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House of Representatives

The House met at 10 a.m.

His Holiness Karekin II, Supreme Patriarch and Catholicos of All Armenians, Holy Etchmiadzin, Republic of Armenia, offered the following prayer:

Lord, we thank You for bestowing us with the grace to pray today for the leaders of this Nation who labor in the universal cause of liberty and justice. Increase their wisdom and resolution. Their actions grant inspiration and fulfillment to the desire for justice that lives in every heart. Our Father in heaven, render guidance to all nations, including the Republic of Armenia, our homeland and center of our faith, the Mother See of Holy Etchmiadzin.

With a solemn burden of history, we remember the victims of the genocide of the Armenians, the consequences of which are still felt by the entire world in new manifestations of genocide. Grant rest to the souls of all victims of crimes against humanity and bestow peace and justice on their descendants. Give pause to those who trample life, liberty, and the pursuit of happiness.

Lord, bless this land and people. Grant peace and safety to America's sons and daughters who serve their Nation abroad. May the United States continue her mission as a great beacon of hope. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentlewoman from California (Ms. SOLIS) come forward and lead the House in the Pledge of Allegiance.

Ms. SOLIS 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.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain up to 10 1-minute speeches on each side of the aisle.

SCHIP

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

Mr. EMANUEL. Madam Speaker, when the House tried to reauthorize the children's health care bill, the President of the United States called SCHIP ''a welfare benefit'' for ''middle-class households.''

Maybe there is some confusion at the other end of Pennsylvania Avenue. Our bill provides health care for 10 million children whose parents work every day but can't afford to buy health care. They earn a paycheck, not a welfare check. They are parents like Dolores Sweeney.

Dolores lives in my district. She works for an insurance company that doesn't provide health care. She has three children, and they would like to buy private health care for their children but can't afford it. Her children were on SCHIP, and without the SCHIP program, they would have gone without health care.

Our bill does right by the Sweeney children and 10 million other children from working families. But the President says it's too expensive and calls it welfare for the middle class. At the same time, the President is eager to spend $680 billion in Iraq. We have spent $400 billion in 4 years in the war in Iraq, and for 40 days for the cost of the war, 10 million children in America will get health care for a year.

So the President can call the children's health insurance ''excessive spending'' and he can call SCHIP ''welfare,'' but for Dolores Sweeney, it is peace of mind.

URGING MEMBERS TO SIGN ON TO KIRK-CARNEY-POE-BERMAN-HARMAN LETTER REGARDING ARMS SALES TO SAUDI ARABIA

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

Mr. KIRK. Mr. Speaker, it is sad when another country turns its arms against the United States or our allies, but it is a tragedy when those arms were made by Americans.

Many of us remember when advanced F–14 Tomcat fighters were provided to the Kingdom of Iran only to see these airplanes become the backbone of the ayatollah's air force.

Newspapers indicate that the United States will now offer a large arms sales package to the Saudi Kingdom. And while much of what is proposed looks useful against Iran, patrol craft and warning radars, satellite-guided bombs pose a particular danger if used in the wrong hands.

These satellite-guided bombs, called Joint Direct Attack Munitions, or JDAMs, are particularly lethal in battle, and if misused against American forces or our allies in Israel, their effect could be not just devastating but tragic.

We should not provide such weapons without ironclad, written guarantees to the Congress that such munitions could not pose a danger to future Americans or our allies. I urge Members to sign the Kirk-Carney-Poe-Berman-Harman letter to block this sale unless guarantees are made.

NATIONAL AFFORDABLE HOUSING TRUST FUND ACT

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

minute and to revise and extend her remarks.)

Ms. SOLIS. Mr. Speaker, I rise today in strong support of the National Affordable Housing Trust Fund Act, which the House will consider today.

This bill would create a national affordable housing trust fund to be administered by HUD, the Housing and Urban Development Department. The trust would increase the supply of decent quality affordable housing, especially for low-income families.

Owning a home is an American value, but many are not able to acquire that dream. With rising housing costs throughout the country, affordable housing for low-income Americans has become nearly impossible.

For example, in 2006 Los Angeles County residents needed to make at least $50,000 a year to afford a two-bedroom apartment. That income is significantly more than what social workers, preschool teachers, and in-home health care aides earn on average. The gap between wages and housing costs in Los Angeles County and nationwide has skyrocketed.

I urge my colleagues today to vote for the final passage of H.R. 2895 so we can help all our constituents realize the American Dream.

U.S. ECONOMY AND TAXES

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

Ms. FOXX. Mr. Speaker, America's economy is increasingly complex. While we hear reports of uncertainty, we also see many fundamental signs of health in the economy.

The latest good news is the recent jobs report that found the economy added 110,000 jobs in September and 89,000 jobs in August, a massive turnaround from the previously reported loss of 4,000 jobs in August.

With 200,000 new jobs added to the economy in the last 2 months, we once again have proof that Republican economic policies of cutting taxes to spur growth are still working. But we cannot keep our economy thriving on the tax cuts of yesterday. Congress must work to keep taxes low for America's working families.

We have already seen a Democratic budget that assumes a tax increase of nearly $400 billion. If there are signs of uncertainty about the future of our economy, such a financial hit to American taxpayers would undoubtedly undermine the positive steps Republicans took to ensure economic growth and stability.

Everyone wants a strong U.S. economy. Let's keep it that way by preserving low taxes and not preying on the wallets of the families that work hard to keep this economy humming.

□ 1015

IN SUPPORT OF SCHIP

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

Mr. SESTAK. Mr. Speaker, I rise to speak in support of the SCHIP bill, which will provide health insurance for 4 million uninsured children, expanded dental care, and, for the first time, treating mental disabilities and mental illness on a par with physical disability. The bill also contains premium assistance subsidies, so that at least 70 percent of these children's parents remain in employer-based private health insurance plans. But I rise most because of what I saw when my 4-year-old daughter was given 3 to 9 months to live and we lived on a cancer ward in the city. And this Nation, because of my military service, gave me the best health care possible for her to have an opportunity, her roommate was a young 2½-year-old boy diagnosed with acute leukemia whose parents did not have health insurance and social workers had to discuss whether that boy would, with my daughter, have an opportunity to live into life.

I rise in support of this bill for that young boy.

STOP OVERTAXATION AND OVERSPENDING

(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, I rise today to say that Democrats remain ready to tax and spend as much as they can. Whether it's a war tax, an Internet tax, or a cigarette tax that will overly burden low-income families, the first Democrat solution seems to be to tax hard-working Americans.

And when they are not trying to raise taxes on American workers, they are spending their hard-earned money at reckless levels. The $23 billion in new domestic spending this majority has proposed is just another sign that they feel they know better how to spend your own money.

We must restore fiscal sanity to government, but we should do that by making the necessary decisions here in Washington to save taxpayer money and spend wisely. Both parties need to pass fiscally responsible appropriations legislation rather than wait until we are forced to vote on a giant omnibus spending bill that will be full of earmarks. Let's stop asking Americans to pay for government's inability to get the job done.

In conclusion, God bless our troops, and we will never forget September the 11th.

IRAQIS MUST RESOLVE THEIR DIFFERENCES

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

Mr. COHEN. Mr. Speaker, I just had the opportunity to travel in a bipartisan codel to the Middle East, particularly to Baghdad.

Robin Williams had an album at one time, ''Reality, What a Concept.'' I thought about it while I was there. I saw a lot of reality. I saw our soldiers in life-and-death situations and doing it in a heroic fashion. They told me about their need to be redeployed over there not every 15 months, but every 12 months because the pressure is wearing on them and on their personal lives. The divorce rate is high, and it really takes a toll on their lives. They see the people working for the private companies over there making so much more money than them, the contractors, and they say, why should we re-enlist. But they do it because they're proud Americans.

But then we met with Prime Minister Maliki, and he said the sectarian war was over. Well, Prime Minister Maliki, it's not, and until the Iraqis deal with reality and deal with the Sunni and Shia differences, there won't be peace in Iraq and our soldiers will be working for a group that doesn't understand the problem, which is their own internal politics. The Iraqis must resolve their differences.

MORATORIUM ON EARMARKS

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

Mr. FLAKE. Mr. Speaker, earlier this year, new earmark reforms required that Members' names be attached to their earmarks. Unfortunately, transparency alone has done little but air our dirty laundry without cleaning it. Transparency is not a substitute for oversight. Earmarks have names next to them now, but little else has changed. The House has approved thousands and thousands and thousands of earmarks so far this year, and more are likely to be added in the conference committees. However, we know full well that not all of these earmarks were given the scrutiny that Federal expenditures deserve.

Every week, I highlight an earmark by making an admittedly lame joke about it, but we need a process that inspires confidence, not jokes or humor. And, unfortunately, transparency alone has not gotten us there.

Until this body has a process that can trusted, Mr. Speaker, I believe the taxpayers would be best served by a moratorium on earmarks, and I will soon introduce legislation to impose such a moratorium.

OVERRIDE THE PRESIDENT'S VETO OF SCHIP LEGISLATION

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

Mr. BLUMENAUER. Mr. Speaker, it was important to allow our Republican

colleagues an extra 2 weeks for the veto override vote. It's important for them to get the facts right, important for them to listen to their constituents and actually read the bill, not just accept the President's talking points.

It's ironic that one of his arguments is concern about adults who are covered by SCHIP. Yet the States have been encouraged to experiment to help uninsured working families, and the White House, George Bush, has approved those waivers that allowed them that coverage.

The bill he vetoed was actually more restrictive than current law. It would end coverage for adults after a transition period. It would prohibit the Bush administration, or any administration, from approving more waivers for new States, and parents already enrolled with Bush approval would get reduced matching funds.

It's time to stop making phony arguments; to listen to the Governors and the overwhelming majority of our constituents and override this cruel veto of health care for our children.

NATIONAL SAVE FOR RETIREMENT WEEK

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

Mr. SAM JOHNSON of Texas. Mr. Speaker, this year National Save for Retirement Week is going to take place October 21st through the 27th. National Save for Retirement Week is the first congressionally endorsed, formal event publicly urging employers to promote the benefits of saving for retirement, and encourage their employees to take full advantage of employer-sponsored retirement and savings plans. Hopefully this week will make employees more aware of how critical it is to save now for their financial future and learn how to take advantage of free money when saving for retirement by contributing enough to the retirement plan to receive the company match.

To learn more about National Save for Retirement Week, visit choosetosave.org. I urge you to take charge of your retirement now.

CHIP BILL & BUSH'S VETO, THE PRESIDENT'S RHETORIC VS. REALITY

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

Mr. HARE. Mr. Speaker, last week, President Bush used his veto pen to strike down a bill that would provide health coverage to 10 million children. In explaining his veto, the President used rhetoric that has no basis in reality. The President claims that the focus of the SCHIP should be on poor children rather than to expand the program. But the fact is this bill does not expand the program, it simply allows for the coverage of more kids who are already eligible. As Republican Senator HATCH pointed out, for those who argue that it's out of control, 92 percent of all the kids who will be covered by this bill will be families under 200 percent of the poverty level.

The President also falsely says that the bill would cover kids in families earning $83,000 per year, but no State covers kids at that level now, and the bill actually reduces Federal support for coverage of children at higher income levels. The President's claims are simply wrong.

Mr. Speaker, the question now for House Republicans is, are they going to stand behind the President's false claims about the children's health bill, or will they join us in overriding the President's veto?

CHRISTIAN BLIND MISSION

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

Mr. INGLIS of South Carolina. Mr. Speaker, I rise today in recognition of World Sight Day and the tireless leadership of organizations like the Christian Blind Mission headquartered in Greenville, South Carolina.

Christian Blind Mission is an international aid organization that specializes in improving the quality of life for the blind in the world's poorest countries.

Each year, organizations like Christian Blind Mission recognize World Sight Day as a time to focus global attention on vision and blindness. This year, World Sight Day will take place tomorrow, October 11, and will emphasize the tragedy of blindness in children. There are an estimated 1.4 million blind children in the world, the majority of whom live in Third World countries. Remarkably, 75 percent of all major blinding conditions are preventable or curable, and the Christian Blind Mission has taken the lead in performing over one-half million cataract surgeries and distributing over one-half million tubes of tetracycline eye ointment to combat trachoma.

Once again, it's an honor to recognize Christian Blind Mission-USA for their humanitarian efforts worldwide. Every day, thousands of children receive the gift of sight because of the hard work and initiative that organizations like the Christian Blind Mission provide.

SCHIP OVERRIDE

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

Mr. PASCRELL. It's time, Mr. Speaker, for truth in advertising to correct some of the misinformation being used to justify President Bush's inexplicable veto of the children's health care bill.

The bipartisan Children's Health Care Program reauthorization does not expand the Children's Health Insurance Program; it maintains current law. The agreement is targeted towards State needs. Responsible spending to cover low-income children is incentivized in the bill.

The belief that SCHIP will lead to socialized medicine is nothing more than a red herring. The fact is that the bipartisan compromise combines the best of public and private approaches to provide health coverage for children.

Now for the biggest lie: Those siding with President Bush's claim that the agreement provides health coverage to illegal immigrant children are also wrong. Undocumented immigrants, illegal immigrants, have never been eligible for Medicaid or SCHIP. Read the bill. Read the law.

The bipartisan agreement requires proof of citizenship before enrollment in SCHIP, similar to requirements for the Medicare program. Get it right, tell the truth to the American people, and get on with it.

OPPOSING ARMENIAN GENOCIDE RESOLUTION

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

Mr. WHITFIELD. Mr. Speaker, I rise today to oppose a nonbinding resolution that will have serious negative consequences to our national security.

H. Res. 106, the Armenian Genocide resolution, is a dangerously shortsighted and controversial resolution that is being marked up in the Foreign Affairs Committee today. This resolution will jeopardize our relationship with a strong NATO ally, Turkey, and hinder our ability to combat the global war on terror. This resolution makes assertions about facts that historians to this date still debate.

I might add that every living former Secretary of State, both Democrat and Republican, recently sent a letter to the Speaker stating that passage of this resolution would ''strain our relations with Turkey, endanger our national security interests, including the safety of our troops in Iraq and Afghanistan.''

I would also point out that in today's Washington Post in an editorial, it said that ''passage of the Armenian Genocide resolution would be dangerous and grossly irresponsible.'' I hope the Foreign Affairs Committee today will reject this resolution.

UNIVERSAL ACCESS TO AFFORDABLE CARE

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

Mr. KAGEN. Mr. Speaker, we must begin to think differently in America and begin to work together to guarantee universal access to affordable care for every citizen everywhere in these United States, and, without question, to all of our Nation's children on whose future we all depend.

Every day until we vote to override President Bush's morally unacceptable veto of the bipartisan State Children's Health Insurance Program, I will be here to share with you here in the people's House views of ordinary people from Wisconsin, people like Dan from Crivitz, who writes, ''We want health care like you have in Congress.'' And Stephanie, who says, ''Insurance is number one on my list. My current employer can't afford to give us health insurance, and I can't get independent coverage. Help, please.''

I look forward to sharing the views of ordinary people later this evening with you. And now more than ever we must work together to guarantee access to care for everyone and build a better Nation for all of us.

COAL-TO-LIQUID AS AN ALTERNATIVE ENERGY

(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, according to the Energy Information Agency, the United States currently imports about 60 percent of its oil, and that number is expected to rise to 75 percent in the coming decades.

As a country, we need to reduce our dependency on foreign fuel sources and start implementing alternative energy sources that can be found domestically here in the United States.

Imported fuels such as crude oil and natural gas are costing the country billions of dollars a year, accounting for about one-third of the United States trade deficit. At $45 a barrel, liquid coal fuel is a desirable alternative to the $60 plus or more per barrel of oil we're paying today. Not only does this innovative fuel source cost less, but also coal is one of the most abundant natural resources in the United States. As Congress continues to explore the use of alternative energy sources, we need to look closely at the enormous benefits of coal-to-liquid technology.

□ 1030

HOUSE REPUBLICANS NEED TO REALIZE THAT BUSH'S VETOES HAVE BEEN BAD FOR AMERICA

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

Mr. ARCURI. Mr. Speaker, over the last 7 years, President Bush has only vetoed four bills. The President's first two vetoes involved legislation that would expand Federal funding of embryonic stem cell research, which has the potential to unlock the doors to cures for diseases like diabetes and Alzheimer's. Two times, congressional Republicans sided with the President enabling his veto to stand and thereby denying hope to millions of American families.

The President's third veto came on the war funding bill that finally included a deadline to bring our troops home from Iraq. Again, Republicans sided with the President, and our troops continue to be bogged down in a war that the President himself says could continue for another decade. Then, last week, the President vetoed a fourth bill that would provide private health insurance to 10 million low-income children. It received strong bipartisan support in Congress, and there are enough votes in the Senate to override the President's veto.

The question now is will House Republicans once again side with the President or will they stand with the 10 million children who need and deserve health care.

MAY THIS CONGRESS ALWAYS REMEMBER THE SERVICE OF CONGRESSWOMAN JO ANN DAVIS

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

Mr. PENCE. Mr. Speaker, Saturday, Congresswoman Jo Ann Davis passed into eternity after a long and courageous struggle with cancer. The gentlewoman from Virginia was elected in 2000, the same year I arrived in Washington, D.C., and we became fast friends. From the start, Jo Ann Davis stood out. Her commitment to her family, her devotion to God, and her commitment to a strong defense and traditional values were inspiring.

On the day I met Jo Ann, she said to me very simply, ''Mike, the Lord put me here. I am going to serve Him every day that I am here.'' Representative Jo Ann Davis kept her word.

May our Savior, hers and mine, comfort her and Chuck and the boys with the words, ''Well done, good and faithful servant.'' May this Congress always remember the service of Congresswoman Jo Ann Davis.

THE COST OF THE WAR IN IRAQ COMPARED TO HELPING CHILDREN WITH THEIR HEALTH CARE

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

Mr. YARMUTH. Mr. Speaker, last week President Bush vetoed a bipartisan bill enacted pursuant to the authority vested in Congress by article I of the Constitution that would provide private health insurance to 10 million low-income children here in America. His reason, the bill was too big.

While the President refuses to fund health care for our Nation's low-income children, he has no problem sending billions of dollars to Iraq with absolutely no questions asked. Today alone, the President will spend $300 million funding the occupation of Iraq. With that money, we could insure 246,000 low-income kids. Over the next month, the President will spend a whopping $9 billion in Iraq, which would allow us to insure 7.4 million kids.

Mr. Speaker, time and time again, congressional Republicans have approved blank checks for the President to send billions to Iraq, and now they are concerned about $35 billion for improving the lives of 10 million low-income children? It is time they reevaluate their priorities and join us next week in overriding President Bush's veto.

PROVIDING FOR CONSIDERATION OF H.R. 3056, TAX COLLECTION RESPONSIBILITY ACT OF 2007

Mr. CARDOZA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 719 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 719

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 3056) to amend the Internal Revenue Code of 1986 to repeal the authority of the Internal Revenue Service to use private debt collection companies, to delay implementation of withholding taxes on government contractors, to revise the tax rules on expatriation, and for other purposes. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. The amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill, modified by the amendment printed in the report of the Committee on Rules accompanying this resolution, shall be considered as adopted. The bill, as amended, shall be considered as read. All points of order against provisions of the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; and (2) one motion to recommit with or without instructions.

SEC. 2. During consideration of H.R. 3056 pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to such time as may be designated by the Speaker.

The SPEAKER pro tempore (Mr. PASTOR). The gentleman from California is recognized for 1 hour.

Mr. CARDOZA. Mr. Speaker, for the purposes of debate only I yield the customary 30 minutes to the gentleman from Texas (Mr. SESSIONS). All time yielded during consideration of the rule is for debate only.

GENERAL LEAVE

Mr. CARDOZA. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on House Resolution 719.

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

There was no objection.

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

Mr. Speaker, House Resolution 719 provides for consideration of H.R. 3056, the Tax Collection Responsibility Act of 2007 under the traditional closed rule. The rule provides 1 hour of general debate equally divided and controlled by the chairman and ranking member of the Committee on Ways and Means. The rule waives all points of order against consideration of the bill except for clause 9 and 10 of rule XXI. Finally, the rule provides one motion to recommit with or without instructions.

Mr. Speaker, the bill before us today, H.R. 3056, implements several measures to protect the interest of taxpayers and the integrity of our tax system. First, it would once and for all repeal the IRS's authority to contract with private debt collection companies. The collection of Federal income taxes is inherently a governmental function and at the crux of what governmental responsibilities should be. This was stated as early as 1819 by Chief Justice Marshall. It was reaffirmed by Congress in 1874, when the Ways and Means Committee said that ''any system of farming the collection of any portion of the revenue of the government is fundamentally wrong.''

Tax farming, giving a private entity the right to collect taxes on a commission basis, has created modern-day bounty hunters who have no regard for the taxpayer, only regard for their company's bottom line.

Taxpayers are heavily pressured to reveal their Social Security numbers, last known address, date of birth, and other confidential information over the telephone to private contractors working on commissions of up to 25 percent of their take.

In this modern day and age where identity theft runs rampant, why would we want to turn over people's Social Security numbers and who knows what other confidential information to someone who is only out to protect their own bottom line? Noted Princeton economist Paul Krugman recently penned in the New York Times, ''Tax farming went out with the French Revolution; now the tax farmers are back.'' How right he is.

The irony is that we tried this private tax collection scheme in 1996 and promptly abandoned it. Why? Because the IRS's Inspector General found that private contractors regularly violated our own Fair Debt Collection Practices Act, threatened the confidentiality of taxpayers' personal information, and on top of all that, cost the government a net revenue loss of $17 million.

Despite this past history, the Republican Congress renewed this authority in 2004. What has happened since that renewal? Well, the Federal Government has spent an additional $71 million of taxpayers' hard-earned money and they have collected a grand total of $20 million in tax revenue. That is right, Mr. Speaker; we have lost another $50 million on an inefficient program that experts readily admit does not work. Even more absurd is that had the IRS been given that money, the $71 million, instead, it would have collected almost $1.5 billion.

The House has long recognized that this program simply does not work. In fact, language to stop private debt collection has passed on a strong bipartisan basis twice but has not made it into law. But don't just take my word for it. The National Taxpayer Advocate, appointed by the Treasury Secretary, reported to Congress that ''the money spent on the IRS Private Debt Collection initiative is an inefficient use of government dollars.'' Even past and present IRS Commissioners have repeatedly admitted before Congress that IRS employees could perform this task at far less cost than the private agencies.

I firmly believe that when the government actually does something better than the private sector, cheaper and more efficiently than the private sector, then the government should do that job. The reality, Mr. Speaker, is that IRS employees are better trained, better equipped and better prepared to handle these important responsibilities. They also protect American citizens' privacy.

H.R. 3056 recognizes this reality and restores this fundamental responsibility to the Federal Government, as our Founding Fathers intended. Second, H.R. 3056 includes language based on legislation introduced by my friend and colleague from Florida (Mr. MEEK), which provides tax relief to small businesses and administrative relief to local jurisdictions by delaying implementation of an onerous tax burden.

Section 511 of the Tax Increase Prevention and Reconciliation Act of 2005, passed by the then-Republican Congress to raise revenue, requires tax withholding of 3 percent on payments to vendors providing property or services to the government beginning in January of 2011. The 3 percent withholding requirement presents a number of administrative and practical challenges for businesses, including reducing the cash flow they need to meet operating expenses, pay suppliers or subcontractors, or meet payroll. They also present several problems for governments, including how State and local governments will be able to comply with this law, much less how the IRS will be able to afford and administer such a requirement.

H.R. 3056 takes a commonsense approach to this issue and delays the implementation of the 3 percent withholding requirement for 1 year. It further calls on the Department of the Treasury to study the compliance issues confronting businesses and government and report the findings to Congress. This measure is supported by State and local governments and a broad array of business organizations, including the United States Chamber of Commerce, the Financial Services Roundtable, the American Bankers Association, the American Farm Bureau Federation, the National Association of Manufacturers, the National Federation of Independent Business, among others.

H.R. 3056 also clarifies that U.S. citizens who claim to be bona fide residents of the U.S. Virgin Islands receive the same procedural and administrative rights afforded to other U.S. taxpayers.

Finally, Mr. Speaker, H.R. 3056 strictly adheres to the House PAYGO rule. This bill is paid for primarily by eliminating a tax loophole that currently allows wealthy individuals to avoid paying U.S. taxes simply by renouncing their citizenship or terminating their U.S. residency. Despite what you may hear today, let me be clear, closing this loophole has broad, bipartisan support and has been supported by my Republican colleagues.

I would like to thank Chairman RANGEL, Mr. VAN HOLLEN, Mr. MEEK, and the Ways and Means Committee members for their hard work in bringing this legislation to the floor today.

Mr. Speaker, this commonsense bill protects taxpayers, preserves the integrity of our tax system, and makes our tax system fairer for all. It deserves strong support of all the Members of this House floor today.

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

□ 1045

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

Mr. Speaker, I am not sure that there is anything even left to say about the depths to which the House has sunk under the ''broken promise'' Democrat majority. Today, once again, the American people are being forced to endure the results of yet another evening spent in the ''broken promise'' Democrat Rules Committee, with nothing to show for it except for yet another closed rule, which was referred to today as a ''traditionally closed rule'' on the floor of the United States House of Representatives.

Mr. Speaker, I rise today in strong opposition to this completely closed rule, which denies the minority even with a basic substitute amendment in this process, and to the fiscally irresponsible underlying legislation.

I also rise with great regret to report to the American people that, once again, as I have been forced to report on multiple occasions over the course of this year, the Democrat leadership is bringing legislation to the House floor which stacks the deck in favor of big labor bosses at someone else's expense. Today, that expense is on the American taxpayer, who is being targeted on behalf of big public sector union bosses to the tune of $2.2 billion, to be exact.

I would like to take a few minutes to discuss a number of the myths that will be discussed surrounding this legislation and provide my colleagues and the American people who are tuning in

on C–SPAN with some of the facts about the real effect of this special interest legislation and what it would mean to the taxpayer.

In 2004, Congress gave the IRS the ability to utilize the best practices and advantages created by the private sector to address its growing backlog of unpaid debt. Today, it is estimated that $345 billion of these unpaid taxes exist. That means that every year the average taxpayer who plays by the rules must pay an extra $2,700 to cover taxes not being paid by those who should legally be paying their taxes.

This new program, which began as a small pilot program that grows as it continues to succeed, is estimated to bring in about $2.2 billion in its first 10 years. And under this agreement, the IRS would get the first 25 cents of every single new dollar to hire new collections professionals, a provision that would have a positive, compound effect by helping to bring in even greater amounts of this uncollected revenue for the government into the future.

The program, even in its beginning stages and despite numerous attempts by the Democrat majority to kill it before it could succeed, has been hugely successful, bringing in over $30 million worth of unpaid taxes. It has received a 98 percent rating from the IRS for regulatory and procurement accuracy, as well a 100 percent rating for professionalism. Additionally, less than 1 percent of the taxpayers contacted by these private agencies have filed complaints with the IRS, none which have ever been validated.

Despite this program's track record of success on behalf of taxpayers who do play by the rules and pay their designated share, not to mention the increased revenue that it brings in to fund the Democrats' other new, big-spending legislation, there are many opponents on the other side of the aisle that want to prevent it from continuing to work, supposedly to protect the dues of the big government union bosses.

They have claimed, despite the fact that 40 out of the 50 States in America already use these same contract services, that this is something that only the government can do. You don't have to take my word for it that this is untrue. Even the nonpartisan Government Accountability Office, the GAO, has found that ''the IRS may benefit from using private collectors, and it is reasonable to assume that the IRS could learn from their best practices as it works to resolve long-standing problems with its debt collection activities.''

Opponents have also incorrectly claimed that private debt collectors do not follow the same rules as IRS collectors. Well, this one is partially true, because these private collection agencies are subject to both Federal and State laws that are collectively more restrictive than the laws that Federal employees must follow. Private collectors follow the same privacy protections, undergo the same background checks and are subject to the same penalties if they violate any of these laws.

Opponents have also claimed that allowing for private debt collection would cost untold union jobs, a statement which is also based in an alternate reality. The private collection agencies working in this program did not and do not replace a single IRS worker.

As of this past July, over 51,667 ''cold cases'' that the IRS was incapable of collecting were given to private agencies, resulting in over 5,300 full repayments to the Treasury and almost 2,000 agreements to repay these debts incrementally. This means that the government received over $24 million of gross revenue that it would not have received otherwise, of which only about one in eight went to pay for these otherwise nonexistent services. In fact, the IRS has publicly stated that no government employee will lose his or her job as a result of this highly effective private contracting. Instead, they will benefit from the opportunity to focus their talent, expertise and resources on high priority, more complex cases.

Mr. Speaker, I encourage all of my colleagues to understand all of the facts regarding this legislation before they are influenced by the scare tactics of a few Members who are determined to kill this highly-effective program that has already proven to be cost-effective in closing the ''tax gap'' of unpaid, hard-to collect taxes.

I wish I could say they would have plenty of time to learn all the facts surrounding this legislation that is being rushed to the floor today under a completely closed process. Unfortunately, last night in the ''Graveyard of Good Ideas in the House of Representatives,'' the majority Rules Committee Democrats voted three times along party lines to prevent any amendment authored by a Republican from being considered today. Despite numerous campaign promises by the highest ranking Democrats in the House to run the most ''transparent, open and honest'' House in history, this Democrat majority once again has provided the House with something which is a rule that is none of the above, which is the historical tradition. Instead, we have what is referred to as a closed rule. I wish I could say I am surprised by the Democrat leadership allowing politics to triumph over policy or fair procedure. Unfortunately, this is precisely what we have come to expect from the new ''broken promise'' Democrat majority.

Mr. Speaker, I oppose this ill-conceived and costly legislation, and I encourage all my colleagues on both sides of the aisle to stand up for taxpayers by voting against this rule and the underlying legislation.

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

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

Mr. Speaker, as we said in our opening statement, tax bills are traditionally closed due to their complexity. Under Democrats, before 1994, they were closed. Under Mr. DREIER's administration in the House Rules Committee under the Republican leadership, they were traditionally closed. Now we continue to maintain that practice. Because tax laws are so complex, late amendments that have not been fully vetted and analyzed are simply too complex to insert into the Tax Code without knowing their full ramifications.

Secondly, Mr. Speaker, Mr. SESSIONS, my colleague from Texas, mentioned that the McCrery substitute was not made in order. He is correct about that. It was not made in order because it violates the PAYGO provisions of our House rules. I have a copy of it right here. It simply does not meet the PAYGO statutory requirements of the House rules.

Finally, the Republican privatization bill that had passed in a prior Congress, when it was implemented it spent $71 million to collect $20 million. That is a loss of $50 million. Even with the creative accounting of the Republican ''voodoo math,'' I cannot believe that they are advocating continuation of this program that has lost money.

Further, the use of private contractors to collect Federal taxes violates a confidential and fundamental relationship between American taxpayers and the Federal Government. IRS employees have access to a taxpayer's complete tax history, including personal information that is ready identifiable. That should be restricted only to IRS employees. By prohibiting the IRS from hiring private debt collectors, this bill will ensure that the privacy rights of Americans and other confidential information of taxpayers is protected from bounty hunters working on commissions of up to 25 percent.

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

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

Mr. Speaker, we continue to hear arguments from my good friends about how this just won't work. But for 10 years it has worked very well, with a 99 percent accuracy, in providing billions of dollars to the taxpayer.

The bottom line is that Treasury simply focuses their activities on major accounts, and the others on smaller accounts, which is who have been handling these accounts and been very good at it, which is what we are asking to continue today. What is happening is that we found out the unions simply don't like that. They don't like somebody else perhaps getting something that they in fact never wanted to work on themselves.

So we are trying to say to the American people today, don't take away this stream of revenue. Don't take away this opportunity. Because the private sector is working on these accounts. They are not given any advantage. The

people who really end up winning is not only the Treasury Department, but, more specifically, the taxpayer.

Mr. Speaker, I yield such time as he may consume to the gentleman from San Dimas, California (Mr. DREIER), the ranking member of the Rules Committee.

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

Mr. DREIER. Mr. Speaker, I thank my friend from Dallas for yielding, and I want to buttress his argument, which is a very clear one. Obviously, we want to ensure that every American pays their fair share of taxes.

We have had a dramatic increase in collection success by virtue of this program, and here we are gutting it because a very small group of people seems to oppose it. It happens to be union opposition.

As a taxpayer, I pay my fair share of taxes. I want to make sure that every other American pays their fair share of taxes, and that is exactly what this 10-year-old program has done, and has done with success.

Mr. Speaker, I really am very, very puzzled as we begin today with the debate on two rules that will lead to legislation being considered here on the House floor. The reason I am perplexed is we are dealing with two very important issues.

The majority leadership clearly has its right and its responsibility to move their agenda. They want to do what they are planning to do now on this issue of private sector collection of taxes, and they want to dramatically expand housing programs. Those are the two things that the majority is planning to move to the floor today. But I just don't understand, Mr. Speaker. I just don't understand why it is that we are doing what we are doing.

My friend from California, Mr. CARDOZA, just described how the Rules Committee was run when I had the privilege of serving as chairman of the committee. He said we have what is a customary closed rule, I think is the term that he used. Is that the term? I would be happy to yield to my friend.

Mr. CARDOZA. I called it traditional.

Mr. DREIER. I thank my friend for clarifying that. He described it as a traditional closed rule.

I will say that it is true that on tax bills both parties recognize that the notion of completely opening up a Tax Code measure in the Ways and Means Committee is not the wisest thing to do, so neither party has done that.

But I will tell you this, Mr. Speaker: We, when we were in the majority, regularly ensured that the ranking minority member, Mr. RANGEL, had a substitute that he could offer. In fact, on numerous occasions we offered Mr. RANGEL the chance to propose a sight-unseen substitute to measures that were coming forward, and I will admit, I will admit that on occasion, but a very rare occasion, we did not provide that substitute to Mr. RANGEL.

Mr. Speaker, I will say when that happened, Mr. RANGEL clearly let us know how unhappy he was that he did not have a substitute.

We all know that at the beginning of this Congress we had this document put forward by the new majority called ''a New Direction for America.'' In this document, the item titled ''Regular Order For Legislation'' under ''A Congress Working For All Americans,'' paragraph 2 reads as follows, Mr. Speaker. It says, ''Bills should generally come to the floor under a procedure that allows open, full and fair debate, consisting of a full amendment process that grants the minority the rights to offer its alternatives, including a substitute.'' This is the commitment that was made to the American people under ''A New Direction for America.''

Mr. Speaker, I recognize that having a completely open rule on a measure that emerges from the Ways and Means Committee is not the wisest thing for us to do. But, Mr. Speaker, what we are doing here today on this rule is absolutely outrageous and a complete violation of this commitment that was made at the beginning of this Congress for a new era of openness, transparency and accountability.

□ 1100

Mr. Speaker, in fact, as I said last night in the Rules Committee, we have now almost completed the first session of the 110th Congress. Our target adjournment date is October 26, just a couple of weeks away. On not one occasion in this entire session of Congress has the distinguished ranking minority member of the Ways and Means Committee, the gentleman from Louisiana (Mr. MCCRERY), been offered the chance to propose a substitute to any measure that has emerged from the Ways and Means Committee.

I will say, Mr. Speaker, as we regularly get criticized for when we were in the majority, we never did anything close to that.

Now, I am saddened greatly by the fact that we are not only doing this on this rule, Mr. Speaker, but on the next measure that we are about to bring up. It is going to be another item that will have come from the Committee on Financial Services. It's a plan to dramatically increase housing.

Last week we had a measure that came from the Committee on Financial Services and it was a flood insurance bill. Not a terribly partisan issue, a measure that has impacted Democrats and Republicans on the gulf coast, Florida, along the eastern seaboard and other parts of our country. Democrats and Republicans.

As we all know, last week in the measure that emerged from the Committee on Financial Services, the Rules Committee had a wide range of amendments that were proposed by both Democrats and Republicans. In fact, the chairman of the Committee on Financial Services talked about a commitment that had been made to allow a number of Republican amendments to be considered, so those Members withdrew their amendments when they were debating this in the Committee on Financial Services on flood insurance.

The day before the committee reported that out, we happened to have unveiled, as Members of the minority, our report providing an assessment of basically the first 9 months of the Pelosi Speakership and the way the Speaker's Rules Committee has been run. This report, very brief, lots of graphs in it, 10 pages long, I would commend it to my colleagues. They can get a copy by going to rules-Republicans.house.gov. I would recommend that they look at this, Mr. Speaker, and the reason is, if you compare this performance, whether it is denying Members a chance to even submit amendments to the Rules Committee, which is something we would have never comprehended, to having double the number of closed rules as we did at this point in the 109th Congress, you will see, Mr. Speaker, that this report shows that the performance of the first session of the 110th Congress has been 180 degrees from what was promised the American people.

So last week when we had this flood insurance measure that came forward, as I said, an agreement had been struck between the chairman of the Committee on Financial Services and a number of Republicans on that committee to have their amendments considered. And what happened? There were 13 amendments made in order, Mr. Speaker. Not one single Republican amendment was made in order. Not one single Republican amendment was made in order. This is not just a party thing; this is the American people who are not allowed to be heard because these representatives represent people along the eastern seaboard, the gulf coast, Florida, areas impacted by floods and hurricanes. We have flooding in California and all across the country.

Here is what happened. The American people whose representatives had thoughtful proposals, and the chairman of the committee thought those proposals should be heard, were denied by this Rules Committee, and it just happened the day after this report which we hoped would lead the new majority to help keep the promises made in a new direction for America. And what happened? They did even worse.

And so where do we stand today, Mr. Speaker. Well, Mr. SESSIONS has just pointed out what has happened in this rule. Again, not one chance in this entire Congress for the ranking minority member of the Ways and Means Committee to offer a proposal.

And in the next bill we will have before us, unfortunately, there is not a single Republican amendment made in order. Yes, there is a substitute, the Neugebauer substitute; but not one Republican amendment made in order,

and all seven of the amendments that the Democrats proposed have been made in order.

Now, I had an exchange with the chairman of the Committee on Financial Services, and while he did not support most or any of these amendments that I know of, unfortunately what happened was, when the committee chairman said we ought to consider some of these, the committee chose to completely shut out Members of the minority from having an opportunity other than the Neugebauer substitute.

Mr. Speaker, let me say I am puzzled and I am saddened, both, as I look at this performance. When we are promised a new direction for America and greater transparency, disclosure and accountability, and generally a full and open debate, including a substitute, which is the exact wording that Speaker PELOSI had in this new direction for America, and here we are doing the exact opposite.

Now, on this measure itself, I hope very much we will defeat the previous question so the very thoughtful work Mr. ENGLISH has done dealing with relief for the American people from the onerous burden of the alternative minimum tax can be addressed. Unfortunately, that is not allowed. But I do believe if we defeat the previous question, we can allow the American people to have a chance to have some kind of relief from the onerous alternative minimum tax.

Mr. Speaker, I thank my friend for yielding me so much time, but I felt compelled to make these arguments on this bill and the next bill that will be coming forward. I hope, and I am very sincere about this, as an institutionalist, I hope and pray that we will do better for the American people when it comes to structuring and allowing full and fair and free debate on the House floor.

Mr. CARDOZA. Mr. Speaker, my colleague from California is a very skilled orator, and I appreciate his speaking ability. I will tell you, however, one of the great tools that people use when they are as talented as Mr. DREIER is, when they don't want to talk about the bill at hand, they talk about everything else around it.

The reality is that the bill at hand, the rule that we are trying to move forward to bring a bill to the House floor today, eliminates privatization of tax collection.

Now, my Republican colleagues on the other side of the aisle love privatization. They love it in Iraq where it has not worked and our military is struggling under the burden of having privatization and contractors, war contractors not doing what they should be doing and charging four times what they should be charging to do it. We see all of the problems that have happened there.

We have seen the same thing happen here in the United States where Federal contracts have been let. Mr. WAXMAN's committee has done incredible work rooting out waste, fraud and abuse in the private contractor system.

And then they want to turn over the collection system of the IRS to private hands, putting at risk all Americans' private information and documents. They like privatization; they just don't like protecting your privacy.

The gentleman from California talked about all kinds of issues but he didn't talk about the root problem that we are trying to address here, and that is stopping bounty hunters from harassing American taxpayers.

Finally, Mr. DREIER talked at great length about the McCrery substitute and the fact that Mr. MCCRERY has not gotten a substitute this year.

Mr. Speaker, this is the second time this year that I have managed a rule where the Republican substitute has violated the House rules. I am a member of the Blue Dog Coalition as well as being a member of the Rules Committee. I am very proud that for the whole time I have been here as a member of the Blue Dog Coalition, we advocated for advancement of the PAYGO rule. We believe in fiscal responsibility. We believe we need to pay our debts. So we got, when we took over the majority, inserted into the House rules a clause that says we have to pay as we go. We have to do it like every American taxpayer has to run their own home. We have to run this House in a fiscally responsible way. And so we mandated the PAYGO rules.

The substitute put forward by the Republicans, for the second time that I have managed a rule anyway, has violated those PAYGO rules. When you don't follow the House rules, you can't expect your amendment to be made in order, Mr. Speaker. I encourage my colleagues to abide by those rules and honor the process.

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

Mr. SESSIONS. Mr. Speaker, I don't know if this is a blatant attempt to mislead Members or not, but the gentleman, Mr. ENGLISH, his bill is compliant with PAYGO rules. And to suggest on this floor that the Republican Party presented the bill, the amendment——

Mr. CARDOZA. Mr. Speaker, will the gentleman yield?

Mr. SESSIONS. I yield to the gentleman from California.

Mr. CARDOZA. I wasn't referring to Mr. ENGLISH's bill.

Mr. SESSIONS. Which one were you referencing, sir?

Mr. CARDOZA. I was referring to Mr. MCCRERY's substitute.

Mr. SESSIONS. Reclaiming my time, and I will continue this dialogue, you know that we asked to have made in order one that would be in compliance with the PAYGO rules, and you and your colleagues turned that down. You specifically stated: We want an amendment that would be in compliance with the PAYGO rules; will you please give it to us. And we were turned down by the Rules Committee. I would engage the gentleman on that issue.

It was my amendment that I made, and I know how the gentleman voted, along with all of his colleagues. And to stand up on this floor and to say, Well, we would if they would abide by the rules, but they have to abide by the rules, is a blatant, blatant miscalculation and I think untrue and insincere. When we asked for that in the Rules Committee, we were turned down.

When we said, Give us an amendment we will make sure that the Parliamentarian and others say is compliant, we were turned down.

The gentleman, Mr. ENGLISH, and I am getting ready to allow him to speak on this floor, he is in compliance with PAYGO rules. So there was not an opportunity that was given by the Rules Committee to allow us to do that. And then you stand up and say, Well, if Republicans played by the same rules as we do, then they would find them in order, that is not true.

Mr. Speaker, at this time I yield 4 minutes to the co-chairman of the Zero AMT Caucus, the distinguished gentleman who has an amendment that would be compliant, the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I thank the gentleman for yielding to me and certifying in the process that I am PAYGO compliant, something that will come as a source of great relief to my wife, among others.

Mr. Speaker, I rise in strong opposition to the rule before us today. Very simply, it puts protecting deadbeat taxpayers ahead of shielding unsuspecting citizens from additional taxes and penalties resulting from the majority's inaction on the AMT.

Yesterday, I offered an amendment in the nature of a substitute to the underlying bill. My amendment would have addressed the severe consequences to middle-class taxpayers come next April as a result of the majority's inaction on the alternative minimum tax. As has been noted here, this amendment was fully compliant with PAYGO rules of the House, but it was dismissed out of hand by the majority. As a result, I am here today to strongly urge my colleagues to defeat the previous question on the rule so it can be amended to incorporate consideration of the English substitute.

The fact remains that the clock is ticking, and without a minimum amount of effort by this majority in Congress, millions of taxpayers will not only be socked with an unsuspected bill from the tax man in the form of the AMT, they will also be slapped with punitive penalties by the IRS for not withholding enough as AMT taxpayers.

My amendment would have created a safe harbor for those taxpayers and not penalized them for something that they did not know they would be subjected to; and, frankly, something they never should have been subject to in the first place.

□ 1115

Let's put this in more concrete terms, Mr. Speaker. There are now less than 30 legislative days left in this Congress. So far a bill has yet to be introduced by the majority to spare 23 million American taxpayers from unintentionally being subject to the alternative minimum tax.

Now, after having 10 months of the year to deal with this impending explosion of increased taxes on working families, the majority has done absolutely nothing.

This is the longest period of time the AMT has been pushed aside, and it is incomprehensible that we're not addressing the fallout from this inaction today, even as forms are being prepared to send out to taxpayers.

Working families should not have to pay the price for the majority's inaction on the AMT. In fact, Mr. Speaker, they can't afford to.

I oppose this rule because it embraces the misplaced priorities of the majority to chase phantasms rather than deliver real and meaningful legislation to spare working families from a huge tax increase that was never intended for them.

My substitute would strike the repeal of the private debt collection program and put in place a safe harbor for unsuspecting taxpayers about to be clobbered by the AMT and then again by penalties. Otherwise, my substitute would leave the bill unchanged.

Mr. Speaker, we have to come to grips with the fact that we have to address the AMT. We must do it now. I urge my colleagues to defeat the previous question and bring a rule to the floor that addresses the immediate and pressing needs of working families in this country.

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

I wish to commend my colleague Mr. ENGLISH. He is a very thoughtful individual and a very good legislator, and I would just say that while his amendment was PAYGO compliant, we were not aware of that until this morning when the tax tables were submitted to the Ways and Means Committee. So last night when the Rules Committee was dealing with this issue, we had no way of knowing whether his substitute was, in fact, PAYGO compliant or not.

With regard to Mr. MCCRERY's substitute, I have it here with me. The substitute that was submitted by Mr. MCCRERY was, in fact, not PAYGO compliant. Now, Mr. SESSIONS says that he made the motion to allow it to be PAYGO compliant, but the bill before us at that point in the Rules Committee was not.

I would like to say, also, that Mr. ENGLISH's substitute doesn't deal with the base bill, which is to stop the privatization of tax collection, and that is what the majority is trying to get at today.

Now, certainly there are other issues that are worthy of consideration in this institution. AMT is certainly one of them. But in this provision today, the majority wants to bring forward a bill that would stop American taxpayers from being harassed by private bounty hunters. That's the issue before us today. And all the other issues that people are trying to discuss one way or another, they have nothing to do with this base bill and really don't apply to the debate we want to have in the next hour.

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

Mr. SESSIONS. I would like to inquire upon the time remaining on both sides, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Texas has 4 minutes, and the gentleman from California has 15 minutes.

Mr. SESSIONS. Mr. Speaker, let's go to the heart of this.

$30 million worth of uncollected taxes that, by the IRS's own admission, never would have been collected because they were accounts they did not want to or were not working, which are the only accounts that ever go to private debt collectors, who as private collectors receive a 98 percent rating from the IRS for regulatory procedural accuracy, as well as a 100 percent rating for professionalism, and less than 1 percent of those accounts have any sort of complaints that are filed with the IRS, and none which have been validated. That's the substance of the case. That's why we oppose this bill and this rule. It makes no sense unless you're simply trying to do what union bosses ask you to do, which is evidently what this bill is doing.

I would also like to point out that what's very interesting is that this bill is supported by the chairman of the Ways and Means Committee and has a whopping nine cosponsors, a whopping nine cosponsors, and we're bringing that to the floor of the House today. Utterly amazing.

Mr. Speaker, I insert into the RECORD at this time the Statement of Administration Policy by the President, which this White House says that they will veto.

STATEMENT OF ADMINISTRATION POLICY

H.R. 3056—To amend the Internal Revenue Code of 1986 to repeal the authority of the Internal Revenue Service to use private debt collection companies, to delay implementation of withholding taxes on government contractors, to revise the tax rules on expatriation, and for other purposes

The Administration strongly opposes House passage of H.R. 3056. The bill is not consistent with the Administration's commitment to a balanced approach toward improving taxpayer compliance and collecting outstanding tax liabilities. If H.R. 3056 were presented to the President, his senior advisors would recommend that he veto the bill.

The Administration strongly opposes the provisions of the bill that would repeal the current statutory authorization for the Internal Revenue Service, IRS, private debt collection program. Terminating this program would result in a loss of significant revenue over the next 10 years. These are tax dollars that are legally owed to the Government and that are otherwise not likely to be collected by the IRS. It is a disservice to all taxpayers who properly pay their taxes to terminate this program that is efficiently recovering a portion of the extra burden they shoulder from the ''tax gap'' caused by those who do not pay their taxes. Moreover, the Government Accountability Office, GAO, recently reported that the IRS has made ''major progress'' in addressing critical success factors for the private debt collection program, including ensuring that both taxpayer rights and the security of taxpayer information are protected.

The Administration also has concerns with the provision of the bill that would impose additional tax rules on individuals relinquishing U.S. citizenship or terminating long-term residency. The Administration strongly supports efforts to ensure that individuals renouncing their U.S. citizenship pay their fair share of U.S. taxes. The bill's ''mark-to-market'' approach to valuation of expatriates' property for taxation purposes, however, overrides existing tax treaties and raises concerns about tax complexity.

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

Mr. CARDOZA. I would like to inquire from my colleague if he has any remaining speakers.

Mr. SESSIONS. I thank the gentleman for asking. In fact, I do not have additional speakers at this time.

Mr. CARDOZA. Would the gentleman like to close?

Mr. SESSIONS. I would be very pleased to do that. I would like to ask the question back, does the gentleman have any additional speakers?

Mr. CARDOZA. I do not.

Mr. SESSIONS. Mr. Speaker, we have had a good debate here on the floor. We talked about from the Republican perspective, we're trying to follow the rules, not only of the House, but also the statements that have been made by our new Speaker, the Honorable NANCY PELOSI, who said she would have the most honest, open and ethical House in history and that that would also extend to processes of amendments.

We are here on the floor of the House saying today, that's not happening, has not happened all year, and I would predict to say today probably is not about to happen. Still on the Web site for the Speaker it says this. The American people are waiting for this promise to be made.

Today, we are debating a rule and a bill that would say to the American taxpayer that the IRS and their ability to collect taxes on behalf of the American people is going to be changed, changed from accounts that the IRS has no reasonable reason to believe that they will be chasing after or trying to collect. And that's why in the first place we said from doing audits, you've got all these accounts, please pass them to someone who will do it on behalf of the taxpayer. Because if you're not trying to collect these bills, it means that people will never pay.

The result has been over $30 million worth of uncollected taxes that never would have been collected, not by the IRS, and they're done by someone, these private collection agencies, that receive a 98 percent rating by the IRS for regulatory and procedural accuracy, as well as a 100 percent rating for

professionalism and less than a 1 percent complaint rate of which not one has turned out to be validated.

