiasco.

The Department of Education Inspector General recently issued a report that I requested that concludes that the Department squandered hundreds of thousands of taxpayer dollars in a contract with Ketchum Communications and a subcontract with media commentator Armstrong Williams.

Specifically, the Inspector General found that Department officials involved in the Armstrong Williams contract made poor management decisions, exercised poor judgment and oversight, and paid for work that did not reach its intended audience, and paid for work that the Department never received. The report notes that the covert editorial comments by Armstrong Williams in support of No Child Left Behind were specifically required by Department work orders, and confirmed by activity reports submitted by Mr. Williams.

In my view, the Federal Government was defrauded out of hundreds of thousands of dollars in this case. An even greater concern is this may not be an isolated case in the Department of Education. The Inspector General is preparing the release of a second report in coming weeks that will review a number of highly questionable activities regarding the use of propaganda by

the Department of Education officials. We must stop this act of the abuse of taxpayer funds.

This motion to recommit is very simple. Members can vote for it and report the bill back to the House, and then we can pass the bill. It is a simple choice. Do we want to use education dollars for the education of our children, or do we want to use it for propaganda? This amendment says we shall not use it for propaganda; we shall not pay news commentators to engage in propaganda on behalf of the Department of Education.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, covert propaganda has no place in our democracy. Today we encourage the formation of democracies in countries that have long suffered under the brutality of totalitarian regimes.

America ought to set an example that the governments of democratic societies do not resort to propagandizing and misinformation campaigns with taxpayer dollars. That is exactly what this administration has been doing.

The Education Department secretly paid conservative commentator Armstrong Williams $241,000 of taxpayer funds. The purpose? To promote the President's No Child Left Behind education law.

The administration has also paid two other columnists. They produced fake news reports to promote the President's controversial Medicare and marriage initiatives. The GAO has found these video news releases violate existing law.

The campaigns of misinformation share two things. They lead the public to believe that the conclusions are reached by independent voices when they are not. They advocate for a controversial piece of the administration's agenda that has failed to win public support.

This is a dangerous precedent. Our government's agenda should be able to stand on its own two feet. The President has said as much. This motion would end this undemocratic, un-American effort.

I urge my colleagues to support it.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentlewoman for her support. Again, the choice is very simple here: whether or not at a time when education programs are being cut in the Federal budget that we passed last week, whether or not we will now decide not to use these hard-earned education dollars, hard-paid-for education dollars by the taxpayers that we represent to develop propaganda that they shall be restricted to the uses for which this program was passed, and that is the vocational education of our students in this country.

I urge the support of this motion.

Mr. BOEHNER. Mr. Speaker, I claim time in opposition to the motion to recommit.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. BOEHNER) is recognized for 5 minutes.

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

Mr. Speaker, the amendment that the Democrat leadership is talking about would not do a single thing to improve educational opportunities for American students.

The Democrat leadership amendment has nothing to do with the bipartisan legislation that is being debated on the floor today. It is a partisan cheap shot aimed at the administration. It really has no place in this bill.

When USA Today first reported on the Armstrong Williams contract in January, I immediately supported the gentleman from California's (Mr. GEORGE MILLER) request for an independent investigation by the Education Department's Inspector General.

That investigation has taken place and the Inspector General has concluded that nothing illegal or unethical took place.

Now, what happened with respect to the Armstrong Williams contract was stupid; but passing laws to outlaw stupidity is not Congress' job.

Now, the new education Secretary has taken decisive action to ensure that what happened in the Armstrong Williams case does not happen again. But I think what we see here today is what I said earlier, a partisan cheap shot aimed at the administration. It does not belong in this bill. I urge my colleagues to reject the motion to recommit.

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

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 noes appeared to have it.

Mr. GEORGE MILLER of California. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clauses 8 and 9 of rule XX, this 15-minute vote on the motion to recommit will be followed by 5-minute votes on passage of H.R. 366, if ordered, and on motions to suspend the rules and agree to H. Con. Res. 127 and H. Res. 195.

The vote was taken by electronic device, and there were—yeas 197, nays 224, not voting 12, as follows:

[Roll No. 153]

YEAS—197

Abercrombie
Ackerman
Allen
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd
Brady (PA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardin
Cardoza
Carnahan
Carson
Case
Chandler
Clay
Cleaver
Clyburn
Conyers
Cooper
Costa
Costello
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Harman
Hastings (FL)
Herseth
Higgins
Hinchey
Hinojosa
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick (MI)
Kind
Kucinich
Langevin
Lantos
Larsen (WA)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren, Zoe
Lowey
Lynch
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy
McCollum (MN)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Ramstad
Rangel
Reyes
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Salazar
Sánchez, Linda T.
Sanders
Schakowsky
Schiff
Schwartz (PA)
Scott (GA)
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Wasserman Schultz
Waters
Watson
Watt
Waxman
Wexler
Woolsey
Wu
Wynn

NAYS—224

Aderholt
Akin
Alexander
Andrews
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boustany
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole (OK)
Conaway
Cox
Crenshaw
Cubin
Culberson
Cunningham
Davis (KY)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
Dent
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Feeney
Ferguson
Fitzpatrick (PA)
Flake
Foley
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Green (WI)
Hall
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Hulshof
Hunter
Hyde
Inglis (SC)
Issa
Istook
Jenkins
Jindal
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe

Kuhl (NY)
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy
Musgrave
Myrick
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Otter
Oxley
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schwarz (MI)
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (NJ)
Sodrel
Souder
Stearns
Sullivan
Sweeney
Tancredo
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—12

Brown (OH)
Diaz-Balart, L.
Diaz-Balart, M.
Gutknecht
Larson (CT)
Melancon
Rogers (MI)
Sanchez, Loretta
Scott (VA)
Smith (TX)
Weiner
Weldon (PA)

□ 1350

Messrs. ADERHOLT, SHADEGG, HYDE, BAKER and COLE of Oklahoma changed their vote from ''yea'' to ''nay.''

Mr. CUELLAR changed his vote from ''nay'' to ''yea.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

Stated for:

Ms. LORETTA SANCHEZ of California. Mr. Speaker, on Wednesday, May 4, 2005, I was unavoidably detained due to a prior obligation.

I request that the CONGRESSIONAL RECORD reflect that had I been present and voting, I would have voted as follows: Rollcall No. 153, "yea" (On Motion to Recommit with Instructions on H.R. 366, the Vocational and Technical Education for the Future Act).

Mr. ANDREWS. Mr. Speaker, I ask that the RECORD show that although I was recorded as having voted "nay" on the May 4, 2005 recorded vote regarding the motion to recommit H.R. 366 (rollcall 153), I intended to vote "yea."

The SPEAKER pro tempore (Mr. FEENEY). The question is on the passage of the bill.

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

RECORDED VOTE

Mr. BOEHNER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

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

The vote was taken by electronic device, and there were—ayes 416, noes 9, not voting 8, as follows:

[Roll No. 154]

AYES—416

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Barrett (SC)
Barrow
Barton (TX)
Bass
Bean
Beauprez
Becerra
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boren
Boswell
Boucher
Boustany
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burton (IN)
Butterfield
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carnahan
Carson
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Cleaver
Clyburn
Coble
Cole (OK)
Conaway
Conyers
Cooper
Costa
Costello
Cox
Cramer
Crenshaw
Crowley
Cubin
Cuellar
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (KY)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dent
Dicks
Dingell
Doggett
Doolittle
Doyle
Drake
Dreier
Duncan
Edwards
Ehlers
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Fitzpatrick (PA)
Flake
Foley
Forbes
Ford
Fortenberry
Fossella
Foxx
Frank (MA)
Frelinghuysen
Gallegly
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green (WI)
Green, Al
Green, Gene
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Herseth
Higgins
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Hunter
Hyde
Inglis (SC)
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
Jindal
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick (MI)
Kind
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
Kucinich
Kuhl (NY)
LaHood
Langevin
Lantos
Larsen (WA)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel E.
Lynch
Mack
Maloney
Manzullo
Marchant
Markey
Marshall
Matheson
Matsui
McCarthy
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McDermott
McGovern
McHenry
McHugh
McIntyre
McKeon
McKinney
McMorris
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Pomeroy
Porter
Price (GA)
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Saxton
Schakowsky
Schiff
Schwartz (PA)
Schwarz (MI)
Scott (GA)
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Sodrel
Solis
Souder
Spratt
Stark
Stearns
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weldon (FL)
Weller
Westmoreland
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOES—9

Bartlett (MD)
Feeney
Franks (AZ)
Garrett (NJ)
Hensarling
Hostettler
Paul
Royce
Sensenbrenner

NOT VOTING—8

Brown (OH)
Diaz-Balart, L.
Diaz-Balart, M.
Larson (CT)
Scott (VA)
Towns
Weiner
Weldon (PA)

□ 1359

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CALLING ON GOVERNMENT OF NIGERIA TO TRANSFER CHARLES GHANKAY TAYLOR TO SPECIAL COURT FOR SIERRA LEONE

The SPEAKER pro tempore (Mr. SIMMONS). The unfinished business is the question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 127.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion of the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 127, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 421, nays 1, not voting 11, as follows:

[Roll No. 155]

YEAS—421

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bass
Bean
Beauprez
Becerra
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boren
Boswell
Boucher
Boustany
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burton (IN)
Butterfield
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carnahan
Carson
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Cleaver
Clyburn
Coble
Cole (OK)
Conaway
Conyers
Cooper
Costa
Costello
Cox
Cramer
Crenshaw
Crowley
Cubin
Cuellar
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (KY)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dent
Dicks
Dingell
Doggett
Doolittle
Doyle
Drake
Dreier
Duncan
Edwards
Ehlers
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Fitzpatrick (PA)
Flake
Foley
Forbes
Ford
Fortenberry
Fossella
Foxx
Frank (MA)
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green (WI)
Green, Al
Green, Gene
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Herseth
Higgins
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inglis (SC)
Inslee
Israel
Issa
Istook
Jackson (IL)
Jefferson
Jenkins
Jindal
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick (MI)
Kind
King (IA)
King (NY)
Kingston
Kline
Knollenberg
Kolbe
Kucinich
Kuhl (NY)
LaHood
Langevin
Lantos
Larsen (WA)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel E.
Lynch
Mack
Maloney
Manzullo
Marchant
Markey
Marshall
Matheson
Matsui
McCarthy
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McDermott
McGovern
McHenry
McHugh
McIntyre
McKeon
McKinney
McMorris
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Pomeroy
Porter
Price (GA)
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Saxton
Schakowsky
Schiff
Schwartz (PA)
Schwarz (MI)
Scott (GA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Sodrel
Solis
Souder
Spratt
Stark
Stearns
Strickland
Stupak
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weldon (FL)
Weller
Westmoreland
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—1

Paul

NOT VOTING—11

Brown (OH)
Diaz-Balart, L.
Diaz-Balart, M.
Jackson-Lee (TX)
Kirk
Larson (CT)
Neugebauer
Scott (VA)
Sullivan
Weiner
Weldon (PA)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SIMMONS) (during the vote). Members are advised 2 minutes remain in which to cast their votes.

□ 1408

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

RECOGNIZING THE 60TH ANNIVERSARY OF VICTORY IN EUROPE (VE) DAY AND THE LIBERATION OF WESTERN BOHEMIA

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the resolution, H. Res. 195.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and agree to the resolution, H. Res. 195, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 419, nays 0, not voting 14, as follows:

[Roll No. 156]

YEAS—419

Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bass
Bean
Beauprez
Becerra
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boren
Boswell
Boucher
Boustany
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burton (IN)
Butterfield
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carnahan
Carson
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Cleaver
Clyburn
Coble
Cole (OK)
Conaway
Conyers
Cooper
Costa
Costello
Cox
Cramer
Crenshaw
Crowley
Cubin
Cuellar
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (KY)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dent
Dicks
Dingell
Doggett
Doolittle
Doyle
Drake
Dreier
Duncan
Edwards
Ehlers
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Fitzpatrick (PA)
Flake
Foley
Forbes
Ford
Fortenberry
Fossella
Foxx
Frank (MA)
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gohmert
Gonzalez
Goode
Goodlatte
Granger
Graves
Green (WI)
Green, Al
Green, Gene
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Herseth
Higgins
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inglis (SC)
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
Jindal
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick (MI)
Kind
King (IA)
King (NY)
Kingston
Kline
Knollenberg
Kolbe
Kucinich
Kuhl (NY)
LaHood
Langevin
Lantos
Larsen (WA)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel E.
Lynch
Mack
Maloney
Manzullo
Marchant
Markey
Marshall
Matheson
Matsui
McCarthy
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McDermott
McGovern
McHenry
McHugh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan

Moore (WI)
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Pomeroy
Porter
Price (GA)
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Saxton
Schakowsky
Schiff
Schwartz (PA)
Schwarz (MI)
Scott (GA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Sodrel
Solis
Souder
Spratt
Stark
Stearns
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weldon (FL)
Weller
Westmoreland
Wexler
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—14

Abercrombie
Brown (OH)
Diaz-Balart, L.
Diaz-Balart, M.
Gordon
Kirk
Larson (CT)
McMorris
Moore (KS)
Scott (VA)
Weiner
Weldon (PA)
Whitfield
Woolsey

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised 2 minutes remain in which to cast their votes.

□ 1417

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

The title of the resolution was amended so as to read: ''Recognizing the 60th anniversary of the Liberation of Western Bohemia by United States Armed Forces during World War II and the continued friendship between the people of the United States and the Czech Republic.''.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. WELDON of Pennsylvania. Mr. Speaker, today, I was presenting the keynote address at the World Russian Forum. Therefore, on rollcall votes 153, 154, 155, and 156, I was not recorded to vote. Had I been recorded, I would have voted "nay" on rollcall vote 153, and "yea" on rollcall votes 154, 155, and 156.

GENERAL LEAVE

Mr. OXLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on H.R. 1185.

The SPEAKER pro tempore (Mr. SIMMONS). Is there objection to the request of the gentleman from Ohio?

There was no objection.

FEDERAL DEPOSIT INSURANCE REFORM ACT OF 2005

The SPEAKER pro tempore. Pursuant to House Resolution 255 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1185.

□ 1417

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1185) to reform the Federal deposit insurance system, and for other purposes, with Mr. BASS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Ohio (Mr. OXLEY) and the gentlewoman from New York (Mrs. MALONEY) each will control 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. OXLEY).

Mr. OXLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 1185, the Federal Deposit Insurance Reform Act of 2005. This bipartisan legislation preserves the value of insured deposits at America's banks, thrifts and credit unions, advances the national priority of enhancing retirement security for all Americans, and ensures that the benefits and costs of deposit insurance are allocated equitably and fairly among financial institutions.

Federal deposit insurance was first established in 1934 during the Great Depression and has served for over 70 years as a source of stability in the banking system and a valued safety net for depositors. Deposits in banks and savings associations are covered either by the Bank Insurance Fund or the Savings Association Insurance Fund, while the deposits of America's 85 million credit union members are insured by the National Credit Union Share Insurance Fund.

Federal deposit insurance serves as a guarantee to depositors in U.S. depository institutions that up to $100,000 will be available to them in the event that their institution should ever fail. It both protects depositors from a sudden and unforeseen loss of wealth and insulates the economy from the consequences of a loss of liquidity in the banking system.

Shortly after I became chairman of the newly formed Committee on Financial Services in the 107th Congress, the FDIC, the Federal agency responsible for administering the deposit insurance program, recommended a number of reforms to the system to address structural imbalances that had emerged since the last major overhaul of deposit insurance following the savings and loan crisis of the late 1980s and early 1990s.

The gentleman from Alabama (Mr. BACHUS), the chairman of the Subcommittee on Financial Institutions and Consumer Credit, got to work holding extensive hearings and drafting comprehensive legislation incorporating the FDIC's recommendations and making other needed changes to the system. The legislation that resulted from the efforts of the gentleman from Alabama passed the House with well over 400 votes in the 107th Congress and by an even larger margin in the 108th.

With the other body having twice failed to act on the legislation approved overwhelmingly by this House, we are back this year with high hopes that the third time will truly be the charm in enacting this critically important legislation. The reasons for reforming the deposit insurance system remain every bit as compelling today as they were almost 4 years ago when we first began to climb this mountain.

By merging the BIF and the SAIF into a single deposit insurance fund, H.R. 1185 will create administrative efficiencies and promote fundamental fairness in the system. By giving the FDIC more flexible tools for managing the insurance funds according to changing economic conditions, while at the same time ensuring that funds are returned to the industry in the form of rebates and credits when circumstances warrant, H.R. 1185 will promote economic stability and address the system's current bias toward charging excessive premiums at ''down'' points in the business cycle. All of these reforms command broad consensus among banking regulators and in the banking industry, as well as in the House.

On the issue of deposit insurance coverage levels, which have now gone a record 25 years without being adjusted for inflation, the legislation of the gentleman from Alabama provides for incremental increases that promote retirement security and help to keep municipal deposits in the communities where they originated to serve as a funding source for loans and other development initiatives.

All of us recognize that the increased coverage levels prescribed in the House bill are what have blocked its progress in the other body, and I have therefore indicated that I am willing to entertain compromise on that issue if it is the price of achieving the other important reforms contained in this legislation.

That said, it should also be noted that H.R. 1185's increase in base deposit

insurance coverage from $100,000 to $130,000 hardly constitutes a radical expansion of the deposit insurance safety net. If coverage had merely kept pace with inflation since 1980 when coverage was last updated, it would now be well over $200,000. Even going all the way back to the $40,000 coverage amount in effect in 1974 and indexing for inflation from that level yields a coverage level well above $140,000.

Let me conclude by commending Chairman BACHUS for his leadership and persistence in pursuing this legislation over the course of three Congresses. I also want to thank our committee's ranking member, the gentleman from Massachusetts (Mr. FRANK), who has championed several of the specific reforms contained in this bill and has acted throughout the process in a spirit of bipartisan cooperation that has become the hallmark of our committee's work in recent years.

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

Mrs. MALONEY. Mr. Chairman, I yield myself such time as I may consume.

I rise in strong support of the Federal Deposit Insurance Reform Act of 2005. This is a strong bipartisan effort. I commend the leadership of Chairman OXLEY and Ranking Member FRANK, as well as Subcommittee Chair BACHUS and Ranking Member SANDERS. This will be, hopefully, the third time that this Congress has passed this legislation. It has enjoyed broad bipartisan support.

Federal deposit insurance, established during the Great Depression to restore confidence in the Nation's troubled banking system, has served our country well; but no system is perfect, and Congress has periodically revised our deposit insurance laws in response to changing economic and industry conditions. There is a growing consensus triggered in part by recommendations by the Federal Deposit Insurance Corporation, FDIC, that deposit insurance is overdue for needed structural reform.

H.R. 1185 would merge the Bank Insurance Fund, BIF, and the Savings Association Insurance Fund, SAIF, into a single fund covering all banks and thrifts; increase per-account coverage levels from $100,000 to $130,000; and adjust that coverage for inflation every 5 years beginning in 2007; and double the $130,000 coverage amount in the case of certain retirement accounts, including IRAs and 401(k)s. Providing $260,000 in deposit insurance coverage for retirement accounts is critically important in an era when many Americans have accumulated retirement nest eggs that far exceed $100,000, and when, according to FDIC estimates, there is more than $200 billion in IRA accounts alone in this Nation's banking system.

Several high-profile bank failures in recent years have given many Americans a rude awakening as they discover that amounts in their retirement accounts above the $100,000 coverage limit are uninsured.

The bill also raises coverage levels on in-state, municipal or public deposits. This will have the effect of encouraging local government agencies to keep more of their deposits in the local communities where the funds were generated, thus promoting economic growth in those areas.

Finally, the bill fully implements a provision enacted more than a decade ago to give banks a discount on their deposit insurance premiums for deposits attributable to so-called basic banking accounts which provide a financial lifeline for low-income families that are currently without bank coverage.

This has strong bipartisan support. This legislation passed this body last year with a vote of 411 to 11, and this year's effort likewise enjoys very strong bipartisan support.

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

Mr. BACHUS. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. GILLMOR).

Mr. GILLMOR. I thank the gentleman for yielding me this time.

Mr. Chairman, as an original cosponsor of H.R. 1185, I am particularly pleased to see that this important measure again incorporates a measure that I introduced in February, H.R. 544, the Municipal Deposit Insurance Protection Act of 2005. Currently, towns, counties and school districts are faced with a hard choice when deciding where to place their deposits. Local officials care about their communities, and they would like to foster economic development by putting their funds in local banks. However, without the guarantee of FDIC coverage, they are often forced instead to put their deposits in out-of-state institutions.

This bill increases coverage for local government deposits equal to the lesser of $2 million or $130,000 plus 80 percent of the amount of deposits in excess of the new standard. Providing this essential coverage will help local communities keep public moneys in their neighborhood, improving the economic climate by enabling local banks to offer more loans for cars, homes, education, and other community needs.

In 2002, the FDIC closed a bank in my district, the Oakwood Deposit Bank. Local municipalities and other public entities that held deposits at that institution were put at risk due to the $100,000 FDIC coverage. This risk is too high for many communities in this country, and it can have a devastating effect on local budgets. The community in Oakwood is still feeling the effects of this failure. The village was forced to miss a Federal loan payment for its sewers and was forced to lay off municipal employees, all because of the funds it lost. Wayne Trace local school district and Paulding County Hospital were also harmed by this lack of coverage.

This legislation will enable local government funds to be retained in the local area from which they came. It will help the economy of those areas by being used for installment loans, mortgages, and small business loans.

Again, I want to commend Chairman OXLEY and Chairman BACHUS for bringing up this important bill, and I look forward to its passage.

Mrs. MALONEY. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. MEEKS).

Mr. MEEKS of New York. Mr. Chairman, I would like to recognize, first, Chairman OXLEY and Ranking Member FRANK for their work to bring this overdue bill to the floor of the House. This is not the first time that this bill has passed through committee with broad bipartisan support, but hopefully this time we can work with the other body to make this law.

The financial services industry is one of the driving engines of our economy, and the banking industry in particular is not only a key source of financing for consumer purchases like homes and cars or business purchases such as equipment and facilities. It is also the means by which the Federal Reserve implements monetary policy to stabilize our economy. Considering the vital role that banks, both big and small, play in our economy, it is equally important to make certain that the Federal insurance which backs these institutions is operating under the most efficient rules.

H.R. 1185 will merge the Bank Insurance Fund and the Savings Association Insurance Fund into one strong fund. It will increase deposit insurance on individual accounts from $100,000 to $130,000, increases coverage on certain retirement accounts to $260,000, and increases coverage on in-state municipal deposits to $2 million.

One of its most important aspects is that it provides for a 50 percent discount in the assessment rate for deposits attributable to lifeline deposit accounts, something, and I take my hat off to her, that the gentlewoman from the great State of California (Ms. WATERS) has been working on for many, many years in support of people who are traditionally unbanked.

Lastly, let me thank the gentleman from Alabama (Mr. BACHUS) and the gentlewoman from Oregon (Ms. HOOLEY), who introduced the bill, and encourage Members from both sides of the aisle to vote ''yes'' on final passage.

□ 1430

Mr. BACHUS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, there are several things about this bill that I am not sure have been discussed or are as widely known by the Members, but the first thing I would say is that the legislation is supported by all the federal bank regulators. It is also supported by all the industry groups. And it does several things. It addresses inefficiencies in the present system and deficiencies in the present system.

As far as deficiencies in the present system, one of the greatest is the fact that we have two different funds. The Savings Association Insurance Fund and the Bank Insurance Fund. All the Federal regulators have recommended combining those funds from the administrative cost savings and also because we do not want a situation where some of our institutions are paying certain basis points where others are not. We want more equity there so it gives no advantage for our thrifts over our banks or our banks over our thrifts.

Another problem we have had increasingly is the problem of free riders. Since 1996, there have been no assessments of the banks for the Federal insurance, and as a result of that, we have had several large brokerage firms which have never paid into the fund, and what they are doing is setting up affiliate banks, six or eight or nine affiliate banks, and they are advertising $800,000 or $900,000 worth of federally insured deposits. In other words, people can deposit $800,000 or $900,000 into to their fund, and it is federally insured. This really is an inequity because they have never paid into the system and they are offering that something that smaller banks and other banks that do not set up these affiliates or string of affiliates and can only offer $100,000 of coverage; and, in fact, those banks or thrifts that are only offering $100,000 worth of coverage are actually paying and have paid for coverage for some of the large brokerage firms.

And the Federal Reserve, the FDIC, and the industry have said that this ought to be corrected, and we do that in this bill. We do that in two ways. One is by requiring that everyone pay a minimum amount; number two, we increase the coverage; and number three, we allow more flexibility in when the premiums are charged. Right now when the bank reserves fall below 1.25 percent, the Federal Reserve actually has to start charging a premium, and then if the situation is not rectified within a year, they have to then start charging 23 basis points, and they have little discretion in this matter. The bank regulators and the industry have recommended that what we do as opposed to having a hard number that we give a range, or a discretionary range, and we have done that at 1.15 to 1.4.

What this allows to happen is, if we think about it, there are no premiums being charged, and then all of a sudden we go into a recession and we start charging a premium, or 23 basis points, it actually can worsen the recession, and at the time when banks ought to be lending money, suddenly they are having to pay these premiums. The time to fund the insurance program and the insurance reserve is in good times.

So what we have done in this bill is allow them to build up a reserve in the good times, and then when we come into a recessionary period and bank reserves start dropping, they have some discretion in not instituting a 23-basis-point charge on the banks. And policymakers and all the Federal bank regulators believe that this will not only strengthen the funds, but it will take away a bias against a down cycle that could actually make a down economic cycle worse.

One of the things that is being debated, and the gentleman I am going to yield to next is going to be in opposition to the coverage increase, is the coverage increase. When we consider increasing the coverage, there have been two arguments against that. One was a ''moral hazard'' argument. The FDIC, in response to some people saying that if we raise the coverage, it will be a moral hazard, actually commissioned a study and appointed the vice chairman of the Federal Reserve, Alan Blinder, as the chairman of that study commission, and they came back and said because these are risk-based premiums, there is absolutely no validity to the moral hazard argument.

If we think about it this way, what this is, is an insurance, and bank depositors pay a premium on their deposits for insurance coverage. And to argue that if that coverage is increased from $100,000 to $130,000 suddenly would cause reckless behavior, it would almost be like arguing that if I had automobile insurance and I had $100,000 worth of automobile insurance on my automobile, and I raised that to $200,000 of insurance coverage that I would suddenly start driving more recklessly or be more prone to have accidents, and we know that when people insure, whether it is a deposit, an automobile, or a home, they are not any more apt to act in a reckless nature. So that argument has been shot down pretty uniformly.

A second argument against it is that we do not need to increase it. But one of our last bank failures was a bank in Chicago, a medium-sized bank. And what we found, because we had not raised the coverage levels above $100,000 since 1980, we found over 700 customers of that bank lost a substantial amount of their deposits, and the reason they did that, if we think about what depositors do, we had several hundred of them that had an IRA account with that bank, and they had an IRA that was over $100,000, and they basically lost everything above $100,000. And one lady that was quoted in the Chicago Tribune said, The loss I sustained is going to be the difference between my having a retirement where I will not have to struggle, and now, basically having a bare bones retirement where I will have to struggle to make ends meet.

We have another situation that we talked about in committee, and that was the fact that today many people are selling and buying houses, and when they do, they put the proceeds of that sale or the purchase price for that sale in a bank account. In 1980 the average price of a home was around $100,000. Today it is several times that amount. So imagine that if one is closing on a house, they sell their house, they get a $400,000 or $300,000 check or even a $200,000 check for that house, and most Americans put their savings in a house, they go down to their bank and they deposit that check and the bank happens to fail.

And every once in a while, a bank does fail like the one in Chicago. In that case, they had 12 people that had deposited the proceeds from the sale of their homes in the weeks before and they lost all of that money above $100,000. Some would say and some have said in opposing coverage increase that what Americans ought to do is when they sell a home, if they sell a home for $300,000, they ought to ask the closing attorney to write three $100,000 checks and they ought to deposit that in three different banks, or, if they are going to purchase a house, they ought to go to three different institutions and deposit that money in three different institutions, and then when they show up at the closing, they ought to write three different checks.

We know as a practical matter, Mr. Chairman, that people are not going to do that, and we should not ask them to do that. What we ought to do is raise coverage levels to reflect realities today.

The last time that coverage was increased in 1980, if we increased it for inflation today, it would be well over $180,000. Instead, we are only increasing it to $100,000 as a compromise. If we went back to not 1980 but we went back to 1974, which was the time before that that it was increased $40,000, and if we had adjusted it in 1980, it would be over $200,000. If we disregarded that increase and went back to 1974, it would be $180,000. So we are actually playing catchup here, and we have used that smaller number in an attempt to compromise with those who objected to increasing it at all.

I will say this: This bill passed with 111 votes the first time it was up, I think, but, anyway, I will get those statistics later, but I think it had 18 ''no'' votes the first time, 11 ''no'' votes the second time.

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

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

I appreciate the gentleman from Alabama's letting us butt into his conversation.

I want to speak in favor of the bill. It is an example of the things that we do that are not controversial and are not exciting to a lot of people but are, in fact, very important for the proper functioning of the economy. This is an upgrading and an updating of the deposit insurance system. It is widely supported by financial institutions. There is a difference of opinion on one aspect, the coverage increase, but I will say that, while I support the bill as written and support the coverage increase, it is my hope that however that

winds up, it will not lead to the demise of the bill. The bill is an important piece of legislation for improving the functioning of the banking system.

I just also want to point out two things: There is a mistaken assumption abroad that somehow things have gotten so poisonous here that nothing ever happens. There are issues on which we disagree vehemently, but the fact that this bill is coming forward from the Committee on Financial Services with overwhelming support from the committee, disagreement on one specific point, is a refutation, that I think people ought to know that, no, it is not the case that we have been so embittered towards each other that we cannot function. This bill comes forward with support on both sides.

It also, as was noted by the gentleman from New York who spoke earlier, contains a section that what we call lifeline banking. And not all banks in the world were having parties when that was included, but it is an important point to be made here. It is our job to pass legislation and to do things that help the financial system function. Banks are good institutions. They perform useful roles in our society. But there are also needs that individuals have, particularly lower income individuals, that are not going to be automatically taken care of by even the best functioning market, and our job, in part, is to advance measures that help the institutions function but at the same time provide a degree of fairness, a kind of minimum support, for people who will not automatically benefit from the general going forward.

This bill is an example of that, and I want to say that the inclusion of this lifeline provision is very important. I appreciate the majority's accommodating the concern that people had, the gentlewoman from California (Ms. WATERS), who pushed hardest for this; so I hope that this package will go forward as an example that even at times that are very contentious, we can work together on legislation that bridges some gaps and advances the system.

□ 1445

Mr. FRANK of Massachusetts. Mr. Chairman, I reserve the balance of my time.

Mr. BACHUS. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. ROHRABACHER), who is in opposition to the bill.

Mr. ROHRABACHER. Mr. Chairman, I rise in opposition to H.R. 1185, but I appreciate all the hard work that the gentleman from Alabama (Mr. BACHUS) and the gentleman from Massachusetts (Mr. FRANK) have done on this bill. I understand that they are very sincere in their efforts, but I have a strong philosophical opposition to what this bill represents and what it is all about.

Let me note that if section 3 were taken out of this legislation, I could support the bill; but the heart of this bill is section 3, which is a 30 percent increase in the Federal deposit insurance rate. What we are talking about here is increasing Federal deposit insurance, the taxpayers' guaranteeing private accounts in private banks from $100,000 to $130,000; for savings accounts I think it goes up to $240,000, $250,000, or is it $260,000; as well as $1 million, I believe, for community-type savings accounts.

But the most important factor here is this: this system was set up to protect the little guy. It was set up to protect average Americans who are not saving hundreds of thousands of dollars, so that they could save $10,000, $20,000, $30,000 and not worry about having a bank default and close up on them and then losing that money.

What has happened is a perversion of that basic premise. What has happened now is the taxpayers, the average person out there working is protecting the rich guy. We have the little guys now with their tax dollars protecting the rich guys who, at $100,000 in an account, and now they want to make it $130,000 in an account are protected by the taxpayers. It is not just one account, however. There are multiple accounts that these rich people use, so we are not just protecting $130,000. We are protecting $130,000 times 10 or 20, where they can place it in various banks. What we end up doing is having the little guy protecting the rich people in this society.

And there is a downside to having this protection. Not only is it not fair, but the downside is people who invest their money, when it is guaranteed, will be less cautious about where they put their money. We have just heard from the gentleman from Alabama (Mr. BACHUS) about the people who lost their money in a bank. Well, those people should have paid closer attention to that bank. The fact is that we are encouraging people to be frivolous where they are putting their money because we are guaranteeing it as taxpayers.

This is exactly what led to the savings and loan debacle in the 1980s. In 1980, before Ronald Reagan was elected President, this went from the early 1970s, from $10,000, to 1980 when they jumped it to $100,000 protection. All of a sudden, people could then invest with these multiple accounts, millions of dollars protected by the taxpayers.

So what happened? What happened is, we have millions, billions of dollars now in our system being invested in the most irresponsible way. Because the banks and the savings and loans themselves, no matter what, they ended up paying more interest than they should have. The bad institutions were bringing down the good institutions, and the public was protected from any bad decision they made. We ended up with a debacle, a financial debacle created by this increase in 1980 that ended up by the mid-1980s costing us tens of billions, maybe even $100 billion of the American taxpayers' money.

We do not need this kind of irresponsibility. That is not what this program started out as. It has been perverted to be that now. Section 3 is just that kind of perversion, where we end up now increasing it precipitously from $100,000 to $130,000. It should be basically back in the arena of the average American taxpayer instead of protecting the rich.

So with that said, I can remember personally, just to note, I remember during the mid-1980s when I worked in the White House, a friend of mine from the Reagan administration was in charge of one of those institutions, savings and loans, and he was being attacked because he was not giving out enough loans to various people and various institutions that would be guaranteed. He was not giving out these guaranteed loans, and I called him up, I said, Well what is the matter? Are you not part of the team? We want to have a strong economy. He said, Dana, we are being put behind the eight ball. Every one of these things that we are giving out has a government guarantee because of this deposit insurance, and it is going to take us right down the road to economic hell.

Well, that is exactly what happened, and we should not be going in that direction anymore. We should be doing a reversal, making the system more responsible, asking people to be more responsible with their money and where they put it and not having the middle-class taxpayer subsidizing rich people by guaranteeing wherever they would want to put their money.

I oppose the amendment, and I will be proposing an amendment later on.

Mr. FRANK of Massachusetts. Mr. Chairman, before I yield, I just would say sometimes we have debates about where does wealth begin and what is middle class, et cetera. I guess I would differ with the gentleman from California that if you have $100,000 in the bank, you are a little guy, but if you have $130,000, you are rich. I think that unduly compresses the middle class. I think much more is being made, frankly, over $30,000 than is deserved.

Mr. Chairman, I yield 3 minutes to the gentlewoman from Oregon (Ms. HOOLEY).

Ms. HOOLEY. Mr. Chairman, I thank the gentleman from Massachusetts for yielding me this time. I would also like to thank the gentleman from Ohio (Chairman OXLEY) for his work. In addition, I would like to thank the gentleman from Alabama (Mr. BACHUS) whose bill we have before us today who has done a tremendous job and recognize his staff for all of their hard work.

The FDIC reform bill is truly a bipartisan piece of legislation that continues the bipartisan working style of the Committee on Financial Services that has allowed the committee to be extraordinarily productive.

The FDIC Reform Act of 2005 contains needed reforms that will bring the deposit insurance system into the 21st century by enhancing the value of our insured deposits, improving retirement security for all Americans, and ensuring that the value, cost, and benefit of deposit insurance is shared equally.

Most importantly, H.R. 1185 gives flexibility of the FDIC to manage the deposit insurance according to risk and economic conditions. No longer will we ask financial institutions to pay higher insurance premiums when banks can least afford to pay them and when funds are most needed for lending to jump-start our economic growth.

H.R. 1185 updates the deposit insurance coverage levels for the first time in 25 years. I agree with my ranking member who said we are making a much bigger deal out of the $30,000.

H.R. 1185 also updates deposit insurance coverage levels for the first time, as I said, in 25 years. It increases the maximum coverage from $100,000 to $130,000, doubles the amount of coverage for retirement funds to enhance the retirement security of our senior citizens and those planning for retirement, and indexes for inflation every 5 years as a way of preserving the value of the deposit insurance safety net. H.R. 1185 also increases coverage limits for in-state municipal deposits to $2 million or 80 percent of any deposits over $130,000, whichever is less.

By extending municipal deposit coverage, this bill not only protects taxpayers from potential consequences of a failure of local financial institutions but promotes community development by encouraging local government agencies to keep their funds on deposit with a local financial institution, thereby making the funds available for lending back to the community. So it makes a lot of sense when we look at our small local banks.

Finally, this bill takes the needed step of merging FDIC's Bank Insurance Fund and the Savings Association Insurance Fund, eliminating potential disparities in the premiums paid by banks and thrifts, and reducing the administrative burden of operating two separate insurance funds.

This legislation will give Americans an even more stable and secure insurance system for deposits in their banks, thrifts, and credit unions. These needed reforms will bring the deposit insurance system into the 21st century by enhancing the value of our insured deposits, improving retirement security for all Americans, and ensuring that the value, cost, and benefit of deposit insurance is shared equally.

I urge my colleagues to support the FDIC Reform Act of 2005.

Mr. BACHUS. Mr. Chairman, I yield myself all remaining time.

There are several things I think we need to say to correct the record. One was it was said by the gentleman in opposition that this was taxpayer guaranteed; and, in fact, these deposits are insured not by the taxpayer, but by the BIF and SAIF funds; and it is the depository that insures his own accounts. And for the taxpayer to pay one red cent, all assets of every federally insured financial institution would have to be exhausted before the taxpayer would have to pay one cent. In other words, all the assets of all of the federally insured banks and savings associations would have to be paid.

And in that regard, I am sure the gentleman from California would agree that if that moment ever came, we would be, we would probably be in dire straights, and I certainly never anticipate that happening. It has never happened in the history of our country. The savings and loans were exhausted, not the banks. The BIF account has never been exhausted; the savings and loan account thing was exhausted because of failures of savings and loans.

And if we say, as the gentleman said, that the reason why all the savings and loans failed is because we increased coverage from $100,000 to $130,000, we did that for the banks and the credit unions at the same time. No credit unions failed; very few banks failed. In some States, no institutions failed, where in States like California, Texas, where you had weak regulation, weak oversight, several failed; or you had the oil patch in Texas where many of them failed.

In fact, the cost to the taxpayer would have been greater had the first $100,000 of accounts not been insured. It would have been a much greater loss. Thank goodness the first $100,000 of accounts were insured. If we had another failure today, $130,000 would be insured, and we would have insurance for it. So to say that insurance coverage is taxpayer funded, the taxpayer is not funding this. If the taxpayer were funding it, his analogy would be right.

And the last thing that he says, and he has said this, is that this was the cause of the savings and loans to fail. This has been looked at by this Congress, it has been looked at by the FDIC, it has been looked at by the Federal Reserve and, actually, I am going to introduce this. This is about 20 different reasons that government reports have causes for the failures of the S&Ls; and on that list of 20, nowhere does it say because of an increase in coverage. In fact, the FBI submitted what they thought were the reasons, the FDIC submitted what they thought were the reasons, all the bank regulators, and nowhere on any of those lists do we find increase in coverage. In fact, what you do find is one study showed that taxpayer exposure was less because the funds were insured up to $100,000.

Mr. Chairman, I will just simply close by saying that all the Federal bank regulators say that this legislation will strengthen and reform our Federal guarantee program for bank deposits and by saying that today, if you sell a house for $120,000 or $140,000 or $160,000 or $200,000 and you deposit the proceeds in your bank account, you are probably not a rich person by definition. If you decide to buy a house and you put $150,000 in the bank or transfer it or get a loan from a bank and you deposit it in your account, you lose that, you certainly would not be defined as rich. And if you have a 401(k) and you happen to have over $100,000 in it, that does not make you a rich person. In fact, that represents, for many people, their entire savings is a 401(k); and, increasingly, those accounts are running over $100,000.

□ 1500

That is why the AARP and the Securities Investment Institute both endorsed this legislation.

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

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY. Mr. Chairman, I thank the gentleman for yielding the time and for his leadership as a whole.

Mr. Chairman, I am very supportive of this outstanding bipartisan bill. I am supportive of the overwhelming majority of the provisions in it. It is long past due to merge the BIF and SAIF insurance funds, and additionally, eliminating the 23 basis point clip, and providing a new premium system that takes into account the past contributions of institutions are major steps forward.

The bill includes a mechanism for determining credits for past contributions to the insurance funds that is based on an amendment that I cosponsored with former Representative Bereuter. This is a very, very important provision as a matter of fairness to institutions that recapitalized the funds, and I thank very much the gentleman from Alabama (Mr. BACHUS) for including this balanced and important amendment in the base legislation.

Despite the many very positive parts of this bill, I believe the immediate 30 percent increase in insurance coverage in the bill is a serious mistake. This coverage increase to $130,000 is opposed by many Federal financial service regulators, including Alan Greenspan. I would like to place in the RECORD his comments in opposition, and state that I support the bill overwhelming, but this provision I am opposed to.

I thank the leadership and the ranking member for working in a balanced way to move this important legislation forward.

Mr. FRANK of Massachusetts. Mr. Chairman, in a very impressive display of bipartisanship, I am now going to yield some of our time to the manager of the bill for the majority.

Mr. Chairman, I yield such time as he may consume to the gentleman from Alabama (Mr. BACHUS) as long as he does not talk about the Rohrabacher amendment.

Mr. BACHUS. Mr. Chairman, I had one glaring oversight in this entire debate concerning the bill. And that is the fact that the gentlewoman from Oregon (Ms. HOOLEY) who really played a monumental part in this legislation over the past 2 or 3 years and actually was the original cosponsor of this legislation has not been recognized.

I would like to commend her for her fine work on this bill. And I guess it is

a credit to her and her personality, despite that oversight she did not call attention to my omission. And so I commend the gentlewoman from Oregon (Ms. HOOLEY). She is an outstanding Member of this body. And in this legislation, she deserves a lot of credit for its passage and its support.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank the gentleman from Alabama (Mr. BACHUS) for his great graciousness in what he had to say. And let me say in deference to the chairman of the committee, the gentleman from Ohio (Mr. OXLEY) a great baseball leader, if you notice, I yielded to the gentleman from Alabama (Mr. BACHUS), who then came back to this side to thank us.

If you're scoring this, it is 3 to 6 to 3, I believe is the appropriate scoring.

Mr. PAUL. Mr. Chairman, H.R. 1185, the Federal Deposit Insurance Reform Act, expands the federal government's unconstitutional control over the financial services industry and raises taxes on all financial institutions. Furthermore, this legislation could increase the possibility of future bank failures. Therefore, I must oppose this bill.

I primarily object to the provisions in H.R. 1185 which may increase the premiums assessed on participating financial institutions. These "premiums," which are actually taxes, are the premier sources of funds for the Deposit Insurance Fund. This fund is used to bail out banks who experience difficulties meeting their commitments to their depositors. Thus, the deposit insurance system transfers liability for poor management decisions from those who made the decisions, to their competitors. This system punishes those financial institutions which follow sound practices, as they are forced to absorb the losses of their competitors. This also compounds the moral hazard problem created whenever government socializes business losses.

In the event of a severe banking crisis, Congress will likely transfer funds from the general revenue into the Deposit Insurance Fund, which could make all taxpayers liable for the mistakes of a few. Of course, such a bailout would require separate authorization from Congress, but can anyone imagine Congress saying "No" to banking lobbyists pleading for relief from the costs of bailing out their weaker competitors?

Government subsidies lead to government control, as regulations are imposed on the recipients of the subsidies in order to address the moral hazard problem. This is certainly the case in banking, which is one of the most heavily regulated industries in America. However, as George Kaufman, the John Smith Professor of Banking and Finance at Loyola University in Chicago, and co-chair of the Shadow Financial Regulatory Committee, pointed out in a study for the CATO Institutes, the FDIC's history of poor management exacerbated the banking crisis of the eighties and nineties. Professor Kaufman properly identifies a key reason for the FDIC's poor track record in protecting individual depositors: regulators have incentives to downplay or even cover-up problems in the financial system such as banking facilities. Banking failures are black marks on the regulators' records. In addition, regulators may be subject to political pressure to delay imposing sanctions on failing institutions, thus increasing the magnitude of the loss.

Immediately after a problem in the banking industry comes to light, the media and Congress will inevitably blame it on regulators who were "asleep at the switch." Yet, most politicians continue to believe that giving the very regulators whose incompetence (or worst) either caused or contributed to the problem will somehow prevent future crises!

The presence of deposit insurance and government regulations removes incentives for individuals to act on their own to protect their deposits or even inquire as to the health of their financial institutions. After all, why should individuals be concerned with the health of their financial institutions when the federal government is insuring banks following sound practices and has insured their deposits?

Finally, I would remind my colleagues that the federal deposit insurance program lacks constitutional authority. Congress' only mandate in the area of money, and banking is to maintain the value of the money. Unfortunately, Congress abdicated its responsibility over monetary policy with the passage of the Federal Reserve Act of 1913, which allows the federal government to erode the value of the currency at the will of the central bank. Congress's embrace of fiat money is directly responsible for the instability in the banking system that created the justification for deposit insurance.

In conclusion, Mr. Speaker, H.R. 1185 imposes new taxes on financial institutions, forces sound institutions to pay for the mistakes of their reckless competitors, increases the chances of taxpayers being forced to bail out unsound financial institutions, reduces individual depositors' incentives to take action to protect their deposits, and exceeds Congress's constitutional authority. I therefore urge my colleagues to reject this bill. Instead of extending this federal program, Congress should work to prevent the crises which justify government programs like deposit insurance, by fulfilling our constitutional responsibility to pursue sound monetary policies.

Mr. HENSARLING. Mr. Chairman, I rise today in support of H.R. 1185, the Federal Deposit Insurance Reform Act of 2005. As a member of the Financial Services Committee, I want to thank Chairman OXLEY and Subcommittee Chairman BACHUS for their work on this legislation and for acting quickly in this new Congress to address this matter of importance to banks and depositors alike.

This legislation, which passed by a vote of 411–11 in the 108th Congress, will help to create a more stable, fair, and secure banking system. By combining the Banking Insurance Fund and the Savings Association Insurance Fund into one single fund, the risk that a couple of large institutions could fail and impair each fund is greatly reduced. Merging these funds will help to increase fairness in our banking system by eliminating the possibility that two institutions of similar sizes could essentially be paying different premiums. Furthermore, the merged fund will make reporting and accounting less burdensome for both the institutions and the FDIC.

Our deposit insurance system plays a vital role in our economic security. This legislation will give the FDIC the necessary flexibility to respond to varying economic conditions, allowing them to properly price premiums to reflect risk. By eliminating the 23 basis point premium "rate cliff' required under current law, more institutions will have more capital to invest in our economy.

Although I support the majority of provisions of H.R. 1185, I do want to take this time to express my concerns with Section 3 of this legislation. This section of the bill would increase a financial institution's insurance limit for individual accounts from $100,000 to $130,000. Section 3 also doubles the coverage for retirement accounts to $260,000 and increases the coverage limit for municipal accounts to $2 million or 80 percent of any deposits over $130,000. I believe that arbitrarily increasing these limits will unnecessarily expose American taxpayers to the increased hazards associated with shifting risk from private institutions to the federal government. Further, such a provision is likely to decrease a depositor's concern for the financial well being of their bank while at the same time diminishing market discipline. It is my hope that these factors are given full consideration should H.R. 1185 be considered in conference with the Senate.

Mr. Chairman, FDIC Chairman Powell stated in his testimony to the Financial Services Committee on March 17, 2005, that H.R. 1185 gives Congress an "opportunity to remedy flaws in the deposit insurance system before those flaws cause actual damage either to the banking industry or our economy as a whole." As a member of that committee, I am glad to see this body act so expeditiously on this legislation, and I urge my colleagues to vote for H.R. 1185.

Mr. CANTOR. Mr. Chairman, I rise today to speak in favor of the Federal Deposit Insurance Reform Act. This important piece of legislation modernizes the insurance funds on which Americans depend.

The current amount of deposit insurance coverage has been the same since 1980, so it is important that we make these necessary increases to keep up with inflation and encourage people to save. This bill raises the coverage on savings and retirement accounts and gives reassurance to investors saving for their future.

Increasing the amount of deposit insurance coverage will benefit all banks, small and large, by providing more certainty to the investment community. It is important that we give every American peace of mind when placing their money in our savings system.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill shall be considered by sections as an original bill for purpose of amendment, and each section is considered read.

During consideration of the bill for amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

The Clerk will designate section 1.

The text of section 1 is as follows:

H.R. 1185

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Federal Deposit Insurance Reform Act of 2005''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Merging the BIF and SAIF.
Sec. 3. Increase in deposit insurance coverage.
Sec. 4. Setting assessments and repeal of special rules relating to minimum assessments and free deposit insurance.
Sec. 5. Replacement of fixed designated reserve ratio with reserve range.
Sec. 6. Requirements applicable to the risk-based assessment system.
Sec. 7. Refunds, dividends, and credits from Deposit Insurance Fund.
Sec. 8. Deposit Insurance Fund restoration plans.
Sec. 9. Regulations required.
Sec. 10. Studies of FDIC structure and expenses and certain activities and further possible changes to deposit insurance system.
Sec. 11. Bi-annual FDIC survey and report on increasing the deposit base by encouraging use of depository institutions by the unbanked.
Sec. 12. Technical and conforming amendments to the Federal Deposit Insurance Act relating to the merger of the BIF and SAIF.
Sec. 13. Other technical and conforming amendments relating to the merger of the BIF and SAIF.

The CHAIRMAN. Are there any amendments to section 1?

If not, the Clerk will designate section 2.

The text of section 2 is as follows:

SEC. 2. MERGING THE BIF AND SAIF.

(a) IN GENERAL.—

(1) MERGER.—The Bank Insurance Fund and the Savings Association Insurance Fund shall be merged into the Deposit Insurance Fund.

(2) DISPOSITION OF ASSETS AND LIABILITIES.—All assets and liabilities of the Bank Insurance Fund and the Savings Association Insurance Fund shall be transferred to the Deposit Insurance Fund.

(3) NO SEPARATE EXISTENCE.—The separate existence of the Bank Insurance Fund and the Savings Association Insurance Fund shall cease on the effective date of the merger thereof under this section.

(b) REPEAL OF OUTDATED MERGER PROVISION.—Section 2704 of the Deposit Insurance Funds Act of 1996 (12 U.S.C. 1821 note) is repealed.

(c) EFFECTIVE DATE.—This section shall take effect on the first day of the first calendar quarter that begins after the end of the 90-day period beginning on the date of the enactment of this Act.

Mr. OXLEY. Mr. Chairman, I ask unanimous consent that the remainder of the committee amendment in the nature of a substitute be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The text of the remainder of the committee amendment in the nature of a substitute is as follows:

SEC. 3. INCREASE IN DEPOSIT INSURANCE COVERAGE.

(a) IN GENERAL.—Section 11(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(1)) is amended—

(1) by striking subparagraph (B) and inserting the following new subparagraph:

''(B) NET AMOUNT OF INSURED DEPOSIT.—The net amount due to any depositor at an insured depository institution shall not exceed the standard maximum deposit insurance amount as determined in accordance with subparagraphs (C), (D), (E) and (F) and paragraph (3).''; and

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

''(E) STANDARD MAXIMUM DEPOSIT INSURANCE AMOUNT DEFINED.—For purposes of this Act, the term 'standard maximum deposit insurance amount' means—

''(i) until the effective date of final regulations prescribed pursuant to section 9(a)(2) of the Federal Deposit Insurance Reform Act of 2005, $100,000; and

''(ii) on and after such effective date, $130,000, adjusted as provided under subparagraph (F).

''(F) INFLATION ADJUSTMENT.—

''(i) IN GENERAL.—By April 1 of 2007, and the 1st day of each subsequent 5-year period, the Board of Directors and the National Credit Union Administration Board shall jointly prescribe the amount by which the standard maximum deposit insurance amount and the standard maximum share insurance amount (as defined in section 207(k) of the Federal Credit Union Act) applicable to any depositor at an insured depository institution shall be increased by calculating the product of—

''(I) $130,000; and

''(II) the ratio of the value of the Personal Consumption Expenditures Chain-Type Index (or any successor index thereto), published by the Department of Commerce, as of December 31 of the year preceding the year in which the adjustment is calculated under this clause, to the value of such index as of the date this subparagraph takes effect.

''(ii) ROUNDING.—If the amount determined under clause (ii) for any period is not a multiple of $10,000, the amount so determined shall be rounded to the nearest $10,000.

''(iii) PUBLICATION AND REPORT TO THE CONGRESS.—Not later than April 5 of any calendar year in which an adjustment is required to be calculated under clause (i) to the standard maximum deposit insurance amount and the standard maximum share insurance amount under such clause, the Board of Directors and the National Credit Union Administration Board shall—

''(I) publish in the Federal Register the standard maximum deposit insurance amount, the standard maximum share insurance amount, and the amount of coverage under paragraph (3)(A) and section 207(k)(3) of the Federal Credit Union Act, as so calculated; and

''(II) jointly submit a report to the Congress containing the amounts described in subclause (I).

