Mr. STEARNS. Mr. Speaker, counterfeiting is a growing international concern that requires international cooperation to defeat. It threatens our national security interests in areas of health, economics, and of course homeland defense. The Food and Drug Administration estimates that counterfeit drugs account for 10 percent of all drugs that are sold in the United States. An estimated 14 percent of these drugs that are sold through the mail are counterfeit, they are mishandled, or expired. Pfizer Pharmaceutical recalled 16.5 million Lipitor pills nationwide as a result of an FDA investigation that uncovered evidence that these pills were counterfeit.

Counterfeit technologies have caused immense harm as well. For example, in California a 13-year-old boy sustained severe injuries from a counterfeit battery that exploded in his cell phone. The phone exploded with such force that fragments of the phone lodged into the ceiling of his family's home.

Exploding batteries, doctored medications, foods, dangerous cosmetics and skin products, fake shampoos and soaps, doctored teas, substandard auto and airplane components, the list of counterfeit goods grows daily. Even fake and dangerous baby foods have been reported. In China, for example, infants suffered severe malnourishment and a dozen died after being fed fake infant formula that contained few nutrients.

The hazards of counterfeit products have also affected our transportation. In 2003, the Motor and Equipment Manufacturers Association cited safety violations due to counterfeit auto parts: Brake linings made of compressed grass, sawdust, or cardboard; transmission fluid made of cheap oil that is dyed, and oil filters that use rags for the filter element. Additionally, the FAA estimates that 2 percent of the 26 million airline parts installed each year are counterfeit, equaling approximately 520,000 parts. While still the safest form of travel, a Business Week investigation found that bogus airplane parts played a major role in at least 166 U.S. based accidents and mishaps during a recent 20-year period.

According to the U.S. Chamber of Commerce, approximately 5 to 7 percent of world trade is in counterfeit goods. The FBI estimates that intellectual property theft costs the United States companies between $200 and $250 billion a year in revenue. According to the U.S. Customs and Border Protection, counterfeit merchandise is directly responsible for the loss of more than 750,000 American jobs, in addition to tens of thousands more lost of privacy of software programs, movies, and music. The auto industry could hire 200,000 additional workers if sale of counterfeit auto parts was eliminated.

In some cases, the counterfeiters are not only breaking the law, they are supporting terrorists. According to Interpol, seized al Qaeda training manuals recommend selling fake goods to finance illegal activities. One example is the confiscation of $1.2 million of counterfeit German brake pads and shock absorbers in Lebanon in October 2003. The profits from the products were earmarked for supporters of Hezbollah. Another poignant example is the 1993 World Trade Center bombing, which was financed partially through the sale of fake Nike t-shirts from a store on Broadway.

We are currently involved in trade with a country that refuses to enforce these laws. Mr. Speaker, I am referring to China, which has ignored its own anti-piracy laws on American movies, music, computer software, and other products. In 2003, China accounted for 66 percent or $62.4 million of all counterfeit goods seized by the U.S. Customs Service at ports of entry into the United States. In 2004, U.S. industries lost between $2.5 and $3.5 billion due to privacy alone. Some reports estimate virtually 90 percent of products in some industries sold in China are pirated from the United States.

In June, Under Secretary John Dudas testified in a hearing I held in the House Commerce, Trade and Consumer Protection subcommittee, ''This administration has been pressing China to impose prison sentences and/or stiffer fines on violators, provide little or no deterrence.'' Chinese government efforts since have yielded no results.

U.S. Trade Representative Bob Portman recently announced the U.S. would be requesting from China an explanation of the steps it has taken to curb privacy of U.S. products. In the announcement he said, ''Piracy and counterfeiting remain rampant in China despite years of engagement on this issue.''

In conclusion, requiring accounting ability is an essential first step to stopping Chinese abuse of U.S. intellectual property rights. I support this request, and I hope the President's trip to Asia this week will further convince Chinese officials of the need for enforcing intellectual property rights laws.

GLOBAL WARMING

The SPEAKER pro tempore. Pursuant to the order of the House of January 4, 2005, the gentleman from New Mexico (Mr. UDALL) is recognized during morning hour debates for 5 minutes.

Mr. UDALL of New Mexico. The World Meets to Solve Global Warming. U.S. on Sidelines. U.S. Won't Join in Binding Climate Talks.

These are news flashes from the Montreal Conference this weekend on global warming. Countries from around the world met in Montreal to address the issue of global warming. Where was the United States and the Bush administration? On the sidelines, out of commission, not willing to forward a plan or proposal on the far-reaching challenge of our time.

The Bush administration has its head in the sand. For most of its time in office, this administration has refused to recognize there is even a problem. Recently they acknowledged that man's burning of fossil fuels is warming the Earth but refused to take concrete action. When President Clinton was invited to speak to the conference, the U.S. team threatened to boycott.

President Bush, wake up. The countries of the world are leaving you behind. President Bush, our country needs a leader who will protect our children's future.

Since 1990, we have seen the 10 warmest years in history. Before our eyes, ice caps are melting, glaciers are shrinking, oceans are warming, and sea levels are rising. Scientists tell us we can expect more extreme storms, higher intensity hurricanes, more severe droughts, and other dramatic climate changes. We must act now to protect our children. We must act now to leave our children a better world.

Carbon dioxide emissions must be brought under control. We know how to do this. We have specific ways to act now. We have the technology. One hundred fifty-seven countries are already imposing mandatory limits on CO_2 while the Bush administration stonewalls any mandatory scheme. We can take steps now to reduce greenhouse gas emissions but we must do so in a way that would minimize the impact to our economy. We must implement an economy-wide, upstream, all greenhouse gas cap-and-trade emissions reduction program that provides some flexibility and a measure of certainty to those industries and businesses affected.

The National Commission on Energy Policy, a bipartisan group of top experts, recommends such an approach. One of the key components of their proposal is the concept of a safety valve for the cap-and-trade program. The safety valve essentially puts a price on carbon but provides for an unlimited number of allowances to be sold by the government. Since no one would pay more than what the government charges for allowances, this mechanism effectively controls the price of allowances. When set at the right price, the safety valve would start the country down the path of slowing the growth of greenhouse gas emissions without causing serious economic disruption.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair must remind all Members to address their remarks in debate to the Chair and not to the President.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until 2 p.m. today.

Accordingly (at 12 o'clock and 46 minutes p.m.), the House stood in recess until 2 p.m.