Mr. Speaker, this is an assault on not just the taxpayer. This is an assault on really good and effective and proper government, where the IRS utilizes best practice. They're utilized by over 40 State governments today to have help in collecting money that is owed not just to the government but to the taxpayers of this Nation. And today, despite the success, overwhelming success, that is occurring, the Democrat majority, with nine cosponsors plus the chairman, is interested in taking away this opportunity for the taxpayers, I will assume, because the taxpayer union of the Treasury Department does not like this happening.

Mr. Speaker, we need to have best practices. The President is right. He will veto this bill. This is a valiant effort by this Democrat majority to pay back AFL–CIO and the labor unions for their support, but it is not in the best interests of not only the taxpayer but of good and proper government.

The Republican Party is here on the floor of the House today saying that what has happened with best practices that is happening today should continue. We should have these private services that work in concert with the IRS. We should continue to give the IRS and those particular departments that do go after this money to receive directly more money that is collected that would help them hire more tax collectors, but we should not stop this process dead in its tracks because not only is it successful, but it is working as a best practice would for other people to see how important a public/private partnership is.

Mr. Speaker, I ask unanimous consent to have the text of the amendment and extraneous material to appear in the RECORD just prior to the vote on the previous question.

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

There was no objection.

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

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

Mr. Speaker, the bill before us today, the Tax Collection Responsibility Act of 2007, stops wasting taxpayer money on programs that cost too much, gives away confidential taxpayer information, and results in taxpayer harassment by bounty hunters and simply never has and never will work. It didn't work in the early 1800s, it didn't work in the late 1800s, and it doesn't work in the year 2007.

Mr. SESSIONS mentioned that there are these Republican best practices that would enhance our collection methods. Well, let's talk about that.

The Republican bill spent $71 million to collect $20 million, resulting in a $51 million loss. If Mr. SESSIONS wants to claim those as Republican best practices, he can do that. However, if the Federal Government employees, the traditional men and women who have served our country honorably, if they had had the ability to use that same $71 million, they would have collected $1.5 billion in taxes owed to this Treasury, $1.5 billion that could be used to, well, maybe fund SCHIP so that our poor young children could get the health care they deserve.

Mr. SESSIONS talks about that this bill only has 11 cosponsors. Well, this bill is a compilation of bills that was put together in the last few weeks, and, in fact, the base bills that this bill is based upon, Mr. VAN HOLLEN's bill has 156 coauthors and Mr. MEEK of Florida's bill has over 100. So there is wide support for this bill. The public should not believe that there are just a few folks thinking this is a good idea. This has wide support. It has had a number of hearings in the Ways and Means Committee, and there has been great testimony with regard to the fact that the current program put in by the Republicans in the last few years has not and will not work and should not continue to be allowed as the law of the land.

H.R. 3056 does something very fundamental. It protects taxpayers and ensures their privacy. It addresses withholding concerns raised by business and local government. It cracks down on yet another tax loophole for the wealthy that has been left open under the prior Congresses for far too long, and, most importantly, it continues to make our taxes fair for all.

Mr. Speaker, this is a good bill. It deserves this House's strong support. I urge a ''yes'' vote on the rule and on the previous question.

Mr. HERGER Mr. Speaker, I rise in opposition to the Rule on H.R. 3056, the Tax Collection Responsibility Act. This rule, on legislation to halt collection of previously uncollected tax debts, wrongly prohibits any Republican amendments. An Amendment in the Nature of a Substitute by Ways and Means Ranking Member JIM MCCRERY, would have allowed for consideration of full repeal of the 3 percent withholding burden, which is so important to thousands of U.S. businesses. This was rejected by the Rules Committee on Tuesday evening. This rule stifles debate and is counter-productive to the bipartisanship we've worked for this year on the 3 percent withholding repeal. I urge my colleagues to reject the rule.

The material previously referred to by Mr. SESSIONS is as follows:

AMENDMENT TO H. RES. 719 OFFERED BY MR. SESSIONS OF TEXAS

Strike all after the resolved clause and insert the following: That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 3056) to amend the Internal Revenue Code of 1986 to repeal the authority of the Internal Revenue Service to use private debt collection companies, to delay implementation of withholding taxes on government contractors, to revise the tax rules on expatriation, and for other purposes. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. The amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill, modified by the amendment printed in the report of the Committee on Rules accompanying this resolution, shall be considered as adopted. The bill, as amended, shall be considered as read. All points of order against provisions of the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the further amendment printed in section 3 of this resolution, if offered by Representative English of Pennsylvania or his designee, which shall be in order without intervention of any point of order except those arising under clause 10 of rule XXI, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

SEC. 2. During consideration of H.R. 3056 pursuant to this resolution; notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to such time as may be designated by the Speaker.

SEC. 3. The further amendment referred to in section 1 of this resolution, to be offered by Representative English of Pennsylvania or his designee, is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Tax Collection Responsibility Act of 2007''.

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

(c) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; amendment of 1986 Code; table of contents.
Sec. 2. Estimated tax safe harbor for increase in 2007 alternative minimum tax liability.
Sec. 3. Delay of application of withholding requirement on certain governmental payments for goods and services.
Sec. 4. Clarification of entitlement of Virgin Islands residents to protections of limitations on assessment and collection of tax.
Sec. 5. Revision of tax rules on expatriation.
Sec. 6. Repeal of suspension of certain penalties and interest.
Sec. 7. Increase in information return penalties.
Sec. 8. Time for payment of corporate estimated taxes.

SEC. 2. ESTIMATED TAX SAFE HARBOR FOR INCREASE IN 2007 ALTERNATIVE MINIMUM TAX LIABILITY.

(a) IN GENERAL.—Section 6654 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) 2007 AMT LIABILITY INCREASE.—

''(1) IN GENERAL.—In the case of any taxable year beginning in 2007—

''(A) any required payment under subsection (d)(1),

''(B) any annualized income installment under subsection (d)(2), and

''(C) any tax under subsection (e)(1),

shall be determined without regard to any 2007 AMT liability increase.

''(2) 2007 AMT LIABILITY INCREASE.—For purposes of paragraph (1), the term '2007 AMT liability increase' means the excess (if any) of—

''(A) the tax imposed by section 55 for the first taxable year beginning in 2007, over

''(B) the tax imposed by section 55 for the first taxable year beginning in 2006.

''(3) LIMITATION.—Under guidance prescribed by the Secretary, the excess determined under paragraph (2) shall be reduced (but not below zero) by an amount determined by the Secretary to result, when added to all other revenue amounts forgone by reason of paragraph (1), in the total amount forgone under paragraph (1) being equal to $1,000,000,000.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 3. DELAY OF APPLICATION OF WITHHOLDING REQUIREMENT ON CERTAIN GOVERNMENTAL PAYMENTS FOR GOODS AND SERVICES.

(a) IN GENERAL.—Subsection (b) of section 511 of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

(b) REPORT TO CONGRESS.—Not later than 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report with respect to the withholding requirements of section 3402(t) of the Internal Revenue Code of 1986, including a detailed analysis of—

(1) the problems, if any, which are anticipated in administering and complying with such requirements,

(2) the burdens, if any, that such requirements will place on governments and businesses (taking into account such mechanisms as may be necessary to administer such requirements), and

(3) the application of such requirements to small expenditures for services and goods by governments.

SEC. 4. CLARIFICATION OF ENTITLEMENT OF VIRGIN ISLANDS RESIDENTS TO PROTECTIONS OF LIMITATIONS ON ASSESSMENT AND COLLECTION OF TAX.

(a) IN GENERAL.—Subsection (c) of section 932 (relating to treatment of Virgin Islands residents) is amended by adding at the end the following new paragraph:

''(5) TREATMENT OF INCOME TAX RETURN FILED WITH VIRGIN ISLANDS.—An income tax return filed with the Virgin Islands by an individual claiming to be described in paragraph (1) for the taxable year shall be treated for purposes of subtitle F in the same manner as if such return were an income tax return filed with the United States for such taxable year. The preceding sentence shall not apply where such return is false or fraudulent with the intent to avoid tax or otherwise is a willful attempt in any manner to defeat or evade tax.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after 1986.

SEC. 5. REVISION OF TAX RULES ON EXPATRIATION.

(a) IN GENERAL.—Subpart A of part II of subchapter N of chapter 1 is amended by inserting after section 877 the following new section:

''SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATION.

''(a) GENERAL RULES.—For purposes of this subtitle—

''(1) MARK TO MARKET.—All property of a covered expatriate shall be treated as sold on the day before the expatriation date for its fair market value.

''(2) RECOGNITION OF GAIN OR LOSS.—In the case of any sale under paragraph (1)—

''(A) notwithstanding any other provision of this title, any gain arising from such sale shall be taken into account for the taxable year of the sale, and

''(B) any loss arising from such sale shall be taken into account for the taxable year of the sale to the extent otherwise provided by this title, except that section 1091 shall not apply to any such loss.

Proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under the preceding sentence, determined without regard to paragraph (3).

''(3) EXCLUSION FOR CERTAIN GAIN.—

''(A) IN GENERAL.—The amount which would (but for this paragraph) be includible in the gross income of any individual by reason of paragraph (1) shall be reduced (but not below zero) by $600,000.

''(B) ADJUSTMENT FOR INFLATION.—

''(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2008, the dollar amount in subparagraph (A) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 2007' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING.—If any amount as adjusted under clause (i) is not a multiple of $1,000, such amount shall be rounded to the nearest multiple of $1,000.

''(b) ELECTION TO DEFER TAX.—

''(1) IN GENERAL.—If the taxpayer elects the application of this subsection with respect to any property treated as sold by reason of subsection (a), the time for payment of the additional tax attributable to such property shall be extended until the due date of the return for the taxable year in which such property is disposed of (or, in the case of property disposed of in a transaction in which gain is not recognized in whole or in part, until such other date as the Secretary may prescribe).

''(2) DETERMINATION OF TAX WITH RESPECT TO PROPERTY.—For purposes of paragraph (1), the additional tax attributable to any property is an amount which bears the same ratio to the additional tax imposed by this chapter for the taxable year solely by reason of subsection (a) as the gain taken into account under subsection (a) with respect to such property bears to the total gain taken into account under subsection (a) with respect to all property to which subsection (a) applies.

''(3) TERMINATION OF EXTENSION.—The due date for payment of tax may not be extended under this subsection later than the due date for the return of tax imposed by this chapter for the taxable year which includes the date of death of the expatriate (or, if earlier, the time that the security provided with respect to the property fails to meet the requirements of paragraph (4), unless the taxpayer corrects such failure within the time specified by the Secretary).

''(4) SECURITY.—

''(A) IN GENERAL.—No election may be made under paragraph (1) with respect to any property unless adequate security is provided with respect to such property.

''(B) ADEQUATE SECURITY.—For purposes of subparagraph (A), security with respect to any property shall be treated as adequate security if—

''(i) it is a bond which is furnished to, and accepted by, the Secretary, which is conditioned on the payment of tax (and interest thereon), and which meets the requirements of section 6325, or

''(ii) it is another form of security for such payment (including letters of credit) that meets such requirements as the Secretary may prescribe.

''(5) WAIVER OF CERTAIN RIGHTS.—No election may be made under paragraph (1) unless the taxpayer makes an irrevocable waiver of any right under any treaty of the United States which would preclude assessment or collection of any tax imposed by reason of this section.

''(6) ELECTIONS.—An election under paragraph (1) shall only apply to property described in the election and, once made, is irrevocable.

''(7) INTEREST.—For purposes of section 6601, the last date for the payment of tax shall be determined without regard to the election under this subsection.

''(c) EXCEPTION FOR CERTAIN PROPERTY.—Subsection (a) shall not apply to—

''(1) any deferred compensation item (as defined in subsection (d)(4)),

''(2) any specified tax deferred account (as defined in subsection (e)(2)), and

''(3) any interest in a nongrantor trust (as defined in subsection (f)(3)).

''(d) TREATMENT OF DEFERRED COMPENSATION ITEMS.—

''(1) WITHHOLDING ON ELIGIBLE DEFERRED COMPENSATION ITEMS.—

''(A) IN GENERAL.—In the case of any eligible deferred compensation item, the payor shall deduct and withhold from any taxable payment to a covered expatriate with respect to such item a tax equal to 30 percent thereof.

''(B) TAXABLE PAYMENT.—For purposes of subparagraph (A), the term 'taxable payment' means with respect to a covered expatriate any payment to the extent it would be includible in the gross income of the covered expatriate if such expatriate continued to be subject to tax as a citizen or resident of the United States. A deferred compensation item shall be taken into account as a payment under the preceding sentence when such item would be so includible.

''(2) OTHER DEFERRED COMPENSATION ITEMS.—In the case of any deferred compensation item which is not an eligible deferred compensation item—

''(A)(i) with respect to any deferred compensation item to which clause (ii) does not apply, an amount equal to the present value of the covered expatriate's accrued benefit shall be treated as having been received by such individual on the day before the expatriation date as a distribution under the plan, and

''(ii) with respect to any deferred compensation item referred to in paragraph (4)(D), the rights of the covered expatriate to such item shall be treated as becoming transferable and not subject to a substantial risk of forfeiture on the day before the expatriation date,

''(B) no early distribution tax shall apply by reason of such treatment, and

''(C) appropriate adjustments shall be made to subsequent distributions from the plan to reflect such treatment.

''(3) ELIGIBLE DEFERRED COMPENSATION ITEMS.—For purposes of this subsection, the term 'eligible deferred compensation item' means any deferred compensation item with respect to which—

''(A) the payor of such item is—

''(i) a United States person, or

''(ii) a person who is not a United States person but who elects to be treated as a United States person for purposes of paragraph (1) and meets such requirements as the Secretary may provide to ensure that the

payor will meet the requirements of paragraph (1), and

''(B) the covered expatriate—

''(i) notifies the payor of his status as a covered expatriate, and

''(ii) makes an irrevocable waiver of any right to claim any reduction under any treaty with the United States in withholding on such item.

''(4) DEFERRED COMPENSATION ITEM.—For purposes of this subsection, the term 'deferred compensation item' means—

''(A) any interest in a plan or arrangement described in section 219(g)(5),

''(B) any interest in a foreign pension plan or similar retirement arrangement or program,

''(C) any item of deferred compensation, and

''(D) any property, or right to property, which the individual is entitled to receive in connection with the performance of services to the extent not previously taken into account under section 83 or in accordance with section 83.

''(5) EXCEPTION.—Paragraphs (1) and (2) shall not apply to any deferred compensation item which is attributable to services performed outside the United States while the covered expatriate was not a citizen or resident of the United States.

''(6) SPECIAL RULES.—

''(A) APPLICATION OF WITHHOLDING RULES.—Rules similar to the rules of subchapter B of chapter 3 shall apply for purposes of this subsection.

''(B) APPLICATION OF TAX.—Any item subject to the withholding tax imposed under paragraph (1) shall be subject to tax under section 871.

''(C) COORDINATION WITH OTHER WITHHOLDING REQUIREMENTS.—Any item subject to withholding under paragraph (1) shall not be subject to withholding under section 1441 or chapter 24.

''(e) TREATMENT OF SPECIFIED TAX DEFERRED ACCOUNTS.—

''(1) ACCOUNT TREATED AS DISTRIBUTED.—In the case of any interest in a specified tax deferred account held by a covered expatriate on the day before the expatriation date—

''(A) the covered expatriate shall be treated as receiving a distribution of his entire interest in such account on the day before the expatriation date,

''(B) no early distribution tax shall apply by reason of such treatment, and

''(C) appropriate adjustments shall be made to subsequent distributions from the account to reflect such treatment.

''(2) SPECIFIED TAX DEFERRED ACCOUNT.—For purposes of paragraph (1), the term 'specified tax deferred account' means an individual retirement plan (as defined in section 7701(a)(37)) other than any arrangement described in subsection (k) or (p) of section 408, a qualified tuition program (as defined in section 529), a Coverdell education savings account (as defined in section 530), a health savings account (as defined in section 223), and an Archer MSA (as defined in section 220).

''(f) SPECIAL RULES FOR NONGRANTOR TRUSTS.—

''(1) IN GENERAL.—In the case of a distribution (directly or indirectly) of any property from a nongrantor trust to a covered expatriate—

''(A) the trustee shall deduct and withhold from such distribution an amount equal to 30 percent of the taxable portion of the distribution, and

''(B) if the fair market value of such property exceeds its adjusted basis in the hands of the trust, gain shall be recognized to the trust as if such property were sold to the expatriate at its fair market value.

''(2) TAXABLE PORTION.—For purposes of this subsection, the term 'taxable portion' means, with respect to any distribution, that portion of the distribution which would be includible in the gross income of the covered expatriate if such expatriate continued to be subject to tax as a citizen or resident of the United States.

''(3) NONGRANTOR TRUST.—For purposes of this subsection, the term 'nongrantor trust' means the portion of any trust that the individual is not considered the owner of under subpart E of part I of subchapter J. The determination under the preceding sentence shall be made immediately before the expatriation date.

''(4) SPECIAL RULES RELATING TO WITHHOLDING.—For purposes of this subsection—

''(A) rules similar to the rules of subsection (d)(6) shall apply, and

''(B) the covered expatriate shall be treated as having waived any right to claim any reduction under any treaty with the United States in withholding on any distribution to which paragraph (1)(A) applies.

''(g) DEFINITIONS AND SPECIAL RULES RELATING TO EXPATRIATION.—For purposes of this section—

''(1) COVERED EXPATRIATE.—

''(A) IN GENERAL.—The term 'covered expatriate' means an expatriate who meets the requirements of subparagraph (A), (B), or (C) of section 877(a)(2).

''(B) EXCEPTIONS.—An individual shall not be treated as meeting the requirements of subparagraph (A) or (B) of section 877(a)(2) if—

''(i) the individual—

''(I) became at birth a citizen of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

''(II) has been a resident of the United States (as defined in section 7701(b)(1)(A)(ii)) for not more than 10 taxable years during the 15-taxable year period ending with the taxable year during which the expatriation date occurs, or

''(ii)(I) the individual's relinquishment of United States citizenship occurs before such individual attains age 18½, and

''(II) the individual has been a resident of the United States (as so defined) for not more than 10 taxable years before the date of relinquishment.

''(C) COVERED EXPATRIATES ALSO SUBJECT TO TAX AS CITIZENS OR RESIDENTS.—In the case of any covered expatriate who is subject to tax as a citizen or resident of the United States for any period beginning after the expatriation date, such individual shall not be treated as a covered expatriate during such period for purposes of subsections (d)(1) and (f) and section 2801.

''(2) EXPATRIATE.—The term 'expatriate' means—

''(A) any United States citizen who relinquishes his citizenship, and

''(B) any long-term resident of the United States who ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)).

''(3) EXPATRIATION DATE.—The term 'expatriation date' means—

''(A) the date an individual relinquishes United States citizenship, or

''(B) in the case of a long-term resident of the United States, the date on which the individual ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)).

''(4) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing his United States citizenship on the earliest of—

''(A) the date the individual renounces his United States nationality before a diplomatic or consular officer of the United States pursuant to paragraph (5) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)),

''(B) the date the individual furnishes to the United States Department of State a signed statement of voluntary relinquishment of United States nationality confirming the performance of an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(1)–(4)),

''(C) the date the United States Department of State issues to the individual a certificate of loss of nationality, or

''(D) the date a court of the United States cancels a naturalized citizen's certificate of naturalization.

Subparagraph (A) or (B) shall not apply to any individual unless the renunciation or voluntary relinquishment is subsequently approved by the issuance to the individual of a certificate of loss of nationality by the United States Department of State.

''(5) LONG-TERM RESIDENT.—The term 'long-term resident' has the meaning given to such term by section 877(e)(2).

''(6) EARLY DISTRIBUTION TAX.—The term 'early distribution tax' means any increase in tax imposed under section 72(t), 220(e)(4), 223(f)(4), 409A(a)(1)(B), 529(c)(6), or 530(d)(4).

''(h) OTHER RULES.—

''(1) TERMINATION OF DEFERRALS, ETC.—In the case of any covered expatriate, notwithstanding any other provision of this title—

''(A) any time period for acquiring property which would result in the reduction in the amount of gain recognized with respect to property disposed of by the taxpayer shall terminate on the day before the expatriation date, and

''(B) any extension of time for payment of tax shall cease to apply on the day before the expatriation date and the unpaid portion of such tax shall be due and payable at the time and in the manner prescribed by the Secretary.

''(2) STEP-UP IN BASIS.—Solely for purposes of determining any tax imposed by reason of subsection (a), property which was held by an individual on the date the individual first became a resident of the United States (within the meaning of section 7701(b)) shall be treated as having a basis on such date of not less than the fair market value of such property on such date. The preceding sentence shall not apply if the individual elects not to have such sentence apply. Such an election, once made, shall be irrevocable.

''(3) COORDINATION WITH SECTION 684.—If the expatriation of any individual would result in the recognition of gain under section 684, this section shall be applied after the application of section 684.

''(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(b) TAX ON GIFTS AND BEQUESTS RECEIVED BY UNITED STATES CITIZENS AND RESIDENTS FROM EXPATRIATES.—

(1) IN GENERAL.—Subtitle B (relating to estate and gift taxes) is amended by inserting after chapter 14 the following new chapter:

''CHAPTER 15—GIFTS AND BEQUESTS FROM EXPATRIATES

''Sec. 2801. Imposition of tax.

''SEC. 2801. IMPOSITION OF TAX.

''(a) IN GENERAL.—If, during any calendar year, any United States citizen or resident receives any covered gift or bequest, there is hereby imposed a tax equal to the product of—

''(1) the highest rate of tax specified in the table contained in section 2001(c) as in effect on the date of such receipt (or, if greater, the highest rate of tax specified in the table applicable under section 2502(a) as in effect on the date), and

''(2) the value of such covered gift or bequest.

''(b) TAX TO BE PAID BY RECIPIENT.—The tax imposed by subsection (a) on any covered gift or bequest shall be paid by the person receiving such gift or bequest.

''(c) EXCEPTION FOR CERTAIN GIFTS.—Subsection (a) shall apply only to the extent that the value of covered gifts and bequests received by any person during the calendar year exceeds $10,000.

''(d) TAX REDUCED BY FOREIGN GIFT OR ESTATE TAX.—The tax imposed by subsection (a) on any covered gift or bequest shall be reduced by the amount of any gift or estate tax paid to a foreign country with respect to such covered gift or bequest.

''(e) COVERED GIFT OR BEQUEST.—

''(1) IN GENERAL.—For purposes of this chapter, the term 'covered gift or bequest' means—

''(A) any property acquired by gift directly or indirectly from an individual who, at the time of such acquisition, is a covered expatriate, and

''(B) any property acquired directly or indirectly by reason of the death of an individual who, immediately before such death, was a covered expatriate.

''(2) EXCEPTIONS FOR TRANSFERS OTHERWISE SUBJECT TO ESTATE OR GIFT TAX.—Such term shall not include—

''(A) any property shown on a timely filed return of tax imposed by chapter 12 which is a taxable gift by the covered expatriate, and

''(B) any property included in the gross estate of the covered expatriate for purposes of chapter 11 and shown on a timely filed return of tax imposed by chapter 11 of the estate of the covered expatriate.

''(3) TRANSFERS IN TRUST.—

''(A) DOMESTIC TRUSTS.—In the case of a covered gift or bequest made to a domestic trust—

''(i) subsection (a) shall apply in the same manner as if such trust were a United States citizen, and

''(ii) the tax imposed by subsection (a) on such gift or bequest shall be paid by such trust.

''(B) FOREIGN TRUSTS.—

''(i) IN GENERAL.—In the case of a covered gift or bequest made to a foreign trust, subsection (a) shall apply to any distribution attributable to such gift or bequest from such trust (whether from income or corpus) to a United States citizen or resident in the same manner as if such distribution were a covered gift or bequest.

''(ii) DEDUCTION FOR TAX PAID BY RECIPIENT.—There shall be allowed as a deduction under section 164 the amount of tax imposed by this section which is paid or accrued by a United States citizen or resident by reason of a distribution from a foreign trust, but only to the extent such tax is imposed on the portion of such distribution which is included in the gross income of such citizen or resident.

''(iii) ELECTION TO BE TREATED AS DOMESTIC TRUST.—Solely for purposes of this section, a foreign trust may elect to be treated as a domestic trust. Such an election may be revoked with the consent of the Secretary.

''(f) COVERED EXPATRIATE.—For purposes of this section, the term 'covered expatriate' has the meaning given to such term by section 877A(g)(1).''.

(2) CLERICAL AMENDMENT.—The table of chapters for subtitle B is amended by inserting after the item relating to chapter 14 the following new item:

''CHAPTER 15. GIFTS AND BEQUESTS FROM EXPATRIATES.''.

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—

(1) IN GENERAL.—Section 7701(a) is amended by adding at the end the following new paragraph:

''(50) TERMINATION OF UNITED STATES CITIZENSHIP.—

''(A) IN GENERAL.—An individual shall not cease to be treated as a United States citizen before the date on which the individual's citizenship is treated as relinquished under section 877A(g)(4).

''(B) DUAL CITIZENS.—Under regulations prescribed by the Secretary, subparagraph (A) shall not apply to an individual who became at birth a citizen of the United States and a citizen of another country.''.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 877(e) is amended to read as follows:

''(1) IN GENERAL.—Any long-term resident of the United States who ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)) shall be treated for purposes of this section and sections 2107, 2501, and 6039G in the same manner as if such resident were a citizen of the United States who lost United States citizenship on the date of such cessation or commencement.''.

(B) Paragraph (6) of section 7701(b) is amended by adding at the end the following flush sentence:

''An individual shall cease to be treated as a lawful permanent resident of the United States if such individual commences to be treated as a resident of a foreign country under the provisions of a tax treaty between the United States and the foreign country, does not waive the benefits of such treaty applicable to residents of the foreign country, and notifies the Secretary of the commencement of such treatment.''.

(C) Section 7701 is amended by striking subsection (n) and by redesignating subsections (o) and (p) as subsections (n) and (o), respectively.

(d) INFORMATION RETURNS.—Section 6039G is amended—

(1) by inserting ''or 877A'' after ''section 877(b)'' in subsection (a), and

(2) by inserting ''or 877A'' after ''section 877(a)'' in subsection (d).

(e) CLERICAL AMENDMENT.—The table of sections for subpart A of part II of subchapter N of chapter 1 is amended by inserting after the item relating to section 877 the following new item:

''Sec. 877A. Tax responsibilities of expatriation.''.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to expatriates (as defined in section 877A(g) of the Internal Revenue Code of 1986, as added by this section) whose expatriation date (as so defined) is on or after the date of the enactment of this Act.

(2) GIFTS AND BEQUESTS.—Chapter 15 of the Internal Revenue Code of 1986 (as added by subsection (b)) shall apply to covered gifts and bequests (as defined in section 2801 of such Code, as so added) received on or after the date of the enactment of this Act, regardless of when the transferor expatriated.

SEC. 6. REPEAL OF SUSPENSION OF CERTAIN PENALTIES AND INTEREST.

(a) IN GENERAL.—Section 6404 is amended by striking subsection (g) and by redesignating subsection (h) as subsection (g).

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to notices provided by the Secretary of the Treasury, or his delegate, after the date which is 6 months after the date of the enactment of the Small Business and Work Opportunity Tax Act of 2007.

SEC. 7. INCREASE IN INFORMATION RETURN PENALTIES.

(a) FAILURE TO FILE CORRECT INFORMATION RETURNS.—

(1) IN GENERAL.—Subsections (a)(1), (b)(1)(A), and (b)(2)(A) of section 6721 are each amended by striking ''$50'' and inserting ''$100''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (a)(1), (d)(1)(A), and (e)(3)(A) of section 6721 are each amended by striking ''$250,000'' and inserting ''$600,000''.

(b) REDUCTION WHERE CORRECTION WITHIN 30 DAYS.—

(1) IN GENERAL.—Subparagraph (A) of section 6721(b)(1) is amended by striking ''$15'' and inserting ''$25''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (b)(1)(B) and (d)(1)(B) of section 6721 are each amended by striking ''$75,000'' and inserting ''$200,000''.

(c) REDUCTION WHERE CORRECTION ON OR BEFORE AUGUST 1.—

(1) IN GENERAL.—Subparagraph (A) of section 6721(b)(2) is amended by striking ''$30'' and inserting ''$60''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (b)(2)(B) and (d)(1)(C) of section 6721 are each amended by striking ''$150,000'' and inserting ''$400,000''.

(d) AGGREGATE ANNUAL LIMITATIONS FOR PERSONS WITH GROSS RECEIPTS OF NOT MORE THAN $5,000,000.—Paragraph (1) of section 6721(d) is amended—

(1) by striking ''$100,000'' in subparagraph (A) and inserting ''$250,000'',

(2) by striking ''$25,000'' in subparagraph (B) and inserting ''$75,000'', and

(3) by striking ''$50,000'' in subparagraph (C) and inserting ''$150,000''.

(e) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Paragraph (2) of section 6721(e) is amended by striking ''$100'' and inserting ''$250''.

(f) FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.—

(1) IN GENERAL.—Subsection (a) of section 6722 is amended by striking ''$50'' and inserting ''$100''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (a) and (c)(2)(A) of section 6722 are each amended by striking ''$100,000'' and inserting ''$600,000''.

(3) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Paragraph (1) of section 6722(c) is amended by striking ''$100'' and inserting ''$250''.

(g) FAILURE TO COMPLY WITH OTHER INFORMATION REPORTING REQUIREMENTS.—Section 6723 is amended—

(1) by striking ''$50'' and inserting ''$100'', and

(2) by striking ''$100,000'' and inserting ''$600,000''.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to information returns required to be filed on or after January 1, 2008.

SEC. 8. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking ''115 percent'' and inserting ''115.50 percent''.

(The information contained herein was provided by Democratic Minority on multiple occasions throughout the 109th Congress.)

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Democratic majority agenda and a vote to allow the opposition, at least for

the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives, (VI, 308–311) describes the vote on the previous question on the rule as ''a motion to direct or control the consideration of the subject before the House being made by the Member in charge.'' To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that ''the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition'' in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R-Illinois) said: ''The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition.''

Because the vote today may look bad for the Democratic majority they will say ''the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever.'' But that is not what they have always said. Listen to the definition of the previous question used in the Floor Procedures Manual published by the Rules Committee in the 109th Congress, (page 56). Here's how the Rules Committee described the rule using information form Congressional Quarterly's ''American Congressional Dictionary'': ''If the previous question is defeated, control of debate shifts to the leading opposition member (usually the minority Floor Manager) who then manages an hour of debate and may offer a germane amendment to the pending business.''

Deschler's Procedure in the U.S. House of Representatives, the subchapter titled ''Amending Special Rules'' states: ''a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2) Section 21.3 continues: Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.''

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

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

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

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

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

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

The point of no quorum is considered withdrawn.

□ 1130

PROVIDING FOR CONSIDERATION OF H.R. 2895, NATIONAL AFFORDABLE HOUSING TRUST FUND ACT OF 2007

Ms. CASTOR. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 720 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 720

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. 2895) to establish the National Affordable Housing Trust Fund in the Treasury of the United States to provide for the construction, rehabilitation, and preservation of decent, safe, and affordable housing for low-income families. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. 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. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived except those arising under clause 10 of rule XXI. 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 except those arising under clause 9 or 10 of rule XXI. 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.

SEC. 2. During consideration in the House of H.R. 2895 pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to such time as may be designated by the Speaker.

The SPEAKER pro tempore. The gentlewoman from Florida (Ms. CASTOR) is recognized for 1 hour.

Ms. CASTOR. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Washington (Mr. HASTINGS).

All time yielded during consideration of the rule is for debate only, and I yield myself such time as I may consume.

GENERAL LEAVE

Ms. CASTOR. Mr. Speaker, I ask unanimous consent that all Members be given 5 legislative days in which to revise and extend their remarks on House Resolution 720.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

Ms. CASTOR. Mr. Speaker, House Resolution 720 provides for consideration of H.R. 2895, the National Affordable Housing Trust Fund Act of 2007.

As the Clerk read, the rule provides for 1 hour of general debate controlled by the Committee on Financial Services. The rule waives all points of order against consideration of the bill, except for clauses 9 and 10 of rule XXI.

The rule makes in order the Financial Services reported substitute. The rule makes in order eight amendments, including a complete Republican substitute. The amendments are each debatable for 10 minutes, except for the Neugebauer substitute, which is debatable for 20 minutes. The amendments are not amendable or divisible.

All points of order are waived against the amendments, except for clauses 9 and 10 of rule XXI. The rule also provides one motion to recommit with or without instructions.

Mr. Speaker, so many American families today are facing a critical housing crunch. The cost of an apartment or a home is out of reach for so many, but there is good news. Many of us in this Congress understand and will keep fighting for a new direction for America and more affordable housing.

Today we will create a landmark affordable housing trust fund under H.R. 2895 in this rule, which will provide over 1.5 million new affordable homes for hard-working folks across America over the next decade. I would like to thank Chairman BARNEY FRANK and Chairwoman MAXINE WATERS for their dedication to American families in their efforts to make housing affordable and available to those who could use a helping hand.

They pledged at the beginning of this new Congress that they would focus on affordable housing, and they have stayed true to their word.

Four other bills in addition to this one that will be considered today expand American homeownership and provide relief to our neighbors, many of whom have been subjected to foreclosure due to predatory lending in the subprime loan crisis.

This new affordable housing trust fund will focus on construction, rehabilitation and preservation of affordable housing in our hometowns and communities across America. The trust fund will pool monies, together with State, local and private housing initiatives to target housing to families with the greatest economic need.

The innovative, dedicated funding mechanism for this new trust fund comes at no new cost to taxpayers. Our efforts come at a critical time. Federal money for affordable housing has largely disappeared under this current administration. Health care costs are out of sight, the cost of living is higher, and many of our neighbors have not received raises that keep up with these rising costs.

We have heard from so many Americans across this country. For example, in south St. Petersburg, just recently, I was talking with a police officer that works for the City of St. Petersburg. He said it was his dream to have his young son move into his neighborhood nearby. Unfortunately, affordable housing in that neighborhood is all but gone, and he will just not be able to swing it.

In addition, local housing agencies across America have thousands upon thousands of Americans on waiting lists for affordable housing. In my hometown of Tampa, Florida, during a 1-week open enrollment session, more than 10,000 seniors, families and veterans indicated a need for affordable housing. But there is just no inventory.

Instead of receiving housing, they are placed on a waiting list. That waiting list takes 4 years, and it makes affordable housing completely unreachable for the other people that simply never made that call for help.

The number of American households paying more than half of their incomes on housing increased to 17 million in the year 2005, with one in seven U.S. households being severely housing-cost burdened. This imbalance is very troubling, and when combined with predatory subprime loans, it has caused many homeowners to lose their homes. In the Tampa Bay area alone, in the first 6 months of this year, over 10,000 of my neighbors have found that their homes have fallen into foreclosure.

This new affordable housing trust fund will provide for the new construction, preservation of existing housing and homeownership, assistance, emergency housing repairs and housing-related services. Help is on the way.

H.R. 2895 is a positive step in a new direction to ensure that more families are able to find clean, safe, stable and affordable places to live. I am proud to support this bill and this rule, and I urge the Congress to pass this legislation.

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

Mr. HASTINGS of Washington. I thank the gentlelady from Florida (Ms. CASTOR) for yielding me the customary 30 minutes, and I yield myself such time as I may consume.

(Mr. HASTINGS of Washington asked and was given permission to revise and extend his remarks.)

Mr. HASTINGS of Washington. This rule provides for the consideration of a bill to establish a national affordable housing trust fund. Members of this House share in the commitment to meet the housing needs of lower-income Americans. However, we differ on how to best achieve this goal.

The bill that will be before us today creates a new, a new national housing trust fund, and, with it, a whole new level of Federal bureaucracy. There are already over 30 separate Federal programs designed to promote affordable housing. The new trust fund, created by the underlying bill, is modeled in large part on one of those existing programs, the HOME Investment Partnerships Program.

Why create a new level of Federal bureaucracy to administer essentially the same program that is already being successfully administered by State and local governments closest to the problem? It seems to me that ought to be a big subject of the debate that we have today.

Mr. Speaker, I am pleased that this rule makes in order a substitute amendment offered by Mr. NEUGEBAUER of Texas that would establish a national affordable housing grant fund program within the current HOME program. This proposal would meet the need and meet the goal of expanding rental and home ownership opportunities for low-income families without adding new layers of red tape. While I support the Neugebauer amendment being made in order, I am troubled that this is the only Republican amendment allowed to be considered under this restrictive rule.

A total of 15 amendments were submitted to the Rules Committee by the 10 a.m. deadline yesterday. One amendment offered by Representative CAPUANO of Massachusetts to change the short title of the bill to the ''Barney Frank National Affordable Housing Trust Fund Act of 2007'' was withdrawn. Out of the remaining 14 amendments, seven were submitted by Democrats and seven were submitted by Republicans. This rule makes all seven amendments offered by Democrats made in order, but just one Republican amendment. If this rule is adopted, many thoughtful ideas will be denied the opportunity to be considered on the House floor today.

Unfortunately, shutting out amendments offered by Republicans has become the norm for the Democrat Rules Committee.

Americans want to see Members on both sides of the aisle work together to address the problems our Nation faces. Unfortunately, with this restrictive rule, the Democrat majority has chosen to deny millions of Americans a voice on several significant issues related to meeting the affordable housing challenges that lower-income Americans face. Therefore, I must urge my colleagues to vote against House Resolution 720.

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

Ms. CASTOR. Mr. Speaker, I will inquire of my colleague from Washington if he has any additional speakers. Otherwise, he can proceed to close.

Mr. HASTINGS of Washington. Mr. Speaker, I had requests from two Members, but I see they are not here. If the gentlelady has no more speakers, I will be prepared to close on my side.

Ms. CASTOR. That's correct, we have no speakers. We have requests as well, but they are not here in attendance, so I think it's safe to proceed to close.

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

Mr. HASTINGS of Washington. Mr. Speaker, I yield myself the balance of my time.

House Republicans believe that every earmark should be debatable on the House floor and that the House earmark rules are flawed when it comes to the enforceability of earmarks.

Earlier this year, Republican Leader BOEHNER introduced a measure to close loopholes in the rules and allow the House to debate openly and honestly earmarks contained in all bills. Currently, 196 Republicans have signed a petition to bring this proposal to the floor for immediate consideration.

Unfortunately, we need 22 more Members in order to get real earmark reform before this can be considered by the House. The House cannot delay action on this any longer. Each day we put off closing loopholes in the House earmark rules, American taxpayers are left to wonder what hidden earmarks are contained in bills before the House. It is time we act to prove to American taxpayers this House is serious about earmark transparency and enforceability.

I will be asking my colleagues to vote ''no'' on the previous question, so that I can amend the rule to allow the House to immediately consider House Resolution 479 introduced by Republican Leader BOEHNER. By defeating the previous question, the House will still be able to consider the National Affordable Housing Trust Fund Act today, but we will also be able to address the earmark enforceability in order to restore the credibility of this House.

Mr. Speaker, I ask unanimous consent to have the text of the amendment and extraneous material inserted into the RECORD prior to the vote on the previous question.

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

There was no objection.

Mr. HASTINGS of Washington. Mr. Speaker, I ask my colleagues to oppose the previous question and the restrictive rule which denies debate on several significant issues related to increasing the availability of affordable housing with the most efficient and effective use of government resources.

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

Ms. CASTOR. Mr. Speaker, despite the threatened veto by the White House, we will continue to stand on the side of America's hardworking families today and pass this landmark affordable housing trust fund bill. This will help our States and our communities achieve over 1 million new affordable homes for our neighbors over the coming years.

I urge a ''yes'' vote on the previous question and on the rule.

The material previously referred to by Mr. HASTINGS of Washington is as follows:

AMENDMENT TO H. RES. 720 OFFERED BY MR. HASTINGS OF WASHINGTON

At the end of the resolution, add the following:

SEC. 3. That immediately upon the adoption of this resolution the House shall, without intervention of any point of order, consider the resolution (H. Res. 479) to amend the Rules of the House of Representatives to provide for enforcement of clause 9 of rule XXI of the Rules of the House of Representatives. The resolution shall be considered as read. The previous question shall be considered as ordered on the resolution to final adoption without intervening motion or demand for division of the question except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Rules; and (2) one motion to recommit.

(The information contained herein was provided by Democratic Minority on multiple occasions throughout the 109th Congress.)

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Democratic majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

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

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

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

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

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

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

The point of no quorum is considered withdrawn.

□ 1145

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on postponed questions, in the following order:

ordering the previous question on H. Res. 720, de novo;

adoption of H. Res. 720, if ordered;

ordering the previous question on H. Res. 719, de novo; and

adoption of H. Res. 719, if ordered.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.

PROVIDING FOR CONSIDERATION OF H.R. 2895, NATIONAL AFFORDABLE HOUSING TRUST FUND ACT OF 2007

The SPEAKER pro tempore. The unfinished business is the question on ordering the previous question on House Resolution 720, which the Chair will put de novo.

The Clerk read the title of the resolution.

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

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

Mr. HASTINGS of Washington. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 223, nays 195, not voting 13, as follows:

[Roll No. 951]

YEAS—223

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman

Weiner
Welch (VT)
Wexler
Woolsey
Wu
Wynn
Yarmuth

NAYS—195

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hill
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—13

Bean
Boren
Carson
Cubin
Jindal
Johnson (IL)
Johnson, E. B.
King (NY)
Maloney (NY)
Miller, Gary
Reichert
Rogers (KY)
Wilson (OH)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised that there are 2 minutes remaining in this vote.

□ 1216

Mr. KINGSTON and Ms. FOXX changed their vote from ''yea'' to ''nay.''

Mr. ALTMIRE changed his vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

(By unanimous consent, Mr. SKELTON was allowed to speak out of order.)

THE HOUSE WELCOMES JANNA LOU BOREN

Mr. SKELTON. In the State of Oklahoma yesterday, weighing in at 6 lbs, 12 ounces, Janna Lou Boren was born to Andrea Boren and our colleague, DAN BOREN.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Without objection, 5-minute voting will continue.

There was no objection.

The question is on the resolution.

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

RECORDED VOTE

Ms. CASTOR. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 224, noes 194, not voting 13, as follows:

[Roll No. 952]

AYES—224

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Woolsey
Wu
Wynn
Yarmuth

NOES—194

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hill
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—13

Bean
Boren
Carson
Cubin
Jindal
Johnson (IL)
Johnson, E. B.
King (NY)
Maloney (NY)
Miller, Gary
Reichert
Rogers (KY)
Wilson (OH)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There is 1 minute remaining on this vote.

□ 1225

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MOMENT OF SILENCE IN MEMORY OF THE LATE HONORABLE JOE D. WAGGONER, JR., FORMER MEMBER OF CONGRESS

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

Mr. McCRERY. Mr. Speaker, it's my sad duty to inform the House of the death of former Member Joe D. Waggoner, Jr., from Louisiana. Congressman Waggoner served this House with distinction on the Ways and Means Committee, as a subcommittee chairman on the Ways and Means, served in the House for nearly 18 years, and Congressman Waggoner passed away this weekend.

So, Mr. Speaker, I would ask, in memory of Congressman Waggoner, for the House to please rise and have a moment of silence.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Without objection, 5-minute voting will continue.

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 3056, TAX COLLECTION RESPONSIBILITY ACT OF 2007

The SPEAKER pro tempore. The unfinished business is the question on ordering the previous question on House Resolution 719, which the Chair will put de novo.

The Clerk read the title of the resolution.

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

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

Mr. HASTINGS of Washington. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

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

The vote was taken by electronic device, and there were—yeas 220, nays 198, not voting 13, as follows:

[Roll No. 953]

YEAS—220

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyda (KS)
Brady (PA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Woolsey
Wu
Wynn
Yarmuth

NAYS—198

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Boyd (FL)
Brady (TX)
Braley (IA)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hill
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Lampson
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—13

Bean
Boren
Carson
Cubin
Jindal
Johnson (IL)
Johnson, E. B.
King (NY)
Maloney (NY)
Miller, Gary
Reichert
Rogers (KY)
Wilson (OH)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. PASTOR) (during the vote). There are 2 minutes remaining in this vote.

□ 1235

So the previous question was ordered.

The result of the vote was announced as above recorded.

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

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

Mr. HASTINGS of Washington. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 217, nays 198, not voting 16, as follows:

[Roll No. 954]

YEAS—217

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyda (KS)
Brady (PA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Langevin
Lantos
Larsen (WA)

Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Woolsey
Wu
Wynn
Yarmuth

NAYS—198

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Boyd (FL)
Brady (TX)
Braley (IA)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Gordon
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hill
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Lampson
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—16

Bean
Boren
Carson
Castor
Cubin
Ellison
Jindal
Johnson (IL)
Johnson, E. B.
King (NY)
Maloney (NY)
Miller, Gary
Neal (MA)
Reichert
Rogers (KY)
Wilson (OH)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1242

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. JOHNSON of Illinois. Mr. Speaker, unfortunately this morning, October 10, 2007, I was unable to cast my votes on Ordering the Previous Question on H. Res. 720, H. Res. 720, Ordering the Previous Question on H. Res. 719 and H. Res. 719 and wish the RECORD to reflect my intentions had I been able to vote.

Had I been present for rollcall No. 951 on Ordering the Previous Question on H. Res. 720, Providing for consideration of H.R. 2895, the National Affordable Housing Trust Fund Act of 2007, I would have voted "nay."

Had I been present for rollcall No. 952 on passing H. Res. 720, Providing for consideration of H.R. 2895, the National Affordable Housing Trust Fund Act of 2007, I would have voted "No."

Had I been present for rollcall No. 953 on Ordering the Previous Question on H. Res. 719, Providing for consideration of H.R. 3056, the Tax Collection Responsibility Act of 2007, I would have voted "nay."

Had I been present for rollcall No. 954 on H. Res. 719, Providing for consideration of H.R. 3056, the Tax Collection Responsibility Act of 2007, I would have voted "nay."

ELECTING MINORITY MEMBERS TO CERTAIN STANDING COMMITTEES OF THE HOUSE OF REPRESENTATIVES

Mr. PUTNAM. Mr. Speaker, by direction of the House Republican Conference, I send to the desk a privileged resolution (H. Res. 722) and ask for its immediate consideration in the House.

The Clerk read the resolution, as follows:

H. RES. 722

Resolved, That the following named Members be, and are hereby, elected to the following standing committees of the House of Representatives:

COMMITTEE ON ARMED SERVICES: Mr. Lamborn.

COMMITTEE ON FOREIGN AFFAIRS: Mr. Blunt, to rank after Mr. Chabot.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and insert extraneous material on H.R. 2895.

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

There was no objection.

NATIONAL AFFORDABLE HOUSING TRUST FUND ACT OF 2007

The SPEAKER pro tempore. Pursuant to House Resolution 720 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. 2895.

□ 1243

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. 2895) to establish the National Affordable Housing Trust Fund in the Treasury of the United States to provide for the construction, rehabilitation, and preservation of decent, safe, and affordable housing for low-income families with Mr. HOLDEN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered read the first time.

The gentleman from Massachusetts (Mr. FRANK) and the gentleman from Alabama (Mr. BACHUS) each will control 30 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, this is an historic day. This is an important piece of legislation, broadly and eagerly supported by virtually every organization in this country seeking to expand the supply of affordable housing for low-income people, and also from the leading business groups that understand the need for an increase in the housing supply. So from the Low Income Housing Coalition and all the homeless groups, over to the National Association of Homebuilders and the National Association of Realtors, this is a day they have long waited for; and I submit the following for the RECORD:

NATIONAL ASSOCIATION OF REALTORS,
Washington, DC, October 9, 2007.

House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE: On behalf of the 1.3 million members of the NATIONAL ASSOCIATION OF REALTORS®, I urge your support of H.R. 2895, the "National Affordable Housing Trust Fund Act of 2007". The number of families facing critical housing needs is significant and growing. Today, one in seven U.S. households—both owners and renters—spend over 50% of their household income on housing. A dedicated fund to produce, rehabilitate, and preserve affordable housing could make great strides towards addressing this crisis.

NAR has consistently maintained that homeownership serves as a cornerstone of our democratic system of government. We believe that homeownership continues to be a strong personal and social priority for most Americans. Living in one's own home is a measure of security and success in life. The homeownership rate fell slightly during the recent housing market slowdown. Despite modestly lower home prices in many regions of the country, many deserving American families continue to face obstacles in their quest to own a home.

NAR has equally and forcefully maintained that rental housing has an immediate and beneficial effect on the prosperity of a community. Rental housing provides a range of housing options that not only attract top employers but also generate local taxes, fees and income that benefit local economies. Sadly, the stock of affordable and available rental units is declining. As a result, approximately 25% of renters spend more than half of their household income on housing costs. Perhaps even more sobering, there is no location in the country where a household headed by a single minimum-wage worker can afford a two-bedroom rental apartment.

The NATIONAL ASSOCIATION OF REALTORS® recognizes that accessibility to safe, decent and affordable housing at all levels must be one of our nation's highest priorities. NAR strongly endorses H.R. 2895 and urges your support of this important legislation.

Sincerely,

PAT V. COMBS,
2007 President, National Association of Realtors.

NATIONAL ASSOCIATION OF HOME BUILDERS,
Washington, DC, October 9, 2007.

Hon. NANCY PELOSI,
Speaker, House of Representatives, Washington, DC.

DEAR SPEAKER PELOSI: On behalf of the 235,000 members of the National Association of Home Builders (NAHB), I am writing to urge your support for H.R. 2895, the National Affordable Housing Trust Fund Act of 2007, which provides grants and other assistance in support of the production, rehabilitation and preservation of affordable housing.

NAHB's members are acutely aware of the significant and urgent unmet housing needs throughout the country, and welcome this initiative to marshal additional resources to improve housing opportunities and conditions in America's communities. In conjunction with efforts to revitalize the Federal Housing Administration, we believe that the National Affordable Housing Trust Fund can improve housing opportunities for those that need it most. As H.R. 2895 moves forward in the legislative process, NAHB looks forward to working with Congress to ensure that the new Affordable Housing Trust Fund has income targeting requirements that allow grantees and grant recipients to meet the fullest range of critical housing needs.

Again, NAHB believes this legislation is an opportunity to help the increasing need for affordable housing, and urges your support for H.R. 2895 when it comes to the floor this week.

Thank you for your attention to our views.

Sincerely,

JOSEPH M. STANTON,
Senior Staff Vice President.

Mr. Chairman, I yield such time as she may consume to the gentlewoman from California (Ms. WATERS), the chair of the Subcommittee on Housing, with whom I have been very pleased to work all year in trying to advance the important goal of providing affordable housing for America, one of our greatest social and economic needs.