''(iv) 6-MONTH IMPLEMENTATION PERIOD.—Unless an Act of Congress enacted before July 1 of the calendar year in which an adjustment is required to be calculated under clause (i) provides otherwise, the increase in the standard maximum deposit insurance amount and the standard maximum share insurance amount shall take effect on January 1 of the year immediately succeeding such calendar year.''.

(b) COVERAGE FOR CERTAIN EMPLOYEE BENEFIT PLAN DEPOSITS.—Section 11(a)(1)(D) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(1)(D)) is amended to read as follows:

''(D) COVERAGE FOR CERTAIN EMPLOYEE BENEFIT PLAN DEPOSITS.—

''(i) PASS-THROUGH INSURANCE.—The Corporation shall provide pass-through deposit insurance for the deposits of any employee benefit plan.

''(ii) PROHIBITION ON ACCEPTANCE OF BENEFIT PLAN DEPOSITS.—An insured depository institution that is not well capitalized or adequately capitalized may not accept employee benefit plan deposits.

''(iii) DEFINITIONS.—For purposes of this subparagraph, the following definitions shall apply:

''(I) CAPITAL STANDARDS.—The terms 'well capitalized' and 'adequately capitalized' have the same meanings as in section 38.

''(II) EMPLOYEE BENEFIT PLAN.—The term 'employee benefit plan' has the same meaning as in paragraph (8)(B)(ii), and includes any eligible deferred compensation plan described in section 457 of the Internal Revenue Code of 1986.

''(III) PASS-THROUGH DEPOSIT INSURANCE.—The term 'pass-through deposit insurance' means, with respect to an employee benefit plan, deposit insurance coverage provided on a pro rata basis to the participants in the plan, in accordance with the interest of each participant.''.

(c) DOUBLING OF DEPOSIT INSURANCE FOR CERTAIN RETIREMENT ACCOUNTS.—Section 11(a)(3)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(3)(A)) is amended by striking ''$100,000'' and inserting ''2 times the standard maximum deposit insurance amount (as determined under paragraph (1))''.

(d) INCREASED INSURANCE COVERAGE FOR MUNICIPAL DEPOSITS.—Section 11(a)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(2)) is amended—

(1) in subparagraph (A)—

(A) by moving the margins of clauses (i) through (v) 4 ems to the right;

(B) by striking, in the matter following clause (v), ''such depositor shall'' and all that follows through the period; and

(C) by striking the semicolon at the end of clause (v) and inserting a period;

(2) by striking ''(2)(A) Notwithstanding'' and all that follows through ''a depositor who is—'' and inserting the following:

''(2) MUNICIPAL DEPOSITORS.—

''(A) IN GENERAL.—Notwithstanding any limitation in this Act or in any other provision of law relating to the amount of deposit insurance available to any 1 depositor—

''(i) a municipal depositor shall, for the purpose of determining the amount of insured deposits under this subsection, be deemed to be a depositor separate and distinct from any other officer, employee, or agent of the United States or any public unit referred to in subparagraph (E); and

''(ii) except as provided in subparagraph (B), the deposits of a municipal depositor shall be insured in an amount equal to the standard maximum deposit insurance amount (as determined under paragraph (1)).

''(B) IN-STATE MUNICIPAL DEPOSITORS.—In the case of the deposits of an in-State municipal depositor described in clause (ii), (iii), (iv), or (v) of subparagraph (E) at an insured depository institution, such deposits shall be insured in an amount not to exceed the lesser of—

''(i) $2,000,000; or

''(ii) the sum of the standard maximum deposit insurance amount and 80 percent of the amount of any deposits in excess of the standard maximum deposit insurance amount.

''(C) MUNICIPAL DEPOSIT PARITY.—No State may deny to insured depository institutions within its jurisdiction the authority to accept deposits insured under this paragraph, or prohibit the making of such deposits in such institutions by any in-State municipal depositor.

''(D) IN-STATE MUNICIPAL DEPOSITOR DEFINED.—For purposes of this paragraph, the term 'in-State municipal depositor' means a municipal depositor that is located in the same State as the office or branch of the insured depository institution at which the deposits of that depositor are held.

''(E) MUNICIPAL DEPOSITOR.—In this paragraph, the term 'municipal depositor' means a depositor that is—'';

(3) by striking ''(B) The'' and inserting the following:

''(F) AUTHORITY TO LIMIT DEPOSITS.—The''; and

(4) by striking ''depositor referred to in subparagraph (A) of this paragraph'' each place such term appears and inserting ''municipal depositor''.

(e) TECHNICAL AND CONFORMING AMENDMENT RELATING TO INSURANCE OF TRUST FUNDS.—Paragraphs (1) and (3) of section 7(i) of the Federal Deposit Insurance Act (12 U.S.C. 1817(i)) are each amended by striking ''$100,000'' and inserting ''the standard maximum deposit insurance amount (as determined under section 11(a)(1))''.

(f) OTHER TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 11(m)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1821(m)(6)) is amended by striking ''$100,000'' and inserting ''an amount equal to the standard maximum deposit insurance amount''.

(2) Subsection (a) of section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828(a)) is amended to read as follows:

''(a) INSURANCE LOGO.—

''(1) INSURED DEPOSITORY INSTITUTIONS.—

''(A) IN GENERAL.—Each insured depository institution shall display at each place of business maintained by that institution a sign or signs relating to the insurance of the deposits of the institution, in accordance with regulations to be prescribed by the Corporation.

''(B) STATEMENT TO BE INCLUDED.—Each sign required under subparagraph (A) shall include a statement that insured deposits are backed by the full faith and credit of the United States Government.

''(2) REGULATIONS.—The Corporation shall prescribe regulations to carry out this subsection, including regulations governing the substance of signs required by paragraph (1) and the manner of display or use of such signs.

''(3) PENALTIES.—For each day that an insured depository institution continues to violate this subsection or any regulation issued under this subsection, it shall be subject to a penalty of not more than $100, which the Corporation may recover for its use.''.

(3) Section 43(d) of the Federal Deposit Insurance Act (12 U.S.C. 1831t(d)) is amended by striking ''$100,000'' and inserting ''an amount equal to the standard maximum deposit insurance amount''.

(4) Section 6 of the International Banking Act of 1978 (12 U.S.C. 3104) is amended—

(A) by striking ''$100,000'' each place such term appears and inserting ''an amount equal to the standard maximum deposit insurance amount''; and

(B) by adding at the end the following new subsection:

''(e) STANDARD MAXIMUM DEPOSIT INSURANCE AMOUNT DEFINED.—For purposes of this section, the term 'standard maximum deposit insurance amount' means the amount of the maximum amount of deposit insurance as determined under section 11(a)(1) of the Federal Deposit Insurance Act.''.

(g) CONFORMING CHANGE TO CREDIT UNION SHARE INSURANCE FUND.—

(1) IN GENERAL.—Section 207(k) of the Federal Credit Union Act (12 U.S.C. 1787(k)) is amended—

(A) by striking ''(k)(1)'' and all that follows through the end of paragraph (1) and inserting the following:

''(k) INSURED AMOUNTS PAYABLE.—

''(1) NET INSURED AMOUNT.—

''(A) IN GENERAL.—Subject to the provisions of paragraph (2), the net amount of share insurance payable to any member at an insured credit union shall not exceed the total amount of the shares or deposits in the name of the member (after deducting offsets), less any part thereof which is in excess of the standard maximum share insurance amount, as determined in accordance with this paragraph and paragraphs (5) and (6), and consistently with actions taken by the Federal Deposit Insurance Corporation under section 11(a) of the Federal Deposit Insurance Act.

''(B) AGGREGATION.—Determination of the net amount of share insurance under subparagraph (A), shall be in accordance with such regulations as the Board may prescribe, and, in determining the amount payable to any member, there shall be added together all accounts in the credit union maintained by that member for that member's own benefit, either in the member's own name or in the names of others.

''(C) AUTHORITY TO DEFINE THE EXTENT OF COVERAGE.—The Board may define, with such classifications and exceptions as it may prescribe, the extent of the share insurance coverage provided for member accounts, including member accounts in the name of a minor, in trust, or in joint tenancy.'';

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clauses (i) through (v), by moving the margins 4 ems to the right;

(II) in the matter following clause (v), by striking ''his account'' and all that follows through the period; and

(III) by striking the semicolon at the end of clause (v) and inserting a period;

(ii) by striking ''(2)(A) Notwithstanding'' and all that follows through ''a depositor or member who is—'' and inserting the following:

''(2) MUNICIPAL DEPOSITORS OR MEMBERS.—

''(A) IN GENERAL.—Notwithstanding any limitation in this Act or in any other provision of law relating to the amount of insurance available to any 1 depositor or member, deposits or shares of a municipal depositor or member shall be insured in an amount equal to the standard maximum share insurance amount (as determined under paragraph (5)), except as provided in subparagraph (B).

''(B) IN-STATE MUNICIPAL DEPOSITORS.—In the case of the deposits of an in-State municipal depositor described in clause (ii), (iii), (iv), or (v) of subparagraph (E) at an insured credit union, such deposits shall be insured in an amount equal to the lesser of—

''(i) $2,000,000; or

''(ii) the sum of the standard maximum deposit insurance amount and 80 percent of the amount of any deposits in excess of the standard maximum deposit insurance amount.

''(C) RULE OF CONSTRUCTION.—No provision of this paragraph shall be construed as authorizing an insured credit union to accept the deposits of a municipal depositor in an amount greater than such credit union is authorized to accept under any other provision of Federal or State law.

''(D) IN-STATE MUNICIPAL DEPOSITOR DEFINED.—For purposes of this paragraph, the term 'in-State municipal depositor' means a municipal depositor that is located in the same State as the office or branch of the insured credit union at which the deposits of that depositor are held.

''(E) MUNICIPAL DEPOSITOR.—In this paragraph, the term 'municipal depositor' means a depositor that is—'';

(iii) by striking ''(B) The'' and inserting the following:

''(F) AUTHORITY TO LIMIT DEPOSITS.—The''; and

(iv) by striking ''depositor or member referred to in subparagraph (A)'' and inserting ''municipal depositor or member''; and

(C) by adding at the end the following new paragraphs:

''(4) COVERAGE FOR CERTAIN EMPLOYEE BENEFIT PLAN DEPOSITS.—

''(A) PASS-THROUGH INSURANCE.—The Administration shall provide pass-through share insurance for the deposits or shares of any employee benefit plan.

''(B) PROHIBITION ON ACCEPTANCE OF DEPOSITS.—An insured credit union that is not well capitalized or adequately capitalized may not accept employee benefit plan deposits.

''(C) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

''(i) CAPITAL STANDARDS.—The terms 'well capitalized' and 'adequately capitalized' have the same meanings as in section 216(c).

''(ii) EMPLOYEE BENEFIT PLAN.—The term 'employee benefit plan'—

''(I) has the meaning given to such term in section 3(3) of the Employee Retirement Income Security Act of 1974;

''(II) includes any plan described in section 401(d) of the Internal Revenue Code of 1986; and

''(III) includes any eligible deferred compensation plan described in section 457 of the Internal Revenue Code of 1986.

''(iii) PASS-THROUGH SHARE INSURANCE.—The term 'pass-through share insurance' means, with respect to an employee benefit plan, insurance coverage provided on a pro rata basis to the participants in the plan, in accordance with the interest of each participant.

''(D) RULE OF CONSTRUCTION.—No provision of this paragraph shall be construed as authorizing an insured credit union to accept the deposits of an employee benefit plan in an amount greater than such credit union is authorized to accept under any other provision of Federal or State law.

''(5) STANDARD MAXIMUM SHARE INSURANCE AMOUNT DEFINED.—For purposes of this Act, the term 'standard maximum share insurance amount' means—

''(A) until the effective date of final regulations prescribed pursuant to section 9(a)(2) of the Federal Deposit Insurance Reform Act of 2005, $100,000; and

''(B) on and after such effective date, $130,000, adjusted as provided under section 11(a)(1)(F) of the Federal Deposit Insurance Act.''.

(2) DOUBLING OF SHARE INSURANCE FOR CERTAIN RETIREMENT ACCOUNTS.—Section 207(k)(3) of the Federal Credit Union Act (12 U.S.C. 1787(k)(3)) is amended by striking ''$100,000'' and inserting ''2 times the standard maximum share insurance amount (as determined under paragraph (1))''.

(h) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date the final regulations required under section 9(a)(2) take effect.

SEC. 4. SETTING ASSESSMENTS AND REPEAL OF SPECIAL RULES RELATING TO MINIMUM ASSESSMENTS AND FREE DEPOSIT INSURANCE.

(a) SETTING ASSESSMENTS.—Section 7(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)) is amended—

(1) by striking subparagraphs (A) and (B) and inserting the following new subparagraphs:

''(A) IN GENERAL.—The Board of Directors shall set assessments for insured depository institutions in such amounts as the Board of Directors may determine to be necessary or appropriate, subject to subparagraph (D).

''(B) FACTORS TO BE CONSIDERED.—In setting assessments under subparagraph (A), the Board of Directors shall consider the following factors:

''(i) The estimated operating expenses of the Deposit Insurance Fund.

''(ii) The estimated case resolution expenses and income of the Deposit Insurance Fund.

''(iii) The projected effects of the payment of assessments on the capital and earnings of insured depository institutions.

''(iv) the risk factors and other factors taken into account pursuant to paragraph (1) under the risk-based assessment system, including the requirement under such paragraph to maintain a risk-based system.

''(v) Any other factors the Board of Directors may determine to be appropriate.''; and

(2) by inserting after subparagraph (C) the following new subparagraph:

''(D) BASE RATE FOR ASSESSMENTS.—

''(i) IN GENERAL.—In setting assessment rates pursuant to subparagraph (A), the Board of Directors shall establish a base rate of not more than 1 basis point (exclusive of any credit or dividend) for those insured depository institutions in the lowest-risk category under the risk-based assessment system established pursuant to paragraph (1). No insured depository institution shall be barred from the lowest-risk category solely because of size.

''(ii) SUSPENSION.—Clause (i) shall not apply during any period in which the reserve ratio of

the Deposit Insurance Fund is less than the amount which is equal to 1.15 percent of the aggregate estimated insured deposits.''.

(b) ASSESSMENT RECORDKEEPING PERIOD SHORTENED.—Paragraph (5) of section 7(b) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)) is amended to read as follows:

''(5) DEPOSITORY INSTITUTION REQUIRED TO MAINTAIN ASSESSMENT-RELATED RECORDS.—Each insured depository institution shall maintain all records that the Corporation may require for verifying the correctness of any assessment on the insured depository institution under this subsection until the later of—

''(A) the end of the 3-year period beginning on the due date of the assessment; or

''(B) in the case of a dispute between the insured depository institution and the Corporation with respect to such assessment, the date of a final determination of any such dispute.''.

(c) INCREASE IN FEES FOR LATE ASSESSMENT PAYMENTS.—Subsection (h) of section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828(h)) is amended to read as follows:

''(h) PENALTY FOR FAILURE TO TIMELY PAY ASSESSMENTS.—

''(1) IN GENERAL.—Subject to paragraph (3), any insured depository institution which fails or refuses to pay any assessment shall be subject to a penalty in an amount not more than 1 percent of the amount of the assessment due for each day that such violation continues.

''(2) EXCEPTION IN CASE OF DISPUTE.—Paragraph (1) shall not apply if—

''(A) the failure to pay an assessment is due to a dispute between the insured depository institution and the Corporation over the amount of such assessment; and

''(B) the insured depository institution deposits security satisfactory to the Corporation for payment upon final determination of the issue.

''(3) SPECIAL RULE FOR SMALL ASSESSMENT AMOUNTS.—If the amount of the assessment which an insured depository institution fails or refuses to pay is less than $10,000 at the time of such failure or refusal, the amount of any penalty to which such institution is subject under paragraph (1) shall not exceed $100 for each day that such violation continues.

''(4) AUTHORITY TO MODIFY OR REMIT PENALTY.—The Corporation, in the sole discretion of the Corporation, may compromise, modify or remit any penalty which the Corporation may assess or has already assessed under paragraph (1) upon a finding that good cause prevented the timely payment of an assessment.''.

(d) ASSESSMENTS FOR LIFELINE ACCOUNTS.—

(1) IN GENERAL.—Section 232 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 1834) is amended by striking subsection (c).

(2) CLARIFICATION OF RATE APPLICABLE TO DEPOSITS ATTRIBUTABLE TO LIFELINE ACCOUNTS.—Section 7(b)(2)(H) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)(H)) is amended by striking ''at a rate determined in accordance with such Act'' and inserting ''at ½ the assessment rate otherwise applicable for such insured depository institution''.

(3) REGULATIONS.—Section 232(a)(1) of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 1834(a)(1)) is amended by striking ''Board of Governors of the Federal Reserve System, and the''.

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Paragraph (3) of section 7(a) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(3)) is amended by striking the 3d sentence and inserting the following: ''Such reports of condition shall be the basis for the certified statements to be filed pursuant to subsection (c).''.

(2) Subparagraphs (B)(ii) and (C) of section 7(b)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(1)) are each amended by striking ''semiannual'' where such term appears in each such subparagraph.

(3) Section 7(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)) is amended—

(A) by striking subparagraphs (E), (F), and (G);

(B) in subparagraph (C), by striking ''semiannual''; and

(C) by redesignating subparagraph (H) (as amended by subsection (e)(2) of this section) as subparagraph (E).

(4) Section 7(b) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)) is amended by striking paragraph (4) and redesignating paragraphs (5) (as amended by subsection (b) of this section), (6), and (7) as paragraphs (4), (5), and (6) respectively.

(5) Section 7(c) of the Federal Deposit Insurance Act (12 U.S.C. 1817(c)) is amended—

(A) in paragraph (1)(A), by striking ''semiannual'';

(B) in paragraph (2)(A), by striking ''semiannual''; and

(C) in paragraph (3), by striking ''semiannual period'' and inserting ''initial assessment period''.

(6) Section 8(p) of the Federal Deposit Insurance Act (12 U.S.C. 1818(p)) is amended by striking ''semiannual''.

(7) Section 8(q) of the Federal Deposit Insurance Act (12 U.S.C. 1818(q)) is amended by striking ''semiannual period'' and inserting ''assessment period''.

(8) Section 13(c)(4)(G)(ii)(II) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)(G)(ii)(II)) is amended by striking ''semiannual period'' and inserting ''assessment period''.

(9) Section 232(a) of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 1834(a)) is amended—

(A) in the matter preceding subparagraph (A) of paragraph (2), by striking ''the Board and'';

(B) in subparagraph (J) of paragraph (2), by striking ''the Board'' and inserting ''the Corporation'';

(C) by striking subparagraph (A) of paragraph (3) and inserting the following new subparagraph:

''(A) CORPORATION.—The term 'Corporation' means the Federal Deposit Insurance Corporation.''; and

(D) in subparagraph (C) of paragraph (3), by striking ''Board'' and inserting ''Corporation''.

(f) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date that the final regulations required under section 9(a)(5) take effect.

SEC. 5. REPLACEMENT OF FIXED DESIGNATED RESERVE RATIO WITH RESERVE RANGE.

(a) IN GENERAL.—Section 7(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(3)) is amended to read as follows:

''(3) DESIGNATED RESERVE RATIO.—

''(A) ESTABLISHMENT.—

''(i) IN GENERAL.—The Board of Directors shall designate, by regulation after notice and opportunity for comment, the reserve ratio applicable with respect to the Deposit Insurance Fund.

''(ii) NOT LESS THAN ANNUAL REDETERMINATION.—A determination under clause (i) shall be made by the Board of Directors at least before the beginning of each calendar year, for such calendar year, and at such other times as the Board of Directors may determine to be appropriate.

''(B) RANGE.—The reserve ratio designated by the Board of Directors for any year—

''(i) may not exceed 1.4 percent of estimated insured deposits; and

''(ii) may not be less than 1.15 percent of estimated insured deposits.

''(C) FACTORS.—In designating a reserve ratio for any year, the Board of Directors shall—

''(i) take into account the risk of losses to the Deposit Insurance Fund in such year and future years, including historic experience and potential and estimated losses from insured depository institutions;

''(ii) take into account economic conditions generally affecting insured depository institutions so as to allow the designated reserve ratio to increase during more favorable economic conditions and to decrease during less favorable economic conditions, notwithstanding the increased risks of loss that may exist during such less favorable conditions, as determined to be appropriate by the Board of Directors;

''(iii) seek to prevent sharp swings in the assessment rates for insured depository institutions; and

''(iv) take into account such other factors as the Board of Directors may determine to be appropriate, consistent with the requirements of this subparagraph.

''(D) PUBLICATION OF PROPOSED CHANGE IN RATIO.—In soliciting comment on any proposed change in the designated reserve ratio in accordance with subparagraph (A), the Board of Directors shall include in the published proposal a thorough analysis of the data and projections on which the proposal is based.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 3(y) of the Federal Deposit Insurance Act (12 U.S.C. 1813(y)) is amended—

(1) by striking ''(y) The term'' and inserting(y) Definitions Relating to Deposit Insurance Fund.—

''(1) DEPOSIT INSURANCE FUND.—The term''; and

(2) by inserting after paragraph (1) (as so designated by paragraph (1) of this subsection) the following new paragraph:

''(2) DESIGNATED RESERVE RATIO.—The term 'designated reserve ratio' means the reserve ratio designated by the Board of Directors in accordance with section 7(b)(3).''.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date that the final regulations required under section 9(a)(1) take effect.

SEC. 6. REQUIREMENTS APPLICABLE TO THE RISK-BASED ASSESSMENT SYSTEM.

Section 7(b)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(1)) is amended by adding at the end the following new subparagraphs:

''(E) INFORMATION CONCERNING RISK OF LOSS AND ECONOMIC CONDITIONS.—

''(i) SOURCES OF INFORMATION.—For purposes of determining risk of losses at insured depository institutions and economic conditions generally affecting depository institutions, the Corporation shall collect information, as appropriate, from all sources the Board of Directors considers appropriate, such as reports of condition, inspection reports, and other information from all Federal banking agencies, any information available from State bank supervisors, State insurance and securities regulators, the Securities and Exchange Commission (including information described in section 35), the Secretary of the Treasury, the Commodity Futures Trading Commission, the Farm Credit Administration, the Federal Trade Commission, any Federal reserve bank or Federal home loan bank, and other regulators of financial institutions, and any information available from credit rating entities, and other private economic or business analysts.

''(ii) CONSULTATION WITH FEDERAL BANKING AGENCIES.—

''(I) IN GENERAL.—Except as provided in subclause (II), in assessing the risk of loss to the Deposit Insurance Fund with respect to any insured depository institution, the Corporation shall consult with the appropriate Federal banking agency of such institution.

''(II) TREATMENT ON AGGREGATE BASIS.—In the case of insured depository institutions that are well capitalized (as defined in section 38) and, in the most recent examination, were found to be well managed, the consultation under subclause (I) concerning the assessment of the risk of loss posed by such institutions may be made on an aggregate basis.

''(iii) RULE OF CONSTRUCTION.—No provision of this paragraph shall be construed as providing any new authority for the Corporation to

require submission of information by insured depository institutions to the Corporation.

''(F) MODIFICATIONS TO THE RISK-BASED ASSESSMENT SYSTEM ALLOWED ONLY AFTER NOTICE AND COMMENT.—In revising or modifying the risk-based assessment system at any time after the date of the enactment of the Federal Deposit Insurance Reform Act of 2005, the Board of Directors may implement such revisions or modification in final form only after notice and opportunity for comment.''.

SEC. 7. REFUNDS, DIVIDENDS, AND CREDITS FROM DEPOSIT INSURANCE FUND.

(a) IN GENERAL.—Subsection (e) of section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817(e)) is amended to read as follows:

''(e) REFUNDS, DIVIDENDS, AND CREDITS.—

''(1) REFUNDS OF OVERPAYMENTS.—In the case of any payment of an assessment by an insured depository institution in excess of the amount due to the Corporation, the Corporation may—

''(A) refund the amount of the excess payment to the insured depository institution; or

''(B) credit such excess amount toward the payment of subsequent assessments until such credit is exhausted.

''(2) DIVIDENDS FROM EXCESS AMOUNTS IN DEPOSIT INSURANCE FUND.—

''(A) RESERVE RATIO IN EXCESS OF 1.4 PERCENT OF ESTIMATED INSURED DEPOSITS.—Whenever the reserve ratio of the Deposit Insurance Fund exceeds 1.4 percent of estimated insured deposits, the Corporation shall declare the amount in the Fund in excess of the amount required to maintain the reserve ratio at 1.4 percent of estimated insured deposits, as dividends to be paid to insured depository institutions.

''(B) RESERVE RATIO EQUAL TO OR IN EXCESS OF 1.35 PERCENT OF ESTIMATED INSURED DEPOSITS AND NOT MORE THAN 1.4 PERCENT.—Whenever the reserve ratio of the Deposit Insurance Fund equals or exceeds 1.35 percent of estimated insured deposits and is not more than 1.4 percent of such deposits, the Corporation shall declare the amount in the Fund that is equal to 50 percent of the amount in excess of the amount required to maintain the reserve ratio at 1.35 percent of the estimated insured deposits as dividends to be paid to insured depository institutions.

''(C) BASIS FOR DISTRIBUTION OF DIVIDENDS.—

''(i) IN GENERAL.—Solely for the purposes of dividend distribution under this paragraph and credit distribution under paragraph (3)(B), the Corporation shall determine each insured depository institution's relative contribution to the Deposit Insurance Fund (or any predecessor deposit insurance fund) for calculating such institution's share of any dividend or credit declared under this paragraph or paragraph (3)(B), taking into account the factors described in clause (ii).

''(ii) FACTORS FOR DISTRIBUTION.—In implementing this paragraph and paragraph (3)(B) in accordance with regulations, the Corporation shall take into account the following factors:

''(I) The ratio of the assessment base of an insured depository institution (including any predecessor) on December 31, 1996, to the assessment base of all eligible insured depository institutions on that date.

''(II) The total amount of assessments paid on or after January 1, 1997, by an insured depository institution (including any predecessor) to the Deposit Insurance Fund (and any predecessor deposit insurance fund).

''(III) That portion of assessments paid by an insured depository institution (including any predecessor) that reflects higher levels of risk assumed by such institution.

''(IV) Such other factors as the Corporation may determine to be appropriate.

''(D) NOTICE AND OPPORTUNITY FOR COMMENT.—The Corporation shall prescribe by regulation, after notice and opportunity for comment, the method for the calculation, declaration, and payment of dividends under this paragraph.

''(3) CREDIT POOL.—

''(A) ONE-TIME CREDIT BASED ON TOTAL ASSESSMENT BASE AT YEAR-END 1996.—

''(i) IN GENERAL.—Before the end of the 270-day period beginning on the date of the enactment of the Federal Deposit Insurance Reform Act of 2005, the Board of Directors shall, by regulation, provide for a credit to each eligible insured depository institution, based on the assessment base of the institution (including any predecessor institution) on December 31, 1996, as compared to the combined aggregate assessment base of all eligible insured depository institutions, taking into account such factors as the Board of Directors may determine to be appropriate.

''(ii) CREDIT LIMIT.—The aggregate amount of credits available under clause (i) to all eligible insured depository institutions shall equal the amount that the Corporation could collect if the Corporation imposed an assessment of 12 basis points on the combined assessment base of the Bank Insurance Fund and the Savings Association Insurance Fund as of December 31, 2001.

''(iii) ELIGIBLE INSURED DEPOSITORY INSTITUTION DEFINED.—For purposes of this paragraph, the term 'eligible insured depository institution' means any insured depository institution that—

''(I) was in existence on December 31, 1996, and paid a deposit insurance assessment prior to that date; or

''(II) is a successor to any insured depository institution described in subclause (I).

''(iv) APPLICATION OF CREDITS.—

''(I) IN GENERAL.—The amount of a credit to any eligible insured depository institution under this paragraph shall be applied by the Corporation, subject to subsection (b)(3)(E), to the assessments imposed on such institution under subsection (b) that become due for assessment periods beginning after the effective date of regulations prescribed under clause (i).

''(II) REGULATIONS.—The regulations prescribed under clause (i) shall establish the qualifications and procedures governing the application of assessment credits pursuant to subclause (I).

''(v) LIMITATION ON AMOUNT OF CREDIT FOR CERTAIN DEPOSITORY INSTITUTIONS.—In the case of an insured depository institution that exhibits financial, operational, or compliance weaknesses ranging from moderately severe to unsatisfactory, or is not adequately capitalized (as defined in section 38) at the beginning of an assessment period, the amount of any credit allowed under this paragraph against the assessment on that depository institution for such period may not exceed the amount calculated by applying to that depository institution the average assessment rate on all insured depository institutions for such assessment period.

''(vi) PREDECESSOR DEFINED.—For purposes of this paragraph, the term 'predecessor', when used with respect to any insured depository institution, includes any other insured depository institution acquired by or merged with such insured depository institution.

''(B) ON-GOING CREDIT POOL.—

''(i) IN GENERAL.—In addition to the credit provided pursuant to subparagraph (A) and subject to the limitation contained in clause (v) of such subparagraph, the Corporation shall, by regulation, establish an on-going system of credits to be applied against future assessments under subsection (b)(1) on the same basis as the dividends provided under paragraph (2)(C).

''(ii) LIMITATION ON CREDITS UNDER CERTAIN CIRCUMSTANCES.—No credits may be awarded by the Corporation under this subparagraph during any period in which—

''(I) the reserve ratio of the Deposit Insurance Fund is less than the designated reserve ratio of such Fund; or

''(II) the reserve ratio of the Fund is less than 1.25 percent of the amount of estimated insured deposits.

''(iii) CRITERIA FOR DETERMINATION.—In determining the amounts of any assessment credits under this subparagraph, the Board of Directors shall take into account the factors for designating the reserve ratio under subsection (b)(3) and the factors for setting assessments under subsection (b)(2)(B).

''(4) ADMINISTRATIVE REVIEW.—

''(A) IN GENERAL.—The regulations prescribed under paragraph (2)(D) and subparagraphs (A) and (B) of paragraph (3) shall include provisions allowing an insured depository institution a reasonable opportunity to challenge administratively the amount of the credit or dividend determined under paragraph (2) or (3) for such institution.

''(B) ADMINISTRATIVE REVIEW.—Any review under subparagraph (A) of any determination of the Corporation under paragraph (2) or (3) shall be final and not subject to judicial review.''.

(b) DEFINITION OF RESERVE RATIO.—Section 3(y) of the Federal Deposit Insurance Act (12 U.S.C. 1813(y)) (as amended by section 5(b) of this Act) is amended by adding at the end the following new paragraph:

''(3) RESERVE RATIO.—The term 'reserve ratio', when used with regard to the Deposit Insurance Fund other than in connection with a reference to the designated reserve ratio, means the ratio of the net worth of the Deposit Insurance Fund to the value of the aggregate estimated insured deposits.''.

SEC. 8. DEPOSIT INSURANCE FUND RESTORATION PLANS.

Section 7(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(3)) (as amended by section 5(a) of this Act) is amended by adding at the end the following new subparagraph:

''(E) DIF RESTORATION PLANS.—

''(i) IN GENERAL.—Whenever—

''(I) the Corporation projects that the reserve ratio of the Deposit Insurance Fund will, within 6 months of such determination, fall below the minimum amount specified in subparagraph (B)(ii) for the designated reserve ratio; or

''(II) the reserve ratio of the Deposit Insurance Fund actually falls below the minimum amount specified in subparagraph (B)(ii) for the designated reserve ratio without any determination under subclause (I) having been made,

the Corporation shall establish and implement a Deposit Insurance Fund restoration plan within 90 days that meets the requirements of clause (ii) and such other conditions as the Corporation determines to be appropriate.

''(ii) REQUIREMENTS OF RESTORATION PLAN.—A Deposit Insurance Fund restoration plan meets the requirements of this clause if the plan provides that the reserve ratio of the Fund will meet or exceed the minimum amount specified in subparagraph (B)(ii) for the designated reserve ratio before the end of the 10-year period beginning upon the implementation of the plan.

''(iii) RESTRICTION ON ASSESSMENT CREDITS.—As part of any restoration plan under this subparagraph, the Corporation may elect to restrict the application of assessment credits provided under subsection (e)(3) for any period that the plan is in effect.

''(iv) LIMITATION ON RESTRICTION.—Notwithstanding clause (iii), while any restoration plan under this subparagraph is in effect, the Corporation shall apply credits provided to an insured depository institution under subsection (e)(3) against any assessment imposed on the institution for any assessment period in an amount equal to the lesser of—

''(I) the amount of the assessment; or

''(II) the amount equal to 3 basis points of the institution's assessment base.

''(v) TRANSPARENCY.—Not more than 30 days after the Corporation establishes and implements a restoration plan under clause (i), the Corporation shall publish in the Federal Register a detailed analysis of the factors considered and the basis for the actions taken with regard to the plan.''.

SEC. 9. REGULATIONS REQUIRED.

(a) IN GENERAL.—Not later than 270 days after the date of the enactment of this Act, the

Board of Directors of the Federal Deposit Insurance Corporation shall prescribe final regulations, after notice and opportunity for comment—

(1) designating the reserve ratio for the Deposit Insurance Fund in accordance with section 7(b)(3) of the Federal Deposit Insurance Act (as amended by section 5 of this Act);

(2) implementing increases in deposit insurance coverage in accordance with the amendments made by section 3 of this Act;

(3) implementing the dividend requirement under section 7(e)(2) of the Federal Deposit Insurance Act (as amended by section 7 of this Act);

(4) implementing the 1-time assessment credit to certain insured depository institutions in accordance with section 7(e)(3) of the Federal Deposit Insurance Act, as amended by section 7 of this Act, including the qualifications and procedures under which the Corporation would apply assessment credits; and

(5) providing for assessments under section 7(b) of the Federal Deposit Insurance Act, as amended by this Act.

(b) RULE OF CONSTRUCTION.—No provision of this Act or any amendment made by this Act shall be construed as affecting the authority of the Corporation to set or collect deposit insurance assessments before the effective date of the final regulations prescribed under subsection (a).

SEC. 10. STUDIES OF FDIC STRUCTURE AND EXPENSES AND CERTAIN ACTIVITIES AND FURTHER POSSIBLE CHANGES TO DEPOSIT INSURANCE SYSTEM.

(a) STUDY BY COMPTROLLER GENERAL.—

(1) STUDY REQUIRED.—The Comptroller General shall conduct a study of the following issues:

(A) The efficiency and effectiveness of the administration of the prompt corrective action program under section 38 of the Federal Deposit Insurance Act by the Federal banking agencies (as defined in section 3 of such Act), including the degree of effectiveness of such agencies in identifying troubled depository institutions and taking effective action with respect to such institutions, and the degree of accuracy of the risk assessments made by the Corporation.

(B) The appropriateness of the organizational structure of the Federal Deposit Insurance Corporation for the mission of the Corporation taking into account—

(i) the current size and complexity of the business of insured depository institutions (as such term is defined in section 3 of the Federal Deposit Insurance Act);

(ii) the extent to which the organizational structure contributes to or reduces operational inefficiencies that increase operational costs; and

(iii) the effectiveness of internal controls.

(2) REPORT TO THE CONGRESS.—The Comptroller General shall submit a report to the Congress before the end of the 1-year period beginning on the date of the enactment of this Act containing the findings and conclusions of the Comptroller General with respect to the study required under paragraph (1) together with such recommendations for legislative or administrative action as the Comptroller General may determine to be appropriate.

(b) STUDY OF FURTHER POSSIBLE CHANGES TO DEPOSIT INSURANCE SYSTEM.—

(1) STUDY REQUIRED.—The Board of Directors of the Federal Deposit Insurance Corporation and the National Credit Union Administration Board shall each conduct a study of the following:

(A) The feasibility of establishing a voluntary deposit insurance system for deposits in excess of the maximum amount of deposit insurance for any depositor and the potential benefits and the potential adverse consequences that may result from the establishment of any such system.

(B) The feasibility of privatizing all deposit insurance at insured depository institutions and insured credit unions.

(2) REPORT.—Before the end of the 1-year period beginning on the date of the enactment of this Act, the Board of Directors of the Federal Deposit Insurance Corporation and the National Credit Union Administration Board shall each submit a report to the Congress on the study required under paragraph (1) containing the findings and conclusions of the reporting agency together with such recommendations for legislative or administrative changes as the agency may determine to be appropriate.

(c) STUDY REGARDING APPROPRIATE DEPOSIT BASE IN DESIGNATING RESERVE RATIO.—

(1) STUDY REQUIRED.—The Federal Deposit Insurance Corporation shall conduct a study of the feasibility of using actual domestic deposits rather than estimated insured deposits in calculating the reserve ratio of the Deposit Insurance Fund and designating a reserve ratio for such Fund.

(2) REPORT.—The Federal Deposit Insurance Corporation shall submit a report to the Congress before the end of the 1-year period beginning on the date of the enactment of this Act containing the findings and conclusions of the Corporation with respect to the study required under paragraph (1) together with such recommendations for legislative or administrative action as the Board of Directors of the Corporation may determine to be appropriate.

(d) STUDY OF RESERVE METHODOLOGY AND ACCOUNTING FOR LOSS.—

(1) STUDY REQUIRED.—The Federal Deposit Insurance Corporation shall conduct a study of the reserve methodology and loss accounting used by the Corporation during the period beginning on January 1, 1992, and ending December 31, 2004, with respect to insured depository institutions in a troubled condition (as defined in the regulations prescribed pursuant to section 32(f) of the Federal Deposit Insurance Act). The Corporation shall obtain comments on the design of the study from the Comptroller General.

(2) FACTORS TO BE INCLUDED.—In conducting the study pursuant to paragraph (1), the Federal Deposit Insurance Corporation shall—

(A) consider the overall effectiveness and accuracy of the methodology used by the Corporation for establishing and maintaining reserves and estimating and accounting for losses at insured depository institutions, during the period described in such paragraph;

(B) consider the appropriateness and reliability of information and criteria used by the Corporation in determining—

(i) whether an insured depository institution was in a troubled condition; and

(ii) the amount of any loss anticipated at such institution;

(C) analyze the actual historical loss experience over the period described in paragraph (1) and the causes of the exceptionally high rate of losses experienced by the Corporation in the final 3 years of that period; and

(D) rate the efforts of the Corporation to reduce losses in such 3-year period to minimally acceptable levels and to historical levels.

(3) REPORT REQUIRED.—The Board of Directors of the Federal Deposit Insurance Corporation shall submit a report to the Congress before the end of the 6-month period beginning on the date of the enactment of this Act, containing the findings and conclusions of the Corporation with respect to the study required under paragraph (1), together with such recommendations for legislative or administrative action as the Board of Directors may determine to be appropriate. Before submitting the report to Congress, the Board of Directors shall provide a draft of the report to the Comptroller General for comment.

SEC. 11. BI-ANNUAL FDIC SURVEY AND REPORT ON INCREASING THE DEPOSIT BASE BY ENCOURAGING USE OF DEPOSITORY INSTITUTIONS BY THE UNBANKED.

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

''SEC. 49. BI-ANNUAL FDIC SURVEY AND REPORT ON ENCOURAGING USE OF DEPOSITORY INSTITUTIONS BY THE UNBANKED.

''(a) SURVEY REQUIRED.—

''(1) IN GENERAL.—The Corporation shall conduct a bi-annual survey on efforts by insured depository institutions to bring those individuals and families who have rarely, if ever, held a checking account, a savings account or other type of transaction or check cashing account at an insured depository institution (hereafter in this section referred to as the 'unbanked') into the conventional finance system.

''(2) FACTORS AND QUESTIONS TO CONSIDER.—In conducting the survey, the Corporation shall take the following factors and questions into account:

''(A) To what extent do insured depository institutions promote financial education and financial literacy outreach?

''(B) Which financial education efforts appear to be the most effective in bringing 'unbanked' individuals and families into the conventional finance system?

''(C) What efforts are insured institutions making at converting 'unbanked' money order, wire transfer, and international remittance customers into conventional account holders?

''(D) What cultural, language and identification issues as well as transaction costs appear to most prevent 'unbanked' individuals from establishing conventional accounts?

''(E) What is a fair estimate of the size and worth of the 'unbanked' market in the United States?

''(b) REPORTS.—The Chairperson of the Board of Directors shall submit a bi-annual report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing the Corporation's findings and conclusions with respect to the survey conducted pursuant to subsection (a), together with such recommendations for legislative or administrative action as the Chairperson may determine to be appropriate.''.

SEC. 12. TECHNICAL AND CONFORMING AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT RELATING TO THE MERGER OF THE BIF AND SAIF.

(a) IN GENERAL.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended—

(1) in section 3 (12 U.S.C. 1813)—

(A) by striking subparagraph (B) of subsection (a)(1) and inserting the following new subparagraph:

''(B) includes any former savings association.''; and

(B) by striking paragraph (1) of subsection (y) (as so designated by section 5(b) of this Act) and inserting the following new paragraph:

''(1) DEPOSIT INSURANCE FUND.—The term 'Deposit Insurance Fund' means the Deposit Insurance Fund established under section 11(a)(4).'';

(2) in section 5(b)(5) (12 U.S.C. 1815(b)(5)), by striking ''the Bank Insurance Fund or the Savings Association Insurance Fund,'' and inserting ''the Deposit Insurance Fund,'';

(3) in section 5(c)(4), by striking ''deposit insurance fund'' and inserting ''Deposit Insurance Fund'';

(4) in section 5(d) (12 U.S.C. 1815(d)), by striking paragraphs (2) and (3) (and any funds resulting from the application of such paragraph (2) prior to its repeal shall be deposited into the general fund of the Deposit Insurance Fund);

(5) in section 5(d)(1) (12 U.S.C. 1815(d)(1))—

(A) in subparagraph (A), by striking ''reserve ratios in the Bank Insurance Fund and the Savings Association Insurance Fund as required by section 7'' and inserting ''the reserve ratio of the Deposit Insurance Fund'';

(B) by striking subparagraph (B) and inserting the following:

''(2) FEE CREDITED TO THE DEPOSIT INSURANCE FUND.—The fee paid by the depository institution under paragraph (1) shall be credited to the Deposit Insurance Fund.'';

(C) by striking ''(1) UNINSURED INSTITUTIONS.—''; and

(D) by redesignating subparagraphs (A) and (C) as paragraphs (1) and (3), respectively, and moving the left margins 2 ems to the left;

(6) in section 5(e) (12 U.S.C. 1815(e))—

(A) in paragraph (5)(A), by striking ''Bank Insurance Fund or the Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(B) by striking paragraph (6); and

(C) by redesignating paragraphs (7), (8), and (9) as paragraphs (6), (7), and (8), respectively;

(7) in section 6(5) (12 U.S.C. 1816(5)), by striking ''Bank Insurance Fund or the Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(8) in section 7(b) (12 U.S.C. 1817(b))—

(A) in paragraph (1)(C), by striking ''deposit insurance fund'' each place that term appears and inserting ''Deposit Insurance Fund'';

(B) in paragraph (1)(D), by striking ''each deposit insurance fund'' and inserting ''the Deposit Insurance Fund''; and

(C) in paragraph (5) (as so redesignated by section 4(e)(4) of this Act)—

(i) by striking ''any such assessment'' and inserting ''any such assessment is necessary'';

(ii) by striking subparagraph (B);

(iii) in subparagraph (A)—

(I) by striking ''(A) is necessary—'';

(II) by striking ''Bank Insurance Fund members'' and inserting ''insured depository institutions''; and

(III) by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively, and moving the margins 2 ems to the left; and

(iv) in subparagraph (C) (as so redesignated)—

(I) by inserting ''that'' before ''the Corporation''; and

(II) by striking ''; and'' and inserting a period;

(9) in section 7(j)(7)(F) (12 U.S.C. 1817(j)(7)(F)), by striking ''Bank Insurance Fund or the Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(10) in section 8(t)(2)(C) (12 U.S.C. 1818(t)(2)(C)), by striking ''deposit insurance fund'' and inserting ''Deposit Insurance Fund'';

(11) in section 11 (12 U.S.C. 1821)—

(A) by striking ''deposit insurance fund'' each place that term appears and inserting ''Deposit Insurance Fund'';

(B) by striking paragraph (4) of subsection (a) and inserting the following new paragraph:

''(4) DEPOSIT INSURANCE FUND.—

''(A) ESTABLISHMENT.—There is established the Deposit Insurance Fund, which the Corporation shall—

''(i) maintain and administer;

''(ii) use to carry out its insurance purposes, in the manner provided by this subsection; and

''(iii) invest in accordance with section 13(a).

''(B) USES.—The Deposit Insurance Fund shall be available to the Corporation for use with respect to insured depository institutions the deposits of which are insured by the Deposit Insurance Fund.

''(C) LIMITATION ON USE.—Notwithstanding any provision of law other than section 13(c)(4)(G), the Deposit Insurance Fund shall not be used in any manner to benefit any shareholder or affiliate (other than an insured depository institution that receives assistance in accordance with the provisions of this Act) of—

''(i) any insured depository institution for which the Corporation has been appointed conservator or receiver, in connection with any type of resolution by the Corporation;

''(ii) any other insured depository institution in default or in danger of default, in connection with any type of resolution by the Corporation; or

''(iii) any insured depository institution, in connection with the provision of assistance under this section or section 13 with respect to such institution, except that this clause shall not prohibit any assistance to any insured depository institution that is not in default, or that is not in danger of default, that is acquiring (as defined in section 13(f)(8)(B)) another insured depository institution.

''(D) DEPOSITS.—All amounts assessed against insured depository institutions by the Corporation shall be deposited into the Deposit Insurance Fund.'';

(C) by striking paragraphs (5), (6), and (7) of subsection (a); and

(D) by redesignating paragraph (8) of subsection (a) as paragraph (5);

(12) in section 11(f)(1) (12 U.S.C. 1821(f)(1)), by striking '', except that—'' and all that follows through the end of the paragraph and inserting a period;

(13) in section 11(i)(3) (12 U.S.C. 1821(i)(3))—

(A) by striking subparagraph (B);

(B) by redesignating subparagraph (C) as subparagraph (B); and

(C) in subparagraph (B) (as so redesignated), by striking ''subparagraphs (A) and (B)'' and inserting ''subparagraph (A)'';

(14) in section 11(p)(2)(B) (12 U.S.C. 1821(p)(2)(B)), by striking ''institution, any'' and inserting ''institution, the'';

(15) in section 11A(a) (12 U.S.C. 1821a(a))—

(A) in paragraph (2), by striking ''LIABILITIES.—'' and all that follows through ''Except'' and inserting ''LIABILITIES.—Except'';

(B) by striking paragraph (2)(B); and

(C) in paragraph (3), by striking ''the Bank Insurance Fund, the Savings Association Insurance Fund,'' and inserting ''the Deposit Insurance Fund'';

(16) in section 11A(b) (12 U.S.C. 1821a(b)), by striking paragraph (4);

(17) in section 11A(f) (12 U.S.C. 1821a(f)), by striking ''Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(18) in section 12(f)(4)(E)(iv) (12 U.S.C. 1822(f)(4)(E)(iv)), by striking ''Federal deposit insurance funds'' and inserting ''the Deposit Insurance Fund (or any predecessor deposit insurance fund)'';

(19) in section 13 (12 U.S.C. 1823)—

(A) by striking ''deposit insurance fund'' each place that term appears and inserting ''Deposit Insurance Fund'';

(B) in subsection (a)(1), by striking ''Bank Insurance Fund, the Savings Association Insurance Fund,'' and inserting ''Deposit Insurance Fund'';

(C) in subsection (c)(4)(E)—

(i) in the subparagraph heading, by striking ''funds'' and inserting ''fund''; and

(ii) in clause (i), by striking ''any insurance fund'' and inserting ''the Deposit Insurance Fund'';

(D) in subsection (c)(4)(G)(ii)—

(i) by striking ''appropriate insurance fund'' and inserting ''Deposit Insurance Fund'';

(ii) by striking ''the members of the insurance fund (of which such institution is a member)'' and inserting ''insured depository institutions'';

(iii) by striking ''each member's'' and inserting ''each insured depository institution's''; and

(iv) by striking ''the member's'' each place that term appears and inserting ''the institution's'';

(E) in subsection (c), by striking paragraph (11);

(F) in subsection (h), by striking ''Bank Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(G) in subsection (k)(4)(B)(i), by striking ''Savings Association Insurance Fund member'' and inserting ''savings association''; and

(H) in subsection (k)(5)(A), by striking ''Savings Association Insurance Fund members'' and inserting ''savings associations'';

(20) in section 14(a) (12 U.S.C. 1824(a)), in the 5th sentence—

(A) by striking ''Bank Insurance Fund or the Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund''; and

(B) by striking ''each such fund'' and inserting ''the Deposit Insurance Fund'';

(21) in section 14(b) (12 U.S.C. 1824(b)), by striking ''Bank Insurance Fund or Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(22) in section 14(c) (12 U.S.C. 1824(c)), by striking paragraph (3);

(23) in section 14(d) (12 U.S.C. 1824(d))—

(A) by striking ''Bank Insurance Fund member'' each place that term appears and inserting ''insured depository institution'';

(B) by striking ''Bank Insurance Fund members'' each place that term appears and inserting ''insured depository institutions'';

(C) by striking ''Bank Insurance Fund'' each place that term appears (other than in connection with a reference to a term amended by subparagraph (A) or (B) of this paragraph) and inserting ''Deposit Insurance Fund'';

(D) by striking the subsection heading and inserting the following:

''(d) BORROWING FOR THE DEPOSIT INSURANCE FUND FROM INSURED DEPOSITORY INSTITUTIONS.—'';

(E) in paragraph (3), in the paragraph heading, by striking ''BIF'' and inserting ''THE DEPOSIT INSURANCE FUND''; and

(F) in paragraph (5), in the paragraph heading, by striking ''BIF MEMBERS'' and inserting ''INSURED DEPOSITORY INSTITUTIONS'';

(24) in section 14 (12 U.S.C. 1824), by adding at the end the following new subsection:

''(e) BORROWING FOR THE DEPOSIT INSURANCE FUND FROM FEDERAL HOME LOAN BANKS.—

''(1) IN GENERAL.—The Corporation may borrow from the Federal home loan banks, with the concurrence of the Federal Housing Finance Board, such funds as the Corporation considers necessary for the use of the Deposit Insurance Fund.

''(2) TERMS AND CONDITIONS.—Any loan from any Federal home loan bank under paragraph (1) to the Deposit Insurance Fund shall—

''(A) bear a rate of interest of not less than the current marginal cost of funds to that bank, taking into account the maturities involved;

''(B) be adequately secured, as determined by the Federal Housing Finance Board;

''(C) be a direct liability of the Deposit Insurance Fund; and

''(D) be subject to the limitations of section 15(c).'';

(25) in section 15(c)(5) (12 U.S.C. 1825(c)(5))—

(A) by striking ''the Bank Insurance Fund or Savings Association Insurance Fund, respectively'' each place that term appears and inserting ''the Deposit Insurance Fund''; and

(B) in subparagraph (B), by striking ''the Bank Insurance Fund or the Savings Association Insurance Fund, respectively'' and inserting ''the Deposit Insurance Fund'';

(26) in section 17(a) (12 U.S.C. 1827(a))—

(A) in the subsection heading, by striking ''BIF, SAIF,'' and inserting ''THE DEPOSIT INSURANCE FUND''; and

(B) in paragraph (1)—

(i) by striking ''the Bank Insurance Fund, the Savings Association Insurance Fund,'' each place that term appears and inserting ''the Deposit Insurance Fund''; and

(ii) in subparagraph (D), by striking ''each insurance fund'' and inserting ''the Deposit Insurance Fund'';

(27) in section 17(d) (12 U.S.C. 1827(d)), by striking '', the Bank Insurance Fund, the Savings Association Insurance Fund,'' each place that term appears and inserting ''the Deposit Insurance Fund'';

(28) in section 18(m)(3) (12 U.S.C. 1828(m)(3))—

(A) by striking ''Savings Association Insurance Fund'' in the 1st sentence of subparagraph (A) and inserting ''Deposit Insurance Fund'';

(B) by striking ''Savings Association Insurance Fund member'' in the last sentence of subparagraph (A) and inserting ''savings association''; and

(C) by striking ''Savings Association Insurance Fund or the Bank Insurance Fund'' in

subparagraph (C) and inserting ''Deposit Insurance Fund'';

(29) in section 18(o) (12 U.S.C. 1828(o)), by striking ''deposit insurance funds'' and ''deposit insurance fund'' each place those terms appear and inserting ''Deposit Insurance Fund'';

(30) in section 18(p) (12 U.S.C. 1828(p)), by striking ''deposit insurance funds'' and inserting ''Deposit Insurance Fund'';

(31) in section 24 (12 U.S.C. 1831a)—

(A) in subsections (a)(1) and (d)(1)(A), by striking ''appropriate deposit insurance fund'' each place that term appears and inserting ''Deposit Insurance Fund'';

(B) in subsection (e)(2)(A), by striking ''risk to'' and all that follows through the period and inserting ''risk to the Deposit Insurance Fund.''; and

(C) in subsections (e)(2)(B)(ii) and (f)(6)(B), by striking ''the insurance fund of which such bank is a member'' each place that term appears and inserting ''the Deposit Insurance Fund'';

(32) in section 28 (12 U.S.C. 1831e), by striking ''affected deposit insurance fund'' each place that term appears and inserting ''Deposit Insurance Fund'';

(33) by striking section 31 (12 U.S.C. 1831h);

(34) in section 36(i)(3) (12 U.S.C. 1831m(i)(3)), by striking ''affected deposit insurance fund'' and inserting ''Deposit Insurance Fund'';

(35) in section 37(a)(1)(C) (12 U.S.C. 1831n(a)(1)(C)), by striking ''insurance funds'' and inserting ''Deposit Insurance Fund'';

(36) in section 38 (12 U.S.C. 1831o), by striking ''the deposit insurance fund'' each place that term appears and inserting ''the Deposit Insurance Fund'';

(37) in section 38(a) (12 U.S.C. 1831o(a)), in the subsection heading, by striking ''FUNDS'' and inserting ''FUND'';

(38) in section 38(k) (12 U.S.C. 1831o(k))—

(A) in paragraph (1), by striking ''a deposit insurance fund'' and inserting ''the Deposit Insurance Fund'';

(B) in paragraph (2), by striking ''A deposit insurance fund'' and inserting ''The Deposit Insurance Fund''; and

(C) in paragraphs (2)(A) and (3)(B), by striking ''the deposit insurance fund's outlays'' each place that term appears and inserting ''the outlays of the Deposit Insurance Fund''; and

(39) in section 38(o) (12 U.S.C. 1831o(o))—

(A) by striking ''ASSOCIATIONS.—'' and all that follows through ''Subsections (e)(2)'' and inserting ''ASSOCIATIONS.—Subsections (e)(2)'';

(B) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively, and moving the margins 2 ems to the left; and

(C) in paragraph (1) (as so redesignated), by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively, and moving the margins 2 ems to the left.

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the first day of the first calendar quarter that begins after the end of the 90-day period beginning on the date of the enactment of this Act.

SEC. 13. OTHER TECHNICAL AND CONFORMING AMENDMENTS RELATING TO THE MERGER OF THE BIF AND SAIF.

(a) SECTION 5136 OF THE REVISED STATUTES.—The paragraph designated the ''Eleventh'' of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24) is amended in the 5th sentence, by striking ''affected deposit insurance fund'' and inserting ''Deposit Insurance Fund''.

(b) INVESTMENTS PROMOTING PUBLIC WELFARE; LIMITATIONS ON AGGREGATE INVESTMENTS.—The 23d undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 338a) is amended in the 4th sentence, by striking ''affected deposit insurance fund'' and inserting ''Deposit Insurance Fund''.

(c) ADVANCES TO CRITICALLY UNDERCAPITALIZED DEPOSITORY INSTITUTIONS.—Section 10B(b)(3)(A)(ii) of the Federal Reserve Act (12 U.S.C. 347b(b)(3)(A)(ii)) is amended by striking ''any deposit insurance fund in'' and inserting ''the Deposit Insurance Fund of''.

(d) AMENDMENTS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.—Section 255(g)(1)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)(A)) is amended—

(1) by striking ''Bank Insurance Fund'' and inserting ''Deposit Insurance Fund''; and

(2) by striking ''Federal Deposit Insurance Corporation, Savings Association Insurance Fund (51–4066–0–3–373);''.

(e) AMENDMENTS TO THE FEDERAL HOME LOAN BANK ACT.—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended—

(1) in section 11(k) (12 U.S.C. 1431(k))—

(A) in the subsection heading, by striking ''SAIF'' and inserting ''THE DEPOSIT INSURANCE FUND''; and

(B) by striking ''Savings Association Insurance Fund'' each place such term appears and inserting ''Deposit Insurance Fund'';

(2) in section 21 (12 U.S.C. 1441)—

(A) in subsection (f)(2), by striking '', except that'' and all that follows through the end of the paragraph and inserting a period; and

(B) in subsection (k), by striking paragraph (4);

(3) in section 21A(b)(4)(B) (12 U.S.C. 1441a(b)(4)(B)), by striking ''affected deposit insurance fund'' and inserting ''Deposit Insurance Fund'';

(4) in section 21A(b)(6)(B) (12 U.S.C. 1441a(b)(6)(B))—

(A) in the subparagraph heading, by striking ''SAIF-INSURED BANKS'' and inserting ''CHARTER CONVERSIONS''; and

(B) by striking ''Savings Association Insurance Fund member'' and inserting ''savings association'';

(5) in section 21A(b)(10)(A)(iv)(II) (12 U.S.C. 1441a(b)(10)(A)(iv)(II)), by striking ''Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(6) in section 21A(n)(6)(E)(iv) (12 U.S.C. 1441(n)(6)(E)(iv)), by striking ''Federal deposit insurance funds'' and inserting ''the Deposit Insurance Fund'';

(7) in section 21B(e) (12 U.S.C. 1441b(e))—

(A) in paragraph (5), by inserting ''as of the date of funding'' after ''Savings Association Insurance Fund members'' each place that term appears; and

(B) by striking paragraphs (7) and (8); and

(8) in section 21B(k) (12 U.S.C. 1441b(k))—

(A) by inserting before the colon '', the following definitions shall apply'';

(B) by striking paragraph (8); and

(C) by redesignating paragraphs (9) and (10) as paragraphs (8) and (9), respectively.

(f) AMENDMENTS TO THE HOME OWNERS' LOAN ACT.—The Home Owners' Loan Act (12 U.S.C. 1461 et seq.) is amended—

(1) in section 5 (12 U.S.C. 1464)—

(A) in subsection (c)(5)(A), by striking ''that is a member of the Bank Insurance Fund'';

(B) in subsection (c)(6), by striking ''As used in this subsection—'' and inserting ''For purposes of this subsection, the following definitions shall apply:'';

(C) in subsection (o)(1), by striking ''that is a Bank Insurance Fund member'';

(D) in subsection (o)(2)(A), by striking ''a Bank Insurance Fund member until such time as it changes its status to a Savings Association Insurance Fund member'' and inserting ''insured by the Deposit Insurance Fund'';

(E) in subsection (t)(5)(D)(iii)(II), by striking ''affected deposit insurance fund'' and inserting ''Deposit Insurance Fund'';

(F) in subsection (t)(7)(C)(i)(I), by striking ''affected deposit insurance fund'' and inserting ''Deposit Insurance Fund''; and

(G) in subsection (v)(2)(A)(i), by striking ''the Savings Association Insurance Fund'' and inserting ''or the Deposit Insurance Fund''; and

(2) in section 10 (12 U.S.C. 1467a)—

(A) in subsection (c)(6)(D), by striking ''this title'' and inserting ''this Act'';

(B) in subsection (e)(1)(B), by striking ''Savings Association Insurance Fund or Bank Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(C) in subsection (e)(2), by striking ''Savings Association Insurance Fund or the Bank Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(D) in subsection (e)(4)(B), by striking ''subsection (1)'' and inserting ''subsection (l)'';

(E) in subsection (g)(3)(A), by striking ''(5) of this section'' and inserting ''(5) of this subsection'';

(F) in subsection (i), by redesignating paragraph (5) as paragraph (4);

(G) in subsection (m)(3), by striking subparagraph (E) and by redesignating subparagraphs (F), (G), and (H) as subparagraphs (E), (F), and (G), respectively;

(H) in subsection (m)(7)(A), by striking ''during period'' and inserting ''during the period'';

and

(I) in subsection (o)(3)(D), by striking ''sections 5(s) and (t) of this Act'' and inserting ''subsections (s) and (t) of section 5''.

(g) AMENDMENTS TO THE NATIONAL HOUSING ACT.—The National Housing Act (12 U.S.C. 1701 et seq.) is amended—

(1) in section 317(b)(1)(B) (12 U.S.C. 1723i(b)(1)(B)), by striking ''Bank Insurance Fund for banks or through the Savings Association Insurance Fund for savings associations'' and inserting ''Deposit Insurance Fund''; and

(2) in section 536(b)(1)(B)(ii) (12 U.S.C. 1735f–14(b)(1)(B)(ii)), by striking ''Bank Insurance Fund for banks and through the Savings Association Insurance Fund for savings associations'' and inserting ''Deposit Insurance Fund''.

(h) AMENDMENTS TO THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989.—The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1811 note) is amended—

(1) in section 951(b)(3)(B) (12 U.S.C. 1833a(b)(3)(B)), by inserting ''and after the merger of such funds, the Deposit Insurance Fund,'' after ''the Savings Association Insurance Fund,''; and

(2) in section 1112(c)(1)(B) (12 U.S.C. 3341(c)(1)(B)), by striking ''Bank Insurance Fund, the Savings Association Insurance Fund,'' and inserting ''Deposit Insurance Fund''.

(i) AMENDMENT TO THE BANK HOLDING COMPANY ACT OF 1956.—The Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended—

(1) in section 2(j)(2) (12 U.S.C. 1841(j)(2)), by striking ''Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund''; and

(2) in section 3(d)(1)(D)(iii) (12 U.S.C. 1842(d)(1)(D)(iii)), by striking ''appropriate deposit insurance fund'' and inserting ''Deposit Insurance Fund''.

(j) AMENDMENTS TO THE GRAMM-LEACH-BLILEY ACT.—Section 114 of the Gramm-Leach-Bliley Act (12 U.S.C. 1828a) is amended by striking ''any Federal deposit insurance fund'' in subsection (a)(1)(B), paragraphs (2)(B) and (4)(B) of subsection (b), and subsection (c)(1)(B), each place that term appears and inserting ''the Deposit Insurance Fund''.

(k) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the first day of the first calendar quarter that begins after the end of the 90-day period beginning on the date of the enactment of this Act.

AMENDMENT OFFERED BY MRS. MALONEY

Mrs. MALONEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. MALONEY:

Page 4, line 8, strike ''For purposes'' and insert ''Except as provided in subparagraph (G), for purposes''.

Page 4, line 15, insert ''with respect to any qualified insured depository institution'' before the comma at the end.

Page 7, line 2, strike the closing quotation marks and the 2nd period.

Page 7, after line 2, insert the following new subparagraph:

''(G) CONDITIONS FOR INCREASED DEPOSIT INSURANCE COVERAGE.—

''(i) IN GENERAL.—For purposes of subparagraph (E)(ii), an insured depository institution shall be treated as a qualified insured depository institution only if—

''(I) in the process of posting credits and debits against a checking account used primarily for personal, family, or household purposes after the close of any business day, the depository institution credits all deposits to the account before debiting any check drawn on the account and presented to the depository institution for payment; and

''(II) the depository institution imposes no fee for paying any check drawn on an account in spite of a lack of sufficient funds in the account to pay such check or any similar activity (commonly referred to as 'bounce protection') unless the accountholder has affirmatively requested such service.

''(ii) NONQUALIFIED INSURED DEPOSITORY INSTITUTIONS.—The standard maximum insurance amount applicable to any insured depository institution that is not a qualified insured depository institution shall be the amount described in subparagraph (E)(i) without regard to the effective date referred to in such subparagraph or any adjustment under subparagraph (F).''.

Mrs. MALONEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. MALONEY. Mr. Chairman, first of all, I would like to thank the gentleman from Massachusetts (Mr. FRANK) our ranking member, and the gentleman from Ohio (Mr. OXLEY), our chairman, for working in a bipartisan way for truly the grand goal of safety and soundness in our financial systems and keeping them competitive in the world financial market.

My amendment is one that I am going to offer and withdraw, because the chairman has generously offered to work with me in committee under a separate introduced bill to pass the intent of this. And what my amendment would do is that it would prevent banks from charging customers bounced check fees when the money is already there in the bank, and when it is simply a matter of which journal entry the bank makes first.

We did have a hearing on this earlier in the Committee on Financial Services. And some of the banks' representatives testified that many banks do this already. So this amendment would simply require all banks to do so consistently and prevent abuses.

In other words, if money is there, but it has been deposited, then you cannot withdraw that money, the deposited money should be credited before the money is withdrawn from the bank.

My amendment would also prevent banks from charging customers for overdraft protection when the customer has not requested this service. Again, this is simple and fair and straightforward. And sometimes, in some cases in some banks, the overdraft protection costs more than the overdraft penalty.

So it would really prevent hidden charges and fees for services customers have not even asked for, in this case, financial institutions. So I have been assured that by the parliamentarian that my amendment would be immune from a point of order. The Committee on Rules accepted it.

But I will be withdrawing it with the consideration of the chairman to fully discuss this in committee, and I yield to the gentleman from Ohio (Mr. OXLEY) our chairman, and I thank you for working in a bipartisan way on this and so many other issues.

Mr. OXLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. MALONEY. I yield to the gentleman from Ohio.

Mr. OXLEY. Mr. Chairman, I thank the gentlewoman for yielding, and I appreciate her cooperation in this area. I think all of us recognize some of the potential issues that are inherent in passage of Check 21.

It is also important to notice that about 1 percent of the checks today are being truncated, so we are early into the process here. It is also important to note that under the provision of Check 21, the Fed is empowered should they see an imbalance between the deposits and withdrawals to not only draw attention to it, but to deal with it.

The study, of course, will not be completed for about 2 years. And as a result I think it is important for the committee, as we have discussed before and I discussed with the ranking member, to have the committee continue to monitor the situation, and we would do so, and to that end, I would indicate to my friend, the gentlewoman from New York (Mrs. MALONEY) that we would plan to hold an oversight hearing on that specific issue. I will be glad to work with the gentlewoman from New York (Mrs. MALONEY) as far as the potential witnesses are concerned.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentlewoman yield?

Mrs. MALONEY. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the gentlewoman from New York (Mrs. MALONEY). She has been very much in the forefront overseeing this issue. Along with her, I and others have written some letters to the Federal Reserve. We have been staying very much on top of this.

The gentlewoman has been performing a real service, and I appreciate the cooperation of the chairman. I look forward to our being able to work together to make sure that consumers are protected.

Mrs. MALONEY. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. ROHRABACHER

Mr. ROHRABACHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROHRABACHER:

Strike section 3 of the bill (and redesignate the subsequent sections and any cross reference to any such section and conform the table of contents accordingly).

Mr. ROHRABACHER. Mr. Chairman, let me reiterate that I do this with great respect to the gentleman from Alabama (Mr. BACHUS) and the gentleman from Ohio (Mr. OXLEY) and the gentleman from Massachusetts (Mr. FRANK) who put a great deal of time and effort into this bill and this legislation.

I have a fundamental philosophical disagreement about Federal Deposit Insurance. But I have no doubt that they have worked hard to try to produce some good legislation here.

With that said, I offer this amendment on behalf of myself and the gentlewoman from New York (Mrs. MALONEY). The Rohrabacher-Maloney amendment would strike out section 3, keeping the Federal Deposit Insurance at its current level of $100,000 per account.

Let me note the argument was made earlier that simply by raising insurance, for example, from $100,000 to $130,000, would that, we were asked, make people more irresponsible if it was car insurance, and you just increased the car insurance from $100,000 to $130,000? The answer is, yes, if someone else was paying for the car insurance.

If somebody gave whatever it is, if the Federal Government ends up coming in and saying, if all else fails, do not worry, you are going to get paid off, because we are going to pay it, the taxpayers will pay it in the end, if this whole system fails we are there. Yeah, people who ended up not having to take that responsibility off their shoulders, the institutions might be a little less responsible, and, of course, the individuals themselves might be less responsible in picking out where to put their money.

This bill also increases to $260,000 retirement accounts, the deposit insurance for that, and $2 million per account for municipalities. Well, this, as I say right in the beginning, the FDIC was supposed to be for the little guy. And, again, there has been the argument that the gentleman from Massachusetts (Mr. FRANK) gave, well, $100,000 or $130,000 these days is the little guy. Well, that is if you are counting one account. Everybody involved in this knows that we are taking about multiple accounts.

Now we are talking about multiple accounts of $130,000 per account, and, yeah, someone who has 10 accounts at $130,000 is someone who I would catalog as rich. But, I just say this much, yes, if someone has $1.3 million in various accounts that are going to be ultimately guaranteed by the Federal Government, and the question is, where

does this money come from? Does it come from, yes, the banks and the savings and loans?

Well, it comes, yes, from the banks and savings and loans. But, what is important is, the ultimate guarantor is the Federal Government, otherwise we would not be talking about that.

But, when we put the taxpayers on the ultimate hook, will it ever happen? Well, it has happened, and I have seen it happen, and you have seen it happen. And this bill may or may not make that less likely. In fact, when you combine the deposit insurances, and put them together, yes it might add some strength to the system, but it also means that if the system collapses, it collapses big time, big time collapse; not just medium time collapse, but a big time collapse.

So could it happen? Yes, it could happen. I think that things like this happen, like the savings and loan debacle, because fundamental principles are ignored. And the fundamental principles are people should be responsible for their own money, and that institutions should be responsible.

If they commit acts or they are charging too much or their expenses are too high, or they are not competent enough, people should not be placing their money in that institution simply because there is a guarantee, there is a deposit guarantee, which is what we have now.

By ignoring these fundamental principles, you have less responsibility on the part of the depositor and less responsibility on the part of the financial institution. So here we are, faced with a major jump in the deposit insurance. What are we going to do?

I think it is about time to reexamine the fundamental issue of whether or not we should be guaranteeing this deposit insurance in the first place. And I will say, as I have said before, I watched this happen during the Reagan administration. In 1980, they dramatically increased the deposit insurance, and do not tell me that there have not been people, well known economists suggesting that that was a major cause of the savings and loan debacle, they are.

Because, even today Alan Greenspan, Milton Friedman and others oppose this increase in the deposit insurance for that very reason, because they have seen that this makes the system more vulnerable, and we should not be doing that.

With that, I would suggest that I would hope that people could vote for my amendment to strike section 3 out, which would then increase that.

□ 1515

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the gentleman from California (Mr. ROHRABACHER) simply multiplies his mathematical difficulty. He said, well, when I said if you have $100,000 under his calculations, you are a little guy but if you have 130,000 you are rich. He says, but what if you have 10 times $130,000? The answer is, well, what if you have 10 times 100,000? Thirty percent is still 30 percent.

So the fact is that he is ascribing to a 30 percent increase a qualitative impact that simply will not stand up to analysis. He says, well, you can have 10 accounts and you would have 1.3 million. Yes, and you could have 10 accounts and have 1 million.

So the difference is really quite small. I must say even when the gentleman from Alabama (Mr. BACHUS), with whom I agree here, talked about this will save people, $30,000 is not going to make a big difference one way or the other. I believe it is a step in the right direction.

First of all, understand that much of the argument for this comes from smaller institutions who fear the negative competitive effect of the doctrine of ''too big to fail.'' By the way, the large institutions are on the whole not for this. The large institutions feel that if people are worried about a bank failure affecting their accounts, if they have more than the insured amount they will put it in the largest possible institution to the detriment of smaller institutions. I do not think it is a good thing for there to be that kind of competitive pressure exercised against smaller banks. That is why they are very strong advocates of this.

Mr. OXLEY. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Ohio.

Mr. OXLEY. Mr. Chairman, it occurred to me as I was listening to my friend from California, we could go back to the old days of giving out toasters for deposits. I would say that the system we have now, I have not heard of toaster promotion for a long time, mercifully, but it certainly seems to me that the consumer, saver, investor is a lot more sophisticated than they ever were and they will not be lured by toaster opportunities as opposed to depositing it into an institution where they feel comfortable that their deposit is indeed insured.

Mr. FRANK of Massachusetts. I thank the gentleman.

The other thing I want to do is to disagree very strongly with the gentleman from California (Mr. ROHRABACHER) on the causality of the savings and loan crisis.

I do not believe, having served here at the time, and I have seen very few analyses that said the deposit insurance issue was effective, it increased the cost but it was not the cause of the failure. And those are really two quite distinct things.

The causes of the failure I believe were two. First of all, we imprudently loosened substantially what savings and loans, thrift institutions could invest their money in. So they became invested in things that were much less insured. They were not just doing houses; they were doing a lot of open land, et cetera.

Secondly, this Congress in 1981 passed tax legislation that greatly inflated the value of real estate and then in 1986 undid it. If you wanted a dictionary example of going from one extreme to another, it was the treatment of real property and real estate in the 1981, 1986 tax act. So we kind of baited and switched people.

In the 1981 act we gave, I say ''we'' because I voted against the 1981 act. I vote for the 1986 act, but Congress gave people incentive to invest in real estate. And because of the tax advantages, it made sense to buy an empty building and not have anybody in there in some cases literally because of the tax advantages. But in 1986 we rationalized the Tax Code, but we did it too rapidly and there were people caught in the middle. I believe those were the two major causes.

I agree that increasing deposit insurance raised the cost of it, but I do not think it is causal. Just to go back, I think, frankly, it is the least sophisticated saver who we protect by raising this rate.

The gentleman said correctly, you can open 10 accounts, 12 accounts, 13 accounts; but more sophisticated people unfortunately, the deposit insurance limit is not very effective against them; but there are people of less sophistication, less ability to be mobile, and they are the ones who do it. I do not think if your life savings is $130,000 you are rich. And I think trying to protect the least sophisticated people that way and to preserve against unfair competitive pressures on smaller institutions justifies the bill.

Mr. ROHRABACHER. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from California.

Mr. ROHRABACHER. If that is the criteria we are using, why do we not then limit it to one account because the less sophisticated people will not have multiple accounts.

Mr. FRANK of Massachusetts. May I ask the gentleman a question. Did someone keep the gentleman from offering that amendment? Why did the gentleman not offer that amendment? It is the gentleman's amendment. Is the gentleman criticizing me for his amendment?

If the gentleman thinks his amendment should be different, make it different.

Mr. ROHRABACHER. Would the gentleman support that one?

Mr. FRANK of Massachusetts. Well, we will deal with this one; and when the gentleman brings that amendment up, we will deal with that one.

I want to make it very clear. I did not stop the gentleman from offering any amendment he wanted to.

Mr. ROHRABACHER. I thank the gentleman very much.

Mr. BACHUS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, one thing the gentleman from California (Mr. ROHRABACHER) mentioned and I would like

to say in his defense: he has triplets at home, so I think we ought to have a lot of patience for the gentleman. They are very young. One-year-old triplets.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BACHUS. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I think we would all agree that that would certainly justify at least three accounts. One for each child.

Mr. BACHUS. Second, the gentleman did mention the fact that we do have a provision in here covering municipal deposits or government deposits and that is for $2 million. The reason we did that is not to protect the big guy or the rich guy.

The reason we did that is from time to time a school system or a city or a county or a governmental retirement system will put $2 million or $1.5 million in a bank and it is really not practical for them to go around and put $100,000 in each bank. And that is basically as a result of the American Association of School Boards and others saying not only do we want to deposit more than that, but in several States, particularly the Farm Belt, there is only one hometown institution. And the school board or the government or the city or the fire district wants to deposit their money in their own hometown. And that is to allow that.

Mr. OXLEY. Mr. Chairman, will the gentleman yield?

Mr. BACHUS. I yield to the gentleman from Ohio.

Mr. OXLEY. Mr. Chairman, the gentleman raises an excellent point. Our good colleague, the gentleman from Ohio (Mr. GILLMOR), this is his contribution to this legislation, because as he shares the district that is next to mine, a number of small communities that have exceeded that amount of $100,000, they are under a fiduciary responsibility to have that money protected by the FDIC. And what it has done, of course, is drive some of that money out of the small communities and into larger communities so you cannot put that money to use in the community.

So I want to associate myself with the gentleman's remarks. I am glad the gentleman brought that issue up because it is a very important part of this legislation.

Mr. BACHUS. Mr. Chairman, I have two counties, one is Bibb County, one is Shelby County. The school board in those counties is forced to take about 96 percent of their money and deposit it out of county because there are only two hometown institutions, and they would like to deposit in those, as long as those are rated A institutions, and again I say that they are paying a premium on their deposits for this coverage.

The second thing I would say is if the gentleman will go back to 1980, what you had is we deregulated the savings and loans. We made tremendous changes in their mission. And at that time they had 30-year mortgages. They had loaned out money at 4 percent, 4.5 percent, 5 percent. From 1979 to 1981, the interest rates increased, the Federal Reserve continued to increase the interest rate because of inflation, which the gentleman from Massachusetts (Mr. FRANK) mentioned, and they drove the interest rate up above 20 percent. The prime rate was 21 percent.

So the savings and loans were having to borrow money at 21 percent and had loaned it out at 4 and 5 percent; and predictably, particularly in Texas where the price of oil fell, the savings and loans in Texas started failing one right after the other. And as I said earlier, if it were this increase from 40 to 100,000, you would have expected to see it show up in the banks; you would expect it to show up throughout the Nation.

I do not think the people in Texas where most of the first failures occurred, Louisiana, I do not think they were engaged in any more fraudulent conduct or reckless behavior except that what they were doing, that was a boom economy in Texas and property values shot up, and there was a bubble and they came back down.

But during all of that, the bank fund did not fail. And as I have said before, before one dollar of taxpayer money comes out of this account, it requires the funds to be exhausted. It, second, requires the banks, their assets to be liquidated, and only at that point would the taxpayer step in. That would be a heck of a depression. And I think that would be a depression made only worse if school boards, governments lost their deposits, if people lost their 401(k)s, if they lost any of their savings above $100,000, businesses who had accounts. And some of those might be rich people, the guy that owns the small business and has $400,000 or $600,000 deposited or a contracting company that has just been paid on a contract.

I think it would make the recession or depression or economic shock that much worse. I believe that this legislation is sound legislation and should be supported.

Mrs. MALONEY. Mr. Chairman, I rise in support of the amendment.

I believe the immediate 30 percent increase in insurance coverage in the bill is a serious mistake. The coverage increase to $130,000 is opposed by most of the Federal financial service regulators.

Proponents of the increased coverage argue that it poses no risk to the insurance system, but the regulators who oppose this increase are the very officials whose job it is to protect the safety and soundness of the financial system. The almost unanimous opposition to increased coverage by the regulators is a very powerful message.

I would like to really quote some of these regulators. Alan Greenspan has come out very strongly opposed to it. He said, ''It is unlikely that increased coverage, even by indexing, would add to the stability of the banking system today.''

The Undersecretary of the Treasury for Domestic Monetary Policy, Peter Fisher, said, ''Increasing the overall coverage limit would weaken market discipline and further increase the level of risk to the FDIC and to taxpayers.''

Mr. Chairman, I would like to put in the RECORD quotes from the Comptroller of the Currency, the Director of the Office of Thrift Supervision, and the Congressional Budget Office, all raising questions and in opposition to this raise.

Another argument put forth by proponents of coverage increases is that inflation has eroded deposit insurance. I do not believe that this argument matches the actual situation of the banking industry. The fact is that only 2 percent of insured accounts have more than $100,000 according to the Federal Reserve.

Mr. Chairman, at the appropriate time I would like to place this study into the RECORD.

The same Federal Reserve study put the average account balance at $6,000 across America. Any way you look at it, the increase in coverage will benefit very few depositors.

Proponents of increasing coverage also contend that because insurance premiums are paid by banks, increasing coverage does not cost taxpayers. While I concede the point, I think we also have to remember that behind the Federal deposit insurance funds is the full faith and credit of the United States Government.

Since I joined the Committee on Financial Services in 1993 at the close of the S&L crisis, I have been committed as all of my colleagues are on both sides of the aisle to protecting the safety and soundness of the banking system.

□ 1530

While I concede and agree with my colleagues that the causes of the S&L failures were many, the fact is that standing behind the insurance system are our constituent taxpayers. The bailout we voted for was constituent taxpayer dollars to bail out the S&L.

No matter what the reasons are for a future bank failure or a string of failures, there could be many reasons for them, by raising the insurance coverage, we increase the potential liability of the government and, thereby, the American taxpayer.

I also believe that raising the coverage may encourage the concept of moral hazard. Institutions will be encouraged to engage in riskier behavior to boost earnings if they know that failure is ensured by the Federal Government.

I would also like to place in the RECORD a letter to Members of Congress from The Financial Services Roundtable, which very strongly supports the underlying bill, which is a

fine piece of work that has passed this body two times previously, but also raises many concerns about raising the limit to $130,000.

The material that I referred to previously I will insert into the RECORD at this point.

THE FINANCIAL SERVICES ROUNDTABLE,
Washington, DC, April 22, 2005.

Hon. BARNEY FRANK,
House of Representatives,
Washington, DC.

DEAR BARNEY: I would like to commend you on your leadership and continued efforts on deposit insurance reform. An effective deposit insurance system is critical to the economy and maintaining public confidence in the U.S. banking system. The Roundtable is committed to working with the Financial Services Committee to develop reasonable, responsible deposit insurance reform legislation that the Roundtable and the industry can support.

The Roundtable supports the passage of H.R. 1185, the ''Federal Deposit Insurance Reform Act of 2005.'' We also support the adoption of the ''Managers Amendment.''

The Financial Services Roundtable, a national association representing 100 of the largest integrated financial services companies that together constitute nearly 70 percent of the deposit insurance assessment base, believe that H.R. 1185 will help assure a sound deposit insurance system. In particular, we believe a major improvement to the bill was a provision that stated no insured depository institution shall be barred from the lowest-risk category solely because of size.

Further, the Roundtable supports: Merging the Bank Insurance Fund (''BIF'') and the Savings Association Insurance Fund (''SAIF''). A combined BIF/SAIF would be stronger and more resilient. The provision in your bill that caps the FDIC's assessment authority at 1 basis point for those institutions in the lowest-risk category. The bill's study of the effectiveness of the prompt corrective action program, and a strong system of credits and rebates such as you have in your legislation.

We remain concerned about provisions in the bill that would increase deposit insurance coverage limits. Our members believe that raising coverage limits could weaken market discipline and increase risk to the FDIC, all insured institutions, and ultimately American taxpayers. Federal Reserve Board Chairman Alan Greenspan has stated there is no evidence that an increase in coverage levels would promote competition or materially improve the ability of financial institutions to obtain funds. As Chairman Greenspan noted, the evidence in recent years shows that financial institutions of all sizes have not experienced difficulty in obtaining funding from insured or uninsured deposits. For those customers with substantial deposits, ample opportunities exist to obtain FDIC coverage equal to several multiples of $100,000. Since the FDIC is in good shape financially, there is no need to grant the FDIC additional authority to levy deposit insurance premiums.

Thank you again for your leadership on deposit insurance reform and your consideration of the Roundtable's views on this important matter. We look forward to working with you as this legislation moves through the legislative process. If you or your staff have any questions or would like to discuss these issues further, please call Irving Daniels or me at (202) 289–4322.

Best regards,

STEVE BARTLETT,
President and CEO.

KEEP DEPOSIT INSURANCE SAFE AND SOUND SUPPORT THE ROHRABACHER-MALONEY AMENDMENT TO H.R. 1185

''It is unlikely that increased coverage, even by indexing, would add measurably to the stability of the banking system today.''—Federal Reserve Board Chairman Alan Greenspan

''Increasing the overall coverage limit could weaken market discipline and further increase the level of risk to the FDIC and taxpayers.''—Undersecretary of Treasury for Domestic Monetary Policy Peter Fisher

''We see no compelling evidence that increased coverage levels would offer depositors substantial benefits.''—Comptroller of the Currency John D. Hawke, Jr.

''Increasing the current insurance coverage level to $130,000 would incur significant costs for insured institutions since premiums would necessarily be increased.

The benefits of an increase are unclear. I have heard from many of our institutions that they see no merit to bumping up the current limit for standard accounts. In their view, projected increases in insured deposits would not lead to a substantive increase in new accounts.''—Director of the Office of Thrift Supervision James E. Gilleran

''CBO estimates H.R. 522 would increase the net cost of resolving failed financial institutions by $2.1 billion over the next ten years.''—Congressional Budget Office Cost Estimate

The Acting CHAIRMAN (Mr. GINGREY). The question is on the amendment offered by the gentleman from California (Mr. ROHRABACHER).

The amendment was rejected.

The Acting CHAIRMAN. Are there any other amendments?

If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The Acting CHAIRMAN. Accordingly, under the rule, the Committee will now rise.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PUTNAM) having assumed the Chair, Mr. GINGREY, Acting Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1185) to reform the Federal deposit insurance system, and for other purposes, pursuant to House Resolution 255, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The Acting CHAIRMAN. Under the rule, the previous question is ordered.

The question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. There will be a 5-minute vote after this vote on the motion to suspend.

The vote was taken by electronic device, and there were—yeas 413, nays 10, not voting 10, as follows:

[Roll No. 157]

YEAS—413

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bass
Bean
Beauprez
Becerra
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boren
Boswell
Boucher
Boustany
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burton (IN)
Butterfield
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carnahan
Carson
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Cleaver
Clyburn
Coble
Cole (OK)
Conaway
Conyers
Costa
Costello
Cox
Cramer
Crenshaw
Crowley
Cubin
Cuellar
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (KY)
Davis (TN)
Davis, Tom
Deal (GA)
DeGette
Delahunt
DeLauro
DeLay
Dent
Dicks
Dingell
Doggett
Doolittle
Doyle
Dreier
Duncan
Edwards
Ehlers
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Fitzpatrick (PA)
Foley
Forbes
Ford
Fortenberry
Fossella
Foxx
Frank (MA)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green (WI)
Green, Al
Green, Gene
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hayes
Hayworth
Hefley
Hensarling
Herseth
Higgins
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inglis (SC)
Inslee
Israel
Issa
Istook
Jackson (IL)
Jefferson
Jenkins
Jindal
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick (MI)
Kind
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
Kucinich
Kuhl (NY)
LaHood
Langevin
Lantos
Larsen (WA)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel E.
Lynch
Mack
Maloney
Manzullo
Marchant
Markey
Marshall
Matheson
Matsui
McCarthy
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McDermott
McGovern
McHenry
McHugh
McIntyre
McKeon
McKinney
McMorris
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Menendez
Mica
Michaud
Millender-McDonald

Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Pomeroy
Porter
Price (GA)
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Saxton
Schakowsky
Schiff
Schwartz (PA)
Schwarz (MI)
Scott (GA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Sodrel
Solis
Souder
Spratt
Stearns
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Westmoreland
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—10

Cooper
Davis, Jo Ann
DeFazio
Flake
Paul
Rohrabacher
Royce
Sanders
Stark
Taylor (MS)

NOT VOTING—10

Brown (OH)
Diaz-Balart, L.
Diaz-Balart, M.
Drake
Franks (AZ)
Hastings (WA)
Herger
Jackson-Lee (TX)
Larson (CT)
Scott (VA)

□ 1558

Mrs. JO ANN DAVIS of Virginia and Mr. STARK changed their vote from ''yea'' to ''nay.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. HERGER. Mr. Speaker, on rollcall No. 157 I was unavoidably detained. Had I been present, I would have voted ''yea.''

Mrs. DRAKE. Mr. Speaker, on rollcall No. 157, I regret that I was unable to return quickly enough for this vote. I was at the Pentagon for an awards presentation for an environmental award presented to a Command at Naval Base Norfolk. Had I been present, I would have voted ''yea.''

RECOGNIZING THE 60TH ANNIVERSARY OF VICTORY IN EUROPE (V–E) DAY DURING WORLD WAR II

The SPEAKER pro tempore (Mr. PUTNAM). The unfinished business is the question of suspending the rules and agreeing to the resolution, House Resolution 233, as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and agree to the resolution, House Resolution 233, as amended, on which the yeas and nays are ordered.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 423, nays 0, not voting 10, as follows:

[Roll No. 158]

YEAS—423

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bass
Bean
Beauprez
Becerra
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boren
Boswell
Boucher
Boustany
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burton (IN)
Butterfield
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carnahan
Carson
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Cleaver
Clyburn
Coble
Cole (OK)
Conaway
Conyers
Cooper
Costa
Costello
Cox
Cramer
Crenshaw
Crowley
Cubin
Cuellar
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (KY)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dent
Dicks
Dingell
Doggett
Doolittle
Doyle
Drake
Dreier
Duncan
Edwards
Ehlers
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Fitzpatrick (PA)
Flake
Foley
Forbes
Ford
Fortenberry
Fossella
Foxx
Frank (MA)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green (WI)
Green, Al
Green, Gene
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hayes
Hayworth
Hefley
Hensarling
Herger
Herseth
Higgins
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inglis (SC)
Inslee
Israel
Issa
Istook
Jackson (IL)
Jefferson
Jenkins
Jindal
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick (MI)
Kind
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
Kucinich
Kuhl (NY)
LaHood
Langevin
Lantos
Larsen (WA)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel E.
Lynch
Mack
Maloney
Manzullo
Marchant
Markey
Marshall
Matheson
Matsui
McCarthy
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McDermott
McGovern
McHenry
McHugh
McIntyre
McKeon
McKinney
McMorris
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Pomeroy
Porter
Price (GA)
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Saxton
Schakowsky
Schiff
Schwartz (PA)
Schwarz (MI)
Scott (GA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Sodrel
Solis
Souder
Spratt
Stark
Stearns
Strickland
Stupak
Sullivan
Sweeney
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Westmoreland
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—10

Brown (OH)
Diaz-Balart, L.
Diaz-Balart, M.
Franks (AZ)
Hastings (WA)
Jackson-Lee (TX)
Kaptur
Larson (CT)
Scott (VA)
Tancredo

□ 1609

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Ms. JACKSON-LEE of Texas. Mr. Speaker, I ask to place in the RECORD that I was on the floor of the House when the gavel was gaveled on the last vote, and I would like to indicate on two preceding votes that if I was present, on H. Res. 233, I would have voted ''yea.'' On final passage of H.R. 1185, I would have voted ''yea.''

PERSONAL EXPLANATION

Mr. FRANKS of Arizona. Mr. Speaker, due to a scheduling conflict, I was unable to be on the floor of the House of Representatives during the last series of votes on May 4, 2005. If I had been, I would have cast a "yes" vote on H.R. 1185, Final Passage of the Federal Deposit Insurance Reform Act of 2005, and a "yes" vote on H. Res. 233, Recognizing the 60th Anniversary of Victory in Europe (V–E) Day.

PERSONAL EXPLANATION

Mr. LARSON of Connecticut. Mr. Speaker, I would like to submit this statement for the RECORD and regret that I could not be present today, Wednesday May 4, 2005 to vote on rollcall vote Nos. 153, 154, 155, 156, 157 and 158 due to a family medical emergency.

Had I been present, I would have voted:

"Yea" on rollcall vote No. 153 on the motion to recommit H.R. 366 to the Committee on Education and the Workforce;

"Yea" on rollcall vote No. 154 on final passage of H.R. 366—The Vocational and Technical Education for the Future Act;

"Yea" on rollcall vote No. 155 on H. Con. Res. 127—Calling on the Government of the Federal Republic of Nigeria to transfer Charles Ghankay Taylor, former President of the Republic of Liberia, to the Special Court for Sierra Leone to be tried for war crimes, crimes against humanity, and other serious violations of international humanitarian law;

"Yea" on rollcall vote No. 156 on H. Res. 195—Recognizing the 60th anniversary of Victory in Europe (VE) Day and the Liberation of Western Bohemia;

"Yea" on rollcall vote No. 157 on H.R. 1185—Federal Deposit Insurance Reform Act; and,

"Yea" on rollcall vote No. 158 on H. Res. 233—Recognizing the 60th anniversary of Victory in Europe (V-E) Day during World War II.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 1185, FEDERAL DEPOSIT INSURANCE REFORM ACT OF 2005

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 1185, the Clerk be authorized to correct section numbers, punctuation, and cross-references and to make such other technical and conforming changes as may be necessary to reflect the actions of the House.

The SPEAKER pro tempore (Mr. PUTNAM). Is there objection to the request of the gentleman from Virginia?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. ROS-LEHTINEN) is recognized for 5 minutes.

(Ms. ROS-LEHTINEN addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

BUSH ADMINISTRATION IS LETTING OUR TROOPS DOWN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, this past Sunday, May 1, marked the 2-year anniversary of President Bush's aircraft carrier news event in which he declared ''Mission Accomplished'' in Iraq. Two years later, our troops are still facing a strong insurgence that shows no sign of slowing down.

Our troops are doing valiant work, but that sadly is not always enough. I will include for the CONGRESSIONAL RECORD a New York Times investigative report from April 25 titled, ''Bloodied Marines Sound Off About Want for Armor and Men.'' The article should be required reading for every Member of this House, as well as the high-ranking military and civilian personnel at the Department of Defense.

Times reporter Michael Moss interviewed Marines from Company E who served a 6-month stint in Iraq last year. During that time, Company E endured the highest casualty rate of any marine company in the war. According to the Times, ''More than one-third of the unit's 185 troops were killed or wounded during that time.''

Several months after the beginning of the war as Congress was debating its first emergency supplemental, we were all alerted to the fact that our troops did not have the equipment they needed to adequately do their job and to protect themselves from extreme harm or death. We heard they did not have the body armor they needed, nor did the Humvees come with the necessary protective steel armor to protect them from being easy targets of insurgents.

□ 1615

The situation became so dire for our troops that one brave National Guardsman last year asked Secretary Rumsfeld when the troops would have the protective gear they had already been promised. Secretary Rumsfeld could not give the Guardsman an adequate response at the time. As the press began to question the Bush administration about this outrageous neglect of our troops, President Bush came out and stated, ''The concerns expressed are being addressed, and that is we expect our troops to have the best possible equipment and I have told many families I met with, 'We're doing everything we possibly can to protect your loved ones in a mission which is vital and important.' ''

The New York Times report clearly shows that the Bush administration has not done enough to protect our troops. As the House prepares to vote tomorrow on another $82 billion supplemental to fund the war, bringing the total cost to $300 billion, it is hard to believe that the Bush administration, particularly Defense Secretary Rumsfeld, has not made protecting our troops in Iraq a main priority.

Mr. Speaker, we have now lost more than 1,600 troops in Iraq, but the Defense Department has no idea how many of these troops have died because they did not receive the proper supplies from the leaders that sent them into harm's way. Would you believe that we do not have those numbers because the Defense Department chooses only to list casualties as ''killed in combat''?

However, the New York Times story gives a grim report on how the lack of protection affected Company 13. According to the Times, ''The biggest danger the men faced came in traveling to and from camp; 13 of the 21 men who were killed had been riding in Humvees that failed to deflect bullets or bombs.'' I repeat, 13 of 21, or almost two-thirds of the men, were killed as a direct result of them not having access to armed Humvees. Again, this is last year. This is not 2 years ago at the beginning of the war.

Mr. Speaker, where is the Bush administration, particularly Secretary Rumsfeld, spending the billions of dollars this Congress has given them? The Pentagon says it will not have every Humvee suitably armed until the end of this year. That is simply unacceptable. Our brave troops should not have to wait another 8 months to have the proper protection they need to do their job. Sergeant James King, a member of Company E who lost one of his legs when he was blown out of a Humvee, said it best to the New York Times: ''As Marines, we are always taught that we do more with less and get the job done no matter what it takes.''

You would expect nothing less from our troops. They have not let us down. But, unfortunately, our troops have clearly been let down by the Bush administration.

[From the New York Times, Apr. 25, 2005]

BLOODIED MARINES SOUND OFF ABOUT WANT OF ARMOR AND MEN

(By MICHAEL MOSS)

CORRECTION APPENDED

A chart on April 25 with an article about a company of marines who fought in Iraq misstated the type of munition that the armor installed on their Humvees is capable of withstanding. It is a four-pound land mine, not a 155-millimeter howitzer round.

CORRECTED BY THE NEW YORK TIMES WED MAY 04 2005

On May 29, 2004, a station wagon that Iraqi insurgents had packed with C–4 explosives

blew up on a highway in Ramadi, killing four American marines who died for lack of a few inches of steel.

The four were returning to camp in an unarmored Humvee that their unit had rigged with scrap metal, but the makeshift shields rose only as high as their shoulders, photographs of the Humvee show, and the shrapnel from the bomb shot over the top.

''The steel was not high enough,'' said Staff Sgt. Jose S. Valerio, their motor transport chief, who along with the unit's commanding officers said the men would have lived had their vehicle been properly armored. ''Most of the shrapnel wounds were to their heads.''

Among those killed were Rafael Reynosa, a 28-year-old lance corporal from Santa Ana, Calif., whose wife was expecting twins, and Cody S. Calavan, a 19-year-old private first class from Lake Stevens, Wash., who had the Marine Corps motto, Semper Fidelis, tattooed across his back.

They were not the only losses for Company E during its six-month stint last year in Ramadi. In all, more than one-third of the unit's 185 troops were killed or wounded, the highest casualty rate of any company in the war, Marine Corps officials say.

In returning home, the leaders and Marine infantrymen have chosen to break an institutional code of silence and tell their story, one they say was punctuated not only by a lack of armor, but also by a shortage of men and planning that further hampered their efforts in battle, destroyed morale and ruined the careers of some of their fiercest warriors.

The saga of Company E, part of a lionized battalion nicknamed the Magnificent Bastards, is also one of fortitude and ingenuity. The marines, based at Camp Pendleton in southern California, had been asked to rid the provincial capital of one of the most persistent insurgencies, and in enduring 26 firefights, 90 mortar attacks and more than 90 homemade bombs, they shipped their dead home and powered on. Their tour has become legendary among other Marine units now serving in Iraq and facing some of the same problems.

''As marines, we are always taught that we do more with less,'' said Sgt. James S. King, a platoon sergeant who lost his left leg when he was blown out of the Humvee that Saturday afternoon last May. ''And get the job done no matter what it takes.''

The experiences of Company E's marines, pieced together through interviews at Camp Pendleton and by phone, company records and dozens of photographs taken by the marines, show they often did just that. The unit had less than half the troops who are now doing its job in Ramadi, and resorted to making dummy marines from cardboard cutouts and camouflage shirts to place in observation posts on the highway when it ran out of men. During one of its deadliest firefights, it came up short on both vehicles and troops. Marines who were stranded at their camp tried in vain to hot-wire a dump truck to help rescue their falling brothers. That day, 10 men in the unit died.

Sergeant Valerio and others had to scrounge for metal scraps to strengthen the Humvees they inherited from the National Guard, which occupied Ramadi before the marines arrived. Among other problems, the armor the marines slapped together included heavier doors that could not be latched, so they ''chicken winged it'' by holding them shut with their arms as they traveled.

''We were sitting out in the open, an easy target for everybody,'' Cpl. Toby G. Winn of Centerville, Tex., said of the shortages. ''We complained about it every day, to anybody we could. They told us they were listening, but we didn't see it.''

The company leaders say it is impossible to know how many lives may have been saved through better protection, since the insurgents became adept at overcoming improved defenses with more powerful weapons. Likewise, Pentagon officials say they do not know how many of the more than 1,500 American troops who have died in the war had insufficient protective gear.

But while most of Company E's work in fighting insurgents was on foot, the biggest danger the men faced came in traveling to and from camp: 13 of the 21 men who were killed had been riding in Humvees that failed to deflect bullets or bombs.

Toward the end of their tour when half of their fleet had become factory-armored, the armor's worth became starkly clear. A car bomb that the unit's commander, Capt. Kelly D. Royer, said was at least as powerful as the one on May 29 showered a fully armored Humvee with shrapnel, photographs show. The marines inside were left nearly unscathed.

Captain Royer, from Orangevale, Calif., would not accompany his troops home. He was removed from his post six days before they began leaving Ramadi, accused by his superiors of being dictatorial, records show. His defenders counter that his commanding style was a necessary response to the extreme circumstances of his unit's deployment.

Company E's experiences still resonate today both in Iraq, where two more marines were killed last week in Ramadi by the continuing insurgency, and in Washington, where Congress is still struggling to solve the Humvee problem. Just on Thursday, the Senate voted to spend an extra $213 million to buy more fully armored Humvees. The Army's procurement system, which also supplies the Marines, has come under fierce criticism for underperforming in the war, and to this day it has only one small contractor in Ohio armoring new Humvees.

Marine Corps officials disclosed last month in Congressional hearings that they were now going their own way and had undertaken a crash program to equip all of their more than 2,800 Humvees in Iraq with stronger armor. The effort went into production in November and is to be completed at the end of this year.

Defense Department officials acknowledged that Company E lacked enough equipment and men, but said that those were problems experienced by many troops when the insurgency intensified last year, and that vigorous efforts had been made to improve their circumstances.

Lt. Gen. James N. Mattis of Richland, Wash., who commanded the First Marine Division to which Company E belongs, said he had taken every possible step to support Company E. He added that they had received more factory-armored Humvees than any other unit in Iraq.

''We could not encase men in sufficiently strong armor to deny any enemy success,'' General Mattis said. ''The tragic loss of our men does not necessarily indicate failure—it is war.''

TROUBLE FROM THE START

Company E's troubles began at Camp Pendleton when, just seven days before the unit left for Iraq, it lost its first commander. The captain who led them through training was relieved for reasons his supervisor declined to discuss.

''That was like losing your quarterback on game day,'' said First Sgt. Curtis E. Winfree.

In Kuwait, where the unit stopped over, an 18-year-old private committed suicide in a chapel. Then en route to Ramadi, they lost the few armored plates they had earmarked for their vehicles when the steel was borrowed by another unit that failed to return it. Company E tracked the steel down and took it back.

Even at that, the armor was mostly just scrap and thin, and they needed more for the unarmored Humvees they inherited from the Florida National Guard.

''It was pitiful,'' said Capt. Chae J. Han, a member of a Pentagon team that surveyed the Marine camps in Iraq last year to document their condition. ''Everything was just slapped on armor, just homemade, not armor that was given to us through the normal logistical system.''

The report they produced was classified, but Captain Royer, who took over command of the unit, and other Company E marines say they had to build barriers at the camp—a former junkyard—to block suicide drivers, improve the fencing and move the toilets under a thick roof to avoid the insurgent shelling.

Even some maps they were given to plan raids were several years old, showing farmland where in fact there were homes, said a company intelligence expert, Cpl. Charles V. Lauersdorf, who later went to work for the Defense Intelligence Agency. There, he discovered up-to-date imagery that had not found its way to the front lines.

Ramadi had been quiet under the National Guard, but the Marines had orders to root out an insurgency that was using the provincial capital as a way station to Falluja and Baghdad, said Lt. Col. Paul J. Kennedy, who oversaw Company E as the commander of its Second Battalion, Fourth Marine Regiment.

Before the company's first month was up, Lance Cpl. William J. Wiscowiche of Victorville, Calif., lay dead on the main highway as its first casualty. The Marine Corps issued a statement saying only that he had died in action. But for Company E, it was the first reality check on the constraints that would mark their tour.

SWEEPING FOR BOMBS

A British officer had taught them to sweep the roads for bombs by boxing off sections and fanning out troops into adjoining neighborhoods in hopes of scaring away insurgents poised to set off the bombs. ''We didn't have the time to do that,'' said Sgt. Charles R. Sheldon of Solana Beach, Calif. ''We had to clear this long section of highway, and it usually took us all day.''

Now and then a Humvee would speed through equipped with an electronic device intended to block detonation of makeshift bombs. The battalion, which had five companies in its fold, had only a handful of the devices, Colonel Kennedy said.

Company E had none, even though sweeping roads for bombs was one of its main duties. So many of the marines, like Corporal Wiscowiche, had to rely on their eyes. On duty on March 30, 2004, the 20–year-old lance corporal did not spot the telltale three-inch wires sticking out of the dust until he was a few feet away, the company's leaders say. He died when the bomb was set off.

''We had just left the base,'' Corporal Winn said. ''He was walking in the middle of the road, and all I remember is hearing a big explosion and seeing a big cloud of smoke.''

The endless task of walking the highways for newly hidden I.E.D.'s, or improvised explosive devices, ''was nerve wracking,'' Corporal Winn said, and the company began using binoculars and the scopes on their rifles to spot the bombs after Corporal Wiscowiche was killed.

''Halfway through the deployment marines began getting good at spotting little things,'' Sergeant Sheldon added. ''We had marines riding down the road at 60 miles an hour, and they would spot a copper filament sticking out of a block of cement.''

General Mattis said troops in the area now have hundreds of the electronic devices to foil the I.E.D.'s.

In parceling out Ramadi, the Marine Corps leadership gave Company E more than 10 square miles to control, far more than the battalion's other companies. Captain Royer said he had informally asked for an extra platoon, or 44 marines, and had been told the battalion was seeking an extra company. The battalion's operations officer, Maj. John D. Harrill, said the battalion had received sporadic assistance from the Army and had given Company E extra help. General Mattis says he could not pull marines from another part of Iraq because ''there were tough fights going on everywhere.''

Colonel Kennedy said Company E's area was less dense, but the pressure it put on the marines came to a boil on April 6, 2004, when the company had to empty its camp—leaving the cooks to guard the gates—to deal with three firefights.

Ten of its troops were killed that day, including eight who died when the Humvee they were riding in was ambushed en route to assist other marines under fire. That Humvee lacked even the improvised steel on the back where most of the marines sat, Company E leaders say.

''All I saw was sandbags, blood and dead bodies,'' Sergeant Valerio said. ''There was no protection in the back.''

Captain Royer said more armor would not have even helped. The insurgents had a .50-caliber machine gun that punched huge holes through its windshield. Only a heavier combat vehicle could have withstood the barrage, he said, but the unit had none. Defense Department officials have said they favored Humvees over tanks in Iraq because they were less imposing to civilians.