Ms. WATERS. Mr. Chairman, the Chair of the Financial Services Committee, Chairman FRANK, who just spoke, is absolutely correct. This is a very exciting day, a day that so many housing advocates and working people and poor people have been waiting for. They get a chance to see their government responding to one of the most critical needs in our society.

Mr. Chairman, I rise in support of H.R. 2895, the Affordable Housing Trust Fund Act of 2007, and I sincerely thank Chairman FRANK for his unrelenting efforts to get the Federal Government back in the affordable housing production business.

I am so proud to be part of this committee, to be a cosponsor of this bill and to work with Chairman FRANK in not only producing housing under this National Affordable Housing Trust Fund, but for all the other work that has been coming out of this committee under his leadership.

The need for this bill could not be more urgent. Mr. Chairman, last week you joined me when I chaired a hearing in the Housing and Community Opportunity Subcommittee that demonstrated that when affordable housing is not produced, homelessness is. The stark bottom line that emerged from the hearing, focused narrowly on reauthorizing the McKinney-Vento Homeless Assistance Act of 1987, is that, nationwide, we haven't made demonstrable progress in reducing the number of households experiencing homelessness in the past two decades. While some homeless people face personal challenges that require social services or other support, every homeless individual and family shares one common need: Housing they can afford. And there simply is not enough of it.

For example, there are 9 million renter households who earn less than 30 percent of area median income, but only 6.2 million units affordable to them. This leaves an absolute deficit of 2.8 affordable rental housing units for our poorest families. This kind of math leads inevitably to widespread homelessness. But I want to emphasize that the National Housing Trust Fund addresses the affordable housing crisis as it affects every level of society.

Right now, housing costs are outstripping wages for more households than ever before in recent memory. According to the ''Harvard University Study on the State of the Nation's Housing in 2007,'' 17 million renters and homeowners are paying more than half their incomes in housing costs.

Working is simply no longer a guarantee of being able to afford housing. In Los Angeles, for example, it takes an hourly wage of over $22 an hour to afford a moderately priced two-bedroom apartment, when the minimum wage in California is only $7.50 an hour. Put another way, a two-parent family with both parents working full-time at minimum-wage jobs puts that family less than two-thirds of the way to being able to afford decent housing.

Finally, as a recent Center for Housing Policy study ''Paycheck to Paycheck'' dramatically shows, many of our Nation's essential workers cannot afford to live in or near the communities where they work. In high-cost communities like Los Angeles where the median home price is $523,000, the income needed to afford a home is far higher than that earned by teachers, police, firefighters, nurses and other key occupations studied. The National Affordable Housing Trust Fund addresses this full range of housing crises, providing relief to overburdened renters and homeowners, while targeting funds where the need is greatest.

Mr. Chairman, I want to emphasize that H.R. 2895 does so at no additional cost to taxpayers. It is a trust fund in the truest sense, a dedicated source of revenue, separate and apart from the annual appropriations process, reflecting the need for the Federal Government to make a long overdue commitment to affordable housing production.

We have clearly demonstrated that the fund will be drawn from moneys from the affordable housing fund proposed as part of the GSE reform bill, H.R. 1427, from Federal Housing Administration savings and other existing revenue streams. I am prepared to debate with my colleagues on the other side of the aisle whether such revenues should be diverted to uses other than addressing the housing needs of America's working families and poorest, disabled individuals. I do not think there is any better use for them, particularly since both GSE and FHA revenues derive from housing activities that the Federal Government and government-sponsored enterprises engage in, at significant profit to both, I might add.

In conclusion, Mr. Chairman, it has been 17 years since the Federal Government last enacted a major affordable housing production program, spearheaded in 1990 by, Mr. Chairman, your predecessor, Chairman GONZALEZ. The time has long since passed to enact another one.

I am so proud of this legislation. I am so thankful, Chairman FRANK, for your leadership. And I am so proud and pleased to have the opportunity at this time in my career not only to work on the committee with you and to chair this subcommittee, but to be able to stand here today and see something about to happen that has been needed for so long.

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

Mr. Chairman, as we start this discussion or debate about this new program, the National Affordable Housing Trust Fund program, I think it is important to distinguish between what we disagree on and what we agree on.

The first thing that we agree on is that Chairman FRANK and the members of the majority have a sincere commitment to meeting the housing needs of

low-income Americans, to make housing more affordable for low-income Americans, and we share that need. What we debated in committee, what we have debated on the floor of this House on two previous occasions and now, is how we meet those needs.

What this legislation does is it creates a new National Affordable Housing Trust Fund. This is a new Federal program. In fact, Chairman FRANK has said this is the largest expansion of a housing program I think in the last 30 years.

Mr. Chairman, this is a multi-billion dollar program. We say that this is not the way to do it. If we are to address the unmet needs of low-income Americans for affordable housing, this is not the way to go.

Why do we say that? Because presently there are over 30 Federal programs addressing affordable housing for low-income Americans. In addition to those 30-something programs at HUD, we have FHA and we have the GSEs, Fannie Mae and Freddie Mac. What this legislation proposes to do is not reform any of those programs. What it proposes to do is take money from FHA and from the GSEs, Fannie and Freddie, and transfer that money into a new program.

So we end up with all the programs we presently have, which it ought to be obvious to everyone apparently are not working. You are talking about the majority of the $35 billion. And when I say ''not working,'' let me say this to the chairman: They are not meeting the needs, or we wouldn't need to create a new program.

But what we are saying is if there is something wrong with the existing program, if there is something wrong with the $35 billion we are presently committing under the HUD programs, if FHA or the GSEs are not doing their job, why come along and create another program? And then if FHA and the GSEs are doing their job, why take money from FHA and the GSEs, particularly because at the same time we are saying to those programs, we want you to play a larger role in the mortgage crisis, the subprime mortgage crisis in America, but at the same time we are taking money from those programs.

So that is what we are debating. We are debating whether or not with all these programs, with the large Federal role in creating low-income affordable housing, why it is necessary to create another large program. As Chairman FRANK actually says, this is one of the most significant expansions of Federal programs for low-income Americans.

Mr. Chairman, I yield 3 minutes to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. I thank the gentleman.

Mr. Chairman, I rise to oppose the creation of the National Affordable Housing Trust Fund. While I share Chairman FRANK's goal of increasing the amount of available affordable housing, I do not think that H.R. 2895 is the right way to do it. I will make three quick points to explain why.

First, let's look at how the trust fund is financed. Thanks to self-defeating provisions in both the GSE reform and the FHA reauthorization bills, low- and middle-income Americans, including the elderly, are going to pay for it.

How will it work? It is estimated that Fannie Mae and Freddie Mac, two entities that purchase or securitize almost 80 percent of American families' mortgages, will be taxed at more than $3 billion over a 5-year period to pay for the trust fund. Where will they get the money? As publicly traded companies, accountable to their shareholders, Fannie Mae and Freddie Mac will inevitably pass along these new assessments to their customers. America's low- and middle-income homeowners will be footing the bill. That is not a good plan. It amounts to a mortgage tax on these hard-working, low- and middle-income Americans seeking to secure, maintain or refinance their home mortgages. In short, it is robbing Peter to house Paul.

What is worse, the Congressional Budget Office has estimated that the FHA trust fund provision could include a $370 million surplus in 2008 and a $2.1 billion surplus over the 2008 to 2012 period. Where does this come from? Well, the majority of FHA's surplus would come from reverse mortgage premiums that are paid for by our seniors, suggesting that they have been overcharged. I have supported ideas aimed at giving this surplus back to our seniors in the form of reduced premiums, which the Financial Services Committee rejected.

I would agree with the chairman that the funds for this trust fund should not be used for other purposes that have nothing to do with housing. But here with the FHA funds, in fact, I think that the money should stay in FHA, period.

Second, why are we creating yet another Federal housing program, when we have so many housing programs already in existence, over 100? The National Low Income Housing Coalition cites that nearly 600 housing trust funds have been created in the cities, counties and States in this country, generating more than $1.6 billion per year to support housing needs.

Third, to the extent that the State programs fall short in some way, I must point to the existing federally administered program designed to serve the housing needs of low-income Americans, the HOME Investment Partnership Program. This program already has the personnel, systems and regulatory oversight in place to accomplish the same objective as the National Housing Trust Fund. Instead of creating a Federal bureaucracy, let's improve on the home loan program.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

My friend from Alabama said that there are 30 programs that this would duplicate. I know of one program which helps build family affordable housing. That is what this does. I would yield to the gentleman. Would he name some of the other programs?

The question is, what are the 30 programs that help construct, not Fannie Mae and Freddie Mac and FHA, he said there were 30 HUD programs that help build affordable family housing.

I would yield to the gentleman if he would tell me what they are.

□ 1300

Mr. BACHUS. Let me say this to the chairman.

Mr. FRANK of Massachusetts. I'm sorry, Mr. Chairman, I take back my time. I yielded for a specific purpose. He has as much time as I do. I asked him, and he has had time to get the list from people: What is the list of programs that build affordable family housing? Construction.

And I will yield.

Mr. BACHUS. CDBG, those programs under HUD, designate money to all of the States, to many local governments, and to our different territories.

In addition to that, you have the HOME program. You have patterned this bill, if you look at it——

Mr. FRANK of Massachusetts. Mr. Chairman, I take back my time. I think the gentleman doesn't have 30; he doesn't have three.

Would the gentleman please abide by the rules.

He made a statement, and I am yielding my time. He has equal time. I don't think there are 30 programs. I don't think they can come up with them.

The HOME program, I agree, there are reasons why this must be in addition to the HOME program.

Community Development Block Grants are not supposed to be primarily a construction program. Mayors and city council members and others all over the country will be appalled to be told that they are supposed to put CDBG primarily in housing construction; they aren't. It is for a whole variety of programs. People know that.

We do have programs to build housing for the elderly and for the disabled, but there is simply not a list for housing construction.

Secondly, the gentleman from Alabama says, Why don't we fix these programs? Of course, the Republican Party was in control of both Houses of Congress and the Department of Housing and Urban Development for 6 years. Apparently, they didn't do anything.

He then says, Why don't we fix FHA and GSE? Well, I was surprised by that, Mr. Chairman. The gentleman knows that this House has, in fact, passed bills that do make reforms in both the FHA and the GSE. For him to say why don't we fix FHA and GSE when he knows we have passed bills to do it seems, to me, strange because we have done that.

Here is the point. We do have the HOME program. It is subject to annual appropriations. And we do have local

housing trust funds. It is the local housing trust funds that want this bill. The gentlewoman from Illinois mentioned the Low Income Housing Coalition. They are the major driver behind this bill because they understand its importance.

We want to supplement the funds. What is the problem with the one program that builds affordable housing, the HOME program, there is not enough money. It competes with other appropriated funds.

By the way, the argument that somehow we are being unfair to the elderly, in this bill, unlike what happened during the Republican rule, we limit the fees that can be charged to the elderly under the HOME equity mortgage program. We do that. They didn't. We limit what the FHA can charge for mortgage insurance. OMB ordered HUD to raise the fees so they would make even more of a profit. We said you can't do that. We authorized some additional activity. We have limited the fee increases, and we have taken some of the money from the additional activity, not from fee increases.

The fact is this: The Republican Party has opposed any funding for affordable housing construction. They inherited the HOME program. They haven't been very good to it in the appropriations process. This says we need to get back in the business in a major way of helping build affordable housing. There is no 30 programs that build affordable housing for low-income people. That is not what CDBG is intended to do, and it is not what CDBG largely does. Most of the money goes for other things.

This list of 30 programs is mythical. I await its reality, but I don't have any high expectations.

Mr. Chairman, I yield to the gentleman from Virginia for a colloquy.

Mr. MORAN of Virginia. Mr. Chairman, the fact is that Americans are in a crisis in terms of affordable housing today. This is the most programmatically rational and fiscally responsible way to address that crisis.

I strongly support Mr. FRANK's bill, and I appreciate him offering this opportunity for the Congress as a whole to show that we really can make a positive difference in people's lives.

I would appreciate some clarification on one aspect of the bill, however. Within the bill, at least 75 percent of the funds are set aside for families whose incomes are no more than 30 percent of the area median income, and at least 10 percent is for people whose income is more than 50 percent of the area median income. That only leaves about 15 percent of the trust fund available to be flexibly used by localities.

I represent the Washington suburbs where housing is extraordinarily high, not dissimilar from the Boston suburbs that the chairman represents. Many of these families and governments are concerned that there will not be the opportunity to address the crisis that their middle-class families are facing in housing. In fact, there are more than 50,000 families in northern Virginia who are paying over 30 percent of their income for housing but who are at about 100 percent of the area median income.

What I would like to ask the chairman to do is to clarify how we can address that affordable housing need within this bill's parameters.

Mr. FRANK of Massachusetts. First, there was allusion by the gentleman from Alabama to Fannie Mae and Freddie Mac. In fact, Fannie Mae and Freddie Mac in the bill we passed, which we did do some reforms in, we did say that they should in their secondary mortgage activity be supportive of people at 80 percent of median. We have given them the affordable housing goals, and people who understand this issue understand that there is a distinction, as the gentleman from Virginia understands. Fannie Mae and Freddie Mac have primarily and historically been aimed at helping people in the more moderate income range. We have actually lowered it to 80 percent of median. This gets to people much below that in general, which is why there is no overlap between Fannie Mae and Freddie Mac and this program.

Secondly, to the gentleman's argument, what we want to do here is give as much flexibility as we can to the local communities. That is why, yes, we are not creating a Federal bureaucracy here. The Federal Government will largely be passing this money through to the State and local housing trust funds who can focus on the needs of their own community. They would have the ability, with the 15 percent, to spend it where they think best. If they thought it was needed for the lowest income people, they could do that. But if they felt, as in the gentleman's area, this needs to go to people at 60 percent of median, and ultimately when we get the fund up to 80 percent of median, they would have the ability to do that. So the 15 percent is within the discretion of the local communities.

Mr. MORAN of Virginia. That is very helpful.

Mr. BACHUS. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Chairman, I thank the gentleman for yielding, and I rise today in favor of greater housing opportunities for working families. I also rise today against adding yet another new Federal Government housing program on top of the roughly 80-plus programs that HUD already administers, and I hold the list in my hand. And since it is called ''HUD,'' ostensibly, these programs have something to do with either affordable housing or urban development.

Mr. Chairman, what we have in front of us again is another classic liberal let's take money away from working families, send it to Washington, and then somehow throw a little bit back at the people. Throw money at the problem.

I might add, as the chairman brought out as a beneficial feature of this, that the money goes to the States. The last I looked, all but four or five are running a surplus. Unfortunately, there is still a deficit in the Nation's Capital.

Now, I appreciate the chairman's commitment to affordable housing. I agree with him, there is a need for greater affordable housing. He is very sincere in his passion, and I respect that. But I note that he and other Members on that side of the aisle, unfortunately, constantly vote against affordable housing. The greatest determinant in how affordable your housing is is a paycheck. It's a paycheck, Mr. Chairman.

And almost all the Democrats voted against the Economic Growth and Tax Relief Act of 2001 and the Jobs and Growth Reconciliation Act of 2003, which created 8.2 million jobs and helped lead to one of the largest rates of homeownership in the entire history of our Nation.

The next biggest determinant in the affordability of housing is once you have that paycheck, how much of it does Uncle Sam take? What is your tax bite? Yet we know, Mr. Chairman, in the budget passed by the Democrat majority, it contains the single largest tax increase in history. We are talking about an average of $3,000 per year on every American family when it is imposed.

And I hear from some of these families. I hear from people like the Stephens family in Mesquite who wrote to me: ''Dear Congressman, I wanted to let you know that I am a single mom that does not receive any type of child support, and an increase of this amount,'' talking about the taxes, ''would break me. I would be at risk of losing my home with this type of tax increase.'' So much for making housing more affordable.

Also, many of our friends on the other side of the aisle do not support increased opportunities for trade. They want to put tariffs on the Canadian lumber or the Mexican concrete which leads to homes being less affordable.

Finally, there is the regulatory burden. Mr. Chairman, they almost all supported Davis-Bacon provisions which increases the cost of public housing by artificially raising wages. At almost every juncture, the Democrat majority is voting against affordable housing, and those are the facts.

So it really comes down to a choice: Do we want more opportunity housing or do we want more government housing? We should support opportunity.

Mr. BACHUS. Mr. Chairman, I yield to myself because I would like to make one statement.

Mr. Chairman, as I said at the start of this debate, the trust fund will be the largest expansion in Federal housing programs in decades. That is what we are debating.

Also at this time I would like to introduce, and I asked back in July for

HUD to produce the list of programs which today promote affordable housing. They sent me a list, and it has actually 34 programs which in some way assist low-income Americans with their housing needs. That is not my list; that is their list.

But let's again focus on, we have all of these programs. Do we rehabilitate these programs or do we shift money from one program to another? And if we are shifting money from one program to another, I don't see how this is the largest expansion of Federal housing programs in decades, or as the gentlewoman from California said, the most significant new program in over 11 years.

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

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume to underline an important distinction that appears to have escaped the gentleman from Alabama: There is a difference between a section 8 voucher program which gives people money to pay their rent on a year-by-year basis and does not encourage the construction of any housing, there is a difference between that and a program to help people build affordable housing. The gentleman now has disclaimed the list to some extent. He says it is not his list; it was when he first mentioned it, it seems to me. Now it is HUD's list.

It is a list that he very carefully reworded, the phraseology, I think. It is a list that assists people who are poor with housing. Yes, it builds shelters for the homeless. That is probably one or two of the programs. It gives section 8 vouchers.

The HOME program is the only one of that list that helps build affordable housing. It helps build it. So the gentleman's list, and he doesn't want to read it, and I understand why. He mentioned Community Development Block Grants. No one familiar with Community Development Block Grants think they are primarily for housing construction. That is not what it does. There are programs that help build housing for the disabled and the elderly. But other than the HOME program, there aren't programs that help build affordable housing.

Fannie Mae and Freddie Mac are now aimed at helping people at 100 percent of median and above. We say that should be dropped to 80 percent of median, not 100, but it doesn't help people in the lower income categories. There are no such programs. And so that's the answer to what the gentleman said.

He keeps talking about, Well, we should fix the programs. Of course for 6 years with a Republican President and a Republican-led Congress, they didn't do much.

There are fixes this year. The House did try last year on the FHA. We have repeated that. So we do improve the FHA program. We improve the GSE program, and we also take additional nontax dollars and make them available.

Again, I await this list of programs that help the construction of affordable rental housing. I think I will wait a very long time.

The only other point I make is that I regret we have limited time. I was sorry that the Ways and Means Committee didn't yield time to the gentleman from Texas (Mr. HENSARLING) since he talked about trade and taxes, none of which have anything to do with this bill. So maybe Ways and Means owes us a few minutes, and when their bill comes up later, maybe I will come talk about housing to offset the gentleman from Texas talking about trade and taxes.

I now yield 4 minutes to the gentleman from Georgia (Mr. SCOTT).

Mr. SCOTT of Georgia. Chairman FRANK, let me commend you for the excellent leadership you have provided on this issue.

Mr. Chairman, never before in the history of this country, the United States of America, have we had as great a need for affordable housing as we need right now.

□ 1315

We have just come out of perhaps the most devastating storm and natural disaster in the history of our country and the greatest need in that area, not just in the gulf area, but rippling throughout this country as a result of that is affordable housing.

And, Mr. Chairman, one in seven households now spend more than 50 percent of their income on housing, and on any given night in America, across the width and breadth of this country, nearly 1 million of our people are homeless, including men, women, and children, and nowhere is it targeted to the elderly and the low income.

So what are we doing with this affordable housing trust fund? We're responding to the hue and the cry of the American people, for we need to make sure that we have affordable housing.

Now, yes, we have the HOME program. And there may be coming an amendment on here to strike what we're doing and make it a part of the HOME program. And the HOME program has done some good things, but it does not do the most important things that this country needs now, building and constructing new homes. The HOME program doesn't target that, nor does the HOME program target those in most basic need, the lower income and the disabled.

Now, let me just explain for my remaining time because I want to show precisely and explain how this trust fund is funded. This is very important. We've had a lot of things said today. This is how it is funded.

It's funded with moneys from the proposed GSE affordable housing fund, H.R. 1427, which we passed. It also funds it from the Federal Housing Administration, FHA, savings that result from the enactment of the expanding of the American homeownership program. And it does not go or cost any money. It's pay-as-you-go and does not add to the Federal deficit.

The estimated numbers from these funding sources will result in an initial allocation of $800 million to $1 billion to the States and local communities for affordable housing funds, with a 60–40 match with the States and the local governments.

Furthermore, not only will these moneys be used for construction, the moneys will be used for rehabilitation. They will be very diverse in usage, acquisition, preservation and operating assistance. These moneys will also be used for both rental housing and for down payments and costs for closing assistance for first-time homebuyers, very, very important considerations.

So we're going to hear a lot from the other side, and I respect my friends on the Republican side, but it is us on the Democratic side that are clearly responding to the needs of the American people here.

We're creating, yes, and we're expanding. Why? Because the problem has expanded. As I said at the outset, 1 million people every night homeless. We've been ratcheted from one end of this country to the other for displaced people from Katrina, and God knows what else is going to happen with the global warming and the global climate changing. There could be more.

No, this is a great program. It's a program that is needed. The timing is right, and the American people are expecting us to respond, and the best way to respond to the American people is to establish this affordable housing trust fund.

Mr. BACHUS. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina (Mr. MCHENRY).

Mr. MCHENRY. I thank my colleague for yielding time.

Mr. Chairman, I want to start by thanking the chairman, Mr. FRANK, for engaging in, as he always does, a really great debate, and I agree with his idea here but I disagree with the principle that he's using to achieve it by expanding and creating a new government program.

The HOME program, the gentleman before me just spoke of, provides a very similar application of funds, $2 billion a year, to help with rental assistance and affordable housing. Rather than fixing this program and improving it, they are creating a whole other program.

And, as I said, I disagree with the principle on the size and scope of government and government's role, but Mr. Chairman, there's a common thread running through the agenda of this new Democrat majority, and that common thread is that there's a massive expansion of government. If government is not needed, they will add a little government intervention, and if there's already too much government intervention, they will just expand it even more.

The bill we're debating falls squarely into the second category. The bill, so

far as I can tell, is all about more government control of this process. Rather than using the marketplace to improve the affordability of homes, they're creating another government program which redistributes money, in fact, a tax on every mortgage in this country, and then redistribute it to those through a government program. It makes no sense to create another duplicative program.

As my colleague from Alabama said, there are already over 30 affordable housing programs within the government. Most of those programs do not, in fact, build houses, but they give rental assistance. They give assistance so people can buy their first home. They give assistance in a number of different categories, but the Federal Government doesn't build homes. We have to allow the private sector to do that, which is what I think is most important.

But what is especially true in light of the fact that this bill we're debating today creates a new program that is nearly identical to one already existing, the HOME program, which, as I said earlier, is a $2-billion-a-year program, let's fix that program. Let's look at market-based incentives to allow people to afford housing. Let's allow the marketplace to work rather than create another government program, and that's why we should vote against this bill.

Mr. FRANK of Massachusetts. How much time remains, Mr. Chairman?

The CHAIRMAN. The gentleman from Massachusetts has 9 minutes remaining, and the gentleman from Alabama has 16½ minutes remaining.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 1 minute just to say that the assertion that this is ignoring the private market would be more persuasive to me if it were not for the fact that every organization that is engaged in the private market building of housing disagrees.

The National Association of Realtors and the National Association of Home Builders, neither of which are known for its socialist tendencies, have written letters in support of this bill exactly as it has been presented. They who fully understand the market, and we don't just use boilerplate rhetoric to describe it, understand the importance of interactivity between some public sector participation and the market, and this creates no new government bureaucracies.

This funds existing State and local housing programs. The Federal role will be for HUD by a formula to distribute it. It is a funding mechanism for the State and local authority.

Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. AL GREEN).

Mr. AL GREEN of Texas. I thank the chairman and the ranking member, but I also thank the subcommittee chairperson, MAXINE WATERS, for the fine, stellar job that she has done with this piece of historic legislation.

Mr. Chairman, this is an historic occasion with historic opportunities. This historic occasion provides the historic opportunity to not only cast an historic vote but to also be on the right side of history.

On July 2, 1964, this House made history when it passed the Civil Rights Act of 1964 which, among other things, outlawed discrimination in public accommodations and encouraged desegregation and education. 289 were on the right side of history. They voted for the Civil Rights Act of 1964.

On August 3, 1965, this House again made history with the passage of the Voting Rights Act of 1965, benefiting millions of minority voters. 328 were on the right side of history. They voted right when they voted to protect voting rights.

On April 10, 1968, this House again made history when it passed the Fair Housing Act, prohibiting discrimination in housing. 250 were on the right side of history. They voted for equality of housing opportunities for all.

Today, we must cast another historic vote, a vote for a National Affordable Housing Trust Fund. For the first time in history, in the history of the United States of America, we will have a fund dedicated to making the American Dream of a place to call home a reality.

And, yes, there are other housing programs, some say 30, some say more than 30. Every one of them is needed. Every one of them, even under a Republican-controlled House, Republican-controlled Senate, Republican-controlled administration, the programs were not eliminated. Every one of them is needed.

There is a need for this affordable housing trust fund as well, and I say to my friends, whether we will make history today with our vote is not the question. The question is what side of history will we be on. Will we be on the side of those who need this affordable housing trust fund or will we be on the side of the rhetoric that is in opposition to a needed program?

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

Mr. Chairman, I want us to be clear about something. We hear from the majority this is a historic moment, and I will say to the majority I believe that it is. I believe that it is very significant. I don't believe that what we're debating here is insignificant at all. In fact, I want to yield the chairman 15 seconds to respond, but I believe the chairman himself has said, my recollection, that this trust fund would be the largest expansion of a Federal housing program in decades, and I yield to the chairman because when I said that before, he shook his head and I don't know if he was shaking his head at that.

I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Yes, in decades. I thought the gentleman said 30 years. I would not claim that it was the largest in 30 years, but it certainly has been the largest since the Republicans took power 12 years ago since they tried to kill them all.

Mr. BACHUS. Back in June, when you released your press statement, you said this trust fund would be the largest expansion of Federal housing in decades and that was June 28.

Mr. FRANK of Massachusetts. I would say 20 years.

Mr. BACHUS. What we're doing here is we're taking money to fund this large expansion of Federal housing, we're not taking it from the 30 existing programs that specifically address low-income housing, elderly, disabled, AIDS, senior citizens.

We're taking it from FHA and from the GSEs which actually that money presently today promotes an affordable mortgage for all Americans. So we're taking from low-income, middle-income Americans, we're taking from programs which promote affordable housing for them, and we're transferring it to other Americans.

In doing it, we're not reforming. There are 80-something programs. The gentleman had said how many programs, are there 80 or 30. There's 80 housing programs, 34 of which specifically address low-income Americans.

At this time I would like to yield 3 minutes to the gentlewoman from West Virginia (Mrs. CAPITO).

Mrs. CAPITO. I would like to thank the ranking member for yielding me time, even though we happen to disagree on this issue. I would also like to thank the chairman for his dedication to affordable housing.

I rise today in support of the creation of the affordable housing trust fund. Many States and communities across the Nation have already created State housing trust funds.

My home State of West Virginia is one of those, and what we've seen in the creation of that West Virginia housing trust fund is the flexibility in the ability to target certain funds to certain projects, and it becomes a very workable and a very adaptable program.

The creation of a national trust fund will continue the good work of providing low-income folks with rental assistance, new construction, preservation of existing units, homeownership assistance and many other important programs.

This trust fund will provide State and local housing authorities with the funding and flexibility to best address the unique housing needs of their communities. Certainly the needs of communities in my home State of West Virginia are drastically different than those in the larger urban areas. For instance, in West Virginia we have a high homeownership, but we also have a definite question about the quality of the housing that people are living in and the rehabilitation of those homes is extremely important.

We also have an aging population where the different needs and different

housing situations change, and I don't think we are addressing those needs, and I think this Federal housing trust fund could help with us with that.

So today I applaud this bill. I applaud the flexibility and adaptability in it, and I'm very much in favor of the ability that this trust fund is going to have to be able to adapt and create housing opportunities for those who need it.

□ 1330

Mr. BACHUS. Mr. Chairman, I would like to yield to another of our Members.

Let me say this about Members. Two Members on our side have spoken in favor of this program. It is very difficult for Members to oppose a program that actually creates or has at its purpose creating affordable housing. You will see that by the two Members who are speaking.

Again, I will say that the majority of our Members believe that if you have 80-something programs and they are not working, you have a program, the HOME Investment Partnerships Program which, actually, this program actually says that if HUD doesn't adopt regulations, just simply adopt the regulations and the distribution of that program. So they almost mirror each other.

If those programs aren't working, why take money from FHA, which is one of the most successful affordable housing programs in America? Why take money away from middle- and low-income Americans to create yet another program? In fact, if you think about that, you are creating two bureaucracies, two programs with all the Federal employees that go into those programs, and you are putting money in one program, and then you are taking it out of that program and you are putting it in another program. That, in itself, involves a cost to the taxpayers.

In fact, when you take from one Federal program and put it in another, as opposed to appropriate money, to me that's the worst of all worlds from an efficiency standpoint.

I yield to the gentleman from Connecticut (Mr. SHAYS) for 3 minutes.

Mr. SHAYS. I appreciate my ranking member, SPENCER BACHUS, who I think is just an outstanding Member of this Congress, for yielding me this time.

Mr. Chairman, I rise in support of this legislation, of which I am an original cosponsor, and am grateful to the ranking member for his understanding about these issues and to Chairman FRANK and to Chairwoman WATERS' outstanding work in bringing this bill to the floor.

I know there are some on my side, obviously, who oppose and are uncomfortable with reinjecting the Federal Government into the construction of new housing. I think it's long overdue.

Here is where I come from on this issue. We have an undeniable and pressing need for high-quality, affordable housing, not just in Connecticut, but around the country. We simply cannot wish the problem away. There are steps that can be taken at a local level, such as requiring affordable units to be included in the construction of new housing. But without the Federal Government's assistance, I am concerned we will have a perpetual problem of families struggling with rent payments that consume 50, 60 or 70 percent of their monthly income.

Low-income families who are committing such a high percentage of their income to meeting rent are suffocating. There is less money for food, less money for new clothes for the kids and less for taking care of one's health. A Harvard study reported the number of American households paying more than half their incomes on housing increased to 17 million in 2005; 8.2 million renters and 5 million homeowners have suffered severe cost burdens. On any given night we can find three-quarters of a million Americans homeless. In these great United States, I believe we can do better.

This legislation addresses the problem in a creative way. The government-sponsored enterprises, Fannie Mae and Freddie Mac, who receive significant special treatment under Federal law by not having to pay State or local taxes and who are able to borrow money at a lower rate because of an implicit government backing, will be required to contribute funds in amounts equal to a percentage of their average mortgage portfolio.

In addition, expected savings from passage of legislation to modernize the Federal Housing Administration will be applied to these funds. These funds will be distributed by formula to the States and localities that will subsequently make funds available under a competitive selection process to qualified recipients for the construction, rehabilitation and preservation of affordable housing, including both rental housing and homeownership. The results will be directly and quickly realized in our communities.

Capital grants and loans for new and rehabilitated housing, land acquisition, homeowners assistance and interest rate buy-downs will be available. The fund targets low-income individuals but also allows localities to address the needs of working-class families. The fund will be adequately flexible but subject to many responsible use restrictions to ensure taxpayers' dollars are well spent.

I am also grateful that among the purposes of this bill is the stated goal of building rental housing in mixed income settings.

As a strong supporter of the HOPE VI program, which requires mixed income reconstruction, I have seen first hand the value of building diverse communities where people of different income levels can live together, learn from one another, and raise their families in a safe and healthy environment.

I urge my colleague to support this legislation and again would like to express my appreciation to my colleagues on the Financial Services Committee who made this excellent idea a reality.

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

Mr. FRANK of Massachusetts. I yield 2 minutes to the gentleman from Rhode Island, my neighbor, Mr. KENNEDY.

Mr. KENNEDY. Mr. Chairman, I want to commend the chairman of the committee, Mr. FRANK, for his tireless efforts on behalf of affordable housing and say I am astounded to hear my colleagues on the other side bemoan the fact that there is too much effort being made to provide affordable housing in this country. I don't know where they are living. I don't know who they represent. They are certainly not living anywhere that I have been.

In my district, my business community is saying that they can't get workers because there aren't enough affordable housing spots for those workers to be able to live so they can actually work in the businesses that they are needed.

I don't know how my Republican friends think that they are somehow on the side of the free market, when the free market isn't going to even work if the workers they need can't even afford the housing they need in order to live where they work.

This housing trust fund is a basic concept. I think it's a fantastic idea. It's one that I support wholeheartedly.

I just would say that this notion that government is bad, bad, bad, it's funny, because it reminds me of the story of the elderly woman jumping up at a senior town hall meeting saying, get your government hands off my Medicare. Medicare, by the way, is a government program, in case everyone hasn't forgotten, and one of the most successful programs that there has ever been, but you wouldn't know that by the way Republicans talk, 3 percent overhead on their Medicare. You never hear that when they talk about socialization and government programs.

Finally, I would just say there is a story about the Englishman and the German and the Russian. All have a genie that says ''Give us your wish.'' The Englishman says, ''Oh, I will have Wyoming, a big ranch out in Wyoming.'' The German says, ''I will have a Swiss chalet.'' The Russian says, ''Well, you know what? My neighbor has a barn; destroy it.''

Sounds like the Republicans kind of have the Russian point of view. It doesn't make any sense. Their neighbors can't have it. That's their attitude.

Mr. BACHUS. Mr. Chairman, I have been in this House for 15 years. I have never asked that a Member's words be taken down, but I will tell you that I came as close to doing that as I have any time in my 15-year career. For a gentleman to get up and say that we Republicans today have said we don't care about low-income Americans and we think too much money is being spent on these programs, no one has said that.

I don't know where he is getting that. I wish he would talk about the

merits of the program as opposed to slamming Republicans, going into Medicaid, Medicare, and those. But I didn't do that, but I will tell you that those last remarks did not represent what anyone on this side has said.

Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. ROSKAM).

Mr. ROSKAM. I thank the gentleman for yielding.

You know, the gentleman from Rhode Island said he was astounded, and he was bemoaning, and wondering who people like me represent.

Well, folks that I represent have a very high expectation of this Congress, and the expectation is that it's a Congress that is going to live up to and match the rhetoric of the campaign of 2006. The campaign of 2006, you recall, was a campaign that seemed to focus on living within our means.

I didn't hear, as one speaker on the other side of the aisle, the hue and cry of the American people to come up with a new program. I heard the hue and cry of people within my district to live within the means of government.

I am informed that right now the budget of the Department of Housing and Urban Development is on the order of $35 billion. When I go back to the Sixth District of Illinois, they are not bemoaning, they are not astounded. They have an expectation that we are going to live within our means, that within $35 billion, not $5 billion, not 10, not 15, not 20, not 25, not 30, but $35 billion, that the taxpayers have entrusted to us, that somehow that's not enough, and that the only way that this problem can get solved is by going to create another fund, another fund that somehow isn't going to have new Federal employees, somehow is going to be cut out of whole cloth and, counterintuitively, from my point of view, is going to create a higher cost of housing borrowing on the very people that we are trying to help. Well, the district that I represent has the expectation that we will do the right thing, that we won't get caught up in a demagogy and sound bites and so forth, but that we will look clearly at the bills that are before us.

In this case, with all due respect to the well-intentioned sponsors, this bill falls short, and we can do better.

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

Mr. BACHUS. Mr. Chairman, what we are talking about here today is creating what the chairman of the committee said back in June was the largest expansion of a Federal housing program in decades. How the chairman proposes, and I don't question his motivation, because I know that his motivation is helping low-income Americans. There is a need for low-income affordable housing.

He has disputed my representation that there are 30 some-odd programs that address low-income affordable housing.

Mr. Chairman, I would like to include the response to my inquiry to HUD, which is a list of 34 programs.

HUD PROGRAMS—PROMOTING AFFORDABLE HOUSING OPPORTUNITIES

PROGRAM AREA: COMMUNITY PLANNING & DEVELOPMENT

1. Home Investment Partnerships Program.
2. Supportive Housing Program.
3. Section 8 Moderate Rehabilitation Single Room Occupancy.
4. Rural Housing and Economic Development Program.
5. Self-Help Homeownership Opportunity Program.
6. Housing Opportunities for Persons With AIDS.

PROGRAM AREA: HOUSING

7. One- to Four-Family Home Mortgage Insurance.
8. Mortgage Insurance for Disaster Victims.
9. Rehabilitation Loan Insurance.
10. Loss Mitigation.
11. Mortgage Insurance for Condominium Units.
12. Home Equity Conversion Mortgage Insurance.
13. Good Neighbor Next Door Program.
14. Section 202—Supportive Housing for the Elderly Program.
15. Assisted-Living Conversion Program.
16. Cooperative Housing.
17. Multifamily Rental Housing for Moderate-Income Families Mortgage Insurance.
18. Existing Multifamily Rental Housing (Section 207/223 (f)).
19. Mortgage Insurance for Housing for the Elderly (Section 231).
20. New Construction or Substantial Rehabilitation of Nursing Homes, Intermediate Care Facilities, Board and Care Homes, and Assisted Living Facilities; Purchase or Refinancing of Existing Facilities..
21. Supplemental Loans for Multifamily Projects.
22. Supportive Housing for Persons with Disabilities (Section 811).
23. Multifamily Mortgage Risk-Sharing Program.
24. Mark-to-Market Program.
25. Section 8 Project-Based Rental Assistance.

PROGRAM AREA: PUBLIC & INDIAN HOUSING

26. Housing Choice Voucher Program.
27. Homeownership Voucher Assistance.
28. Project-Based Voucher Program.
29. Revitalization of Severely Distressed Public Housing (HOPE VI).

PROGRAM AREA: FAIR HOUSING AND EQUAL OPPORTUNITY

30. Section 3 Program.

PROGRAM AREA: POLICY DEVELOPMENT & RESEARCH

31. Partnership for Advancing Technologies in Housing (PATH) Initiative.

PROGRAM AREA: GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

32. Ginnie Mae I Mortgage-Backed Securities.
33. Ginnie Mae II Mortgage-Backed Securities.
34. Ginnie Mae Multiclass Securities Program.

You look over those programs and you find HOPE VI, which, I think all Members would agree, supplies low-income housing for America. We have got section 8. We have got programs to rehabilitate nursing homes, to build intermediate care facilities, to establish boarding and care homes, on and on, support for persons with disabilities, persons with AIDS, disaster assistance or homes for those caught in disasters.

As the gentleman from Illinois said, $35 billion is going into those programs. But out of all those programs, this program, if you look at where the money is going to be distributed, it actually says that if HUD does not write regulations that will basically take the HOME investment program, it will be distributed to the same agencies for purposes of low-income housing, which is the exact purpose of the HOME program. If the HOME program isn't working, why wouldn't we appropriate money for the HOME program? If these programs are not working, why would we do that?

Why? Several people have said, the gentleman from Texas on the other side said over 50 percent of Americans today are struggling to meet their housing needs. Most of those, most of those low- and middle-income Americans are homeowners, and they are struggling with making their mortgage payments.

You open the newspapers, you find that foreclosures are at a historic high; yet what is proposed to us today?

What is proposed is that we take money from FHA and from Fannie and Freddie, which are both used. One is, FHA, as we all know, is affordable mortgage for low-income, middle-income Americans.

The GSEs promote mortgage liquidities. I don't see how you can take money from FHA, take money from the GSEs, fund this program without it affecting FHA and the GSEs. Diverting GSE funds to an affordable housing fund is essentially a tax on the GSEs.

Who has to pay that tax? That's a tax on their mortgage business. That ultimately is going to be paid by low-income borrowers. The proposal to take FHA receipts, it's going to mean fewer low-income Americans will have access to affordable FHA mortgages in the long run.

You can't create something from nothing. You can't create a program funded from an established program which supplies Americans with low-income mortgages or supplies liquidity to the mortgage market. You can't take money from those programs without affecting those programs. There are always costs.

You can't, as the chairman said, have the largest expansion of Federal housing programs in decades, take it from FHA and the GSEs, which supply mortgage liquidity. You can't take that kind of money without affecting those programs.

□ 1345

With all these programs, including the HOME program, which, as I said, mirrors the proposal before us today, we need, in conclusion, let's ask ourselves two questions: If all the efforts today, all these programs, 80 programs in all, 30-something programs addressing this, plus FHA and the GSEs, which also have a mission to loan money for

mortgages for multifamily units, if those aren't working, why wouldn't we fix those existing programs?

And even if we conclude that we need a new program, a national housing trust fund, why in the world would we go to FHA and the GSEs and ask them to fund those programs at the very time when we're having a subprime mortgage crisis in this country? And we have all asked, we have directed FHA and the GSEs to address this problem, and now we're taking money away from them and ultimately from low- and middle-income Americans.

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

Mr. FRANK of Massachusetts. How much time remains, Mr. Chairman?

The CHAIRMAN. The gentleman from Massachusetts has 3 minutes remaining.

Mr. FRANK of Massachusetts. Mr. Chairman, I regret to say that my colleague from Alabama does not appear to be familiar with the bills. I will say, this argument that, oh, how can we do this and create a housing trust fund at the moment that we have a subprime crisis has no validity, it's purely tactical, because exactly the same arguments were being made before the subprime crisis. There's an ideological objection to getting the Federal Government in the business of helping build affordable housing.

The gentleman finally named some of the programs: Building intermediate nursing home facilities, housing for people with AIDS.

My question to him, repeated and ultimately unanswered was, where are the programs that help build affordable family housing? It is not an annual section 8 voucher program which doesn't help build housing. It's not intermediate nursing home facilities. It's not help for people with AIDS. It's none of those programs. HOPE VI, yes. It exchanges some kind of housing for others. HOPE VI has not resulted in any net addition to housing. We're trying to prevent it from being a net diminution.

He then says, well, you're taking money from the FHA and they won't help low-income people. Totally and completely false, portraying a total misunderstanding of the bill. In fact, it is the bill that we passed, unlike the bill that passed under the Republicans, that prohibits the FHA from raising mortgage insurance premiums on people and give that money to the Treasury. That was the Republican approach. We capped those fees.

Here's where the FHA money comes from. We take the limit that the Republicans allowed to stand for years on the number of home equity mortgages the FHA can insure. We also, unlike the Republicans, limit the amount that the elderly can be charged for the first time under those by the servicers, and we are told by CBO that as we increase the volume of FHA home equity mortgages at a lower price for the elderly than existed under the Republican rule, we will generate money.

Now, if we didn't pass this bill, this administration would take that money and put it into the Treasury so it could go help fund the war in Iraq; it could go help fund highway projects, agricultural subsidies.

That's the choice. Do we, having created an additional revenue stream for the FHA, while limiting fees, let it go to the Treasury for agricultural subsidies and the war in Iraq, or do we put it into affordable housing?

With the GSEs, until we talked about helping build affordable low-income housing, my Republican friends were very critical of the GSEs on the whole. The stockholders were getting too much money and too much return for too little.

Nothing in this bill will increase the amount that people have to pay on the mortgages any iota. What it says is that out of the profits of Fannie Mae and Freddie Mac, we're going to make them divert some of this for these public purposes. So in direct contradiction to what the gentleman says, there are not 34 programs that help build affordable housing. There is one, now there will be two, and I hope the bill passes.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise today in strong support of H.R. 2895, the National Affordable Housing Trust Fund Act of 2007. I would like to thank my distinguished colleague, the chairman of the Financial Services Committee, Mr. FRANK, for introducing this legislation, as well as for his leadership in bringing this important issue to the floor.

Mr. Chairman, in recent months we have seen a crisis in subprime mortgage lending, which has threatened the stability of the housing market and the livelihoods of large numbers of Americans. This Democratic Congress is committed to strengthening the housing market and stabilizing the economy, and this legislation is an important step toward these important goals.

Because of the lack of regulation by the Federal Government, many loans were accompanied by fraud, inadequate information and other failures of responsible marketing. With exceptionally high (and rising) foreclosure rates across the country, homeowners all over America are losing their homes. Homeowners are surprised to find out that their monthly payments are spiking and they are struggling to make these increasingly high payments.

The sub-prime mortgage crisis has impacted families and communities across the country. Home foreclosure filings rose to 1.2 million in 2006—a 42 percent jump—due to rising mortgage bills and a slowing housing market. In Iowa, 3,445 families experienced foreclosure last year, up 64 percent from 2005. Nationally, as many as 2.4 million sub-prime borrowers have either lost their homes or could lose them in the next few years. I commend the Democratic-led House Financial Services Committee for its work on this issue, toward achieving a balanced solution that helps stabilize the mortgage market, stops abuses, preserves access to credit, and aids stable homeownership.

H.R. 2895 establishes a National Affordable Housing Trust Fund to build or preserve 1.5 million homes or apartments over the next 10 years, and it does so without increasing Government spending or the Federal deficit. This legislation is a fiscally responsible way of expanding affordable housing and mortgage loan opportunities for families at risk of foreclosure, while also strengthening consumer protections against future risky loans. H.R. 2895 initially allocates between $800 million and $1 billion annually, funded through Fannie Mae and Freddie Mac. This funding is given directly to States and local communities, and is targeted to be used for the construction of affordable housing and support for lower income families, who face the greatest housing affordability challenges.

Mr. Chairman, 17 million households, or one in seven, spend more than 50 percent of their income on housing. On any given night, approximately 750,000 men, women, and children are homeless. Constructing more affordable housing is necessary to help families who have lost their homes in the subprime mortgage crisis or due to a family financial crisis, such as illness or job loss. It will also make significant strides toward reducing homelessness and the number of Americans living in unsafe housing conditions.

The National Affordable Housing Trust Fund, established by this legislation, must be used for low- and moderate-income families, or those below 80 percent of State or local median income. At least 75 percent of funds must go to extremely low-income families, who are below 30 percent of median income. This legislation also helps the families of our Nation's nurses, teachers, firefighters, and police officers by reserving 10 percent of trust fund money for families who earn between 50 and 80 percent of the national median income. H.R. 2895 allows these funds to be used for construction, rehabilitation, acquisition, preservation incentives, and operating assistance to facilitate affordability. These funds may be used for both affordable rental housing and for down payment and closing cost assistance by first-time homebuyers.

Mr. Chairman, provisions in this legislation ensure equitable distribution of funds across our Nation. Of these funds, 60 percent will go to participating local jurisdictions, and 40 percent will go to States, Indian Tribes, and insular areas. All grantees will be required to make funds available in rural areas, proportionate to identified need in such areas. Eligible recipients of these funds can be any organization, agency, or other entity that has demonstrated the experience and the capacity to carry out the proposed trust fund activity, including for-profits, nonprofits, and faith-based organizations. Funds may not be used for administrative costs or expenses, political activities, advocacy, lobbying, counseling, travel expenses, and preparation of or advice on tax returns. Grantees are required to develop systems to ensure program compliance and oversight.

In my home district in Houston, homelessness remains a significant problem. Houston's homeless population increased to approximately 14,000 in 2005, before Hurricanes Katrina and Rita, and hurricane evacuees remaining in the Houston area could result in the homeless population increasing by some 23,000. Approximately 28 percent of homeless Americans are veterans.

In August, I, in coordination with the Texas Department of Housing and Community Affairs, hosted a workshop on the introductory concepts and considerations in applying for Housing Tax Credits in Texas. This workshop

was designed to create new incentives for developers to expand business opportunities in housing development, as well as to generate a significant increase in the availability of low-income and affordable housing for the residents of Houston and Harris County. I believe that an increase in affordable housing and job opportunities will help reduce the high rates of homelessness among Houston residents.

Mr. Chairman, the 110th Congress has already demonstrated its commitment to moving America in a new direction. This includes strengthening the housing market and stabilizing the economy, particularly after the recent subprime mortgage crisis. This legislation is an important step toward expanding affordable housing and mortgage opportunities for American families.

I strongly urge my colleagues to join me in supporting this important legislation.

Mr. BACA. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

One in seven households now spends more than half of its income on housing and nearly one million men, women, and children are homeless.

How can we claim to be the leader of the free world yet allow so many of our own to be chained by the bonds of poverty?

Unfortunately, there are no programs to help build housing for low-income households. This bill will construct affordable housing for the poorest among us who need it the most.

It will help families who have lost their homes in the subprime mortgage crisis or due to a family financial crisis, such as ill health or job loss.

It will also help reduce homelessness and the number of Americans living in unsafe housing conditions.

Because of this bill, more nurses, teachers, firefighters, and police officers throughout California will have access to affordable housing.

The bottom line is that no family should have to choose between paying for food and medicine and safe, decent housing.

H.R. 2895 restores our Nation's promise of a decent home for every American family and I urge my colleagues to support it.

Ms. LEE. Mr. Chairman, I rise today in strong support of the rule for H.R. 2895 and the underlying bill, the National Affordable Housing Trust Fund Act.

As a former member of the Financial Services Committee, I helped author—along with our colleague BERNIE SANDERS and others—the first housing trust fund bill. I am so very pleased that our two great champions of housing, Chairwoman WATERS and Chairman FRANK have continued this legacy to bring this proposal before us today.

Quite frankly it's a real shame that in America we have so many people who have found the goal of simply finding shelter for themselves and their families so elusive.

I know that in my district in Oakland, where more than half of all renters are unable to afford the cost of a 2-bedroom apartment, many low-income families often have to choose between food or medicine and housing.

This doesn't have to be the case, Mr. Chairman. That's why this legislation is crucial.

By producing, rehabilitating, and preserving 1.5 million housing units over the next 10 years, this legislation will take steps to end the affordable housing crisis in our country.

By allocating up to $1 billion annually this bill will address one of the most serious social and economic problems facing our Nation.

By passing this bill, 75 percent of all funds will be used to benefit families at the poverty line or 30 percent of local area median income, bringing meaningful assistance to those most at need.

I urge my colleagues to support this important bill that will move our Nation forward in ensuring that all Americans have a decent place to live.

Mr. VAN HOLLEN. Mr. Chairman, first let me thank Chairman FRANK and Subcommittee Chair WATERS for their work on this important, bipartisan bill.

The National Affordable Housing Trust Fund will help provide funding for low-income families who, absent this assistance, may not be able to afford their own home. There are many dedicated Government agencies, non-profits, for-profits and community and faith-based organizations who will seek to participate in this important program.

To ensure that the most productive housing projects are funded—projects dedicated to funding sustainable, successful programs—I am proposing an amendment to introduce a measure of longer term accountability to the trust fund application process.