The Humvee that trailed behind that day, which did have improvised armor, was hit with less powerful munitions, and the marines riding in it survived by hunkering down. ''The rounds were pinging,'' Sergeant Sheldon said. ''Then in a lull they returned fire and got out.''

Captain Royer said that he photographed the Humvees in which his men died to show to any official who asked about the condition of their armor, but that no one ever did.

Sergeant Valerio redoubled his effort to fortify the Humvees by begging other branches of the military for scraps. ''How am I going to leave those kids out there in those Humvees,'' he recalled asking himself.

The company of 185 marines had only two Humvees and three trucks when it arrived, so just getting them into his shop was a logistical chore, Sergeant Valerio said. He also worried that the steel could come loose in a blast and become deadly shrapnel.

For the gunners who rode atop, Sergeant Valerio stitched together bulletproof shoulder pads into chaps to protect their legs.

''That guy was amazing,'' First Sgt. Bernard Coleman said. ''He was under a vehicle when a mortar landed, and he caught some in the leg. When the mortar fire stopped, he went right back to work.''

A CAPTAIN'S FATE

Lt. Sean J. Schickel remembers Captain Royer asking a high-ranking Marine Corps visitor whether the company would be getting more factory-armored Humvees. The official said they had not been requested and that there were production constraints, Lieutenant Schickel said.

Recalls Captain Royer: ''I'm thinking we have our most precious resource engaged in combat, and certainly the wealth of our nation can provide young, selfless men with what they need to accomplish their mission. That's an erudite way of putting it. I have a much more guttural response that I won't give you.''

Captain Royer was later relieved of command. General Mattis and Colonel Kennedy declined to discuss the matter. His first fitness report, issued on May 31, 2004, after the company's deadliest firefights, concluded, ''He has single-handedly reshaped a company in sore need of a leader; succeeded in forming a cohesive fighting force that is battle-tested and worthy.''

The second, on Sept. 1, 2004, gave him opposite marks for leadership. ''He has been described on numerous occasions as 'dictatorial,'" it said. ''There is no morale or motivation in his marines.'' His defenders say he drove his troops as hard as he drove himself, but was wrongly blamed for problems like armor. ''Captain Royer was a decent man that was used for a dirty job and thrown away by his chain of command,'' Sergeant Sheldon said.

Today, Captain Royer is at Camp Pendleton contesting his fitness report, which could force him to retire. Company E is awaiting deployment to Okinawa, Japan. Some members have moved to other units, or are leaving the Marines altogether.

''I'm checking out,'' Corporal Winn said. ''When I started, I wanted to make it my career. I've had enough.''

The SPEAKER pro tempore (Mr. KUHL of New York). Under a previous order of the House, the gentleman from New Jersey (Mr. SMITH) is recognized for 5 minutes.

(Mr. SMITH of New Jersey addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ACCOMPLISHMENTS OF 109TH CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Kentucky. Ethics. The principles of honor and morality. The accepted rules of conduct. The moral principles of an individual.

Mr. Speaker, the 109th Congress recently passed its 100-day mark, and I would like to reflect on the progress we have made under the strong leadership of the Republican Party to create jobs, to strengthen the economy, support our troops, and to protect our borders. And we have done this with strong bipartisan support as wiser, calmer heads have prevailed on the other side of the aisle.

The energy bill, supported by 41 Democrats. This bill will create nearly half a million new jobs in the manufacturing, construction, agriculture and technology sectors by reducing our dependency on foreign oil while exploring domestic sources and alternative energy sources. This was opposed by the minority leader.

Class action reform, supported by 73 Democrats. This will unclog overused courts, end the harassment of local businesses by stopping predatory forum shopping by some trial attorneys and will protect consumers with a consumer class action bill of rights. Small businesses pay an average of $88 billion each year on lawsuits and this cost is simply passed on to consumers. This money could be much better spent growing businesses and creating jobs. This bill was opposed by the minority leader.

Permanent repeal of the death tax, supported by 42 Democrats. The death tax is the leading cause of dissolution for most small businesses. Seventy percent of businesses do not make it past the first generation because of death tax rates. According to one small business survey, more than 80 percent of small businesses spend $25,000 annually on attorney-consultant fees and life insurance premiums in an attempt to avoid the crushing blow of the death tax. Again, this money could be much better spent growing businesses and creating jobs. This was opposed by the minority leader.

The Border Security Act, supported by 42 Democrats. This will implement a much-needed national standard for driver's license requirements and strengthen our borders so that those who intend to do us harm find it harder to enter our country. This was opposed by the minority leader.

Thank goodness for the moderates in the Democratic Party who are willing to put aside partisan bickering and work together to get things done for America. The minority leader's continued opposition tactics more closely resemble the pirates of the South Seas who hijacked commerce and progress and accomplished absolutely nothing in the long run.

What a shame.

DEFEAT CAFTA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

Mr. DEFAZIO. Mr. Speaker, proponents of the so-called free trade agreements like the North American Free Trade Agreement, which I opposed, have long promised endless riches for U.S. workers, farmers, businesses and the economy. Of course, they have been wrong on all counts. But they are not to be deterred. They want another bite of the apple here. They think that the American people and Members of Congress who represent them, those who have lost their jobs, seen their jobs threatened, their standard of living diminished as we have gone into massive trade deficits and exported industries overseas in pursuit of cheaper labor and lower environmental standards, that they can fool us again.

The President finished secret negotiations a year ago the end of this month for what is called the Central American Free Trade Agreement. And they are promising all the same things. I went before the Committee on Ways and Means which reluctantly, begrudgingly, allowed some of us to testify in opposition to this pending agreement.

Now, there is no legislative process. They mark up what is called a mock bill or a pretend bill or a play bill in Ways and Means. They are not allowed

to amend it or change it. The President secretly negotiated it, and it will be brought to this floor for an up-or-down vote, no amendments allowed. Congress has given up all its rights as a legislative body and its constitutional rights as relate to trade agreements between the U.S. and foreign countries.

If this were in the best interests of the United States or an urgent priority, it might make sense; but what it does is perpetuate a failed and failing trade policy. The United States of America, the Bush administration, is setting a record every month this year. Congratulations to the Bush administration. They have us on track for beating last year's trade deficit of $620 billion to $720 billion, $2 billion a day borrowed from foreign interests representing tens of thousands, hundreds of thousands of U.S. jobs that have moved to China, India, Central America, Latin America, Mexico and other countries chasing the cheapest labor they can find, the most exploited labor they can find, the most environmental depredations they can find around the world.

They think that this is just working great. The President thinks that it just shows our economy is really strong. That is why we are running these huge trade deficits. So they want to replicate it closer to home so U.S. companies do not have to go all the way to China to exploit cheap labor; they could move a little closer to home in Central America.

When they offered NAFTA, the U.S. Chamber of Commerce predicted it would create 170,000 jobs in the United States. Many on that side of the aisle are still talking about all the great jobs that will come from NAFTA. Of course, and now CAFTA, it actually cost the United States 880,000 jobs. So they were off by a million jobs. That is a pretty big miss. CAFTA is likely to accelerate that trend.

They tell us, Oh, it's just that we want to sell things to Central America. Think of the massive buying power of those people in Central America. They earn $2 a day. If they devoted all of the economies to all of the countries that would be included in CAFTA, if every penny in those countries was spent on buying U.S. goods, it would equal 5 days' production in the United States of America.

No, it is not about selling U.S. goods there any more than it was about selling goods to Mexico or selling goods to China. It is creating an export platform for U.S. companies who want to move overseas and have cheaper labor and avoid environmental laws and protections in this country.

The only problem with this theory is what happens to the middle class? What happens to the working people of this country? We are larding them down with a huge foreign debt, $2 billion a day, and they are losing their jobs. How is this model sustainable? It also undermines our sovereignty. As we borrow more and more money from overseas, China, Japan and other countries, they get more and more capable of squeezing our country economically.

And it will hurt farmers. For the first time in our history, the United States of America is going to run a trade deficit in agriculture. That was going to be one of the big winners under the WTO, CAFTA, NAFTA. Oh, it's going to be great for ag. I remember having all these farmers come in, Oh, this is going to help us so much, the wheat farmers in Oregon. They were back the next year saying, You were right. The Chinese bought one shipload and that was it.

Now, they are talking about shipping wheat to the United States of America. We are going to run a trade deficit in agriculture. We are going to become not only dependent upon foreign countries to borrow money and build things that we use every day but to feed us, and we are going to ask them to lend us the money to buy the food to feed ourselves.

This is not a policy that is sustainable and in the national economic interest or the national economic security or defense interest. We need a new model for trade, not replicating the old failed model. I am pleased to see that more and more and more of my colleagues are coming around to this conclusion.

Defeat CAFTA.

IN SUPPORT OF LIEUTENANT PANTANO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of North Carolina. Mr. Speaker, Saturday was the final day of the article 32 hearing for a Marine facing murder charges for actions he took against Iraqi insurgents in self-defense. A year ago in Iraq, Second Lieutenant Ilario Pantano made a split-second decision to shoot two Iraqi insurgents who refused to follow his orders to stop their movement towards him. Two and a half months later a sergeant under his command, who never even saw the shooting and who was earlier demoted by Pantano for his lack of leadership abilities, accused him of murder. Now the case is in the hands of a hearing officer who must determine whether Lieutenant Pantano will face a court-martial.

Mr. Speaker, I stand here today, as I have many other nights, in support of this bright young lieutenant. I have always maintained the innocence of Lieutenant Pantano, and I believe last week's hearing produced information that will ultimately prove his innocence.

During the hearing, it became clear that the sergeant who accused Lieutenant Pantano, Sergeant Coburn, disobeyed orders to not grant interviews to the media on this case. At one point he left the stand after the hearing officer read him his rights and explained he could face charges for disobeying orders. When he finally did return to testify on Saturday, he is reported to have said ''I don't know'' or ''I can't remember'' over 50 times. His story simply could not hold up under cross-examination.

Mr. Speaker, it is clear that this man's testimony cannot be considered credible. How can these charges move forward when the primary witness is someone who did not actually see the shooting and who cannot definitively stick to one recollection of the series of events that took place? If that is not enough evidence, let me also quote briefly from Navy Medal Corpsman George Gobles, the only other person present at the time of the shooting and the prosecution's other main witness who took the stand. He called Pantano, and I quote, ''a damn good leader.'' He testified, ''I felt the safest with, you know, this platoon, because more than anything because of Lieutenant Pantano, his leadership.''

Likewise, Major Brian Neil, the operations officer for Pantano's battalion, testified that Lieutenant Pantano was one of the finest second lieutenants he has ever known during his 17-year career in the corps. He recalled the day of the shooting, testifying: ''To me, it was a good day. We killed two obvious insurgents.''

Mr. Speaker, as I have said many times before, Lieutenant Pantano is by all accounts an exceptional Marine. I hope that last week's proceedings will finally bring out the truth in this case. I pray that the end is near so that the Pantano family can move forward with their lives. Hopefully, the facts can bring closure to this serious and sad mistake in the history of the Marine Corps.

In conclusion, I continue to ask my colleagues to research the case and consider supporting House Resolution 167, my bill to help support Lieutenant Pantano as he faces this battle. I encourage them to visit his mother's Web site at www.defendthedefenders.org and learn more about this fine young Marine. I would be proud to call him my son or my son-in-law.

I ask as I close today, Mr. Speaker, that God please bless Lieutenant Pantano's family, to please bless our men and women in uniform and their families, and I ask God to continue to bless America.

□ 1630

COMPREHENSIVE IMMIGRATION REFORM

The SPEAKER pro tempore (Mr. KUHL). Under a previous order of the House, the gentleman from Illinois (Mr. GUTIERREZ) is recognized for 5 minutes.

Mr. GUTIERREZ. Mr. Speaker, I rise to discuss ways we can work together to create an immigration system that better reflects the enormous contributions immigrants make every day, respects our Nation's proud history of

welcoming men and women to seek a better life, and better protects our homeland by bringing people out of the shadows. And today I thought we could continue our discussion of mending borders with a quote.

The late Senator Robert F. Kennedy once said, ''Our attitude toward immigration reflects our faith in the American ideal. We have always believed it possible for men and women who start at the bottom to rise as far as their talent and energy allow. Neither race nor place of birth should affect their chances.''

Unfortunately, Mr. Speaker, our current immigration system is falling far short of those ideals. But it is my hope that we can work in a bipartisan fashion to ensure that our Nation's immigration policies and the practices better embody Senator KENNEDY's eloquent words.

Because the struggling farm worker in Washington State who endures brutal working conditions and little pay to support his family deserves the right to be treated with dignity and to have a clear path to permanency for his sacrifice. Because the restaurant worker in Chicago who each day faces endless hours of washing dishes in the dank basements of our swankiest eateries to support her children has earned the right to keep her family together without fear of deportation. And because the factory worker in North Carolina who tolerates grueling days so his loved ones may one day realize the American Dream should be protected from exploitation and discrimination.

These hard-working immigrants are part of the fabric of our Nation as surely and completely as those who came before them. And from coast to coast in big cities and small farm towns, they are serving as America's economic backbone and as a source of pride and progress for the future.

Mr. Speaker, our Nation depends on immigrants' labor, and I hope we can create an immigration system as dependable as they are.

So tonight, rather than focusing on divisive words of people like Lou Dobbs, let us focus on the words of Federal Reserve Chairman Alan Greenspan, who recently stated at a Committee on Financial Services hearing that: ''As I've said before, I'm always supportive of expanding our immigration policies. I think that immigration has been very important to the success of this country. And I fully support it.'' Federal Reserve Chairman Alan Greenspan.

Rather than unfairly attacking imigrants for filling jobs Americans will not do, let us focus on the words of President Theodore Roosevelt, who said, ''This country will not be a permanently good place for any of us to live in unless we make it a reasonably good place for all of us to live in.'' President Roosevelt's words are why in cities across the country today, workers and advocates, religious and business leaders are standing together to strongly support comprehensive immigration reform.

Mr. Speaker, tomorrow is Cinco de Mayo, and I can assure the Members that this town is gearing up for another party. And while the immigrants appreciate the mariachis and marching bands, the speeches and the songs, what they really want is an immigration system that works and keeps their families united. A system that allows them to be full and productive members of our society. Because, Mr. Speaker, we cannot simply just take their labor, their sweat and their toil and then subjugate them into the shadows of a second class citizenry. We need a system that allows people to come to our country in a safe, orderly, and legal manner.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 5 minutes.

(Mr. GUTKNECHT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ORDER OF BUSINESS

Mr. POE. Mr. Speaker, I ask unanimous consent to take my Special Order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

VIRGIL POE, CHARTER MEMBER OF THE GREATEST GENERATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. POE) is recognized for 5 minutes.

Mr. POE. Mr. Speaker, born in the 1920s, he grew up in the Depression of the 1930s poor, like most rural American children. Fresh vegetables were grown in the family garden behind the small frame house. His mother made sandwiches for school out of homemade bread. Store-bought bread was for the rich. He grew up belonging to the Boy Scouts, playing the trumpet in the high school band, and he went to church on most Sundays.

In 1944, this 18-year-old country boy that had never been more than 50 miles from home finally found himself going through basic training in the United States Army at Camp Walters in Camp Walters, Texas. After that he rode the train with hundreds of other young teenagers, American males to New York City for the ocean trip on a cramped Liberty ship to fight in the great World War II.

As a soldier in the 7th Army, he went from France on to survive the Battle of the Bulge and through the cities of Aachen, Stuttgart, Cologne, and Bonn. As a teenager, he saw the concentration camps and the victims of the Nazis. He saw incredible numbers of other teenage Americans buried in graves throughout France. A monument to those soldiers is at Normandy.

After Germany surrendered, he went back to Fort Hood, Texas, expecting to be re-equipped for the land invasion of Japan. It was there he met Mom at a Wednesday night ''prayer meeting'' church service.

Until a few years ago, this GI, my dad, would never talk about World War II. He still will not say much except he does say the heroes, they are the ones buried in Europe today.

After the war he opened a DX service station where he pumped gas, sold tires, fixed cars, and began a family. Deciding he needed to go to college, he moved to West Texas and enrolled in a small Christian college called Abilene Christian College. He and his wife and his two small children lived in an old converted army barracks with other such families. He supported us by working nights at KRBC radio and climbing telephone poles for ''Ma Bell,'' later called Southwestern Bell.

He finished college, became an engineer and worked 40-plus years for Southwestern Bell Telephone Company in Houston, Texas. He turned down a promotion and a transfer to New York City because it was not Texas and he said ''no place to raise a family.''

Dad instilled in my sister and me the values of being a neighbor to all, loving our country, loving our heritage, and always just doing the right thing to all people.

He still gets mad at the Eastern Media. He flies the flag on holidays. He goes to church on Sunday, and he takes Mom out to eat almost every Friday night. He stands in the front yard and talks to his neighbors. He can fix anything. He still mows his own grass even though he is 80 years of age. And he has a strong opinion on politics and world events. He gives plenty of advice to all people, including me. He has two computers in his home office. He sends e-mails to hundreds of his buddies all over the world. Dad and Mom still live in Houston, Texas, close to where I grew up.

So today, Mr. Speaker, as we on this 60th anniversary honor those who fought in the great World War II and the victory in Europe, we honor not only my dad, but all of those American heroes. My dad was one of those individuals. He is the best man I ever met. One of the charter members of the Greatest Generation. And I hope I turn out like him, the man I admire the most.

Virgil Poe, good man, good father. That is plenty for one life.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

(Ms. WOOLSEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

ORDER OF BUSINESS

Mr. EMANUEL. Mr. Speaker, I ask unanimous consent to take my Special Order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

REFLECTING THE 2–YEAR ANNIVERSARY OF THE PRESIDENT'S ''MISSION ACCOMPLISHED'' SPEECH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. EMANUEL) is recognized for 5 minutes.

Mr. EMANUEL. Mr. Speaker, last Sunday marked the 2-year anniversary of President Bush's now infamous ''Mission Accomplished'' speech aboard the USS *Lincoln*. Tomorrow the House of Representatives will vote on another $82 billion for the Iraqi conflict and Afghanistan conflict, bringing the total cost to the American taxpayers of $300 billion. Sunday, the 2-year anniversary of the ''Mission Accomplished'' speech; tomorrow the United States Congress puts the tab at $300 billion for the Iraqi and Afghanistan engagements.

What have we accomplished? We have defeated Saddam Hussein; yet we find ourselves mired in an endless occupation. This past January we witnessed a successful election; yet the progress on developing a functioning government has been slow at best. Terrorism and the insurgency remain as strong as ever and at times seems to be escalating.

Today we learned about another explosion killing 50 individuals. Last week over 100 individuals were killed in different terrorist acts. The economy is stalled, the civil society cannot form a consensus, and millions of Iraqis remain without basic services such as electricity. The brave men and women in the American Armed Forces continue to fight a valiant effort, but the battle has taken its toll.

In addition to the $300 billion it has cost the taxpayers, we have lost 1,600 sons, daughters, mothers, fathers, aunts, uncles; and 12,000 citizens are wounded, some permanently. And the strain is so great the recruiters in the armed services cannot meet their enlistment goals. Through the first 5 months of fiscal year 2005, the Army is short its recruitment goal by 15 percent. The Pentagon now says that they are stretched so thin, it would be difficult for the Armed Forces to meet other obligations should they need to.

Mr. Speaker, Operation Iraqi Freedom was a war of choice. As President Kennedy once said, ''To govern is to choose.'' One can only hope that the war in Iraq was the right choice, and as I said, tomorrow we will add an additional $82 billion, bringing the total cost to $300 billion.

But in the meantime, while we have made this effort in Iraq and Afghanistan, what has happened here at home? Every President has always thought in the middle of a military engagement, how do I make America stronger post this war? What do I do to think about America's future, raise its sights to see another horizon?

President Lincoln, in the middle of the Civil War, he thought of the transcontinental railway system. President Lincoln thought of the land grant colleges. President Eisenhower thought, in the height of the Cold War, of the highway system in America. President Kennedy, in the middle of the escalation of Vietnam and the Cold War, thought of putting a man on the moon. President Roosevelt, during World War II, thought of the GI bill that built and made this an American century the last century.

So as we go through it, Eisenhower thought of the highway system here in America; President Bush is threatening to veto the highway bill. President Lincoln thought of the transcontinental railroad system; President Bush wants to veto Amtrak and eliminate it. Every President has thought of America as a greater and bigger vision. This is the first President who is now talking about a lesser vision for America in the middle of a war.

We must not have the legacy only of 1,600 dead, 12,000 wounded, and costing $300 billion and an America that is weaker and smaller and all we have left them is $2 trillion of additional debt to dig their way out. We can do better. We must have a vision of America that is stronger past this conflict, not one that leaves Iraq stronger and us weaker.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. GINGREY) is recognized for 5 minutes.

(Mr. GINGREY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ORDER OF BUSINESS

Mr. MCHENRY. Mr. Speaker, I ask unanimous consent to take my Special Order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

SENIOR DEMOCRATS SHOULD LISTEN TO THEIR RANK AND FILE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. MCHENRY) is recognized for 5 minutes.

Mr. MCHENRY. Mr. Speaker, I certainly appreciate the time here on the House floor to discuss a pressing matter not only to this House of Representatives but to the future of our country, really, and the type of debates we are going to engage in as a body.

It has been interesting to read press reports, press reports that some on the other side of the aisle have been pushing forward regarding this House and the behavior of our Republican Members on this side. It turns out that senior Democrats, the senior Members of the other party, have focused on the gentleman from Texas (Mr. DELAY), our Republican majority leader. They focused on the gentleman from Texas (Mr. DELAY) because he has been an effective conservative here in the United States House of Representatives, an effective leader for this House for all Republicans, and actually for all Americans, to pass tax relief, to pass limitations on lawsuits, to pass good conservative social policies that actually help our country move forward. The Democrats are attacking him because he is an effective leader, and they are rising to this challenge. Instead of debating the issues, they are debating process. Instead of debating substance, they are debating process.

□ 1645

Because they cannot beat us on the issues that we are fighting for every day on this side of the aisle, and because many of their rank-and-file join with us on these votes, some in the leadership on the Democrat side of the aisle have resorted to ethical complaints against the gentleman from Texas (Mr. DELAY).

What has been found in recent days, many reports indicate that those leaders are casting stones; yet they are living in a glass house, and their leadership, many leaders on the other side realize that there are ethical violations on their own side, so perhaps they should not engage in this battle.

Over the last couple of weeks, we have found that the leadership on the other side, many leaders, at the very least, realize that perhaps they should not take this line of attack against our Republican majority leader, because they have violated the very same rules that they point to him for violating.

So, Mr. Speaker, I ask many of the leadership on the other side to listen to their rank-and-file and realize that we need to be debating the great issues of the day, not debating ethics. We need to have a functional Ethics Committee here in the House. We need to have a House that can actually move policies forward and not sit here every day and listen to the other side of the aisle complain about process.

So I ask those senior Democrats to listen to their rank-and-file, the rank-and-file that voted with us on the energy bill, the rank-and-file that voted with us on the Republican side for an energy policy, for tax relief, for a good budget; those that are actually looking at reasonable reforms to move our Nation forward, instead of resorting to what the New Republic says is their strategy, and I quote from this article, ''Democrats should consider fighting by extra-parliamentary means, going beyond the standard parameters of legislative debate and attacking Republicans not on issues but on ethics, character. In other words, it may be time

for Democrats to burn down the House in order to save it.''

Burn down the House, Mr. Speaker. That is their strategy. Many on the left think that that is the way to take back this House, and we on this side of the aisle are going to continue working on the issues that the American people care about and continue moving this Nation forward.

ORGANIZED LABOR LEADING THE FIGHT FOR ECONOMIC SECURITY FOR AMERICA

The SPEAKER pro tempore (Mr. KUHL of New York). Under a previous order of the House, the gentleman from Ohio (Mr. STRICKLAND) is recognized for 5 minutes.

Mr. STRICKLAND. Mr. Speaker, as our Nation struggles with soaring health care costs, bankrupt pensions, and devastating job loss, it is organized labor that leads the fight to protect, defend, and advance the economic security of our Nation.

I was recently meeting with leaders from the Ohio Association of Public School Employees, and we talked about all of the issues facing our Members and their members in my home district and throughout the State of Ohio. We talked about the contract-by-contract struggle to hold health care costs down. We talked about the impact of the State budget and the devastating ideas to expand privatization, make it easier to lay off workers, and force school districts to minimize or diminish health insurance, and to limit collective bargaining.

The answer to Ohio's problems is not to weaken labor unions like OAPSE, but to strengthen them and to let all of our communities share in the benefits that labor has worked so hard to achieve. I am proud of unions like OAPSE, and I am proud to share in their fight for dignity and respect.

Right now, in my State, we have a crisis for our retirees, the very people who gave their entire working lives to serve children in Ohio's schools. They need a retirement that offers a good quality of life and one that relieves the pressure of deciding between food and medicine.

Mr. Speaker, we need to take care of the people who take care of our kids; and if what is happening in Ohio is any indication, we are failing miserably.

On Monday of this week, I was at a school in my district; and while at that school, I learned of schools in our region terminating breakfast programs in order to save money. I learned of art and music classes being canceled. I learned of libraries being closed in some schools, and operating on a half-time basis in others. I learned of teachers of gifted students being laid off. I learned of high schools where all foreign language classes have been canceled. In short, I heard about conditions which, left unabated, will lead to the disintegration of our great State.

But standing here in the people's House, I am hopeful. I am hopeful because the people of Ohio are fighters, and unions like OAPSE are leading that fight. Because of their efforts, we will bring back Ohio and Ohio will once again lead the Nation in building a better future for our kids.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ORDER OF BUSINESS

Mr. WESTMORELAND. Mr. Speaker, I ask unanimous consent to take my Special Order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

LET US WORK TOGETHER FOR THE GOOD OF AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. WESTMORELAND) is recognized for 5 minutes.

Mr. WESTMORELAND. Mr. Speaker, our friends on the other side of the aisle have opened a Pandora's box by spending most of the 109th Congress focused on ethics matters. With all the righteous indignation they can muster, the minority has called for investigations of the majority leader's every move, even digging up stories as far back as 1997.

At the same time, the minority prohibited the Ethics Committee for 4 months from convening to hear the charges that they were leveling against a Member of Congress. It is obvious, Mr. Speaker, that our colleagues on the other side of the aisle simply did not want to give the majority leader a chance to make his case to the committee and to clear his name. They hoped to look like paragons of purity. Instead, we know now that they are just the purveyors of partisan politics. By grinding the Ethics Committee to a halt, they knew that every story about Tom DeLay would have the phrase ''under investigation.'' And why give him a chance to prove his innocence when you can trap your political nemesis in a cloud of suspicion and controversy? Why have a fair hearing when you can rig public opinion through implications and accusations in the news media?

The minority leadership has called for investigations of Mr. DELAY's travels. Mr. DELAY has welcomed the chance to present his case, and I have full faith that he will present his case vigorously. But I would caution and I would ask the minority leader to be more careful to consider the implications for her caucus the next time that they call for a congressional probe. The minority leader and the minority whip have now trapped some of their own Members with their own fiery rhetoric.

The Democratic leadership called for investigations of lobbyists paying for travel. What they did not count on was that several members of their caucus took trips paid for by registered lobbyists. Some have admitted that they missed filing deadlines for disclosures on numerous trips. To their credit, they apologized for their errors, but then went on to say, I can tell you one thing, Jack Abramoff was not on any one of the trips. But Abramoff was involved in travel for other Democratic Members. The Associated Press reported yesterday that two Democrats ''received travel expenses initially paid for by lobbyist Jack Abramoff on his credit card or by his firm.''

Now, Mr. Speaker, I do not want this body to denigrate itself. We do not serve the people who elected us and we do not serve our parties in the long term if we engage in an ethics war with charges and counter-charges. Let us be clear: there are no winners in an ethics war. Everyone loses. Instead of helping the American people, we disgust them. Instead of building up, we tear down the working relationship that we need across the aisle to do this Nation's business.

We need to concentrate on the good things that we have done so far in the 109th Congress, like abolishing the inheritance tax, the energy bill, the transportation bill, bankruptcy reform, class action lawsuit reform, winning the war on terror, protecting our borders; and there are many more good things that we need to do in this country, Mr. Speaker, for the American people. Let us work together.

INNOVATIVE HEALTH CARE INITIATIVES FOR AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. LANGEVIN) is recognized for 5 minutes.

Mr. LANGEVIN. Mr. Speaker, I rise to acknowledge Cover the Uninsured Week. Many of us have heard from our constituents this week, just as we have in the weeks, months, and years prior, asking that we make health insurance coverage a top priority of the 109th Congress. America's families are living in fear that someone they love might develop a health problem that they cannot afford. We must begin a meaningful dialogue about this problem that will continue until every American has access to quality, affordable health insurance.

This national disgrace has reached crisis proportions. Forty-five million Americans, more than 8 million of whom are children and more than 80 percent of whom live in working families, are one ambulance trip away from financial devastation.

I was pleased to join the gentlewoman from California (Leader PELOSI) and other Democrats in cosponsoring

three bills introduced this week as part of the Democrats' plan to build on programs that already work. Together, the Family Care Act, the Medicare Early Access Act, and the Small Business Health Insurance Promotion Act would cover over half of all uninsured Americans. I have also been proud to be a part of other initiatives, both nationally and in my home State of Rhode Island, to expand existing health insurance programs for retirees, children with disabilities, and adults attempting to return to the workforce. These are all important aspects to addressing the health care crisis, and I am honored to be a part of building momentum around a solution.

Just as individuals and families know that we are facing a health care crisis, our small business owners know that we are in crisis as well. Rising health care costs are undermining their ability to purchase coverage for their employees. It has threatened their ability to keep their businesses economically viable, and they are frustrated with the increasing burden of negotiating and administering health care plans that are taking on extra costs or passing them on to employees just to maintain level coverage. Without systematic change, these problems will continue to threaten the economic and health security of all Americans.

What frustrates me the most about the health insurance crisis is what little attention it receives. But I believe that with the proper amount of consideration and planning, the health care system in America can be saved. An enormous amount of money circulates through our health care system.

We spend $35 billion on uncompensated care for individuals who do not have health insurance, just last year alone, with Federal, State, and local governments covering as much as 85 percent of those costs. Would it not be better for American families and also more cost effective to transfer a large share of these funds to a new program to subsidize the cost of covering the uninsured? We spend millions treating illnesses diagnosed at later stages, thus requiring more costly treatments because we did not offer people the screenings to catch these problems earlier. This is the least efficient way possible to treat people.

While we may not be in the best of economic times, if we made this issue a priority and committed ourselves to spending our health care dollars more wisely, we could offer all Americans access to quality, affordable care.

Now, with these principles of efficiency and inclusion in mind, I have developed a model for universal health insurance introduced last year as the Americans Health Benefits Plan. This bill is modeled after the Federal Employees Health Benefits Program, which everyone in this Chamber is familiar with, as it offers coverage to Members of Congress, their families, and staffs.

Under my proposal, private companies will compete to offer health insurance, attracting enrollees on the basis of benefits as well as efficiency, service, and lower premiums. The government should make a substantial contribution to every American's premium, and those for whom paying a portion of the premium would be a hardship, the government should offer subsidies as we currently do under Medicaid.

Employers should continue to contribute to the health care system, and they could do so through a payroll tax which would fund the government contribution, but the burden of negotiating and administering health care plans should be taken on by the Federal Government.

□ 1700

A National template for this model already exists. FEHBP manages health insurance for more than 8 million Federal employees, annuitants and dependents. This program is administered by the Office of Personnel Management, which assumes responsibility for approving or disapproving carriers, negotiating benefit and rate changes, and auditing carriers' operations under the law.

With administrative costs of less than 1 percent, OPM has managed to offer a wide variety of health care choices and protections for Federal employees.

Mr. Speaker, I believe that the Federal Government should offer this kind of coverage and oversight to all Americans and I sincerely hope to continue this dialogue with my colleagues beyond the Cover the Uninsured Week, but this is an important place to start.

PRAISING THE ANNIVERSARY OF V-E DAY IN EUROPE

SPEAKER pro tempore (Mr. KUHL). Under a previous order of the House, the gentleman from Texas, (Mr. MCCAUL) is recognized for 5 minutes.

Mr. MCCAUL of Texas. Mr. Speaker, tonight I rise to commemorate the 60th anniversary of our Nation's victory in Europe. And in doing so, I also like to honor men like my father and millions of others who answered freedom's call in fighting World War II. When we consider generations of our past, no one exemplifies the essence of America better than those, part of what we now call, the Greatest Generation.

To this day, and forever, I will be proud to say, my father was a part of this outstanding group, which led us to victory during World War II. As a 20-year-old bombardier-navigator in the Army Air Corps, my father, Major Jim McCaul, flew more than 30 bombing missions over Europe.

This included the largest bombing mission of the war in support of the D-day invasion. He flew a B–17 bomber, the flying fortress of the war, as he and others helped defeat Adolph Hitler and the Nazi reign of terror. And like most men of his generation, my father did not talk much about what he had done and seen over the skies of Europe. It was simply too painful.

However, when he did talk about his experiences, dad would describe his airplane as a tin can with wings that was easy prey for the flak fired from below and the Luftwaffe bullets raining down from above. He recalled watching his buddies getting shot down and the loss that he personally felt. Indeed on each mission, one out of every three planes were shot down.

And when my father passed away in 1985, he received a letter from President Ronald Reagan commending him for his service to his country. Perhaps Winston Churchill said it best, when he said of this generation, this was their finest hour.

Our Nation is replete with stories such as my father's. And while the names and faces of many of the GI Joes may be forgotten, their heroic deeds that helped secure our Nation's ultimate victory in Europe will be emblazoned as legends in our National conscience forever.

Mr. Speaker, as time passes, we come close to forever losing the personal connection to these great individuals and their historic accounts. In order to preserve these heroic stories for future generations, I strongly urge veterans to participate in the Veterans History Project housed in the Library of Congress.

For this generation of Americans, whose character and resolve was molded by the Great Depression, defeating tyranny and the hatred of the Third Reich was just another call to answer. They performed their duty with honor, it was not theirs to question. It was simply expected.

Instead of succumbing to hardship, their resolve was stiffened and they ended up leading our land and our world to one of the greatest victories in history. We see that same attitude and determination today from the men and women in Iraq and Afghanistan. And like the greatest generation, Americans are now in distant lands fighting the threat and horror of terrorism.

Sixty years ago, we defeated fascism. Today, we fight Islamic extremism, but the reason we fight is the same, to guarantee freedom. The resolve that my father served with came from the support he knew that he had at home. We must show that same support for our troops now. We must strengthen their resolve by letting them know that their cause is just.

We will never forget their victories, just as we will never forget the victories in Europe which came at such a great cost. Hundreds of thousands of my parents' generation were killed in the name of freedom and democracy. Few cases are as worthy, few prices are as great. We must always remember not just the victory in Europe, but also what it meant. It saved an entire world from tyranny, and gave people the chance to live under flags of freedom.

Victory in Europe Day will forever stand as an example of how America

prides its freedom and how our determination can accomplish any tasks and defeat any foe. And these accomplishments of the Greatest Generation serve as an inspiration to us all.

OUR NATION'S FISCAL CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CARDOZA) is recognized for 5 minutes.

Mr. CARDOZA. Mr. Speaker, I rise today once again to express my disappointment with the lack of attention to our Nation's fiscal crisis. The system is broken, plain and simple. We need to focus our efforts on finding a cure for our addiction to deficit spending in this body.

The Blue Dog Coalition, which I am a proud member of, has been a leading voice in Congress on fiscal responsibility for over a decade. Recently the Blue Dogs have posted signs in front of all of our offices that explain to everyone exactly how bad the fiscal crisis is, an example of which is on my right here.

We update the numbers on these signs every day. The sad part is that our Nation's debt is increasing so fast that by the end of each day, these signs are inaccurate. As you can see from the sign, today the National debt is at $7,755,874,000 or $27,000-plus per person. Ladies and gentlemen, these numbers are appalling.

The Blue Dogs are dedicated to fighting our Nation's ballooning national debt, and we will continue to lead the fight for fiscal sanity until Members of Congress from both sides of the aisle and the White House realize that we cannot continue to run our Nation deeper and deeper into the deficit hole.

There is no secret that our National debt is out of control, as we are expected to run another $427 billion deficit in 2005, with more deficits projected into the future. We do not even have a firm grip, ladies and gentlemen, on where our money is going. At the Department of Defense, for example, only 6 of 63 departments are able to produce a clean audit. That is less than 10 percent.

This budget we passed omits so many major expenses that frankly it is a sham. The administration essentially cooked the books using Enron-style accounting and Congress is just blindly going along with the program.

We all know as well that foreign holdings of U.S. debt is on the rise. Interest on the national debt is the fastest growing area of our budget. And the trade deficit is totally out of control as well.

As this happens, what are we doing? Ladies and gentlemen, we are doing absolutely nothing. Recently the Blue Dogs introduced a 12-step reform program to cure our Nation's addiction to deficit spending. It requires a balanced budget, stops Congress from buying on credit, and puts a lid on spending.

We have a provision in this plan that requires pay-as-you-go budgeting, so that when we have an increase in the budget, or we have a tax decrease, we have to offset them. The principles in this 12-step reform plan should be able to be agreed on by everyone. The plan injects a little common sense into the way Congress and the White House does business.

I hope that some day this Congress will wake up and help us restore our fiscal responsibility as a Nation. The time to stop digging the hole deeper is now.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GOHMERT) is recognized for 5 minutes.

(Mr. GOHMERT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

HONORING JUDGE ANDREW L. JEFFERSON, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, often we do rise on the floor of the House to begin a debate that may not end itself in a positive outcome. It is not often that you have the opportunity to raise and salute an outstanding member of your community knowing that his life is already exhibited a positive outcome, and, of course, we honor him as he still lives.

My friend and our friend, and the friend of Houston and Texas and the Nation, Judge Andrew Jefferson, brings me to the floor this evening. And I am delighted to be able to rise this evening to honor a great legal scholar, as well as a great institution of legal education located in the 18th Congressional District of Texas. The institution about which I speak is the Thurgood Marshall School of Law at Texas Southern University, established in 1947, and the scholar and friend is Judge Andrew L. Jefferson, Jr.

At a time when the future of Houston's public school system is in jeopardy, I am especially pleased to deliver this statement in honor of a scholar and a product of our own Jack Yates High School.

On Friday, May 6, 2005, I will join my constituents and friends to honor Judge Jefferson on the establishment of an endowment for trial advocacy in his name, the first endowed chair, called the Andrew L. Jefferson endowment for trial advocacy, at Texas Southern University, the Thurgood Marshall School of Law in Houston, Texas.

I wish all of us had the opportunity to meet this distinguished gentleman. He is truly distinguished, regal in his build, deep in his commitment. The Honorable Andrew L. Jefferson, a native of Dallas, Texas, graduated from the University of Texas School of Law in 1959 after earning his Bachelor's degree from Texas Southern University, was president of Alpha Phi Alpha Fraternity, and became a partner with Washington and Jefferson, attorneys at law in Houston, Texas.

He served as an assistant criminal district attorney for Bexar Country, a chief assistant United States Attorney for the Western District of Texas, and a trial counsel and labor relations counsel for Humble Oil and Refining Company.

Each time he was a pioneer, he explored new ground, and certainly as an African American, getting his degrees in the late 1950s, going through the 1960s before the passage of the Civil Rights Act of 1964 and 1965, the Voting Rights Act, he truly braved new areas and stood for the dignity and respect of all, all in our community.

Judge Jefferson served in the judge advocate general corps in the U.S. Army Reserve where he is honorably discharged as a captain. He has as his lovely bride, another civic leader, his wife, Mary Jefferson, who I have the pleasure of serving with on a number of organizations. She believes in education. She advocates for quality education for our young people, and promotes the opportunities for young people to go to college.

In 1970, Judge Jefferson was appointed to preside over the Court of Domestic Relations number 2 for Harris County. In 1974, he was elected to Judge of the 208th District Court. That too was one of the many firsts in his career, but as well, he is one of the first African Americans to serve on that court.

He decided to reenter the active practice of law in 1975, and was admitted to the United States Court of Appeals for Fifth, Sixth and Eleventh Circuits, and the Supreme Court of the United States of America. A long time active committee member of the State bar, Judge Andrew L. Jefferson is a fellow of the Texas Bar Foundation, a member of American Bar Foundation, the Texas Trial Lawyer's Association, Texas Constitutional Revision Commission. He is an outstanding jurist, and even after he left the bench, he was constantly requested to give his expertise on broad legal issues.

He represented many of the underserved and unempowered. He became active in many organizations and particularly the National Bar Association, the Family Law Institute, where he was asked to speak many, many times. He was an arbitrator, he was a mediator. He had the ability to bring people together. And so a lot of his practice developed around that on the domestic court.

But, he was skilled as a jurist, and as an advocate, but his personality was one that was firm but understanding. He served, of course, in the Houston Branch of the Federal Reserve Bank, and he was respected by presidents, both Democrats and Republicans. He received many honors and awards: The Anti-Defamation League National

Torch of Liberty Award, the Forward Times Community Service Award, the League of United Latin American Citizens Service Award, Community Service Award, the La Raza Award.

In addition, he was a Presidential nominee to sit on the United States Court of Appeals for the Fifth Circuit, indicating our great respect for him at the Federal level.

Let me suggest to you that he had many friends. I am reminded of my conversation with the Honorable Barbara Jordan. When I was returning to Texas, I asked who should we engage, and who should we find out about Texas, its mood, its needs, its struggles, its trials, its tribulations?

□ 1715

Barbara Jordan, as I sat in her office, said, ''Judge Andrew Jefferson.'' He was her friend, her advisor and counselor.

They were strong friends together because they believed in the empowerment of all. They fought for civil rights one and all. As she believed in the empowerment of the Voter Rights Act of 1965, expanding it to Texas in 1968, Judge Jefferson was right along her side.

This is a fitting honor, an endowed chair that will be bestowed upon him on May 6. I believe it is more than his choice, but our desire to be able to honor him, to be able to salute him as he is being endowed by a chair on May 6, 2005. He is a great Texan, a great American. God bless him and God bless the United States of America.

Mr. Speaker, I rise this evening to honor a great legal scholar and a great institution of legal education in the Eighteenth Congressional District of Houston, Texas. The institution about which I speak is the Thurgood Marshall School of Law at Texas Southern University (TSU), established in 1947 and the scholar is Judge Andrew L. Jefferson, Jr. At a time when the future of Houston's public school system is in jeopardy, I am especially pleased to deliver this statement in honor of a scholar who is the product of our own Yates High School.

On Friday, May 6, 2005, I will join my constituents to honor Judge Jefferson on the occasion of the establishment of an endowment for trial advocacy in his name as the first endowed Chair, called the ''Andrew L. Jefferson Endowment for Trial Advocacy'' at Texas Southern University's Thurgood Marshall School of Law in Houston, Texas.

Honorable Andrew L. Jefferson, a native of Dallas, Texas, graduated from the University of Texas School of Law in 1959 after earning his bachelor's degree from TSU where he was the president of Alpha Phi Alpha Fraternity, Inc. and became a partner with Washington and Jefferson, Attorneys at Law, in Houston. He served as an assistant criminal district attorney for Bexar County, a chief assistant United States attorney for the Western District of Texas, and a trial counsel and labor relations counsel for Humble Oil & Refining Company. In addition, Judge Jefferson served in the Judge Advocate General Corps in the United States Army Reserve where he was honorably discharged as a Captain.

In 1970, Judge Jefferson was appointed to preside over the Court of Domestic Relations #2 for Harris County, and in 1974, he was elected judge of the 208th District Court, Harris County. In 1975, he decided to re-engage in private practice and is admitted to practice in the United States Court of Appeals for the Fifth, Sixth, and Eleventh Circuits and the Supreme Court of the United States.

A longtime active committee member of the State Bar of Texas, Judge Andrew L. Jefferson, Jr. is also a Fellow of the Texas Bar Foundation, a member of the American Bar Foundation, the Texas Trial Lawyers Association, and the Texas Constitutional Revision Commission. This outstanding jurist, who is renowned for his expertise in legal practice, is a highly sought-after speaker throughout his career and has frequently shared his experience and knowledge with the Criminal Law Institute for the Houston Bar Association and the San Antonio Bar Association. Furthermore, Judge Jefferson has spoken at conventions for the National Bar Association and the Family Law Institute.

Aside from the respect that he has earned as a skilled jurist and advocate, Judge Jefferson's leadership and sound judgment has merited tenures as chairman of the board of the Houston Branch of the Federal Reserve Bank and of the Texas Southern University Foundation. Moreover, he is a life member of the Houston Area Urban League and the National Association for the Advancement of Colored People.

He has received numerous awards and honors, among them the Anti-Defamation League National Torch of Liberty Award, the Forward Times Community Service Award, the League of United Latin American Citizens National Community Service Award, and the Community Service Award from La Raza. In addition, he was a Presidential Nominee to sit on the United States Court of Appeals for the Fifth Circuit.

To honor Judge Jefferson on this occasion will be momentous for the City of Houston, for Texas Southern University, and for minorities worldwide who aspire to study and practice law or for minority students who lack confidence in their potential to succeed. I congratulate and thank the State of Texas for its contribution to the overall accrual of the resources that were required for the endowment.

The establishment of a Trial Advocacy program at the Thurgood Marshall School of Law will be both an actual and a symbolic landmark. As recently as last year, I joined the students, legislators, and community leaders at Prairie View A&M University on the birthday of Dr. Martin Luther King, Jr. to fight for fair and unobstructed voting rights for those students. It was the skilled advocacy of the Lawyer's Committee that produced a statement by the Secretary of State in favor of the students. Furthermore, the well-settled jurisprudence of caselaw such as Symm v. United States and United States v. Texas, which made important pronouncements as to the adequacy of students' residency/domicile status to determine eligibility to vote were the product of skilled trial advocacy. Without the work of the skilled advocates who argued those cases, we would have an even longer journey to equality of the right to vote in this nation.

Therefore, the endowment that will be established in the name of the Honorable Andrew L. Jefferson, Jr. will provide a legacy and will produce legal scholars who will contribute to the achievement of equality in the United States of America. I congratulate the Thurgood Marshall School of Law at Texas Southern University and I thank Judge Jefferson for his service.

The SPEAKER pro tempore (Mr. INGLIS of South Carolina). Under a previous order of the House, the gentleman from Florida (Mr. FEENEY) is recognized for 5 minutes.

(Mr. FEENEY. addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

GREATEST TRAGEDY OF MANKIND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. BERRY) is recognized for 5 minutes.

Mr. BERRY. Mr. Speaker, when I came here in 1997, we passed the first balanced Budget Act in 30 years. That was a result of the work of a lot of people. I do not take credit for making that happen. But then after having a balanced budget and running a surplus until the year 2001, beginning in January of that year, when we turned over this great country to the Bush administration and a Republican majority in the House and the Senate, and let us be very clear about that. The Republicans have controlled the House, the Senate, the White House and the Supreme Court for all of this time. And we have turned over a $5 trillion surplus to these people.

Now, as we just saw a few minutes ago from one of our conscientious Blue Dogs, they have turned that $5 trillion surplus into an $8 trillion debt. And just last week when the budget was passed that I voted against and most of the Democrats voted against, as far as I know all of them did, they raised the debt ceiling again to $9 trillion.

We are having to raise the debt ceiling almost $1 trillion a year to keep up with the total mismanagement of the people's affairs by the Republicans. It would be hard to imagine a greater fiscal disaster than the Bush administration has led us to.

Over and over and over again, we tried to reach out and we tried to say, let us reestablish the budget rules that got us to a surplus back in the 90s. Let us admit that we have got a problem. Let us require a balanced budget. Let us require pay-as-you-go. If you cannot pay for it, you cannot spend it. Let us make borrowing money from our children and grandchildren much more difficult to do, and it should only be done in cases of great national emergency.

Recently, the President has gone before the Nation and declared he wants to save Social Security. Regardless of the outcome of what he wants to do, if we do not take care of the debt and the deficit, all we are doing is rearranging the deck chairs on the Titanic. It is a ridiculous exercise to talk about changing the Social Security system

when we do not know how we are going to pay the interest on the national debt 5 years from now.

If nothing is done by the time the Social Security so-called crisis occurs, it will take every nickel of the income of the Federal Government just to pay the interest on the debt. And my question to the Republicans that have created this situation, and I remember so well how they told us back in 2001, if we just do this, if we just cut taxes on the richest people in this country, the economy will just bubble up out of the ground. It will be the land of milk and honey. Nothing but free Bubble-Up and rainbow stew everywhere for everyone.

What a ridiculous thing that has been proven to be. But they told us if you will just do this, everything will be wonderful.

The fact is they have borrowed nearly $5 trillion from our children and grandchildren and do not have a clue as to how they are going to pay it back. And the great mystery to me is why. Why would you want to do that? Why would you deceive yourselves into thinking that that is something good for this great Nation?

I can tell you this, the United States of America is the most wonderful thing ever done by man with a divine inspiration of God Almighty. And if we would be so foolish as to spend ourselves completely bankrupt and not take any action to deal with this in a responsible way while we may still have time to do it, it will be the greatest tragedy of mankind.

AMERICA NEEDS TO WAKE UP BEFORE IT IS TOO LATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. SCOTT) is recognized for 5 minutes.

Mr. SCOTT of Georgia. Mr. Speaker, I rise to talk to the House about this deficit and about our failure and the consequences facing this Nation if we do not respond and put some brakes on our spending.

This deficit is our greatest problem and the greatest threat to the financial security of the United States, which means the financial security of the free world.

Just think of it, when this administration, when President Bush took office 4 years ago, we had over $2 trillion surplus. Now, 4 years later, we have over a $4 trillion deficit, running up nearly $400 billion as we speak here this afternoon.

This is dangerous. It is not in the best interest of this country. Just think of this one fact: just on paying the deficit, paying the interest on what we are borrowing, 90 percent of which we are borrowing from foreign countries, China, Japan, India, 90 percent of our debt is being held by foreign interests. How insecure is that? And just the amount that we are paying, the interest is more than what we are paying for our own national security.

America, we need to wake up. We need to understand what is at stake; our future is what is at stake. And who is going to pay this debt? Not me. Not anyone in this room. Our children, our grandchildren. I have children; I have two young grandchildren. Is it right to saddle them with this deficit?

Just recently on the issue of Social Security, the President's answer for Social Security is to do what? Borrow more money to set up private accounts. That will do absolutely nothing to deal with the solvency of Social Security.

Something is wrong and this House must move to correct it. Not long ago or at a time of great crisis in this country, two great men sat here right here in Washington, D.C. One was Robert E. Lee and the other was Abraham Lincoln. They sat on the balcony of the White House and looked out at all the devastation that the Civil War had brought.

These are two great Americans. Abraham Lincoln said to Robert E. Lee, It is not incumbent upon us to complete the task. Robert E. Lee finished the sentence and said, But neither are we free to desist from doing all we possibly can.

Are we doing all we possibly can on this deficit, on this debt? No, we are not. We are on that side, and we are on this side, and we are on this corner. The American people are expecting us to come together, solve this deficit, pay as you go, put some strong fiscal responsibility in this House and solve Social Security.

There was a recent poll on Social Security that I bring of interest. It was just out in yesterday's paper. It had an interesting point. Sixty-two percent of the American people feel that the Republicans will do too much to solve the Social Security problem and sixty-one percent of the American people feel that the Democrats will do too little. Therein lies our challenge, but also lies our opportunity, from this side to come and from that side to come and we can come together and solve this issue.

Mr. Speaker, let me conclude with this statement, a very important statement. On the bleached bones of many past great civilizations are written those pathetic words: Too late.

Will that be our epitaph? When the history books are written, what did this Congress do to save Social Security, to pay down the debt?

Let it not be that the history books will write of us ''too late.''

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. KING) is recognized for 5 minutes.

(Mr. KING of Iowa. addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

TOILING FOR FREEDOM

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. ROS-LEHTINEN) is recognized for 5 minutes.

Ms. ROS-LEHTINEN. Mr. Speaker, as we welcome this week the President of Georgia and the architect of the Rose Revolution in that country, it is critically important that the United States Congress continue to focus on the need to bring about freedom and democracy as antidote to terrorism, to oppression, and instability.

Nowhere is this policy more pertinent than in Central Asia. Kyrgyzstan today is a vivid example of the need to continue and indeed strengthen this policy in the region.

Months of civilian protests and flawed parliamentary elections culminated in the invalidation of those election results by that country's supreme court, the resignation of the entire cabinet, and an end to the 15-year reign of its strongman.

This is a clear sign that the winds of democratic change cannot be stopped.

The Kyrgyz people certainly took note of the elections in nearby Afghanistan, of Georgia's Rose Revolution and Ukraine's Orange Revolution in November of last year; courageous individuals such as Mr. Edil Baisalov of the president's Coalition for Democracy and Civil Society, Kyrgyzstan, who are struggling to exert their rights as citizens and human beings.

He will be testifying before the Committee on International Relations tomorrow on how the U.S. can help support those who, like him, toil for freedom around the world.

□ 1730

I assure you that what we do in this body resonates throughout that region.

Mr. Baisalov has referred to the positive impact of a resolution that I introduced on the status of human rights in central Asia, and that it has energized the opposition and the prodemocracy, the dissident movement in his country.

The U.S., along with the European Union, was quick to denounce Kyrgyzstan's recent parliamentary election as seriously flawed. It was precisely this Western rejection of sham elections in Georgia and Ukraine that helped tip the balance there.

Thus, as the Central Asian states enter into a challenging phase of political transition, the United States must continue to maintain the pressure for democratic change in Central Asia.

The challenges are immense. Opposition parties in Central Asia are either fictitious organizations that exist only on paper or, as in Kazakhstan, opposition groups in name only, as in Uzbekistan, where all five opposition parties support supposedly the president.

Turkmenistan's president has gone as far as to dispense with the pretense of democratic rule and brazenly declared himself president for life, a move that demonstrates his confidence that his dictatorship will go unchallenged by the world.

This situation has not gone unchallenged by the United States. In July of

2004, after careful review of the state of political reform in Uzbekistan, the Department of State decided that the leader is not fulfilling the terms of the 2002 Strategic Partnership Framework agreement, which mandated substantial and continuing progress on democracy movements and decided to deny certification to Uzbekistan.

In Uzbekistan, religion becomes criminal in that country as soon as it strays out of the official State-controlled Islam. The Uzbek government is behaving much as it did with its Soviet predecessors.

Following massive arrests in Uzbekistan of followers of the two leading militant groups, adherents of the movements have gone underground. Yet their numbers are swelling in the region, particularly among young unemployed folks who are distributing the information put forth by the militants, and they try to manipulate the religion for terrorist political gain, and they are doing so because they need the money.

Thus, the dependence of many governments throughout Central Asia on tyrannical rule does not only fail to adequately address the problem of Islamic extremism, but it serves to fuel the terrorism that stems from it.

We, and other open societies, must, therefore, condition our assistance to Central Asian states not only on their cooperation on the terrorism front, but also on their taking concrete steps in Central Asia toward the establishment of the rule of law, the support for the growth of civil society and support for building democratic institutions.

With the role of the United States in Central Asia, the region faces the best possible scenario to solve their problems jointly.

We are uniquely placed to press for regional cooperation and to monitor the commitment of regional states to real improvement of social, economic and political conditions.

That is why we have exerted congressional oversight through hearings and briefings, to make sure that everyone understands the current state of human rights in Central Asia because only by helping to create an environment where freedom and prosperity can flourish will we achieve long-term success in the war against terror and oppression.

VACATION OF SPECIAL ORDER

The SPEAKER pro tempore (Mr. INGLIS of South Carolina). Without objection, the order of the House recognizing the gentleman from Iowa (Mr. KING) is vacated.

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. FORD) is recognized for 5 minutes.

(Mr. FORD addressed the House. His remarks will appear in the Extensions of Remarks.)

ORDER OF BUSINESS

Mr. DAVIS of Illinois. Mr. Speaker, I ask unanimous consent to speak out of order and address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CENTENNIAL OF THE CHICAGO DEFENDER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, this year marks the centennial, the 100th anniversary, of the birth of the Chicago Defender, one of America's great, historic institutions which make up the fourth estate, our free press.

The Defender, founded in 1905 by Robert Sengstacke Abbott, follows in the tradition of Freedom's Journal founded by Samuel Cornish and John B. Russwarm, and the North Star founded by Frederick Douglass.

Abbott began publishing the Defender out of his kitchen, producing about 300 copies at a quarter each. By 1929, the Defender was selling more than 250,000 copies each week.

From its first days, the Defender has also been a campaigner for freedom, equality and justice under the slogan, ''American race prejudice must be destroyed.'' It has covered stories largely ignored by white-owned press. The Chicago Defender reported the 1919 Chicago riots, the election of Oscar DePriest to Congress, and the opening of the first U.S. bank owned and operated by an African American. The Chicago Defender covered the aftermath of the death of Emmett Till and the career of the honorable Elijah Mohammad.

In its editorial pages, the Defender exposed white oppression and the lynching of African Americans. During World War I, the Defender urged equal treatment of black soldiers. During World War II, the Defender protested the treatment of African American servicemen protecting the Nation and urged the integration of the Armed Forces. The Chicago Defender fearlessly spoke out against lynching, racism and segregation, and aroused the conscience of the Nation.

The Defender led a remarkable campaign which brought thousands of southerners to the north from 1915 to 1925. Known in the history books as the Great Migration, over 1 million African Americans read vivid descriptions about options to life in the south in the pages of the Defender and migrated to the north in that short period.

The Defender has been home to many of our Nation's great writers and artists, including novelist Willard Motley, poet Gwendolyn Brooks, and writer Langston Hughes, culturist Margaret Burroughs, women's page editor Marian Campfield and editorial page cartoonist Oliver Harrington. Outstanding scholars and reporters such as W.E.B. DuBois, Vernon Jarrett and Lu Palmer appeared in the ages of the Defender.

In 1923, the Chicago Defender introduced the first newspaper section written for children, the Bud Billiken page. Since 1929, the Chicago Defender along with the Defender Charities has sponsored the world famous Bud Billiken Day Parade and Picnic, the largest event of its kind, with more than 1 million people attending and viewing.

The Defender reported the campaign and election of Harold Washington, Chicago's first black mayor.

After the departure of Robert Abbott, the mission of the Defender was carried on with undying spirit and integrity by long-time publisher and driving force John Sengstacke who died at the helm of age 84 in 1997. Today, the chairman of the board, Thomas Picou, president and CEO Clarence Nixon, Junior, and Chicago Defender Executive Editor Roland S. Martin are leading a campaign to rebuild the circulation and infrastructure of this unique and irreplaceable institution.

The Defender reported the elections of Carol Mosley-Braun and BARACK OBAMA, two of only three African Americans elected to the U.S. Senate since Reconstruction.

Mr. Speaker, the centenary of the Chicago Defender is a milestone in the history of our Nation and cause for celebration for the entire country. The history of the Defender is a proud page of our free press. The history reported by the Defender is a chapter of our collective history which without this great paper would have been forever lost.

So, Mr. Speaker, it is indeed my honor and privilege to bring to the attention of this House this milestone in the evolution of our democracy. I congratulate the leadership of the Chicago Defender and wish them success in their next 100 years, which are yet to come.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. FLAKE) is recognized for 5 minutes.

(Mr. FLAKE addressed the House. His remarks will appear in the Extensions of Remarks.)

THE NATIONAL DEBT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. CASE) is recognized for 5 minutes.

Mr. CASE. Mr. Speaker, $6,198 trillion, $6,198,000,000,000, a lot of money. An almost inconceivable amount of money. So many zeros that it is easy to pretend that it is paper money which, of course it is not, but that is how much our gross national debt was, how much our government owed, how much we owed in real money to our Social Security trust fund, to our bondholders and to many foreign countries,

including China, when I was first elected to this Congress in late 2002, a lot of debt to have built up since the founding of our country.

But how about this number, $7.775 trillion, our total debt today? Yes. In just the 28 months since I was first elected to this Congress, we have seen a 25 percent increase in national debt.

But wait a minute, if that is not bad enough try this one, $8.184 trillion, the current maximum permissible debt of our country. The debt ceiling has increased for a third time in as many years, voted on by this Congress or at least by a majority, and a majority that did not include me, just a few months ago, currently estimated to be reached and breached in January 2006. An increase in our total national debt of 32 percent in just the 3 years since I joined this Congress.

But wait. In the budget resolution for 2006, just passed on this floor 6 days ago, over the objection of every Member of the minority party and 15 Members of the majority, hidden in that resolution, glossed over, buried, shunned, avoided, turned away from, concealed, an automatic authority to increase our debt ceiling a fourth time in as many years to $8.965 trillion.

When might we reach that total debt, bump up against that debt ceiling at the rate we are going and why is it so crucial to pass another debt ceiling bump way before we are even close to the ceiling we just bumped up against? When? Late 2006, most likely December 2006, after the 2006 election. Coincidence? I surely doubt it. Can it be that our colleagues cannot stomach another ceiling increase in mid-election?

When we reach that level of debt, there will have been added to the debt load we all face $2.767 trillion, a 45 percent increase in just 4 years since I joined this House.

This administration and its supporters in Congress would have us believe this is normal, that this debt is in balance with our gross domestic product, with our collective ability to pay it, or that this debt is because of our commitments in Iraq and Afghanistan. Well, let us strip both of those arguments down.

First, total debt increase over the past 4 years, almost $3 trillion total. Cost of Iraq in the same time period, almost $300 billion, 10 percent of total debt increase. So clearly that is not the reason.

What about this gross domestic product argument? This is from the President's own budget, and it shows total Federal debt as a percentage of gross domestic product, in other words, the ability of our economy to carry the load, and that total Federal debt percentage of our gross domestic product will hit 68 percent in 2008 under the President's own budget. Guess when the last time that percentage was that high? Couple of years ago? No. Couple of decades ago? 1955, after a full 10 years, 15 years, of war and Cold War and war again. So, clearly, that is not the reason.

This debt is completely unusual. This debt is completely out of control. Something is wrong. Something is terribly wrong, and do not let anyone lie to you about it.

The first step towards addressing any crisis, and this is the crisis of our time, is to know you have one, to look yourself in the mirror and say, yes, I have a problem. Then you can get to work. So let us quit letting ourselves be fooled and get to work.

The House Blue Dog Coalition is way past being fooled, way, way past being fooled. We are at work and we welcome the participation of anybody who realizes that this is the crisis of our time.

□ 1745

DEFICIT AND DEBT CRISIS

The SPEAKER pro tempore (Mr. INGLIS of South Carolina). Under a previous order of the House, the gentleman from Tennessee (Mr. COOPER) is recognized for 5 minutes.

Mr. COOPER. Mr. Speaker, I join my fellow Blue Dog, the gentleman from Hawaii (Mr. CASE), in speaking about the deficit and debt crisis that our Nation faces. He gave a lot of stunning numbers. Let me put it on a time line.

What are the milestones that we are facing as a Nation? First, the year 2004, the year past, the Comptroller General of the United States, David A. Walker, said that arguably it was the worst year in American fiscal history, clearly setting our Nation on an unsustainable path. Those are tough words, and they are from our Nation's leading auditor. Arguably the worst year in American fiscal history.

Our history goes back many, many decades, and it stretches through periods of trial and turmoil, like World War II, the Civil War, and other conflicts. Yet the year 2004 was the worst year in American fiscal history according to the Comptroller General.

Now, in 2005, what has happened in our budget and deficit this year? The House Republican majority ran through last week on Thursday night, under a so-called martial law rule, the entire budget of the United States of America, $2.6 trillion. And from start to finish, from first time to look at the budget to final passage in this body was no more than 2 to 3 hours of time. Literally, no one in this body had any clue what was in the budget because no one can read a document of that complexity in that short amount of time, especially under a martial law rule.

Let us look forward. By the last year of the Bush administration, by the year 2008–2009, we will be spending, according to the House Republican budget, more money on interest payments to the creditors of our Nation than we will be spending on all regular government in America. Let me repeat that: more money will go to creditors of our Nation, bond holders, than to the citizens of our Nation in regular government, at least in the form of domestic, nondefense discretionary spending. That is a tipping point. That is an outrage. And that is the result of profligate Republican spending policies, the latest evidence of which is in this Cato Institute report that came out on May 3, 2005, that says the Bush administration is the worst spending administration since Lyndon Baines Johnson.

Let us look forward. The Wall Street Journal reported about a month ago that if current trends continue, the last living U.S. bond holder will sell his or her holding to the People's Bank of China on February 9, 2012. Then the Chinese will own virtually all of our foreign-held debt. That is not a good situation for the security of our Nation, either defense security or fiscal security.

Let us look forward again. The year 2017. That is the year in which the Social Security surpluses will run to zero, and that will be the first year in modern times that the American people will get an honest picture of the size of the Federal budget deficit. Because no longer will the Social Security surplus be able to be used to hide the true size of the Federal deficit. For example, in 2004, most folks, most experts think the deficit was $412 billion. Wrong. The real deficit was $567 billion, or $155 billion larger than is represented, because our government has used the Social Security surplus to hide the true size of it.

Let us look forward again. By the year 2040, only 35 years from now, if current trends continue, the Comptroller General of the United States says that it will take all revenues collected by the Federal Government, every dime collected in taxes from our people, just to pay interest on our debt. This is a truly stunning finding of the GAO, because it indicates that there will be no money left by the year 2040 for any national defense, any Social Security, any Medicare, any money to meet the needs of our people.

Clearly, Mr. Speaker, that is an unsustainable path. Clearly, I think we need Presidential leadership. Because being practical, even though we have a strong package of Blue Dog budget deficit reforms, even though both parties should come together, it is hard for a group of 435 in this body or 100 people in the other body to exert the leadership that the President should be demonstrating. But the President has vetoed no legislation during his entire Presidency. He has not disciplined Congress in any way. He is the first President since James Garfield in 1881 to fail to veto a single measure of this body. President Garfield was only in office for 6 months before he died. President Bush has been in office for 5 years now.

Mr. Speaker, I urge my colleagues to focus on the deficit and debt crisis that this Nation faces.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. LORETTA SANCHEZ) is recognized for 5 minutes.

(Ms. LORETTA SANCHEZ of California addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. TANNER) is recognized for 5 minutes.

(Mr. TANNER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST THE CONFERENCE REPORT TO ACCOMPANY H.R. 1268, EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT FOR DEFENSE, THE GLOBAL WAR ON TERROR, AND TSUNAMI RELIEF ACT, 2005

Mr. DREIER, from the Committee on Rules, submitted a privileged report (Rept. No. 109–73) on the resolution (H. Res. 258) waiving points of order against the conference report to accompany the bill (H.R. 1268) making Emergency Supplemental Appropriations For Defense, the Global War on Terror, and Tsunami Relief, for the fiscal year ending September 30, 2005, and for other purposes, which was referred to the House Calendar and ordered to be printed.

DRUG SAFETY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. STUPAK) is recognized for 5 minutes.

Mr. STUPAK. Mr. Speaker, I come here tonight concerned about drug safety and to speak out to protect our children from the acne drug Accutane, manufactured by Hoffman-LaRoche. As a legislator, I have called for more restrictions on the distribution and use of this drug, which is known to cause severe births defects and a form of impulsive behavior and depression in young people taking this drug.

This drug has devastated my family, with the loss of our son BJ, and more than 268 other families who have lost a son or daughter while he or she was taking the drug Accutane.

Recent news stories have quoted an FDA safety reviewer, Dr. David Graham, when he spoke before the Senate Committee on Finance. Dr. Graham said: ''I would argue that the FDA as currently configured is incapable of protecting America against another Vioxx.'' He told the Senate Committee on Finance that ''there are at least five other drugs on the market today that should be looked at seriously to see whether they should remain on the market.'' He cited the acne drug Accutane.

Why Accutane? Accutane is the poster child for why we need an independent body to approve and review drug safety. Accutane causes horrendous birth defects and causes psychiatric disorders such as depression and suicide. It is linked to 268 suicides, according to the FDA.

A recent study by Dr. J. Douglas Bremner, and published this month in the American Journal of Psychiatry, demonstrates how Accutane affects the brain, possibly causing impulsive behavior due to changes in the orbital frontal cortex. This is the front part of the brain. This is the area known to mediate depression.

As Dr. Bremner demonstrates in this study, as we see in this PET scan here, there is a decrease in the metabolism or function of the brain. This PET scan establishes a baseline of a person before they start Accutane. Notice the red activity in the brain. The second PET scan is of the same person 4 months later on Accutane. Notice the first PET scan from the second PET scan. The red color, after 4 months on Accutane, is missing, representing a decrease in brain activity in the frontal part of the brain.

In the second PET scan, here, notice again very little or no red, representing decreased brain activity, in the same person after 4 months of Accutane treatment. Accutane decreases the metabolism or brain function in the front part of our brain.

In this one slide that Dr. Bremner has shared with us, there is a 20 percent decrease in brain metabolism or function. This decrease in brain function only occurred in some Accutane patients. Dr. Bremner did PET scans with other patients taking oral antibiotics for acne and none showed any brain changes.

It is not all Accutane patients who demonstrate a brain change, just those who complain of headaches. Is the excessive dosage found in the current formula of Accutane that is prescribed to our young people the cause for the change in the brain that we see? The medical evidence is clear that Accutane causes changes in the brain, and this may be what leads some young people to take their own life through impulsive behavior.

Let us join with Dr. Graham, the CDC, and other health care groups who have expressed strong concerns about the safety of this drug, and who have called for Accutane to be withdrawn from the market as far back as 1990. Let us pull this drug Accutane from the market until we have all the answers surrounding this powerful drug.

At the very least, the FDA should immediately require a large-scale review and a study on the drug's effects on the human brain. Is this decreased metabolism we see here reversible? Will the brain repair itself? What amount or what dose of Accutane is safe? What amount of Accutane can be safely taken by young people so that the brain is not affected? Has the FDA done enough to protect our children from the side effects of this drug? Has the FDA seriously looked at Dr. Bremner's study and similar studies in animal testing, which also demonstrated that Accutane harms the brain?

It has been 7 or 8 months now since I have shared this information with the head of the FDA, Dr. Crawford. We still have had no response to our concerns. It is time for all of us to join together to protect our children. It is time to withdraw Accutane from the market until all of our important safety questions are answered.

IMPENDING CONSTITUTIONAL CRISIS IN U.S. SENATE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, the gentleman from Iowa (Mr. KING) is recognized for 60 minutes as the designee of the majority leader.

Mr. KING of Iowa. Mr. Speaker, I appreciate this opportunity to address the House. This issue before us in this discussion this evening, Mr. Speaker, is the issue of an impending constitutional crisis that I believe is taking place over in the other body, and it is something that has been dealt with and worked with and rolled around by the Senate with regard to the confirmation of the President's appointments to the judicial branch of government. It is an unprecedented use of the Senate rules with regard to filibusters.

About 2½ years ago, something like that, this process began, and it began with a gentleman that was appointed to the D.C. Court of Appeals. His name was Miguel Estrada, a very, very highly qualified individual, an immigrant from Honduras, someone who English was his second language. He learned that, studied hard, and worked his way up through the process. He was very, very highly qualified.

But as highly qualified as he was, he was also apparently a political threat to the minority on the other side, Mr. Speaker. So Miguel Estrada hung on the vine because of this unprecedented utilization of the Senate rules called filibuster, requiring 60 votes to gain cloture so that they could go to a vote on the floor of the Senate.

In the history of this country, Mr. Speaker, there has never been, until these last 2 to 3 years, that rule, the rule of the filibuster used against judicial nominees when that nominee had a majority of the votes on the floor of the Senate. The unprecedented use of that hung Miguel Estrada on the vine for 28 months and 5 days, where he finally could not stand it any longer. He had to get on with his life. He had to make a living, had to take care of his family, and so he withdrew his name.

I think that should have been lesson enough, but what happened was that the minority in the other body continued with the filibuster process. They held up a good number of the President's nominees, and I believe that number was 10. Today, the President has pledged to reappoint those nominees that were held up in the 108th Congress, and so now those names are before the Senate again.

In speaking of this impending constitutional crisis, I would also, Mr. Speaker, address the situation and ask that we remember the nomination process for Justice Thomas, and the long, drawn-out grilling affair that was used on him when he was finally confirmed by the Senate by a majority vote. That process and what this country went through was an agonizing thing. It was an embarrassment to the dignity of the United States that we would bring out all those details. Yet now we have a jurist who sits there and whose opinions I read, respect, admire and appreciate. He is a Justice who reads the Constitution, understands the letter of the Constitution, the intents of the framers, the effect of the Constitution and its controlling factors within our laws and the interpretation of congressional intent.

□ 1800

I appreciate that in a justice, and apparently some of the other side of the aisle do not, so they have been filibustering this second round of appointments by our President in this unprecedented effort.

Now it does a number of things. It puts us into this pending constitutional crisis because we are always one heartbeat away from a vacancy on the Supreme Court. We are always one heartbeat away from another national circus and confirmation like we saw with Justice Thomas. This case, though, it would be even more intense, it would be more difficult. It would be fought out more intensely, and that one heartbeat away or one retirement announcement away, one that some of us do anticipate could happen fairly soon, within the next few weeks or the next couple of months, if that takes place, these appointees that are hanging on the vine now that are held up by a Senate rule, a Senate rule that I believe contravenes the Constitution, will become secondary issues and the vacancy on the Supreme Court will become the primary issue.

And if this precedent that they are seeking to establish is allowed to stand, then a minority in the United States Senate will control who is nominated and who is confirmed. I will say they will have influence on who is nominated and they will control who is confirmed for all of our courts in this land.

We know that it is difficult to get judges confirmed that rule on the letter of the Constitution, the letter of the law, the intent of the Framers, and the intent of Congress.

As we sit here with this impending constitutional crisis, this filibuster over on the Senate side, I would ask the body to take a look at the Constitution itself. And if we look to the directions that we have that are framed within the Constitution and ratified by the people, that would be Article I, section 5, it says, ''Each House may determine the rules of its proceedings.'' One might read that and conclude that the Senate can have their filibuster rules and they can hold up the judicial appointments if they so choose, but the Senate rules cannot contravene the Constitution. They cannot be outside the Constitution. We are all bound by the Constitution. We take an oath to uphold the Constitution of the United States.

I would say that the controlling factor is not that each body, each House will establish its own rules, but Article II, section 2, where it says, and I think I should read this for the body, ''He shall have power,'' meaning the President, ''by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur,'' and that is one specific time where we have more than a simple majority.

There are two others in the Constitution. Continuing to quote, ''and he shall nominate, and by and with the advice and consent of the Senate, shall appointment ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law.''

So, Mr. Speaker, advise and consent of the Senate is the controlling constitutional question here. Certainly there is no shortage of advice from the Senate. We will concede they can have all of the advice they would like to deliver to our Commander in Chief and chief executive officer of the United States. We will concede that. They deliver that consistently. It is the consent portion that I object to because under consent, all analysis of the definition of consent is to a simple majority of the United States Senate, not a super majority. When this Constitution requires a super majority, it defines that in this Constitution without exception. It is a simple reading of the Constitution. The United States Senate needs to provide an up or down vote for these nominees that the President has put before them. They are qualified. They have a majority vote on the floor of the Senate. They are being held up by a Senate rule that contravenes the Constitution and it denies the representation of the people who elected the majority members of the United States Senate their voice.

That is the essence of this, Mr. Speaker. To get into it further, I would like to yield to the gentlewoman from North Carolina (Ms. FOXX).

Ms. FOXX. Mr. Speaker, I rise again today to add my voice to the chorus that is convened in this House Chamber to denounce the grave disservice that the Senate Democrats are doing to our fellow Americans. I am pleasantly surprised at how many people at home keep encouraging me to do all I can to see that the judges that the President has nominated become confirmed.

When the Framers of our Constitution brilliantly crafted the greatest form of government on earth, they deliberately installed a detailed system of checks and balances, and I think the point that the gentleman from Iowa (Mr. KING) has made is very, very important. Where we needed super majorities, they outlined that in the Constitution. Otherwise, simple majorities are sufficient.

And under that system, judges and courts are not supposed to legislate, and legislators are not supposed to make court decisions. However, by refusing to do their jobs and not even considering judicial appointments, Democrats in the Senate are making a mockery of the government our forefathers put their lives on the line to obtain.

Mr. Speaker, just as many of my colleagues and I frequently contest the dangerous trends and practices of activist judges, we have gathered this evening to oppose the equally dangerous activities of partisan activist Democrat senators, or should I say, inactive senators.

As any student of American government knows, it is the job of the President to nominate fellow Americans to serve as Federal judges, and it is the job of the Senate to approve or reject those nominations. It is a simple system that guarantees proper checks and balances in the manner our forefathers envisioned. Over the past 2 years, though, Senate Democrats have exploited parliamentary loopholes to prevent the Senate from voting up or down on many of President Bush's highly qualified nominees. They are hiding behind the Senate filibuster to judicial nominees who have the support of the majority of the Senate, something which has never been done before in American history. They are not asking for time to debate these nominees, they are not going to the American people and explaining why they oppose them, they are not even attempting to persuade their Republican colleagues to vote no. No, they are just refusing to vote, and that is wrong.

I stand for this simple proposition that every judicial nominee of the President deserves a fair yes or no vote. If Democrats do not like the President's nominees, they can vote no; but to avoid voting all together is a dangerous disservice to our Nation.

I urge Democrats in the Senate to stop playing politics with our justice system and to start doing their job. I hope the Democrats in the Senate are using their time off this week to contemplate their recklessly irresponsible actions. It is time to put partisanship aside, like many of my sensible colleagues have done in the House.

With no real agenda coming from their leadership, constructive Democrats have found a legislative home with House Republicans this year. As the Republican Party has made great strides for our Nation during the first few months of this Congress, many House Democrats have joined the majority in working for a better America.

Mr. Speaker, 73 Democrats voted to pass bankruptcy reform; 50 Democrats

voted for class action reform; 42 Democrats voted for the Real ID Act; and 122 Democrats voted for Continuity in Government; and 42 Democrats voted to repeal the death tax.

Mr. Speaker, the Republican Party is accomplishing great things for America every day. Many House Democrats have joined in that progress. I hope the Democrats in the Senate will put their partisan, irresponsible instincts aside and do their job when they return to Washington. Stop the filibuster on judicial nominees and put them to a vote.

Mr. KING of Iowa. Mr. Speaker, I thank the gentlewoman from North Carolina (Ms. FOXX) for her contribution to this cause.

Mr. Speaker, I yield to the gentleman from Utah (Mr. BISHOP).

Mr. BISHOP of Utah. Mr. Speaker, I thank the gentleman from Iowa (Mr. KING) for yielding me this time.

Mr. Speaker, in the late 1880s, House Speaker Thomas Brackett Reed was easily one of the most powerful speakers that has ever served in this body, and probably one of the most sarcastic speakers that ever served. Anyone who can be asked if he is going to attend the funeral of one of his political enemies and have the presence of mind to say, ''No, but I approve of it,'' one has to like that kind of a speaker.

One day Speaker Thomas Brackett Reed returned from watching proceedings in the Senate, and looked at his colleagues sitting in this Chamber and told them to thank God the House is not a deliberative body. I would never deign to give advice, or for the sake of the parliamentarian, to make a value judgment as to the actions of our brethren, and sisters, over in the Senate, but as they contemplate what is popularly called the ''Constitution option,'' or the Byrd option, or the nuclear option, it would be useful to briefly review the history of the House.

No Child Left Behind may not think history significant enough to be tested, but an understanding of congressional history may indeed smooth the troubled times ahead.

Historian David McCullough noted that ''Congress rolls on like a river, always there and always changing.'' So for all the fealty we give to traditions of each body, each tradition of both the House and the Senate had a beginning point when the body made a conscious decision to implement a tactical course of action. As McCullough intimated, though we do not like to admit it, each body is constantly making those course changes. The same principle applies to filibusters.

A filibuster is not a Constitution doctrine but a tactical course of action, and the concept of the filibuster has often been used for noble causes. During the 1990s, the Senate engaged in a filibuster of what I saw as a devastating attack upon the economy of the west based upon another administration's Federal land policies. I applauded them for that effort, but what can be used for good can also be used to abuse. And when that abuse becomes egregious, commonplace, and detrimental for the overall well-being of this Nation, changes should then be considered.

The Senate has changed its practices on filibusters several times with this tactic. They did so in 1917 and again in the 1950s, and again in the mid-1970s. And as the Senate considers whether to make an adjustment again, they should review the House's tradition with a tactic that was both similar and yet the exact opposite of the Senate filibuster.

The Senate developed the filibuster, a tactic designed for the minority to obstruct and frustrate the will of the majority by talking. But in the 1800s, the House had an Act called the disappearing majority. It was designed by the minority to obstruct and frustrate the will of the majority by silence.

In the early 1800s, former President John Quincy Adams, the only person to leave the White House and return here to this House body, refused to vote on a pro-slavery amendment. When his name was called, he just sat. Others joined him until there were not enough votes cast to make a quorum and the motion failed. There would be few who would criticize him for the nobility of that particular action; but unfortunately, that tactic caught on and by the speakership of Thomas Reed was being abused in an effort to frustrate any positive action in this body. On a quorum call, those people would simply refuse to answer, and with a lack of a quorum, all business would be brought to a screeching halt; the same goal as a filibuster, just a different approach.

This was common in the House practices in the 1800s, and the refusal to allow a vote resulted in minority government. As Speaker Reed said at the time, ''If the majority does not govern, the minority will; and if you think the tyranny of the majority is hard, the tyranny of the minority is unendurable.'' The rules then, he said, ought to be arranged to facilitate action of the majority. The Speaker made up his mind if, in his words, ''political life consisted of sitting helplessly in the Chair and seeing the majority powerless to pass legislation,'' he had had enough of it and was ready to step down.

He did not step down. Instead, he decided to step up to the challenge. Thus, he instituted a policy of counting as present Members in this Chamber, whether they were speaking or voiceless, and it led to a wonderful exchange between the Speaker and a Democrat Member from Kentucky, James McCreary. The outraged McCreary demanded to know what parliamentary right the Speaker had to declare him present. And Reed simply responded, ''The Chair is making a statement of fact that the gentleman from Kentucky is present. Does he deny it?''

Well, the precedent for the tactic was broken and even though the minority took this issue, ironically enough, to the Supreme Court in 1892, the Supreme Court upheld the position of the Speaker.

The House then evolved into a body with centralized or majoritarian authority, while the Senate remained decentralized with minority authority. These tactics, all of them, are not ordained by the Constitution, they are traditions of the Members of each body. House historians Oleszek and Sachs once wrote, ''The forces of centralization and decentralization are constantly in play, and they regularly adjust and are reconfigured in response to new conditions and events.''

In less scholarly terms, whatever has been born in a noble cause can degenerate into abuse; and if the abuse of that tactic harms the Nation in such situations, Congress should make changes. They should adjust.

□ 1815

The House did in the 1800s. The Senate would do well to learn from our experience. As McCullough might be saying right now, the river is ready to change.

Mr. KING of Iowa. I thank the gentleman from Utah. It would be interesting to have heard the gentleman say, no, I am not here and see that in the RECORD. That is a perspective that I appreciate being able to hear here tonight. At this moment I would also like to yield to a gentleman who has enormous experience in working with the judicial branch of government, former attorney general of the State of California and now a Congressman again, the gentleman from California (Mr. DANIEL E. LUNGREN).

Mr. LUNGREN of California. I thank the gentleman for recognizing me, I thank the gentleman from Iowa for having this time, and I thank the other Members of this body for entering into this discussion here this evening.

In my former life as the attorney general of the State of California, I was privileged to be on the confirmation panels for those members of the bench who were nominated to appellate positions or the Supreme Court of the State of California. In that regard, it was a three-person panel of confirmation requiring a majority vote, a two-thirds vote because there were three of us on that panel. During that time, I had the opportunity to investigate, review, speak with and have public hearings and then vote on more than a score, I believe, of nominees of the Governor of the State of California during the 8 years I served as the attorney general.

During that time, we were required to look at their record to see whether or not they were qualified to serve in their positions, but never did we misunderstand the responsibility we had, which was not to nominate them in the first place but, rather, review their nomination after it was made by the Governor of the State of California. While that is not an absolute analogy,

it certainly is an apt analogy to the responsibility that the United States Senate has under the Constitution of the United States to give advice and consent to the President of the United States upon his nomination of individuals to serve in the various courts in the Federal system.

Tonight I would like to at least address briefly the process that has developed in the Senate and the impact it has had on the nomination of a particular individual from my home State of California. Her name is Janice Rogers Brown. She is and has served for a significant period of time as a member of the California Supreme Court. Prior to that, she was on the Third District Court of Appeals for the State of California. She has been nominated by the President of the United States to serve on the District of Columbia Circuit Court of Appeals.

The gravamen of my observation is that the failure of the Senate to allow her nomination to come to the floor thus far denies her, but more importantly the American people, an opportunity to review her qualifications, to review her personal history and to make a determination as to whether she is a worthy individual to serve on the District of Columbia Circuit Court of Appeals.

As a matter of fact, it is my observation that in the absence of the opportunity to be voted up or voted down, to be subjected to a debate on the floor of the United States Senate in the context of such a consideration, that in fact the Janice Rogers Brown that I know in the State of California, not only because of my personal experience with her but because of my prior service in making a determination as to whether or not she was worthy to serve on the California appeals court and the California Supreme Court, that that person that I know is not the person that I hear discussed, the person that I hear characterized, or the person that I see presented in the press and in other places.

Her personal story is nothing short of inspirational. Janice Rogers Brown comes from a family of Alabama sharecroppers. She was born and grew up at a time in which there was still official discrimination in that State. She was one of those people who suffered as the result of official and unofficial discrimination in that State. Yet she rose from those humble beginnings to receive her law degree from UCLA in 1977. She served as a deputy attorney general in the California Department of Justice from 1979 to 1987.

When I was elected the attorney general of the State of California and took office in January of 1991, I asked a number of people who had previously served in the attorney general's office for recommendations of people who should serve at the top level of the Department of Justice in my administration. Her name was always offered by those who had had experience in that office.

I did talk with her. I did offer her the opportunity to serve as the head of the civil division in the California Department of Justice. That is an office that has over 1,000 attorneys in it, 5,000 employees, I believe one of the finest law offices in the country. It probably presents itself in argument before the U.S. Supreme Court more than any other office outside of the U.S. Department of Justice, and I very much believed that she would be someone who would bring tremendous esteem to our office.

Unfortunately, Pete Wilson, the former United States Senator, then Governor of the State of California, was successful in talking her into accepting his offer to be the legal affairs secretary to him in his administration. During that period of time that she served as legal affairs secretary, I was the attorney general of California and worked with her on many knotty legal issues. I found her to always be professional, to always be measured in her tones, to always look to the law first, and to give the best advice that she possibly could.

Later, the Governor nominated her to serve as justice on the Third District Court of Appeals, and we listened to the testimony of those who had worked with her, those who had seen her close at hand in the office of the Governor, in the attorney general's office and in private practice; and there was such a strong recommendation of those who had worked with her that it was easy to vote for her confirmation to the Third District Court of Appeals for the State of California.

Several years later, she was the first African American woman to be nominated to serve on the California Supreme Court.

During the confirmation hearings that we had, I had the opportunity to review the opinions that she had written while on the appellate court. Interestingly enough, every single member of the appellate court on which she served recommended her confirmation to the California Supreme Court. I recall at the time that the chief justice of the California Supreme Court, Justice Ron George, surprised the public hearing that we had by actually putting on the table every single written opinion that she had done and advising everybody there that he had read every opinion she had written at that point in time, not once but twice, and rendering his opinion that she was well qualified to serve on the California Supreme Court.

I can recall of those who opposed her, some said she was not serious enough and one of the things they cited was a particular case. So I went to that case to see their suggestion that she was not serious enough, and I found out that not only is she a legal scholar but she is a well-read individual and someone who understands the culture of America very well, because she had footnoted a routine done by George Burns and Gracie Allen, and that routine that she footnoted was right on point but made the point with humor.

I must say that having been involved in the law for 30-some-plus years, having served in this body on the Judiciary Committee for now 11 years, having served as attorney general for 8 years, and been involved in private practice in the other years, it is refreshing to find members of the court who actually believe it is appropriate occasionally to use humor to make a point.

It should be noted that Justice Brown was required to go before the people of the State of California for confirmation in a direct vote of the people and that in that she received over 75 percent of the vote of the people of California who had the opportunity to review her performance while serving on the California Supreme Court.

I have seen some criticism of some of her opinions. One cited in the other body has to do with a case coming out of the city of San Jose, and it had to do with whether or not the city of San Jose's ordinance with respect to hiring or contracting policies had run afoul of a new section of the California Constitution which was as the result of a direct vote of the people in Proposition 209. Proposition 209 entered the vast area of affirmative action and said in that vast area, we believe it is inappropriate to use racial quotas and set-asides. It did not condemn all affirmative action, but specifically said that the use of race for purposes of contracting or hiring by State government or its political subdivisions was inappropriate when it came by way of quotas or set-asides. That was a vote of the people.

In the case brought by some who challenged the ordinance in the city of San Jose, she wrote the majority opinion. Some have now criticized her for that opinion, suggesting, as I have heard, that she is, quote-unquote, out of the mainstream.

Well, that decision was a unanimous decision of the Supreme Court of the State of California: 7 to 0. If she is out of the mainstream, the entire Supreme Court of the State of California is, and the people of California are, out of the mainstream as defined by those who would criticize her.

The interesting thing is that she is a prolific writer in her capacity as a jurist. In fact, in the year 2001 and the year 2002, she authored more majority opinions than anyone else on the California Supreme Court. As I mentioned before, her opinions reflect well-reasoned analysis, a prosaic quality, as well as humor. In upholding a drug-testing program, she observed, ''That is life. Sometimes beauty is fierce, love is tough, and freedom is painful.'' Some have suggested that such comments are inappropriate. I would suggest that such comments are extremely appropriate because they are couched in the reality of life as well as the reality of the law.

I have talked with those people who served with her directly while she

served the Governor of the State of California, those who saw her on an everyday basis, those who asked her legal advice, those who asked her positions. Every single one of them will tell you that she is a measured individual, she is a well-thought-out individual, she is one who will give you what the law is; and if you ask her opinion, she will give you that as well.

If you look at her opinions, they are the opinions of someone who understands what I believe jurists ought to understand, that their obligation is to interpret the law, not make the law. Their obligation is to attempt to divine what the intent of the legislators was at the time they passed the law, and similarly what the intent of the framers of the Constitution meant at the time they wrote the Constitution. Because, simply put, this is not a game. We have an obligation in a democracy to be fair with the people who are members of that democracy, the citizenry. And if in fact those who are on the bench speak in some sort of Sanskrit, speak in some sort of code such that when they say one thing that is understood in the common utterances one way but they mean in their legalese something else altogether, that somehow that is the way to legislate, I would suggest that is the wrong way to legislate because it does not give the members of our society a fair chance at ordering their lives in accordance with the laws.

That is something we have not talked about enough here. When we give full flight of fancy to members of the court under the Federal system, what we are doing is saying that the people should not have the opportunity to fully understand the democracy in which they participate, that the people somehow are incapable of governing themselves and that somehow all the important decisions of life have to be decided on a, quote-unquote, constitutional basis as opposed to constitutional questions being the exception.

I would suggest that it is also not possible to pigeonhole Justice Brown into a stereotype or ideological mold. She has surprised some in the law enforcement community with her steadfast defense of individual rights. For example, in a California case called People v. Woods, she authored a lone dissent in a case which upheld a prosecution of two defendants for drug offenses based on evidence seized without a warrant from a residence defendants shared with a woman subject to a probation search condition.

□ 1830

In this dissent she observed, ''In appending the Bill of Rights to the Constitution, the Framers sought to protect individuals against government excess. High on that pantheon was the fourth amendment guarantee against unreasonable searches and seizures, which generally forbids such actions except pursuant to warrant issued upon probable cause by a neutral magistrate.'' This hardly sounds like a caricature of the right wing gargoyle which Justice Brown's critics have tried to create.

Recently her critics have heaped criticism upon her for reference to the cultural wars in a speech in which she acknowledged the secular assault on religious freedom. First of all, everyone from Pat W. Buchanan to Tammy Bruce has acknowledged that we are in the midst of a titanic cultural struggle. As a matter of fact, if we looked at the recent writings and utterances of James Carville, he has suggested that maybe his party ought to pay more attention to the cultural argument that is taking place, the cultural battle that is taking place. In light of the fact that cases relating to the removal of reference to God and the Pledge of Allegiance, which happened to come out of my district, by the way, and the two Ten Commandment cases currently before the United States Supreme Court, cases in courts around the land involving the question of the continued definition of marriage, Justice Brown would seem to be merely stating the obvious.

In fact, cities and counties across Southern California are being coerced by lawsuits and threats of lawsuits to remove minuscule depictions of the cross from city and county seals. Perhaps we ought to pretend that the California missions never existed, and perhaps we will be required soon to change the names of San Francisco, San Jose, and Sacramento to more secular terms.

My point this evening is a simple one. That which we are observing in the Senate is denying the American people an opportunity to review the nominees of the President of the United States. It is my belief that Janice Brown should be so presented to the United States Senate for consideration. She is the American story. From the humblest background, she has risen to the highest court in the most populous State in the Nation. She subscribes to a judicial philosophy considered radical in some circles, that the text of the Constitution actually means something. She holds to a consistent enforcement of individual rights that is not result oriented.

In my judgment, these are the qualities of a true jurist and is why she should be confirmed to sit on the DC Circuit Court of Appeals, and at very least, that her story be told in open debate on the floor of the United States Senate in the context of the consideration of her nomination by the whole body.

Mr. KING of Iowa. Mr. Speaker, reclaiming my time, I thank the gentleman from California for his comments, and I appreciate more insight into Justice Brown.

I also want to say that I looked to the gentleman from California for his viewpoint on the law and on the Constitution because of the experience he has and the fact that he had the opportunity to view her from up close and share that with us tonight.

We are asking for an up or down vote for Janice Brown and the others in the Senate.

And I yield to the gentleman from Indiana (Mr. PENCE), the chairman of the Republican Study Committee.

Mr. PENCE. Mr. Speaker, I thank the gentleman for yielding to me.

I thank the gentleman from Iowa for his stalwart and courageous and unbending commitment to an independent judiciary and for calling this forum tonight, which is really about this body speaking of the obligations of the Congress as a whole to do what the American people sent us here to do, and that is, in very simple terms, Mr. Speaker, we vote for a living. And I am going to be in Muncie, Indiana on Friday. We make a lot of car parts there. We have got a lot of corn and soybean fields in Eastern Indiana, where they grow things for a living, they make things for a living. We actually just vote for a living here. Any other way one dresses it up, there are a lot of other aspects of our job, but when the bells go off, legislators in the House and the Senate vote. That is what taxpayers call us to do. This is not a debating society, and the effort by our colleagues with the constitutional option as it is rightly observed in the Congress is an effort to reestablish a 214-year tradition in the Senate of either approving or disapproving the President's nominations by a simple majority vote. As many of my constituents love to say, this is not really rocket science.

I think for many Americans, the central question of the moment is can Mr. Smith still go to Washington? I mean, we could get lost in Article I, section 5 of the Constitution, and determining the rules and proceedings and all of the gobbledegook, but in my heart, I think many Americans just ask the question, can Jimmy Stewart still go to the floor of the United States Senate and expose the corrupt dam project?

I really believe it comes down to that. With a lot of the hyperbole and the hyper-rhetoric about the ending of filibusters and the ending of democracy and great traditions in the Senate, I have got to think, Mr. Speaker, that many Americans looking in are still asking that question, can Mr. Smith still go to Washington? And I think it is absolutely imperative that we say tonight an emphatic yes, Mr. Smith can still go to Washington, that specifically all the duly-elected majority of the United States Senate seeks to do is to eliminate filibusters on judicial nominations, which, I will argue is unprecedented in the Senate to begin with. It has never been accepted.

And recently, in the last 5 years, by prominent members of the Democratic then majority of the Senate, people like Senator TEDDY KENNEDY, people like Senator PATRICK LEAHY, people like Senator Tom Daschle, decried the use of the filibuster on judicial nominations. The filibuster that Jimmy Stewart used in the famous movie ''Mr.

Smith Goes to Washington'' was the legislative filibuster, the ability to go to the floor and to use the rules of the Senate to tie the institution up, to use a minority power in the institution to expose truth. And the reality is that that remains untouched and ever should it remain untouched, in this legislator's judgment. It is an essential element of the power of the most deliberative body in the world.

But that being said, Mr. Speaker, the introduction in recent years of filibusters on judicial nominations of the President of the United States is unprecedented, and it is precisely that which the majority of the United States Senate seeks to bring to an end.

And let me just give a couple of quotes. There are those who say that filibusters on judicial nominations are a great part of the Senate tradition and that, indeed, by their own rhetoric, Democrats acknowledge this not to be the case. Senator PATRICK LEAHY, and I will quote from the CONGRESSIONAL RECORD 18 June 1998, who said, ''I would object and fight against any filibuster on a judge, whether it is somebody I opposed or supported; that I felt the Senate should do its duty.'' Senator PATRICK LEAHY.

Senator TEDDY KENNEDY in 1998, also in the CONGRESSIONAL RECORD in March, said, ''We owe it to Americans across the country to give these nominees a vote. If our Republican colleagues do not like them, vote against them. But give them a vote.''

And Senator Tom Daschle, then I believe the majority leader of the U.S. Senate, of Clinton nominees to the United States Senate, said, ''The Constitution is straightforward about the few instances in which more than a majority of Congress must vote,'' and he names them: ''A veto override, a treaty, a finding of guilt in an impeachment proceeding.'' But he said, ''Every other action of Congress is taken by majority vote.'' And he went on to say, this is Tom Daschle now: ''The Founders debated the idea of requiring more than a majority . . . They concluded that putting such immense powers in the hands of the minority ran against the democratic principle. Democracy means majority rule, not majority gridlock.''

Tom Daschle, Senator PATRICK LEAHY, Senator TED KENNEDY all acknowledging the fact during the Clinton administration, that filibusters have never been a part nor should they ever be a part of the deliberation of the Senate over presidential judicial nominees.

I say as I close, and as I began, Congress is not a debating society. We vote for a living. And what we call on our colleagues to do, as much as our rules permit us, and I believe the American people that returned a widening Republican majority in the United States Senate in the last election and returned this President to office by the largest margin in American history insist that the Senate do its duty, that the Senate vote up or down, to quote Senator TED KENNEDY, up or down on the President's nominees to the bench.

Mr. KING of Iowa. Mr. Speaker, reclaiming my time, I thank the gentleman from Indiana for his comments.

Mr. Speaker, I now yield to the gentleman from Arizona (Mr. FRANKS).

Mr. FRANKS of Arizona. Mr. Speaker, I thank the gentleman from Iowa (Mr. KING) for yielding to me.

Mr. Speaker, our colleagues in the Senate in the coming days will approach a crossroads that will forever impact the future of this Republic. They will choose the road that will restore the constitutional balance of power that our Founders so carefully constructed, or they will travel the path that rewards a shameless behavior that has deliberately injured this delicate balance by transferring the executive power of judicial appointment to the legislative minority.

The Constitution's advice and consent has been twisted into mockery. Men and women of outstanding character have come forth as judicial nominees to be undeservedly maligned, smeared, and ridiculed, and then left in nominations limbo by this unprecedented, unconstitutional, and outrageous judicial filibuster.

Mr. Speaker, this is a show of disregard and contempt towards the world's flagship of freedom and toward her people and toward the time-honored principles of the United States Senate.

We will recapture the civility that once presided over judicial appointments, or we will forever surrender what Abraham Lincoln called ''the angels of our better nature'' to a bitterly partisan tactic that threatens the constitutional prerogative of the President to appoint good, decent, and honorable men and women to the Federal judiciary.

Advice and consent is clearly written in the United States Constitution. This judicial filibuster to prevent fair up or down votes is neither advice nor consent, and it is not in the United States Constitution. Never before 2003, in 214 years of U.S. Senate deliberations, has any judicial nomination with clear majority support been denied a fair up or down vote. And yet the minority would have the public believe that the majority is the one trying to change the rules here. They call it the ''nuclear option.'' It is the Senate minority that has launched the unprecedented ''nuclear option'' by devastating the constitutionally required just consideration of judicial nominees by the President of the United States.

What the majority seeks is the ''constitutional option'' that is in total keeping with 214 years of the rules, traditions, and dignity of the United States Senate. Senate Democrats have arrogantly and openly threatened to shut down the operations of this government if Republicans insist on the constitutional option.

Mr. Speaker, far better it is to let the Democrats shut down this government temporarily than it is to allow them to shut down this Republic permanently, because in this critical struggle for the future of this Republic, one of two things will happen: Either the time-honored tested provision of advice and consent written in the Constitution will prevail or unprecedented judicial filibuster and obstructionism will take its place and become the tragic legacy of these days.

The people who have placed us here with their votes have entrusted us to act in principle and for the common good. They are exhausted by the mercenary partisanship of these attempts to destroy the reputations of decent men and women. This destructive behavior has so insidiously invaded every aspect of our political process that it will destroy this Republic if we foolishly continue to reward it.

Mr. Speaker, I should not have to remind my Republican colleagues that the people who have entrusted us with this majority have spoken with resounding voice on the issue of judicial appointments. They hear it and I hear it everywhere I go.

□ 1845

The people of America have a profound sense of justice and fair play; and they want a fair up-or-down vote on judges. Somehow, the people understand how important this really is, and they understand it is really about the Constitution itself. They seem to innately embrace the message of Daniel Webster when he said those magnificent words: ''Hold on, my friends, to the Constitution and to the Republic for which it stands, for miracles do not cluster. And what has happened once in 6,000 years may never happen again. So hold on to the Constitution, for if the American Constitution should fall, there will be anarchy throughout the world.''

Mr. Speaker, the stakes could not be higher, and this Republic hangs in the balance. We have a once-in-a-lifetime opportunity to pass along the miracle of the American constitutional republic to any future generations that are yet to be.

We owe it to the American people, we owe it to ourselves, we owe it to those future generations, and we owe it to that vision of human freedom our Founding Fathers risked their fortunes, their lives, and their sacred honor to entrust to us.

We must not fail.

Mr. KING of Iowa. Mr. Speaker, I thank the gentleman from Arizona for his eloquence, for his understanding of the Constitution, and for his willingness to share that with us here tonight. I yield to the gentleman from Missouri (Mr. AKIN).

Mr. AKIN. Mr. Speaker, the Constitution calls upon the other body to advise and give consent to judicial nominations. For 214 years, they have done this effectively. Yet, today, we see what is becoming a constitutional crisis which is completely unprecedented,

and that is the use of the filibuster to basically stop the confirmation process both for circuit court and Supreme Court nominations.

In light of this mounting problem, it may become necessary to restore the confirmation process by adjusting the rules in the Senate. Of course, the Constitution gives the Senate the right and the authority to govern itself and has set up its own rulemaking. In fact, the Democrats in the Senate, when they were in the majority, advocated the total removal of the filibuster in 1995, and that was voted for by Senators BOXER, HARKIN, and KENNEDY, and some others. So there has been discussion on this subject in the past.

But we are not suggesting the removal of the filibuster, not at all. But we do not stand for the complete filibuster of judicial appointments. Rather, the so-called Constitutional Option actually is a very narrow rule change, and it affects only the Supreme Court and circuit court nominees.

So, once again, we come back to where we have been for 214 years, and that is the fact that never, never in the history of this Republic has it ever happened that a judge that was supported by a majority was denied the right to have a simple vote on whether or not they could serve. Never in our history has a nominee with clear majority support failed to receive a vote in the U.S. Senate. This is our longstanding tradition.

We believe that at least a majority should have the right to cast a vote on whether or not we will seat a judge, and that is all that we are talking about. It is an essential tenet of our whole representative form of government, the idea that there should not be some tyranny which makes it so nobody can even have a chance to vote. And that is certainly a new use of the filibuster and something which threatens to shut down our entire confirmation process for the courts.

We have never embraced a system in which it requires 60 votes to confirm a judge, and we should not be doing that now. With this change, Mr. Smith can still come to Washington, he can still filibuster legislation, but our constitutional call to confirm judges will continue so that the work of the judiciary may go on without the obstruction that we have been seeing in the last several years.

Mr. KING of Iowa. Mr. Speaker, I thank the gentleman for his contribution to this important subject matter that is before us here. It is actually pending before the United States Senate.

A couple of pieces that I think came out in this discussion we have had tonight has been that even though we are asking Mr. FRIST to utilize the Constitutional Option and to call for a rule decision that would be that in the case of a constitutional issue in the United States Senate, when the confirmation of judges are before the United States Senate, a simple majority vote will have to prevail. It is not unprecedented in the Senate rules. What it would do is it would set aside the filibuster option with regard to judicial appointments.

There is no filibuster right now for appropriations bills for obvious reasons, because if you allowed a single Senator or a minority of the Senators to hold up the spending, then anyone could hold the appropriations process hostage to their particular agenda and their particular wishes. Those rules reflect the reason for suspending filibuster for the purposes of appropriations.

Certainly, getting judges on the bench is as high a standard and something that should allow for a simple majority vote over in the Senate. If he exercises that option and the majority leader makes a decision that they will have a vote on the rule, the rule can be amended on the floor of the Senate with a simple majority vote. So if 51 Senators say, let us change the rule to a simple majority for confirmation of judges, it is entirely within the Constitution. In fact, it brings them back to the Constitution which says advice and consent. Consent is defined as a simple majority, not a supermajority, which is what prevails today.

I happen to have heard in the news media last week, or else early this week, the former Governor of New York was on the media saying, and that would be Governor Cuomo, saying that James Madison said the Constitution is here to protect the rights of the minority, meaning the minority in the United States Senate, from the tyranny of the majority. Well, this is not the case. I will say, yes, the Constitution protects those rights; it defines those rights. But what we have right now is the tyranny of the minority in the United States Senate setting policy and determining who will get through the confirmation process for everyone in the United States of America.

So Mr. Smith, after this rule is changed, will still go to Washington, we will still protect the rights of the minority by our Constitution, but we will then prevent the minority, who have been elected to serve in a capacity in the United States Senate, will allow them their rights, will let the people who elected the majority in the Senate make the decisions on who gets confirmed to the courts in this land.