This bill establishes two levels of applicant-centered accountability:

A trust fund applicant must describe the types of projects he intends to support and must establish performance goals, benchmarks and timetables to help measure the projects' success—later, the applicant must produce a report describing the progress of those projects during that fiscal year.

Because the applicant is only required to report on his projects for that year, this process, despite its commonsense ambitions—effectively breaks the chain of accountability between the grantee and his projects at the end of the fiscal year.

This amendment will maintain that chain of accountability by requiring that any previous grantee who seeks funding from the Affordable Housing Trust Fund provide as part of his application a progress report on the previous projects funded by his organization with funds from this trust fund.

The Affordable Housing Trust Fund will produce billions of dollars worth of grants. HUD does not have the resources to monitor all the projects funded with these funds. The government will therefore have to rely on grantees to shoulder part of the burden. When grantees return for additional assistance each year, they will be required to update HUD on the success of their previous trust-funded projects.

I encourage my colleagues to support my amendment and help ensure that the real beneficiaries of this important program are the low-income families it was created to help.

Mr. RAMSTAD. Mr. Chairman, that great Minnesotan Hubert Humphrey said, "The moral test of government is how that government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; and those who are in the shadows of life, the sick, the needy, and the disabled."

The National Affordable Housing Trust Fund meets this moral test. It fills a critical need for vulnerable families, children, the elderly and people with disabilities.

The shortage of affordable housing is truly a crisis in our country—and it is not restricted to inner cities.

Virtually all of the suburban cities I represent have long waiting lists for affordable housing. I hear stories every week about families living in their cars, veterans living on the streets, seniors having to choose between medicine and housing.

Several of the communities I represent have sponsored "sleepouts" to raise money and awareness of the problem of homelessness and near-homelessness. They have raised millions of dollars and helped thousands of families.

But the crisis is just too big. The Federal Government has a critical role to play in helping the 14.4 million families with housing needs in our country. The important assistance in this bill can make the difference between stable housing and no housing at all.

Mr. Chairman, by setting aside funds for the production, preservation and rehabilitation of affordable housing, this legislation will help those suffering the ravages of poverty, homelessness and near-homelessness.

I urge all members to support this important legislation to expand affordable housing for all Americans. Everyone deserves to have a place to sleep every night that is stable and warm.

It's time to address the affordable housing crisis in America. It's time to pass the Affordable Housing Trust Fund.

Mr. WELCH of Vermont. Mr. Chairman, I want to thank Chairman FRANK and his Committee staff, particularly Scott Olson, for working with me on this important bill to reach a compromise on issues in the bill affecting small states.

The legislation as a whole creates a national housing trust fund for the construction, rehabilitation, and preservation of an estimated 1.5 million units of affordable housing for low-income families. Along with food, health care, and energy costs, affordable housing can make all the difference in economic survival.

In Vermont, we have a great need for affordable housing. While so many low- and moderate-income households aspire to own their own home, limited supply, rising costs, and other barriers can make this dream out of reach. Beginning in 2005, the new construction of 12,321 owner-occupied homes in Vermont was needed to meet the total demand expected in 2010.

Creating a National Affordable Housing Trust Fund is the brainchild of my predecessor in the House, BERNIE SANDERS, and I thank him for getting the ball rolling.

I am grateful to Chairman FRANK for including two items I recommended into the manager's amendment. The first provision will ensure that each State receive at least one half of one percent of funding. For a State agency, there really is a funding level below which it's incredibly inefficient to administer a Federal program. There are always numerous Federal requirements resulting in a tremendous amount of work to comply. In addition, it's hard to raise the expectations of those who would potentially benefit from the program and then have very little money to deliver.

Furthermore, numerous social programs, including the HOME program to which this trust fund is similar, include small state minimums. For programs that are targeted at a need that is universal, it is a pretty rational argument that a mechanism should be in place to ensure that a portion of funding gets distributed

nationwide. In this case, for something like housing, it is a nationwide issue so the appropriations of Congress should be a nationwide effort.

The second provision in the manager's amendment says that within the participating local jurisdictions pool of funding, that each State has at least one local jurisdiction receiving funding. Currently in the bill, for a local jurisdiction set to receive less than $750,000, that amount is reduced to zero. Without this guarantee, many small cities and small States risk receiving no funding under this section of the bill.

I thank the Chairman for his excellent work on this legislation.

Mr. UDALL of Colorado. Mr. Chairman, I rise in strong support of the "National Affordable Housing Trust Fund Act." This legislation does a great deal to expand safe and affordable housing opportunities for millions of American families.

The bill will initially allocate between $800 million to $1 billion annually to States and local communities for affordable housing projects for purposes such as construction and rehabilitation. Funds may also be used for both rental housing and for down payment and closing cost assistance by first-time homebuyers.

It would reach this worthy goal without increasing Government spending or the Federal deficit. The revenue of the fund is supported through fees from Fannie Mae and Freddie Mac and the increase in the number of FHA loans provided for in legislation already passed by the House of Representatives.

This fund is also targeted; it must be used for low- and moderate-income families, below 80 percent of State or local median income. The bill also prohibits funds from being used for administrative costs or expenses, political activities, advocacy, lobbying, counseling, travel expenses, and preparation of or advice on tax returns. Any misuse of funds is required to be reimbursed.

This legislation, now more than ever, is worth supporting to expand affordable housing and mortgage loan opportunities for families at risk. I urge a "yea" vote.

Mrs. CHRISTENSEN. Mr. Chairman, I rise in support of H.R. 2895, the National Affordable Housing Trust Fund Act of 2007 because it is just what our country needs to strengthen the housing market, stabilize the economy, expand affordable housing and mortgage opportunities for families at risk of foreclosure and strengthen consumer protections against risky loans in the future.

Mr. Chairman, this bill takes an important step forward in addressing the subprime mortgage crisis, and it also makes way for the construction of more affordable housing and strengthens FHA's efforts to expand homeownership.

The National Affordable Housing Trust Fund Act will build or preserve 1.5 million homes or apartments over the next 10 years without increasing Government spending or the Federal deficit. It will initially allocate $800 million and $1 billion annually directly to States and local communities. It targets funds for the construction of affordable housing and more for lower income families facing the greatest housing affordability challenges.

Mr. Chairman, I am particularly pleased that 40 percent of the funding will go to States, Indian tribes and insular areas, with special requirements for funding in rural areas, many of which face particular challenges.

I urge my colleagues to support this important measure which ensures that the American dream of owning a home can become a reality for yet another generation of Americans.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the 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 is as follows:

H.R. 2895

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 ''National Affordable Housing Trust Fund Act of 2007''.

SEC. 2. NATIONAL AFFORDABLE HOUSING TRUST FUND.

(a) IN GENERAL.—Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.) is amended by adding at the end the following new subtitle:

"Subtitle G—National Affordable Housing Trust Fund

"SEC. 291. PURPOSES.

''The purposes of this subtitle are—

''(1) to address the national shortage of housing that is affordable to low-income families by creating a permanently appropriated fund, with dedicated sources of funding, to finance additional housing activities, without supplanting existing housing appropriations or existing State and local funding for affordable housing;

''(2) to enable rental housing to be built, for families with the greatest economic need, in mixed-income settings and in areas with the greatest economic opportunities;

''(3) to promote ownership of one-to-four family owner-occupied housing by low-income families; and

''(4) to construct, rehabilitate, and preserve at least 1,500,000 affordable dwelling units over the next decade.

"SEC. 292. TRUST FUND.

''(a) ESTABLISHMENT.—There is established in the Treasury of the United States a trust fund to be known as the National Affordable Housing Trust Fund.

''(b) DEPOSITS TO TRUST FUND.—The Trust Fund shall consist of—

''(1) any amounts of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation transferred to the Trust Fund under title XIII of the Housing and Community Development Act of 1992;

''(2) any amounts appropriated to the Trust Fund pursuant to the authorization in the Expanding American Homeownership Act of 2007, relating to the use of FHA savings for an affordable housing grant fund; and

''(3) any amounts as are or may be appropriated, transferred, or credited to such Fund under any other provisions of law.

''(c) EXPENDITURES FROM TRUST FUND.—Amounts in the Trust Fund shall be available to the Secretary of Housing and Urban Development, and are hereby appropriated, for providing assistance under this subtitle.

''(d) FEDERAL ASSISTANCE.—All assistance provided using amounts in the Trust Fund shall be considered to be Federal financial assistance.

''(e) CONDITIONS ON USE OF FHA SAVINGS.—

''(1) USE.—For each fiscal year, no funds may be made available under paragraph (2) of subsection (b) unless the amount equal to the net increase for such fiscal year in the negative credit subsidy for the mortgage insurance programs under title II of the National Housing Act resulting from the Expanding American Homeownership Act of 2007, and the amendments made by such Act, is first made available for the following purposes in the following amounts:

''(A) SINGLE FAMILY HOUSING MORTGAGE INSURANCE.—For each fiscal year, for costs (as such term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of mortgage insurance provided pursuant to section 203(b) of the National Housing Act (12 U.S.C. 1709(b)), the additional amount (not including any costs of such mortgage insurance resulting from this Act or the amendments made by this Act), if any, necessary to ensure that the credit subsidy cost of such mortgage insurance for such fiscal year is $0.

''(B) HOUSING COUNSELING.—For each of fiscal years 2008 through 2012, the amount needed to increase funding, for the housing counseling program under section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x), in connection with homebuyers and homeowners with mortgages insured under title II of the National Housing Act, from the amount appropriated for the preceding fiscal year to $100,000,000.

''(C) MORTGAGE INSURANCE TECHNOLOGY, PROCEDURES, PROCESSES, PROGRAM PERFORMANCE, AND SALARIES.—For each of fiscal years 2008 through 2012, $25,000,000 for increasing funding for the purpose of improving technology, procedures, processes, and program performance, and salaries in connection with the mortgage insurance programs under title II of the National Housing Act.

''(2) EXCLUSION OF EARNINGS FROM THE SINGLE FAMILY MORTGAGE INSURANCE PROGRAM.—No funds under paragraph (2) of subsection (b) for a fiscal year may be derived from the negative credit subsidy cost for such fiscal year, if any, for mortgage insurance provided pursuant to section 203(b) of the National Housing Act.

''(3) CERTIFICATION.—No funds may be made available under paragraph (2) of subsection (b) for any fiscal year unless the Secretary of Housing and Urban Development has, by rule making in accordance with section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section), made a determination that premiums being, or to be, charged during such fiscal year for mortgage insurance under title II of the National Housing Act are established at the minimum amount sufficient to comply with the requirements of section 205(f) of such Act (relating to required capital ratio for the Mutual Mortgage Insurance Fund) and ensure the safety and soundness of the other mortgage insurance funds under such Act, and any negative credit subsidy for such fiscal year resulting from such mortgage insurance programs adequately ensures the efficient delivery and availability of such programs.

''(4) LIMITATION ON MORTGAGE INSURANCE PREMIUM INCREASES.—Notwithstanding any other provision of law—

''(A) the premiums charged for mortgage insurance under any program under the National Housing Act may not be increased above the premium amounts in effect under such program on October 1, 2006, unless the Secretary of Housing and Urban Development determines that, absent such increase, insurance of additional mortgages under such program would, under the Federal Credit Reform Act of 1990, require the appropriation of new budget authority to cover the costs (as such term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a) of such insurance; and

''(B) a premium increase pursuant to paragraph (1) may be made only by rule making in accordance with the procedures under section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section).

"SEC. 293. ALLOCATIONS FOR STATES, INDIAN TRIBES, INSULAR AREAS, AND PARTICIPATING LOCAL JURISDICTIONS.

''(a) DETERMINATION OF AMOUNT AVAILABLE FOR FISCAL YEAR.—For fiscal year 2008 and for each fiscal year thereafter, the Secretary shall determine the total amount available from the Trust Fund pursuant to section 292(c) for assistance under this subtitle and shall use such amount to provide such assistance for such fiscal year.

''(b) ALLOCATION.—For each such fiscal year, of such total amount available from the Trust Fund, the Secretary shall allocate for use under section 294—

''(1) 40 percent for States, Indian tribes, and insular areas; and

''(2) 60 percent for participating local jurisdictions.

"SEC. 294. ASSISTANCE FROM TRUST FUND.

''(a) AFFORDABLE HOUSING NEEDS FORMULA.—

''(1) ESTABLISHMENT AND FACTORS.—The Secretary shall establish a formula to allocate amounts made available for a fiscal year for assistance under this subtitle among States, all Indian tribes, insular areas, and participating local jurisdictions based on the relative needs of such entities, for funds to increase the supply of decent quality affordable housing. The formula shall be based upon a comparison of the following factors with respect to each State, Indian tribes, each insular area, and each participating local jurisdiction:

''(A) The ratio of the population of the State, Indian tribes, insular area, or participating jurisdiction, to the aggregate population of all States, Indian tribes, insular areas, and participating jurisdictions.

''(B) The percentage of families in the jurisdiction of the State, of Indian tribes, or of the insular area or participating jurisdiction that live in substandard housing.

''(C) The percentage of families in the jurisdiction of the State, of Indian tribes, or of the insular area or participating jurisdiction that pay more than 50 percent of their annual income for housing costs.

''(D) The percentage of persons in the jurisdiction of the State, of Indian tribes, or of the insular area or participating jurisdiction having an income at or below the poverty line.

''(E) The cost of constructing or carrying out rehabilitation of housing in the jurisdiction of the State, of Indian tribes, or of the insular area or participating jurisdiction.

''(F) The percentage of the population of the State, of Indian tribes, or of the insular area or participating jurisdiction that resides in counties having extremely low vacancy rates.

''(G) The percentage of housing stock in the jurisdiction of the State, of Indian tribes, or of the insular area or participating jurisdiction that is extremely old housing.

''(H) For the jurisdiction of a State, of Indian tribes, or of an insular area or participating jurisdiction that has an extremely low percentage of affordable rental housing, the extent to which the State, Indian tribes, or the insular area or participating jurisdiction has in the preceding fiscal year increased the percentage of rental housing within its jurisdiction that is affordable housing.

''(I) Any other factors that the Secretary determines to be appropriate.

''(2) FAILURE TO ESTABLISH.—If, in any fiscal year referred to in section 293(a), the regulations establishing the formula required under paragraph (1) of this subsection have not been issued by the date that the Secretary determines the total amount available from the Trust Fund for assistance under this subtitle for such fiscal year pursuant to section 292(c), or there has been enacted before such date a joint resolution expressly disapproving the use of the formula required under paragraph (1) and submitted to the Congress pursuant to paragraph (3), for purposes of such fiscal year—

''(A) section 293(b), paragraphs (2) and (3) of subsection (b) of this section, and subsection (c) of this section shall not apply;

''(B) the allocation for Indian tribes shall be such amount as the Secretary shall establish; and

''(C) the formula amount for each State, insular area, or participating local jurisdiction shall be determined by applying, for such State, insular area, or participating local jurisdiction, the percentage that is equal to the percentage of the total amounts made available for such fiscal year for allocation under subtitle A of this title (42 U.S.C. 12741 et seq.) that are allocated in such year, pursuant to such subtitle, to such State, insular area, or participating local jurisdiction, respectively, and the allocation for each State, insular area, or participating jurisdiction, for purposes of subsection (e) shall, except as provided in subsection (d), be the formula amount for the State, insular area, or participating jurisdiction, respectively.

''(3) SUBMISSION TO CONGRESS.—Notwithstanding any other provision of this subtitle, any formula established by the Secretary pursuant to this subsection shall be submitted to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate not less than 120 days before application of the formula for purposes of determining formula amounts under subsection (b) for a fiscal year. Such submission shall be accompanied by a detailed explanation of the factors under the formula and anticipated effects of the formula.

''(b) FORMULA AMOUNT.—

''(1) IN GENERAL.—For each fiscal year referred to in section 293(a), the Secretary shall determine the formula amount under this subsection for each State, for Indian tribes, for each insular area, and for each participating local jurisdiction.

''(2) STATES, INDIAN TRIBES, AND INSULAR AREAS.—The formula amount for each State, for Indian tribes, and for each insular area shall be the amount determined for such State, for Indian tribes, or for such insular area by applying the formula under subsection (a) of this section to the total amount allocated under section 293(b)(1) for all States, Indian tribes, and insular areas for the fiscal year.

''(3) PARTICIPATING LOCAL JURISDICTIONS.—The formula amount for each participating local jurisdiction shall be the amount determined for such participating local jurisdiction by applying the formula under subsection (a) of this section to the total amount allocated under section 293(b)(2) for all participating local jurisdictions for the fiscal year.

''(4) NOTICE.—For each fiscal year referred to in section 293(a), not later than 60 days after the date that the Secretary determines the total amount available from the Trust Fund for such fiscal year pursuant to section 292(c) for assistance under this subtitle, the Secretary shall cause to be published in the Federal Register a notice that such amounts shall be so available.

''(c) ALLOCATION BASED ON AFFORDABLE HOUSING NEEDS FORMULA.—The allocation under this subsection for a State, for Indian tribes, for an insular area, or for a local participating jurisdiction for a fiscal year shall be determined as follows:

''(1) STATES.—Subject to subsection (d), the allocation for a State shall be the formula amount for the State.

''(2) INDIAN TRIBES AND INSULAR AREAS.—The allocation for Indian tribes and for each insular area shall be the formula amount for Indian tribes or for the insular area, respectively, determined under subsection (b), as applicable.

''(3) PARTICIPATING LOCAL JURISDICTIONS.—Subject to subsection (d), the allocation for each participating local jurisdiction shall be the formula amount for the jurisdiction determined under subsection (b).

''(d) ALLOCATION EXCEPTION FOR YEARS IN WHICH LESS THAN $2 BILLION IS AVAILABLE.—If, for any fiscal year, the total amount available pursuant to section 293(a) for assistance under this subtitle is less than $2,000,000,000—

''(1) for each participating local jurisdiction having a formula amount of less than $750,000, the allocation shall be $0, except that if the Secretary finds that the jurisdiction has demonstrated a capacity to carry out provisions of this subtitle and the State in which such jurisdiction is located has authorized the Secretary to transfer to the jurisdiction a portion of the State's allocation that is equal to or greater than the difference between the jurisdiction's formula amount and $750,000, or the State or jurisdiction has made available such an amount from the State's or jurisdiction's own sources available for use by the jurisdiction in accordance with this subtitle, the jurisdiction's allocation for a fiscal year shall be the formula amount for the jurisdiction; and

''(2) in the case of any jurisdiction whose allocation is $0 by operation of paragraph (1), the allocation for the State in which such participating local jurisdiction is located shall be increased by the amount of the formula amount for the participating local jurisdiction.

Any adjustments pursuant to paragraphs (1) and (2) shall be made notwithstanding the allocation percentages under section 293(b).

''(e) GRANT AWARDS.—For each fiscal year referred to in section 293(a), using the amounts made available to the Secretary from the Trust Fund for such fiscal year under section 292(c), the Secretary shall, subject to subsection (f), make a grant to each State, insular area, and participating local jurisdiction in the amount of the allocation under subsection (a)(2), (c), or (d), as applicable, for the State, area, or jurisdiction, respectively.

''(f) MATCHING REQUIREMENT.—

''(1) IN GENERAL.—Each grantee for a fiscal year shall contribute to eligible activities funded with Trust Fund grant amounts, or require the contribution to such eligible activities by recipients of such Trust Fund grant amounts of, in addition to any such grant amounts, not less than the following amount:

''(A) STATE, LOCAL, OR PRIVATE RESOURCES.—To the extent that such contributed amounts are derived from State, local, or private resources, 12.5 percent of such grant amounts.

''(B) FEDERAL AMOUNTS.—To the extent that such contributed amounts are derived from State- or locally-controlled amounts from Federal assistance, or from amounts made available under the affordable housing program of a Federal Home Loan Bank pursuant to section 10(j) of the Federal Home Loan Bank Act (12 U.S.C. 1430(j)), 25 percent of such grant amounts.

Nothing in this paragraph may be construed to prevent a grantee or recipient from complying with this paragraph only by contributions in accordance with subparagraph (A), only by contributions in accordance with subparagraph (B), or by a combination of such contributions.

''(2) REDUCTION OR WAIVER FOR RECIPIENTS IN FISCAL DISTRESS.—The Secretary may reduce or waive the requirement under paragraph (1) with respect to any grantee that the Secretary determines, pursuant to such demonstration by the recipient as the Secretary shall require, is in fiscal distress. The Secretary shall make determinations regarding fiscal distress for purposes of this paragraph in the same manner, and according to the same criteria, as fiscal distress is determined with respect to jurisdictions under section 220(d) (42 U.S.C. 12750(d)).

''(3) QUALIFICATION OF SERVICES FUNDING FOR MATCH.—For purposes of meeting the requirements of paragraph (1), amounts that a grantee, recipient, or other governmental or private agency or entity commits to contribute to provide services to residents of affordable housing provided using grant amounts under this subtitle, by entering into a binding commitment for such contribution as the Secretary shall require, shall be considered contributions to eligible activities. Amounts to be considered eligible contributions under this paragraph shall not exceed

33 percent of the total cost of the eligible activity.

''(4) REDUCTION OR WAIVER FOR CERTAIN ACTIVITIES.—With respect to Trust Fund grant amounts made available for a fiscal year, the Secretary shall reduce or waive the amount of contributions otherwise required under paragraph (1) to be made with respect to eligible activities to be carried out with such grant amounts and for which any variance from zoning laws or other waiver of regulatory requirements was approved by the local jurisdiction. Such reduction may be implemented in the year following the year in which such activities are funded with Trust Fund grant amounts.

''(5) WAIVER FOR DISASTER AREAS.—In the case of any area that is subject to a declaration by the President of a major disaster or emergency under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121), the Secretary shall, for the fiscal year following such declaration, waive the requirement under paragraph (1) with respect to any eligible activities to be carried out in such area.

''(g) COMPETITIVE GRANTS FOR INDIAN TRIBES.—For each fiscal year referred to in section 293(a), the Secretary shall, using amounts allocated for Indian tribes pursuant to subsection (a)(2)(B) or (c)(2), as applicable, and subject to subsection (f), make grants to Indian tribes on a competitive basis, based upon such criteria as the Secretary shall establish, which shall include the factors specified in section 295(c)(2)(B).

''(h) USE BY STATE OF UNUSED FUNDS OF LOCAL JURISDICTIONS.—If any participating local jurisdiction for which an allocation is made for a fiscal year pursuant to this section notifies the Secretary of an intent not to use all or part of such funds, any such funds that will not be used by the jurisdiction shall be added to the grant award under subsection (e) for the State in which such jurisdiction is located.

''(i) COMPETITIVE GRANTS FOR AREAS WITHOUT ALLOCATION PLANS AND RECIPIENTS WITH INSUFFICIENT MATCHING CONTRIBUTIONS.—

''(1) AVAILABLE AMOUNTS.—For a fiscal year, the following amounts shall be available for grants under this subsection:

''(A) ALLOCATION FOR AREAS NOT SUBMITTING ALLOCATION PLANS.—With respect to each State, insular area, or participating local jurisdiction that has not, before the expiration of the 12-month period beginning upon the date of the publication of the notice of funding availability for such fiscal year under subsection (b)(4), submitted to and had approved by the Secretary an allocation plan for such fiscal year meeting the requirements of section 295, the amount of the allocation for such State, insular area, or participating local jurisdiction for such fiscal year determined under this section.

''(B) UNMATCHED PORTION OF ALLOCATION.—With respect to any grantee for which the Trust Fund grant amount awarded for such fiscal year is reduced from the amount of the allocation determined under this section for the grantee by reason of failure comply with the requirements under subsection (f), the amount by which such allocation for the grantee for the fiscal year exceeds the Trust Fund grant amount for the grantee for the fiscal year.

''(C) UNCOMMITTED AMOUNTS.—Any Trust Fund grant amounts for a fiscal year that are not committed for use for eligible activities before the expiration of the 24-month period beginning upon the date of the publication of the notice of availability of amounts under subsection (b)(4) for such fiscal year.

''(D) UNUSED AMOUNTS.—Any Trust Fund grant amounts for which the grantee notifies the Secretary that such funds will not be used under this subtitle.

''(2) NOTICE.—For each fiscal year, not later than 60 days after the date that the Secretary determines that the amounts described in paragraph (1) shall be available for grants under this subsection, the Secretary shall cause to be published in the Federal Register a notice that such amounts shall be so available.

''(3) APPLICATIONS.—The Secretary shall provide for nonprofit and public entities (and consortia thereof, which may include regional consortia of units of local government) to submit applications, during the 9-month period beginning upon publication of a notice of funding availability under paragraph (2) for a fiscal year, for a grant of all or a portion of the amounts referred to in paragraph (1) for such fiscal year. Such an application shall include a certification that the applicant will comply with all requirements of this subtitle applicable to a grantee under this subsection.

''(4) SELECTION CRITERIA.—The Secretary shall, by regulation, establish criteria for selecting applicants that meet the requirements of paragraph (3) for funding under this subsection. Such criteria shall give priority to applications that provide that grant amounts under this subsection will be used for eligible activities relating to affordable housing that is located in the State or insular area, as applicable, for which such grant funds were originally allocated under this section.

''(5) AWARD AND USE OF GRANT ASSISTANCE.—

''(A) AWARD.—Subject only to the absence of applications meeting the requirements of paragraph (3), upon the expiration of the period referred to in such paragraph, the Secretary shall select an applicant or applicants under this subsection to receive the amounts available under paragraph (1) and shall make a grant or grants to such applicant or applicants. The selection shall be based upon the criteria established under paragraph (4).

''(B) USE.—Amounts from a grant under this subsection shall be Trust Fund grant amounts for purposes of this subtitle.

"SEC. 295. ALLOCATION PLANS.

''(a) IN GENERAL.—Each grantee that is a State, insular area, participating local jurisdiction, or grantee under section 294(i) for a fiscal year, shall establish an allocation plan in accordance with this section for the distribution of Trust Fund grant amounts provided to the grantee for such fiscal year, which shall be a plan that—

''(1) provides for use of such amounts in accordance with section 296;

''(2) is based on priority housing needs, including priority housing needs in rural areas, as determined by the grantee; and

''(3) is consistent with the comprehensive housing affordability strategy under section 105 (42 U.S.C. 12705) or any applicable consolidated submission used for purposes of applying for other community planning and development and housing assistance programs administered by the Secretary, for the applicable State, insular area, jurisdiction, or grantee under section 294(i).

''(b) ESTABLISHMENT.—In establishing an allocation plan, a grantee described in subsection (a) shall notify the public of the establishment of the plan, provide an opportunity for public comments regarding the plan, consider any public comments received, and make the completed plan available to the public.

''(c) CONTENTS.—Each allocation plan of a grantee described in subsection (a) shall comply with the following requirements:

''(1) APPLICATION REQUIREMENTS FOR ELIGIBLE RECIPIENTS.—The allocation plan shall set forth the requirements for eligible recipients to apply to the grantee to receive assistance from Trust Fund grant amounts of the grantee for use for eligible activities, including a requirement that each such application include—

''(A) a description of the eligible activities to be conducted using such assistance; and

''(B) a certification by the eligible recipient applying for such assistance that any housing assisted with such grant amounts will comply with—

''(i) all of the requirements under this subtitle, including the targeting requirements under section 296(c) and the affordable housing requirements under section 297;

''(ii) section 808(d) of the Fair Housing Act (relating to the obligation to affirmatively further fair housing); and

''(iii) section 504 of the Rehabilitation Act of 1973 (relating to prohibition of discrimination on the basis of disability).

''(2) SELECTION PROCESS AND CRITERIA FOR ASSISTANCE.—

''(A) SELECTION PROCESS.—The allocation plan shall set forth a process for the grantee to select eligible activities meeting the grantee's priority housing needs for funding with Trust Fund grant amounts of the grantee, which shall comply with requirements for such process as the Secretary shall, by regulation, establish.

''(B) SELECTION CRITERIA.—The allocation plan shall set forth the factors for consideration in selecting among applicants that meet the application requirements established pursuant to paragraph (1), which shall provide for geographic diversity among eligible activities to be assisted with Trust Fund grant amounts of the grantee and shall include—

''(i) the merits of the proposed eligible activity of the applicant, including the extent to which the activity addresses housing needs identified in the allocation plan of the grantee and the applicable comprehensive housing affordability strategy or consolidated submission referred to in subsection (a)(3);

''(ii) the experience of the applicant, including its principals, in carrying out projects similar to the proposed eligible activity;

''(iii) the ability of the applicant to obligate grant amounts for the proposed eligible activities and to undertake such activities in a timely manner;

''(iv) the extent of leveraging of funds by the applicant from private and other non-Federal sources for carrying out the eligible activities to be funded with Trust Fund grant amounts, including assistance made available under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) that is devoted to the project that contains the affordable housing to be assisted with such assistance;

''(v) the extent of local assistance that will be provided in carrying out the eligible activities, including financial assistance;

''(vi) the efficiency of total project fund use as measured by the cost per unit of the proposal, as adjusted by factors which shall include whether the funding with Trust Fund grant amounts is for new construction, rehabilitation, preservation, or homeownership assistance, whether the project involves supportive housing, differences in construction and rehabilitation costs in different areas of the grantee, and other appropriate adjustments;

''(vii) the degree to which the project in which the affordable housing will be located will have residents of various incomes;

''(viii) the extent of employment and other economic opportunities for low-income families in the area in which the housing will be located;

''(ix) the extent to which the applicant demonstrates the ability to maintain dwelling units as affordable housing through the use of assistance made available under this subtitle, assistance leveraged from non-Federal sources, assistance made available under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), State or local assistance, programs to increase tenant income, cross-subsidization, and any other resources;

''(x) the extent to which the applicant demonstrates that the county in which the housing is to be located is experiencing an extremely low vacancy rate;

''(xi) the extent to which the percentage of the housing located in such county that is extremely old housing exceeds 35 percent;

''(xii) the extent to which the housing assisted with the grant amounts will be accessible to persons with disabilities;

''(xiii) the extent to which the applicant demonstrates that the affordable housing assisted

with the grant amounts will be located in proximity to public transportation, job opportunities, child care, and community revitalization projects;

''(xiv) the extent to which the applicant has provided that assistance from grant amounts will be used for eligible activities relating to housing located in census tracts in which the number of families having incomes less than the poverty line is less than 20 percent; and

''(xv) the extent to which the housing assisted with grant amounts will comply with energy efficiency standards and the national Green Communities criteria checklist for residential construction that provides criteria for the design, development, and operation of affordable housing, as the Secretary shall by regulation provide.

A grantee may allocate a portion of funds under this section for use by such grantee for eligible activities pursuant to the selection process under subparagraph (A).

''(3) PERFORMANCE GOALS, BENCHMARKS, AND TIMETABLES.—The allocation plan shall include performance goals, benchmarks, and timetables for the grantee for the conducting of eligible activities with Trust Fund grant amounts that comply with requirements and standards for such goals, benchmarks, and timetables as the Secretary shall, by regulation, establish.

''(d) REVIEW AND APPROVAL BY SECRETARY.—

''(1) SUBMISSION.—A grantee described in subsection (a) shall submit an allocation plan for the fiscal year for which the grant is made to the Secretary not later than the expiration of the 6-month period beginning upon the notice of funding availability under section 294(b)(4) for such fiscal year amounts.

''(2) REVIEW AND APPROVAL OR DISAPPROVAL.—The Secretary shall review and approve or disapprove an allocation plan not later than the expiration of the 3-month period beginning upon submission of the plan.

''(3) STANDARD FOR DISAPPROVAL.—The Secretary may disapprove an allocation plan only if the plan fails to comply with requirements of this section or section 296.

''(4) RESUBMISSION UPON DISAPPROVAL.—If the Secretary disapproves a plan, the grantee may submit to the Secretary a revised plan for review and approval or disapproval under this subsection.

''(5) TIMING FOR FISCAL YEAR 2008.—With respect only to fiscal year 2008, the Secretary may extend each of the periods referred to in paragraphs (1) and (2), and the period referred to in section 294(i)(1)(A), by not more than 6 months.

"SEC. 296. USE OF ASSISTANCE BY RECIPIENTS.

''(a) DISTRIBUTION TO RECIPIENTS; USE REQUIREMENTS.—Each grantee shall distribute Trust Fund grant amounts of the grantee to eligible recipients for use in accordance with this section. Trust Fund grant amounts of a grantee may be used, or committed for use, only for eligible activities that—

''(1) are conducted in the jurisdiction of the grantee;

''(2) in the case of a grantee that is a State, insular area, participating local jurisdiction, or grantee under section 294(i), comply with the allocation plan of the grantee under section 295;

''(3) are selected for funding by the grantee in accordance with the process and criteria for such selection established pursuant to section 295(c)(2); and

''(4) comply with the targeting requirements under subsection (c) of this section and the affordable housing requirements under section 297.

''(b) ELIGIBLE RECIPIENTS.—Trust Fund grant amounts of a grantee may be provided only to an organization, agency, or other entity (including a for-profit entity, a nonprofit entity, a faith-based organization, a community development financial institution, a community development corporation, and a State or local housing trust fund) that—

''(1) demonstrates the experience, ability, and capacity (including financial capacity) to undertake, comply, and manage the eligible activity;

''(2) demonstrates its familiarity with the requirements of any other Federal, State or local housing program that will be used in conjunction with such grant amounts to ensure compliance with all applicable requirements and regulations of such programs; and

''(3) makes such assurances to the grantee as the Secretary shall, by regulation, require to ensure that the recipient will comply with the requirements of this subtitle during the entire period that begins upon selection of the recipient to receive such grant amounts and ending upon the conclusion of all eligible activities that are engaged in by the recipient and funded with such grant amounts.

''(c) TARGETING REQUIREMENTS.—The targeting requirements under this subsection are as follows:

''(1) REQUIREMENT OF USE OF ALL AMOUNTS FOR AFFORDABLE HOUSING FOR LOW-INCOME FAMILIES.—All Trust Fund grant amounts of a grantee shall be distributed for use only for eligible activities relating to affordable housing that are for the benefit only of families whose incomes do not exceed 80 percent of the greater of—

''(A) the median family income for the area in which the housing is located, as determined by the Secretary with adjustments for smaller and larger families; and

''(B) the median family income for the State or insular area in which the housing is located, as determined by the Secretary with adjustments for smaller and larger families.

''(2) USE OF 75 PERCENT FOR AFFORDABLE HOUSING FOR EXTREMELY LOW-INCOME FAMILIES.—Not less than 75 percent of the Trust Fund grant amounts of a grantee for each fiscal year shall be used only for eligible activities relating to affordable housing that are for the benefit only of families whose incomes do not exceed the higher of—

''(A) 30 percent of the median family income for the area in which the housing is located, as determined by the Secretary with adjustments for smaller and larger families; and

''(B) the poverty line (as such term is defined in section 673 of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902), including any revision required by such section) applicable to a family of the size involved.

''(3) USE OF 30 PERCENT FOR AFFORDABLE HOUSING FOR VERY POOR FAMILIES.—Not less than 30 percent of the Trust Fund grant amounts of a grantee for each fiscal year shall be used only for eligible activities relating to affordable housing that are for the benefit only of families whose incomes do not exceed the maximum amount of income that an individual or family could have, taking into consideration any income disregards, and remain eligible for benefits under the Supplemental Security Income program under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.).

''(4) USE OF 10 PERCENT FOR AFFORDABLE HOUSING FOR FAMILIES ABOVE 50 PERCENT OF AREA MEDIAN INCOME.—Not less than 10 percent of the Trust Fund grant amounts of a grantee for each fiscal year shall be used only for eligible activities relating to affordable housing that are for the benefit only of families whose incomes exceed 50 percent of the median family income for the area in which the housing is located, as determined by the Secretary with adjustments for smaller and larger families.

''(5) LIMITATION FOR YEARS IN WHICH LESS THAN $2 BILLION IS AVAILABLE.—If, for any fiscal year, the total amount available pursuant to section 293(a) for assistance under this subtitle is less than $2,000,000,000, in addition to the other requirements under this subsection, all such amounts shall be used only for eligible activities relating to affordable housing that are for the benefit only of families whose incomes do not exceed 60 percent of the median family income for the area in which the housing is located, as determined by the Secretary with adjustments for smaller and larger families.

''(6) REVIEW OF TARGETING REQUIREMENTS.—The Secretary shall assess the need for, and the appropriateness of, the requirements under paragraphs (1) through (4) and shall submit a report to the Congress on the results of the assessment not later than October 1, 2012, and not later than the expiration of the 5-year period beginning upon such date and each successive 5-year period thereafter. In each such report, the Secretary shall identify and make recommendations regarding the continuation or adjustment of the targeting requirements in paragraphs (1) through (4).

''(d) USE FOR RURAL AREAS.—Of the Trust Fund grant amounts for any fiscal year for any grantee that is a State or participating local jurisdiction that includes any rural areas, the State or participating local jurisdiction shall use a portion for eligible activities located in rural areas that is proportionate to the identified need for such activities in such rural areas.

''(e) COST LIMITS.—The Secretary shall establish limitations on the amount of Trust Fund grant amounts that may be used, on a per unit basis, for eligible activities. Such limitations shall be the same as the per unit cost limits established pursuant to section 212(e) (42 U.S.C. 12742(e)), as adjusted annually, and established by number of bedrooms, market area, and eligible activity.

''(f) FORMS OF ASSISTANCE.—

''(1) IN GENERAL.—Assistance may be distributed pursuant to this section in the form of—

''(A) capital grants, noninterest-bearing or low-interest loans or advances, deferred payment loans, guarantees, and loan loss reserves;

''(B) in the case of assistance for ownership of one- to four-family owner-occupied housing, downpayment assistance, closing cost assistance, and assistance for interest rate buydowns; and

''(C) any other forms of assistance approved by the Secretary.

''(2) REPAYMENTS.—If a grantee awards assistance under this section in the form of a loan or other mechanism by which funds are later repaid to the grantee, any repayments and returns received by the grantee shall be distributed by the grantee in accordance with the allocation plan under section 295 for the grantee for the fiscal year in which such repayments are made or returns are received.

''(g) COORDINATION WITH OTHER ASSISTANCE.—In distributing assistance pursuant to this section, each grantee shall, to the maximum extent practicable, coordinate such distribution with the provision of other Federal, State, tribal, and local housing assistance, including—

''(1) in the case of any State, housing credit dollar amounts allocated by the State under section 42(h) of the Internal Revenue Code of 1986;

''(2) assistance made available under subtitles A through F (42 U.S.C. 12721 et seq.) or the community development block grant program under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.);

''(3) private activity bonds;

''(4) assistance made available under section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g);

''(5) assistance made available under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o));

''(6) assistance made available under title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.);

''(7) assistance made available under section 101 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111);

''(8) assistance made available from any State or local housing trust fund established to provide or assist in making available affordable housing; and

''(9) any other housing assistance programs.

''(h) PROHIBITED USES.—The Secretary shall—

''(1) by regulation, set forth prohibited uses of grant amounts under this subtitle, which shall include use for—

''(A) political activities;

''(B) advocacy;

''(C) lobbying, whether directly or through other parties;

''(D) counseling services;

''(E) travel expenses; and

''(F) preparing or providing advice on tax returns;

''(2) by regulation, provide that, except as provided in paragraph (3), grant amounts under this subtitle may not be used for administrative, outreach, or other costs of—

''(A) a grantee; or

''(B) any recipient of such grant amounts; and

''(3) by regulation, limit the amount of any Trust Fund grant amounts for a fiscal year that may be used for administrative costs of the grantee of carrying out the program required under this subtitle to a percentage of such grant amounts of the grantee for such fiscal year, which may not exceed 10 percent.

''(i) LABOR STANDARDS.—Each grantee receiving Trust Fund grant amounts shall ensure that contracts for eligible activities assisted with such amounts comply with the same requirements under section 286 (42 U.S.C. 12836) that are applicable to contracts for construction of affordable housing assisted under subtitles A and D.

''(j) COMPLIANCE WITH OTHER FEDERAL LAWS.—All amounts from the Trust Fund shall be allocated in accordance with, and any eligible activities carried out in whole or in part with grant amounts under this subtitle (including housing provided with such grant amounts) shall comply with and be operated in compliance with, other applicable provisions of Federal law, including—

''(1) laws relating to tenant protections and tenant rights to participate in decision making regarding their residences;

''(2) laws requiring public participation, including laws relating to Consolidated Plans, Qualified Allocation Plans, and Public Housing Agency Plans; and

''(3) fair housing laws and laws regarding accessibility in federally assisted housing, including section 504 of the Rehabilitation Act of 1973.

"SEC. 297. AFFORDABLE HOUSING.

''(a) RENTAL HOUSING.—A rental dwelling unit (which may include a dwelling unit in limited equity cooperative housing, as such term is defined in section 143(k) of the Internal Revenue Code of 1986 (26 U.S.C. 143(k)) or in housing of a cooperative housing corporation, as such term is defined in section 216(b) of the Internal Revenue Code of 1986 (26 U.S.A. 216(b))), shall be considered affordable housing for purposes of this subtitle only if the dwelling unit is subject to legally binding commitments that ensure that the dwelling unit meets all of the following requirements:

''(1) RENTS.—The dwelling unit bears a rent not greater than the lesser of—

''(A) the existing fair market rental established by the Secretary under section 8(c) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)) for a dwelling unit of the same size in the same market area, or the applicable payment standard for assistance under section 8(o) of such Act, if higher; and

''(B) a rent that does not exceed 30 percent of the adjusted income of a family whose income equals 65 percent of the median income for the area, as determined by the Secretary, with adjustment for number of bedrooms in the unit, except that the Secretary may establish income ceilings higher or lower than 65 percent of the median for the area on the basis of the findings of the Secretary that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

''(2) TENANT RENT CONTRIBUTION.—The contribution toward rent by the family residing in the dwelling unit will not exceed 30 percent of the adjusted income of such family.

''(3) NON-DISCRIMINATION AGAINST VOUCHER HOLDERS.—The dwelling unit is located in a project in which all dwelling units are subject to enforceable restrictions that provide that a unit may not be refused for leasing to a holder of a voucher of eligibility under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) because of the status of the prospective tenant as a holder of such voucher.

''(4) MIXED INCOME.—

''(A) IN GENERAL.—The dwelling unit is located in a project in which not more than 50 percent of the rental units in the project that receive assistance under this subtitle and are not previously occupied may be rented initially to families with incomes described in section 296(c)(2), as determined at a reasonable time before occupancy.

''(B) REHABILITATION.—In the case of a dwelling unit in a project for which Trust Fund grant amounts are used for the rehabilitation of the project, the dwelling unit is located in a project in which the percentage of units being rented upon completion of the rehabilitation to families with incomes described in section 296(c)(2) may not exceed the higher of 50 percent or the percentage of such families occupying the project at the time funds are awarded for such project.

''(C) EXCEPTIONS.—Subparagraph (A) shall not apply in the case of a project having 25 or fewer dwelling units that is—

''(i) located in a census tract in which the number of families having incomes less than the poverty line is less than 20 percent;

''(ii) located in a rural area, as such term is defined in section 520 of the Housing Act of 1949 (42 U.S.C. 1490); or

''(iii) specifically made available only for households comprised of elderly families or disabled families.

''(5) VISITABILITY.—To the extent the dwelling unit is not required under Federal law to comply with standards relating to accessibility to persons with disabilities, the dwelling unit complies with such basic visitability standards as the Secretary shall by regulation provide.

''(6) DURATION OF USE.—The dwelling unit will continue to be subject to all requirements under this subsection for not less than 50 years.

''(b) OWNER-OCCUPIED HOUSING.—For purposes of any eligible activity involving one- to four-family owner-occupied housing (which may include housing of a cooperative housing corporation, as such term is defined in section 216(b) of the Internal Revenue Code of 1986 (26 U.S.A. 216(b))), such a residence shall be considered affordable housing for purposes of this subtitle only if—

''(1) in the case of housing to be made available for purchase—

''(A) the housing is available for purchase only for use as a principal residence by families that qualify as first-time homebuyers, as such term is defined in section 104 (42 U.S.C. 12704), except that any reference in such section to assistance under title II of this Act shall for purposes of this section be considered to refer to assistance from Trust Fund grant amounts;

''(B) the housing has an initial purchase price that meets the requirements of section 215(b)(1); and

''(C) the housing is subject to the same resale restrictions established under section 215(b)(3) and applicable to the participating jurisdiction that is the State in which such housing is located; and

''(2) the housing is made available for purchase only by, or in the case of assistance to a homebuyer pursuant to this subsection, the assistance is made available only to, homebuyers who have, before purchase, completed a program of counseling with respect to the responsibilities and financial management involved in homeownership that is approved by the Secretary; except that the Secretary may, at the request of a State, waive the requirements of this paragraph with respect to a geographic area or areas within the State if—

''(A) the travel time or distance involved in providing counseling with respect to such area or areas, as otherwise required under this paragraph, on an in-person basis is excessive or the cost of such travel is prohibitive; and

''(B) the State provides alternative forms of counseling for such area or areas, which may include interactive telephone counseling, on-line counseling, interactive video counseling, and interactive home study counseling and a program of financial literacy and education to promote an understanding of consumer, economic, and personal finance issues and concepts, including saving for retirement, managing credit, long-term care, and estate planning and education on predatory lending, identity theft, and financial abuse schemes relating to homeownership that is approved by the Secretary, except that entities providing such counseling shall not discriminate against any particular form of housing.

''(c) PRIORITY FOR FAMILIES ON SECTION 8 OR PUBLIC HOUSING WAITING LIST FOR 12 MONTHS OR LONGER.—A dwelling unit in rental housing or owner-occupied housing shall be considered affordable housing for purposes of this subtitle only if the dwelling unit is subject to such requirements, as the Secretary shall provide, to ensure that priority for occupancy in or, in the case of owner-occupied housing, purchase of, the dwelling unit is provided to families who are eligible for rental assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) or occupancy in public housing assisted under such Act, and have applied to a public housing agency for such assistance or occupancy, as applicable, and been on a waiting list of a public housing agency for such assistance or occupancy, as applicable, for at least 12 consecutive months.

"SEC. 298. OTHER PROVISIONS.

''(a) EFFECT OF ASSISTANCE UNDER PROGRAM.—Notwithstanding any other provision of law, the provision of assistance under this subtitle for a project shall not reduce the amount of assistance for which such project is otherwise eligible under subtitles A through F of this title, if the project does not exceed the cost limits established pursuant to section 296(e).

''(b) ACCOUNTABILITY OF GRANTEES AND RECIPIENTS.—

''(1) RECIPIENTS.—

''(A) TRACKING OF FUNDS.—The Secretary shall—

''(i) require each grantee to develop and maintain a system to ensure that each recipient of assistance from Trust Fund grant amounts of the grantee uses such amounts in accordance with this subtitle, the regulations issued under this subtitle, and any requirements or conditions under which such amounts were provided; and

''(ii) establish minimum requirements for agreements, between the grantee and recipients, regarding assistance from the Trust Fund grant amounts of the grantee, which shall include—

''(I) appropriate continuing financial and project reporting, record retention, and audit requirements for the duration of the grant to the recipient to ensure compliance with the limitations and requirements of this subtitle and the regulations under this subtitle; and

''(II) any other requirements that the Secretary determines are necessary to ensure appropriate grant administration and compliance.

''(B) MISUSE OF FUNDS.—

''(i) REIMBURSEMENT REQUIREMENT.—If any recipient of assistance from Trust Fund grant amounts of a grantee is determined, in accordance with clause (ii), to have used any such amounts in a manner that is materially in violation of this subtitle, the regulations issued under this subtitle, or any requirements or conditions under which such amounts were provided—

''(I) such recipient shall be ineligible for any further assistance from any Trust Fund grant amounts of any grantee during the period that begins upon such determination and ends upon reinstatement by the Secretary of the eligibility of recipient for such assistance, except that the Secretary may reinstate such an ineligible recipient only pursuant to application by the recipient for such reinstatement and the recipient may not apply to the Secretary for such reinstatement during the 12-month period, or the 10-year period in the case of a second or subsequent such determination, beginning upon such determination; and

''(II) the grantee shall require that, within 12 months after the determination of such misuse, the recipient shall reimburse the grantee for such misused amounts and return to the grantee any amounts from the Trust Fund grant amounts of the grantee that remain unused or uncommitted for use.

The remedies under this clause are in addition to any other remedies that may be available under law.

''(ii) DETERMINATION.—A determination is made in accordance with this clause if the determination is—

''(I) made by the Secretary; or

''(II)(aa) made by the grantee;

''(bb) the grantee provides notification of the determination to the Secretary for review, in the discretion of the Secretary, of the determination; and

''(cc) the Secretary does not subsequently reverse the determination.

''(2) GRANTEES.—

''(A) REPORT.—

''(i) IN GENERAL.—The Secretary shall require each grantee receiving Trust Fund grant amounts for a fiscal year to submit a report, for such fiscal year, to the Secretary that—

''(I) describes the activities funded under this subtitle during such year with the Trust Fund grant amounts of the grantee; and

''(II) the manner in which the grantee complied during such fiscal year with the allocation plan established pursuant to section 295 for the grantee.

''(ii) PUBLIC AVAILABILITY.—The Secretary shall make such reports pursuant to this subparagraph publicly available.

''(B) MISUSE OF FUNDS.—If the Secretary determines, after reasonable notice and opportunity for hearing, that a grantee has failed to comply substantially with any provision of this subtitle and until the Secretary is satisfied that there is no longer any such failure to comply, the Secretary shall—

''(i) reduce the amount of assistance under this section to the grantee by an amount equal to the amount of Trust Fund grant amounts which were not used in accordance with this subtitle;

''(ii) require the grantee to repay the Secretary an amount equal to the amount of the Trust Fund grant amounts which were not used in accordance with this subtitle;

''(iii) limit the availability of assistance under this subtitle to the grantee to activities or recipients not affected by such failure to comply; or

''(iv) terminate any assistance under this subtitle to the grantee.

''SEC. 299. DEFINITIONS.

''For purposes of this subtitle, the following definitions shall apply:

''(1) ELIGIBLE ACTIVITIES.—The term 'eligible activities' means activities relating to the construction, preservation, or rehabilitation of affordable rental housing or affordable one- to four-family owner-occupied housing, including—

''(A) the construction of new housing;

''(B) the acquisition of real property;

''(C) site preparation and improvement, including demolition;

''(D) rehabilitation of existing housing;

''(E) use of funds to facilitate affordability for homeless and other extremely low-income households of dwelling units assisted with Trust Fund grant amounts, in a combined amount not to exceed 20 percent of the project grant amount, for—

''(i) project-based rental assistance for not more than 12 months for a project assisted with Trust Fund grant amounts;

''(ii) project operating reserves for use to cover the loss of rental assistance or in conjunction with a project loan; or

''(iii) project operating accounts used to cover net operating income shortfalls for dwelling units assisted with Trust Fund grant amounts;

''(F) providing incentives to maintain existing housing (including manufactured housing) as affordable housing and to establish or extend any low-income affordability restrictions for such housing, including covering capital expenditures and costs of establishing community land trusts to provide sites for manufactured housing provided such incentives; and

''(G) in the case of affordable one- to four-family owner-occupied housing, downpayment assistance, closing cost assistance, and assistance for interest rate buy-downs.