There is far more at stake here than these judges that are before the court today. It is the impending nomination to the Supreme Court that is at stake here. The hostages that are sitting over there right now in the Senate include the energy bill, the transportation, the road bill, other pieces of legislation that we passed over there from the House, all sit there today waiting to be bottled up in a potential filibuster that has to do with the threat that the process will be shut down in the Senate.

Well, we know when somebody shuts down this legislative body by using the rules, however they might use the rules, they have paid a price at the ballot box. There are more Senators over there today on the majority side than there were before the last election because the public does not want obstruction. They want progress, they want an up-or-down vote for these justices consistent with the Constitution, and that is a simple majority.

My junior Senator from the State of Iowa is one of those people who has taken a position and actually led an initiative back in 1995 to change the rules in the Senate so there would not be a filibuster of the justices. That was his opinion then; I am asking that it be his opinion today. In fact, his wife was before the Iowa Senate to be confirmed to a position there before the Board of Regents. If those senators had determined, my former colleagues, my alma mater had determined they wanted to use their rights to filibuster to hold that up, the junior Senator from Iowa's wife would not be sitting on the Board of Regents today like she is.

We want to have the voice of the people in this country heard. We want to stay consistent with the Constitution. We want an up-or-down vote. It is a simple process, a simple concept, and something that, in 214 years of the United States, has not been utilized, the filibuster, to hold up these judicial appointments.

So, Mr. Speaker, I would ask this: let the people know that what we are asking, the Constitutional Option, the up-or-down vote in the United States Senate, let the people know that it is their voice that will be heard when that option is exercised. We ask for that action early in the United States Senate so that it does not bottleneck legislation that is there; and we ask for this decision before such time as we get into a real bare-knuckles brawl over a Supreme Court Justice that might well be nominated within the next few months.

So with that, Mr. Speaker, I appreciate the opportunity to speak before this House.

CAFTA, LIKE NAFTA, IS BAD TRADE POLICY

The SPEAKER pro tempore (Mr. INGLIS of South Carolina). Under the Speaker's announced policy of January 4, 2005, the gentleman from Maine (Mr. MICHAUD) is recognized for 60 minutes as the designee of the minority leader.

Mr. MICHAUD. Mr. Speaker, first I want to thank my good friends, the gentleman from Ohio (Mr. BROWN) and the gentleman from New Jersey (Mr. PALLONE), for allowing me to conduct this Special Order regarding CAFTA this evening. They have been remarkable advocates of issues affecting working families, and they have my gratitude and admiration.

Mr. Speaker, there are several Members who want to come down to speak on this important issue, so I will at this time yield to my good friend, good colleague and cofounder of the House

Labor and Working Family Caucus, the gentlewoman from California (Ms. LINDA T. SÁNCHEZ).

Ms. LINDA T. SÁNCHEZ of California. Mr. Speaker, this evening I rise in opposition to the Central American Free Trade Agreement. I am glad to see that there are other Members fighting against this deeply flawed trade agreement.

When a trade agreement is so terrible that the Costa Rican president says he thinks it will hurt hard-working people and that their parliament is reluctant to even approve it, you know that it is a bad deal. When a trade agreement is so terrible that the majority will not even bring it to the floor of the House for a vote until a year after signing, you know it is a bad deal. When a trade agreement is so terrible that the Labor Department cannot even comment, they could not even mount an effective counter-argument about CAFTA's awful labor provisions, well, then you know it is a bad deal.

If Costa Rica cannot justify it, if the majority has no confidence in it, and if the U.S. Labor Department cannot even defend it, then it needs to be scrapped. There is not one single reason to support an agreement with this many problems in it.

I would like to talk about a little comparison between CAFTA and NAFTA, because NAFTA was supposed to be this great free trade agreement with our partners to the south, Mexico; and, boy, did we really get the wool pulled over our eyes. With CAFTA, we have a chance to learn from the mistakes of NAFTA and not allow that to happen again.

They told us that NAFTA would bring jobs, but we lost jobs. They promised that our trade would improve, but it has gotten worse with the steadily rising trade deficit. And they told us that it would elevate the middle class in Mexico. Well, guess what? I have been there, and it has not.

When I visited Mexico, I went to a small town in the state of Michoacan, where 60 percent of the men have left the town because there is no work. These men used to be soybean farmers, but their farms have been wiped out since NAFTA. Were these not the people that NAFTA was supposed to help? Instead, they got nothing, and their way of life has been decimated forever. CAFTA will have the same effect.

The gentleman from Arizona (Mr. KOLBE) has said that CAFTA will reduce illegal immigration. Well, guess what? He said the exact same thing about NAFTA. In fact, history has taught us the exact opposite. NAFTA enabled cheap U.S. imports, which pushed 1.3 million Mexican campesinos off the land. It is reasonable to think that some of them may long have since crossed the border into the U.S. seeking economic opportunity.

Central America is even more dependent on agriculture than Mexico is, so the impact on illegal immigration could be even worse. We do not want another NAFTA debacle. We do not want an agreement that hurts hard-working people in the U.S. and other countries.

The word needs to get out that CAFTA is a rotten deal for Central American and American workers. This agreement helps no one but big business, which makes sense, since this administration gives them a prime seat at the negotiating table. This is simply an expansion of NAFTA, which broke all the golden promises that it made to the American people.

CAFTA should be more appropriately renamed The American Jobs For Sale Agreement, because that is what it does. I say to my colleagues, do not be fooled twice. For those of you who were not here then, like me, do not even allow yourself to be fooled once. I invite you to join the growing list of opposition to CAFTA.

Mr. MICHAUD. Mr. Speaker, now I would like to yield to the good gentleman from Ohio (Mr. KUCINICH), a gentleman who has fought for the environment and who has fought for working-family issues.

□ 1900

Mr. KUCINICH. Mr. Speaker, I thank the gentleman from Maine (Mr. MICHAUD) for yielding, and thank him for his dedication to the workers of the State of Maine and to workers all over this country. All of America appreciates the leadership that you have taken on this issue. I am proud to join you at this moment.

I remember years ago hearing Ross Perot talk about the sucking sound that would be heard once NAFTA passed. We were warned that we would be losing millions of jobs. Well, all of these prophecies have come true. We now seem to have learned nothing, because we have a new trade agreement that is being delivered to this Congress that promises to do exactly the same thing that NAFTA has done to our country.

And that is the so-called negotiated Dominican Republic-Central American Free Trade Agreement, or DR-CAFTA for short. This legislation, which I will refer to here as CAFTA, will be harmful to all of the people of the signed nations. CAFTA will benefit a few and hurt the many.

Governments will have little or no control over the investment of foreign companies. As a matter of fact, the power of legislatures is effectively nullified once these trade agreements are passed. National development needs and the rights of citizens and local governments will come secondary to the rights of foreign investors.

Moreover, investors will not have to comply with international labor organization standards, workers rights will be undermined, especially for women workers, for farmers, and Maquila workers. The labor rights abuses that are currently prevalent throughout the CAFTA countries will run rampant under this new legislation's weak labor provisions.

Countries will enjoy greater tariff benefits for goods made by workers whose rights have been denied. Family farms in Central America and the United States will fall victim to CAFTA, which will threaten locally-grown produce and undermine food security. Basic public goods and services, such as education, health care and water will become privatized as governments lose the flexibility to subsidize these services.

Think about this. Privatization of education, privatization of health care. We have a private health care system, which is wrecking this country's ability to be able to meet the needs of its people. We are going to cause it to proliferate across Central America. The attempt to privatize water constitutes a challenge to human dignity. We are going to help facilitate the privatization of water with this legislation.

Expensive brand name drugs will have expanded patents, and inexpensive generic medicines will have greater restrictions. Poor people will not have access to lifesaving pharmaceuticals, because what are these trade agreements about? They are about lifting of corporate rights and dashing the rights of the common people.

The rules of trade, as first developed in NAFTA and now expanded in CAFTA, will increase the suffering of people in all signed countries. When CAFTA comes before Congress for a vote, I will urge my colleagues to oppose this unfair agreement. Trade between nations does not and should not have to lead to such negative consequences.

Trade should lift up the human condition, not degrade it. Trade should celebrate workers rights, not destroy those rights. Trade should take into account environmental quality principles and appreciate the quality of our air and our water. We have new goals to set in this country with respect to trade agreements; workers rights, human rights, environmental quality principles must be included in all trade agreements. We have to challenge the prevailing consensus which delivered NAFTA to this Congress.

We have to challenge the prevailing consensus which brought the World Trade Organization into being without any respect for the rights of national legislative bodies or for the people that we represent.

So I want to thank the gentleman from Maine (Mr. MICHAUD) for leading the way on this issue. I am proud to join with you, and I look forward to continuing to work with you as we take a stand here on behalf of workers not just in this country, but all over the world.

Mr. MICHAUD. Mr. Speaker, I would like to thank the gentleman from Ohio (Mr. KUCINICH) for his leadership on this issue and look forward to working with him on this issue.

Mr. Speaker, as a co-founder of the House Labor and Working Families Caucus, I am privileged to be here with

my colleagues to discuss the devastating impact that Central America Free Trade Agreement will have on our economy here in the United States. This so-called free trade deal promises to cripple our industries, both in my home State of Maine and throughout the Nation. Before coming to Congress I worked over 29 years at Great Northern Paper Company in East Millinocket. I have seen first-hand the devastation of the so-called free trade on Maine's economy, and I know what it means to working families.

I could see in 1994, with NAFTA, which has been nothing but a disaster, costing people of the State of Maine over 24,000 manufacturing jobs. In some parts of my Congressional district, unemployment has reached over 30 percent in different labor market areas over the last 2 years. Over 30 percent.

And often when jobs go, so do people, taking the heart and soul of what once was prosperous communities with them. Today, the threat of job loss is not for blue collar workers alone. Even high-tech companies like IBM, Boeing, General Electric are taking their computer and engineering jobs to China, India, and the Far East, while leaving behind a long trail of pink slips.

As a Member of Congress, I have had the opportunity to meet with several prominent free traders, like the trade Ambassador, Bob Zoellick. They like to talk about how free trade is good for everyone and creates jobs. But when I share the story of what happened and is happening in the State of Maine, of the many jobs lost and the lives that are devastated by those jobs lost, they admit to me, well, there will be winners and there will be losers, and that is just the price of doing business.

This is not a game. These are real people who lose jobs every day. They are the ones who lose the jobs who can no longer afford to send their kids to college and who can no longer afford even basic health care for their families.

Now, do not get me wrong. I am glad that there are a lot of Federal program benefits available to help dislocated workers. And I have devoted myself in advocating and fighting for Federal resources to help laid off workers. But, working people do not want a program and handout created by Congress to clean up the mess from these so-called free trade agreements. They just want their jobs. Each and every Mainer, each and every American worker, should be asking, can we afford to lose another job? Can we afford the Central American and Dominican Republic Free Trade Agreements?

The job loss numbers show that we simply cannot afford that. From 1998 to 2004 alone, 11,724 workers in Maine were certified for trade-related adjustment assistance. Companies like C.F. Hathaway Company in Waterville, Gerber Childrenswear in Fort Kent, were among the hardest hit by NAFTA.

The company that I worked for for over 29 years, Great Northern Paper Company, announced only 2 days after I was sworn in as a Member of Congress in 2003, they were filing bankruptcy. My coworkers, my family, my community was devastated. And the culprit was the so-called free trade agreements.

These agreements have created nothing but stagnant economies and rising inequality. And CAFTA is based on the same NAFTA model. You will hear from me and other Members this evening about the specifics of its devastating effects tonight.

This agreement will serve to push ahead the corporate globalization trend that has caused a race to the bottom in labor and environmental standards. American companies are often forced to compete with foreign corporations who are not held to the same labor or environmental standards. This creates an unfair balance.

I have long advocated for fair trade, not just free trade. The fight ahead is to ensure that these trade agreements are fair for our workers, our businesses, our States. We must ensure that all trade agreements respect workers rights to the environment, health and human rights. And I know Members on both sides of the aisle are committed to stopping this flawed agreement that we currently will be voting on in the months ahead.

Mr. Speaker, I yield to the gentleman from Massachusetts (Mr. LYNCH) who is also a co-founder of the House Labor and Working Family Caucus.

Mr. LYNCH. Mr. Speaker, I thank the gentleman from Maine (Mr. MICHAUD) for yielding. I thank the gentleman for his leadership on this very important issue.

I am told that the clinical definition of insanity is the tenancy to do the same thing over and over again and expect different results. And this proposed Central American Free Trade Agreement is another example of the United States continuing to enter into these so-called free trade agreements with countries and regions of the world that give carte blanche to corporate America to send our American jobs to other parts of the globe.

The one thing that I have been struck with, after coming here to Congress is, how many people in Washington, D.C. talk about job loss like they are talking about the weather, or a natural disaster like an earthquake. They talk about job loss like it is something that happens beyond the control of Congress, when, in fact, much of the job loss that we see in America today is the result of poor trade policy, and lopsided trade agreements in which we have negotiated away our jobs and failed to protect the American worker.

Now, given the experience that we have had thus far, with our subsequent trade agreements with NAFTA and others, you would think that with our experience of job loss that we have had there that when you find yourself in a hole that you might stop digging. But, that is not the case, because here we are facing another agreement that will definitely ship jobs overseas.

Not only does CAFTA, the Central Free American Trade Agreement shift jobs overseas, but it creates and perpetuates a race to the bottom mentality, and further burdens our current trade deficit.

In 2004, the U.S. trade deficit soared to a record $617 billion, a 25 percent increase over 2003's record deficit, and more than 5 percent of our Nation's GDP.

The Bush Administration and the corporations who profit when America sends their jobs overseas argue that this trade deal will benefit U.S. businesses and workers while helping member countries prosper. But, the fact is from our own experience with NAFTA, that that is very far from the truth.

And tonight I would like to focus my remarks on exposing the real impact of the Central American Free Trade Agreement, and what it will do to American workers, and also to Central American workers as well, and our burgeoning trade deficit.

Let us first take a quick look at the North American Free Trade Agreement, NAFTA, and its impact on our workers and our neighbor's workers and the trade deficit. Those who advocated Congress's passage of the Central American Free Trade Agreement often point to NAFTA as a success story in their arguments. I think it is important to take a good hard look, both from economic and policy implications of that model as we consider the Central American Free Trade Agreement.

During the NAFTA debate, the proponents then argued that the measure would, if adopted, would lead to the creation of 170,000 new jobs in the United States. Instead, our country has lost 3 million manufacturing jobs since the adoption of NAFTA, in 1994.

And 900,000 of those jobs lost can be directly tied to NAFTA. These jobs were good, high-paying jobs that included benefits. They were manufacturing jobs that have been replaced by service sector jobs that typically pay 25 to 75 percent less, and with few or no benefits. And while some proponents expect the Central American Free Trade Agreement to turn out differently than did NAFTA, it is important to remember that the six Central American countries possess an even larger pool of cheap labor than did Mexico, and what is more, since the implementation of NAFTA, the trade deficit with Mexico has surged from $9 billion to $110 billion last year.

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So the deficit with Mexico, the trade imbalance with Mexico, has gone from $9 billion before NAFTA to $110 billion last year.

Additionally, NAFTA did nothing to improve the lives of average Americans; and my colleague, the gentlewoman from California (Ms. LINDA T. SÁNCHEZ), has talked about that briefly

prior to my remarks. This failure to improve the quality of life for these workers has generated mass opposition and widespread distrust on our southern border.

Amnesty International continues to report that extra judicial tortures and murders continue. This is not democracy that we are exporting to Mexico, and this is certainly not what the Mexican workers signed up for.

Meanwhile, here at home this comparative advantage of subsistent wages and a complete lack of labor and environmental protections have led to the shift of low-wage, labor-intensive jobs from the U.S. to Mexico.

Pursuing unrestricted free trade agreements with lesser developed countries along the NAFTA model will continue to accelerate this race to the bottom where jobs go to countries where the weakest labor standards and environmental protections exist. That is bad for American workers, and it is exploitive of foreign workers and foreign populations.

We hear this administration talk about exporting democracy. You hear that often in the last weeks and months with regard to the situation in Iraq. Well, this is probably the most powerful opportunity we have to export democracy. You do not export democracy through the Defense Department or the Defense Secretary. You do it through trade agreements, through the Department of Commerce and favorable agreements with our friends and neighbors across the globe.

Are we liberating Iraq so we can move American jobs over there and exploit them for wages of about 10 cents an hour? I certainly hope not. And I hope that is not what our men and women are fighting today in Iraq for. We do not express liberation in terms of working 10 to 12 hours a day for 10 cents an hour, but that is what we are proposing for Central America.

As for the expected boon to the Mexican economy, we have seen none of these gains, and instead we have seen NAFTA's detrimental impact on the Mexican workers. Average real wages in Mexican manufacturing are lower than they were 10 years ago, if you can believe that.

As companies look to cut costs further, we see factories now being shifted from Mexico to China and India and Indonesia, always in search of the lowest cost best exemplified by the most exploited worker.

Now on NAFTA's coattails rides CAFTA, the Central American Free Trade Agreement. The American people are expected to buy the same bill of goods at even higher costs. Proponents of CAFTA, the Central American Free Trade Agreement, insist that the economic gains from this trade agreement for American workers in business will be a windfall. But remember what we are trading for in this case.

The combined purchasing power of all six Central American countries that are affected by this agreement have the identical purchasing power of New Haven, Connecticut. If you combine all of the purchasing power in these nations under the Central American agreement, their entire purchasing power is equal to the city of New Haven, Connecticut. That is what we are talking about here. This is what we are going for.

What they do have is millions of low-wage workers, and that, I think, that is the real object of this agreement. The U.S. economy has $10 trillion in gross domestic product in 2002. It is 170 times larger than the economies of those six nations at about $62 billion combined. And quite simply, the Central American Free Trade Agreement is not about robust markets for export of American goods. It is about access to cheap labor. It is about shipping American jobs overseas so they can sell stuff back to the people who have not been laid off yet.

Like the gentleman from Maine (Mr. MICHAUD), who spoke earlier and who is leading this debate, I worked in my previous life as an iron worker for about 20 years. I worked at the General Motors facility that used to be in Framingham, Massachusetts. It closed shortly before GM made decisions to relocate plants to Mexico. I also worked at the General Dynamics shipyard in Quincy, Massachusetts, as a welder prior to that plant closing because of foreign competition and unfair trade practices. I also worked in the steel mills in Gary, Indiana, and East Chicago, Indiana, for U.S. Steel and Inland Steel. And I understand those plants are now victims of foreign outsourcing as well.

So I know a little bit about the impact of off-shoring and imbalance in our trade agreements. I know what it means to communities and families when those jobs disappear.

Over the last 20 years, our economy has hemorrhaged jobs in the manufacturing sector. Since 2001, 3.3 million jobs were lost. Yet these workers were told not to worry. They were told they would be retrained for another job; they needed more education in our new high-tech economy. How can they not worry when unemployment is at a 10-year high at 5.4 percent, with 80 million Americans out of a job? Personal bankruptcies in my State rose 17 percent between the years 2000 and 2003.

How can we tell these folks not to worry when the administration is signing even more trade agreements to ship away their jobs?

The never-ending pursuit of the lowest-cost labor is spreading, and CAFTA will only just cement this cycle. We need to break the cycle now.

There is a pretty good book that is out there right now. It is called ''The World is Flat'' by Tom Friedman. I suggest my colleagues read it. Mr. Friedman writes about the speed at which our jobs are disappearing and the volume of wealth being taken from regular, average, working-class Americans.

The biggest share of U.S. exports to the six CAFTA nations is not the traditional job-creation kind. These are products that are not consumed in the purchasing nations. What happens is that, for example, textiles here in the United States are shipped to Central America where they are fashioned and furnished into clothing which is then shipped back to the United States and which our people, those that still have jobs, are able to purchase. These are called exports, but in fact it is just a cycle of us exporting raw materials and getting back finished product which was once supplied by U.S.-based factories.

The biggest difference here is that American workers are cut out of the picture. More than 30 percent of U.S. exports to the six CAFTA countries consist of these roundtrip exports that cause American jobs to be outsourced to these countries with lower labor standards.

This trade agreement is bad not only for the American workers but for those in Central America as well.

Yesterday, The Wall Street Journal reported that Costa Rica's resistance to the Central American Free Trade Agreement was based on the fact that the agreement itself would be harmful to poor and struggling workers in Costa Rica. Costa Rican President Abel Pacheco has said that he believes that the Central American Free Trade Agreement is bad overall for his country, and he has delayed a vote on that until February of next year.

The reluctance of Costa Rica has surprised the White House and undermines one of its chief arguments for the pact itself, that CAFTA represents an urgently sought benefit for the impoverished region.

Costa Rica's ambivalence and long delay before it votes on this trade agreement indicates its reluctance to endorse this supposed free trade agreement. Protests in Guatemala numbering in the thousands and tens of thousands have also been an indicator that many Central Americans do not see the Central American Free Trade Agreement as a benefit for their nation and for their livelihood.

As you may know, May Day marches in Guatemala, Costa Rica, Honduras, and El Salvador have featured a myriad of anti-CAFTA signs and slogans. As President Pacheco rightly emphasizes, more trade does not necessarily mean less poverty.

Proponents of the Central America Free Trade Agreement have conveniently ignored this fundamental fact: the effect of trade on incomes in Central America and how to alleviate the adverse consequences of trade liberalization on the poor.

This Washington consensus that opening up markets will help alleviate poverty is just plain wrong. One reason is that the labor in developing countries is not nearly as mobile as trade theorists assume. In Central America, for trade to benefit unskilled workers,

farm laborers, for example, they need to be able to move out of jobs that will face competition from efficient U.S. producers thanks to CAFTA, such as drilling, corn and into exporting industries that are likely to be selling products to the American market.

Unfortunately, there is no job mobility in Central America, and these workers are stuck, and there will be no place for them to turn.

Trade reform has also been linked to increased income disparity as skilled workers have captured more benefits from globalization than their unskilled counterparts. Simply said, CAFTA will make the rich richer in Central America and the poor poorer.

Take Mexico as a perfect example. Since NAFTA was put in place, Mexico has lost 1.9 million jobs and most Mexicans' real wages have fallen. The United States with its unrivaled economic clout is in a unique position to empower workers around the world while promoting economic prosperity here at home.

Unfortunately, the CAFTA agreement does the exact opposite. If we pass CAFTA, the Central American Free Trade Agreement, we are rewarding Central American countries for their poor labor rights records. We are harming farmers in Central America by opening up their tiny markets to our own cycle of exploitation.

Recently released reports prepared by the Human Rights Watch and National Labor Committees provide overwhelming evidence that CAFTA does almost nothing to protect workers. These Labor Department reports have been suppressed because they demonstrate the Central American workers' rights restrictions.

Thanks to my colleague, the gentleman from Michigan (Mr. LEVIN), the Department of Labor has just recently released these reports.

In these reports, DOL found that the right to collective bargaining and nondiscrimination in the workplace were nonexistent. In Nicaragua, for example, employees can be fired for trying to organize a union, provided they are paid twice the normal severance amount. It is bad enough that these countries do not meet international labor standards, but what is worse is that CAFTA is silent on the need to improve any working conditions in Central American countries.

Instead of trade policy that is beneficial to American businesses and workers as well as our trade partners, we have a flawed trade policy that hurts all parties. Free trade should not mean free labor. Likewise, free trade does not, as evidenced in CAFTA, mean fair trade.

The Central American Free Trade Agreement outlines only one labor and environmental provision, and that is that countries enforce their own labor and environmental laws regardless of how weak those might be.

The labor laws of the six CAFTA nations are a joke. They have been repeatedly criticized by the U.N.'s international labor organization and our own State Department. Violations of core labor laws cannot be taken to dispute resolution. And the commitment to enforce domestic labor laws, which are pathetic to begin with, is subject to remedies that are weaker than those available for commercial disputes.

In a purely technical sense, this violates the negotiating principal of the Trade Promotion Authority Act that equivalent remedies exist for all parts of an agreement.

Another negative effect of the Central American Free Trade Agreement for the Central American laborer will be felt in the agricultural sectors of these countries. Simply put, CAFTA will destroy the Central American small farms. And that is why we see these massive protests.

The final negative impact of the Central American Free Trade Agreement I would like to discuss is what it will do to our trade deficit. The U.S. trade deficit which indicates that our imports exceed exports, has increased by $200 billion per year under this administration. In 2003, the trade deficit reached $497 billion, and U.S. foreign debt has increased dramatically from $1.6 trillion in 2000 to $2.7 trillion at the end of 2003.

Over the past 4 years, a 10-year budget surplus of $5.6 trillion left by President Clinton has become a 10-year deficit of $3 trillion. And now we are working on another plan here to export more American jobs to countries overseas.

Secretary of State Condoleezza Rice said yesterday that the Central American Free Trade Agreement will help the U.S. compete more successfully in a dynamic global economy, but I cannot understand how.

How will these nations be able to help the U.S. come out of its current trade deficit? CAFTA nations are not a robust market for exports. The average wage of a Nicaraguan worker is 50 cents an hour. How much in terms of U.S. exports can a Nicaraguan worker afford? They cannot afford Folgers coffee or Tide laundry detergent. They cannot afford cuts of U.S. prime beef at $13 a pound.

As I noted before, the six Central American nations of Nicaragua, El Salvador, Honduras, Costa Rica, Guatemala, and the Dominican Republic have the combined purchasing power of New Haven, Connecticut.

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They will not add much to the U.S. economy. They will only take American jobs away, and make no mistake, that is what this agreement is all about.

If companies were serious about creating robust markets for ''Made in America'' goods, they would be working to improve the wages and working conditions of these workers. It is only when these laborers can earn enough to buy U.S. goods that this kind of trade agreement will be successful for all the parties and all the countries involved.

If you consider that a typical Central American consumer earns only a small fraction of an average American worker's wages, it becomes clear that CAFTA's true goal is not to the increase U.S. exports. About half the workers in this region work for less than $2 a day, placing them below the global poverty level.

All this agreement does is exploit lowest-wage labor to the detriment of the American worker. The Central American Free Trade Agreement does not benefit America. Let us be honest. CAFTA benefits companies that leave the U.S. or outsource their jobs to Central America, plain and simple. These companies will not only exploit cheap labor with minimal protections, but can import their products back to the U.S. under favorable terms.

There are several simple steps we can take to mitigate the effects that existing trade agreements have on our workers and future trade agreements have on global labor movements.

First, instead of subsidizing large corporations that outsource American jobs, with tax breaks for foreign production and government contracts for companies that ship jobs overseas, we should create financial incentives for companies to keep jobs here in the United States. It sounds simple. It could be revolutionary in this country.

Secondly, we must act now to deal with our increasing national deficit. The U.S. trade deficit has jumped from $70 billion in 1993 to $618 billion in 2004. There should be no new trade agreements until we can negotiate fair terms for our own workers.

Finally, in existing trade agreements, we need to demand and strictly enforce all provisions protecting labor, human rights and environmental standards. All future trade agreements should include these basic rights and all countries should be held accountable to internationally recognized standards.

We need a trade policy that supports domestic manufacturers, while promoting labor standards which are similar to our own overseas. The Central American Free Trade Agreement fails to do either.

In closing, I must say that there is a stark difference between our policy in the United States with respect to Iraq and the policy that is being suggested here in this Central American Free Trade Agreement. I was in Iraq several weeks ago, and there was much talk from the White House and from my colleagues in government about the need to spread democracy, to export democracy. I have heard of that a lot in the recent months and weeks, the talk of empowering people and raising their standards of living and liberating the people of Iraq.

Then I see this Central American Free Trade Agreement and what it does. It endorses oppression. It exploits workers. It turns a blind eye to repressive regimes. It reinforces the complete

lack of hope that these people have, and it does not lift a finger to help them.

Once Iraq is stabilized, is this the way we will treat their workers? Is this why we pumped $200 billion into that country in the last few years? Is that what liberation means for the Iraqi worker? Is that what our sons and daughters are fighting for? Is that the policy that we are going to adopt for Iraq once they are able to stand up on their own feet and control their own country?

We should have the courage and the honesty to tell our men and women in uniform that that is what they are fighting for if that is what we are proposing.

Mr. MICHAUD. Mr. Speaker, I would like to thank the gentleman from Massachusetts for his comments tonight and I really appreciate his remarks.

Now, Mr. Speaker, I would like to yield to the gentleman from Maine (Mr. ALLEN), a gentleman who I have known for some time, a gentleman who is deeply concerned about the trade agreements and what effect it has on our State, of the State of Maine, and I am very appreciative of the work that he has done for the people of the State of Maine, particularly coming into the 2nd District, which is my district, to see the effect of some of these unfair trade agreements and the job loses that we have.

So I now yield to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I thank the gentleman from Maine (Mr. MICHAUD) for yielding to me, my friend and colleague.

I stand here as a person who believes fundamentally that the task we have here in the Congress is to create a stronger and more competitive America, number 1; number 2, to encourage a broader prosperity among citizens among all walks of life in the country; and 3, to create a better future for ourselves and our children. It really comes down to being pretty much that simple.

I also stand here as someone who, in the past, has voted for some trade agreements and voted against others, and I wanted to speak tonight on why I believe CAFTA is a bad deal for the American people and a very bad deal for Central America as well.

Our history has shown that the free enterprise system, and free markets in particular, are essential in order to have an efficient allocation of resources and to encourage economic growth, but our history has also taught us that free markets do not, by themselves, assure that the benefits of a free economy will be distributed fairly among the population.

In fact, in many places around the world, it is the case that wealth and power are concentrated, and in America, in the last four years, wealth and power have become concentrated at an alarming rate.

We are doing anything in this country but encouraging broader prosperity. We, in fact, are doing tax cuts for the wealthiest people in the country and making it harder every day for the middle class to get by, to pay for their mortgage, to get a good education, to pay for their health care, and to otherwise create for themselves and their children the kind of life that we thought America promised to everyone.

So, some of my criticisms of CAFTA relate to the policies of our Republican colleagues in the Congress and to the Bush administration because when we listen to people on both sides of the aisle, both sides of this issue, the proponents of CAFTA say the agreement will create jobs in the United States. The opponents say it will cost jobs. I believe that both are right. It will create some jobs in the United States, and we will lose many, many other jobs, in all probability many more.

So, if both are true, the question is, what are we doing as a country to take care of those people who lose their jobs as a result of CAFTA? The answer from this administration is nothing. The answer from this Republican Congress is nothing, nothing at all.

Because what we have done are tax cuts for the wealthiest people, major tax cuts in 2001, irresponsible tax cuts in 2003 that followed, and when we look around, look what the result is. Here it is.

We have turned budget surpluses to deficits as far as the eye can see. The International Monetary Fund says that American budget deficits are threats to global economic stability. Our growth is sluggish, stocks are flat, wages are stagnant. When we look at General Motors, $1,500 of every automobile goes to health care, two-thirds of that to retirees who are not even making the vehicles. That is not true in Japan. It is not true in Canada. This is the year when Ontario will go past Michigan in North America as the place where most automobiles are manufactured. The U.S. cannot compete in this kind of playing field because it is not level.

So if we look at the Bush administration and the Republicans in Congress, what are they doing for people who get laid off as a result of CAFTA, as they surely will be? Well, the budget that was just passed by Congress cuts funds for job training, cuts funds for vocational education, cuts funds for adult education, community development, zeros out the section 7(a) loan program for the Small Business Administration.

So if you lose a job because of our trade policy, and you want to start your own business, the administration's answer is forget it, we want to take away the ability of the Small Business Administration to help you.

If we are going to keep America competitive in the 21st century, we have got to invest in emerging technologies to give us a competitive advantage. Green technologies that make automobiles, power plants and businesses more efficient and clean would be one key area.

Our economic strength basically depends on our investment in people, both people who are trying to get an education for the first time, people who are trying to get an education or job training to recover from a job loss, in industries that are cutting edge technologies for the future. This is not what we are doing here. So we do not have the comprehensive national plan to deal with job loss. The administration and the Republican Congress have just watched jobs fleeing overseas, and the response has been, ho hum, well, that is just the way the market operates.

Now, let us turn from that and look at the trade agreements themselves.

In CAFTA, because these are poor countries, we have got to have strong labor provisions. The labor in Central American countries have much weaker labor laws than we do. So a trade deal must include provisions to prevent companies from taking advantage of that gap by exploiting the lack of labor protections for workers in Central America. CAFTA fails this test hands down.

The agreement requires these countries to enforce their own laws rather than enforce internationally recognized worker rights. Yesterday, the gentleman from Michigan (Mr. LEVIN) released reports commissioned by the Department of Labor, which confirmed that laws in Central America do not adequately protect the right to organize in accordance with international labor standards.

The lack of enforceable standards is bad for workers in CAFTA countries trying to lift themselves out of poverty makes it very difficult to create a middle class in those countries, and it is bad for American workers and businesses who want to expand international markets without resorting to the exploitation of workers overseas.

CAFTA also fails the balance test on the environment. It is not balanced. It does not work. It creates incentives for American companies to move production to Central American countries where the environmental protections are weak and lack the proper enforceable mechanisms, and CAFTA does nothing to help.

When you look at those areas, labor and environmental issues, they are examples of where this agreement, CAFTA, tilts too far toward unmanaged, free markets, but there is one area where CAFTA tilts too heavily against free markets and against competition and that area is pharmaceuticals, no surprise.

The CAFTA agreement continues a dangerous trend of using trade policy to extend intellectual property protections that stifle generic drug competition and erect market barriers to affordable medicines. These provisions are bad for public health.

Generic drug competition is proven to lower prices and expand access. Several years ago when generic AIDS medications were introduced, it drove

the annual cost of treatment in developing countries from $10,000 a year to $300 a year, and no one can argue that that was not an important development. But CAFTA would delay generic entry for prescription drugs by forcing trading partners of the CAFTA countries to accept 5- to 10-years extension of what is called data exclusivity during which generic makers are denied access to patent holders' clinical data that could expedite regulatory approval of generic versions of drugs.

In other words, CAFTA gives a huge break to the brand name pharmaceutical industry at the expense of the generic pharmaceutical industry but, more importantly, the public health of people in Central America.

A year ago, the Guatemalan legislature changed its law to promote the availability of generic drugs in the Guatemalan market, and using CAFTA as a weapon, the United States has forced the Guatemalan legislature to repeal that legislation. In other words, we have done something for the pharmaceutical industry by forcing Guatemala to change its laws and for no benefit to anyone else in America.

So the bottom line is CAFTA does not work for the Central American workers. CAFTA does not work for American workers or American businesses. It needs to be voted down, and I want to thank the gentleman from Maine for holding this Special Order tonight.

Mr. MICHAUD. Mr. Speaker, I thank the gentleman from Maine (Mr. ALLEN). I do want to thank him especially for his leadership when we deal with prescription drugs. He has definitely been a leader in that area. I want to thank him very much.

Mr. Speaker, now I yield to the gentleman from New York (Mr. CROWLEY), a good friend.

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Mr. CROWLEY. Mr. Speaker, I thank the gentleman from Maine (Mr. MICHAUD) for holding this Special Order, and I thank my other ''Maine man,'' the gentleman from Maine (Mr. ALLEN). I like to call them my ''Maine men,'' but they have been outstanding in their efforts to highlight what is wrong with this free trade bill. I just really want to thank, in particular, as I just said, the gentleman from Maine (Mr. MICHAUD) for organizing this Special Order this evening.

I have been a strong supporter of trade, and as many of my colleagues know, I have been an outspoken leader on the Democratic side of the aisle during the past two trade agreements which passed with the support of a Democratic majority, those two trade agreements being the Australia Free Trade Agreement and the Moroccan Free Trade Agreement. And I happily helped pass those agreements here on the floor of the House of Representatives.

As I have spoken about free trade agreements in the past, I have always been clear that I look at each free trade agreement on its individual merits. Since the USTR began negotiations in January of 2003, I have closely followed the negotiations leading up to the signing of CAFTA in August of last year. In my experience, this has not been the norm for this administration. Usually, after negotiations have concluded, they make a very strong push for passage within an average of 55 days. It is now May 4. While the target date for a vote on the floor is said to be before Memorial Day recess, I seriously doubt the Republican leadership will bring up this bill when they know they do not have the votes to pass it.

Like many of my colleagues, both Democrats and Republicans in the House, I remain concerned about many of the provisions contained in this agreement. I hope now that we have Mr. Portman as our new UST representative, he will take into account the strong views my colleagues have on free and fair trade.

This agreement weakens workers' rights and environmental standards in six countries, but it also does not take into account the rising trade imbalance that our country faces globally. Instead of pushing free trade agreements down the throat of Congress, the President should start to work on lowering the enormous deficits that he has created for our country.

Our country needs to create the next sector of our economy so we can finally stop the joblessness and work towards job creation. Our workers are not only being killed by high prices at the gas pump but also in our general living expenses. Wages continue to go down as the cost of living continues to skyrocket.

In my colleague's own home State of Maine, paper mills have closed and shoe and apparel manufacturing is all but eliminated because of free trade. While it is good to say that the next generation of jobs will be of higher value and will raise the wages of employees of the future, I am sympathetic to a lot of my friends in rural America who say they just do not see it.

My wife, Casey's, family is from Montana, and they do not see it either. They do not see it when the administration continues to fight country-of-origin labeling for meats. The administration allows Canadian soft wood lumber to flood our market and other anti-worker proposals of this administration. It is time for this administration to focus on how they can end the middle-class squeeze and bring prosperity back to our working class.

While I have the floor, I would like to discuss an article that appeared in today's Congress Daily, which I read this morning. In the article, one source said that Democrats, specifically my fellow new Democrats, and I quote, ''are sewing the seeds of our own irrelevance.'' I take offense to that comment. We clearly see that we are relevant. We are very relevant. If we were not, do you think the Republican leadership would still be waiting to bring this agreement to the floor?

This late push by the administration to try to win over pro-trade Democrats has lacked any real compromise. Unfortunately, I cannot be there for the CAFTA agreement in its current form, but my sincere hope is it can be renegotiated to meet the requirements of free, fair and balanced trade; fair to the people of the Dominican Republic and Central America that raises their wages and their standard of living; but, more importantly, fair to the people of the United States who feel that they are competing in a world economy where the odds are just simply stacked up against them.

Once again, Mr. Speaker, I want to thank my colleague, the gentleman from Maine (Mr. MICHAUD), for holding this Special Order this evening.

Mr. MICHAUD. Mr. Speaker, I want to thank the gentleman from New York, and I really appreciate his efforts in this manner and look forward to working with the gentleman to make sure we do have fair trade agreements.

In closing, Mr. Speaker, it does not take a trade expert to see the economic mismatch between the United States and the nations that make up the Central America Free Trade Agreement: Honduras, Costa Rica, Nicaragua, Guatemala, and El Salvador. The way CAFTA proponents talk, you would think that Central America is made up of the biggest economies in the Western Hemisphere. CAFTA nations are not only among the world's poorest countries; they are among the smallest economies as well.

Think about this, as the gentleman from Massachusetts (Mr. LYNCH) mentioned earlier: the combined purchasing power of CAFTA nations is almost identical to the purchasing power of New Haven, Connecticut. The U.S. economy, with $10 trillion of GDP in 2002, is 170 times larger than the economies of the CAFTA nations, at about $62 billion combined. So where are the economic opportunities for American industry and American workers?

These kinds of questions are clearly giving people pause. Congress typically votes on trade agreements within 55 days after President Bush has signed a trade agreement, but May 28 will mark the 1-year anniversary of when the President signed CAFTA. Why the long holdup? Clearly, there is dissension in the ranks and people are wondering why we need to make this deal. And for good reason. CAFTA is a dysfunctional cousin of NAFTA, continuing a legacy of failing trade policies.

Look at NAFTA's record, with 1 million U.S. manufacturing jobs lost. NAFTA did nothing for the Mexican workers as promised. They continue to earn just over $1 a day while living in poverty, not exactly an exploding market for the U.S. products either. And yet the United States continues to push for more of the same, more trade

agreements that ship U.S. jobs overseas, more trade agreements that neglect environmental standards, more trade agreements that keep foreign workers in poverty.

For U.S. workers, the only difference between CAFTA and NAFTA is the first letter. It adds up all the same: more lost jobs. CAFTA is not about a robust market for the export of American goods; it is about outsourcing and accessing cheap labor markets. Trade pacts like NAFTA and CAFTA enable companies to exploit cheap labor in other countries, then import their products back to the United States under unfavorable terms.

CAFTA will do nothing to stop the bleeding of manufacturing jobs in the United States and even less to create strong Central American consumer markets for American goods. Throughout the developing world, workers do not share the wealth they create. Nike workers in Vietnam cannot afford the shoes that they make. Disney workers in Costa Rica cannot buy the toys for their children, Motorola workers in Malaysia are unable to purchase cell phones.

Mr. Speaker, we have a historic opportunity before us to empower workers in developing countries. We have a historic opportunity before us to bolster our economy. When the world's poorest people can buy American products rather than just make them, then we will know that our trade policies are finally working.

Mr. Speaker, there are reasons why not only environmental and labor groups but also business organizations such as the United States Business and Industry Council, a leading group representing American businesses, have taken a firm stance against this trade agreement. It is because it is unfair.

I believe in free trade, but it has to be fair trade. We can no longer continue to allow jobs in the United States to be exported overseas when we have a need here in this country. As I stated earlier, in my own region in the State of Maine, the labor market area has risen over the last 2 years to, at certain times, over 30 percent. Over 30 percent of people unemployed because of that market.

So, Mr. Speaker, I hope my colleagues will join me in opposing the CAFTA trade agreement. It is unfair, unneeded, and hopefully it will not pass.

THE U.S. ECONOMY

The SPEAKER pro tempore (Mr. WESTMORELAND). Under the Speaker's announced policy of January 4, 2005, the gentleman from New Mexico (Mr. PEARCE) is recognized for 60 minutes.

Mr. PEARCE. Mr. Speaker, I appreciate the opportunity to address this body this evening. I would like to visit just a little about the economy and the ways that I see it, the ways that I think we have to evaluate it, and the things we have to be concerned about if we are to really consider those options that lie before us over the next 10 to 20 years. What lies at stake for our children? What kind of a future are we going to leave for them?

Right now, we are in the period where decisions are going to change the history of the American economy, and we simply need to be educated and need to be aware of that. Usually, I like to draw on an easel and discuss with numbers where we can put things into context, and so I will do that, Mr. Speaker.

The first number that I would like to put up on the board is the 2.5. That is approximately the size of the government's spending, the size of the American budget. All the things we know about are included in that number. And it begins to be a focal point, because if we are to consider the relative state of our economy, we do the same thing that Americans do in their personal finances. We simply talk about how much we are spending, and 2.5 is a good approximation for what this economy spends, what this government spends to sustain all of its operations.

But just as anyone else would, if you were considering whether or not the expenditures that you make are satisfactory, whether they are too low or too high, you also have to consider the revenues that compare to that. So now we have the revenue figure, and that is about $11 trillion. Our economy total is about $11 trillion, and we in the government spend about $2.5 trillion.

Now, that is an extremely important relationship, and it is the relationship that tells us more than the actual numbers. There are people who say that our budget is too large. There are some who say it is too small. But the truth is that to really accurately assess, we have to understand the relationship between them. And simply by doing the division, we are able to then establish that right now our government spending is about 23 percent. That would be .23 of our overall economy.

Now, then, this .23 is an awfully important number in the relationship. People want to know what does it mean. It means the same thing as if you were to consider your personal spending. If your spending is too high a percent of your annual income, then you are not able to meet all your needs. If we are considering in your personal budget that your rent maybe is 25 or 30 percent of your annual income, then that would tell you that you are satisfied with the size of the rent in that relationship.

But this particular relationship, the .23, has to be put into a global perspective but also into a historical perspective. What we find as economists is that as the number, the .23, grows and gets larger, then the economy tends to want to stagnate. If that number is smaller, then the economy has vitality. It has the capability to grow. And that tells us the next piece of what we need to understand, which is that relationship between government spending and our overall economy. Is it growing, is it getting larger, or is it getting smaller? And that tells us what we can forecast for the future.

So we will simply put arrows up here, and we will write the words. We will put an up arrow if it increases, it stagnates. And so if it then decreases, we have the capability to grow. Now, as we understand that relationship, up as a percent, if our government spending increases as a percent of our gross economy, we tend towards stagnation and nonproduction of jobs. If it becomes smaller, we tend to have growth and vitality.

Now, there are many good people who asked me in my district a couple of years ago why we would pass tax cuts at a point when we are running deficits. And that is a very good question. The truth lies exactly in that number. At the point we gave the tax cuts, the number was about .25. We gave the tax cuts, and it shrunk to about .21; and we saw that the economy, in the very first quarter after we gave the tax cuts, jumped to about an 8.25 percent rate of growth.

Now, we knew that was not going to sustain itself. There was pent-up demand with the expectation we would pass the tax cuts. But what we did expect when we passed it was to get to 3.5 or 4 percent. And we saw that rate of growth initially jump up to 8.25, maybe a little higher; and then it came back down, and it sustains itself now at about the 3 to 4 percent range, which we really expected that we would be able to achieve.

□ 2000

Now, it is not magic, it is simply the fact that if you are taking more money from taxpayers and giving it to government, they have less money to invest in plant and equipment, less money to spend on disposal retail items, and so your economy has that dampening effect than if you collect more in taxes. It is a simple theme.

If you think about world examples, we could go to Europe and look at Germany. If America is in the 0.23 range right now, which it is, we ask, What about Germany? Where is Germany? Germany's relationship is 0.52. If the theory holds correct, you would say the German economy is probably more stagnant at 0.52 than the U.S. economy at 0.23, and the truth is Germany has not produced a job in about 10 years. Their growth is stagnant. They have an economy where companies are trying to figure a way to go somewhere else and find the growth and the vitality that they are looking for. And in truth, about 2 weeks ago in this great Capitol we met with about 50 or 60 foreign business owners, CEOs of corporations that are operating here in America because they choose the economic climate here. It does not mean that everything is good and rosy with us because we have budget pressures. As we look today, we have budget pressures that are trying

to force our budget up. And we have the long-term effects that would tell us if we do not control our spending, we are actually going to slip over into a stagnant economy that cannot be remedied easily.

If we consider the relationship there of again the 0.25 to 11, consider that relationship again over in Germany the factor is about 0.52, if you want to consider another example, you look at the Soviet Union and the Soviet Union's economy collapsed. It just fell in on itself because the relationship was very high. One would immediately ask what about China. China has got a communist state and a controlled economy, much like the Soviet Union.

I visited China in January of this year, and the Chinese themselves tell you that they do not want to make the mistake that the Soviet Union made, and so they have begun to privatize pieces of their economy in order to lower this relationship down to where the economy has the vitality in order to produce new jobs and produce the growth and sustain a continued economic improving picture.

They were very cautious about telling us exact figures. The estimates range as low as 40 percent, so probably less than the Germans. The highest estimates were about 60 percent. In the relationship we are considering here for America, it is 0.23.

So for the United States, just under a quarter of our economy being government spending, we have to be aware that the economists differ somewhat on where the stagnation begins to occur, but generally in the 0.25 to the 0.30 range there is consensus that you start to dampen down your economy significantly.

So anything in the future which tries to make our budget go up without growing our economy, if the 11 does not increase to a larger size, if we increase our budget, we will find that our economy will not grow, will not produce new jobs and we simply have to be aware of the relationship. It is neither a Democrat nor a Republican idea, it is simply an economic relationship that we must be aware of as we consider programs that we would want to continue, programs that we might like to cut back or to work more properly.

Now one of the most significant discussions that we have going on right now in the country is what to do about Social Security. There are those who say it is not really a problem until 2042, so we should not do anything. There are others that say we should absolutely do what we can right now. But let us take a look at some of the suggestions. There are different opinions, and so I will simply use a range because I am not really concerned with which opinion to believe, but you have to relate it to this economic relationship in our economy. The estimates are $1 trillion to $3 trillion, if you want to begin. If we attack the problem now, between 1 and 3 trillion. So we put them on the board, and then we begin to look at the solutions and how they affect our relationship.

Generally we talk in terms of 10-year payouts here, and so as we talk about solving a $1 trillion or $3 trillion problem, again extending that over a 10-year period, and we come up with either 0.1 or 0.3. If we divide that by 10, that would be $100 billion a year or $300 billion. It is not so critical what you assume, but you have to take it to the next step to adequately discuss the issue. So again, I will put the 0.1 and the 0.3 in parentheses, but those need to be related up here to the top of the equation.

If we are going to consider can we do something now, I do not know. But if we had a budget and your budget were 2.5, whether it is $25, $2,500, $25,000, the mathematical relationship will stay exactly the same no matter what.

We have a 0.1 or 0.3 problem that needs to be fit into 2.5. I think any Members listening would understand that it might not be comfortable, but we just might be able to come up with the 0.1 or 0.3 out of a 2.5 budget. We might be able to find those savings here and there to ring the dollars out to cure the Social Security problem up front.

Now what the President is saying when he says it is better medicine to take it now than to wait is that the estimates again are pretty wide ranging, but the estimates are that in 2042, instead of $1 trillion, it is $10 trillion to $30 trillion, something in that range. Again if you were to do the math, divide by 10 years, the 10-year payout now, that would be 1.0. None would expect that you could take 1.0 of 2.5 and squeeze it into your current budget. It is not mathematically possible, but that is what we are doing if we wait into the future.

So again, this body will decide if we are going to do something or not do something, but as we do, whatever we do, realize if we had it on top of the 2.5, if we do not find the savings, then our relationship 0.23 is going to increase, and you yourself would see the possibility that we are moving toward stagnation, and we might be moving toward stagnation at an alarming rate.

Now there are a couple of other relationships, and I am going to flip the chart because I would like to draw approximately the cost curve of Social Security, and realize that as we talk about Social Security costs, Medicare costs are going to parallel it. As the baby boomers go into retirement, we are going to see a tremendous escalation of our cost structure for Social Security, but right along with it are going to be Medicare costs that escalate because people who live to advancing years are more expensive than younger people. We see that daily in the escalating cost of Medicare. People are living longer, better lives. And during that time, it just takes more to repair them.

My own parents are an example. My father has had a couple of knee replacement surgeries. Mom has had a hip surgery and back surgery. I think that any one of you with your parents in their 80s, it is about the same.

We can expect our parents to live into their 80s and even into their 90s. And in truth, demographers tell us the fastest growing population age group is over 100. That is stunning, acceptable, and it is nice; but we have to realize the budget pressures are going to increase.

So when I look at things I am concerned about for our future, my only concern does not just lie in Social Security, but it is a piece of the equation that I think as we are talking about the economic future of our country that we would like to discuss. If you would bear with me, I will simply draw an approximation of the cost chart for Social Security over the next 50 years or so, and we will also draw a revenue line and discuss that, and then we will flip back to this chart and use this 0.23 relationship on the next chart because almost every issue that is in front of us today that involves dollars should eventually come back to an analysis of what it does for our economy long term. We can no longer just take short-term views of what we are up against.

So now then with permission, I will draw the approximate chart. One thing that we have seen since 1935 is that the number of retirees and then the cost, and the retirees and costs are almost equivalent, but they have been kind of meandering around and up and down and up and down like this. But about 4 years from now, when baby boomers start to retire, and this is a chart that the Social Security trustees have given me, the number begins to escalate tremendously high, and then it plateaus out and continues out.

Now the people who say that we should be very cautious and not do any Social Security reforms now point to times in the past when we have made corrections. The mid-1980s we did a significant change in the program. About 1983 we increased taxes, pushed out retirement, and increased the cap. Those are good suggestions we have to consider the effect of, but the truth is they all worked out in a spectrum like this.

So our revenues, they would find problems and they would increase them, and the revenues actually have been running surpluses, but they have become very stable and they do not increase. This being the revenue line here, and this being the cost line.

So right now we are in a period where these are surpluses, and when the President said there is no trust fund, what he says is we in the Congress have been spending this money. And we have been loaning it from the trust fund to Congress, both Republicans and Democrats have done this for the entire period of the Social Security bill. Since the 1930s, both parties have joined equally in feeding off this excess cash.

Now the period where they intersect, this is 2018. The President talks about that frequently, that we begin to use

up our cash surpluses in 2018. So we see the cost curve escalates through the revenue curve at that point. What the President says about 2042 when we are out of money is that this period right in here, that is assuming we are cashing in all of the IOUs that are in the trust fund. By the way, those IOUs are in one filing cabinet in Parkersburg, West Virginia. I asked for a picture to be sent, and so I show everyone in my district that the entire Social Security trust fund is in one four-drawer filing cabinet in Parkersburg, West Virginia. And it is a heavy-duty filing cabinet with individual locks, and they look to be sturdy combination locks, but the truth is there is not money there, it is simply IOUs.

It is not dissimilar if we began at an early age to think about our child's education when they are born, for instance, and we began to put money into the cookie jar. And we put money faithfully every week into the cookie jar, except maybe when our son or daughter was about 10 and maybe the car broke down. We looked at the cookie jar and said, ''It is awhile before they are going to college. I believe I will take the money out to buy a new car, and I will put some IOUs in the cookie jar.''

□ 2015

And then the washing machine goes out and then the roof needs repairing on the house and pretty soon our son or daughter gets to college age, we look at the cookie jar and it is full of IOUs.

That is exactly what we have done in Congress. We have spent all the surplus, but in 2018 we have to start redeeming that surplus for everything above this revenue line that extends out, and at 2042, all of the trust fund has been expended out of the filing cabinet. There is some disagreement and for purposes of discussion, the disagreement is, well, maybe it is 2044, maybe 2046, maybe 2040; but the concept is irrevocably true that we run out of even IOUs.