''(2) ELIGIBLE RECIPIENT.—The term 'eligible recipient' means an entity that meets the requirements under section 296(b) for receipt of Trust Fund grant amounts of a grantee.

''(3) EXTREMELY LOW VACANCY RATE.—The term 'extremely low vacancy rate' means a housing or rental vacancy rate of 2 percent or less.

''(4) EXTREMELY OLD HOUSING.—The term 'extremely old housing' means housing that is 45 years old or older.

''(5) FAMILIES.—The term 'families' has the meaning given such term in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

''(6) FISCAL DISTRESS; SEVERE FISCAL DISTRESS.—The terms 'fiscal distress' and 'severe fiscal distress' have the meanings given such terms in section 220(d).

''(7) GRANTEE.—The term 'grantee' means—

''(A) a State, insular area, or participating local jurisdiction for which a grant is made under section 294(e);

''(B) an Indian tribe for which a grant is made under section 294(g); or

''(C) a nonprofit or public entity for which a grant is made under section 294(i).

''(8) INDIAN TRIBE.—The term 'Indian tribe' means a federally recognized Indian tribe.

''(9) INSULAR AREA.—The term 'insular area' has the meaning given such term in section 104.

''(10) PARTICIPATING LOCAL JURISDICTION.—The term 'participating local jurisdiction' means, with respect to a fiscal year—

''(A) any unit of general local government (as such term is defined in section 104 (42 U.S.C. 12704) that qualifies as a participating jurisdiction under section 216 (42 U.S.C. 12746) for such fiscal year; and

''(B) at the option of such a consortium, any consortium of units of general local governments that is designated pursuant to section 216 (42 U.S.C. 12746) as a participating jurisdiction for purposes of title II.

''(11) POVERTY LINE.—The term 'poverty line' has the meaning given such term in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section.

''(12) RECIPIENT.—The term 'recipient' means an entity that receives assistance from a grantee, pursuant to section 296(a), from Trust Fund grant amounts of the grantee.

''(13) RURAL AREA.—The term 'rural area' has the meaning given such term in section 520 of the Housing Act of 1949 (42 U.S.C. 1490).

''(14) SECRETARY.—The term 'Secretary' means the Secretary of Housing and Urban Development.

''(15) STATE.—The term 'State' has the meaning given such term in section 104.

''(16) TRUST FUND.—The term 'Trust Fund' means the National Affordable Housing Trust Fund established under section 292.

''(17) TRUST FUND GRANT AMOUNTS.—The term 'Trust Fund grant amounts' means amounts from the Trust Fund that are provided to a grantee pursuant to subsection (e), (g), or (i) of section 294.

''SEC. 299A. INAPPLICABILITY OF HOME PROVISIONS.

''Except as specifically provided otherwise in this subtitle, no requirement under, or provision of, title I or subtitles A through F of this title shall apply to assistance provided under this subtitle.

''SEC. 299B. REGULATIONS.

''Not later than 6 months after the date of enactment of the National Affordable Housing Trust Fund Act of 2007, the Secretary of Housing and Urban Development shall promulgate regulations to carry out this subtitle, which shall include regulations establishing the affordable housing needs formula in accordance with section 294(a).''.

(b) CONFORMING AMENDMENT.—Section 201 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 note) is amended by striking ''This title'' and inserting ''Subtitles A through F of this title''.

The CHAIRMAN. No amendment to the committee amendment is in order except those printed in House Report 110–369. 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 of the amendment, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

AMENDMENT NO. 1 OFFERED BY MR. FRANK OF MASSACHUSETTS

The CHAIRMAN. It is now in order to consider amendment No. 1 printed in House Report 110–369.

Mr. FRANK of Massachusetts. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. FRANK of Massachusetts:

Page 14, strike lines 14 through 16, and insert the following:

''(1) STATES.—Subject to subsection (d), the allocation for a State shall be as follows:

''(A) MINIMUM AMOUNT.—If the formula amount determined under subsection (b)(2) for the State for the fiscal year is less than 0.5 percent of the total amount allocated for such fiscal year under section 293(b)(1), the allocation for the State shall be 0.5 percent of the total amount allocated for such fiscal year under section 293(b)(1).

''(B) FORMULA AMOUNT.—If the formula amount determined under subsection (b)(2) for the State for the fiscal year is 0.5 percent or more of the total amount allocated for such fiscal year under section 293(b)(1), the allocation for the State shall be the formula amount for the State, except that—

''(i) the Secretary shall reduce such formula amounts for all States whose allocations are determined under this subparagraph on a pro rata basis, except as provided in clause (ii), by the amount necessary to account for any increases from the formula amount for allocations made under subparagraph (A), so that the total of the allocations for all States pursuant to this paragraph is equal to the aggregate of the formula amounts under subsection (b)(2) for all States; and

''(ii) no reduction pursuant to clause (i) for any State may reduce the formula amount for the State to less than 0.5 percent of such total amount allocated for such fiscal year.''.

Page 15, strike lines 8 through 10, and insert the following:

''(1) for each participating local jurisdiction having a formula amount for such fiscal year of less than $750,000, the allocation shall be $0, except that the allocation for such a jurisdiction for such fiscal year shall be the formula amount for the jurisdiction for such fiscal year if—

''(A) the Secretary''

Page 15, strike the comma in line 20 and all that follows through line 22, and insert ''; or''.

Page 15, after line 22, insert the following:

''(B) the formula amount for such jurisdiction for such fiscal year is an amount that is greater than the formula amount for such fiscal year for any other participating local jurisdiction that is located in the same State; and''.

Page 42, strike lines 21 through 25, and insert the following:

''(A) IN GENERAL.—The dwelling unit is located in a project (i) that receives assistance under this subtitle, and (ii) for which not more than 50 percent of the rental units in the project that are not previously occupied may be rented initially only to''.

Strike line 15 on page 43 and all that follows through page 44, line 3, and insert the following:

''(B) EXCEPTIONS.—Subparagraph (A) shall not apply in the case of a project that—

''(i) has 25 or fewer dwelling units and that is—

''(I) located in a census tract in which the number of families having incomes less than the poverty line is less than 20 percent;

''(II) located in a rural area, as such term is defined in section 520 of the Housing Act of 1949 (42 U.S.C. 1490); or

''(III) specifically made available only for households comprised of disabled families; or

''(ii) is specifically made available only for households comprised of elderly families.''.

Page 51, line 5, after ''that'' insert ''describes''.

Page 51, line 6, strike ''describes''.

At the end of the bill, insert the following new section:

''SECTION 299C. BENEFITS.

''Nothing in this subtitle allows any payments under this subtitle for any individual or head of household that is not a legal resident.''

The CHAIRMAN. Pursuant to House Resolution 720, the gentleman from Massachusetts (Mr. FRANK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I don't believe any of these are controversial.

The first thing we do, we had in the committee an adoption of an amount, a minimum amount that would go to each State. Remember, this is largely a distribution to the States. It's not an existing Federal. This would not be administered at the Federal level. It would be sent to the States.

And some of the smaller States raised a question, and the smaller communities that they might be excluded. Indeed, while this is not exactly what the gentleman from Florida (Mr. BILIRAKIS) had wanted to offer, which I thought was perfectly reasonable, it comes close to, it touches on the same area. So this would make sure that no State would go without, and at least one community in every State would get some funding.

Next, we had a provision that really didn't make sense requiring a mixed income requirement in elderly projects. We didn't think that was reasonable, and we take it out.

We have a clarification involving the number of units that go to people who are below 50 percent, and we say that applies to all units.

And finally, in response to concerns in the House, we had language that could be better worded. It was somewhat hastily added at the last minute, and I hope it will be improved as we go forward, which seeks to say that no one who is in the country illegally should be allowed to be a resident of one of these projects.

That's the manager's amendment.

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

Mr. NEUGEBAUER. Mr. Chairman, we have no objection to the manager's amendment to H.R. 2895, the National Affordable Housing Trust Fund Act of 2007.

I yield back my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield back the balance of my time with gratitude to my colleagues.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. FRANK).

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

Mr. FRANK of Massachusetts. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Massachusetts will be postponed.

AMENDMENT NO. 2 OFFERED BY MR. FRANK OF MASSACHUSETTS

The CHAIRMAN. It is now in order to consider amendment No. 2 printed in House Report 110–369.

Mr. FRANK of Massachusetts. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. FRANK of Massachusetts:

Page 53, after line 20, insert the following:

''(F) use of funds to facilitate affordability for families having incomes described in section 296(c)(3), in a combined amount for a grantee in any fiscal year not to exceed 10 percent of the aggregate Trust Fund grant amounts provided to the grantee for such fiscal year, for project operating accounts used to cover net operating income shortfalls for dwelling units assisted with Trust Fund grant amounts;''.

Page 53, line 21, strike ''(F)'' and insert ''(G)''.

Page 54, line 4, strike ''(G)'' and insert ''(H)''.

The CHAIRMAN. Pursuant to House Resolution 720, the gentleman from Massachusetts (Mr. FRANK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, the gentlewoman from California, in consultation with a number of groups, put this forward, and it's to give more flexibility to the recipients.

I yield to the gentlewoman from California who will explain the amendment.

Ms. WATERS. Mr. Chairman, I rise in support of this amendment.

Chairman FRANK, I applaud you for your willingness to modify the trust fund proposal as it has moved through this Chamber to reflect the realities of the housing market while simultaneously keeping your eye on the prize, a significant increase in the production of affordable housing for the very poorest Americans. This amendment continues to maintain such a balance.

Let me share some simple math with my colleagues. The monthly SSI payment in California is $836. As the Brooke amendment established, the Federal Government considers an affordable rent to be 30 percent of that income, or $250 per month. Nobody can operate housing anywhere in California, much less in high-cost areas like Los Angeles, for $250 per unit monthly. It doesn't matter whether you're a nonprofit or for-profit or whether you have significant debt service on loans for the capital, or if someone has just handed you a brand new building for free. As the green eye shade types in the real estate business say, it just ''doesn't pencil out.''

This need to address the operating cost shortfall in projects targeted to the lowest income folks, especially those at SSI income levels and below, is not news to those of us who have been fighting for a national affordable housing trust fund for over half a decade. Nor, to be clear, does it suggest that there's any shortage of need for plain old low-cost bricks and sticks capital grants which will comprise the vast majority of funding under H.R. 2895, even if this amendment is adopted. What has become clear, though, is that the State and local housing agencies need some flexibility with the trust fund dollars to address the operating shortfall issue in order for the trust fund to generate the greatest number of new units for the poorest, most disabled residents of trust fund projects.

Critically, neither this amendment nor the underlying bill discourages grantees from seeking other sources of operating subsidies or rental assistance. Indeed, it requires as much. Even the full 10 percent of the trust fund in a given year, should States and localities choose to use the maximum permitted to operate accounts, will not come close to providing the total amount of operating subsidy needed to achieve the trust fund's targeting goals. So grantees like my own California Housing Finance Agency or Los

Angeles City Housing Department will have no choice but to leverage trust funds with section 8, McKinney-Vento subsidies and State or local rental assistance programs.

But this flexibility will ensure that some projects can move forward that otherwise could not in the current environment, where section 8, for example, has been under attack since the moment the trust fund movement began. That is the essence of the trust fund bill that you have championed, Chairman FRANK, recognizing and overcoming the obstacles to affordable housing production for the poorest people in this country. This amendment is wholly consistent with that goal, and I urge my colleagues to support that.

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

Mr. NEUGEBAUER. Mr. Chairman, I do not oppose this amendment. I think some of us had a concern early on that converting any of these monies to operating monies was a precedent we didn't want to move down. I think the purpose of the bill is to build housing. Although I believe this does help some of our very low income families, we would hope that they would not have to use any of that allocation for that. But this amendment does give them the flexibility to do that, and so we will support this amendment.

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

Mr. FRANK of Massachusetts. I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. FRANK).

The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MR. HASTINGS OF FLORIDA

The CHAIRMAN. It is now in order to consider amendment No. 3 printed in House Report 110–369.

Mr. HASTINGS of Florida. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. HASTINGS of Florida:

Page 45, line 20, before the semicolon insert the following: ''and includes counseling regarding financial literacy, strategies to save money, qualifying for a mortgage loan, methods to avoid predatory lenders and foreclosure, and, where appropriate by region, any requirements and costs associated with obtaining flood or other disaster-specific insurance coverage''.

The CHAIRMAN. Pursuant to House Resolution 720, the gentleman from Florida (Mr. HASTINGS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Florida.

Mr. HASTINGS of Florida. Mr. Chairman, I rise today to offer an amendment to H.R. 2895. I commend Chairman FRANK and Subcommittee Chairwoman WATERS and the full committee for their work on this legislation, and particularly the work of Ranking Members BACHUS and BIGGERT as well as those that I have complimented.

The purpose of my amendment is to include flood and disaster specific insurance counseling in the home ownership counseling criteria for beneficiaries of the trust fund.

I know that we're all concerned about the current instability in the housing market, and increasing foreclosure rates around this country, and especially in places like where I live. One of every 50 households in my congressional district have filed for foreclosure already this year. All of us know that that's unacceptable.

Mr. Chairman, the unfortunate truth is that many of these foreclosures have come from a lack of financial literacy and limited understanding of all the costs associated with owning a home. In many regions of our Nation more prone to disasters, appropriate insurance is one of many added costs of homeownership that can push people to the edge.

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And when you are on the edge, staying in your home or returning to your home after a disaster rests on having the right insurance.

I don't even need to point out to the Members the tragedies of withheld insurance from many of the victims in Hurricane Katrina. Knowledge of the specifics and nuances in disaster and flood insurance policies will encourage further financial empowerment and homeownership stability among our Nation's most vulnerable populations.

I urge Members to support the amendment.

Mr. Chairman, my amendment reflects homeownership counseling criteria which I initially included in the Workforce Housing Act of 2006, a bill which I introduced last year.

While my legislation from the 109th Congress focused on developing mortgage downpayment accounts and other development incentives, local and state housing trust funds have also been very effective in providing access to affordable housing. I applaud the approach of the National Affordable Housing Trust Fund Act of 2007, which will take these local successes even further.

Once again, I commend my friends Chairman FRANK and Chairwoman WATERS for shepherding this legislation to the floor and considering my contribution to their fine work.

I urge my colleagues to support this amendment and reserve the balance of my time.

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

Mr. NEUGEBAUER. Mr. Chairman, I rise to claim the time in opposition, although I am not opposed to the amendment.

The CHAIRMAN. Without objection, the gentleman from Texas is recognized for 5 minutes.

There was no objection.

Mr. NEUGEBAUER. Mr. Chairman, I think anytime that we can make sure that our people involved in housing, homeowners, renters, everybody, has the appropriate counseling is a good strategy, because in many cases what we find is people lose their assets or lose opportunities because they did not take advantage of some of the things that are available to them.

So I thank the gentleman from Florida for introducing that amendment. We support his amendment.

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

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. HASTINGS).

The amendment was agreed to.

AMENDMENT NO. 4 OFFERED BY MR. FRANK OF MASSACHUSETTS

The CHAIRMAN. It is now in order to consider amendment No. 4 printed in House Report 110–369.

Mr. FRANK of Massachusetts. Mr. Chairman, as the designee of the gentleman from Washington (Mr. INSLEE), I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. FRANK of Massachusetts:

Page 29, line 16, strike ''and''.

Page 29, line 24, strike the period and insert ''; and''.

Page 29, after line 24, insert the following:

''(xvi) the extent to which the design, construction, and operation of the housing assisted with grant amounts reduces utility costs for residents and thereby reduces their total housing cost.''.

The CHAIRMAN. Pursuant to House Resolution 720, the gentleman from Massachusetts (Mr. FRANK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, the gentleman from Washington has been a strong advocate of energy efficiency and reducing excess energy costs. He approached the committee and argued that it would be very useful to have in the bill the language of this amendment, which says that you will take into account, in making the grants, the extent to which the money would reduce utility costs for residents. This would, of course, have the dual advantage of making it less expensive for these low-income residents and also conserving energy. So it seemed to us an entirely reasonable approach, and I was glad to tell the gentleman from Washington that I agree with him and, in fact, to serve as his designee in offering it.

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

Mr. NEUGEBAUER. Mr. Chairman, I rise to claim the time in opposition, although I am not opposed to the amendment.

The Acting CHAIRMAN (Mr. ROSS). Without objection, the gentleman is recognized for 5 minutes.

There was no objection.

Mr. NEUGEBAUER. Mr. Chairman, certainly I think that anytime we are

going to be investing Federal dollars in any housing in the future, we need to make the sure the houses are as energy efficient as they possibly can be. And as I understand the gentleman's amendment, this would be about making sure, in consideration for granting funds for that, that the construction, the design, all of the phases of creating housing in this country would take into account the utility costs and, hopefully, the overall operating costs of those projects.

So with that, we support the amendment.

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

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

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. FRANK).

The amendment was agreed to.

AMENDMENT NO. 5 OFFERED BY MR. FRANK OF MASSACHUSETTS

The Acting CHAIRMAN. It is now in order to consider amendment No. 5 printed in House Report 110–369.

Mr. FRANK of Massachusetts. Mr. Chairman, as the designee of the gentlewoman from California (Ms. WOOLSEY), I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. FRANK of Massachusetts:

Page 30, after line 4, insert the following:

''(3) USE FOR FIRST RESPONDERS AND TEACHERS.—To the extent that Trust Fund grant amounts of a grantee are made available for eligible activities involving one- to four-family owner-occupied housing, the grantee may give preference in the use of such grant amounts to eligible activities relating to affordable housing for first responders, public safety officers, teachers, and other public employees who have family incomes such that such use of the grant amounts complies with the requirements under section 296(c).''.

Page 30, line 5, strike ''(3)'' and insert ''(4)''.

The Acting CHAIRMAN. Pursuant to House Resolution 720, the gentleman from Massachusetts (Mr. FRANK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, the gentlewoman from California, representing a high-cost area, Marin County, especially, in California, confronts the problem that many others confront, but she has it particularly in her district where workers in a municipality can't afford to live in the city in which they work.

So what her amendment does is to propose that with one- to four-family owner-occupied housing, the grantees who receive this money can give preference to public safety officers, teachers, et cetera.

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

Mr. NEUGEBAUER. Mr. Chairman, I rise to claim the time in opposition, although I am not opposed to the amendment.

The Acting CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Acting CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. NEUGEBAUER. Mr. Chairman, I want to agree with the chairman of the full committee that we do need to make sure that our first responders and teachers and people that we rely on to serve our communities be able to live in the communities that they are working in.

I think this is a good amendment, and we are not opposed to the amendment.

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

Mr. FRANK of Massachusetts. Mr. Chairman, I yield the balance of my time to the gentlewoman from California (Ms. WOOLSEY) so that she can speak for herself.

The Acting CHAIRMAN. Without objection, the gentlewoman from California will control the balance of time of the gentleman from Massachusetts (Mr. FRANK).

There was no objection.

Ms. WOOLSEY. Mr. Chairman, the amendment I offer today simply says that the organizations receiving grant money from the trust fund may give consideration to first responders, public safety officers, teachers, other public employees whose incomes have kept them from living in the communities that they serve.

Mr. Chairman, I represent a district where the median income is higher than some others and so is the price of housing. Sometimes public service employees actually require that workers live within a certain distance from their job, and it's simply unfair that when home prices put affordable housing out of reach for these workers, then they cannot participate in that career.

The amendment would not only affect high-cost areas but would benefit every single county or city in our country where public service employees have trouble finding housing.

If these employees meet the income requirements of the bill, grantees would be able to give consideration to them and to their contributions to our communities.

Mr. Chairman, it is time we stand up for these employees. It is time we let them know that we welcome them in our communities.

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

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. FRANK).

The amendment was agreed to.

AMENDMENT NO. 6 OFFERED BY MR. FRANK OF MASSACHUSETTS

The Acting CHAIRMAN. It is now in order to consider amendment No. 6 printed in House Report 110–369.

Mr. FRANK of Massachusetts. Mr. Chairman, as the designee of the gentleman from Rhode Island (Mr. LANGEVIN), I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. FRANK of Massachusetts:

Page 52, after line 15, insert the following:

''(c) GREEN HOUSING CLEARINGHOUSE.—

''(1) ESTABLISHMENT.—The Secretary shall establish a clearinghouse of information relating to green building techniques to provide grantees and recipients of Trust Fund amounts information regarding use of Trust Fund grant amounts in a manner that increases the efficiency of buildings and their use of energy, water, and materials, and reducing building impacts on human health and the environment, through better siting, design, construction, operation, maintenance, and removal, including information regarding best practices and technical recommendations.

''(2) ACCESS THROUGH INTERNET.—The Secretary shall make the information of the clearinghouse available by means of the Internet.''.

Page 51, line 9, strike ''and''.

Page 51, line 14, strike the period and insert ''; and''.

Page 51, after line 14, insert the following:

''(III) certifies the number of total dwelling units of affordable housing that were constructed, preserved, or rehabilitated during such fiscal year with assistance from Trust Funds grant amounts of the grantee comply with widely accepted standards for green building.''.

The Acting CHAIRMAN. Pursuant to House Resolution 720, the gentleman from Massachusetts (Mr. FRANK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, we have in our committee been working hard to try to incorporate pro-environmental, energy-saving measures, measures that would reduce global warming. And this is an amendment offered by the gentleman from Rhode Island that is very much in tune with this.

Mr. Chairman, for further elaboration, I yield 2½ minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, I appreciate the gentleman's courtesy, and I appreciate his leadership in guiding the committee to deal with issues of affordable housing, the crisis that plagues our country dealing with the mortgage crisis.

If we are serious about providing affordable housing for families, then we need to be serious about building that housing in a sustainable fashion. Energy costs are increasing much faster than family incomes. Green homes are often 30 percent more energy efficient; that can cut utility costs by hundreds of dollars a year from the outset and an amount that is going to compound over time. We need to do well by our environment but we also need to save families' hard-earned money.

There is also strong evidence that green homes are also healthier homes. More than 4 million American children have asthma, and it is estimated that had more than 40 percent of diagnosed asthma is due to residential exposure. Green homes use building practices and materials that minimize moisture, that provide proper ventilation, that prevent infestation and avoid toxic materials.

I had the opportunity last night in Portland, OR, to be part of a celebration for our Oregon's architectural foundation, and these folks are zeroing in on practices that make a difference and add value. Many of the advantages of ''going green'' are based on people just having the fundamental information. There is a great deal of misinformation.

This amendment would provide a ''green housing clearinghouse'' that will provide fundamental information for people who are involved with the industry. It requires grantees to self-certify how many of the total units they build with the grants were green. This will help keep the grantees accountable. It gives HUD important information on how many affordable housing units are, in fact, green. And I think it's going to be an important step, low cost, high impact, that is going to promote the housing in this arena to be of the highest quality and most sustainable practices.

I strongly urge adoption of the amendment.

Mr. NEUGEBAUER. Mr. Chairman, I rise to claim the time in opposition, although I am not opposed to the amendment.

The Acting CHAIRMAN. Without objection, the gentleman from Texas is recognized for 5 minutes.

There was no objection.

Mr. NEUGEBAUER. Mr. Chairman, I would just say, again, I think we want to make sure that any new housing that's done is energy efficient and also meets as many green criteria.

One of the things I would encourage and would hope that the chairman would work with me in is in the final version of this bill I would hope that, once we conference that, the National Association of Home Builders has been involved in green building for a number of years and has set up a lot of information.

So one of the things that you and I have talked about is we want to try to make this money go as far as we possibly can and avoid as much duplication as we can.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. NEUGEBAUER. I would be glad to yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, the gentleman is absolutely right. And that same issue, as he knows, is arising in the context of our work on HOPE VI. We want to do the green building standards. We want to do them in a way that will be sensible and reasonable.

Let's be very clear. There aren't enough law enforcement people in the world to make this work if there isn't a willingness on the part of those involved to do it. If people think it is too rigid or inflexible, it's just not going to work as well. I think we have a wide willingness now on the part of the homebuilders and others to be participating in this.

And, yes, we will make this very much a collaborative enterprise. Of course if the gentleman's substitute were to pass, it wouldn't be relevant. But in case it didn't, we will work together.

Mr. NEUGEBAUER. Thank you.

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

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

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. FRANK).

The amendment was agreed to.

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AMENDMENT NO. 7 OFFERED BY MR. FRANK OF MASSACHUSETTS

The Acting CHAIRMAN. It is now in order to consider amendment No. 7 printed in House Report 110–369.

Mr. FRANK of Massachusetts. Mr. Chairman, as the designee of the gentleman from Maryland (Mr. VAN HOLLEN), I offer the amendment that is now in order.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 Offered by Mr. FRANK of Massachusetts:

Page 24, line 24, strike ''and''.

Page 25, line 15, strike the period and insert ''; and''.

Page 25, after line 15, insert the following:

''(C) in the case of any recipient who has received assistance from Trust Fund grant amounts in any previous fiscal year, a report on the progress made in carrying out the eligible activities funded with such previous assistance.''.

The Acting CHAIRMAN. Pursuant to House Resolution 720, the gentleman from Massachusetts (Mr. FRANK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, this is a very reasonable and thoughtful amendment from the gentleman from Maryland. What it says is that we hope this program is established, we hope that there will be entities that will be repeat applicants. We just want to make explicit that if people have gotten a grant and now come back for another one, they be very explicit about what they have done with it. It is, I think, a very useful kind of oversight that's built into the program. It may seem obvious, but we sometimes read about people getting renewed programs when they haven't done a very good job in the last one. This won't make that absolutely impossible, but it will make it less likely. I think it is a very useful amendment by the gentleman from Maryland, and I hope it's adopted.

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

Mr. NEUGEBAUER. Mr. Chairman, I seek the time in opposition, although I am not opposed to the amendment.

The Acting CHAIRMAN. Without objection, the gentleman from Texas is recognized for 5 minutes.

There was no objection.

Mr. NEUGEBAUER. Mr. Chairman, I think this is a very good amendment. Accountability in any government program is always welcome, and I thank the gentleman for offering this.

We need to make sure that, as we are passing out these monies, we want them to go as far as they can, we want them to go to people that can actually deliver what they said in their grant proposals and in their quest in their housing proposals, and so I support it.

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

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

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. FRANK).

The amendment was agreed to.

AMENDMENT NO. 8 OFFERED BY MR. NEUGEBAUER

The Acting CHAIRMAN. It is now in order to consider amendment No. 8 printed in House Report 110–369.

Mr. NEUGEBAUER. 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. 8 offered by Mr. NEUGEBAUER:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Affordable Housing Grant Act of 2007''.

SEC. 2. NATIONAL AFFORDABLE HOUSING GRANTS.

(a) IN GENERAL.—Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.) is amended by adding at the end the following new subtitle:

''Subtitle G—National Affordable Housing Grant Program

''SEC. 291. PURPOSES.

''The purposes of this subtitle are—

''(1) to address the national shortage of housing that is affordable to low-income families by making grants to finance additional housing activities, without supplanting existing housing appropriations;

''(2) to enable rental housing to be built, for families with the greatest economic need, in mixed-income settings and in areas with the greatest economic opportunities;

''(3) to promote ownership of one-to-four family owner-occupied housing by low-income families; and

''(4) to construct, rehabilitate, and preserve at least 750,000 affordable dwelling units over the next decade.

''SEC. 292. GRANT AUTHORITY.

''(a) IN GENERAL.—To the extent that amounts are made available to carry out this

subtitle, the Secretary of Housing and Urban Development may make grants to participating jurisdictions in accordance with this subtitle.

''(b) FEDERAL ASSISTANCE.—All assistance provided under this subtitle shall be considered to be Federal financial assistance.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under this title such sums as may be necessary for each of fiscal years 2008 through 2012.

''SEC. 293. ALLOCATIONS FOR STATES, INDIAN TRIBES, INSULAR AREAS, AND PARTICIPATING LOCAL JURISDICTIONS.

''For fiscal year 2008 and for each fiscal year thereafter, of the total amount available for assistance under this subtitle, the Secretary shall allocate for use under section 294—

''(1) 40 percent for States, Indian tribes, and insular areas; and

''(2) 60 percent for participating local jurisdictions.

''SEC. 294. GRANT ASSISTANCE.

''(a) AFFORDABLE HOUSING NEEDS FORMULA.—

''(1) ESTABLISHMENT AND FACTORS.—The Secretary shall establish a formula to allocate amounts made available for a fiscal year for assistance under this subtitle among States, all Indian tribes, insular areas, and participating local jurisdictions based on the relative needs of such entities, for funds to increase the supply of decent quality affordable housing. The formula shall be based upon a comparison of the following factors with respect to each State, Indian tribes, each insular area, and each participating local jurisdiction:

''(A) The ratio of the population of the State, Indian tribes, insular area, or participating local jurisdiction, to the aggregate population of all States, Indian tribes, insular areas, and participating local jurisdictions..

''(B) The percentage of families in the jurisdiction of the State, of Indian tribes, or of the insular area or participating local jurisdiction that live in substandard housing.

''(C) The percentage of families in the jurisdiction of the State, of Indian tribes, or of the insular area or that pay more than 50 percent of their annual income for housing costs.

''(D) The percentage of persons in the jurisdiction of the State, of Indian tribes, or of the insular area or participating local jurisdiction having an income at or below the poverty line.

''(E) The cost of constructing or carrying out rehabilitation of housing in the jurisdiction of the State, of Indian tribes, or of the insular area or participating local jurisdiction.

''(F) The percentage of the population of the State, of Indian tribes, or of the insular area or participating local jurisdiction that resides in counties having extremely low vacancy rates.

''(G) The percentage of housing stock in the jurisdiction of the State, of Indian tribes, or of the insular area or participating local jurisdiction that is extremely old housing.

''(H) Any other factors that the Secretary determines to be appropriate.

''(2) FAILURE TO ESTABLISH.—Until such time as the Secretary publishes a notice in the Federal Register implementing regulations establishing the formula required under paragraph (1) of this subsection, for the purpose of allocating assistance under this subtitle—

''(A) section 293, paragraphs (2) and (3) of subsection (b) of this section, and subsection (c) of this section shall not apply;

''(B) the allocation for Indian tribes shall be such amount as the Secretary shall establish; and

''(C) the formula amount for each State, insular area, or participating local jurisdiction shall be determined by applying, for such State, insular area, or participating local jurisdiction, the percentage that is equal to the percentage of the total amounts made available for such fiscal year for allocation under subtitle A of this title (42 U.S.C. 12741 et seq.) that are allocated in such year, pursuant to such subtitle, to such State, insular area, or participating local jurisdiction, respectively, and the allocation for each State, insular area, or participating local jurisdiction, for purposes of subsection (d) shall be the formula amount for the State, insular area, or participating local jurisdiction, respectively.

''(b) FORMULA AMOUNT.—

''(1) IN GENERAL.—For each fiscal year referred to in section 293, the Secretary shall determine the formula amount under this subsection for each State, for Indian tribes, for each insular area, and for each participating local jurisdiction.

''(2) STATES, INDIAN TRIBES, AND INSULAR AREAS.—The formula amount for each State, for Indian tribes, and for each insular area shall be the amount determined for such State, for Indian tribes, or for such insular area by applying the formula under subsection (a) of this section to the total amount allocated under section 293(1) for all States, Indian tribes, and insular areas for the fiscal year.

''(3) PARTICIPATING LOCAL JURISDICTIONS.—The formula amount for each participating local jurisdiction shall be the amount determined for such participating local jurisdiction by applying the formula under subsection (a) of this section to the total amount allocated under section 293(2) for all participating local jurisdictions for the fiscal year.

''(4) NOTICE.—For each fiscal year referred to in section 293, not later than 60 days after the date that the Secretary determines the total amount available for such fiscal year pursuant to section 292(c) for assistance under this subtitle, the Secretary shall cause to be published in the Federal Register a notice that such amounts shall be so available.

''(c) ALLOCATION BASED ON AFFORDABLE HOUSING NEEDS FORMULA.—The allocation under this subsection for a State, for Indian tribes, for an insular area, or for a participating local jurisdiction for a fiscal year shall be determined as follows:

''(1) STATES.—The allocation for a State shall be as follows:

''(A) MINIMUM AMOUNT.—If the formula amount determined under subsection (b)(2) for the State for the fiscal year is less than 1 percent of the total amount allocated for such fiscal year under section 293(1), the allocation for the State shall be 1 percent of the total amount allocated for such fiscal year under section 293(1).

''(B) FORMULA AMOUNT.—If the formula amount determined under subsection (b)(2) for the State for the fiscal year is 1 percent or more of the total amount allocated for such fiscal year under section 293(1), the allocation for the State shall be the formula amount for the State, except that the Secretary shall reduce such formula amounts for all States whose allocations are determined under this subparagraph on a pro rata basis by the amount necessary to account for any increases from the formula amount for allocations made under subparagraph (A) so that the total of the allocations for all States pursuant to this paragraph is equal to the aggregate of the formula amounts under subsection (b)(2) for all States.

''(2) INDIAN TRIBES AND INSULAR AREAS.—The allocation for Indian tribes and for each insular area shall be the formula amount for Indian tribes or for the insular area, respectively, determined under subsection (b), as applicable.

''(3) PARTICIPATING LOCAL JURISDICTIONS.—The allocation for each participating local jurisdiction shall be the formula amount for the unit determined under subsection (b).

''(d) GRANT AWARDS.—For each fiscal year referred to in section 293, using the amounts made available to the Secretary for assistance under this subtitle for such fiscal year, the Secretary shall, subject to subsection (e), make a grant to each State, insular area, and participating local jurisdiction in the amount of the allocation under subsection (a)(2) or (c), as applicable, for the State, area, or jurisdiction, respectively.

''(e) MATCHING REQUIREMENT.—

''(1) IN GENERAL.—Each participating jurisdiction for a program year shall contribute to eligible activities funded with grant amounts under this subtitle, or require the contribution to such eligible activities by recipients of such grant amounts of, in addition to any such grant amounts, one dollar for every four dollars of such grant amounts.

''(2) REDUCTION OR WAIVER FOR RECIPIENTS IN FISCAL DISTRESS.—The Secretary may reduce or waive the requirement under paragraph (1) with respect to any participating jurisdiction that the Secretary determines, pursuant to such demonstration by the recipient as the Secretary shall require, is in fiscal distress. The Secretary shall make determinations regarding fiscal distress for purposes of this paragraph in the same manner, and according to the same criteria, as fiscal distress is determined with respect to jurisdictions under section 220(d) (42 U.S.C. 12750(d)).

''(3) QUALIFICATION OF SERVICES FUNDING FOR MATCH.—For purposes of meeting the requirements of paragraph (1), amounts that a participating jurisdiction, recipient, or other governmental or private agency or entity commits to contribute to provide services to residents of affordable housing provided using grant amounts under this subtitle, by entering into a binding commitment for such contribution as the Secretary shall require, shall be considered contributions to eligible activities.

''(4) REDUCTION OR WAIVER FOR CERTAIN ACTIVITIES.—With respect to grant amounts under this subtitle made available for a fiscal year, the Secretary shall reduce or waive the amount of contributions otherwise required under paragraph (1) to be made with respect to eligible activities to be carried out with such grant amounts and for which any variance from zoning laws or other waiver of regulatory requirements was approved by the local jurisdiction. Such reduction may be implemented in the year following the year in which such activities are funded with grant amounts under this subtitle.

''(5) WAIVER FOR DISASTER AREAS.—In the case of any area that is subject to a declaration by the President of a major disaster or emergency under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121), the Secretary shall, for the fiscal year following such declaration, waive the requirement under paragraph (1) with respect to any eligible activities to be carried out in such area.

''(f) COMPETITIVE GRANTS FOR INDIAN TRIBES.—For each fiscal year referred to in section 293, the Secretary shall, using amounts allocated for Indian tribes pursuant to subsection (a)(2)(B) or (c)(2), as applicable, and subject to subsection (e), make grants to Indian tribes on a competitive basis, based

upon such criteria as the Secretary shall establish, which shall include the factors specified in section 295(c)(2)(B).

''(g) USE BY STATE OF UNUSED FUNDS OF LOCAL JURISDICTIONS.—If any participating local jurisdiction for which an allocation is made for a fiscal year pursuant to this section notifies the Secretary of an intent not to use all or part of such funds, any such funds that will not be used by the jurisdiction shall be added to the grant award under subsection (d) for the State in which such jurisdiction is located.

''(h) COMPETITIVE GRANTS FOR AREAS WITHOUT ALLOCATION PLANS AND RECIPIENTS WITH INSUFFICIENT MATCHING CONTRIBUTIONS.—

''(1) AVAILABLE AMOUNTS.—For a fiscal year, the following amounts shall be available for grants under this subsection:

''(A) ALLOCATION FOR AREAS NOT SUBMITTING ALLOCATION PLANS.—With respect to each State, insular area, or participating local jurisdiction that has not, before the expiration of the 12-month period beginning upon the date of the publication of the notice of funding availability for such fiscal year under subsection (b)(4), submitted to and had approved by the Secretary an allocation plan for such fiscal year meeting the requirements of section 295, the amount of the allocation for such State, insular area, or participating local jurisdiction for such fiscal year determined under this section.

''(B) UNMATCHED PORTION OF ALLOCATION.—With respect to any participating jurisdiction for which the grant amount awarded under this subtitle for such fiscal year is reduced from the amount of the allocation determined under this section for the participating jurisdiction by reason of failure comply with the requirements under subsection (e), the amount by which such allocation for the participating jurisdiction for the fiscal year exceeds the grant amount for the participating jurisdiction for the fiscal year.

''(C) UNUSED AMOUNTS.—Any grant amounts under this subtitle for which the participating jurisdiction notifies the Secretary that such funds will not be used under this subtitle.

''(2) NOTICE.—For each fiscal year, not later than 60 days after the date that the Secretary determines that the amounts described in paragraph (1) shall be available for grants under this subsection, the Secretary shall cause to be published in the Federal Register a notice that such amounts shall be so available.

''(3) APPLICATIONS.—The Secretary shall provide for nonprofit and public entities (and consortia thereof, which may include regional consortia of units of local government) to submit applications, during the 9-month period beginning upon publication of a notice of funding availability under paragraph (2) for a fiscal year, for a grant of all or a portion of the amounts referred to in paragraph (1) for such fiscal year. Such an application shall include a certification that the applicant will comply with all requirements of this subtitle applicable to a participating jurisdiction under this subsection.

''(4) SELECTION CRITERIA.—The Secretary shall, by regulation, establish criteria for selecting applicants that meet the requirements of paragraph (3) for funding under this subsection. Such criteria shall give priority to applications that provide that grant amounts under this subsection will be used for eligible activities relating to affordable housing that is located in the State or insular area, as applicable, for which such grant funds were originally allocated under this section.

''(5) AWARD AND USE OF GRANT ASSISTANCE.—

''(A) AWARD.—Subject only to the absence of applications meeting the requirements of paragraph (3), upon the expiration of the period referred to in such paragraph, the Secretary shall select an applicant or applicants under this subsection to receive the amounts available under paragraph (1) and shall make a grant or grants to such applicant or applicants. The selection shall be based upon the criteria established under paragraph (4).

''(B) USE.—Amounts from a grant under this subsection shall be grant amounts for purposes of this subtitle.

''SEC. 295. STATE ALLOCATION PLANS.

''(a) IN GENERAL.—Each State shall establish, in consultation with participation local jurisdictions within the State, an allocation plan in accordance with this section for the distribution grant amounts provided under this subtitle to the State and the participating local jurisdictions. The plan shall—

''(1) provide for use of such amounts in accordance with section 296;

''(2) be based on priority needs within the State; and

''(3) be consistent with the comprehensive housing affordability strategy under section 105 (42 U.S.C. 12705).

''(b) ESTABLISHMENT.—In establishing an allocation plan, after consultation with participating local jurisdictions, the State shall notify the public of the establishment of the plan, provide an opportunity for public comments regarding the plan, consider any public comments received, and make the completed plan available to the public.

''(c) CONTENTS.—Each allocation plan of a State described in subsection (a) shall comply with the following requirements:

''(1) APPLICATION REQUIREMENTS FOR ELIGIBLE RECIPIENTS.—The allocation plan shall set forth the requirements for eligible recipients to apply to the State to receive assistance from grant amounts under this subtitle of the State or participating local jurisdiction for use for eligible activities, including a requirement that each such application include—

''(A) a description of the eligible activities to be conducted using such assistance; and

''(B) a certification by the eligible recipient applying for such assistance that any housing assisted with such grant amounts will comply with—

''(i) all of the requirements under this subtitle, including the targeting requirements under section 296(c) and the affordable housing requirements under section 297;

''(ii) section 808(d) of the Fair Housing Act (relating to the obligation to affirmatively further fair housing); and

''(iii) section 504 of the Rehabilitation Act of 1973 (relating to prohibition of discrimination on the basis of disability).

''(2) SELECTION PROCESS AND CRITERIA FOR ASSISTANCE.—

''(A) SELECTION PROCESS.—The allocation plan shall set forth a process for the State to select eligible activities meeting the State's priority housing needs for funding with grant amounts under this subtitle of the State and local governments, which shall comply with requirements for such process as the Secretary shall, by regulation, establish.

''(B) SELECTION CRITERIA.—The allocation plan shall set forth the factors for consideration in selecting among applicants that meet the application requirements established pursuant to paragraph (1), which shall provide for geographic diversity among eligible activities to be assisted with grant amounts of the State or participating local jurisdictions, and shall include—

''(i) the merits of the proposed eligible activity of the applicant, including the extent to which the activity addresses housing needs identified in the allocation plan of the participating jurisdiction and the applicable comprehensive housing affordability strategy or consolidated submission referred to in subsection (a)(3);

''(ii) the ability of the applicant to obligate grant amounts for the proposed eligible activities and to undertake such activities in a timely manner;

''(iii) the amount of assistance leveraged by the applicant from private and other non-Federal sources for carrying out the eligible activities to be funded with grant amounts under this subtitle, including assistance made available under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) that is devoted to the project that contains the affordable housing to be assisted with such assistance;

''(iv) the extent of local assistance that will be provided in carrying out the eligible activities, including financial assistance;

''(v) the degree to which the project in which the affordable housing will be located will have residents of various incomes;

''(vi) the extent of employment and other economic opportunities for low-income families in the area in which the housing will be located;

''(vii) the extent to which the applicant demonstrates the ability to maintain dwelling units as affordable housing through the use of assistance made available under this subtitle, assistance leveraged from non-Federal sources, assistance made available under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), State or local assistance, programs to increase tenant income, cross-subsidization, and any other resources;

''(viii) the extent to which the applicant demonstrates that the county in which the housing is to be located is experiencing an extremely low vacancy rate;

''(ix) the extent to which the percentage of the housing located in such county that is extremely old housing exceeds 35 percent;

''(x) the extent to which the housing assisted with the grant amounts will be accessible to persons with disabilities;

''(xi) the extent to which the applicant demonstrates that the affordable housing assisted with the grant amounts will be located in proximity to public transportation, job opportunities, child care, and community revitalization projects;

''(xii) the extent to which the applicant has provided that assistance from grant amounts will be used for eligible activities relating to housing located in census tracts in which the number of families having incomes less than the poverty line is less than 20 percent; and

''(xiii) the extent to which the housing assisted with grant amounts will comply with energy efficiency standards and the national Green Communities criteria checklist for residential construction that provides criteria for the design, development, and operation of affordable housing, as the Secretary shall by regulation provide.

A State may allocate a portion of funds under this section for use by such State for eligible activities pursuant to the selection process under subparagraph (A).

''(C) APPLICATIONS.—Applications for funding eligible activities from grant amounts of the local government shall be submitted to the local government, and applications received by the local government that are consistent with the priority housing needs of the local government shall be sent by the local government to the State for selection by the State in accordance with the process established by the State.

''(3) PERFORMANCE GOALS, BENCHMARKS, AND TIMETABLES.—The allocation plan shall include performance goals, benchmarks, and timetables for the participating jurisdiction

for the conducting of eligible activities with grant amounts under this subtitle that comply with requirements and standards for such goals, benchmarks, and timetables as the Secretary shall, by regulation, establish.

''(d) REVIEW AND APPROVAL BY SECRETARY.—

''(1) SUBMISSION.—A participating jurisdiction described in subsection (a) shall submit an allocation plan for the fiscal year for which the grant is made to the Secretary not later than the expiration of the 6-month period beginning upon the notice of funding availability under section 294(b)(4) for such fiscal year amounts.

''(2) REVIEW AND APPROVAL OR DISAPPROVAL.—The Secretary shall review and approve or disapprove an allocation plan not later than the expiration of the 3-month period beginning upon submission of the plan.

''(3) STANDARD FOR DISAPPROVAL.—The Secretary may disapprove an allocation plan only if the plan fails to comply with requirements of this section or section 296.

''(4) RESUBMISSION UPON DISAPPROVAL.—If the Secretary disapproves a plan, the participating jurisdiction may submit to the Secretary a revised plan for review and approval or disapproval under this subsection.

''(5) TIMING FOR FISCAL YEAR 2008.—With respect only to fiscal year 2008, the Secretary may extend each of the periods referred to in paragraphs (1) and (2), and the period referred to in section 294(h)(1)(A), by not more than 6 months.

''(e) COMPLIANCE WITH INTERNAL REVENUE CODE.—A State may combine the allocation plan and process under this section with the qualified allocation plan and process required under section 42 of the Internal Revenue Code of 1986.

''SEC. 296. USE OF ASSISTANCE BY RECIPIENTS.

''(a) DISTRIBUTION TO RECIPIENTS; USE REQUIREMENTS.—Each participating jurisdiction shall distribute grant amounts under this subtitle of the participating jurisdiction to eligible recipients for use in accordance with this section. Grant amounts under this subtitle of a participating jurisdiction may be used, or committed for use, only for eligible activities that—

''(1) are conducted in the jurisdiction of the participating jurisdiction;

''(2) in the case of a participating jurisdiction that is a State, insular area, participating local jurisdiction, or participating jurisdiction under section 294(h), comply with the allocation plan of the participating jurisdiction under section 295;

''(3) are selected for funding by the participating jurisdiction in accordance with the process and criteria for such selection established pursuant to section 295(c)(2); and

''(4) comply with the targeting requirements under subsection (c) of this section and the affordable housing requirements under section 297.

''(b) ELIGIBLE RECIPIENTS.—Grant amounts under this subtitle of a participating jurisdiction may be provided only to an organization, agency, or other entity (including a for-profit entity, a nonprofit entity, a faith-based organization, a community development financial institution, a community development corporation, and a State or local housing trust fund) that—

''(1) demonstrates the experience, ability, and capacity (including financial capacity) to undertake, comply, and manage the eligible activity;

''(2) demonstrates its familiarly with the requirements of any other Federal, State or local housing program that will be used in conjunction with such grant amounts to ensure compliance with all applicable requirements and regulations of such programs; and

''(3) makes such assurances to the participating jurisdiction as the Secretary shall, by regulation, require to ensure that the recipient will comply with the requirements of this subtitle during the entire period that begins upon selection of the recipient to receive such grant amounts and ending upon the conclusion of all eligible activities that are engaged in by the recipient and funded with such grant amounts.

''(c) TARGETING REQUIREMENTS.—The targeting requirements under this subsection are as follows:

''(1) REQUIREMENT OF USE OF ALL AMOUNTS FOR AFFORDABLE HOUSING FOR LOW-INCOME FAMILIES.—All grant amounts under this subtitle of a participating jurisdiction shall be distributed for use only for eligible activities relating to affordable housing that are for the benefit only of families whose incomes do not exceed 80 percent of the greater of—

''(A) the median family income for the area in which the housing is located, as determined by the Secretary with adjustments for smaller and larger families; and

''(B) the median family income for the State or insular area in which the housing is located, as determined by the Secretary with adjustments for smaller and larger families.

''(2) USE OF 75 PERCENT FOR AFFORDABLE HOUSING FOR EXTREMELY LOW-INCOME FAMILIES.—Not less than 75 percent of the grant amounts under this subtitle of a participating jurisdiction for each fiscal year shall be used only for eligible activities relating to affordable housing that are for the benefit only of families whose incomes do not exceed the higher of—

''(A) 30 percent of the median family income for the area in which the housing is located, as determined by the Secretary with adjustments for smaller and larger families; and

''(B) the poverty line (as such term is defined in section 673 of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902), including any revision required by such section) applicable to a family of the size involved.

''(3) USE OF 30 PERCENT FOR AFFORDABLE HOUSING FOR VERY POOR FAMILIES.—Not less than 30 percent of the grant amounts under this subtitle of a participating jurisdiction for each fiscal year shall be used only for eligible activities relating to affordable housing that are for the benefit only of families whose incomes do not exceed the maximum amount of income that an individual or family could have, taking into consideration any income disregards, and remain eligible for benefits under the Supplemental Security Income program under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.).

''(d) USE FOR RURAL AREAS.—Of the grant amounts under this subtitle for any fiscal year for any participating jurisdiction that is a State or participating jurisdiction that includes any rural areas, the State or participating jurisdiction shall use a portion for eligible activities located in rural areas that is proportionate to the identified need for such activities in such rural areas.

''(e) COST LIMITS.—The Secretary shall establish limitations on the amount of grant amounts under this subtitle that may be used, on a per unit basis, for eligible activities. Such limitations shall be the same as the per unit cost limits established pursuant to section 212(e) (42 U.S.C. 12742(e)), as adjusted annually, and established by number of bedrooms, market area, and eligible activity.

''(f) FORMS OF ASSISTANCE.—

''(1) IN GENERAL.—Assistance may be distributed pursuant to this section in the form of—

''(A) capital grants, noninterest-bearing or low-interest loans or advances, deferred payment loans, guarantees, and loan loss reserves;

''(B) in the case of assistance for ownership of one- to four-family owner-occupied housing, downpayment assistance, closing cost assistance, and assistance for interest rate buy-downs; and

''(C) any other forms of assistance approved by the Secretary.

''(2) REPAYMENTS.—If a participating jurisdiction awards assistance under this section in the form of a loan or other mechanism by which funds are later repaid to the participating jurisdiction, any repayments and returns received by the participating jurisdiction shall be distributed by the participating jurisdiction in accordance with the allocation plan under section 295 for the State for the fiscal year in which such repayments are made or returns are received.