Past 2042, we have got this much revenue, but we will see that we have almost as much uncovered cost period here, once we get past the hatched area, is costs that are not being paid by cash that is coming in. Social Security is a pay-as-you-go plan. There is actually no money that was ever designed to be put into a lockbox. I am sorry, but it just was never designed, even in 1935, to be put into a lockbox. In fact, the framers of the bill understood one fact and that was that the retirement age was 62 and the framers understood that they were going to let people retire at 62, but the average life expectancy of the male was 60.

The truth is the original writers of the bill probably did not expect very many people to ever live to get and collect Social Security if you were a man. Women had about a 5-year longer life expectancy, much as they do now. The thought was that they will not collect much. So the retirement age was 62. I will just put that over here in the corner, 62; and yet life expectancy for the male was 60. Again, I have already mentioned that the fastest growing demographic age group in America is over 100. And in case you think that is an anomaly, the second fastest growing group is 85 to 100. The average life expectancy then was 60. Today it is 77. So we are collecting benefits for 17 years longer than what the framers of the bill expected us to do.

But still we have to wrestle with the fact, do we take care of the problem now or do we put it off? You can see that the costs are tremendous. Realize that as this cost curve slopes up dramatically and it is this much of a dramatic look, if you go online and look at the Social Security trustees' report, you will see almost this exact graph right here. A Social Security trustee, a former trustee came to the office and answered the questions that I had about it. I wanted to know, kind of away from the political discussion, away from both parties. The trustees are pretty well nondenominational. He came to the office and he is the one who provided me with the charts and the explanations that I place before you now. But if we have the problem with Social Security, all these baby boomers going into retirement are going to be considerably more expensive, so we can expect that Medicare costs are going to escalate.

Let us flip back to the previous chart. If Medicare costs are going up, if we have got to solve Social Security, then we have got pressures that want to increase this 2.5. That is not saying that we would increase the budget, but the pressure is there to increase the budget.

The discussion would exist, do we increase it or do we not? We simply can do either one we want, but we must realize that as we increase the budget, if our economy is not growing, this relationship then becomes larger and we begin to move toward a stagnant, nongrowing economy that I do not think any of us want to give to our children. If, on the other hand, we find solutions now, if we get budget discipline now, then it is just possible that we could wiggle out of this mess because I think all of us would like to pass along to our children and our grandchildren a country that has the same hope and the same promise that each one of us has lived with.

I feel extremely fortunate. I came from a very modest family. My father worked hard and my mom worked hard all of their lives. Mom was a schoolteacher. My father work in the oil field as a roustabout. They earned a good living, but with six children it was tough to make ends meet. From that background, I was able to attend college. My parents were able to work it out.

After I attended college, I was able to go into the Air Force, served in Vietnam, and when I got back from Vietnam I was able to buy my own business, pay that business off, and grow it from about four employees to about 50 employees. That is from a family that did not have any political capital to spend. It did not have any economic capital to spend. My parents did the absolute best they could and God blessed them for that.

But from humble beginnings almost anyone in this country can become almost anything that they would like. I did not grow up expecting to be in Congress. I grew up just wanting to graduate from high school. And then Mom was always pushing us, You're going to go to college. All six of us attended college and graduated. Several of us have master's degrees. But we were able to do this in a country where we have the hope of growth in our economy, the hope that new jobs will replace old jobs that phase out and always some jobs are becoming obsolete, some jobs pass away from us.

It is normal and we can worry and fret about it, but if you think back 100 years to when the automobile was developed, you can imagine the discussion going on among the people who made wagons and wagon wheels and maybe the iron rings that fit around the wagon wheels to hold those wooden wheels together and they had to be discussing how this newfangled thing, the automobile, was wrecking their economy. The truth was the economy was simply changing. It did not wreck anything at all. It changed and it evolved.

There is great consternation about the economic well-being of the United States today. My take right now, looking at every nation, the United States by itself has about .33, about one-third of the world's economy, just the U.S. alone. There are approximately 180 countries. With 180 countries, the average economic size, if they were all equal, would be .06. We are at 33 percent and 6 percent would be the average size, so everybody that is smaller than the United States has proportionately less of the economic size because we have got a greater percent of the world's economy.

That tells us one thing about this number here. Countries are beginning to compete much as companies have competed in the past. All of us grew up with the understanding, in my era, that we could go to Wackers Department Store, maybe we would go to Montgomery Wards, maybe get a catalogue and shop through JCPenney or Sears, but some of those people that we used to buy from are simply no longer in existence today.

Wal-Mart did not exist in my early childhood. Yet today Wal-Mart is the premier retailer. They have competed well enough to drive other companies out of business. And so we understand. All of us know products that have simply ceased to exist. A lot of automobiles, they no longer make them. The Packard is not made any longer. The Studebaker again was a car that existed when I was young, but the company no longer makes automobiles. We

have seen Oldsmobile with a phaseout. So we are very familiar with the fact that companies compete with other companies and the weak do not survive; and the ones with better marketing, better capability, not only survive but they thrive.

But what we are seeing now in the world is that countries compete, so the United States at $11 trillion, there are nations that want to take part of our economy and move it to them. Like I said, in January I went to China because I feel like China is one of the large emerging threats to our economy and also militarily in the world. I wanted to see them firsthand. I wanted to talk to their leaders and find out their intentions, to find out exactly what their view of the future was. I came back with a firm understanding that they literally intend to take as many of our jobs as possible and when they take those jobs, this 11 becomes 10. As this number becomes smaller, again this number becomes bigger. So we have now countries that are competing for economic well-being.

Several years ago, Ireland looked at its situation, they evaluated that as a developed country, they did not have a lot of economic strength, no prosperity, no hope for their kids. And, in fact, they were exporting the most precious product, their children. So they began to think what to do with it. I am going to flip the chart. We will be coming back to the Social Security chart because it all plays into the full economic discussion of things that we must be considering if we are to really view the future economically for the Nation.

Ireland was sitting there. These numbers are not exact, they are close enough for us to know, but they had a marginal tax rate of about 36 percent, it might have been 32 percent, 36, something in that range. They thought, what can we do to invite new companies to come into Ireland? How can we compete with other countries? The most competitive part of any country is its tax rate, so they kept this tax rate for internal corporations, but they had a split tax rate and they charged foreign corporations 10 percent. Some would be surprised, but it was no surprise at all. It created the Irish miracle, the economic Irish miracle that caused capital and production to flood into that country.

The European Union became disgruntled. They were trying to establish the European Union much as the United States and the European Union officials began to really chafe and tell them that those are not right, you are taking unfair advantage, you need to adjust your tax rates. They became very insistent on it. The Irish, God bless them, said, well, we agree with you. So they simply did away with both rates and they had a flat 12 percent for all internal and external companies. Twelve percent is still extremely good. In the U.S. we are about 36 percent, more or less. So 12 percent versus 36 is fairly competitive. They did not lose any foreign firms, but what they did is began to strengthen up their domestic firms.

And so the Irish miracle continues today, so that today just north of my district, about 15 or 20 miles, the Irish are here in New Mexico, here in the United States building a $200 million plant simply to make cheese in the Second District of New Mexico. It is creating prosperity and jobs, but the Irish now have strengthened enough to where they can begin to go out and incorporate and build in other nations and they were able to establish that tremendous strength because this low tax rate gave them a low relationship right here that allowed them to have the financial and the economic vitality to grow their economy, and now they are exporting their economy out and investing in the United States. You can run but you cannot hide from the economic facts that are going on in the world today.

This is Ireland, and it would be worthy of note to also consider New Zealand. New Zealand also, if I drive about 25 miles north of my district in New Mexico, New Zealand has come in and they are building another $200 million plant, $220 million plant, they have already got it operational, it makes MPCs. Those are milk protein concentrates. New Zealand is the only country in the world with the technology to make MPCs, and so it is no small accident that they have moved into America. Again, they have improved their economic well-being.

Let us take a look at what caused the New Zealand economy to be able to grow to a point that they now can move over and invest in the United States, creating jobs here in this climate, this economic climate. Several years ago, New Zealand looked at itself and said much the same thing that Ireland said, for a developed economy, we are way down the list. We are not very prosperous, we do not have a good future for our kids, and what can we do?

□ 2030

They approached it a little bit differently than Ireland, but it still begins to put economic pressure on all the governments of the world. Again, my facts will not be exactly right, but they are close enough. They give a perception of what occurred in New Zealand, and if we get the perception, then we have the right concept to understand what we must be about in this country. New Zealand took a look at their government, and they began to think and assess which functions should typically be government and which should not be government, and they committed to take nongovernmental functions out of the government. That caused a tremendous shrinking of their government spending. Again, just to relate it back to our original discussion, they shrunk this figure because they weeded out things that did not belong.

As they shrunk this figure, they shrunk the relationship figure, and it fell to a level that their economy began to develop growth, and as it grew, then this number began to enlarge, again driving this relationship figure, this key measurement here in New Zealand, began to fall rapidly, and they today have enough capital built up in their own Nation to begin to export and build in our country at this particular point.

Now, what did New Zealand do? How effective was it? What were the dimensions of it? Because if we do not understand what New Zealand did and other nations will follow suit, if we do not understand those things, our country will have a government model that is not economically competitive and, again, the future out 10, 15, 20 and 30 years begins to look bleak if we do not respond to the competitive pressures. But what New Zealand did is in assessing those functions that typically would be government but maybe should not be, they began to shrink the government down, move the functions outside. The outside functions processed and then performed at a much better rate. But, for instance, they had about 50,000, and it may have been as high as 70,000, it may have been as low as 30,000, but I figure it was about 50,000 workers in the Labor Department.

Now I generally ask at town hall meetings, because I have discussed this in town hall meetings frequently in the Second District of New Mexico, I asked them if they were to envision a shrinkage of a department, how much do they think they could shrink and still perform the functions that should be governmental functions from the Department of Labor in New Zealand? I get estimates, maybe they shrunk from 50,000 to 25,000. Some bold ones will say maybe they shrunk to 10,000. But they do not really believe they did. They are just throwing out the numbers for the debate. The truth is, and we had one of the designers of the system actually come into the office because, again I wanted to visit, I wanted to get firsthand this information, they decreased down to one individual, and the gentleman who came into my office, I think he was head of the Department of Labor and he was the last employee.

Now that creates a tremendous savings on the part of government. They are able to lower tax rates. They are able then to go get the economic vitality that creates jobs, opportunity, and hope for the future, and that is what we all want for our children and our grandchildren. Again, these numbers are easily available on the Web site, but maybe there were 15,000 people working in their forestry department and they might have gone down to 50, but we can see that what they did is they did the same thing Wal-Mart does. They create a competitive atmosphere among governments that we are going to have to respond to.

We will not be able to simply act like this does not exist because as we act

like it does not exist, our cost structure for government remains higher, it remains more inefficient, and capital will leave this country looking for the best tax rate, the best government, for the least cost. It is the same thing that we do. We shop at Wal-Mart because our dollars go further. There are those people who curse Wal-Mart and they say ''not in my hometown,'' but I will tell the Members that Americans are voting with their pocketbooks saying ''Wal-Mart is extending my buying power.''

I am not here to advertise for Wal-Mart. There are good competitors with them. It is just that they are the ones who are kind of out leading the economic change in this country and they have given much more buying power to the middle class, and we see that frequently.

Each one of us, we will stand here in on this floor and we will tell the people that they should buy American, but when faced with the opportunity ourselves to make the choice, I suspect that we do differently than what we say.

I was in China, and North Face is a jacket here that is well respected and is a high-value jacket. Those sell for about $150. We saw the same jackets on the street corners in China, and they sold for $13; $150 or $13. We could talk to our neighbors and we could implore our neighbors to shop local, do their duty, keep Americans working, but the truth is when we go to the store and look around and none of our neighbors are watching, I suspect that not many of us are going to plunk down $150 for the jacket when we could buy the one for $13. Maybe I am not right, but I think I am and I think the American economy shows it.

So we have tremendous threats. We have got China. We have got New Zealand. We have got the European Union. We have got the old Soviet Union trying to rehabilitate itself. All of those nations are trying to take a piece of our economy. They want our jobs and our well-being to transmit to their country so that they have jobs and well-being. They are working hard. They are working smart, and they are working cheaply.

My generation grew up with Japanese imports, and we used to talk about those cheap Japanese imports because they were. We had these little bitty radios, these portable radios. We would listen to them. They were about this big. That was the best they had. The Japanese were beginning to compress and make things, and we all remember those days of that little radio that we would hold up to our ear and the sound would be very scratchy. Cheap Japanese imports.

Now today the Japanese are talking about those cheap high-quality Chinese imports. The Japanese themselves are being affected. The Chinese intend to take as much of the world's economy and put jobs from all around the world into China. We can complain. We can say it should not be. We can try to build barriers around the nation. But the truth is we cannot turn back the clock. It is indeed a global economy, and it must be reckoned with. To do other than reckon with it, to do other than to look at the effects of on our economy as we slowly lose jobs is to be faint-hearted and is to be living a lie. We must be accurate in how we assess the current threats on our economy, or we will not be able to sustain the American way of life.

I do not know about my colleagues, but I for one am looking for those things that will cause our economy to grow. I am looking for ways that we could save money and still provide the same services. I am looking for ways that we waste money. I often use the example: People want to know just how bad is the waste that I see? The most extreme example that I see, and there are more extremes available, but it is just one I quote a lot, is the VA. We hear constantly from our veterans, ''You are not spending enough. You are not spending enough. You should increase this figure and give us more money as veterans.'' And would that I could. But first we have to look at the ways the Veterans' Department spends money foolishly. There is one hospital in New York, actually I think it is even a clinic, but that hospital or clinic has 800 employees and it has got 50 patients. Let me say that again because it always draws a gasp. Eight hundred employees and 50 patients. We can wonder why it is open, but, frankly, it is open because of political pressure, political pressure from New York to keep those 800 jobs there.

If I am in New York, we would just as soon this number not improve because I want to have a short-range view of keeping those jobs in my district, even if it is bad for the economy, even if it is bad for veterans. No matter the long-range effect on our Nation, no matter the fact that New Zealand has begun to work smarter and they are going to work cheaper, I am going to politically try to maintain that position, and I will be frank. It is to the long-term detriment of this Nation when we make such decisions because we always come back to the same beginning point. We have got to do things that tighten up our budget. We have got to do things that create growth. We are going to have to manage our government to where it is competitive with other nations; otherwise, we do not have hope for the future.

If we are to consider fully this Social Security concept, again, we find the meandering nature of maybe this is 1935 and this is 1950, and we go through the 1970s, and over here is about 2008 when we begin to retire, we as baby boomers, and at 57, I am the second oldest year of baby boomers, and we can see then when baby boomers start. No more soft costs. No more question. We have got 40 million people that are baby boomers going into retirement in this period of time between now and 2042. If we are cognizant of that fact, we have to take this chart and begin to relate it now to those workers that follow us.

If I am looking at the replacement for Social Security, the replacement dollars, I must be knowledgeable about the population of the country and the population, if we start at age zero and we go to 100, over here, again, very approximately, the younger population is small and it increases. The baby boomers are here, and the retired population out here. Again, one of the problems is it was assumed our retired population would be here, but we are living longer, better lives.

So at about 57, I would be out here, moving toward retirement. But see here when baby boomers, if these are all the baby boomers on that curve where the curve is going up on the previous page, when these baby boomers are retired, we have got all of these jobs right here and we do not have enough people to fill the jobs.

Social Security is a pay-as-you-go plan. I pay for someone who is retired. My daughter will pay for me. Hopefully she pays for me and she needs to split it between my wife and myself. But when Social Security started, there were 42 workers per retiree, and today there are three to one, and by the time that my daughter starts retiring, it would be two to one. So my daughter and her husband are going to have to work for either my wife or me, and one of us is going to be out in the cold, I suspect, and knowing my wife, I suspect I know who will be out there. We will wrestle that problem over, but it just tells us that we have got a significant relationship here.

Right now we are running at about 5 percent unemployment. We can say it is 6 or we can say it is 4. Again, conceptually, we have got to choose a point and consider what it means. We have got about 5 percent unemployment, but when that 5 percent unemployment comes knocking at the door, I as an employer will tell people that we cannot, at 5 percent unemployment, find someone to fill the jobs because they cannot, number one, pass the drug screen, or if they can pass the drug screen, they will not show up to work tomorrow or next week.

□ 2045

These 5 percent are very difficult to hire, frankly. It is not that they do not have a desire to work; it is that maybe they lack training, maybe they lack discipline, maybe they have developed habits that make them pretty unproductive. But the truth is that already, right now with the labor population the way it looks in America, with all baby boomers still working, we are in desperate need of workers.

Now, if we are in desperate need of workers, when those 40 million begin to retire that we show on the previous graph, the Nation will be dying for workers, and dying for workers with a Social Security plan that is a pay-as-

you-go plan is not going to pay. It is only going to go. We must deal with the shortage of workers.

So I have good conservative friends of mine discussing immigration, telling me, you should lock the border down. I say, I am sorry, I look at this curve. When I talk about immigration, I look at this curve because I have self-interests. I want someone to have a job that pays for me.

Now, if we do not have enough workers, we have two options, and they are simply two options. We can say it in any way, and we can be mad or we can be contentious about it, but we have two options if we do not have enough workers. Number one, we bring in enough workers to fill the jobs, that is called immigration; or, number two, if we do not bring workers in, we will send jobs to where the workers are, because employers must have employees. As we consider now this relationship of the population, if we begin to say we do not want immigration, that we will send the jobs to where the workers are, this $11 trillion begins to get smaller, this relationship begins to get bigger, and we move to stagnation, and we move to stagnation for the next, through 2042 and beyond.

We have a relationship that is developing, and this relationship, once it is established, once our economic model is set, it is going to be very difficult to turn it around. So prudence would suggest that we consider deeply if there is a problem: if there is a problem in Social Security, if there is a problem in our budget, if foreign countries are really beginning to peck away at our job base. And we have to deal with those.

Now, there are many things that create the economic climate of the country. These are the economic relationships, but the economic climate must be discussed also.

We hear frequently on the floor of this House about the outsourcing of jobs. Why would jobs go to another country? And generally, the accusation is made that it is simply because Republicans want it to happen. I think that is thin. I think that it is lacking in coherence. The real truth is that jobs leave because countries are providing better climates. I will tell my colleagues that when companies can pay 12 percent tax versus 36 percent that they pay here, over time they will migrate. We have other costs. We have energy costs. It was said that we were simply supporting Big Oil when we passed the energy bill. Now, my own perception is that right now, natural gas is selling for about $7 in the United States. It is selling for 70 cents in Africa, 50 cents in Russia, or just vice versa.

Now, we have been shipping chemical jobs over to Africa and Russia because chemicals use a lot of natural gas. Companies cannot continue making chemicals here with natural gas that is 10 times the cost in other nations. So the chemical council came to me in January of 2003 and said, at that time the price of natural gas was $4.50, and they said, we cannot sustain this. Please, please, we have to have an energy policy, get renewables, start opening up plants, whatever we can do, because we are beginning to ship good $100,000-a-year jobs overseas.

Now, many of our friends on the other side of the aisle are concerned about the environment, and well they should. But they are concerned to the point that they will not consider the things that need to be done that both keep the environment clean and affect the cost of energy. If we do not begin to come together as both parties and represent our common viewpoints at a table to find the solutions, we are going to wrestle each other to a standstill, which we have been doing for years, while Africa and the Soviet Union are quietly pulling our $100,000-a-year jobs away from us.

Now, it is not by design. Neither party, neither Republicans or Democrats, would want those jobs to go away; but, sometimes, we are unaware of the consequences of our daily actions. The cost of taxes is one thing that will drive jobs away. The cost of energy is another thing that will drive jobs away. The cost of lawsuits is another factor that will drive jobs away.

Earlier in this presentation I mentioned that we had discussed downstairs in this Capitol with about 70 or 80 foreign CEOs, CEOs from German companies, English, French, they began to tell us the factors that will drive them out of this country. Simply stated, they actually had a chart showing just dots on a chart showing the factors as they polled their own companies about, those companies that were in the room, which things were the highest importance.

They will tell us that lawsuits, energy, taxes, and, quite frankly, another one was education, many of the workers coming through the doors; as you recall on the 5 percent unemployment, the workers that show up are not prepared. If we do not begin to deal with education so that indeed no child is left behind, we can wrestle over the concept all we want, but if we do not cure it, these factors, taxes that are not competitive, energy that is not competitive, lawsuits that are 100 times greater, the chance of lawsuits in this Nation, than others nations, and a poor education so that the kids going into work are not able to do complex tasks. Those are the things that will absolutely take away the future of our country.

So my appeal is constantly that we as Republicans and we as Democrats, we can continue to represent the viewpoints that we hold dear, but we must begin to work together. I do not care if it is quietly in rooms behind closed doors to wrestle with those things; but we must begin to deal with those elements that would drive companies out of this Nation, because as companies leave this Nation, our $11 trillion economy becomes smaller, our relationship between government spending and the economy becomes larger, and it moves us towards stagnation.

For myself, I will do everything I can to protect the environment, to create jobs, to create an environment in this country that will offer growth so that my children and my grandchildren will have the same opportunities that my wife and I had: to grow up fairly poor, to buy our own business, to pay it off, to run for Congress, and from a family without much political capital, serve in a Nation like this with a democracy like this and a Republic like this. For me, that is the hope of America, that is the hope for future generations, and my own perspective is that it is the hope for the world.

30-SOMETHING WORKING GROUP

The SPEAKER pro tempore (Mr. INGLIS of South Carolina). Under the Speaker's announced policy of January 4, 2005, the gentleman from Ohio (Mr. RYAN) is recognized for 60 minutes.

Mr. RYAN of Ohio. Mr. Speaker, this is again another edition of the 30-something Hour where the gentleman from Florida and I will take an opportunity to talk to the 30-somethings, not only of Congress, but of the country, and try to articulate the best we can the issues that are facing the country today and how those issues will affect future generations. I think being in the 30-something Group and being young or being a student in this country, Leader PELOSI has asked us to do our best to reach out to young voters across the country and not only talk about issues like education, budget deficits, the importance of the Pell grant, the importance of No Child Left Behind, but a lot of other issues.

Some previous speakers tonight have mentioned a couple of different things on economic policy in the United States of America and why corporations, multinational corporations find it easy to leave the United States, and it is because of the litigation, it is because of the environment, it is because of the overregulation, it is because of the high taxes. But if you look closely at why businesses are leaving the United States of America, you will see that they are going to countries that have no health care program, they do not have any environmental laws, they do not have any human rights laws; and the previous speaker suggested that maybe they go to Africa because they have cheaper natural gas costs, or go to Russia.

Russia is a country that is moving away from democracy, moving back to its Communist roots of the past several decades, tightening control of the media. Russia is not exactly a great place to do business. And the wars that are going on in Africa, left and right, and the different countries on the continent, not exactly a good place to do business.

What we ask corporations and multinational corporations to do in the

United States is to meet your obligation to the country. Corporate profits are the highest they have been in the history of the country, and corporate taxes are the lowest they have been in the history of the country. And if you want to talk about education, we have a No Child Left Behind program that is completely underfunded. It is underfunded in Ohio by over $1 billion a year. Fifty percent of the kids who live in Youngstown City School District, in my district, live in poverty; and 85 percent of the students that go to Youngstown city schools qualify for a free and reduced lunch.

The corporations, the multinational corporations have gotten every single thing they have wanted from this Congress. Ninety-three percent of the tax credits and tax breaks out of the energy bill go to subsidize oil and gas companies. The pharmaceutical companies get buyouts, billions of dollars through the Medicare program with no price controls, with no ability to reimport the drugs, without giving the Secretary of Health and Human Services the ability to negotiate down drug prices, and you want us to feel sorry for the pharmaceutical industries, the credit card companies, one of the most profitable businesses in the country, push through a bankruptcy bill that screws consumers to the wall. Fifty percent of the people that file bankruptcy file because of medical reasons, either their own or someone in their family; and you tell me if you have a sick child and there is only one way to pay for it, you do not pull out the credit card and zip it through. You most certainly do.

The days of defending the multinational corporations that have no loyalties to this country need to be over. But that is consistently what happens here, because they raise the money, it goes into the coffers, and the majority party runs elections and spends a lot of money and buys a lot of TV ads.

Talk about the environment. These businesses are moving, like when they cross the border into Mexico, the maquilladoras that they go to, former American companies that move to Mexico, now leaving Mexico and going to China; the rivers in Mexico are some of the most polluted rivers in the world. Inhumane. You can tell where the people work in Mexico because the little shacks that they assemble have the name of the corporation that they work for. That is where they live. We need to start exporting our values in this country, not just our jobs.

□ 2100

And I think that the multinational corporations and the big boys who are here are able to fly their corporate jets into Reagan National Airport and walk around the halls of Congress and spread around a lot of money have gotten everything they want.

And it is the small business people in my district who own the mold shops, the machine shops, the small little shops that are in the supply chain who do not have the wherewithal to move to China. Who is sticking up for them?

The number one problem in this country is health care. Health care costs are going up 10, 15 percent a year. 45 million people are uninsured, a health care system that is disastrous, and we haven't even touched it in this Congress. Haven't even touched it.

And I think it is a shame that we are able to get up here, and some Members of this body are able to get up here and talk about how the poor corporations are not getting a fair break. 85 percent of the kids that get free and reduced lunch in Youngstown, they are not getting a fair break, and in Cleveland and in Akron, and in all other areas of the country, in the urban cores people are not getting a fair break.

And until this Congress starts paying attention, you want to compete with the Chinese, you want to compete with the Indians, you better make sure our citizens are healthy and educated, and make sure that we protect a lot of the social safety net that we have in place today, including Social Security.

And until we recognize that it is programs like Social Security that have helped lift people out of poverty, or that 5.2 million children live in families that receive Social Security, and that the Social Security benefits in 2002 lifted 1 million children under the age of 18 out of poverty. And now we are talking about getting rid of this system.

Now, we are here to talk about Social Security, and the long-term implications of what the President has proposed. Before we get into it, I wanted to make a point that I think is extremely relevant to the debate on Social Security, and something that I hear. And I have had three or four Social Security town hall meetings in my district, and have a couple more coming up. I hear from average people who just come and sit, and afterwards we open it up to question and answers.

And inevitably at every meeting, we will have a couple of people who either, from the microphone, or come up to me after, say the way to stop, or the way to fix Social Security is to create more jobs in the United States and have more people working at a higher wage to pay into the Social Security system.

Now, I do not know if long term that fixes the whole problem. But I think it makes a tremendous point. And I have spoken here many times at this podium about what is going on with the Chinese. And the Chinese at this point are cleaning our clocks. And I have small business people in my district who are literally months away from folding up the tent because they are not able to compete anymore with the Chinese.

And so the first point is, we need to grow the economy. We need to create jobs. We need to increase tax revenues so we can balance our budget. And what is happening? 2004 we had over a $10 billion trade deficit with China, just with China alone. The actual trade deficit is much higher. But, China is flooding our markets with their exports, and we are having very much trouble trying to get our products into their markets.

And what becomes scary, as we begin to run these high deficits, not only trade deficits, but budget deficits is that the money we are borrowing, last year close to $450 billion, that was offset by a Social Security surplus, around $450 billion deficit last year, 41 percent of the debt is coming from foreign-owned countries, or is owned by foreign countries, 41 percent.

So as we continue to run these deficits, we are borrowing money from the Japanese, from the Chinese, from all kinds of different countries who are getting more and more leverage over the United States, whether it is on domestic policy or foreign policy, and so it becomes very, very important, as we talk about Social Security, to make sure that we do not put ourselves in a position to owe other countries a lot of money.

Now, we are going to go over here briefly exactly what President Bush's privatization plan is and what it does and why it is dangerous to the American people, and then talk a little bit about what the President has said over the past week as he began to put some meat on the bones of his proposal.

If we privatize the Social Security system, we are going to have to borrow a lot of money, $1.4 trillion in borrowing the first 10 years of the President's plan. So, in addition to the $7.7 trillion, $7.976 trillion debt that we have today, we are going to have go out and borrow another $1.4 trillion over the next 10 years to meet the demands of a privatized Social Security system.

This massive borrowing will endanger our economy, and, as I already stated, increase our indebtedness to foreign countries. Why in a time when we are competing against the Chinese in a way we have never had to face this kind of stiff competition, why would we want to go out and put ourselves in a position of economic weakness and go out and have to borrow more money from the Chinese in order to fund our annual deficits?

That is bad economic policy. It is bad politics. It is bad geopolicy for the United States of America, because it weakens us when we are trying to deal in the international arena, and it raises taxes on our kids and on our grandkids.

Now, we just found out last week in my family that my brother and his lovely wife are going to have a little baby boy. Now, this little baby boy, when it is born in October, will owe $27,000 the minute he is born. Owe $27,000 to the government because of the debt that we have, the $7.97 trillion debt. And then if we tell my brother's little son that we are also going to go out, and we are going to borrow another $1.4 trillion, with a T, over the next 10 years, then all we are telling

that newborn baby is, we are going to increase the burden and put it on you.

See, we are going to borrow it today, and we are going to leave it for you to fix one day. And that means increased taxes for the next generation. And we are playing today and borrowing all of this money like the bill, like the bills never come due. And that is what is irresponsible. And that is what we want to point out.

And I think that is one of the main reasons why the country in some polls even show the President's approval rating at 32 percent. That is why the country is not gravitating towards this program no matter how many cities and how many States the President wants to go to. And I think it becomes evident.

Now, here is the chart which is really hard to believe. And I think these numbers have changed slightly. But, this is a ticking clock. This is always moving, and it is moving rather quickly. The national debt today is 7 trillion, $796 billion. $7.97 trillion is what the United States owes other countries.

So if you are born today, you owe $26,349 the minute you are born. If you are sitting at home on the couch watching C–SPAN or Everyone Loves Raymond or some other show, you owe $26,349 to the Government.

And so add this up to a baby who is born today, factor it out 18 years from now. If we continue running at the clip we are running at $500 billion deficits every year, what is this little baby going to owe when he or she is 18 or 22? And then you add on top of that a family who has to not only pay this back, but also borrow money to go to college, and tuition rates in Ohio, and I know in Florida, have doubled over the past several years, over the past 5 years for sure.

If we continue going at that clip, what is that little child going to owe when they are 22 and they graduate college? They are going to owe this, multiple that out 18 years. They are going to owe the money they borrow for college, multiply that out with what the cost of living is going to be 18 years from now. What are we doing to our kids? And that is what this whole debate is about.

This debate is about a program that has been successful, and it is about a program that we need to maintain, and we need to project out into the future and make sure that we guarantee the benefits of the recipients of the program.

Now, the President last week did a press conference and did several events, my good friend, the gentleman from Florida (Mr. MEEK). Also I see my good friend, the gentleman from Ohio (Mr. STRICKLAND) is here as well, and the President put a little meat on the bones last week. He took this plan that was a skeleton, and last week he put some meat on the bones. And we had based most of our comments up to this point, not only in the Democratic and Republican caucus, but in the 30-something Working Group, we have made sure that we talked about what the President's blueprint was.

But, last week, the President confirmed for us exactly what we had talked about, that a privatized Social Security plan would mean benefit cuts for middle class Americans. And so the President, by outlining his plan last week gave us some figures. And we did some math.

He gave us his projections, and we did the math. If the President gets his way, someone earning $37,000 would have a 28 percent benefit cut. That means they would lose one-quarter of their Social Security. One-quarter. And you are not making a lot, you are only making $37,000.

Someone earning $45,000 would have a 42 percent benefit cut. 58,000, you would get a 42 percent benefit cut. And, finally, someone earning $90,000 would have a 49 percent benefit cut. So you made $90,000, you would lose half.

Mr. Speaker, I now yield to the gentleman from Ohio. Thank you for joining us. I would like to make perfectly clear here that you are not in the 30-something group age range.

Mr. STRICKLAND. What this discussion needs is some maturity. I was just sitting here listening to you, and what you say is absolutely true. But I just will point out that under the President's plan, if you make more than $20,000 a year, you can expect a significant reduction in your benefits. Think of that.

Now, they can call these people higher income if they want to, but today $20,000 is not a huge salary. So the statistics you gave for the $37,000 income and the $58,000 income and the $90,000 income brackets were accurate, but you can make as little as $21,000 and you are going to experience a significant reduction in benefits under the President's plan.

□ 2115

Mr. Speaker, I yield back to my young friend from Ohio.

Mr. RYAN of Ohio. Mr. Speaker, I appreciate the gentleman from Ohio (Mr. STRICKLAND) gracing us with his presence and his maturity and his distinguished nature.

Mr. Speaker, I yield to the gentleman from Florida (Mr. MEEK) who is also mature, distinguished, and of very good nature.

Mr. MEEK of Florida. The gentleman used that distinguished thing quite loosely.

''Everyone Loves Ryan,'' is that your favorite show? I just want to ask. The gentleman used it as an example. Does the gentleman watch it?

Mr. RYAN of Ohio. I do. Does the gentleman watch it?

Mr. MEEK of Florida. I watch it every now and then. I am too busy reading legislation and trying to do the things that I need to do.

Mr. RYAN of Ohio. What is the gentleman's favorite show?

Mr. MEEK of Florida. ESPN.

Mr. RYAN of Ohio. SportsCenter.

Mr. MEEK of Florida. I like to watch the ''Home Shopping Network.'' I like watching things my kids watch. I like Sponge Bob, and I like quite a few other funny movies.

Mr. RYAN of Ohio. Does the gentleman watch any of the old shows, the ''Archie Bunker'' reruns and ''Cheers''?

Mr. MEEK of Florida. I watch ''Archie Bunker.''

Mr. RYAN of Ohio. ''Three's Company.''

Mr. MEEK of Florida. I am a night owl so I stay up late so I see a lot of shows in syndication. It is good stuff. I like ''VH–1 Soul.''

Mr. RYAN of Ohio. Does the gentleman ever watch ''Married With Children''? It has some very funny reruns.

Mr. MEEK of Florida. That is a very funny show.

Mr. RYAN of Ohio. Ed O'Neill who plays Al Bundy is from Youngstown, Ohio.

Mr. MEEK of Florida. Get out of here. He is from Youngstown? Is there a road named in Youngstown after him?

Mr. RYAN of Ohio. No, we should do that.

Mr. MEEK of Florida. That would be nice.

Mr. RYAN of Ohio. I will work on that right after we get this Social Security thing going. We will have Ed O'Neill Boulevard in Youngstown. We will do it.

Mr. MEEK of Florida. Why not. He is probably in the fight to protect Social Security.

Mr. RYAN of Ohio. He is definitely in the fight to protect Social Security.

Mr. MEEK of Florida. A lot of hard-working Al Bundy-like guys that are out there.

Mr. RYAN of Ohio. If Al Bundy is not against privatization, who would be?

Mr. MEEK of Florida. What a great American.

As the gentleman knows, we like to put a little humor into this.

Mr. RYAN of Ohio. We think it is funny anyway.

Mr. MEEK of Florida. We think it is funny, maybe some others may think it is funny. They say if you do not like what you are doing and you cannot talk with a little humor now and then, you will worry about things you do not need to worry about 24 hours a day.

I can say it was great hearing the gentleman talk about the deficit, hearing the gentleman talk about the Social Security privatization plan or blueprint or philosophy that the President says he has. But I can tell you this, that I am very concerned. We know in the past whenever we have approached a national program that is a part of the fiber of our country, that the administration and the majority side, there is always a smokescreen there.

The numbers are not exactly what they say they are. So since the President last Thursday night talked a little bit about his blueprint and his philosophy, I do not know if I can take that

for being the accurate plan that the Social Security, that the President has for his Social Security plan. And I know there are some people on the Hill that are running around sharing some of those numbers and saying how we are going to save Social Security. And I can tell you there is more to saving Social Security than privatization. And private accounts and privatization of Social Security is the backbone of the President's philosophy or plan.

I just want to remind the Members and I also want to remind Americans that if they can just remember, and I said this last week and I said it a week before last and I will say it again this week because I think it is just that important, we have started talking about the deficit, the highest deficit in the history of the Republic.

Never before in the history of this country have we had a deficit as high as it is now. Never before have we been indebted to foreign nations, because they are buying our debt more than at any other time in the history of our country.

Being a Member of the 109th Congress, I always tell my constituents it is an honor serving them here in Washington, D.C. And the reason why it is an honor is because I have the ability to come to this floor because the Democratic leader designated this hour for the 30-something Working Group and other Members that wish to come to the floor to share with Members of this Congress and the American people the importance of focus and paying attention and making sure that they hold us accountable for what we do.

Now, this whole privatization issue, I can state that I am very concerned. And what I have read in the paper and what I am seeing of polling numbers, Americans are concerned. There is no place in this Social Security, some may call it reform, some may call it saving, some may say that it is a crisis. And I am glad that American people, they know and also Members of this House know the truth that Social Security is not in a crisis.

A crisis is if Social Security were going to dissolve or not be able to provide 100 percent benefits in the next 5 years. A crisis would be even if it was 10 years from now. A crisis would be even if it is 15 years from now. When we are talking about 50 or 47 years from now that the President's Social Security plan will not be able to provide the benefits that Americans deserve and they paid into Social Security, that is not a crisis.

Now, there will be some discussion, I believe in the 109th Congress, on Social Security. I think it is important that we talk about fact, not fiction. If folks want to see fiction, there are a number of cable stations that they can go to or Members can go to.

We just finished talking about what we do in our leisure time when we are ready to be entertained, but not here in the U.S. Congress. We are not here for entertainment purposes. We are here to handle the business of the country to make sure that the Republic is strong and to make sure that the American people get their taxpayer dollars' worth of representation.

Mr. RYAN of Ohio. When the gentleman is talking about a program like Social Security, when we are talking about the most productive program, the most efficient program that the government runs and a proposal comes along in which the President has the wherewithal to defend it, the Congress has the ability because of the party structure to pass it, then you can be sure there is going to be a big fight. And you know what, the Founding Fathers would want a big fight about this.

You fight about big things. You fight about big ideas. And I do not think there is anything wrong, and I think we have a constitutional responsibility to have a big fight.

Article 1, section 1, the people govern, the Congress has a say. And the rules of this House and especially the rules of the Senate protect the views of the minority. So we have an obligation to stand up here at 9:23 at night and try to do our part in communicating our message. And we respect the President, respect the office, respect the other side of the aisle. I have many friends over there. Good friends. But we are allowed to disagree on major issues. And I hope we can get back to what happened in 1983.

Mr. MEEK of Florida. Let us talk about what we disagree on. We disagree on the privatization of Social Security. There is nothing wrong with that.

We disagree, Democrats, in our leadership, all the way down to the freshmen Member that just got here a couple of months ago. We disagree on increasing the deficit. We disagree on that. We disagree with the majority side. Democrats, we disagree with the majority side in this House on foreign nations acquiring more of our debt. We disagree on that.

We disagree on Americans losing benefits under the flag of reforming Social Security. We disagree on that.

People ask constantly, what is the difference between Democrats and Republicans? I am not one to generalize. And we said last week and I will say again this week, I commend my brave Members on the other side of the aisle, some Republicans, that are saying that I am not with you, Mr. President. I am not with you, majority side, on this whole philosophy of privatization of Social Security, and I commend them for that. I am glad that some Members went to go see the Wizard and picked up some courage and said that I am not going to do it.

That is leadership. Leadership is saying not just because we can do it, we should. You do not do things just because you can. There are things that I can do, but I use restraint because it is the right thing to do on behalf of the greater good.

So I think it is important that people understand there are 48 million Americans that are receiving Social Security; 33 million of them are retirees. And there are a number of people in this debate, that is the reason why last week and the week before that and the week before that and the week before that that we continue to come to the floor to talk about Social Security.

Someone that is 17 right now, this is their issue. Someone that is 12 that is receiving survivor benefits because their parents have passed on or father or mother has passed on, this is their issue. Unfortunately, they cannot vote because if they could it would be another person in the fight that would be able to let this Congress know what they agree with and what they disagree with.

For the individual that is down in my State of Florida that is retired, this is their issue because I go back to the Medicare prescription drug debate. There was a lot of discussion, there was a lot of politics going on, I must say, a lot of discussion about prescription drugs. And from Florida let me say that that is a big issue.

I can say this also, that we came to this floor given information from the majority side and from the administration on the true costs of what they may call prescription drugs and not allowing us to have negotiating power with the pharmaceutical companies to be able to bring prices down for prescription drugs.

Could the gentleman do that again?

Mr. RYAN of Ohio. That was off camera.

Mr. MEEK of Florida. The gentleman was listening. I like that.

I think it is important that people understand that what is being said loosely at this particular time you cannot take to the bank as truth. Case in point: during the prescription drug debate we were told, all of us, every Member of Congress was told that it would be a $350 billion program. And then we moved down the line, and slowly it moved up to $400 billion. And then after the debate, after we passed the plan, we find out someone made the wrong calculation. The gentleman talked about math earlier. They goofed up. It is $530 billion.

This is real money. And then 3 months ago we find out that it is going to be $724 billion. What is the true number? Is $5 trillion the true number of the President's privatization plan, the majority side's privatization plan? Or is it $9 trillion, $10 trillion, $12 trillion?

You want to talk about saying that we are going to do things on a credit card, we are doing it in the worst way. I want to make sure Americans and Members of this House understand that we are not surplus spending here. This is deficit spending in the worst way.

I am on the Select Committee on Homeland Security, the Committee on Armed Services. We share in that committee; we will have a committee markup. We start working on bringing a bill to the floor for the defense of this

country to support our men and women in uniform that are abroad fighting for those that this Congress has given them the ability to do. We are saying that we are fighting on behalf of defense and making our country strong, economically strong. Meanwhile, we are spending on a credit card in the worst way and then finding new ways to be able to put more on that credit card.

Mr. RYAN of Ohio. I think that is a great point. We are putting everything on the credit card right now. And in the President's proposal, how does taking money out of Social Security and putting it into the market fix the Social Security system and make it more solvent than it is? As we said many times here, the magic number is $5 trillion over the next 20 years.

□ 2130

Five trillion dollars will have to be borrowed by the United States over the next 20 years. How does that make our country stronger, if we are out borrowing?

Mr. MEEK of Florida. Mr. Speaker, we are saying $5 trillion, but do we know if that is the real number?

Mr. RYAN of Ohio. That may not be the real number. The gentleman is exactly right. That may not be the real number, and why is the President more worried about a deficit in 2041 of maybe $300 billion, which the Social Security trust fund will be running at a deficit, instead of a $600 billion deficit today? I do not understand why he and this administration is so overly concerned with kind of the long-range deficit that can be fixed with tinkering with this program instead of worrying about what is happening every single day, as the heart and soul gets stolen out of the United States economy, with the loss of manufacturing, the loss of business, the jobs placement, the jobs that are leaving, are $10- to $12,000 less without health care benefits.

Counties and cities are going bankrupt all over the country. They cannot afford to put on police and fire levies. I think two-thirds of the school property tax levies for schools in Ohio the last election cycle failed. I mean, this is eroding the heart and soul of the country day by day by day. This slow drip keeps happening, and it seems like instead of worrying about 2041 when we are to plug a little leak, we need to address the geyser that is happening right before us.

Mr. MEEK of Florida. I would be concerned if we were by ourselves in the objection to privatization to the President's philosophy and some Members of the majority side. I would be very concerned, but I am not as concerned as I would be if we were wrong.

There is times, folks say, well, you know, you have got to take it on the chin for the team. Let me tell you something. Social Security is no time to take it on the chin for the team because we have real people who are being affected by this, and I am glad the American Baptist Churches U.S.A. is on our side saying no to privatization, on the side of the Members that are willing to watch out for the American people that are counting on Social Security.

When I started to talk about the fact that there is a 17-year old and 12-year old and someone that is 65 or 70 or 50 or 45 or 42 or 38, this is their issue, and the reason why it is their issue is that we as Americans believe in making sure that when we give our word that we keep it. There is nothing wrong with that. There is nothing wrong with keeping your word. There is nothing wrong with saying that this is wrong and we want to continue to head in the right direction.

I am glad that we are not by ourselves, and I am glad that the Alliance for Retired Americans are out there doing the things that they are doing and having town hall meetings. I am glad that we have Members on the Committee on Ways and Means that are willing to go to the end on behalf of Social Security and making sure that Americans get what they paid into.

This is not something that someone just kind of walked around and said, well, you know, I am not going to work, I am not going to do anything, but I look forward to collecting Social Security. These are people that work every day. These are individuals that are looking forward to Social Security being there for security when they need it. It is not a pension plan. This is not something that someone works for 123 Construction Company for 30 years and at the end hopefully the pension fund will be there for them and they will be able to retire on that, because even now, more than ever, we are seeing companies that are not holding up their end of the deal for their workers and their retirees. That is what Social Security is there for; you will not be left alone.

Social Security has the back of so many Americans, Democrat, Republican, Independent, Green Party, you name it, no party. It is there for you, and we want to make sure that individuals who are looking to prosper on the back of American workers are not able to do that.

Let me tell you what's a guaranteed deal, $955 billion in Wall Street, that is guaranteed. The folks that are running around here talking about privatization, that are not Members of the Congress, are individuals that are looking to prosper when we get those public dollars on Wall Street.

I want to mention something else because I hear some folks running around here talking about, well, there are Members of Congress who do not want you to have what they have. Well, this is interesting.

We have health care. I want my constituents to have health care. I want Americans to have health care. We have 25 million Americans working without health care, 46 million families without health care because those workers do not have health care. We have a health care crisis. This is a crisis. Someone wants to talk about crisis, that is a crisis. Social Security not being what we want it to be in 50 years is not necessarily a crisis, and I think it is important that Members and the American people understand that we have to deal with these issues in the order that they come in.

We have Americans right now that do not have health care. I was just at a meeting. This is the Uninsured Americans Awareness Week throughout the Nation. This is a nonprofit group that is trying to come up with a bipartisan way to deal with the uninsured. It is a crisis, and I am glad that they are out there in the fight. I am glad that they are making sure that people understand.

Going back to what I was saying, the issue about what Members of Congress have that Americans do not have, you hear Members of the majority side, you hear the President say, well, the Members of Congress and Federal employees have a thrift savings plan. Yes, we do. We have a thrift savings plan. A number of corporations that are out there and a number of businesses that are out there offer their employees some level of a pension plan or a thrift savings plan, but guess what? We also have Social Security. We have Social Security. Even Members of Congress have Social Security, but what is being offered now is is we want to privatize your accounts. It is not Social Security under privatization. It is Social Security under the way we see it now. So when folks start talking about, well, we want to give you what Members of Congress have, guess what? We have the backdrop of Social Security, and we want to make sure that every American has Social Security and they can count on it.

We are where we are right now because there are good people that are out there not only in the organized labor community, but there are people out there in the pulpits that have members of their congregation or synagogue or what have you that are under the poverty line if it was not for Social Security. So when we start talking about privatization, I want to make sure that the Members understand, privatization means that we are going to gamble on your security, your security in your retirement.

It has been already stated by the administration that benefits will be cut in the light of saving Social Security because they say, on the majority side, that it is in a crisis, which it is not. This is not fiction; it is fact. I know that the American people are aware of it.

I want to thank my friends over at the Campaign for American's Future. I want to thank the Center on Budget and Policy Priorities for the work that they do and sharing this work with Americans, young and old. I want to thank Rock the Vote that has been out there, and their representatives come

to the Hill to speak before committees, to share their concern for the privatization of Social Security. They are flatly against the privatization of Social Security.

People ask, well, why is the Children Defense Fund involved in this battle of no privatization of Social Security? They are involved because they know that young people that are already having a hard way to go right now in this country as we speak, and I mean throughout this country, not just in my district but in districts throughout this country, congressional districts in the States and in neighborhoods and in communities, they are having a hard enough time. The last thing we need to do since we are watching out for the future Americans when they grow up and become the leaders in this country, and the workers in this country, is to hand them a $26,000 share of the deficit because we are watching out for them, to take $5 trillion and say that we are working on your behalf to make sure that you are secured in the future or we are going to increase the deficit by $5 trillion.

That is the number we are using today because, as I mentioned, the prescription drug plan that passed this House in the 108th Congress and the other body and was signed by the President, we were told it would be $350 billion to later find out it will be $727 billion. This is real money. This is something that we are passing on to future generations, and if we are going to watch out for future generations, we have to make sure that we are doing the right thing when we are in control.

I just want to say that I feel good about the fact that the 30 Something Working Group, as we come together when we are not on the floor, that this is the number one issue. Yes, there are other issues, but Social Security is the number one issue facing Americans right now. The privatization of Social Security is something that we have to continue to fight on their behalf, those individuals, those 4 million Americans that are now in the Social Security program, those Americans that receive $955 a month on average, those 33 million Americans that are retired and those young people that are on survivor benefits, their parents have passed on or a parent has passed on who was taking care of them, brought them up. They are now receiving their survivor benefits. It is up to us and it is up to brave Members in this House to fight for them to make sure that we cannot say, oh, we had a bad week on Wall Street so, guess what, we have to cut some of their benefits. We have to fight for them.

Mr. RYAN of Ohio. Mr. Speaker, that is a great segue into a couple of the e-mails that we received last week that I think put a human face on what you were just speaking about.

We got one from Denise Harmon who was from Evanston, Wyoming. She says: ''Hello, I'm 40, so I'm one year over the age group you are looking at.'' But, again, we are here talking about a lot of other issues and not just the people who are in their 30s.

''I have some IRA's, a mutual fund, a retirement plan with stocks, bonds, and annuities started through my previous employment, a 401(k) type plan with my employer, and a pension as a State employee in Wyoming.''

Denise goes on to say, ''I am very uncomfortable with the idea of using private accounts for Social Security. My mutual fund lost half of its value and at the rate it is earning, will take another 5 to 8 years to get to the rate of my deposit.''

So, just as you said, she lost sounds like thousands of dollars here and it is going to take another 5 to 8 years to get to the rate of her deposit. So, if she was planning on retiring in say 2002 and her 401(k) or mutual fund was cut in half, then she would not be able to retire if that was Social Security.

It sounds like she has some other things going on here, but what we are saying with the privatization is that your Social Security would be your mutual fund and it would be subject to the whims of the market. It would no longer be a guaranteed benefit, and when the gentleman from New York was here, he explained it great. Here is the stock market up and down, up and down, up and down, but here is the Social Security program, slowly growing, slowly paying out benefits to meet with the wage index so you maintain your buying power, and this is exactly what Denise is talking about.

She goes on to say: ''Everyone else I know, from my retired father to my peers to my kids who have mutual funds in their names for college funds have been burned by the private financial sector.''

And this is something that really hits home: ''My grandfather lost his railroad pension in the 1970s (he worked for Rock Island Lines) when Rock Island went out of business. He relied on Social Security and Medicare. He required nursing home care due to dementia and died with nothing, in fact, he probably cost the government because the company he gave his life to defaulted on him.

''Social Security is meant to be the no-risk retirement backup system. You shouldn't allow people to gamble with that money.''

□ 2145

And do not forget to remind Americans that Social Security also pays for the disabled and for children whose parents die early.

I want to thank Denise for writing in. That was great.

Mr. Speaker, I yield to the gentleman from Florida.

Mr. MEEK of Florida. I wanted to mention a few other things I did not mention earlier. This whole $26,300 and change of the deficit that we are talking about.

Mr. RYAN, if you can put that board back up, because I think that is very, very important. Thank you, Mr. RYAN, I appreciate that. This $26,349 and change is something that we need to pay very close attention to.

We did some math, and this is good math. The average American that graduates, be it with a postgraduate degree or a 4-year degree or what have you, has on average a $20,000 debt of either student loans, because of the lack of Pell grant dollars or what have you. You can buy a new car with $26,000. You can put a downpayment on a home with $26,000 and still have some left over. You could buy groceries for five families for a year with $26,000. That is a lot of money. You could start a small business with your new education with $26,000.

Was this deficit delivered by the minority side? No. This deficit was delivered by the majority side. And I think it is important that Americans understand that. So if folks want to know what we stand for on this side of the aisle, I think we have made the point clear. I think Americans understand and the Members of this House understand that if we are going to approach the Social Security issue, that it has to be bipartisan, like in 1983 with Tip O'Neill and Ronald Reagan. That bipartisan bill passed this House and that is the reason why Social Security is solvent for the next 50 years.

Mr. RYAN, it was a pleasure being here with you once again. I look forward to the future and getting back to talking about this issue and, hopefully, taking some action.

Mr. RYAN of Ohio. It has been a beautiful experience; I enjoyed it thoroughly. I want to give everyone at home some e-mails.

We also received another e-mail from a Karan Szatko from Overland Park, Kansas, and she wanted to thank us for talking about and to our generation and the issues that really matter. She is hoping to get more involved in government and getting her voice heard and doing what she can to help this great Nation we all love.

So, hopefully, these 30-somethings, it sounds like they are having some effect on some, and I just want to give everyone the e-mail. You can e-mail us through Leader PELOSI's office: 30somethingdems@mail.house.gov or you can get on our Web site at Democraticleader.house.gov/30something.

So send us an e-mail, drop us a line if you have any stories that you can relate to us that we may be able to share here on how this may affect your family.