''(g) COORDINATION WITH OTHER ASSISTANCE.—In distributing assistance pursuant to this section, each participating jurisdiction shall, to the maximum extent practicable, coordinate such distribution with the provision of other Federal, State, tribal, and local housing assistance, including—

''(1) in the case of any State, housing credit dollar amounts allocated by the State under section 42(h) of the Internal Revenue Code of 1986;

''(2) assistance made available under subtitles A through F (42 U.S.C. 12721 et seq.) or the community development block grant program under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.);

''(3) private activity bonds;

''(4) assistance made available under section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g);

''(5) assistance made available under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o));

''(6) assistance made available under title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.);

''(7) assistance made available under section 101 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111);

''(8) assistance made available from any State or local housing trust fund established to provide or assist in making available affordable housing; and

''(9) any other housing assistance programs.

''(h) PROHIBITED USES.—The Secretary shall—

''(1) by regulation, set forth prohibited uses of grant amounts under this subtitle, which shall include use for—

''(A) political activities;

''(B) advocacy;

''(C) lobbying, whether directly or through other parties;

''(D) counseling services;

''(E) travel expenses; and

''(F) preparing or providing advice on tax returns;

''(2) by regulation, provide that, except as provided in paragraph (3), grant amounts under this subtitle may not be used for administrative, outreach, or other costs of—

''(A) a participating jurisdiction; or

''(B) any recipient of such grant amounts; and

''(3) by regulation, limit the amount of any grant amounts under this subtitle for a fiscal year that may be used for administrative costs of the participating jurisdiction of carrying out the program required under this subtitle to a percentage of such grant amounts of the participating jurisdiction for such fiscal year, which may not exceed 10 percent.

''(i) LABOR STANDARDS.—Each participating jurisdiction receiving grant amounts under this subtitle shall ensure that contracts for eligible activities assisted with

such amounts comply with the same requirements under section 286 (42 U.S.C. 12836) that are applicable to contracts for construction of affordable housing assisted under such Act.

''(j) COMPLIANCE WITH OTHER FEDERAL LAWS.—All amounts made available for use under this subtitle shall be allocated in accordance with, and any eligible activities carried out in whole or in part with grant amounts under this subtitle (including housing provided with such grant amounts) shall comply with and be operated in compliance with, other applicable provisions of Federal law, including—

''(1) laws relating to tenant protections and tenant rights to participate in decision making regarding their residences;

''(2) laws requiring public participation, including laws relating to Consolidated Plans, Qualified Allocation Plans, and Public Housing Agency Plans; and

''(3) fair housing laws and laws regarding accessibility in federally assisted housing, including section 504 of the Rehabilitation Act of 1973.

''SEC. 297. AFFORDABLE HOUSING.

''(a) RENTAL HOUSING.—A rental dwelling unit (which may include a dwelling unit in limited equity cooperative housing, as such term is defined in section 143(k) of the Internal Revenue Code of 1986 (26 U.S.C. 143(k)) or in housing of a cooperative housing corporation, as such term is defined in section 216(b) of the Internal Revenue Code of 1986 (26 U.S.A. 216(b))), shall be considered affordable housing for purposes of this subtitle only if the dwelling unit is subject to legally binding commitments that ensure that the dwelling unit meets all of the following requirements:

''(1) RENTS.—The dwelling unit bears a rent not greater than the lesser of—

''(A) the existing fair market rental established by the Secretary under section 8(c) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)) for a dwelling unit of the same size in the same market area, or the applicable payment standard for assistance under section 8(o) of such Act, if higher; and

''(B) a rent that does not exceed 30 percent of the adjusted income of a family whose income equals 65 percent of the median income for the area, as determined by the Secretary, with adjustment for number of bedrooms in the unit, except that the Secretary may establish income ceilings higher or lower than 65 percent of the median for the area on the basis of the findings of the Secretary that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

''(2) TENANT RENT CONTRIBUTION.—The contribution toward rent by the family residing in the dwelling unit will not exceed 30 percent of the adjusted income of such family.

''(3) NON-DISCRIMINATION AGAINST VOUCHER HOLDERS.—The dwelling unit is located in a project in which all dwelling units are subject to enforceable restrictions that provide that a unit may not be refused for leasing to a holder of a voucher of eligibility under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) because of the status of the prospective tenant as a holder of such voucher.

''(4) MIXED INCOME.—

''(A) IN GENERAL.—The dwelling unit is located in a project in which not more than 50 percent of the rental units in the project that receive assistance under this subtitle and are not previously occupied may be rented initially to families with incomes described in section 295(c)(2), as determined at a reasonable time before occupancy.

''(B) EXCEPTIONS.—Subparagraph (A) shall not apply in the case of a project having 25 or fewer dwelling units that is—

''(i) located in a census tract in which the number of families having incomes less than the poverty line is less than 20 percent;

''(ii) located in a rural area, as such term is defined in section 520 of the Housing Act of 1949 (42 U.S.C. 1490); or

''(iii) specifically made available only for households comprised of elderly families or disabled families.

''(5) VISITABILITY.—To the extent the dwelling unit is not required under Federal law to comply with standards relating to accessibility to persons with disabilities, the dwelling unit complies with such basic visitability standards as the Secretary shall by regulation provide.

''(6) DURATION OF USE.—The dwelling unit will continue to be subject to all requirements under this subsection for not less than 50 years.

''(b) OWNER-OCCUPIED HOUSING.—For purposes of any eligible activity involving one- to four-family owner-occupied housing (which may include housing of a cooperative housing corporation, as such term is defined in section 216(b) of the Internal Revenue Code of 1986 (26 U.S.A. 216(b))), such a residence shall be considered affordable housing for purposes of this subtitle only if—

''(1) in the case of housing to be made available for purchase—

''(A) the housing is available for purchase only for use as a principal residence by families that qualify as first-time homebuyers, as such term is defined in section 104 (42 U.S.C. 12704), except that any reference in such section to assistance under title II of this Act shall for purposes of this section be considered to refer to assistance from grant amounts under this subtitle;

''(B) the housing has an initial purchase price that meets the requirements of section 215(b)(1); and

''(C) the housing is subject to the same resale restrictions established under section 215(b)(3) and applicable to the participating jurisdiction that is the State in which such housing is located; and

''(2) the housing is made available for purchase only by, or in the case of assistance to a homebuyer pursuant to this subsection, the assistance is made available only to, homebuyers who have, before purchase, completed a program of counseling with respect to the responsibilities and financial management involved in homeownership that is approved by the Secretary; except that the Secretary may, at the request of a State, waive the requirements of this paragraph with respect to a geographic area or areas within the State if—

''(A) the travel time or distance involved in providing counseling with respect to such area or areas, as otherwise required under this paragraph, on an in-person basis is excessive or the cost of such travel is prohibitive; and

''(B) the State provides alternative forms of counseling for such area or areas, which may include interactive telephone counseling, on-line counseling, interactive video counseling, and interactive home study counseling and a program of financial literacy and education to promote an understanding of consumer, economic, and personal finance issues and concepts, including saving for retirement, managing credit, long-term care, and estate planning and education on predatory lending, identity theft, and financial abuse schemes relating to homeownership that is approved by the Secretary, except that entities providing such counseling shall not discriminate against any particular form of housing; and

''SEC. 298. OTHER PROVISIONS.

''(a) EFFECT OF ASSISTANCE UNDER PROGRAM.—Notwithstanding any other provision of law, the provision of assistance under this subtitle for a project shall not reduce the amount of assistance for which such project is otherwise eligible under subtitles A through F of this title, if the project does not exceed the cost limits established pursuant to section 296(e).

''(b) ACCOUNTABILITY OF PARTICIPATING JURISDICTIONS AND RECIPIENTS.—

''(1) RECIPIENTS.—

''(A) TRACKING OF FUNDS.—The Secretary shall—

''(i) require each participating jurisdiction to develop and maintain a system to ensure that each recipient of assistance from grant amounts under this subtitle of the participating jurisdiction uses such amounts in accordance with this subtitle, the regulations issued under this subtitle, and any requirements or conditions under which such amounts were provided; and

''(ii) establish minimum requirements for agreements, between the participating jurisdiction and recipients, regarding assistance from the grant amounts under this subtitle of the participating jurisdiction, which shall include—

''(I) appropriate continuing financial and project reporting, record retention, and audit requirements for the duration of the grant to the recipient to ensure compliance with the limitations and requirements of this subtitle and the regulations under this subtitle; and

''(II) any other requirements that the Secretary determines are necessary to ensure appropriate grant administration and compliance.

''(B) MISUSE OF FUNDS.—

''(i) REIMBURSEMENT REQUIREMENT.—If any recipient of assistance from grant amounts under this subtitle of a participating jurisdiction is determined, in accordance with clause (ii), to have used any such amounts in a manner that is materially in violation of this subtitle, the regulations issued under this subtitle, or any requirements or conditions under which such amounts were provided, the participating jurisdiction shall require that, within 12 months after the determination of such misuse, the recipient shall reimburse the participating jurisdiction for such misused amounts and return to the participating jurisdiction any amounts from the grant amounts under this subtitle of the participating jurisdiction that remain unused or uncommitted for use. The remedies under this clause are in addition to any other remedies that may be available under law.

''(ii) DETERMINATION.—A determination is made in accordance with this clause if the determination is—

''(I) made by the Secretary ; or

''(II)(aa) made by the participating jurisdiction;

''(bb) the participating jurisdiction provides notification of the determination to the Secretary for review, in the discretion of the Secretary, of the determination; and

''(cc) the Secretary does not subsequently reverse the determination.

''(2) PARTICIPATING JURISDICTIONS.—

''(A) REPORT.—

''(i) IN GENERAL.—The Secretary shall require each participating jurisdiction receiving grant amounts under this subtitle for a fiscal year to submit a report, for such fiscal year, to the Secretary that—

''(I) describes the activities funded under this subtitle during such year with the grant amounts under this subtitle of the participating jurisdiction; and

''(II) the manner in which the participating jurisdiction complied during such fiscal year

with the allocation plan established pursuant to section 295 for the participating jurisdiction.

''(ii) PUBLIC AVAILABILITY.—The Secretary shall make such reports pursuant to this subparagraph publicly available.

''(B) MISUSE OF FUNDS.—If the Secretary determines, after reasonable notice and opportunity for hearing, that a participating jurisdiction has failed to comply substantially with any provision of this subtitle and until the Secretary is satisfied that there is no longer any such failure to comply, the Secretary shall—

''(i) reduce the amount of assistance under this section to the participating jurisdiction by an amount equal to the amount of grant amounts under this subtitle which were not used in accordance with this subtitle;

''(ii) require the participating jurisdiction to repay the Secretary an amount equal to the amount of the grant amounts under this subtitle which were not used in accordance with this subtitle;

''(iii) limit the availability of assistance under this subtitle to the participating jurisdiction to activities or recipients not affected by such failure to comply; or

''(iv) terminate any assistance under this subtitle to the participating jurisdiction.

''(C) UNEXPENDED FUNDS.—Grant amounts under this subtitle that are not committed to projects by the State or participating local jurisdiction before the expiration of the 24-month period beginning the last day of the month in which the Secretary executes the grant agreement with the State or participating local jurisdiction shall be recaptured by the Secretary and added to amounts available in the following fiscal year for formula allocation under section 294.

''SEC. 299. DEFINITIONS.

''For purposes of this subtitle, the following definitions shall apply:

''(1) ELIGIBLE ACTIVITIES.—The term 'eligible activities' means activities relating to the construction, preservation, or rehabilitation of affordable rental housing or affordable one- to four-family owner-occupied housing, including—

''(A) the construction of new housing;

''(B) the acquisition of real property;

''(C) site preparation and improvement, including demolition;

''(D) rehabilitation of existing housing;

''(E) use of funds to facilitate affordability for homeless and other extremely low-income households of dwelling units assisted with grant amounts under this subtitle, in a combined amount not to exceed 20 percent of the project grant amount, for—

''(i) project-based rental assistance for not more than 12 months for a project assisted with grant amounts under this subtitle;

''(ii) project operating reserves for use to cover the loss of rental assistance or in conjunction with a project loan; or

''(iii) project operating accounts used to cover net operating income shortfalls for dwelling units assisted with grant amounts under this subtitle; and

''(F) providing incentives to maintain existing housing (including manufactured housing) as affordable housing and to establish or extend any low-income affordability restrictions for such housing, including covering capital expenditures and costs of establishing community land trusts to provide sites for manufactured housing provided such incentives;

''(2) ELIGIBLE RECIPIENT.—The term 'eligible recipient' means an entity that meets the requirements under section 296(b) for receipt of grant amounts under this subtitle of a participating jurisdiction.

''(3) EXTREMELY LOW VACANCY RATE.—The term 'extremely low vacancy rate' means a housing or rental vacancy rate of 2 percent or less.

''(4) EXTREMELY OLD HOUSING.—The term 'extremely old housing' means housing that is 45 years old or older.

''(5) FAMILIES.—The term 'families' has the meaning given such term in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

''(6) FISCAL DISTRESS; SEVERE FISCAL DISTRESS.—The terms 'fiscal distress' and 'severe fiscal distress' have the meanings given such terms in section 220(d).

''(7) GRANT AMOUNTS.—The term 'grant amounts' means amounts that are provided to a participating jurisdiction pursuant to subsection (d), (f), or (h) of section 294.

''(8) INDIAN TRIBE.—The term 'Indian tribe' means a federally recognized Indian tribe.

''(9) INSULAR AREA.—The term 'insular area' has the meaning given such term in section 104.

''(10) PARTICIPATING LOCAL JURISDICTION.—The term 'participating local jurisdiction' means, with respect to a fiscal year—

''(A) any unit of general local government (as such term is defined in section 104 (42 U.S.C. 12704) that qualifies as a participating jurisdiction under section 216 (42 U.S.C. 12746) for such fiscal year; and

''(B) at the option of such a consortium, any consortium of units of general local governments that is designated pursuant to section 216 (42 U.S.C. 12746) as a participating jurisdiction for purposes of title II.

''(11) PARTICIPATING JURISDICTION.—The term 'participating jurisdiction' means—

''(A) a State, insular area, or participating local jurisdiction for which a grant is made under section 294(d);

''(B) an Indian tribe for which a grant is made under section 294(f); or

''(C) a nonprofit or public entity for which a grant is made under section 294(h).

''(12) POVERTY LINE.—The term 'poverty line' has the meaning given such term in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section.

''(13) RECIPIENT.—The term 'recipient' means an entity that receives assistance from a participating jurisdiction, pursuant to section 296(a), from grant amounts under this subtitle of the participating jurisdiction.

''(14) RURAL AREA.—The term 'rural area' has the meaning given such term in section 520 of the Housing Act of 1949 (42 U.S.C. 1490).

''(15) SECRETARY.—The term 'Secretary' means the Secretary of Housing and Urban Development.

''(16) STATE.—The term 'State' has the meaning given such term in section 104.

''SEC. 300. INAPPLICABILITY OF HOME PROVISIONS.

''Except as specifically provided otherwise in this subtitle, no requirement under, or provision of, subtitles B through D of this title shall apply to assistance provided under this subtitle.

''SEC. 301. REGULATIONS AND REPORTS.

''(a) REGULATIONS.—Not later than 6 months after the date of enactment of the National Affordable Housing Grant Act of 2007, the Secretary of Housing and Urban Development shall promulgate regulations to carry out this subtitle, which shall include regulations establishing the affordable housing needs formula in accordance with section 294(a).

''(b) REPORTS ON HOME PROGRAM STREAMLINING.—Not later than the expiration of the 6-month period referred to in subsection (a), the Secretary of Housing and Urban Development and the Comptroller General of the United States shall each submit to the Congress a report making recommendations for streamlining the various programs for assistance under this title, including the HOME Investment Partnerships program under subtitle A, the Community Housing Partnership program under subtitle B, the Downpayment Assistance Initiative under subtitle E, and the National Affordable Housing Grant Program under this subtitle.''.

(b) PROGRAM YEAR FOR MATCHING CONTRIBUTIONS.—Section 220 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12750) is amended—

(1) in subsection (a)—

(A) by striking ''a fiscal year'' and inserting ''a program year of the jurisdiction''; and

(B) by striking ''such fiscal year'' and inserting ''such program year''; and

(2) in subsection (d)—

(A) in paragraph (1), by striking ''fiscal year'' and inserting ''program year of the jurisdiction'';

(B) in paragraph (3), by striking ''fiscal year'' each place such term appears and inserting ''program year''; and

(C) in paragraph (5), by striking ''fiscal year'' and inserting ''program year of the jurisdiction''.

The Acting CHAIRMAN. Pursuant to House Resolution 720, the gentleman from Texas (Mr. NEUGEBAUER) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Texas.

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

I was really tempted here to let the chairman be my designee on this, with the hopes that I would have the same success on my amendment as he had on those that he was acting as designee on, but since I'm here, I'll act in my own behalf.

Mr. Chairman, one of the things we've heard a lot today about is that there is a need for making sure that we are taking care of our most neediest Americans when it comes to their housing needs. What we've also learned, though, is that there are a lot of programs out there, 70 something housing programs, 30 some odd that may be addressed as some form of housing for our low-income citizens.

One of the things that I think the American people are kind of concerned about is they keep hearing that government solution to all of the problems. If we're not doing a good job with the programs we have, let's add another program, and I think they're getting kind of tired of that. So one of the things that my amendment does is it makes an existing program, it incorporates many of the good ideas, and may I say, Mr. Chairman, there are some good ideas that have come in this particular piece of legislation, updating it. And what I'm talking about is the HOME program. The HOME program currently does a lot of the functions. In fact, when you look at the HOME program in this bill, many of those overlap. And yet we're now going to separate into two different funds an affordable housing fund and a HOME program. Instead of using the combined resources of those two programs to help further the housing situation, we're going to have two different.

When we talk about the fact that we're already spending over $28 billion for affordable housing, low-income housing, and then we're going to take money out of one pocket and put it over to an area separate from that, quite honestly, Congress will not have the opportunity to really sit down and assess, hey, where are the American people, where are the people that are the recipients of low-income money, the people who are benefiting from this housing, where are we getting the best bang for our buck? But instead, we are separating those programs. I don't think that is good policy.

The other issue here is that many communities, almost every State in the Union, and I think like 350 or 360, maybe it's a larger number, I don't have it in front of me, communities are already participating in the HOME program, they already have some familiarity with that program. And so now we're going to take the ramp-up time of having to learn a new program, to write the rules for it, to do all of the things that it takes to get a new program off the ground. We're going to have to form a new branch of government within the Department of Housing to be able to ramp up and have the employees that it needs to do this, another inefficiency of adding additional programs to something that maybe we're not satisfied with. And I would agree, there may be some things that need to happen in the HOME program that would make it more relevant today. But, quite honestly, adding a new program I don't think is in the best interest of the American people. It's not a good, wise use of their taxpayer dollars. And I believe we can create a more efficient delivery system using an existing program.

What my amendment also does is says, look, GAO, go in and analyze what's going on, work with the various housing partnerships, let's determine some of the things that we need to do to the HOME program. Let's make those changes, and then let's make the HOME program a better program incorporating many of the good ideas, even that we've seen in some of the amendments here.

Mr. Chairman, we had, I believe, seven amendments from the Democratic side, unfortunately, and I appreciate the Rules Committee making mine in order, but I think we had some other good ideas from some of my colleagues on my side of the aisle that we could have incorporated into this legislation.

So that's the reason I'm down on the floor today offering this amendment. I'm encouraging my colleagues on both sides of the aisle, if you're really serious about two or three things, and let's talk about those things; one, are you interested in making sure that we have the most efficient delivery system to our low-income families to make sure that they have housing? If you're interested in that. Secondly, if you want to do that in a way that's a good steward of the American taxpayer's dollars, that's another reason to vote for this amendment. And thirdly, if you believe that we ought to be able to prioritize our spending and not separate into a different fund, separate and aside from what we're already doing for a lot of our low-income housing families, then the Neugebauer amendment is the amendment that you should vote on. It will actually move us more quickly in a direction of being able to implement a lot of the things that I think people on both sides of the aisle want to do, and that is, make sure that we get the money out to these families that need our assistance and help.

And with that, Mr. Chairman, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I rise in opposition.

The Acting CHAIRMAN. The gentleman is recognized for 10 minutes.

Mr. FRANK of Massachusetts. Mr. Chairman, this is an unusual amendment. The actual author offered it, and the Member rising in opposition actually opposes it for the first time today. And I appreciate the cooperation we've had.

I want to say that I appreciate, not just that, but the gentleman from Texas, who has been a very constructive member of the committee. We have some differences. That's why we have different parties. But we have a great deal in agreement. And the gentleman's expertise in the homebuilding field has been very helpful as our committee has gone forward. And here is, perhaps, a philosophical difference between us.

The main difference here is that the gentleman's amendment, recognizing, as he does from his own experience, the value of additional housing construction, would do away with our two funding sources. Now, we chose to go in addition to the HOME program, which is the one program where there is a parallel, for a couple of reasons. First of all, the HOME program is, of course, subject to annual appropriations, and that's appropriate for most government work. But we did want to have in the government a program for housing construction that had a little bit more assurance for people than an annual appropriation. Appropriations get caught up in omnibus issues, CR issues. The trust fund will be outside of the kind of deadlock that we have had in the past and may, we hope not, but may have in the future. If you're trying to build housing, the notion that your funding has been slowed down because there has been a fight over some unrelated issue, like the debate about the Iraq war funding, could slow you down, we want to avoid that, so we keep the HOME program. But we have an additional program, and again, it's for the construction of affordable housing, unlike any other program, except HOME, and we want to give it some assurance to operate in a trust fund. And this is, to some extent, modeled after the highway trust fund. It is a trust fund that will still be subject to work by the Appropriations Committee, but it won't be bogged down as the rest of the government gets bogged down, and that's important when you are doing construction when you have an ongoing situation.

Secondly, we do have two additional funding sources. Now, there is some debate about that. I do want to stress, in the FHA bill, which was already voted on by the House, we say in the first place that if any question arises about the solvency of the fund, if the FHA fund should appear to be in trouble, not a penny can go into the affordable housing fund that year. Only after the HUD Secretary has certified that the money won't be needed to hold down premiums or prevent insolvency will this go forward.

We have said that by the creation of a new funding stream, namely, allowing an unlimited amount of home equity and mortgages, we get a lot of money that CBO made available. And I should note, by the way, that some of that money, as the gentleman from Texas, among others, have suggested, has gone to upgrade the computer system of the FHA. Some of it will go for a great increase in counseling to homeowners, which is, again, supported on both sides. A good chunk will be left over, we're not sure exactly how much, we hope it will be $200 million a year. But it only goes to the housing trust fund if it would otherwise have gone to the Treasury. There is zero chance, the way this bill is written, for it to force that kind of an increase. That, by the way, is why CBO gives us a flat score on this. There is no budget deficit situation here at all.

Similarly, with Fannie Mae and Freddie Mac, and here I have to say some of my Republican colleagues have been a little inconsistent, the administration, some of them, they've been critical of Fannie Mae and Freddie Mac. They've said, you know, we give all these advantages to Fannie Mae and Freddie Mac, a line of credit, some people think they're government-run, there used to be government members on the board, although we will not have that if our bill passes, and here they are, they're making all these profits and they're not doing enough for public purposes. Well, in our Fannie and Freddie bill, we amend that to some extent by increasing the housing goals they have by dropping the credit they get from 100 percent to 80 percent immediately. But we also say, you know what? You've been doing pretty well, you're making a lot of money and your sales are doing well, so without in any way impinging on your mortgage functioning, we are going to take some of the profit you've made and put it in the affordable housing trust fund.

By the way, I find it a little odd that people who have said that we should basically reduce the portfolio of Fannie and Freddie and make them securitize more, which they believe will do more damage to their ability to function

than anything else, that now they become very concerned when we talk about a housing trust fund. I should be clear that that does not describe the gentleman from Texas, who understands very well how best to help Fannie and Freddie. And I think we put through a bill that will enhance their ability to function while better regulating them.

So, in other words, we have 800 or $900 million, we hope, in the first year, and we hope it will go up. And this is the main difference between us, it doesn't come from appropriated funds. And I believe we have written it so it will not interfere with either Fannie and Freddie or FHA's ability to function. And we do not create a new bureaucracy. We distribute it to the State and local housing funds. Indeed, many of the amendments that we've adopted here in agreement by both sides, and some that we adopted in committee, I was looking it over, in committee we adopted a number of amendments, more from the Republican side than the Democratic side because I don't have to worry about other people telling me where we are on that. We have, in every one of these amendments, increased the flexibility for the local housing trust funds.

So with that, I hope that the substitute is defeated and that we will continue to improve this bill.

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

Mr. NEUGEBAUER. Mr. Chairman, may I inquire as to how much time is remaining on both sides?

The Acting CHAIRMAN. The gentleman from Texas has 5 minutes remaining; the gentleman from Massachusetts has 4½ minutes remaining.

Mr. NEUGEBAUER. At this time, I would like to yield 3 minutes to the gentlewoman from Illinois (Mrs. BIGGERT), who is the former ranking member of the Housing Subcommittee.

Mrs. BIGGERT. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Neugebauer amendment. I think that we have to look at bureaucracy. And I must say that I think that the existing federally administered program designed to serve the housing needs of low-income Americans, the HOME Investment Partnership Program, is a program that's already in place. It has the personnel system, the regulatory oversight in place to accomplish the same objective as the National Housing Trust Fund. And instead of creating a new Federal bureaucracy to address low-income housing availability, I think we should focus our efforts on improving the HOME program. Mr. NEUGEBAUER's amendment creates a pilot program, and I think we could call it ''HOME Lite,'' within the HOME program. And so instead of reinventing the wheel and establishing another Federal trust fund and a brand new program, I support improving and being creative with an existing program.

If we look at the HOME program, the staff is already participating, they understand the jurisdictions the HOME program will be looking at, and so there is no learning curve for implementation. Revitalizing the HOME program will be more efficient by having less start-up costs, administrative costs, and the funds will be distributed to the project sooner, and not later.

□ 1430

At the same time, I think the national trust fund would be administered by exactly the same people who will be administering the program in the States and at the local level, so it will be able to allow them to operate under one program instead of two separate programs with a little different objectives but not much. So they will be doing the same thing twice and having to work with two different bureaucracies to establish an affordable housing program. So I think there might be some changes to the HOME program to align it more closely to some of the things that have been spoken about in the trust fund program. But I think that this would be a good compromise and would still have the trust program that will provide the affordable funding but do it through HUD at a program that has already been established.

Mr. FRANK of Massachusetts. I yield back the balance of my time.

Mr. NEUGEBAUER. Mr. Chairman, I just want to close by saying that 50 States, 585 local communities, are already using the HOME program as a model for building and developing low-income housing in their communities. It just makes sense that we take an existing program, make the revisions that have really made, there are some good ideas that have come through this legislation, let's incorporate those ideas into the HOME program. Let's take an existing vehicle. Let's ask the United States Congress to prioritize where they think that we are getting the most bang for our bucks as we deliver low-income housing programs for the American people and for the people that need them so badly. Let's do it right. The right way to do it is to take this existing program and fold into it many of the good ideas that have come from that.

Mr. Chairman, I urge my colleagues to support this amendment.

I yield back the balance of my time.

The Acting CHAIRMAN (Mr. ROSS). The question is on the amendment offered by the gentleman from Texas (Mr. NEUGEBAUER).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. NEUGEBAUER. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas will be postponed.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments printed in House Report 110–369 on which further proceedings were postponed, in the following order:

Amendment No. 1 by Mr. FRANK of Massachusetts;

Amendment No. 8 by Mr. NEUGEBAUER of Texas.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.

AMENDMENT NO. 1 OFFERED BY MR. FRANK OF MASSACHUSETTS

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Massachusetts (Mr. FRANK) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 418, noes 2, not voting 16, as follows:

[Roll No. 955]

AYES—418

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Altmire
Andrews
Arcuri
Baca
Bachmann
Bachus
Baird
Baker
Baldwin
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Becerra
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehner
Bonner
Bono
Boozman
Boswell
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (PA)
Brady (TX)
Braley (IA)
Broun (GA)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Butterfield
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carter
Castle
Castor
Chabot
Chandler
Christensen
Clarke
Clay
Cleaver
Clyburn
Coble
Cohen
Cole (OK)
Conaway
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crenshaw
Crowley
Cuellar
Culberson
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Davis, David
Davis, Lincoln
Davis, Tom
Deal (GA)
DeFazio
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Donnelly
Doolittle
Doyle
Drake
Dreier
Duncan
Edwards
Ehlers
Ellison
Ellsworth
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Everett
Fallin
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Forbes
Fortenberry
Fortuño
Fossella
Foxx
Frank (MA)
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gilchrest
Gillibrand
Gingrey
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hall (TX)
Hare
Harman
Hastert

Hastings (FL)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hobson
Hodes
Hoekstra
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Hunter
Inglis (SC)
Inslee
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, Sam
Jones (NC)
Jones (OH)
Jordan
Kagen
Kanjorski
Kaptur
Keller
Kennedy
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Klein (FL)
Kline (MN)
Knollenberg
Kucinich
Kuhl (NY)
LaHood
Lamborn
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel E.
Lynch
Mack
Mahoney (FL)
Manzullo
Marchant
Markey
Marshall
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McDermott
McGovern
McHenry
McHugh
McIntyre
McKeon
McMorris Rodgers
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Musgrave
Myrick
Napolitano
Neal (MA)
Neugebauer
Norton
Nunes
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pence
Perlmutter
Peterson (MN)
Petri
Pickering
Pitts
Platts
Poe
Pomeroy
Porter
Price (GA)
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Richardson
Rodriguez
Rogers (AL)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Salazar
Sali
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schmidt
Schwartz
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Sestak
Shadegg
Shays
Shea-Porter
Sherman
Shimkus
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Space
Spratt
Stark
Stearns
Stupak
Sullivan
Sutton
Tancredo
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walberg
Walden (OR)
Walsh (NY)
Walz (MN)
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Welch (VT)
Weldon (FL)
Weller
Westmoreland
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Yarmuth
Young (AK)
Young (FL)

NOES—2

Nadler
Weiner

NOT VOTING—16

Bean
Bordallo
Boren
Carson
Cubin
DeGette
Faleomavaega
Jindal
Johnson (IL)
Johnson, E. B.
Maloney (NY)
Miller, Gary
Peterson (PA)
Reichert
Rogers (KY)
Wilson (OH)

□ 1457

Mr. WEINER changed his vote from ''aye'' to ''no.''

Mrs. MYRICK and Messrs. CAMPBELL of California, TANCREDO, MILLER of Florida, TERRY, BRADY of Texas, WILSON of South Carolina and BILIRAKIS changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT NO. 8 OFFERED BY MR. NEUGEBAUER

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Texas (Mr. NEUGEBAUER) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 163, noes 257, not voting 16, as follows:

[Roll No. 956]

AYES—163

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Carter
Chabot
Coble
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Deal (GA)
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Everett
Fallin
Feeney
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Gallegly
Garrett (NJ)
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Granger
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hulshof
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
Lewis (CA)
Lewis (KY)
Linder
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Moran (KS)
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Petri
Pitts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Regula
Rehberg
Reynolds
Rogers (AL)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Wamp
Weldon (FL)
Weller
Westmoreland
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOES—257

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Bordallo
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Castle
Castor
Chandler
Christensen
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dent
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Flake
Fortuño
Frank (MA)
Frelinghuysen
Gerlach
Giffords
Gillibrand
Gonzalez
Gordon
Graves
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Hoekstra
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McHugh
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pickering
Platts
Pomeroy
Price (NC)
Rahall
Ramstad
Renzi
Reyes
Richardson
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shays
Shea-Porter
Sherman
Shuler
Simpson
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walberg
Walden (OR)
Walsh (NY)
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Whitfield
Woolsey
Wu
Wynn
Yarmuth

NOT VOTING—16

Bean	Jindal	Rangel
Boren	Johnson (IL)	Reichert
Carson	Johnson, E. B.	Rogers (KY)
Cole (OK)	Maloney (NY)	Wilson (OH)
Cubin	Miller, Gary	
Faleomavaega	Peterson (PA)	

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised there are 2 minutes remaining on this vote.

□ 1505

Ms. BORDALLO changed her vote from ''aye'' to ''no.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

The Acting CHAIRMAN. 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 (Mrs. TAUSCHER) having assumed the chair, Mr. ROSS, 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. 2895) to establish the National Affordable Housing Trust Fund in the Treasury of the United States to provide for the construction, rehabilitation, and preservation of decent, safe, and affordable housing for low-income families, pursuant to House Resolution 720, 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 any amendment to the amendment reported from 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 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.

MOTION TO RECOMMIT OFFERED BY MRS. MUSGRAVE

Mrs. MUSGRAVE. Madam Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentlewoman opposed to the bill?

Mrs. MUSGRAVE. Yes, in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mrs. Musgrave of Colorado moves to recommit the bill H.R. 2895 to the Committee on Financial Services with instructions to report the same back to the House promptly with the following amendments:

Page 47, after line 8, insert the following:

''(d) WORK REQUIREMENT FOR RESIDENTS.—

''(1) IN GENERAL.—Except as provided in this subsection and notwithstanding any other provision of this Act, as a condition of residency of a family in any dwelling unit in rental housing or owner-occupied housing for which assistance is or has been provided at any time with any Trust Fund grant amounts, each member of the family who is 18 years of age or older shall perform not fewer than 20 hours of approved work activities (as such term is defined in section 407(d) of the Social Security Act (42 U.S.C. 607(d))) per month.

''(2) EXEMPTION.—The Secretary of Housing and Urban Development shall provide an exemption from the applicability of paragraph (1) for any individual family member who—

''(A) is 62 years of age or older;

''(B) is a blind or disabled individual, as defined under section 216(i)(1) or 1614 of the Social Security Act (42 U.S.C. 416(i)(1); 1382c), and who is unable to comply with this section, or is a primary caretaker of such individual;

''(C) is engaged in a work activity (as such term is defined in section 407(d) of the Social Security Act (42 U.S.C. 607(d)), as in effect on and after July 1, 1997));

''(D) meets the requirements for being exempted from having to engage in a work activity under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under any other welfare program of the State in which the public housing agency administering rental assistance described in subsection (a) is located, including a State-administered welfare-to-work program;

''(E) is in a family receiving assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under any other welfare program of the State in which the public housing agency administering such rental assistance is located, including a State-administered welfare-to-work program, and has not been found by the State or other administering entity to be in noncompliance with such program; or

''(F) is a single custodial parent caring for a child who has not attained 6 years of age, and the individual proves that the individual has a demonstrated inability (as determined by the State) to obtain needed child care, for one or more of the following reasons:

''(i) Unavailability of appropriate child care within a reasonable distance from the individual's home or work site.

''(ii) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

''(iii) Unavailability of appropriate and affordable formal child care arrangements.

''(3) ADMINISTRATION.—A grantee providing assistance with Trust Fund grant amounts may administer the work activities requirement under this subsection directly, through a resident organization, or through a contractor having experience in administering work activities programs within the jurisdiction of the grantee. The Secretary may establish qualifications for such organizations and contractors.''.

Mrs. MUSGRAVE (during the reading). Madam Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

The SPEAKER pro tempore. The gentlewoman from Colorado is recognized for 5 minutes.

Mrs. MUSGRAVE. Madam Speaker, without question, as we have heard here today, there is need in this country for affordable housing, particularly for the elderly and the disabled. But when government-financed, low-income housing is occupied by able-bodied adults who have chosen not to work, they are displacing these very people who are the most needy; the elderly, the disabled.

In 1996, Congress and President Clinton agreed that able-bodied adults ought to be required to work if they are going to receive government welfare. Today the proposal that I am putting forward to amend this bill is to extend this same commonsense requirement to the new housing financed by this bill.

I just want to make it very clear, Madam Speaker, this proposal does not apply to the elderly or the disabled or single parents of children under 6 years of age who are unable to find appropriate and affordable child care, in addition to many others. But I think we can realize, if you are able-bodied, capable of working or even applying for a job, then American taxpayers expect that in exchange for this taxpayer-financed housing, you will commit to at least 20 hours of work activities per month. That is minimal part-time work. And work activities can include job training, community service programs, and even providing child care. The work activities requirement is taken from the current standard under the Federal welfare reform program.

I fully expect that the most able-bodied adults who occupy housing financed by this bill will already meet the standards laid out in my amendment. This amendment simply guarantees that taxpayer-financed housing isn't going to turn into free housing for able-bodied adults who are unwilling to work or contribute to society.

I believe that we should be in the business of providing low-income Americans who are struggling for stability with a hand up, not a handout.

If you were part of the bipartisan coalition who supported including work requirements in welfare reform, then I strongly urge you to support this proposal as well.

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

Mr. FRANK of Massachusetts. Madam Speaker, I rise to try to save the bill from this effort to kill it.

The SPEAKER pro tempore. Is the gentleman opposed to the motion?

Mr. FRANK of Massachusetts. Yes.

The SPEAKER pro tempore. The gentleman from Massachusetts is recognized for 5 minutes.

Mr. FRANK of Massachusetts. First, if this were a serious effort to put on a work program, it might have been offered as an amendment to the bill. It wasn't offered before the Rules Committee.

Secondly, it would have said ''report back forthwith,'' and it would have been voted on and it would have been

added. It says ''promptly.'' Now it is true that if we were to adopt a motion to recommit that says ''promptly,'' it would go back to the committee.

Our committee is a fairly busy one. We have the subprime issue before us. We have credit card reform issues. House floor time is fairly busy. I am told there are Members who don't think working here on Friday is the best thing that has ever happened to them. We are getting towards the end of this session. We have the appropriations bills. So the choice of ''promptly'' rather than ''forthwith'' is clearly motivated by animus against the bill.

Having failed in several tries to kill the bill as a whole, they now say, let's do it this way. And on its own merits, here is the problem. I have not been a supporter of the work requirement within the public housing area, but at least in public housing you have administered a framework where it can be applied, although I think inappropriately.

Here we are talking about a program whereby the Federal funds will be distributed. And by the way, they are not mostly taxpayer; they are shareholders of Fannie Mae and Freddie Mac dollars in the largest amount. But what we are going to do is distribute this money to hundreds of local housing funds, State and local funds. You talk about unfunded mandates. This says to all of the grantees, the Catholic Church in some places, or B'nai Brith housing or other local housing groups, Habitat for Humanity or any of the others, you must, in addition to building the housing, undertake to administer this kind of volunteer work program. Lest anyone think this is something that they can do easily, read the third page of the recommittal motion.

□ 1515

''Administration. A grantee providing assistance with Trust Fund grant amounts may administer the work activities requirement under this subsection directly, through a resident organization, or through a contractor having experience in administering work activities programs within the jurisdiction of the grantee.''

This takes some of the limited amount of money that would be available for housing and creates another new set of contractors. Maybe Blackwater will lay down their guns and come over here now when they get run out of Iraq and so a whole new set of contractors will be dealing with this. And the organizations that get this money, they are religious organizations, they are nonprofits, they are homebuilders. They will now have this new mandate to go and make people work, and it becomes a complicated one.

Here's what it says. For example, if you are ''a single custodial parent for a child who has not attained 6 years of age,'' then you have to go out and do this volunteer work for 20 hours a week, unless you can show that you couldn't get child care. You've got to show that it's unavailable. There are three different kinds of paragraphs. It's a very complicated thing to administer.

So you say to people, you know what, thank you for helping build affordable housing, thank you to the archdiocese, thank you to the Methodists, thank you to Habitat for Humanity, thank you to these charitable groups. Oh, and by the way, you are now in charge of making the parents of small children go to work unless they have first shown to you the unavailability of child care, and you have to go out and hire somebody to administer this for you.

So, even if it were ''forthwith,'' I would be opposed to it, but ''promptly'' means that the people who are opposed to using funding to help build affordable housing want to at best delay the bill, and maybe if they're lucky enough, because they can combine this with other filibusters, kill it.

This is a very difficult program to administer. It is not one for which there has been any demand. I guarantee you it will be strongly opposed by all of the organizations, the charitable and nonprofit organizations, that will be told to administer this housing. It is an unfair imposition on some of the best-motivated organizations and people. It doesn't give them any money to do it. It gives them this very difficult task. It delays the bill at best, and I hope it is defeated for what it is meant to be, an effort to derail a bill that can't be derailed in a more straightforward fashion.

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

PARLIAMENTARY INQUIRIES

Mr. WESTMORELAND. Madam Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from Georgia will state his parliamentary inquiry.

Mr. WESTMORELAND. Madam Speaker, is it not true that if, indeed, this motion passed that this bill could be reported back to the committee or committees to which it has been designated, and then it could be reported back to the whole House tomorrow?

The SPEAKER pro tempore. As the Chair affirmed on May 24, 2000, the adoption of a motion to recommit with instructions to report back promptly sends the bill to committee, whose eventual report, if any, would not be immediately before the House. Unlike the case of a motion to recommit with instructions to report back forthwith, a motion to recommit with ''non-forthwith'' instructions would not occasion an immediate report on the floor. As the Chair put it on the cited occasion, ''at some subsequent time, the committee could meet and report the bill back to the House.'' But the Chair cannot say what in the rules of the committee might constrain the timing of any action it might take. Neither can the Chair render an advisory opinion whether points of order available under the rules of the House might preclude further proceedings on the floor.

Mr. FRANK of Massachusetts. Parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from Massachusetts will state his parliamentary inquiry.

Mr. FRANK of Massachusetts. Madam Speaker, is there anything in this recommittal motion that would allow me, as chairman of the committee, to ignore the rule that requires a 3-day notice before there is a markup, which would seem to me to make it impossible for me to report it tomorrow, on the day of a funeral, very sensitive, but is there anything in this amendment that would waive the 3-day requirement for a markup before we could proceed?

The SPEAKER pro tempore. The Chair cannot interpret the text of the motion.

Mr. FRANK of Massachusetts. Well, then, let me ask in general. Does a recommittal motion waive the rules——

The SPEAKER pro tempore. The gentleman will suspend.

Does the gentleman have a further parliamentary inquiry?

Mr. FRANK of Massachusetts. Further parliamentary inquiry. Is there anything in this process that would allow the chairman of the committee to waive the requirement in the rules that there be at least 3 days before there can be a markup in committee?

The SPEAKER pro tempore. The Chair cannot interpret the rules of a standing committee.

Mr. FRANK of Massachusetts. So much for tomorrow, Madam Speaker.

Mr. WESTMORELAND. Further parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from Georgia will state his parliamentary inquiry.

Mr. WESTMORELAND. Is the short version of your answer that it could be reported back tomorrow, the next legislative day?

The SPEAKER pro tempore. The Chair has responded.

Mr. FRANK of Massachusetts. Madam Speaker, can the standing rules of a committee be waived by actions on the floor?

The SPEAKER pro tempore. The gentleman's question is hypothetical to this case.

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.

RECORDED VOTE

Mrs. MUSGRAVE. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

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

The vote was taken by electronic device, and there were—ayes 199, noes 218, not voting 14, as follows:

[Roll No. 957]

AYES—199

Aderholt
Akin
Alexander
Altmire
Bachmann
Bachus
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carney
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hill
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Mahoney (FL)
Manzullo
Marchant
Marshall
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McIntyre
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Mitchell
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Pearce
Pence
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOES—218

Abercrombie
Ackerman
Allen
Andrews
Arcuri
Baca
Baird
Baldwin
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Markey
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Paul
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Woolsey
Wu
Wynn
Yarmuth

NOT VOTING—14

Baker
Bean
Boren
Carson
Cubin
Jindal
Johnson (IL)
Johnson, E. B.
Maloney (NY)
Miller, Gary
Peterson (PA)
Reichert
Rogers (KY)
Wilson (OH)

□ 1540

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

(By unanimous consent, Mr. COSTELLO was allowed to speak out of order.)

MOMENT OF SILENCE IN MEMORY OF THE LATE HONORABLE GEORGE EDWARD SANGMEISTER, FORMER MEMBER OF CONGRESS

Mr. COSTELLO. Madam Speaker, I regret to inform our Members that our former Member from Illinois, George Sangmeister, has died.

Congressman Sangmeister served the people of Illinois in the 11th and 4th Congressional Districts from 1989 to 1995, when he retired. George was a wonderful person and served with honor and distinction in this body.

Madam Speaker, I yield to my friend from Illinois (Mr. WELLER).

Mr. WELLER of Illinois. Madam Speaker, I want to thank my friend, JERRY COSTELLO, for yielding and join in honoring the life and service of someone who was a friend to many in this Chamber.

My friend and predecessor, George Sangmeister, served in this body for 6 years, representing the district I currently represent, the 11th Congressional District, which was previously numbered as the 4th District of Illinois.

George Sangmeister was born in Frankfurt, Illinois, 76 years ago. He attended Joliet Junior College before entering the military and serving in the Korean War. After returning to private life, he attended Elmhurst College and then earned a law degree from John Marshall Law School.

George Sangmeister had a distinguished service career of 34 years of public service. He began his practice in private law before becoming a magistrate and justice of the peace for Will County in 1961; in 1964, became Will County State's Attorney.

In 1972, George Sangmeister was elected as a Democrat to the Illinois House of Representatives; 1976, after two terms in the State house, he was elected to the State senate. George Sangmeister became a respected Democratic leader in the State legislature, and, in 1986, Democratic nominee for Governor, Adlai Stevenson, chose George Sangmeister as his running mate.

In 1988, George Sangmeister was elected to Congress, served on the Veterans' Affairs Committee where he helped to bring the veterans outpatient clinic to Joliet and worked tirelessly to expand health care benefits for veterans. After three terms in the House, he declined to seek reelection in 1994. He chose to return to private law practice.

George Sangmeister is survived by his wife, Doris; a son, Kurt; a daughter, Kimberly; and four grandchildren.

I join my friend JERRY COSTELLO and members of the Illinois delegation in asking this House to honor and remember the late Congressman George Sangmeister for his 34 years of public service to Illinois and our Nation.

Mr. COSTELLO. Madam Speaker, I ask our colleagues to join us in a moment of silence for our former colleague, George Sangmeister.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Without objection, 5-minute voting will continue.

There was no objection.

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 noes appeared to have it.

Mr. FRANK of Massachusetts. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 264, nays 148, not voting 19, as follows:

[Roll No. 958]

YEAS—264

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Becerra
Berkley

Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Castle
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Frank (MA)
Frelinghuysen
Gerlach
Giffords
Gilchrest
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Hayes
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
King (NY)
Klein (FL)
Kucinich
Kuhl (NY)
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McHugh
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (MI)
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pickering
Platts
Pomeroy
Porter
Price (NC)
Rahall
Ramstad
Rangel
Regula
Renzi
Reyes
Richardson
Rodriguez
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sarbanes
Saxton
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shays
Shea-Porter
Sherman
Shimkus
Shuler
Simpson
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Weller
Wexler
Whitfield
Wilson (NM)
Woolsey
Wu
Wynn
Yarmuth
Young (AK)

NAYS—148

Aderholt
Akin
Alexander
Bachmann
Bachus
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Carter
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Deal (GA)
Doolittle
Drake
Dreier
Duncan
Ehlers
Everett
Fallin
Feeney
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Gallegly
Garrett (NJ)
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jones (NC)
Jordan
Keller
Kingston
Kirk
Kline (MN)
Knollenberg
Lamborn
Latham
Lewis (CA)
Lewis (KY)
Linder
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McKeon
McMorris Rodgers
Mica
Miller (FL)
Moran (KS)
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Petri
Pitts
Poe
Price (GA)
Pryce (OH)
Putnam
Radanovich
Rehberg
Reynolds
Rogers (AL)
Rogers (MI)
Rohrabacher
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Thornberry
Tiahrt
Tiberi
Walberg
Walsh (NY)
Wamp
Weldon (FL)
Westmoreland
Wicker
Wilson (SC)
Wolf
Young (FL)

NOT VOTING—19

Baker
Bean
Boren
Buyer
Carson
Cooper
Cubin
Jindal
Johnson (IL)
Johnson, E. B.
King (IA)
Maloney (NY)
Miller, Gary
Peterson (PA)
Reichert
Rogers (KY)
Sanchez, Loretta
Shuster
Wilson (OH)

□ 1552

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. JOHNSON of Illinois. Madam Speaker, unfortunately today, October 10, 2007, I was unable to cast my votes on the Frank Amendment to H.R. 2895, the Neugebauer Amendment to H.R. 2895, the Motion to Recommit with Instructions on H.R. 2895, and passage of H.R. 2895.

Had I been present for rollcall No. 955 on the Frank Amendment to H.R. 2895, I would have voted "aye."

Had I been present for rollcall No. 956 on the Neugebauer Amendment to H.R. 2895, I would have voted "aye."

Had I been present for rollcall No. 957 on the Motion to Recommit with Instructions on H.R. 2895, I would have voted "aye."

Had I been present for rollcall No. 958 on passage of H.R. 2895, the National Affordable Housing Trust Fund Act of 2007, I would have voted "yea."

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 2895, NATIONAL AFFORDABLE HOUSING TRUST FUND ACT OF 2007

Mr. SCOTT of Georgia. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to make technical corrections in the engrossment of H.R. 2895, to include corrections in spelling, punctuation, section numbering and cross-referencing, and the insertion of appropriate headings.

The SPEAKER pro tempore (Mr. SERRANO). Is there objection to the request of the gentleman from Georgia?

There was no objection.

TAX COLLECTION RESPONSIBILITY ACT OF 2007

Mr. RANGEL. Mr. Speaker, pursuant to H. Res. 719, I call up the bill (H.R. 3056) to amend the Internal Revenue Code of 1986 to repeal the authority of the Internal Revenue Service to use private debt collection companies, to delay implementation of withholding taxes on government contractors, to revise the tax rules on expatriation, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3056

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

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Tax Collection Responsibility Act of 2007".

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

(c) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; amendment of 1986 Code; table of contents.
Sec. 2. Repeal of authority to enter into private debt collection contracts.
Sec. 3. Delay of application of withholding requirement on certain governmental payments for goods and services.
Sec. 4. Clarification of entitlement of Virgin Islands residents to protections of limitations on assessment and collection of tax.
Sec. 5. Revision of tax rules on expatriation.
Sec. 6. Repeal of suspension of certain penalties and interest.
Sec. 7. Increase in information return penalties.
Sec. 8. Time for payment of corporate estimated taxes.

SEC. 2. REPEAL OF AUTHORITY TO ENTER INTO PRIVATE DEBT COLLECTION CONTRACTS.

(a) IN GENERAL.—Subchapter A of chapter 64 is amended by striking section 6306.

(b) CONFORMING AMENDMENTS.—

(1) Subchapter B of chapter 76 is amended by striking section 7433A.

(2) Section 7811 is amended by striking subsection (g).

(3) Section 1203 of the Internal Revenue Service Restructuring Act of 1998 is amended by striking subsection (e).

(4) The table of sections for subchapter A of chapter 64 is amended by striking the item relating to section 6306.

(5) The table of sections for subchapter B of chapter 76 is amended by striking the item relating to section 7433A.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 3. DELAY OF APPLICATION OF WITHHOLDING REQUIREMENT ON CERTAIN GOVERNMENTAL PAYMENTS FOR GOODS AND SERVICES.

(a) IN GENERAL.—Subsection (b) of section 511 of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

(b) REPORT TO CONGRESS.—Not later than 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report with respect to the withholding requirements of section 3402(t) of the Internal Revenue Code of 1986, including a detailed analysis of—

(1) the problems, if any, which are anticipated in administering and complying with such requirements,

(2) the burdens, if any, that such requirements will place on governments and businesses (taking into account such mechanisms as may be necessary to administer such requirements), and

(3) the application of such requirements to small expenditures for services and goods by governments.

SEC. 4. CLARIFICATION OF ENTITLEMENT OF VIRGIN ISLANDS RESIDENTS TO PROTECTIONS OF LIMITATIONS ON ASSESSMENT AND COLLECTION OF TAX.

(a) IN GENERAL.—Subsection (c) of section 932 (relating to treatment of Virgin Islands residents) is amended by adding at the end the following new paragraph:

''(5) TREATMENT OF INCOME TAX RETURN FILED WITH VIRGIN ISLANDS.—An income tax return filed with the Virgin Islands by an individual claiming to be described in paragraph (1) for the taxable year shall be treated for purposes of subtitle F in the same manner as if such return were an income tax return filed with the United States for such taxable year. The preceding sentence shall not apply where such return is false or fraudulent with the intent to avoid tax or otherwise is a willful attempt in any manner to defeat or evade tax.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after 1986.

SEC. 5. REVISION OF TAX RULES ON EXPATRIATION.

(a) IN GENERAL.—Subpart A of part II of subchapter N of chapter 1 is amended by inserting after section 877 the following new section:

''SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATION.

''(a) GENERAL RULES.—For purposes of this subtitle—

''(1) MARK TO MARKET.—All property of a covered expatriate shall be treated as sold on the day before the expatriation date for its fair market value.

''(2) RECOGNITION OF GAIN OR LOSS.—In the case of any sale under paragraph (1)—

''(A) notwithstanding any other provision of this title, any gain arising from such sale shall be taken into account for the taxable year of the sale, and

''(B) any loss arising from such sale shall be taken into account for the taxable year of the sale to the extent otherwise provided by this title, except that section 1091 shall not apply to any such loss.

Proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under the preceding sentence, determined without regard to paragraph (3).

''(3) EXCLUSION FOR CERTAIN GAIN.—

''(A) IN GENERAL.—The amount which would (but for this paragraph) be includible in the gross income of any individual by reason of paragraph (1) shall be reduced (but not below zero) by $600,000.

''(B) ADJUSTMENT FOR INFLATION.—

''(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2008, the dollar amount in subparagraph (A) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 2007' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING.—If any amount as adjusted under clause (i) is not a multiple of $1,000, such amount shall be rounded to the nearest multiple of $1,000.

''(b) ELECTION TO DEFER TAX.—

''(1) IN GENERAL.—If the taxpayer elects the application of this subsection with respect to any property treated as sold by reason of subsection (a), the time for payment of the additional tax attributable to such property shall be extended until the due date of the return for the taxable year in which such property is disposed of (or, in the case of property disposed of in a transaction in which gain is not recognized in whole or in part, until such other date as the Secretary may prescribe).

''(2) DETERMINATION OF TAX WITH RESPECT TO PROPERTY.—For purposes of paragraph (1), the additional tax attributable to any property is an amount which bears the same ratio to the additional tax imposed by this chapter for the taxable year solely by reason of subsection (a) as the gain taken into account under subsection (a) with respect to such property bears to the total gain taken into account under subsection (a) with respect to all property to which subsection (a) applies.

''(3) TERMINATION OF EXTENSION.—The due date for payment of tax may not be extended under this subsection later than the due date for the return of tax imposed by this chapter for the taxable year which includes the date of death of the expatriate (or, if earlier, the time that the security provided with respect to the property fails to meet the requirements of paragraph (4), unless the taxpayer corrects such failure within the time specified by the Secretary).

''(4) SECURITY.—

''(A) IN GENERAL.—No election may be made under paragraph (1) with respect to any property unless adequate security is provided with respect to such property.

''(B) ADEQUATE SECURITY.—For purposes of subparagraph (A), security with respect to any property shall be treated as adequate security if—

''(i) it is a bond which is furnished to, and accepted by, the Secretary, which is conditioned on the payment of tax (and interest thereon), and which meets the requirements of section 6325, or

''(ii) it is another form of security for such payment (including letters of credit) that meets such requirements as the Secretary may prescribe.

''(5) WAIVER OF CERTAIN RIGHTS.—No election may be made under paragraph (1) unless the taxpayer makes an irrevocable waiver of any right under any treaty of the United States which would preclude assessment or collection of any tax imposed by reason of this section.

''(6) ELECTIONS.—An election under paragraph (1) shall only apply to property described in the election and, once made, is irrevocable.

''(7) INTEREST.—For purposes of section 6601, the last date for the payment of tax shall be determined without regard to the election under this subsection.

''(c) EXCEPTION FOR CERTAIN PROPERTY.—Subsection (a) shall not apply to—

''(1) any deferred compensation item (as defined in subsection (d)(4)),

''(2) any specified tax deferred account (as defined in subsection (e)(2)), and

''(3) any interest in a nongrantor trust (as defined in subsection (f)(3)).

''(d) TREATMENT OF DEFERRED COMPENSATION ITEMS.—

''(1) WITHHOLDING ON ELIGIBLE DEFERRED COMPENSATION ITEMS.—

''(A) IN GENERAL.—In the case of any eligible deferred compensation item, the payor shall deduct and withhold from any taxable payment to a covered expatriate with respect to such item a tax equal to 30 percent thereof.

''(B) TAXABLE PAYMENT.—For purposes of subparagraph (A), the term 'taxable payment' means with respect to a covered expatriate any payment to the extent it would be includible in the gross income of the covered expatriate if such expatriate were subject to the tax imposed by this chapter. A deferred compensation item referred to in paragraph (4)(D) shall be taken into account as a payment under the preceding sentence when such item would be so includible.

''(2) OTHER DEFERRED COMPENSATION ITEMS.—In the case of any deferred compensation item which is not an eligible deferred compensation item—

''(A) an amount equal to the present value of the expatriate's accrued benefit shall be treated as having been received by such individual on the day before the expatriation date as a distribution under the plan,

''(B) no early distribution tax shall apply by reason of such treatment, and

''(C) appropriate adjustments shall be made to subsequent distributions from the plan to reflect such treatment.

''(3) ELIGIBLE DEFERRED COMPENSATION ITEMS.—For purposes of this subsection, the term 'eligible deferred compensation item' means any deferred compensation item with respect to which—

''(A) the payor of such item is—

''(i) a United States person, or

''(ii) a person who is not a United States person but who elects to be treated as a United States person for purposes of paragraph (1) and meets such requirements as the Secretary may provide to ensure that the payor will meet the requirements of paragraph (1), and

''(B) the covered expatriate—

''(i) notifies the payor of his status as a covered expatriate, and

''(ii) makes an irrevocable waiver of any right to claim any reduction under any treaty with the United States in withholding on such item.

''(4) DEFERRED COMPENSATION ITEM.—For purposes of this subsection, the term 'deferred compensation item' means—

''(A) any interest in a plan or arrangement described in section 219(g)(5),

''(B) any interest in a foreign pension plan or similar retirement arrangement or program,

''(C) any item of deferred compensation, and

''(D) any property, or right to property, which the individual is entitled to receive in connection with the performance of services to the extent not previously taken into account under section 83.

''(5) EXCEPTION.—Paragraphs (1) and (2) shall not apply to any deferred compensation item which is attributable to services performed outside the United States while the covered expatriate was not a citizen or resident of the United States.

''(6) SPECIAL RULES.—For purposes of this subsection—

''(A) APPLICATION OF WITHHOLDING RULES.—Rules similar to the rules of subchapter B of chapter 3 shall apply.

''(B) COORDINATION WITH OTHER WITHHOLDING REQUIREMENTS.—Any item subject to withholding under paragraph (1) shall not be subject to withholding under section 1441 or chapter 24.

''(e) TREATMENT OF SPECIFIED TAX DEFERRED ACCOUNTS.—

''(1) ACCOUNT TREATED AS DISTRIBUTED.—In the case of any interest in a specified tax deferred account held by a covered expatriate on the day before the expatriation date—

''(A) the covered expatriate shall be treated as receiving a distribution of his entire interest in such account on such date,

''(B) no early distribution tax shall apply by reason of such treatment, and

''(C) appropriate adjustments shall be made to subsequent distributions from the account to reflect such treatment.

''(2) SPECIFIED TAX DEFERRED ACCOUNT.—For purposes of paragraph (1), the term 'specified tax deferred account' means an individual retirement plan (as defined in section 7701(a)(37)) other than any arrangement described in subsection (k) or (p) of section 408, a qualified tuition program (as defined in section 529), a Coverdell education savings account (as defined in section 530), a health savings account (as defined in section 223), and an Archer MSA (as defined in section 220).

''(f) SPECIAL RULES FOR NONGRANTOR TRUSTS.—

''(1) IN GENERAL.—In the case of a distribution (directly or indirectly) of any property from a nongrantor trust to a covered expatriate—

''(A) the trustee shall deduct and withhold from such distribution an amount equal to 30 percent of the taxable portion of the distribution, and

''(B) if the fair market value of such property exceeds its adjusted basis in the hands of the trust, gain shall be recognized to the trust as if such property were sold to the expatriate at its fair market value.

''(2) TAXABLE PORTION.—For purposes of this subsection, the term 'taxable portion' means, with respect to any distribution, that portion of the distribution which would be includible in the gross income of the covered expatriate if such expatriate were subject to the tax imposed by this chapter.

''(3) NONGRANTOR TRUST.—For purposes of this subsection, the term 'nongrantor trust' means the portion of any trust that the individual is not considered the owner of under subpart E of part I of subchapter J. The determination under the preceding sentence shall be made immediately before the expatriation date.

''(4) SPECIAL RULES RELATING TO WITHHOLDING.—For purposes of this subsection—

''(A) rules similar to the rules of subsection (d)(6) shall apply, and

''(B) the covered expatriate shall be treated as having waived any right to claim any reduction under any treaty with the United States in withholding on any distribution to which paragraph (1)(A) applies.

''(g) DEFINITIONS AND SPECIAL RULES RELATING TO EXPATRIATION.—For purposes of this section—

''(1) COVERED EXPATRIATE.—

''(A) IN GENERAL.—The term 'covered expatriate' means an expatriate who meets the requirements of subparagraph (A), (B), or (C) of section 877(a)(2).

''(B) EXCEPTIONS.—An individual shall not be treated as meeting the requirements of subparagraph (A) or (B) of section 877(a)(2) if—

''(i) the individual—

''(I) became at birth a citizen of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

''(II) has been a resident of the United States (as defined in section 7701(b)(1)(A)(ii)) for not more than 10 taxable years during the 15-taxable year period ending with the taxable year during which the expatriation date occurs, or

''(ii)(I) the individual's relinquishment of United States citizenship occurs before such individual attains age 18½, and

''(II) the individual has been a resident of the United States (as so defined) for not more than 10 taxable years before the date of relinquishment.

''(2) EXPATRIATE.—The term 'expatriate' means—

''(A) any United States citizen who relinquishes his citizenship, and

''(B) any long-term resident of the United States who ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)).

''(3) EXPATRIATION DATE.—The term 'expatriation date' means—

''(A) the date an individual relinquishes United States citizenship, or

''(B) in the case of a long-term resident of the United States, the date on which the individual ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)).

''(4) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing his United States citizenship on the earliest of—

''(A) the date the individual renounces his United States nationality before a diplomatic or consular officer of the United States pursuant to paragraph (5) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)),

''(B) the date the individual furnishes to the United States Department of State a signed statement of voluntary relinquishment of United States nationality confirming the performance of an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(1)–(4)),

''(C) the date the United States Department of State issues to the individual a certificate of loss of nationality, or

''(D) the date a court of the United States cancels a naturalized citizen's certificate of naturalization.

Subparagraph (A) or (B) shall not apply to any individual unless the renunciation or voluntary relinquishment is subsequently approved by the issuance to the individual of a certificate of loss of nationality by the United States Department of State.

''(5) LONG-TERM RESIDENT.—The term 'long-term resident' has the meaning given to such term by section 877(e)(2).

''(6) EARLY DISTRIBUTION TAX.—The term 'early distribution tax' means any increase in tax imposed under section 72(t), 220(e)(4), 223(f)(4), 409A(a)(1)(B), 529(c)(6), or 530(d)(4).

''(h) OTHER RULES.—

''(1) TERMINATION OF DEFERRALS, ETC.—In the case of any covered expatriate, notwithstanding any other provision of this title—

''(A) any time period for acquiring property which would result in the reduction in the amount of gain recognized with respect to property disposed of by the taxpayer shall terminate on the day before the expatriation date, and

''(B) any extension of time for payment of tax shall cease to apply on the day before the expatriation date and the unpaid portion of such tax shall be due and payable at the time and in the manner prescribed by the Secretary.

''(2) STEP-UP IN BASIS.—Solely for purposes of determining any tax imposed by reason of subsection (a), property which was held by an individual on the date the individual first became a resident of the United States (within the meaning of section 7701(b)) shall be treated as having a basis on such date of not less than the fair market value of such property on such date. The preceding sentence shall not apply if the individual elects not to have such sentence apply. Such an election, once made, shall be irrevocable.

''(3) COORDINATION WITH SECTION 684.—If the expatriation of any individual would result in the recognition of gain under section 684, this section shall be applied after the application of section 684.

''(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(b) TAX ON GIFTS AND BEQUESTS RECEIVED BY UNITED STATES CITIZENS AND RESIDENTS FROM EXPATRIATES.—

(1) IN GENERAL.—Subtitle B (relating to estate and gift taxes) is amended by inserting after chapter 14 the following new chapter:

''CHAPTER 15—GIFTS AND BEQUESTS FROM EXPATRIATES

''Sec. 2801. Imposition of tax.

''SEC. 2801. IMPOSITION OF TAX.

''(a) IN GENERAL.—If, during any calendar year, any United States citizen or resident receives any covered gift or bequest, there is hereby imposed a tax equal to the product of—

''(1) the highest rate of tax specified in the table contained in section 2001(c) as in effect on the date of such receipt (or, if greater, the highest rate of tax specified in the table applicable under section 2502(a) as in effect on the date), and

''(2) the value of such covered gift or bequest.

''(b) TAX TO BE PAID BY RECIPIENT.—The tax imposed by subsection (a) on any covered gift or bequest shall be paid by the person receiving such gift or bequest.

''(c) EXCEPTION FOR CERTAIN GIFTS.—Subsection (a) shall apply only to the extent that the value of covered gifts and bequests received by any person during the calendar year exceeds $10,000.

''(d) TAX REDUCED BY FOREIGN GIFT OR ESTATE TAX.—The tax imposed by subsection (a) on any covered gift or bequest shall be reduced by the amount of any gift or estate tax paid to a foreign country with respect to such covered gift or bequest.

''(e) COVERED GIFT OR BEQUEST.—

''(1) IN GENERAL.—For purposes of this chapter, the term 'covered gift or bequest' means—

''(A) any property acquired by gift directly or indirectly from an individual who, at the time of such acquisition, was a covered expatriate, and

''(B) any property acquired directly or indirectly by reason of the death of an individual who was a covered expatriate.

''(2) EXCEPTIONS FOR TRANSFERS OTHERWISE SUBJECT TO ESTATE OR GIFT TAX.—Such term shall not include—

''(A) any property shown on a timely filed return of tax imposed by chapter 12 which is a taxable gift by the covered expatriate, and

''(B) any property included in the gross estate of the covered expatriate for purposes of chapter 11 and shown on a timely filed return of tax imposed by chapter 11 of the estate of the covered expatriate.

''(3) TRANSFERS IN TRUST.—

''(A) DOMESTIC TRUSTS.—In the case of a covered gift or bequest made to a domestic trust—

''(i) subsection (a) shall apply in the same manner as if such trust were a United States citizen, and

''(ii) the tax imposed by subsection (a) on such gift or bequest shall be paid by such trust.

''(B) FOREIGN TRUSTS.—

''(i) IN GENERAL.—In the case of a covered gift or bequest made to a foreign trust, subsection (a) shall apply to any distribution attributable to such gift or bequest from such trust (whether from income or corpus) to a United States citizen or resident in the same manner as if such distribution were a covered gift or bequest.

''(ii) DEDUCTION FOR TAX PAID BY RECIPIENT.—There shall be allowed as a deduction under section 164 the amount of tax imposed by this section which is paid or accrued by a United States citizen or resident by reason of a distribution from a foreign trust, but only to the extent such tax is imposed on the portion of such distribution which is included in the gross income of such citizen or resident.

''(iii) ELECTION TO BE TREATED AS DOMESTIC TRUST.—Solely for purposes of this section, a foreign trust may elect to be treated as a domestic trust. Such an election may be revoked with the consent of the Secretary.

''(f) COVERED EXPATRIATE.—For purposes of this section, the term 'covered expatriate' has the meaning given to such term by section 877A(g)(1).''.

(2) CLERICAL AMENDMENT.—The table of chapters for subtitle B is amended by inserting after the item relating to chapter 13 the following new item:

''CHAPTER 15. GIFTS AND BEQUESTS FROM EXPATRIATES.''.

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—

(1) IN GENERAL.—Section 7701(a) is amended by adding at the end the following new paragraph:

''(50) TERMINATION OF UNITED STATES CITIZENSHIP.—

''(A) IN GENERAL.—An individual shall not cease to be treated as a United States citizen before the date on which the individual's citizenship is treated as relinquished under section 877A(g)(4).

''(B) DUAL CITIZENS.—Under regulations prescribed by the Secretary, subparagraph (A) shall not apply to an individual who became at birth a citizen of the United States and a citizen of another country.''.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 877(e) is amended to read as follows:

''(1) IN GENERAL.—Any long-term resident of the United States who ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)) shall be treated for purposes of this section and sections 2107, 2501, and 6039G in the same manner as if such resident were a citizen of the United States who lost United States citizenship on the date of such cessation or commencement.''.

(B) Paragraph (6) of section 7701(b) is amended by adding at the end the following flush sentence:

''An individual shall cease to be treated as a lawful permanent resident of the United States if such individual commences to be treated as a resident of a foreign country under the provisions of a tax treaty between the United States and the foreign country, does not waive the benefits of such treaty applicable to residents of the foreign country, and notifies the Secretary of the commencement of such treatment.''.

(C) Section 7701 is amended by striking subsection (n) and by redesignating subsections (o) and (p) as subsections (n) and (o), respectively.

(d) INFORMATION RETURNS.—Section 6039G is amended—

(1) by inserting ''or 877A'' after ''section 877(b)'' in subsection (a), and

(2) by inserting ''or 877A'' after ''section 877(a)'' in subsection (d).

(e) CLERICAL AMENDMENT.—The table of sections for subpart A of part II of subchapter N of chapter 1 is amended by inserting after the item relating to section 877 the following new item:

''Sec. 877A. Tax responsibilities of expatriation.''.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to expatriates (as defined in section 877A(g) of the Internal Revenue Code of 1986, as added by this section) whose expatriation date (as so defined) is on or after the date of the enactment of this Act.

(2) GIFTS AND BEQUESTS.—Chapter 15 of the Internal Revenue Code of 1986 (as added by subsection (b)) shall apply to covered gifts and bequests (as defined in section 2801 of such Code, as so added) received on or after the date of the enactment of this Act, regardless of when the transferor expatriated.

SEC. 6. REPEAL OF SUSPENSION OF CERTAIN PENALTIES AND INTEREST.

(a) IN GENERAL.—Section 6404 is amended by striking subsection (g) and by redesignating subsection (h) as subsection (g).

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to notices provided by the Secretary of the Treasury, or his delegate, after the date which is 6 months after the date of the enactment of the Small Business and Work Opportunity Tax Act of 2007.

SEC. 7. INCREASE IN INFORMATION RETURN PENALTIES.

(a) FAILURE TO FILE CORRECT INFORMATION RETURNS.—

(1) IN GENERAL.—Subsections (a)(1), (b)(1)(A), and (b)(2)(A) of section 6721 are each amended by striking ''$50'' and inserting ''$100''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (a)(1), (d)(1)(A), and (e)(3)(A) of section 6721 are each amended by striking ''$250,000'' and inserting ''$600,000''.

(b) REDUCTION WHERE CORRECTION WITHIN 30 DAYS.—

(1) IN GENERAL.—Subparagraph (A) of section 6721(b)(1) is amended by striking ''$15'' and inserting ''$25''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (b)(1)(B) and (d)(1)(B) of section 6721 are each amended by striking ''$75,000'' and inserting ''$200,000''.

(c) REDUCTION WHERE CORRECTION ON OR BEFORE AUGUST 1.—

(1) IN GENERAL.—Subparagraph (A) of section 6721(b)(2) is amended by striking ''$30'' and inserting ''$60''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (b)(2)(B) and (d)(1)(C) of section 6721 are each amended by striking ''$150,000'' and inserting ''$400,000''.

(d) AGGREGATE ANNUAL LIMITATIONS FOR PERSONS WITH GROSS RECEIPTS OF NOT MORE THAN $5,000,000.—Paragraph (1) of section 6721(d) is amended—

(1) by striking ''$100,000'' in subparagraph (A) and inserting ''$250,000'',

(2) by striking ''$25,000'' in subparagraph (B) and inserting ''$75,000'', and

(3) by striking ''$50,000'' in subparagraph (C) and inserting ''$150,000''.

(e) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Paragraph (2) of section 6721(e) is amended by striking ''$100'' and inserting ''$250''.

(f) FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.—

(1) IN GENERAL.—Subsection (a) of section 6722 is amended by striking ''$50'' and inserting ''$100''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (a) and (c)(2)(A) of section 6722 are each amended by striking ''$100,000'' and inserting ''$600,000''.

(3) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Paragraph (1) of section 6722(c) is amended by striking ''$100'' and inserting ''$250''.

(g) FAILURE TO COMPLY WITH OTHER INFORMATION REPORTING REQUIREMENTS.—Section 6723 is amended—

(1) by striking ''$50'' and inserting ''$100'', and

(2) by striking ''$100,000'' and inserting ''$600,000''.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to information returns required to be filed on or after January 1, 2008.

SEC. 8. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking ''114.50 percent'' and inserting ''114.75 percent''.

The SPEAKER pro tempore. Pursuant to House Resolution 719, the amendment in the nature of a substitute printed in the bill, modified by the amendment printed in House Report 110–368, is adopted and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 3056

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

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Tax Collection Responsibility Act of 2007''.

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

(c) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; amendment of 1986 Code; table of contents.
Sec. 2. Repeal of authority to enter into private debt collection contracts.
Sec. 3. Delay of application of withholding requirement on certain governmental payments for goods and services.
Sec. 4. Clarification of entitlement of Virgin Islands residents to protections of limitations on assessment and collection of tax.
Sec. 5. Revision of tax rules on expatriation.
Sec. 6. Repeal of suspension of certain penalties and interest.
Sec. 7. Increase in information return penalties.
Sec. 8. Time for payment of corporate estimated taxes.

SEC. 2. REPEAL OF AUTHORITY TO ENTER INTO PRIVATE DEBT COLLECTION CONTRACTS.

(a) IN GENERAL.—Subchapter A of chapter 64 is amended by striking section 6306.

(b) CONFORMING AMENDMENTS.—

(1) Subchapter B of chapter 76 is amended by striking section 7433A.

(2) Section 7811 is amended by striking subsection (g).

(3) Section 1203 of the Internal Revenue Service Restructuring Act of 1998 is amended by striking subsection (e).

(4) The table of sections for subchapter A of chapter 64 is amended by striking the item relating to section 6306.

(5) The table of sections for subchapter B of chapter 76 is amended by striking the item relating to section 7433A.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) EXCEPTION FOR EXISTING CONTRACTS, ETC.—The amendments made by this section shall not apply to any contract which was entered into before July 18, 2007, and is not renewed or extended on or after such date.

(3) UNAUTHORIZED CONTRACTS AND EXTENSIONS TREATED AS VOID.—Any qualified tax collection contract (as defined in section 6306 of the Internal Revenue Code of 1986, as in effect before its repeal) which is entered into on or after July 18, 2007, and any extension or renewal on or after such date of any qualified tax collection contract (as so defined) shall be void.

SEC. 3. DELAY OF APPLICATION OF WITHHOLDING REQUIREMENT ON CERTAIN GOVERNMENTAL PAYMENTS FOR GOODS AND SERVICES.

(a) IN GENERAL.—Subsection (b) of section 511 of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

(b) REPORT TO CONGRESS.—Not later than 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report with respect to the withholding requirements of section 3402(t) of the Internal Revenue Code of 1986, including a detailed analysis of—

(1) the problems, if any, which are anticipated in administering and complying with such requirements,

(2) the burdens, if any, that such requirements will place on governments and businesses (taking into account such mechanisms as may be necessary to administer such requirements), and

(3) the application of such requirements to small expenditures for services and goods by governments.

SEC. 4. CLARIFICATION OF ENTITLEMENT OF VIRGIN ISLANDS RESIDENTS TO PROTECTIONS OF LIMITATIONS ON ASSESSMENT AND COLLECTION OF TAX.

(a) IN GENERAL.—Subsection (c) of section 932 (relating to treatment of Virgin Islands residents) is amended by adding at the end the following new paragraph:

''(5) TREATMENT OF INCOME TAX RETURN FILED WITH VIRGIN ISLANDS.—An income tax return filed with the Virgin Islands by an individual claiming to be described in paragraph (1) for the taxable year shall be treated for purposes of subtitle F in the same manner as if such return were an income tax return filed with the United States for such taxable year. The preceding sentence shall not apply where such return is false or fraudulent with the intent to avoid tax or otherwise is a willful attempt in any manner to defeat or evade tax.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after 1986.

SEC. 5. REVISION OF TAX RULES ON EXPATRIATION.

(a) IN GENERAL.—Subpart A of part II of subchapter N of chapter 1 is amended by inserting after section 877 the following new section:

''SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATION.

''(a) GENERAL RULES.—For purposes of this subtitle—

''(1) MARK TO MARKET.—All property of a covered expatriate shall be treated as sold on the day before the expatriation date for its fair market value.

''(2) RECOGNITION OF GAIN OR LOSS.—In the case of any sale under paragraph (1)—

''(A) notwithstanding any other provision of this title, any gain arising from such sale shall be taken into account for the taxable year of the sale, and

''(B) any loss arising from such sale shall be taken into account for the taxable year of the sale to the extent otherwise provided by this title, except that section 1091 shall not apply to any such loss.

Proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under the preceding sentence, determined without regard to paragraph (3).

''(3) EXCLUSION FOR CERTAIN GAIN.—

''(A) IN GENERAL.—The amount which would (but for this paragraph) be includible in the gross income of any individual by reason of paragraph (1) shall be reduced (but not below zero) by $600,000.

''(B) ADJUSTMENT FOR INFLATION.—

''(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2008, the dollar amount in subparagraph (A) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 2007' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING.—If any amount as adjusted under clause (i) is not a multiple of $1,000, such amount shall be rounded to the nearest multiple of $1,000.

''(b) ELECTION TO DEFER TAX.—

''(1) IN GENERAL.—If the taxpayer elects the application of this subsection with respect to any property treated as sold by reason of subsection (a), the time for payment of the additional tax attributable to such property shall be extended until the due date of the return for the taxable year in which such property is disposed of (or, in the case of property disposed of in a transaction in which gain is not recognized in whole or in part, until such other date as the Secretary may prescribe).

''(2) DETERMINATION OF TAX WITH RESPECT TO PROPERTY.—For purposes of paragraph (1), the additional tax attributable to any property is an amount which bears the same ratio to the additional tax imposed by this chapter for the taxable year solely by reason of subsection (a) as the gain taken into account under subsection (a) with respect to such property bears to the total gain taken into account under subsection (a) with respect to all property to which subsection (a) applies.

''(3) TERMINATION OF EXTENSION.—The due date for payment of tax may not be extended under this subsection later than the due date for the return of tax imposed by this chapter for the taxable year which includes the date of death of the expatriate (or, if earlier, the time that the security provided with respect to the property fails to meet the requirements of paragraph (4), unless the taxpayer corrects such failure within the time specified by the Secretary).

''(4) SECURITY.—

''(A) IN GENERAL.—No election may be made under paragraph (1) with respect to any property unless adequate security is provided with respect to such property.

''(B) ADEQUATE SECURITY.—For purposes of subparagraph (A), security with respect to any property shall be treated as adequate security if—

''(i) it is a bond which is furnished to, and accepted by, the Secretary, which is conditioned on the payment of tax (and interest thereon), and which meets the requirements of section 6325, or

''(ii) it is another form of security for such payment (including letters of credit) that meets such requirements as the Secretary may prescribe.

''(5) WAIVER OF CERTAIN RIGHTS.—No election may be made under paragraph (1) unless the taxpayer makes an irrevocable waiver of any right under any treaty of the United States which would preclude assessment or collection of any tax imposed by reason of this section.

''(6) ELECTIONS.—An election under paragraph (1) shall only apply to property described in the election and, once made, is irrevocable.

''(7) INTEREST.—For purposes of section 6601, the last date for the payment of tax shall be determined without regard to the election under this subsection.

''(c) EXCEPTION FOR CERTAIN PROPERTY.—Subsection (a) shall not apply to—

''(1) any deferred compensation item (as defined in subsection (d)(4)),

''(2) any specified tax deferred account (as defined in subsection (e)(2)), and

''(3) any interest in a nongrantor trust (as defined in subsection (f)(3)).

''(d) TREATMENT OF DEFERRED COMPENSATION ITEMS.—

''(1) WITHHOLDING ON ELIGIBLE DEFERRED COMPENSATION ITEMS.—

''(A) IN GENERAL.—In the case of any eligible deferred compensation item, the payor shall deduct and withhold from any taxable payment to a covered expatriate with respect to such item a tax equal to 30 percent thereof.

''(B) TAXABLE PAYMENT.—For purposes of subparagraph (A), the term 'taxable payment' means with respect to a covered expatriate any payment to the extent it would be includible in the gross income of the covered expatriate if such expatriate continued to be subject to tax as a citizen or resident of the United States. A deferred compensation item shall be taken into account as a payment under the preceding sentence when such item would be so includible.

''(2) OTHER DEFERRED COMPENSATION ITEMS.—In the case of any deferred compensation item which is not an eligible deferred compensation item—

''(A)(i) with respect to any deferred compensation item to which clause (ii) does not apply, an amount equal to the present value of the covered expatriate's accrued benefit shall be treated as having been received by such individual on the day before the expatriation date as a distribution under the plan, and

''(ii) with respect to any deferred compensation item referred to in paragraph (4)(D), the rights of the covered expatriate to such item shall be treated as becoming transferable and not subject to a substantial risk of forfeiture on the day before the expatriation date,

''(B) no early distribution tax shall apply by reason of such treatment, and

''(C) appropriate adjustments shall be made to subsequent distributions from the plan to reflect such treatment.

''(3) ELIGIBLE DEFERRED COMPENSATION ITEMS.—For purposes of this subsection, the term 'eligible deferred compensation item' means any deferred compensation item with respect to which—

''(A) the payor of such item is—

''(i) a United States person, or

''(ii) a person who is not a United States person but who elects to be treated as a United States person for purposes of paragraph (1) and meets such requirements as the Secretary may provide to ensure that the payor will meet the requirements of paragraph (1), and

''(B) the covered expatriate—

''(i) notifies the payor of his status as a covered expatriate, and

''(ii) makes an irrevocable waiver of any right to claim any reduction under any treaty with the United States in withholding on such item.

''(4) DEFERRED COMPENSATION ITEM.—For purposes of this subsection, the term 'deferred compensation item' means—

''(A) any interest in a plan or arrangement described in section 219(g)(5),

''(B) any interest in a foreign pension plan or similar retirement arrangement or program,

''(C) any item of deferred compensation, and

''(D) any property, or right to property, which the individual is entitled to receive in connection with the performance of services to the extent not previously taken into account under section 83 or in accordance with section 83.

''(5) EXCEPTION.—Paragraphs (1) and (2) shall not apply to any deferred compensation item which is attributable to services performed outside the United States while the covered expatriate was not a citizen or resident of the United States.

''(6) SPECIAL RULES.—

''(A) APPLICATION OF WITHHOLDING RULES.—Rules similar to the rules of subchapter B of chapter 3 shall apply for purposes of this subsection.

''(B) APPLICATION OF TAX.—Any item subject to the withholding tax imposed under paragraph (1) shall be subject to tax under section 871.

''(C) COORDINATION WITH OTHER WITHHOLDING REQUIREMENTS.—Any item subject to withholding under paragraph (1) shall not be subject to withholding under section 1441 or chapter 24.

''(e) TREATMENT OF SPECIFIED TAX DEFERRED ACCOUNTS.—

''(1) ACCOUNT TREATED AS DISTRIBUTED.—In the case of any interest in a specified tax deferred account held by a covered expatriate on the day before the expatriation date—

''(A) the covered expatriate shall be treated as receiving a distribution of his entire interest in such account on the day before the expatriation date,

''(B) no early distribution tax shall apply by reason of such treatment, and

''(C) appropriate adjustments shall be made to subsequent distributions from the account to reflect such treatment.

''(2) SPECIFIED TAX DEFERRED ACCOUNT.—For purposes of paragraph (1), the term 'specified tax deferred account' means an individual retirement plan (as defined in section 7701(a)(37)) other than any arrangement described in subsection (k) or (p) of section 408, a qualified tuition program (as defined in section 529), a Coverdell education savings account (as defined in section 530), a health savings account (as defined in section 223), and an Archer MSA (as defined in section 220).

''(f) SPECIAL RULES FOR NONGRANTOR TRUSTS.—

''(1) IN GENERAL.—In the case of a distribution (directly or indirectly) of any property from a nongrantor trust to a covered expatriate—

''(A) the trustee shall deduct and withhold from such distribution an amount equal to 30 percent of the taxable portion of the distribution, and

''(B) if the fair market value of such property exceeds its adjusted basis in the hands of the trust, gain shall be recognized to the trust as if such property were sold to the expatriate at its fair market value.

''(2) TAXABLE PORTION.—For purposes of this subsection, the term 'taxable portion' means, with respect to any distribution, that portion of the distribution which would be includible in the gross income of the covered expatriate if such expatriate continued to be subject to tax as a citizen or resident of the United States.

''(3) NONGRANTOR TRUST.—For purposes of this subsection, the term 'nongrantor trust' means the portion of any trust that the individual is not considered the owner of under subpart E of part I of subchapter J. The determination under the preceding sentence shall be made immediately before the expatriation date.

''(4) SPECIAL RULES RELATING TO WITHHOLDING.—For purposes of this subsection—

''(A) rules similar to the rules of subsection (d)(6) shall apply, and

''(B) the covered expatriate shall be treated as having waived any right to claim any reduction under any treaty with the United States in withholding on any distribution to which paragraph (1)(A) applies.

''(g) DEFINITIONS AND SPECIAL RULES RELATING TO EXPATRIATION.—For purposes of this section—

''(1) COVERED EXPATRIATE.—

''(A) IN GENERAL.—The term 'covered expatriate' means an expatriate who meets the requirements of subparagraph (A), (B), or (C) of section 877(a)(2).

''(B) EXCEPTIONS.—An individual shall not be treated as meeting the requirements of subparagraph (A) or (B) of section 877(a)(2) if—

''(i) the individual—

''(I) became at birth a citizen of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

''(II) has been a resident of the United States (as defined in section 7701(b)(1)(A)(ii)) for not more than 10 taxable years during the 15-taxable year period ending with the taxable year during which the expatriation date occurs, or

''(ii)(I) the individual's relinquishment of United States citizenship occurs before such individual attains age 18½, and

''(II) the individual has been a resident of the United States (as so defined) for not more than 10 taxable years before the date of relinquishment.

''(C) COVERED EXPATRIATES ALSO SUBJECT TO TAX AS CITIZENS OR RESIDENTS.—In the case of any covered expatriate who is subject to tax as a citizen or resident of the United States for any period beginning after the expatriation date, such individual shall not be treated as a covered expatriate during such period for purposes of subsections (d)(1) and (f) and section 2801.

''(2) EXPATRIATE.—The term 'expatriate' means—

''(A) any United States citizen who relinquishes his citizenship, and

''(B) any long-term resident of the United States who ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)).

''(3) EXPATRIATION DATE.—The term 'expatriation date' means—

''(A) the date an individual relinquishes United States citizenship, or

''(B) in the case of a long-term resident of the United States, the date on which the individual ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)).

''(4) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing his United States citizenship on the earliest of—

''(A) the date the individual renounces his United States nationality before a diplomatic or consular officer of the United States pursuant to paragraph (5) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)),

''(B) the date the individual furnishes to the United States Department of State a signed statement of voluntary relinquishment of United States nationality confirming the performance of an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(1)–(4)),

''(C) the date the United States Department of State issues to the individual a certificate of loss of nationality, or

''(D) the date a court of the United States cancels a naturalized citizen's certificate of naturalization.

Subparagraph (A) or (B) shall not apply to any individual unless the renunciation or voluntary relinquishment is subsequently approved by the issuance to the individual of a certificate of loss of nationality by the United States Department of State.

''(5) LONG-TERM RESIDENT.—The term 'long-term resident' has the meaning given to such term by section 877(e)(2).

''(6) EARLY DISTRIBUTION TAX.—The term 'early distribution tax' means any increase in tax imposed under section 72(t), 220(e)(4), 223(f)(4), 409A(a)(1)(B), 529(c)(6), or 530(d)(4).

''(h) OTHER RULES.—

''(1) TERMINATION OF DEFERRALS, ETC.—In the case of any covered expatriate, notwithstanding any other provision of this title—

''(A) any time period for acquiring property which would result in the reduction in the amount of gain recognized with respect to property disposed of by the taxpayer shall terminate on the day before the expatriation date, and

''(B) any extension of time for payment of tax shall cease to apply on the day before the expatriation date and the unpaid portion of such tax shall be due and payable at the time and in the manner prescribed by the Secretary.

''(2) STEP-UP IN BASIS.—Solely for purposes of determining any tax imposed by reason of subsection (a), property which was held by an individual on the date the individual first became a resident of the United States (within the meaning of section 7701(b)) shall be treated as having a basis on such date of not less than the fair market value of such property on such date. The preceding sentence shall not apply if the individual elects not to have such sentence apply. Such an election, once made, shall be irrevocable.

''(3) COORDINATION WITH SECTION 684.—If the expatriation of any individual would result in the recognition of gain under section 684, this section shall be applied after the application of section 684.

''(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(b) TAX ON GIFTS AND BEQUESTS RECEIVED BY UNITED STATES CITIZENS AND RESIDENTS FROM EXPATRIATES.—

(1) IN GENERAL.—Subtitle B (relating to estate and gift taxes) is amended by inserting after chapter 14 the following new chapter:

"CHAPTER 15—GIFTS AND BEQUESTS FROM EXPATRIATES

''Sec. 2801. Imposition of tax.

"SEC. 2801. IMPOSITION OF TAX.

''(a) IN GENERAL.—If, during any calendar year, any United States citizen or resident receives any covered gift or bequest, there is hereby imposed a tax equal to the product of—

''(1) the highest rate of tax specified in the table contained in section 2001(c) as in effect on the date of such receipt (or, if greater, the highest rate of tax specified in the table applicable under section 2502(a) as in effect on the date), and

''(2) the value of such covered gift or bequest.

''(b) TAX TO BE PAID BY RECIPIENT.—The tax imposed by subsection (a) on any covered gift or bequest shall be paid by the person receiving such gift or bequest.

''(c) EXCEPTION FOR CERTAIN GIFTS.—Subsection (a) shall apply only to the extent that the value of covered gifts and bequests received by any person during the calendar year exceeds $10,000.

''(d) TAX REDUCED BY FOREIGN GIFT OR ESTATE TAX.—The tax imposed by subsection (a) on any covered gift or bequest shall be reduced by the amount of any gift or estate tax paid to a foreign country with respect to such covered gift or bequest.

''(e) COVERED GIFT OR BEQUEST.—

''(1) IN GENERAL.—For purposes of this chapter, the term 'covered gift or bequest' means—

''(A) any property acquired by gift directly or indirectly from an individual who, at the time of such acquisition, is a covered expatriate, and

''(B) any property acquired directly or indirectly by reason of the death of an individual who, immediately before such death, was a covered expatriate.

''(2) EXCEPTIONS FOR TRANSFERS OTHERWISE SUBJECT TO ESTATE OR GIFT TAX.—Such term shall not include—

''(A) any property shown on a timely filed return of tax imposed by chapter 12 which is a taxable gift by the covered expatriate, and

''(B) any property included in the gross estate of the covered expatriate for purposes of chapter

11 and shown on a timely filed return of tax imposed by chapter 11 of the estate of the covered expatriate.

''(3) TRANSFERS IN TRUST.—

''(A) DOMESTIC TRUSTS.—In the case of a covered gift or bequest made to a domestic trust—

''(i) subsection (a) shall apply in the same manner as if such trust were a United States citizen, and

''(ii) the tax imposed by subsection (a) on such gift or bequest shall be paid by such trust.

''(B) FOREIGN TRUSTS.—

''(i) IN GENERAL.—In the case of a covered gift or bequest made to a foreign trust, subsection (a) shall apply to any distribution attributable to such gift or bequest from such trust (whether from income or corpus) to a United States citizen or resident in the same manner as if such distribution were a covered gift or bequest.

''(ii) DEDUCTION FOR TAX PAID BY RECIPIENT.—There shall be allowed as a deduction under section 164 the amount of tax imposed by this section which is paid or accrued by a United States citizen or resident by reason of a distribution from a foreign trust, but only to the extent such tax is imposed on the portion of such distribution which is included in the gross income of such citizen or resident.

''(iii) ELECTION TO BE TREATED AS DOMESTIC TRUST.—Solely for purposes of this section, a foreign trust may elect to be treated as a domestic trust. Such an election may be revoked with the consent of the Secretary.

''(f) COVERED EXPATRIATE.—For purposes of this section, the term 'covered expatriate' has the meaning given to such term by section 877A(g)(1).''.

(2) CLERICAL AMENDMENT.—The table of chapters for subtitle B is amended by inserting after the item relating to chapter 14 the following new item:

''CHAPTER 15. GIFTS AND BEQUESTS FROM EXPATRIATES.''.

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—

(1) IN GENERAL.—Section 7701(a) is amended by adding at the end the following new paragraph:

''(50) TERMINATION OF UNITED STATES CITIZENSHIP.—

''(A) IN GENERAL.—An individual shall not cease to be treated as a United States citizen before the date on which the individual's citizenship is treated as relinquished under section 877A(g)(4).

''(B) DUAL CITIZENS.—Under regulations prescribed by the Secretary, subparagraph (A) shall not apply to an individual who became at birth a citizen of the United States and a citizen of another country.''.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 877(e) is amended to read as follows:

''(1) IN GENERAL.—Any long-term resident of the United States who ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)) shall be treated for purposes of this section and sections 2107, 2501, and 6039G in the same manner as if such resident were a citizen of the United States who lost United States citizenship on the date of such cessation or commencement.''.

(B) Paragraph (6) of section 7701(b) is amended by adding at the end the following flush sentence:

''An individual shall cease to be treated as a lawful permanent resident of the United States if such individual commences to be treated as a resident of a foreign country under the provisions of a tax treaty between the United States and the foreign country, does not waive the benefits of such treaty applicable to residents of the foreign country, and notifies the Secretary of the commencement of such treatment.''.

(C) Section 7701 is amended by striking subsection (n) and by redesignating subsections (o) and (p) as subsections (n) and (o), respectively.

(d) INFORMATION RETURNS.—Section 6039G is amended—

(1) by inserting ''or 877A'' after ''section 877(b)'' in subsection (a), and

(2) by inserting ''or 877A'' after ''section 877(a)'' in subsection (d).

(e) CLERICAL AMENDMENT.—The table of sections for subpart A of part II of subchapter N of chapter 1 is amended by inserting after the item relating to section 877 the following new item:

''Sec. 877A. Tax responsibilities of expatriation.''.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to expatriates (as defined in section 877A(g) of the Internal Revenue Code of 1986, as added by this section) whose expatriation date (as so defined) is on or after the date of the enactment of this Act.

(2) GIFTS AND BEQUESTS.—Chapter 15 of the Internal Revenue Code of 1986 (as added by subsection (b)) shall apply to covered gifts and bequests (as defined in section 2801 of such Code, as so added) received on or after the date of the enactment of this Act, regardless of when the transferor expatriated.

SEC. 6. REPEAL OF SUSPENSION OF CERTAIN PENALTIES AND INTEREST.

(a) IN GENERAL.—Section 6404 is amended by striking subsection (g) and by redesignating subsection (h) as subsection (g).

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to notices provided by the Secretary of the Treasury, or his delegate, after the date which is 6 months after the date of the enactment of the Small Business and Work Opportunity Tax Act of 2007.

SEC. 7. INCREASE IN INFORMATION RETURN PENALTIES.

(a) FAILURE TO FILE CORRECT INFORMATION RETURNS.—

(1) IN GENERAL.—Subsections (a)(1), (b)(1)(A), and (b)(2)(A) of section 6721 are each amended by striking ''$50'' and inserting ''$100''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (a)(1), (d)(1)(A), and (e)(3)(A) of section 6721 are each amended by striking ''$250,000'' and inserting ''$600,000''.

(b) REDUCTION WHERE CORRECTION WITHIN 30 DAYS.—

(1) IN GENERAL.—Subparagraph (A) of section 6721(b)(1) is amended by striking ''$15'' and inserting ''$25''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (b)(1)(B) and (d)(1)(B) of section 6721 are each amended by striking ''$75,000'' and inserting ''$200,000''.

(c) REDUCTION WHERE CORRECTION ON OR BEFORE AUGUST 1.—

(1) IN GENERAL.—Subparagraph (A) of section 6721(b)(2) is amended by striking ''$30'' and inserting ''$60''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (b)(2)(B) and (d)(1)(C) of section 6721 are each amended by striking ''$150,000'' and inserting ''$400,000''.

(d) AGGREGATE ANNUAL LIMITATIONS FOR PERSONS WITH GROSS RECEIPTS OF NOT MORE THAN $5,000,000.—Paragraph (1) of section 6721(d) is amended—

(1) by striking ''$100,000'' in subparagraph (A) and inserting ''$250,000'',

(2) by striking ''$25,000'' in subparagraph (B) and inserting ''$75,000'', and

(3) by striking ''$50,000'' in subparagraph (C) and inserting ''$150,000''.

(e) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Paragraph (2) of section 6721(e) is amended by striking ''$100'' and inserting ''$250''.

(f) FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.—

(1) IN GENERAL.—Subsection (a) of section 6722 is amended by striking ''$50'' and inserting ''$100''.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (a) and (c)(2)(A) of section 6722 are each amended by striking ''$100,000'' and inserting ''$600,000''.

(3) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Paragraph (1) of section 6722(c) is amended by striking ''$100'' and inserting ''$250''.

(g) FAILURE TO COMPLY WITH OTHER INFORMATION REPORTING REQUIREMENTS.—Section 6723 is amended—

(1) by striking ''$50'' and inserting ''$100'', and

(2) by striking ''$100,000'' and inserting ''$600,000''.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to information returns required to be filed on or after January 1, 2008.

SEC. 8. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking ''115 percent'' and inserting ''115.25 percent''.

The SPEAKER pro tempore. The gentleman from New York (Mr. RANGEL) and the gentleman from Louisiana (Mr. MCCRERY) each will control 30 minutes.

The Chair recognizes the gentleman from New York.

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

Mr. Speaker, I rise in strong support of H.R. 3056, the Tax Collection Responsibility Act of 2007. The bill has seven provisions and is revenue neutral.

First, the bill will repeal this excursion into private companies collecting the debt for the Internal Revenue Service. We've had many hearings, and the Internal Revenue Service, on more than one occasion, had indicated that, given the resources, they could do a more effective job than having to subcontract out to private firms.

There's nothing magic about privatization. Just saying that it's privatized doesn't mean that it's more effective or that you're doing the right thing. And I think, in this great country of ours, there is a special relationship between the Internal Revenue Service and the taxpayer.

No one would ever like the tax collector, but you do feel a little more secure when you know that a public servant is doing his or her job, rather than this job being sold out or given out to somebody that's income is going to be based on how much taxes they collect today.

No, if you've got to call the office and ask the taxpayer to pay, or call his home, let it not be a ride-by-night firm that is just getting involved in tax collection of Federal indebtedness. Let it be someone that you can trust, let it be a civil servant, and let it be the people that, over the years, have done the job, and no good reason has been given by anybody as to why they should not continue to do this.

The only sad thing that you can say about the collection of taxes by the IRS is that, admittedly, we never gave them the money; we never gave them the resources. But no one can challenge that there's no one better trained to do the job than the Internal Revenue Service.

And then, of course, I want to thank Representative MEEK and Representative HERGER for providing leadership in repealing this provision that would address the 3 percent withholding rate on certain government payments for goods and service. It didn't look good then; it doesn't look good now.

The bill also provides some equity to our citizens in the Virgin Islands to ensure fairness in tax collection there, and eliminates the restrictions on the statute of limitations, which means that their statute of limitations is our statute of limitations, that we're all citizens in this together, and they're not second class in this.

In addition, of course, we want to say that this bill is revenue neutral.

I ask unanimous consent to yield the remainder of my time to the gentleman from North Dakota (Mr. POMEROY) and give him the opportunity to control that time.

The SPEAKER pro tempore (Mr. ROSS). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MCCRERY. Mr. Speaker, I yield myself such time as I might consume.

I'm pleased that the chairman and I have forged a good working relationship. That relationship has allowed us to work together on several important issues, including trade and some tax bills. Just last week, for example, I stood on the floor and joined with the vast majority of Members on both sides of the aisle to approve a bill helping relieve homeowners of the tax burden that comes with having a mortgage written down or foreclosed.

But the chairman and I know that there are times when we will not agree, and today is just such an occasion. The central feature of this bill is a repeal of a program at the Internal Revenue Service that allows the service to contract with private collection agencies, known as PCAs, to secure payment of unpaid taxes from individuals who have admitted they owe the government money, but simply have not actually paid the money.