Mr. MEEK of Florida. Mr. RYAN, I have another Web site real quickly, because we like to verify, verify, verify where people can go on and Members can go on. If you want to learn more about what the President's plan does to the middle class, you can go on www.cbpp.org. That is the Center For Budget and Policy Priorities. That is cbpp.org.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. FITZPATRICK of Pennsylvania). The Chair would remind Members to address their remarks to the Chair.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. LARSON of Connecticut (at the request of Ms. PELOSI) for today on account of a family emergency.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mr. PALLONE, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. GUTIERREZ, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Mr. EMANUEL, for 5 minutes, today.

Mr. STRICKLAND, for 5 minutes, today.

Mr. LANGEVIN, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. CARDOZA, for 5 minutes, today.

Mr. COOPER, for 5 minutes, today.

Mr. SCOTT of Georgia, for 5 minutes, today.

Mr. FORD, for 5 minutes, today.

Mr. CASE, for 5 minutes, today.

Ms. LORETTA SANCHEZ of California, for 5 minutes, today.

Mr. TANNER, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. STUPAK, for 5 minutes, today.

(The following Members (at the request of Mr. MCHENRY) to revise and extend their remarks and include extraneous material:)

Mr. FEENEY, for 5 minutes, today.

Mr. DAVIS of Kentucky, for 5 minutes, today.

Mr. WESTMORELAND, for 5 minutes, today.

Mr. KING of Iowa, for 5 minutes, today.

Mr. FLAKE, for 5 minutes, today.

Mr. GUTKNECHT, for 5 minutes, May 11.

Mr. POE, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. BERRY, for 5 minutes, today.

ADJOURNMENT

Mr. WAMP. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 50 minutes p.m.), the House adjourned until tomorrow, Thursday, May 5, 2005, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1811. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Benoxacor; Partial Grant and Partial Denial of Petition, and Amendment of Tolerance to Include S-Metolachlor [OPP-2005-0080; FRL-7709-2] received April 19, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1812. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Propiconazole; Re-Establishment of Tolerance for Emergency [OPP-2005-0092; FRL-7709-3] received April 19, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1813. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Spiromesifen; Pesticide Tolerance [OPP-2005-0046; FRL-7705-1] received April 19, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1814. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Tetraconazole; Time-Limited Pesticide Tolerance [OPP-2004-0388; FRL-7702-4] received April 19, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1815. A letter from the Director, Regulations Policy and Mgmt. Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule — Medical Devices; Clinical Chemistry and Clinical Toxicology Devices; Instrumental for Clinical Multiplex Test Systems [Docket No. 2005N-0071] received April 1, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1816. A letter from the Director, Regulations Policy and Mgmt. Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule — Medical Devices; Clinical Chemistry and Clinical Toxicology Devices; Drug Metabolizing Enzyme Genotyping System [Docket No. 2005N-0067] received April 1, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1817. A letter from the Director, Regulations Policy and Mgmt. Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule — Food Additives Permitted in Feed and Drinking Water of Animals; Poly (2-vinylpyridine-co-styrene); Salts of Volatile Fatty Acids — received April 1, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1818. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Implementation Plans; Texas; Agreed Orders in the Beaumont/Port Arthur Ozone Nonattainment Area [R06-OAR-2005-TX-0019; FRL-7898-7] received April 12, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1819. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Naitonal Emission Standards for Hazardous Air Pollutants for Source Categories: Generic Maximum Achievable Control Technology Standards; and National Emission Standards for Ethylene Manufacturing Process Units: Heat Exchange Systems and Waste Operations [OAR-2004-0411; AD-FRL-7899-1] (RIN: 2060-AK80) received April 12, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1820. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Outer Continental Shelf Air Regulations Consistency Update for California [OAR-2004-0091; FRL-7896-2] received April 12, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1821. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Protection of Stratospheric Ozone: Substitute Refrigerant Recycling; Amendment to the the Definition of Refrigerant [FRL-7899-3] (RIN: 2060-AM51) received April 12, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1822. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Implementation Plans; Texas: 15% Rate-of-Progress Plan and Motor Vehicle Emissions Budgets, Dallas/Fort Worth Ozone Nonattainment Area [TX-80-1-7353; FRL-7897-7] received April 12, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1823. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Implementation Plans Georgia: Approval of Revisions to the Georgia State Implementation Plan [R04-OAR-2004-GA-0002-200504(a); FRL-7898-5] received April 12, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1824. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Air Quality Implementation Plans; New Mexico; Albuquerque/Bernalillo County [R06-OAR-2005-NM-0001; FRL-7897-6] received April 12, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1825. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Implementation Plans; Texas; Memorandum of Agreement Between Texas Council on Environmental Quality and the North Central Texas Council of Governments Providing Emissions Offsets to Dallas Fort Worth International Airport [R06-OAR-2004-TX-0002; FRL-7902-8] received April 19, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1826. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Revisions to the Territory of Guam State Implementation Plan, Update to Materials Incorporated by Reference [GU122-NBK; FRL-7888-4] received April 19, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1827. A letter from the Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), FM Table of Allotments, FM Broadcast Stations. (Durant, Oklahoma and Tom Bean, Texas) [MB Docket No. 04-104; RM-11095] received March 18, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1828. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory

Commission, transmitting the Commission's final rule — Medical Use of Byproduct Material — Recognition of Specialty Boards (RIN: 3150-AH19) received March 28, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1829. A letter from the White House Liaison, Department of the Treasury, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1830. A letter from the White House Liaison, Department of the Treasury, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1831. A letter from the White House Liaison, Department of the Treasury, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1832. A letter from the White House Liaison, Department of the Treasury, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1833. A letter from the White House Liaison, Department of the Treasury, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

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1838. A letter from the White House Liaison, Department of the Treasury, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1839. A letter from the White House Liaison, Department of the Treasury, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1840. A letter from the White House Liaison, Department of the Treasury, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1841. A letter from the White House Liaison, Department of the Treasury, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1842. A letter from the White House Liaison, Department of the Treasury, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1843. A letter from the Chief, Reg. Development, Office of Regulations Policy & Mgt., Department of Veterans Affairs, transmitting the Department's final rule — Exclusions from Income and Net Worth Computations (RIN: 2900-AM14) received March 28, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

1844. A letter from the Regulations Coordinator, Centers for Medicare & Medicaid Services, Department of Health and Human Services, transmitting the Department's final rule — Medicare and Medicaid Programs; Fire Safety Requirements for Certain Health Care Facilities; Amendment [CMS-3145-IFC] (RIN: 0938-AN36) received March 28, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COLE: Committee on Rules. House Resolution 258. Resolution waiving points of order against the conference report to accompany the bill (H.R. 1268) making Emergency Supplemental Appropriations for Defense, the Global War on Terror, and Tsunami Relief, for the fiscal year ending September 30, 2005, and for other purposes (Rept. 109–73). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. TOM DAVIS of Virginia (for himself and Mr. HUNTER):

H.R. 2066. A bill to amend title 40, United States Code, to establish a Federal Acquisition Service, to replace the General Supply Fund and the Information Technology Fund with an Acquisition Services Fund, and for other purposes,; to the Committee on Government Reform.

By Mr. TOM DAVIS of Virginia (for himself and Mr. HUNTER):

H.R. 2067. A bill to provide for an improved acquisition system; to the Committee on Government Reform, and in addition to the Committee on Armed Services, 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. GOODLATTE (for himself, Mr. BERRY, Mr. BLUNT, Mr. HAYES, Mr. SCOTT of Georgia, Mr. BONILLA, Mr. BUTTERFIELD, Mr. BOEHNER, Mr. ETHERIDGE, Mr. CANTOR, Mr. GUTKNECHT, Mr. ROSS, Mr. KINGSTON, Mr. SNYDER, Mr. NEUGEBAUER, Mr. ORTIZ, Mr. LATHAM, Mr. SESSIONS, Mr. DOOLITTLE, Mrs. EMERSON, Mr. CONAWAY, Mr. JEFFERSON, Mr. MANZULLO, Mr. KENNEDY of Minnesota, Mr. PENCE, Mr. SHIMKUS, Mr. GRAVES, Mr. THORNBERRY, Mr. OXLEY, Mr. WELLER, Mr. MCHENRY, Mr. WESTMORELAND, Ms. FOXX, and Mr. KLINE):

H.R. 2068. A bill to amend the Agricultural Marketing Act of 1946 to establish a voluntary program for country of origin labeling of meat, and for other purposes; to the Committee on Agriculture.

By Mr. CANNON (for himself, Mr. BISHOP of Utah, and Mr. MATHESON):

H.R. 2069. A bill to authorize the exchange of certain land in Grand and Uintah Counties, Utah, and for other purposes; to the Committee on Resources.

By Mr. KUCINICH (for himself, Mr. SERRANO, Mr. ABERCROMBIE, Mr. DEFAZIO, Mr. FRANK of Massachusetts, Mr. MCDERMOTT, Ms. SOLIS, Mr. FILNER, Ms. CARSON, Mr. GRIJALVA, Mr. LANTOS, Ms. LEE, Mr. MCGOVERN, Ms. MCKINNEY, Ms. WOOLSEY, Mr. OWENS, Mr. STRICKLAND, Mr. CONYERS, Mr. DAVIS of Illinois, Mr. SANDERS, Mr. FARR, Mr. HINCHEY, Mr. EVANS, Mr. NADLER, Mr. KANJORSKI, Mr. SHERMAN, Mr. LEWIS of Georgia, Mr. GUTIERREZ, Mr. VISCLOSKY, Mr. KILDEE, Ms. SLAUGHTER, Ms. KAPTUR, Mr. OLVER, and Mr. STUPAK):

H.R. 2070. A bill to amend the Internal Revenue Code of 1986 to impose a windfall profit tax on oil and natural gas (and products thereof) and to allow an income tax credit for purchases of fuel-efficient passenger vehicles, and to allow grants for mass transit; to the Committee on Ways and Means, and in addition to the Committee on Transportation and Infrastructure, 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. DINGELL (for himself, Mr. WAXMAN, Mr. BROWN of Ohio, Mr. PALLONE, Mr. GEORGE MILLER of California, Mr. VAN HOLLEN, Mr. HOLT, Ms. SCHAKOWSKY, Mr. GENE GREEN of Texas, Mr. KILDEE, Ms. JACKSON-LEE of Texas, Mr. MENENDEZ, Mr. REYES, Mr. MEEHAN, Mr. HINCHEY, Mr. LANTOS, Mr. NADLER, Mr. GRIJALVA, Mr. FARR, Mr. BERRY, Mr. OLVER, Mr. OWENS, Mrs. MCCARTHY, Mr. TIERNEY, Ms. WOOLSEY, Mr. MCNULTY, Mr. SCHIFF, Ms. CORRINE BROWN of Florida, Mr. BUTTERFIELD, Mr. HASTINGS of Florida, Mr. MURTHA, Mr. MICHAUD, Mr. RUPPERSBERGER, Mr. LYNCH, Mr. CUMMINGS, Ms. NORTON, Mr. MORAN of Virginia, Mrs. MALONEY, Mr. BACA, Ms. KILPATRICK of Michigan, Mr. HIGGINS, Mr. SERRANO, Ms. HERSETH, Ms. WASSERMAN SCHULTZ, Mr. ANDREWS, Ms. BALDWIN, Mr. CROWLEY, Mr. CLEAVER, Ms. PELOSI, Mr. CLAY, Mr. STUPAK, Ms. DEGETTE, Mr. PASCRELL, Ms. MCCOLLUM of Minnesota, Mr. HONDA, Mr. STRICKLAND, Ms. BERKLEY, Mrs. DAVIS of California, Mr. JACKSON of Illinois, Ms. SLAUGHTER, Ms. MILLENDER-MCDONALD, Mrs. CAPPS, Mr. CARNAHAN, Ms. LINDA T. SÁNCHEZ of California, Ms. ROYBAL-ALLARD, Ms. SOLIS, Mr. CUELLAR, Mr. ROSS, Ms. MATSUI, Mr. AL GREEN of Texas, Mr. SCOTT of Virginia, Mr. SALAZAR, Ms. HOOLEY, Mr. ISRAEL, Mr. RYAN of Ohio, Mr. LEWIS of Georgia, Mr. KIND, Mr. OBERSTAR, Mr. KENNEDY of Rhode Island, Mr. DOGGETT, Mr. GONZALEZ, Mr. HOYER, Mr. MCGOVERN, Mr. KUCINICH, Mr. ORTIZ, Mr. BOUCHER, Mr. MARKEY, Mr. HINOJOSA, Ms. SCHWARTZ of Pennsylvania, Mr. LARSON of Connecticut, Mr. EMANUEL, Ms. CARSON, Mr. MCDERMOTT, Mr. STARK, and Mr. MOORE of Kansas):

H.R. 2071. A bill to amend titles XIX and XXI of the Social Security Act to provide for FamilyCare coverage for parents of enrolled children, and for other purposes; to the Committee on Energy and Commerce.

By Mr. STARK (for himself, Mr. BROWN of Ohio, Mr. RANGEL, Mr. DINGELL, Mr. WAXMAN, Ms. PELOSI, Mr. GEORGE MILLER of California, Mr. PALLONE, Mr. ALLEN, Mr. ANDREWS, Mr. BACA, Ms. BALDWIN, Ms. BERKLEY, Mr. BERRY, Ms. CORRINE BROWN of Florida, Mr. BUTTERFIELD, Mr. CARNAHAN, Mrs. CAPPS, Mr. CARDIN, Ms. CARSON, Mrs. CHRISTENSEN, Mr. CLEAVER, Mr. CROWLEY, Mr. CUELLAR, Mr. CUMMINGS, Mrs. DAVIS of California, Ms. DELAURO, Mr. DOGGETT, Mr. EMANUEL, Mr. ENGEL, Mr. EVANS, Mr. FARR, Mr. GONZALEZ, Mr. GORDON, Mr. AL GREEN of Texas, Mr. GENE GREEN of Texas, Mr. GRIJALVA, Mr.

GUTIERREZ, Mr. HASTINGS of Florida, Mr. HIGGINS, Mr. HINCHEY, Mr. HINOJOSA, Ms. NORTON, Mr. HOLT, Mr. HONDA, Mr. HOYER, Mr. ISRAEL, Mr. JACKSON of Illinois, Ms. JACKSON-LEE of Texas, Mr. KILDEE, Ms. KILPATRICK of Michigan, Mr. KUCINICH, Mr. LANGEVIN, Mr. LANTOS, Mr. LARSON of Connecticut, Ms. LEE, Mr. LEWIS of Georgia, Mr. LYNCH, Mrs. MALONEY, Ms. MATSUI, Mrs. MCCARTHY, Ms. MCCOLLUM of Minnesota, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. MCNULTY, Mr. MEEHAN, Mr. MENENDEZ, Mr. MICHAUD, Ms. MILLENDER-MCDONALD, Mr. MURTHA, Mr. NADLER, Mr. OBERSTAR, Mr. OLVER, Mr. ORTIZ, Mr. OWENS, Mr. PASCRELL, Mr. PASTOR, Mr. REYES, Mr. ROSS, Ms. ROYBAL-ALLARD, Mr. RUPPERSBERGER, Mr. RYAN of Ohio, Mr. SALAZAR, Ms. LINDA T. SÁNCHEZ of California, Ms. SCHAKOWSKY, Ms. SCHWARTZ of Pennsylvania, Mr. SCOTT of Georgia, Mr. SCOTT of Virginia, Mr. SERRANO, Ms. SOLIS, Mr. STRICKLAND, Mr. STUPAK, Mr. TIERNEY, Mr. VAN HOLLEN, Ms. WASSERMAN SCHULTZ, Mr. WEXLER, Mr. JEFFERSON, and Mr. SANDERS):

H.R. 2072. A bill to amend title XVIII of the Social Security Act and the Employee Retirement Income Security Act of 1974 to provide access to Medicare benefits for individuals ages 55 to 65, to amend the Internal Revenue Code of 1986 to allow a refundable and advanceable credit against income tax for payment of such premiums, and for other purposes; to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, and Education and the Workforce, 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. BARROW (for himself, Mr. DINGELL, Mr. RANGEL, Mr. STARK, Mr. BROWN of Ohio, Mr. WAXMAN, Ms. PELOSI, Mr. GEORGE MILLER of California, Mr. PALLONE, Mr. ACKERMAN, Mr. ALLEN, Mr. ANDREWS, Mr. BACA, Ms. BALDWIN, Mr. BERMAN, Mr. BLUMENAUER, Mr. BOUCHER, Ms. CORRINE BROWN of Florida, Mr. BUTTERFIELD, Mr. CARNAHAN, Ms. CARSON, Mr. CLEAVER, Mr. CROWLEY, Mr. CUMMINGS, Mrs. DAVIS of California, Mr. DEFAZIO, Ms. DEGETTE, Ms. DELAURO, Mr. DOGGETT, Mr. ENGEL, Ms. ESHOO, Mr. FARR, Mr. FORD, Mr. GONZALEZ, Mr. AL GREEN of Texas, Mr. GENE GREEN of Texas, Mr. GRIJALVA, Mr. HASTINGS of Florida, Ms. HERSETH, Mr. HIGGINS, Mr. HINCHEY, Mr. HINOJOSA, Ms. NORTON, Mr. HOLT, Mr. HONDA, Mr. HOYER, Ms. JACKSON-LEE of Texas, Mr. JEFFERSON, Mr. KILDEE, Ms. KILPATRICK of Michigan, Mr. LANGEVIN, Mr. LANTOS, Mr. LARSEN of Washington, Mr. LARSON of Connecticut, Mr. LEWIS of Georgia, Mr. LYNCH, Mrs. MALONEY, Mr. MARKEY, Mrs. MCCARTHY, Ms. MCCOLLUM of Minnesota, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. MCNULTY, Mr. MEEKS of New York, Mr. MELANCON, Mr. MENENDEZ, Mr. MICHAUD, Ms. MILLENDER-MCDONALD, Mr. MURTHA, Mr. NADLER, Mr. OBERSTAR, Mr. OLVER, Mr. ORTIZ, Mr. OWENS, Mr. PASCRELL, Mr. PAYNE, Mr. REYES, Mr. ROSS, Ms. ROYBAL-ALLARD, Mr. RUPPERSBERGER, Mr. RYAN of Ohio, Mr. SALAZAR, Ms. LINDA T. SÁNCHEZ of California, Ms. SCHAKOWSKY, Mr. SCHIFF, Ms. SCHWARTZ of Pennsylvania, Mr. SCOTT of Georgia, Mr. SERRANO, Ms. SLAUGHTER, Mr. STRICKLAND, Mr. STUPAK, Mr. TIERNEY, Mr. VAN HOLLEN, Ms. WASSERMAN SCHULTZ, Mr. WEINER, and Ms. WOOLSEY):

H.R. 2073. A bill to amend the Internal Revenue Code of 1986 to provide tax subsidies to encourage small employers to offer affordable health coverage to their employees through qualified health pooling arrangements, to encourage the establishment and operation of these arrangements, and for other purposes; to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, and Education and the Workforce, 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. ANDREWS:

H.R. 2074. A bill to amend title 10, United States Code, to improve transition assistance provided to members of the Armed Forces being discharged, released from active duty, or retired, and for other purposes; to the Committee on Armed Services, and in addition to the Committee on Veterans' Affairs, 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. BERKLEY (for herself and Mr. FARR):

H.R. 2075. A bill to amend title 10, United States Code, to require a member of the Armed Forces to designate a person to be authorized to direct the disposition of the member's remains if the member should die in service; to the Committee on Armed Services.

By Mr. BILIRAKIS (for himself, Mr. BRADLEY of New Hampshire, and Mr. MILLER of Florida):

H.R. 2076. A bill to amend title 10, United States Code, to permit certain retired members of the uniformed services who have a service-connected disability to receive both disability compensation from the Department of Veterans Affairs for their disability and either retired pay by reason of their years of military service or Combat-Related Special Compensation; to the Committee on Armed Services, and in addition to the Committee on Veterans' Affairs, 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. BRADY of Texas:

H.R. 2077. A bill to suspend temporarily the duty on Garenoxacin mesylate; to the Committee on Ways and Means.

By Mr. BRADY of Texas:

H.R. 2078. A bill to suspend temporarily the duty on butylated hydroxyethylbenzene; to the Committee on Ways and Means.

By Mr. BRADY of Texas:

H.R. 2079. A bill to extend the temporary duty suspension on Ezetimibe; to the Committee on Ways and Means.

By Mr. COBLE:

H.R. 2080. A bill to extend the duty suspension on Methidathion Technical; to the Committee on Ways and Means.

By Mr. COBLE:

H.R. 2081. A bill to extend the duty suspension on difenoconazole; to the Committee on Ways and Means.

By Mr. COBLE:

H.R. 2082. A bill to extend the duty suspension on Lambda-Cyhalothrin; to the Committee on Ways and Means.

By Mr. COBLE:

H.R. 2083. A bill to extend the duty suspension on cyprodinil; to the Committee on Ways and Means.

By Mr. COBLE:

H.R. 2084. A bill to extend the duty suspension on Wakil XL; to the Committee on Ways and Means.

By Mr. COBLE:

H.R. 2085. A bill to extend the duty suspension on Azoxystrobin Technical; to the Committee on Ways and Means.

By Mr. COBLE:

H.R. 2086. A bill to extend the duty suspension on mucochloric acid; to the Committee on Ways and Means.

By Mr. FRANK of Massachusetts (for himself, Mr. PAUL, Mr. ROHRABACHER, Mr. FARR, Mr. SANDERS, Mr. KUCINICH, Mr. ABERCROMBIE, Mr. WEXLER, Mr. WAXMAN, Mr. HINCHEY, Mr. GEORGE MILLER of California, Mr. MCDERMOTT, Ms. SCHAKOWSKY, Ms. WOOLSEY, Mr. DEFAZIO, Mr. MCGOVERN, Mr. BLUMENAUER, Ms. LEE, Mr. CASE, Mr. GRIJALVA, Mr. UDALL of Colorado, Mr. STARK, Mr. CAPUANO, Ms. JACKSON-LEE of Texas, Ms. ESHOO, Mr. HONDA, Mr. OLVER, Mr. MORAN of Virginia, Mr. ANDREWS, Ms. LINDA T. SÁNCHEZ of California, and Ms. BALDWIN):

H.R. 2087. A bill to provide for the medical use of marijuana in accordance with the laws of the various States; to the Committee on Energy and Commerce.

By Mr. GIBBONS (for himself, Mr. OTTER, Mr. KENNEDY of Minnesota, Mr. SESSIONS, Mr. JONES of North Carolina, Mr. MILLER of Florida, Mr. CANNON, Mr. BURTON of Indiana, Mr. GOODE, Mr. KINGSTON, Mr. BRADLEY of New Hampshire, Mr. TERRY, Mr. BAKER, Mr. WHITFIELD, Mr. BARRETT of South Carolina, Mr. BACHUS, Mr. BOOZMAN, Mr. TIBERI, Mr. BISHOP of Utah, Mr. WILSON of South Carolina, Mr. BARTON of Texas, Mr. DUNCAN, Mr. SHUSTER, Mr. HOSTETTLER, Mr. MCCOTTER, Mr. HEFLEY, Mr. ISSA, Mr. SIMPSON, Mr. TANCREDO, Mr. SHIMKUS, Mr. PEARCE, Mr. KING of Iowa, Mr. PETERSON of Pennsylvania, Mr. SALAZAR, Mr. KUHL of New York, Mr. HALL, Mr. MOLLOHAN, Mr. FRANKS of Arizona, Mr. SOUDER, Mr. ROGERS of Alabama, Mr. AKIN, Mr. BURGESS, Mr. CRAMER, Mr. CUNNINGHAM, Mr. BARTLETT of Maryland, Mr. ROSS, Mrs. EMERSON, Mr. HUNTER, Mr. TAYLOR of Mississippi, Mr. DEAL of Georgia, Mr. HERGER, Mr. FEENEY, Mr. LEWIS of Kentucky, and Mr. CALVERT):

H.R. 2088. A bill to provide an amnesty period during which veterans and their family members can register certain firearms in the National Firearms Registration and Transfer Record, and for other purposes; to the Committee on the Judiciary, 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. GRANGER (for herself, Mr. WYNN, Mr. BURGESS, Mr. FITZPATRICK of Pennsylvania, Mrs. JOHNSON of Connecticut, Mr. NORWOOD, Mr. SIMPSON, Mr. BOOZMAN, Mr. BONILLA, Mr. MARCHANT, Mr. NEUGEBAUER, Mr. CUNNINGHAM, Mr. GOODE, Mr. MCHUGH, and Mr. SANDERS):

H.R. 2089. A bill to amend the Internal Revenue Code of 1986 to allow individuals a refundable credit against income tax for the purchase of private health insurance; to the Committee on Ways and Means.

By Mr. HINCHEY (for himself, Ms. DELAURO, and Mr. STUPAK):

H.R. 2090. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide for

the deposit in the general fund of the Treasury of fees that are collected from manufacturers of drugs and devices under chapter VII of such Act, to terminate the authority of the Food and Drug Administration to negotiate with the manufacturers on particular uses of the fees, to establish a Center for Postmarket Drug Safety and Effectiveness, to establish additional authorities to ensure the safe and effective use of drugs, and for other purposes; to the Committee on Energy and Commerce.

By Mr. HOEKSTRA:

H.R. 2091. A bill to suspend temporarily the duty on 4-Methoxy-2-methyldiphenylamine; to the Committee on Ways and Means.

By Ms. JACKSON-LEE of Texas:

H.R. 2092. A bill to amend the Immigration and Nationality Act to comprehensively reform immigration law and to better protect immigrant victims of violence, and for other purposes; to the Committee on the Judiciary, and in addition to the Committees on Ways and Means, Energy and Commerce, Agriculture, Homeland Security, and Financial Services, 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. JENKINS:

H.R. 2093. A bill to suspend temporarily the duty on 2-Methylhydroquinone; to the Committee on Ways and Means.

By Mr. JENKINS:

H.R. 2094. A bill to suspend temporarily the duty on thionyl chloride; to the Committee on Ways and Means.

By Mr. JENKINS:

H.R. 2095. A bill to suspend temporarily the duty on 1-fluoro-2-nitro benzene; to the Committee on Ways and Means.

By Mr. LINDER:

H.R. 2096. A bill to extend the temporary suspension of duty on certain high tenacity rayon filament yarn; to the Committee on Ways and Means.

By Mrs. LOWEY:

H.R. 2097. A bill to establish a program to provide child care through public-private partnerships; to the Committee on Education and the Workforce.

By Mrs. LOWEY:

H.R. 2098. A bill to provide the Secretary of Health and Human Services and the Secretary of Education with increased authority with respect to asthma programs, and to provide for increased funding for such programs; to the Committee on Energy and Commerce, and in addition to the Committee on Education and the Workforce, 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. MCKINNEY (for herself, Mr. SCOTT of Georgia, and Mr. MARSHALL):

H.R. 2099. A bill to establish the Arabia Mountain National Heritage Area, and for other purposes; to the Committee on Resources.

By Miss MCMORRIS:

H.R. 2100. A bill to amend Public Law 97-435 to extend the authorization for the Secretary of the Interior to release certain conditions contained in a patent concerning certain land conveyed by the United States to Eastern Washington University until December 31, 2009; to the Committee on Resources.

By Mr. MEEK of Florida (for himself, Mrs. MCCARTHY, Ms. LORETTA SANCHEZ of California, Mr. FORD, Mr. DEFAZIO, Mr. GONZALEZ, Ms. SLAUGHTER, Ms. NORTON, Ms. JACKSON-LEE of Texas, Mr. TOWNS, Ms. CORRINE BROWN of Florida, Mrs. LOWEY, and Mr. THOMPSON of Mississippi):

H.R. 2101. A bill to amend the Homeland Security Act of 2002 to direct the Secretary of Homeland Security to develop and implement the READICall emergency alert system; to the Committee on Energy and Commerce, and in addition to the Committee on Homeland Security, 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. MELANCON (for himself, Mr. BAKER, Mr. MCCRERY, Mr. JEFFERSON, Mr. ALEXANDER, Mr. JINDAL, and Mr. BOUSTANY):

H.R. 2102. A bill to amend the Internal Revenue Code of 1986 to provide a credit against the income tax for expenses incurred in restoring and protecting coastal lands; to the Committee on Ways and Means.

By Mrs. MYRICK (for herself, Mr. PASTOR, and Mr. GREEN of Wisconsin):

H.R. 2103. A bill to authorize the Attorney General to provide grants for organizations to find missing adults; to the Committee on the Judiciary.

By Ms. NORTON:

H.R. 2104. A bill to amend the Help America Vote Act of 2002 to permit local jurisdictions within a State to conduct early voting in elections for Federal office held in such jurisdictions, and for other purposes; to the Committee on House Administration.

By Mr. PALLONE:

H.R. 2105. A bill to amend title 23, United States Code, relating to the use of safety belts and child restraint systems by children, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. PRICE of Georgia (for himself, Mr. LINDER, Mr. BAKER, Mr. CHABOT, Mr. DAVIS of Kentucky, Mr. DEAL of Georgia, Mr. GINGREY, Mr. KINGSTON, Mr. NORWOOD, Mr. WESTMORELAND, Mr. LEWIS of Georgia, and Mr. SCOTT of Georgia):

H.R. 2106. A bill to amend the Internal Revenue Code of 1986 to provide transition funding rules for certain plans electing to cease future benefit accruals, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, 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. SAXTON (for himself, Mr. KING of New York, and Mr. DUNCAN):

H.R. 2107. A bill to amend Public Law 104-329 to modify authorities for the use of the National Law Enforcement Officers Memorial Maintenance Fund, and for other purposes; to the Committee on Resources.

By Ms. SLAUGHTER (for herself, Ms. GINNY BROWN-WAITE of Florida, Ms. JACKSON-LEE of Texas, Mr. GRIJALVA, Mr. LYNCH, Mr. PALLONE, Mr. SCOTT of Georgia, Mr. CARDOZA, Mr. CROWLEY, Ms. SOLIS, Mr. RANGEL, Mr. WEXLER, Mr. CONYERS, and Mrs. MCCARTHY):

H.R. 2108. A bill to amend the Servicemembers Civil Relief Act to prevent the disruption of the education of children who change residence based on the military service of a reserve component parent who is deployed overseas; to the Committee on Veterans' Affairs.

By Mr. STUPAK (for himself, Mr. DINGELL, Mr. KILDEE, Mr. CONYERS, Mr. BROWN of Ohio, Mr. LEVIN, Mr. GENE GREEN of Texas, and Ms. BALDWIN):

H.R. 2109. A bill to direct the Administrator of the Environmental Protection Agency to carry out certain authorities under an agreement with Canada respecting the importation of municipal solid waste, to amend the Solid Waste Disposal Act to authorize States to restrict receipt of foreign municipal solid waste, and for other purposes; to the Committee on Energy and Commerce.

By Mr. UDALL of Colorado:

H.R. 2110. A bill to provide for a study of options for protecting the open space characteristics of certain lands in and adjacent to the Arapaho and Roosevelt National Forests in Colorado, and for other purposes; to the Committee on Resources.

By Mr. UDALL of Colorado (for himself and Mr. BEAUPREZ):

H.R. 2111. A bill to facilitate acquisition by the Secretary of the Interior of certain mineral rights, and for other purposes; to the Committee on Resources.

By Mr. ISSA (for himself, Mr. BLUNT, Mr. HYDE, Mr. TOM DAVIS of Virginia, Mr. YOUNG of Alaska, and Mr. POMBO):

H.R. 2112. A bill to designate the exclusive economic zone of the United States as the ''Ronald Wilson Reagan Exclusive Economic Zone of the United States''; to the Committee on Resources.

By Mr. KING of Iowa (for himself, Mr. WEINER, Mr. ACKERMAN, Mr. AKIN, Mr. BARRETT of South Carolina, Mr. BEAUPREZ, Mr. BISHOP of Georgia, Mr. BURGESS, Mr. BURTON of Indiana, Mr. CANNON, Mr. CANTOR, Mr. CHABOT, Mr. CONAWAY, Mr. CROWLEY, Mr. DOOLITTLE, Mr. FLAKE, Mr. FRANKS of Arizona, Mr. GARRETT of New Jersey, Ms. HARRIS, Mr. HAYWORTH, Mr. HERGER, Mr. HOLDEN, Mr. KING of New York, Mr. KLINE, Mr. LANTOS, Mr. LEWIS of Kentucky, Mr. LIPINSKI, Mrs. MALONEY, Mrs. MCCARTHY, Mr. MCCAUL of Texas, Mr. MCGOVERN, Mr. MCNULTY, Mr. NADLER, Mrs. NORTHUP, Mr. NORWOOD, Mr. OTTER, Mr. PENCE, Mr. PITTS, Mr. POE, Ms. ROS-LEHTINEN, Mr. ROTHMAN, Mr. SAXTON, Mr. SESSIONS, Mr. SHADEGG, Mr. SHIMKUS, Mr. SIMPSON, Mr. SOUDER, Mr. SULLIVAN, Mrs. TAUSCHER, Mr. WAMP, Ms. WASSERMAN SCHULTZ, Mr. WELDON of Florida, Mr. WEXLER, Mr. WILSON of South Carolina, and Mr. CLEAVER):

H. Con. Res. 144. Concurrent resolution condemning attacks on United States citizens by Palestinian terrorists, and for other purposes; to the Committee on International Relations.

By Ms. DEGETTE (for herself, Mr. UDALL of Colorado, Mr. CUMMINGS, and Mr. WATT):

H. Res. 257. A resolution expressing the sense of the House of Representatives that Pasqualine J. Lawson of Denver, Colorado, an African American woman who valiantly served her country in the Army Air Corps during World War II and serving as a hospital neuropsychiatric team member, was unfairly passed over for promotion and should have held the grade of technical sergeant, rather than private first class, upon her discharge from the service on January 2, 1946; to the Committee on Armed Services.

By Mr. CLEAVER (for himself, Mr. NEY, Mr. GARY G. MILLER of California, Mr. CLAY, Mrs. EMERSON, Mr. BLUNT, Mr. CARNAHAN, Mr. SKELTON, Mr. FRANK of Massachusetts, Mr. MEEKS of New York, Mr. CROWLEY, Ms. MOORE of Wisconsin, Mr. MOORE of Kansas, Mr. BAKER, Mr. KANJORSKI, Mr. KING of New York, Mr. GUTIERREZ, and Mr. CAPUANO):

H. Res. 259. A resolution condemning the existence of racially restrictive covenants in housing documents and urging States to adopt legislation similar to that which was

enacted in California to address the issue; to the Committee on the Judiciary.

By Mr. GARRETT of New Jersey (for himself, Mr. AKIN, Mr. BARRETT of South Carolina, Mr. BARTLETT of Maryland, Mr. BISHOP of Utah, Mr. BLUNT, Mr. BOUSTANY, Mr. BRADY of Texas, Ms. GINNY BROWN-WAITE of Florida, Mr. BURGESS, Mr. BURTON of Indiana, Mr. CANNON, Mr. CANTOR, Mr. CARTER, Mr. CHABOT, Mr. CHOCOLA, Mrs. CUBIN, Mr. LINCOLN DIAZ-BALART of Florida, Mr. MARIO DIAZ-BALART of Florida, Mr. DOOLITTLE, Mr. FEENEY, Ms. FOXX, Mr. FRANKS of Arizona, Mr. GINGREY, Mr. GOHMERT, Mr. GOODE, Mr. HAYWORTH, Mr. HENSARLING, Mr. HERGER, Mr. ISTOOK, Mr. SAM JOHNSON of Texas, Mr. KLINE, Mr. KING of Iowa, Mr. MCCOTTER, Mr. MCHENRY, Mrs. MILLER of Michigan, Mr. MILLER of Florida, Mrs. MYRICK, Mr. PENCE, Mr. PITTS, Mr. RADANOVICH, Mr. RENZI, Ms. ROS-LEHTINEN, Mr. SESSIONS, Mr. SHADEGG, Mr. SOUDER, Mr. TANCREDO, Mr. TIAHRT, Mr. WHITFIELD, Mr. WICKER, and Mr. WILSON of South Carolina):

H. Res. 260. A resolution thanking John R. Bolton, President George W. Bush's nominee to serve as United States Ambassador to the United Nations, for his long-standing history of confronting corruption at the United Nations and urging him to continue his hard work and dedication to the implementation of measures that will restore credibility of this international organization; to the Committee on International Relations.

By Mr. HALL (for himself, Mr. TOWNS, Mr. PICKERING, Mr. BILIRAKIS, and Mr. GENE GREEN of Texas):

H. Res. 261. A resolution expressing the sense of the House of Representatives that the Centers for Medicare & Medicaid Services should be commended for implementing the Medicare demonstration project to assess the quality of care of cancer patients undergoing chemotherapy, and should extend the project, at least through 2006, subject to any appropriate modifications; 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. SCHWARZ of Michigan:

H. Res. 262. A resolution expressing the sense of the House of Representatives that the Secretary of Agriculture should investigate and find alternative actions with regard to the unilateral temporary termination of the participation of retail food stores in the electronic benefits transfer system (EBT) under the Food Stamp Act of 1977; to the Committee on Agriculture.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

19. The SPEAKER presented a memorial of the General Assembly of the State of New York, relative to a Resolution memorializing Congress to pass a joint resolution of disapproval to nullify the United States Department of Agriculture decision to resume the importation of live Canadian cattle on March 7, 2005, thereby establishing Canada as a minimum-risk country in respect to Bovine Spongiform Encephalopathy, or Mad Cow Disease; to the Committee on Agriculture.

20. Also, a memorial of the Legislature of the State of Idaho, relative to House Joint Memorial No. 3 memorializing the President and Congress of the United States to support the campaign to develop the Pocatello Proton Accelerator Cancer Treatment Facility in Pocatello, Idaho; to the Committee on Energy and Commerce.

21. Also, a memorial of the Senate of the State of Michigan, relative to Senate Resolution No. 14 memorializing Congress to enact highway reauthorization legislation with a level of funding that closes the gap between federal fuel tax dollars paid by Michigan motorists and dollars received to address Michigan's transportation needs; to the Committee on Transportation and Infrastructure.

22. Also, a memorial of the Senate of the State of West Virginia, relative to Senate Resolution No. 18 memorializing the United States Congress to reject plans to privatize Social Security and commit to repaying into the Social Security Trust Fund; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 22: Mr. STRICKLAND and Mr. DAVIS of Florida.
H.R. 65: Mr. TANCREDO.
H.R. 66: Mr. SHADEGG.
H.R. 111: Mr. SESSIONS, Mr. MICA, Mr. DINGELL, and Mr. RENZI.
H.R. 117: Mr. BOSWELL.
H.R. 133: Mr. BOSWELL.
H.R. 153: Ms. SLAUGHTER.
H.R. 176: Mr. MCDERMOTT and Ms. WOOLSEY.
H.R. 196: Mr. PAUL.
H.R. 292: Mr. JINDAL.
H.R. 303: Mr. MILLER of Florida.
H.R. 331: Mr. MCHUGH.
H.R. 373: Mr. CUMMINGS.
H.R. 414: Mr. LAHOOD and Ms. MCCOLLUM of Minnesota.
H.R. 422: Mr. GEORGE MILLER of California, Mr. STARK, and Mr. CARDOZA.
H.R. 513: Mr. OBERSTAR.
H.R. 514: Mr. DEFAZIO.
H.R. 527: Mr. HOLDEN and Mr. ENGLISH of Pennsylvania.
H.R. 530: Mr. MACK.
H.R. 554: Mrs. MILLER of Michigan.
H.R. 577: Mr. PUTNAM.
H.R. 625: Mr. BOSWELL.
H.R. 653: Mr. DEFAZIO and Mr. BARROW.
H.R. 654: Mr. SHERMAN and Ms. ESHOO.
H.R. 669: Ms. SCHAKOWSKY and Mr. HAYES.
H.R. 697: Mr. WAXMAN, Mr. SMITH of Washington, and Mr. DENT.
H.R. 731: Mr. SANDERS.
H.R. 747: Mrs. MCCARTHY, Mr. PASTOR, and Mr. RAHALL.
H.R. 759: Mr. FARR and Ms. ZOE LOFGREN of California.
H.R. 772: Mr. BROWN of Ohio and Mr. CARNAHAN.
H.R. 792: Mr. HYDE.
H.R. 800: Mr. CRENSHAW and Mr. BURTON of Indiana.
H.R. 801: Mr. HINCHEY.
H.R. 819: Mr. COLE of Oklahoma, Mr. STUPAK, and Mr. HOEKSTRA.
H.R. 838: Mr. ACKERMAN.
H.R. 874: Mr. CRENSHAW and Mr. GOHMERT.
H.R. 887: Mr. SHIMKUS, Mr. SANDERS, Mr. FITZPATRICK of Pennsylvania, and Mr. KILDEE.
H.R. 903: Mr. DEFAZIO.
H.R. 930: Mr. FEENEY and Mr. MCHENRY.
H.R. 932: Mr. FEENEY and Mr. CULBERSON.
H.R. 960: Mr. VAN HOLLEN.
H.R. 972: Mr. WEXLER.
H.R. 983: Ms. DELAURO, Mr. HINCHEY, Mr. LANGEVIN, and Mr. WALSH.
H.R. 985: Mr. MEEHAN, Mr. LARSEN of Washington, and Mrs. MCCARTHY.
H.R. 998: Mr. PETERSON of Minnesota and Mr. UDALL of New Mexico.
H.R. 1103: Mr. LEWIS of Georgia and Ms. LEE.
H.R. 1119: Ms. HERSETH.
H.R. 1120: Mr. MCHUGH and Mr. WEXLER.
H.R. 1126: Mrs. MCCARTHY, Mr. CARNAHAN, Mr. KUHL of New York, Ms. BALDWIN, Mr. RUSH, Mr. SCHIFF, Mr. PAYNE, Mr. BOYD, Ms. HARRIS, Mr. WAXMAN, and Mr. FOLEY.
H.R. 1130: Ms. BALDWIN, Mr. BRADY of Pennsylvania, and Mr. WYNN.
H.R. 1131: Mr. SIMMONS and Mrs. BLACKBURN.
H.R. 1150: Mr. OTTER.
H.R. 1182: Mr. HONDA.
H.R. 1194: Mr. BLUMENAUER.
H.R. 1246: Mr. CAPUANO.
H.R. 1258: Mrs. JONES of Ohio.
H.R. 1262: Mr. LOBIONDO.
H.R. 1282: Mr. TIBERI.
H.R. 1287: Mr. WELLER.
H.R. 1291: Mr. PORTER.
H.R. 1293: Mr. ENGEL.
H.R. 1298: Mr. ISRAEL, Mr. LARSEN of Washington, Mr. INSLEE, Ms. BORDALLO, Mr. WEXLER, Mrs. TAUSCHER, and Mr. ABERCROMBIE.
H.R. 1322: Mr. BISHOP of New York, Mr. ANDREWS, Mr. KILDEE, Mr. FILNER, and Ms. SLAUGHTER.
H.R. 1335: Mr. KING of New York, Mr. GENE GREEN of Texas, Mr. BROWN of Ohio, and Mr. SAXTON.
H.R. 1345: Mr. SHADEGG.
H.R. 1350: Mr. DEFAZIO.
H.R. 1353: Mr. KENNEDY of Minnesota.
H.R. 1363: Mr. HAYES.
H.R. 1364: Mr. ALEXANDER.
H.R. 1376: Mr. PAYNE.
H.R. 1471: Mr. ENGLISH of Pennsylvania and Mr. WALSH.
H.R. 1474: Mr. PRICE of North Carolina, Mr. MCHUGH, and Mr. KILDEE.
H.R. 1499: Mr. WELDON of Florida and Ms. HARRIS.
H.R. 1505: Mr. GORDON and Mr. JINDAL.
H.R. 1509: Mr. MANZULLO.
H.R. 1518: Mr. FEENEY.
H.R. 1522: Ms. JACKSON-LEE of Texas and Mr. SANDERS.
H.R. 1554: Mr. TIERNEY.
H.R. 1581: Mr. BOEHNER and Mr. MCCOTTER.
H.R. 1588: Mr. KILDEE and Mr. BISHOP of New York.
H.R. 1591: Mr. MCCOTTER, Mr. FRANK of Massachusets, Mr. LATOURETTE, Mr. UPTON, Mr. SAXTON, Mr. KIND, Mr. OLVER, and Mr. MORAN of Virginia.
H.R. 1595: Ms. WOOLSEY, Ms. DELAURO, Mr. WEXLER, Mr. MCINTYRE, and Mr. UDALL of Colorado.
H.R. 1606: Mr. CONYERS.
H.R. 1607: Mr. RAMSTAD.
H.R. 1621: Mr. ANDREWS, Mr. PALLONE, Mr. BRADY of Pennsylvania, Mr. RUPPERSBERGER, Mr. OWENS, Mr. KUCINICH, Mrs. CHRISTENSEN, Mr. LANTOS, Mr. CONYERS, Mr. STARK, Mr. MCDERMOTT, Mr. PASCRELL, Mr. CLEAVER, Mr. DOGGETT, Mr. DEFAZIO, Mr. GINGREY, Mr. MANZULLO, Mr. KILDEE, Mr. PAYNE, and Mr. CHANDLER.
H.R. 1635: Mr. RANGEL.
H.R. 1660: Ms. ZOE LOFGREN of California.
H.R. 1666: Mr. CONYERS.
H.R. 1671: Mr. HOLDEN, Mr. TAYLOR of Mississippi, Mrs. JO ANN DAVIS of Virginia, and Mr. BUTTERFIELD.
H.R. 1674: Mr. GRIJALVA, Mr. SAXTON, Mr. PALLONE, Ms. JACKSON-LEE of Texas, Mr. COSTA, Mr. MENENDEZ, Mr. MILLER of North Carolina, Mr. GORDON, Ms. HOOLEY, Mr. MEEKS of New York, Mr. HONDA, Mr. FITZPATRICK of Pennsylvania, Mr. BONNER, and Mr. SCHWARZ of Michigan.
H.R. 1678: Mrs. JO ANN DAVIS of Virginia.

H.R. 1760: Mr. MCDERMOTT, Ms. SCHAKOWSKY, Mr. KUCINICH, Mr. WAXMAN, Mr. OWENS, Mr. DAVIS of Illinois, Mr. VAN HOLLEN, Mr. ABERCROMBIE, Mr. PAYNE, and Mr. SANDERS.

H.R. 1761: Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 1772: Mr. JONES of North Carolina.

H.R. 1790: Mr. FEENEY and Mrs. MUSGRAVE.

H.R. 1804: Mr. WOLF, Mr. UPTON, Mr. CHABOT, Mr. KLINE, Mr. GENE GREEN of Texas, Mr. PRICE of Georgia, Mr. GREEN of Wisconsin, and Mr. DEAL of Georgia.

H.R. 1814: Mr. WAXMAN, Mr. MCDERMOTT, Mr. GRIJALVA, Mr. MCNULTY, Mr. ALLEN, Mr. STARK, Mr. EVANS, Ms. MCKINNEY, Mr. SANDERS, Mr. GEORGE MILLER of California, Mr. FRANK of Massachusetts, Mr. FILNER, Mr. REHBERG, Mr. KIND, Mr. OWENS, and Ms. WOOLSEY.

H.R. 1821: Mr. TOM DAVIS of Virginia.

H.R. 1912: Mr. GOODE.

H.R. 1940: Mr. ROTHMAN and Ms. CORRINE BROWN of Florida.

H.R. 1944: Mr. PUTNAM and Mr. RYAN of Wisconsin.

H.R. 1945: Mr. COSTA and Mr. MENENDEZ.

H.R. 1956: Mrs. BLACKBURN, Mr. WILSON of South Carolina, and Mr. UPTON.

H.R. 2043: Mr. COX.

H. Con. Res. 83: Mrs. LOWEY.

H. Con. Res. 87: Mr. CUMMINGS.

H. Con. Res. 97: Mr. PORTER.

H. Con. Res. 102: Mr. WAXMAN.

H. Res. 123: MRS. CUBIN.

H. Res. 155: Mr. GEORGE MILLER of California.

H. Res. 158: Mr. KING of New York.

H. Res. 172: Ms. MOORE of Wisconsin.

H. Res. 231: Mr. MEEK of Florida, Ms. NORTON, Ms. MCKINNEY, Mr. JEFFERSON, Mr. CUMMINGS, Mr. FATTAH, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. JACKSON of Illinois, Mr. CLAY, Mr. SCOTT of Virginia, Ms. WATERS, Ms. WATSON, Ms. CARSON, Mr. DOGGETT, Mr. MEEKS of New York, Mr. WATT, Mr. LEWIS of Georgia, Mr. AL GREEN of Texas, Mr. DAVIS of Alabama, Mr. BISHOP of Georgia, Mr. TOWNS, Ms. MILLENDER-MCDONALD, Mr. COSTELLO, Ms. MOORE of Wisconsin, Mr. CLYBURN, Mr. HASTINGS of Florida, Mr. SCOTT of Georgia, Mr. BUTTERFIELD, Mr. CLEAVER, Ms. JACKSON-LEE of Texas, Mrs. JONES of Ohio, Ms. KILPATRICK of Michigan, Mr. DAVIS of Illinois, Mr. RANGEL, Mr. CONYERS, Mr. WYNN, Ms. LEE, Mr. PAYNE, Mr. DAVIS of Florida, Mr. THOMPSON of Mississippi, Mr. FORD, Mr. CHANDLER, Mr. DAVIS of Kentucky, Mr. LUCAS, Mr. HEFLEY, Mr. LEWIS of Kentucky, Mr. WEXLER, Mr. MCGOVERN, Mr. GEORGE MILLER of California, Mrs. NORTHUP, Mr. SWEENEY, and Mr. ROGERS of Kentucky.

H. Res. 245: Mr. WEXLER and Mr. BRADY of Pennsylvania.

H. Res. 252: Mr. ETHERIDGE, Mr. MCCAUL of Texas, Mr. TOWNS, Ms. LORETTA SANCHEZ of California, Mr. COSTELLO, Mrs. CHRISTENSEN, Ms. NORTON, and Mr. ISRAEL.

PETITIONS, ETC.

Under clause 3 of rule XII, petitions and papers were laid on the clerk's desk and referred as follows:

18. The SPEAKER presented a petition of the City Commission of the City of Hollywood, Florida, relative to Resolution No. R-2005-97, supporting H.C.R. 203 and S. 94, concurrent resolutions ratifying the proposed amendment of the Constitution of the United States relating to equal rights for men and women; to the Committee on the Judiciary.

19. Also, a petition of the Office of the Mayor and City of Lauderdale Lakes Commission, Florida, relative to Resolution No. 05-48 petitioning Congress to maintain the Community Development Financial Institutions program, as well as the Internal Revenue Code provision for new market tax credits, as a viable tool to encourage private sector involvement in the Nation's continuing efforts at local community redevelopment and to take all steps necessary and appropriate to fund the Community Development Banking and Financial Institutions Act budget appropriation of at least eighty million dollars; jointly to the Committees on Financial Services and Ways and Means.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 1185

OFFERED BY: MR. WEINER

AMENDMENT NO. 1: Page 4, line 8, strike ''For purposes'' and insert ''Except as provided in subparagraph (G), for purposes''.

Page 7, line 2, strike the closing quotation marks and the 2nd period.

Page 7, after line 2, insert the following new subparagraph:

''(G) NO INCREASE IN INSURANCE FOR DEPOSITORY INSTITUTIONS THAT IMPOSE OVERDRAFT FEES ON INNOCENT DEPOSITORS.—If, in the case of checks drawn on accounts at an originating depository institution which are dishonored by the originating depository institution due to the lack of sufficient funds in such account to pay the check, a receiving depository institution imposes fees on the depositor, in connection with any such check, due to such dishonorment, the standard maximum insurance amount applicable under subparagraph (E) with respect to such receiving depository institution shall be the amount described in subparagraph (E)(i) without regard to the effective date referred to in such subparagraph or any adjustment under subparagraph (F).''.

H.R. 1185

OFFERED BY: MR.S MALONEY

AMENDMENT NO. 2: Page 4, line 8, strike ''For purposes'' and insert ''Except as provided in subparagraph (G), for purposes''.

Page 4, line 15, insert ''with respect to any qualified insured depository institution'' before the comma at the end.

Page 7, line 2, strike the closing quotation marks and the 2nd period.

Page 7, after line 2, insert the following new subparagraph:

''(G) CONDITIONS FOR INCREASED DEPOSIT INSURANCE COVERAGE.—

''(i) IN GENERAL.—For purposes of subparagraph (E)(ii), an insured depository institution shall be treated as a qualified insured depository institution only if—

''(I) in the process of posting credits and debits against a checking account used primarily for personal, family, or household purposes after the close of any business day, the depository institution credits all deposits to the account before debiting any check drawn on the account and presented to the depository institution for payment; and

''(II) the depository institution imposes no fee for paying any check drawn on an account in spite of a lack of sufficient funds in the account to pay such check or any similar activity (commonly referred to as 'bounce protection') unless the accountholder has affirmatively requested such service.

''(ii) NONQUALIFIED INSURED DEPOSITORY INSTITUTIONS.—The standard maximum insurance amount applicable to any insured depository institution that is not a qualified insured depository institution shall be the amount described in subparagraph (E)(i) without regard to the effective date referred to in such subparagraph or any adjustment under subparagraph (F).''.