It's true, as the majority likes to argue, that the IRS's own taxpayer advocate has urged Congress to repeal the PCA program. But some of her reasons are a bit suspect. For example, her report criticized the use of private collection agencies because, by doing so, ''the IRS has separated taxpayers from its world class customer service.''

And while I agree that IRS employees are competent, hardworking public servants, and I commend them for the job they do, surely the person who wrote that did so with tongue firmly planted in cheek. After all, how many of us, in conversations with our constituents, have heard from them that the IRS is known for their customer service?

More importantly, though, IRS reviews of the PCA program show that customer service satisfaction with those PCA programs is, in fact, very high. In their comments on the taxpayer advocate's report, the IRS noted that ''of the nearly 19,000 cases assigned to PCAs, only 108 taxpayers have requested that their accounts be handled by the IRS. There have been 31 reported contractual complaints, all of which have been reviewed in depth. There have been no instances of fraud or misuse of taxpayer information.''

That record is not surprising, considering the extensive training PCA employees receive and the limited information they are provided. That, I should point out, stands in sharp contrast to the many documented lapses of the IRS in protecting confidential taxpayer information.

Program opponents often suggest that there is something intrinsic about tax collection that should preclude it being contracted out to the private sector. This argument is hard to reconcile with a few basic facts.

First, the PCAs are not adjudicating tax liability. They are merely helping to ensure the government receives the amounts the individuals have already admitted they owe in taxes but have not paid.

Second, PCAs are used throughout the Federal Government to collect unpaid obligations. According to the IRS, since 1982, PCAs have been used by various branches of the Federal Government, collecting nearly $700 million in fiscal year 2005 alone.

Third, of the 43 States with a personal income tax, the vast majority of those use private agencies to help collect from delinquent taxpayers.

A hearing on this issue showed the members of the committee the skill and patience PCA employees use to avoid disclosing any confidential taxpayer information.

□ 1600

In fact, Mr. Speaker, I would urge the PCA program be modified to provide these contractors with additional tools that will both improve their recovery rate and reduce the possibility of taxpayer confusion about the purpose of calls and letters from the PCAs.

Even though these agencies lack many of the tools of the IRS, such as lien and levy, they are successfully collecting millions of dollars in unpaid taxes that the IRS has not and very likely would not ever get around to collecting.

The majority will no doubt argue that the cost to the taxpayers would be even less if the IRS went after these obligations. But the fact is they are not, and any such comparisons are apples to oranges. The IRS is currently ill-equipped to engage in the massive outbound call operation the PCAs use to collect these obligations.

In the first year of the program's operation, more than 90,000 cases have been placed with the PCAs. More than 7,300 have resulted in full payment, and more than 2,600 taxpayers have entered into installment agreements. The PCAs have already collected $32 million in gross revenue that would not have been collected otherwise, making this a tax-gap closing program with a proven track record. The Joint Tax Committee estimates that killing this program will result in the loss of over $1 billion in revenue over the coming decade.

Considering the difficulty of meeting the terms of PAYGO, it's rather disappointing that the majority would actually find it necessary to raise taxes elsewhere in order to terminate a program that is helping to close the tax gap. In fact, during committee markup, members of the Ways and Means Committee suggested a number of ways to use the money that the majority is spending today by killing this program, including delaying the implementation of a withholding rule on Federal contractors or providing penalty relief to taxpayers who are underwithholding their 2007 taxes because they are unaware of the coming hit of the AMT, which the majority has yet to pass, but I'm sure that we will get around to that. Unfortunately, those amendments were rejected on party-line votes in the committee, and, of course, we are not being given a chance to vote on those today in this House.

Mr. Speaker, at this time I yield the balance of my time to Mr. BRADY and ask unanimous consent that he be allowed to control that time.

The SPEAKER pro tempore (Mr. SALAZAR). Without objection, the gentleman from Texas (Mr. BRADY) will control the time.

There was no objection.

GENERAL LEAVE

Mr. POMEROY. Mr. Speaker, I ask unanimous consent to give Members 5 legislative days to revise and extend their remarks on this bill, H.R. 3056.

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

There was no objection.

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

We are in a time where there is a complete fascination in this administration with contracting out. If you are happy with Blackwater in Iraq, then I expect you are perfectly fine with contracting the debt collection of IRS debt to private bill collectors. But there are some essential facts at issue which should give us pause to reconsider.

First, the start-up costs. We were told, in testimony by the IRS Commissioner, this venture was going to cost about $14 million to get up and running. The tab so far, $70 million, five times the anticipated cost to begin this venture.

Now, you might say, well, okay, start-up costs are a little more than expected, but how are we doing on receipts now that we have got them fully going, collecting these receipts? We don't have a very good story on that one either.

It was anticipated that $46 million to maybe $63 million would be collected. Coming in at about half of that anticipation, $32 million in. It costs five times more to start and bringing in about half as much as advertised.

Well, okay, $32 million. It still sounds like a lot. Well, not really when you consider the fact they have been given 118,000 cases with an unpaid debt of $512 million. For the kind of money we have invested, do you know what we are getting back? We are getting about a 6 percent return from this experiment in private debt collection.

You might be asking yourself, look, there must be some more efficient way to do this. Well, there sure is. Let's fund the IRS, hire, train, manage the debt collection. My gosh, if there is one government responsibility, it ought to be in making certain that the revenue owed is the revenue raised.

And the statistics show by the IRS themselves that for $1 spent on IRS staff collecting debt, you get a 20 to 1 return, $20 back for every $1 spent. Private debt collection, the IRS again projecting, at best, $4 back for every $1 spent. That's $20 if we hire to $1 spent, $4 if we hire to every $1 spent under contracting. And that's their projection.

Look, at $32 million collected and $70 million spent, we are collecting 50 cents for every dollar spent so far. That's pretty bad business. If we had spent the $71 million to hire a Federal collection staff, we would have already collected $1.4 billion. That is the total amount they project over 10 years under this experiment of private debt collection.

I sit on the Ways and Means Committee. And as we considered this notion before it became operative, I thought this is the most expensive way to do this. It reminded me of that $600 toilet seat that the Department of Defense paid for awhile back. I call this a $600 toilet seat of tax collection. Well, when you look at it, they have taken $70 million to build this gold-plated throne and they flushed away $50 million on this foolish experiment.

There are many reasons to end this ill-advised endeavor, and the speakers we present are going to offer those reasons. But the fundamental is it's a matter of dollars and sense, and this don't make sense.

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

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

Well, it's appropriate that we talk about a $600 toilet seat because, indeed, this bill smells to high heaven.

The truth of the matter is you will hear a lot of wild claims made on the House floor today, but in truth the Joint Taxation Committee, Congressional Budget Office, and every other independent agency has testified that passing this bill will cost the American taxpayers more than $1 billion. It is a testament that this program is working and will continue to work to save dollars for the American taxpayer by going after those who owe their taxes on behalf of those of us who pay our taxes.

Mr. Speaker, I rise today in strong opposition to H.R. 3056. This bill would eliminate a program that is actually making money for the government: overdue tax bills collected by qualified private companies from people that owe too little for the IRS to use up valuable resources in going after them. To date, the IRS has turned over 90,000 cases worth nearly half a billion dollars. And the dollars add up to the tune of $32 million collected since last month, and there's more to come. As I said, more than $1 billion over the next decade.

This is money that is helping to close the tax gap and is revenue that the Treasury Department can use to hire more employees. Under the program the IRS can retain up to a quarter of the collection to hire additional enforcement workers, and already some $5.7 million has been designated by the IRS for collection activities and $20 million has gone toward deficit reduction. So it is helping reduce the Federal deficit.

Some argue that collection agents have harassed taxpayers. The reality is that these agents are held to the same standards as IRS employees when it comes to protecting taxpayer rights. As a matter of fact, out of 51,000 cases, it was testified at our recent Ways and Means Committee hearing there were no, zero, violations of taxpayer privacy, zero.

These companies do face difficulties in finding the correct person, as the IRS does not provide the collectors with the taxpayers' last known phone numbers. This might be an area to look for reforming, rather than killing, this important program.

Some argue that the IRS could collect the same debts more cheaply if they could hire more employees. But the truth of the matter is these taxpayers have already been contacted four times by the IRS and they have not had luck in collecting them.

A GAO report in 2004, General Accountability Office, says that these private companies can recover $4.60 for every $1 spent while additional IRS employees would recover less, would be less efficient in recovering.

The bottom line is that the program is working, taxpayer rights and privacy are being protected. The program allows IRS to do what they are good at: enforcement of higher profile debts while allowing private collection agents who have to be qualified to collect smaller debts owed by tens of thousands of taxpayers.

And private debt collectors aren't a novel idea. Other Federal agencies and many States, 40 States, and thousands of local government agencies use private agents to collect everything from overdue income taxes, alcohol and cigarette taxes, to local property taxes. It's working, and it would be a disservice to taxpayers who actually pay their taxes on time to discontinue it now.

The bottom line truly, Mr. Speaker, is are we serious about closing the tax gap. Are we serious about collecting the debts that are owed? People here tend to always see things in black and white, and you will hear this in the debate today. You are either for or against the IRS, for or against private debt collectors.

The truth of the matter is our goal is to collect the taxes the most efficient way. It will take a partnership of our IRS employees, who do an excellent job, and private debt collectors, who do an excellent job in the tougher debts, to collect in order for the taxpayers to truly get the dollars that they are owed and this country the dollars that are truly owed.

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

Mr. POMEROY. Mr. Speaker, the unrefuted data is that IRS collection with IRS staff is five times more efficient in terms of dollars received than contracting out. If we are worrying about IRS efficiency, do it on the staff model.

And I might say that their cost estimate about this bill contemplates that the IRS would hire no staff, would just forget hiring out contractors, hire no staff, and just walk away from them.

No. We have got a very different notion. We want to take the money we are sending to these private bill collectors and hire IRS staff that are going to collect on this five-to-one ratio. We have got a much better, more efficient model to address this issue of unpaid balances owed to the United States.

Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. LEWIS).

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank my friend for yielding.

Mr. Speaker, I rise today in support of H.R. 3056, the Tax Collection Responsibility Act, a bill to eliminate the IRS's private debt collection program.

The private debt collection program is an insult to the American taxpayer and our Federal tax system. The collection of taxes is a core government function. It is the mission of the IRS.

The Ways and Means Committee held a hearing on this program, and we found that it has no business, no place in the collection of taxes. This program violates the public trust.

Taxpayers trust the IRS with their personal information. When taxpayers put information on their tax returns, they expect that the IRS will see that information, and only the IRS. Taxpayers do not expect their personal information could be given to private debt collectors. It should never ever happen.

Taxpayers have been harassed under this program. Thousands of innocent taxpayers are being called on the phone and asked for their Social Security numbers. They are afraid that their identity will be stolen. In some cases, the calls are never-ending. We found that one elderly couple was called 150 times over 30 days. That's not right. That's not fair.

This program targets low-income taxpayers, and these private debt collectors have even gone after nursing

home residents and military personnel serving in Iraq.

□ 1615

That is unbelievable. Use of private debt collectors erodes the Federal tax system, the public trust and the Treasury.

I say, Mr. Speaker, enough is enough. We must stand with the taxpayers, and we must stand up for the IRS employees. Pass this bill and end this program.

Mr. BRADY of Texas. Mr. Speaker, I would point out that the General Accountability Office has testified that, in fact, private debt collectors are more efficient per dollars than the IRS employees with these types of debts, which is what we are comparing. And, again, we have IRS employees with the ability to levy liens and fines, they are able to compel certain types of taxpayers to pay efficiently, and they can go after the larger, more complex cases very well. It is this group here that we've had difficulty collecting taxes from in the past that these proven tax collectors across 40 States have done such a good job collecting. And that is the bottom line; are we going to collect the taxes of the American people or not?

With that, I would yield 2 minutes to the ranking member of the Trade Subcommittee, the gentleman from California (Mr. HERGER), who has worked very hard on behalf of American taxpayers.

Mr. HERGER. Mr. Speaker, I rise in strong opposition to the Tax Collection Responsibility Act. This legislation would unwisely eliminate an IRS program which collects otherwise uncollected tax debts, refusing as much as $2.2 billion in Federal revenue. In addition, this partisan measure does a disservice to the overwhelmingly bipartisan effort to repeal the 3 percent withholding burden before it takes effect.

In less than 4 years, 3 percent of all payments made by a government to a business or individual providing goods or services will be unfairly withheld as a prepayment on taxes. This will needlessly reduce cash flows for thousands of small businesses across the U.S. Today's bill merely delays 3 percent withholding implementation for 1 year, but that does not solve this real and pressing problem.

What Congress should do is follow the broader proposal my friend KENDRICK MEEK of Florida and I have introduced, repealing this withholding tax outright. Pairing a scaled-back 1-year delay with the majority's repeal of the private collection agency program wrongly splits the bipartisan, broad-based full repeal initiative.

Mr. Speaker, the Meek-Herger proposal has 219 cosponsors from both parties. Further, the closed rule prohibits a Republican substitute that would have provided for consideration of the full 3 percent withholding repeal alone and on its own merit.

I urge Members to reject this flawed bill.

Mr. POMEROY. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. I appreciate the gentleman's courtesy.

Make no mistake, we're talking about uncollected taxes that are uncollected because of a systematic effort by this Republican administration and a Republican Congress to undermine the ability of the IRS to do its job, cranking up the audits on the poorest of citizens while stopping the IRS from oversight of those who are more wealthy.

As my good friend from North Dakota pointed out, we're talking about a 6 percent rate of return, when the independent officer, who has been set up within the IRS to give the independent judgment, has pointed out that this same $71 million would collect over 1.4 billion uncollected tax dollars. Independent observers know that investing in the IRS and its employees rather than unaccountable private contractors will get more money and will do so in a more humane fashion.

It was shocking for the committee to listen to some of the phone calls, to the abuse that has been subjected to American taxpayers who are caught in the ''Alice in Wonderland'' of these private collectors.

I would urge my colleagues, if they have any doubt, to try an experiment. I have done this at home. I have met with CPAs, tax attorneys and with financial advisers. All of them suggest investing more in the IRS infrastructure to improve customer service, and it will collect more money.

I would strongly suggest that it is time to stop this dark chapter of emasculating the IRS, giving money to private contractors, and instead, do a better job for the taxpayer.

I for one support the notion of the 1-year suspension of the 3 percent contractor withholding. I think it makes sense to try and sort this out. I think it needs more examination. I think we can have a better proposal. This got slipped in in the Senate without any House consideration in the last Congress. I think a delay makes sense. I support it. I support the underlying bill, and I urge my colleagues to do the same.

Mr. BRADY of Texas. Mr. Speaker, I would point out that this practice has already generated nearly $6 million for additional IRS agents in collection activities at the agency.

At this time, I would like to yield 3 minutes to the gentleman from Florida (Mr. BOYD).

Mr. BOYD of Florida. Mr. Speaker, I thank Mr. BRADY for yielding, and I rise to oppose H.R. 3056.

Let me start, Mr. Speaker, by saying that I strongly support the right of public and private employees to organize and to work for better working conditions and to improve the quality of life in their workplaces and in their communities, and my record reflects that.

However, I think there is something that we all agree upon, as Democrats, as Republicans, as public employees, private sector employees, and that is that there is a huge tax gap in this Nation, and that tax gap is to the tune of $345 billion. It adds, on the average taxpayer, about $2,700 to its tax bill on an annual basis. These are tax dollars, most of them having been acknowledged by the taxpayer that they owe, but the IRS has not been able to go after them for whatever reason. And so the IRS private debt collection program is putting money back in the pockets of hardworking Americans.

I would like to tell you that the private collection agencies working on this contract do not replace a single IRS worker, and no IRS jobs are lost through this program. To date, this program has recovered about $30 million in delinquent taxes. Through this pilot project, the IRS has turned over about 77,000 cases worth nearly $450 million in unpaid taxes.

Now, I heard some speak about harassment, undue harassment by private collectors. I have to tell you, Mr. Speaker, that this program is closely scrutinized by the IRS. And the IRS program has, according to the Internal Revenue Service itself, received a 98 percent favorable rating from the IRS for regulatory and procedural accuracy, and a 100 percent rating for professionalism.

This program has also received at or above a 96 percent rating for taxpayer satisfaction. Less than 1 percent of those taxpayers collected by the private collection agencies have filed complaints with the IRS, and none of those complaints against the companies currently participating in the program have been validated.

Mr. Speaker, this program is bringing in money to the U.S. Treasury without raising taxes and closing that tax gap, and will be able to close that tax gap if we can keep the programs and improve them, money that otherwise would never be collected. To this end, it would be a very bad message to send that we are not serious about closing the tax gap.

I urge my colleagues to vote down H.R. 3056.

Mr. POMEROY. We had hearing testimony on the survey that was referenced by my friend from Florida. Basically, the GAO testified that the survey was fundamentally flawed. Of 300,000 conversations that have taken place, 1,000 were the subject of the survey for getting taxpayer satisfaction, and the private debt collectors were able to pick which ones got the survey. So a 1,000 survey sample out of a 300,000 universe, with those stakeholders picking the ones that get to say it, was not deemed as credible by the GAO and not deemed as credible by the majority on Ways and Means.

With that, I yield 2½ minutes to the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Speaker, this is a cooked-up survey that was just referred to. In the words of the former IRS Commissioner, Mark Iverson, appointed by President Bush, he testified that the IRS can collect Federal taxes more cheaply, more efficiently than private companies. I rest my case.

I rise in strong support of H.R. 3056. This legislation is designed to protect taxpayers by repealing the authorization for the IRS to use private contractors to collect Federal income taxes.

Few would disagree that the collection of Federal taxes is an inherent government function. We have seen, through multiple hearings in Ways and Means, that privatizing and outsourcing this fundamental role has been a mistake on many levels. We've learned of numerous cases of harassment, not overexaggeration, on the record, abusive calling, violations of the rights of taxpayers. We've discovered that some taxpayers, many of whom were elderly, have had to endure literally hundreds of phone calls from private collectors. We listened to those phone calls. We had them on tape. Tapes are a terrible thing, you know. They don't lie.

Other cases involve people in nursing homes, those who have served in Iraq, and low-income taxpayers facing economic hardships. And as if taxpayer harassment was not enough, we have also seen that the program is inefficient. So far, privatizing tax collection has actually cost us money. Currently, we are $50 million in the hole. The IRS has spent $71 million to collect a net of $20 million. This is just like the postal department with the privatizing of providing mail throughout the United States. Now they're backing off, finally. It has been a disaster.

After paying $5.5 million in commissions to the private debt collectors, they make a commission of $5.5 million, and they can't do the job. This just doesn't make sense.

Mr. Speaker, if $70 million was spent on IRS employees instead of private contractors, statistics project that they would have collected over $1.4 billion. That's quite a difference, indeed. And taxpayers deserve more. They expect to deal with their government when they have a tax problem.

Private debt collection must end, and today we do that. I thank Chairman RANGEL and JOHN LEWIS, chairman of the Ways and Means Oversight. I thank Congressman ROTHMAN from the State of New Jersey for his persistence. I implore all of my colleagues to vote in favor of this legislation.

Mr. BRADY of Texas. Mr. Speaker, I would point out that at the Ways and Means hearings, the Government Accountability Office testified they had looked for but could not find any evidence that the private collection agency selected individuals for the survey based on their perception of what the responses would be. I would point out that the same agency testified that there were zero, no violations of any privacy rights through 51,000, and growing, cases, zero violations. And I do wish that those telephone tapes could be played here on the House floor so members of the public as well as Congress could hear the professionalism of those phone calls as they seek to identify sensitively the individuals who do owe dollars to the American taxpayers.

I will point out, too, that if these debts were so easy to collect by the IRS, why did the IRS already have four opportunities to collect them from each taxpayer before they were turned over to these agencies, who have done such a good job, a solid job of collecting them?

With that, I would yield 6 minutes to the gentleman from New York (Mr. REYNOLDS) who has not only fought on behalf of taxpayers but has a number of women and minority workers and professionals in his district who have done a wonderful job in this arena.

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

□ 1630

Mr. REYNOLDS. Mr. Speaker, I rise in strong opposition to the bill before us today. I thank the ranking member of the Ways and Means Committee for his ongoing efforts to defeat this misguided proposal and other members of the Ways and Means Committee who have also carried a strong voice, such as the gentleman from Texas.

For some Members of this body and both sides of the debate, this issue is simply about policy. We understand that. For them, it is an abstract question about whether private collection agencies or so-called PCAs should be able to play a limited, supplementary role in the IRS's efforts to collect delinquent tax debt. But for me and the area I represent in western New York, it is about both policy and much more than that. It is about jobs.

As a Member of Congress who represents rural Wyoming County in western New York, I am actually more familiar than most with the work that PCAs do. After all, the largest single private employer in Wyoming County is Pioneer Credit Recovery. It is one of only two companies nationwide that the IRS has selected to help get its important program underway.

Mr. Speaker, Pioneer Credit is a highly respected, local business that has created more than 1,400 high-paying jobs for families living in either my district or neighboring districts around Buffalo and Rochester. As my fellow members of the western New York's congressional delegation know, these jobs have been created in a region that has faced serious economic challenges. As I have listened today to this debate, sometimes you wonder just exactly who might be on that phone. These are highly trained rural folks coming from communities much like the gentleman from North Dakota has in North Dakota. It just happens to be a rural area of a large State of New York. For some people, that is their only income to the household. For some it is a supplement to farm income or manufacturing income. And I have looked at some of these people I have known for years. I have seen some of these people where I have just met them the day they went to work to have a meaningful job, after maybe a manufacturing shop closed down in Wyoming County. Or they weren't able to stay on the family farm.

But they are hardworking, decent people who subscribe to Federal and State laws that this honorable body actually has set forth in the past that deliberated and said, you will function as collectors. I know one thing about the people's House: We have had a lot of people from a lot of different backgrounds, but you know, as a small businessman myself, I promise you the only time I send out, in the days I was in business, to a private collection agency was when I couldn't collect that money for an insurance premium or commissions owed and I had no other recourse but to look in private collection. They professionally got the job done to bring back money that was owed.

As my colleague, Mr. BRADY, has pointed out, the IRS sometimes had four chances to kind of get this money and still didn't come back with it. We looked at an opportunity, could we gain over 10 years over $1 billion in order to increase the revenues or address the tax gap that my colleague from Florida talked about.

So when the IRS contract was allowed to Pioneer Credit to turn an empty warehouse in Perry, New York, into a thriving job center for newly hired employees, it has been a great economic success story for part of western New York that desperately needed it, and it began to produce the results that the Congress and the IRS expected. So as someone who has fought to give the IRS the authority to partner with these private companies in the first place, I am deeply troubled that the new majority is now threatening to deauthorize this important program just as it gets underway. If this program is allowed to continue, Pioneer Credit will be given the opportunity to compete for future IRS contracts that could create many additional jobs in the area I represent. Killing this program, on the other hand, would cost my constituents real jobs at a time when Congress should be working to expand employment opportunities, particularly in hard-hit areas that are struggling economically.

I would also note, Mr. Speaker, that under the Democrats' PAYGO rules, proposals that reduce anticipated Federal revenues must be offset by other provisions that raise revenue. Thus their proposal to eliminate the PCA tax collection program, which is expected to net at least that billion dollars over the next decade, also requires them to raise $1 billion in new taxes somewhere else.

This bill is wrong on policy. It is wrong on job creation. It is wrong on tax hikes. I urge a ''no'' vote.

Mr. POMEROY. Mr. Speaker, the gentleman has spoken passionately about the jobs in his district, and I look forward to working with him on economic revitalization issues so vitally important to rural areas like the ones he and I both represent. But this is really not a jobs program before us. What is the best way for taxpayers to have collected what they owed? We want to collect what we are owed. We believe for every IRS employee, we are going to collect $20. For every private debt collector, the optimistic projection is you are going to collect $4. The reality has been much less than that. So when we are talking about the issue before us, what is the best way to get the money we are owed? The best way to do it is hire the personnel, train the personnel, run an IRS capable of getting its job done.

I yield 2 minutes to my friend from Nevada, Congresswoman BERKLEY.

Ms. BERKLEY. I thank the gentleman for yielding.

Mr. Speaker, I rise today in support of the Tax Collection Responsibility Act. This bill will prevent the IRS from using private debt collectors to collect Federal income taxes when current contracts have expired.

Private debt collectors have proven to be very poorly equipped for the job. This change is important to protect taxpayers' privacy. Coming from Las Vegas, I have never been a great fan of the IRS. IRS abuse in Las Vegas is legendary. The only thing worse are private debt collectors that have harassed, threatened and intimidated the taxpayers in my district and throughout the United States to collect back taxes and to also collect a hefty fee. The IRS ought to do its job of collecting taxes and Congress ought to do our job by giving them the resources the IRS needs to do its job.

The bill also proposes implementation of a 3 percent withholding requirement on government payments to vendors. This requirement will cause significant administrative and financial burdens on local governments. As a local government that spends more than $100 million per year on vendor products and services, Clark County, Nevada, would be required to withhold 3 percent of payments to businesses. Under the new requirement, companies that contract with local government would be terribly and unfairly penalized. This could result, it will result in cash flow problems for small businesses and ultimately higher prices for all consumers. This bill will postpone the 3 percent withholding requirement to give the Treasury Department time to study the impact of this provision on local governments and taxpayers before it is implemented.

Mr. Speaker, I urge my colleagues to support this important legislation for both reasons that I have stated.

Mr. BRADY of Texas. Mr. Speaker, I would point out that while the claim has been made that our taxpayers have been harassed, IRS itself has testified there is a 97 percent satisfaction rate with the process that is already in place with these private collection agencies. I must point out, too, that while a claim is made that past Congresses starved the IRS, the truth is actually the opposite. The agency last year added over 200 new field collection personnel. This year's budget will add even more agents to the IRS. This program that is being sought to be eliminated has already generated almost $6 million for more IRS agents in a collection agency.

Mr. Speaker, I would like to inquire how much time does each side have remaining.

The SPEAKER pro tempore. The gentleman has 6 minutes remaining; the gentleman from North Dakota has 11½ minutes.

Mr. BRADY of Texas. At this time, I would reserve the balance of my time.

Mr. POMEROY. Mr. Speaker, it is my pleasure to yield 4 minutes to the bill's prime sponsor, the gentleman from Maryland (Mr. VAN HOLLEN).

Mr. VAN HOLLEN. Mr. Speaker, I thank my colleague from North Dakota for his long-time efforts on behalf of fair treatment for taxpayers in this country. I rise in strong support of this legislation, the Tax Collection Responsibility Act of 2007.

In addition to endorsing the practices that this bill provides for better collection and fairer collection for small businesses, I also believe it is high time we repeal an abusive and misguided debt collection program at the IRS. I am pleased to have worked on this issue for a number of years with my colleague from New Jersey (Mr. ROTHMAN) and others.

I think we all know that it is not a new issue to this body. We tried private tax collection in 1996 and promptly abandoned it a year later, after which time the IRS Office of Inspector General found that private contractors regularly violated the Fair Debt Collection Practices Act, jeopardized the confidentiality of taxpayers personal information, and cost the government a net revenue loss of $17 million.

Under the Republican Congress, this program was revived and came to the floor actually in a form that we did not have a chance to vote separately on it, because when the House has had an opportunity over the last 3 years to vote separately on this issue, this body on a bipartisan basis has said no to private debt collection. That bill never made it to the President's desk. But there is a good reason this House has said no to this program. That is because IRS officials themselves have acknowledged that using private debt collectors is much more expensive than having the IRS do the job. Today on the program that we are talking about, the IRS has spent $71 million and collected a net of $20 million. That is a losing proposition on its face.

Moreover, in her testimony before the Ways and Means Committee, the National Taxpayer Advocate, Nina Olson, whose job at the IRS is to look out for the fair treatment of taxpayers, recommended that we end this program and further pointed out, as others have said, that if you took the same amount of money and invested it in allowing IRS agents to collect the revenue, you would collect $1.4 billion instead of the $20 million collected so far in this program.

In addition, and I think this is an important point to make, when this Congress in the 1990s passed the IRS Restructuring and Reform Act, we specifically said that our public employees, our IRS agents, could not receive bonuses, could not receive special rewards for collecting more taxes because we want to avoid an incentive for abuse; yet that is exactly the premise this entire program is based on. It is based on bigger rewards in the sense for more taxes collected. That is what leads in turn to abusive tax practices that we have said we don't want our IRS agents to comply. In addition to the fact, the result is for every dollar collected under the private tax collection, 25 cents goes to a private company; whereas, with IRS agents, that dollar collected goes to the Federal Treasury for debt reduction and for investment in important public purposes. So it is a much better return for the taxpayer.

I would argue, Mr. Speaker, that it is very clear over the years that our repeated experiments in private debt collection have failed. If the IRS needs additional resources to collect uncollected revenues, and I think it does, we have heard from the IRS Commissioners in Republican and Democratic administrations alike, that a much better investment is to put those dollars into our public IRS agents. It results in less abusive practices. It makes sure that you also have the dollars come back where it belongs to the taxpayer and the public benefit.

Mr. BRADY of Texas. I would point out it is difficult to have an abusive program when there is 97 percent customer satisfaction and zero privacy violations and zero Fair Debt Collection Act violations. Zero. I point out as far as efficiency, you don't have to take anyone's word on this floor if this program is working. Attached to this bill is testimony that says eliminating it will cost the U.S. taxpayers $1 billion.

□ 1645

So you don't have to take our word for it. The experts who are independent, who have looked at this issue, know this is an efficient program for the U.S. taxpayers.

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

MR. POMEROY. Mr. Speaker, our information is somewhat different from the information just propounded. We believe indeed the record would show there have been 83 complaints. These complaints include taxpayers who have

received letters with another taxpayer's information inside. Now, if this isn't a taxpayer privacy violation, I don't know what is. At least one fine has been assessed, and this is in the early going of the program.

Mr. Speaker, I will acknowledge perfection is a pretty hard standard to meet, but they have not met perfection and they have not generated the money in collection that was advertised at the beginning of this endeavor.

With that, I yield 2½ minutes to my friend the gentleman from New Jersey (Mr. ROTHMAN), who has long had concerns about this initiative and worked hard to end it.

Mr. ROTHMAN. I thank the gentleman from North Dakota for all his wonderful work on this. I want to thank Mr. VAN HOLLEN. I want to thank my chairman on the appropriations subcommittee, Mr. SERRANO, and so many people who were so outraged at this private collection of taxpayer money that is owed to the IRS.

Mr. Speaker, here's the problem. About $300 billion is owed to the American taxpayers by those income earners who refuse to pay their taxes. They admit they owe the money, but they refuse to pay. That is about $300 billion. That is the problem.

Now, what is the solution to the problem? Well, the Republicans here say, let's privatize this, give it to private people, private companies who will make a profit on collecting these tax moneys, and they will collect about $4 for every $1 we spend on them. They will collect $4. The other solution is to hire more IRS agents, and for every $1 we invest in them, we will get $20. Not the $4 that goes to the private debt collectors that they produce, but $20. We will collect five times more.

So why would we give away the taxpayers' money by letting private debt collectors collect our debts, just so we can collect five times less? They say, ''Well, we don't want to support big government.'' Well, do they want to waste all those tens or hundreds of billions of dollars by giving it to private debt collectors to collect at five times less effectiveness? It makes no sense. But this is nothing new.

Mr. Speaker, they wanted to privatize Social Security. They privatized the prescription drug program for seniors. They wanted to privatize the collection of our mail. They wanted to privatize, and they did, security contracting in Iraq, There is Halliburton, Blackwater. And they did so at Walter Reed Army Hospital.

So this ideology of the Republican Party and this President that we need to privatize everything doesn't make sense, it wastes taxpayer dollars, and in fact is an opportunity for a very select few in our society to profit at the expense of everybody else. Not only is it un-American, it is wasteful, it is wrong.

Mr. Speaker, we can do better with this solution. That is why I have been fighting for this for years, and I am so proud to support H.R. 3056. If they say the choice is do nothing or something, do it the right way and pass H.R. 3056.

Mr. BRADY of Texas. Mr. Speaker, I would point out that private debt collection is used by 40 different States, whose Governors are Republican and Democrat, and thousands of local government agencies and organizations, again, both Republican and Democrat. This isn't an issue of privatization, it is an issue of efficiency. This partnership between the IRS and private debt collectors for this group of taxpayers who are hard to collect those taxes from will yield an additional $1 billion for the American people.

With that, I reserve the balance of my time.

Mr. POMEROY. Mr. Speaker, as part of the IRS appropriation, we fund the National Taxpayer Advocate. In her 2006 annual report, she writes, ''We are concerned that private collectors are using trickery, device and belated Fair Debt Collection Practices Act warnings to take advantage of taxpayers. We are concerned private collectors are taking advantage of taxpayers.'' That is from the National Taxpayer Advocate.

With that, I yield 2 minutes to the gentleman from New York (Mr. SERRANO), who has advanced the prohibition of this ill-advised endeavor in the Appropriations Committee.

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

Mr. SERRANO. I thank the gentleman.

Mr. Speaker, this has to be one of the worst ideas ever put forth. Just think of it: Instead of getting the IRS to collect the tax dollars, we go and tell someone else that they can collect 24 cents on the dollar, instead of hiring more folks to collect what they have been doing for so many years. So we lose 24 cents on every dollar, rather than have someone take care of this.

Now, the IRS has spent $71 million in money we have given them on this program and have collected in return somewhere between $20 and $25 million. The IRS Taxpayer Advocate, as was mentioned by the gentleman, calculated that if this money had been spent by the IRS to collect, they would have collected $1.4 billion.

Mr. Speaker, we have also heard here about the harassment tactics. Now, we can deny it as much as we would like, but when you give me an incentive of 24 cents on the dollar to collect from taxpayers, things can get out of hand. That is why senior citizens have been called 150 times in a month's time, looking for their son. My friends, these kind of tactics would make a great comeback episode for ''The Sopranos,'' and I think one might be in the works.

Mr. Speaker, the IRS can do this work. We tried to do this, as you know, in our committee, and it was defeated, basically with the minority party saying on a point of order they would pull it out of the bill. But it was our intent to do that in our bill. In addition, we put in $400 million in fiscal year 2008. With this funding, the IRS should be able to start working on these cases themselves, without outsourcing.

I know, as Mr. ROTHMAN has said, that there is a madness in this House about taking everything that American workers do and sending it somewhere else, overseas usually, and then what government employees do, they send it to another agency or to somebody else. I can't wait for the day when you decide that the whole Congress should be outsourced overseas and we should have people doing our work.

Mr. Speaker, this is a bad idea. We should pass this bill and stop this program immediately.

The SPEAKER pro tempore. The Chair would advise that the gentleman from North Dakota has 2 minutes and the gentleman from Texas has 5 minutes.

Mr. BRADY of Texas. Mr. Speaker, I would remind the Chamber that more than 40 States, not just this administration, more than 40 States, Democrat Governors and Republican Governors, use the exact same type of collection techniques, the same partnerships, to do what is right for the American people.

I would point out that we have heard claims today of literally tens of thousands of people who have been harassed by these private debt collectors, all the abuses. I would simply challenge you to name one. In this debate today, name one. Name the person, name the case where there was a privacy abuse or thousands of harassing phone calls. I would predict there will be no name mentioned.

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

Mr. POMEROY. Mr. Speaker, I would just again read from the National Taxpayer Advocate report: ''We are concerned private collectors are taking advantage of taxpayers.'' I will submit this for the RECORD.

With that, I will yield 1 minute to the gentleman from Pennsylvania (Mr. SESTAK).

Mr. SESTAK. Mr. Speaker, I rise in support of this bill for three reasons. First is the cost. As my colleagues have previously said, we should have raised from these private agencies at least $44 million to $63 million to date. In fact, it has only been $25 million, with a sum cost of $51 million.

Second is the more cost-effective way that another agency, the IRS, might do this. We know that they have collected this year alone $5.3 million from the Automated Call Service. Imagine if we had not decreased the number of IRS officers from 8,500 during the nineties down to only 5,200 today and we had put the money into them or into the Automated Call Service. That 20-to-1 return that the government gets far exceeds the 4-to-1 return of private agencies.

Third, however, after 31 years in the military, it pained me to see us outsource our security operations to

private agencies in Iraq. At times there is abuse, not dissimilar to what we hear today, such as seniors and those in Iraq being called. In fact, a senior couple was called 150 times, five times a day. Then we learned they had the wrong number.

Mr. Speaker, I therefore rise in support of this bill because of the cost-effectiveness of the IRS and because of the abuses that can occur if it is not within a government agency.

Mr. BRADY of Texas. Mr. Speaker, I would point out that attached to the majority's bill that this House is considering today, according to the majority's bill, the Joint Tax Group testifies and asserts that this program, that is working today, will collect $1 billion more. You can hear every claim you want on this House floor, but their own bill says to the American public that this program will collect $1 billion more than if it were to be eliminated. That is not at dispute today.

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

Mr. POMEROY. Mr. Speaker, the cost cited assumes that not a nickel is spent on IRS capacity. Indeed, if we spend it on IRS capacity, the unrefuted evidence is that it would be a 5-to-1 return relative to private collectors.

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

Mr. BRADY of Texas. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. REYNOLDS).

Mr. REYNOLDS. Mr. Speaker, this won't be the first or last time that debate on the floor comes on disagreements of policy or well-crafted rhetoric that goes to the extreme of bringing forth one's position. But I think that my colleague, Mr. BRADY, and others who have spoken in the aspect that private collection has worked in the portion that has been assigned in their mission as they get underway, that the complexity of collecting taxes of the tax gap, which, if you recognize the tax gap as a challenge of revenue, one that this Congress very quickly and gladly put forth, that $1 billion of collections through private collection agencies would be achieved, and as we now embark on that, we have listened to tough language and rhetoric, and I sat through most of those public hearings, crafting today the reflection of what they thought they heard in those hearings. I think that if we look at results as we move towards the opportunity of seeing private collection, because one thing that has been omitted, if I am not mistaken, regardless of what this body does, the other body will have a serious challenge in seeing legislation passed, and there is a Presidential veto that says that it will not occur.

So as we measure in the future the work that has been done that has been assigned to the PCAs, and we look at the aspect of a goal that all of us would have, that the IRS has tools to do their job so that collection continues, I think we will also see in short time that private collection agencies have done the mission they were asked to do in the pilot out in Iowa and in western New York, and I think as we give that a chance, not only will this legislation not be needed, but it will not see the light of day.

Mr. BRADY of Texas. Mr. Speaker, may I inquire as to the time remaining.

The SPEAKER pro tempore. The gentleman has 1½ minutes.

Mr. BRADY of Texas. I will be brief, Mr. Speaker.

We hear a lot of claims today about the efficiency of this program. But our agencies, the independent agencies, the Government Accountability Office and Joint Tax, make the point attached to this legislation that this program has worked, is working efficiently, and will save U.S. taxpayers more than $1 billion.

You will hear today about abuses. But the fact of the matter is they can name not one in any independent agency, including the IRS, the Treasury. Examination of the program has showed 97 percent customer satisfaction, zero privacy violations, and zero Fair Debt Collection Act violations, zero, no matter what is talked about.

Mr. Speaker, the truth of the matter is, the question before us today is not about privatization. This is about credibility. This majority has talked about closing the tax gap, what is owed and what is paid. Yet today we will widen that tax gap by over $1 billion. So the question is will we walk the walk, or just talk the talk about the tax gap.

This partnership between the IRS and these private collection agencies is working for the American public. We ought to let it continue to work for the American public, because we can use that $1 billion for health care, for education, for helping our veterans, for a number of important priorities in this budget.

□ 1700

And we will have some type of a financial standoff here in a few months, yet we let $1 billion escape our grasp. I urge a ''no'' vote on the bill.

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

Mr. POMEROY. Mr. Speaker, we believe private debt collection of IRS debt is a terrible idea and an important matter, which is why the majority leader will close for our side. I yield the balance of our time to the majority leader, Mr. HOYER, from Maryland.

Mr. HOYER. Mr. Speaker, I thank my friend for yielding.

First, let me respond to a point Mr. BRADY has made a number of times. The point I am referring to is if we did not spend any money on private collection, we would not collect $1 billion. We can accept that as accurate. But the assumption is that we wouldn't spend any money in the public sector to collect that money. But I will read figures that say if we did that, we would geometrically collect more than a billion dollars by a factor of two or three or four or five. I will read that figure, Mr. BRADY. But you keep reading the figure, the assumption of which is we are simply going to drop collection. We are not going to drop collection.

Today, through this important legislation, the Tax Collection Responsibility Act, this House will reiterate that the collection of taxes is a core governmental function that should not be contracted out to private companies.

But no one, no one should be mistaken. Our objection to the private collection of taxes is not simply philosophical; it is practical, as well.

First, there simply is no evidence that private tax collectors are more efficient. In fact, the opposite is true.

IRS Commissioners of both parties repeatedly have testified before Congress that IRS employees could do this work more efficiently. In fact, according to the IRS, the return on investment for IRS employees doing work similar to private collection agencies is 13:1. The private collection agency return is about 4:1, or approximately one-third as effective in the private sector as it is in the public sector. That is what the IRS Commissioners say.

Secondly, with Americans legitimately concerned about the privacy of their personal information and identity theft, I don't believe, and I hope this House does not believe, that it is good policy to turn over Social Security identification numbers and tax information to private collection companies.

Third, the National Taxpayer Advocate has raised concerns about the tactics used by private collection agencies, including intimidation and harassment. The fact is that private tax collectors are keeping 21 to 24 percent of what they collect, and are allowed to keep up to 25 percent under the law. Thus, with the compensation of private collection agencies directly tied to what they collect, they are incentivized to use aggressive tactics. Ironically, however, and let me go back to that figure, they are less effective in collecting, 13-to-1 versus 4-to-1, than the public sector.

Finally, let me say too many of my Republican friends want it both ways. On the one hand, Republican-controlled Congresses have cut the IRS workforce by 20,000 people since 1995. In fact, just this year they offered an amendment to the Financial Services Appropriations bill that would cut IRS funding by 8.9 percent; yet they come to the floor and say we are not aggressively collecting sufficient funds so we have to privatize it, contract it out. That expense, of course, is an additional expense, which, by the way, escalates more rapidly than does the public sector expense.

As I said, they complain that we must allow the government to hire private collection agencies because the IRS does not have the resources to recover all income tax that is owed. So

on the one hand, cut their resources, and then come to the floor and say they don't have sufficient resources to do the job so we will contract it out, which will require, of course, contract resources while eliminating salary resources.

I think we all know the most effective solution: We need to provide the IRS with the resources it needs to ensure that all taxpayers pay their fair share under the law, so that no taxpayer has to pay more than their fair share or have rates greater than they need to be, which would be the case if everybody paid their fair share.

Mr. Speaker, this legislation is an important step in that effort. I urge all of my colleagues, Mr. Speaker, to vote for this important bill.

Mrs. CHRISTENSEN. Mr Speaker, I rise in strong support of H.R. 3056 to amend the Internal Revenue Code of 1986 to repeal the authority of the Internal Revenue Service to use private debt collection companies, to delay implementation of withholding taxes on Government contractors, to revise the tax rules on expatriation, and for other purposes.

I want to begin by thanking the gentleman from New York, the chairman of the Ways and Means Committee, CHARLES RANGEL, for including language to address the question of the statute of limitations for residents of the U.S. Virgin Islands.

As you know Mr. Speaker, residents of the Virgin Islands, as citizens of the United States, are required to pay Federal income tax like any other citizen living outside the United States. However, section 932 of the Internal Revenue Code, ''Code'', states that bona fide residents of the Virgin Islands are not required filing an income tax return with the IRS. Instead, they are required to file their income tax return with, and pay the applicable tax to, the government of the Virgin Islands. The amount of the liability to the Virgin Islands, determined under the ''mirror code'' system, in most cases is exactly the same amount that they would otherwise have been required to pay to the Federal Government.

In response to concerns that some U.S. citizens claimed tax benefits who neither lived nor worked in the Territory, Congress tightened the income and residency rules of the Virgin Islands Economic Development Commission, EDC, program as part of the American Jobs Creation Act of 2004.

The U.S. Internal Revenue Service subsequently initiated a comprehensive series of audits not only of individuals who participated in the Territory's EDC program, but also many taxpayers who had moved years earlier to the Virgin Islands and who did not participate in the EDC program as well as taxpayers who were born in the Virgin Islands but who had spent periods of their working life outside the Territory due to the lack of opportunities in the Virgin Islands.

In the course of these audits, the IRS reversed its long-standing administrative practice and published position, and now claims that the statute of limitations never runs for V.I. taxpayers who reasonably and in good faith file their tax returns with, and pay their tax to, the Virgin Islands Bureau of Internal Revenue, ''BIR'', as the law requires them to do. In a General Counsel Advisory Memorandum, the IRS announced its new position that it has the right to audit the returns of a V.I. taxpayer as far back as they like and, if the IRS determines under the subjective pre-Jobs Act test that the taxpayer was not a bona fide V.I. resident, that it can assess full tax and penalties even if the taxpayer has paid the correct amount to the Virgin Islands. Because the Virgin Islands statute of limitations will have run in many of these circumstances, the taxpayer will be precluded from seeking a refund of tax paid to the Virgin Islands, and thus be subject to double taxation. Moreover, since the IRS position reverses a previously issued IRS advisory memorandum and also ran counter to the general rule that persons can be audited for up to 3 years after filing a return, many taxpayers who are being audited no longer have the records to defend themselves.

The bill before us today would end this heavy handed and unfair practice and treat bona fide U.S. Virgin Islands residents who files a return in the territory in the same manner as if the return were an income tax return filed with the United States.

I urge my colleagues to support adoption of H.R. 3056.

Mr. UDALL of Colorado. Mr. Speaker, I strongly support this bill but must oppose the effort to add a provision dealing with the estate tax.

I have long supported reform of the estate tax, not its complete repeal.

I think we should change it in a way that will strike the right balance, protecting family-owned ranches, farms, and other small businesses while recognizing the need for fiscal responsibility in a time of war.

But the motion to recommit would have simply added to the bill a permanent repeal of the estate tax. I do not support that and cannot vote for it.

However, I can and will vote for the underlying bill, which will repeal the use of private debt collection companies to collect Federal income taxes, delay the application of an onerous 3 percent withholding requirement on Government payments, and discourage individuals who renounce their U.S. citizenship to avoid paying taxes.

I am a cosponsor of H.R. 695, the Taxpayer Abuse and Harassment Prevention Act of 2007. Like the bill now before the House, it would amend the Internal Revenue Code to repeal the authority of the Secretary of the Treasury to enter into contracts with private collection agencies to collect unpaid taxes. I support that because of the numerous instances in which private collection agencies have been guilty of taxpayer harassment, abusive calling, and violations of taxpayer rights, the Fair Debt Collection Act, and taxpayer return disclosure protections. I understand that right now the Federal Trade Commission has 130 complaints likely to involve the private tax debt contractors, and the Taxpayer Advocate has many more.

In addition, H.R. 3056 would delay until December 31, 2011, the application of a recently-enacted provision requiring withholding of 3 percent of the value of government payments to contractors and small businesses for goods and services. Local governments from across Colorado have contacted me to urge that the requirement be repealed—and while this delay falls short of that, it will provide additional time for Congress to consider repeal or drastic revision of the requirement.

Finally, the bill would impose an immediate tax on individuals who renounce their U.S. citizenship in order to avoid paying their taxes and enact a scaled-back version of the Treasury Department's proposal to increase penalties on failures by independent contractors to provide Form 1099 information returns. I think these are reasonable and appropriate provisions that deserve support.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today in support of H.R. 3056, the Tax Collection Act of 2007. This legislation will amend the Internal Revenue Code of 1986 to repeal the authority of the Internal Revenue Service to use private debt collection companies, to delay implementation of withholding taxes on Government contractors, to revise the tax rules on expatriation, and for other purposes. I would like to thank my colleague, the distinguished chairman of the Ways and Means Committee, Mr. RANGEL, for introducing this legislation, as well as for his leadership in bringing this important issue to the floor today.

Mr. Speaker, this legislation strengthens Government accountability and protects taxpayers and confidential tax information. It will repeal the IRS's authority to enter into, renew, or extend contracts with private companies to collect Federal income taxes. Currently, the private debt collection program exposes taxpayers to harassment, wastes tax dollars by paying a bounty of up to 24 percent to debt collectors, and jeopardizes long-term taxpayer compliance. The collection of Federal income taxes is an inherently governmental function that should be restricted to IRS employees. Furthermore, the use of private contractors violates the special and confidential relationship between taxpayers and the Federal Government, and could jeopardize the privacy of taxpayers, possibly undermining long-term taxpayer compliance. In addition, private debt collection is an extremely inefficient way to collect Federal income taxes.

Since the authority to enter into private debt collection contracts was first granted in 2004, the Federal Government has spent $71 million to collect a net of $20 million in tax receipts. If this money was spent hiring IRS employees, the National Taxpayer Advocate estimates the Federal Government could have collected $1.4 billion. This provision is estimated to cost $1.054 billion over 10 years.

In addition, this legislation delays the application of the withholding requirement on certain governmental payments for goods and services. For payments made after December 31, 2010, the Code requires withholding at a 3 percent rate on certain payments to persons providing property or services made by Federal, State, and local governments. The withholding is required regardless of whether the government entity making the payment is the recipient of the property or services, those with less than $100 million in annual expenditures for property or services are exempt. Numerous government entities and taxpayers have raised concerns about the application of this provision. The provision would delay for 1 year, through December 31, 2011, the application of the 3 percent withholding requirement on Government payments for goods and services in order to provide time for the Treasury Department to study the impact of this provision on government entities and other taxpayers.

Mr. Speaker, this legislation stops the tax benefits for expatriates who renounce their citizenship. U.S. citizens and long-term U.S.

residents are subject to tax on their worldwide income. Taxpayers can avoid taxes by renouncing their U.S. citizenship or terminating their residence. It would immediately impose a tax on these individuals, strengthening current law to ensure that certain high net-worth taxpayers cannot renounce their U.S. citizenship or terminate U.S. residence in order to avoid paying taxes. Under this provision, high net-worth individuals will be treated as if they sold all of their property for its fair market value on the day before such individual expatriates or terminates their residency. Gain will be recognized to the extent that the aggregate gain recognized exceeds $600,000, which will be adjusted for cost of living in the future.

Finally, H.R. 3056 increases information return penalties. This provision would increase the penalties for failing to file correct returns, failing to furnish correct payee statements, and failing to comply with other information reporting requirements. If a taxpayer fails to file a correct information return before August 1, current law imposes a $50 penalty. This bill would increase this penalty to $100 per information return, with a maximum penalty of $600,000 per calendar year, $250,000 in the case of small businesses. Where a taxpayer files a correct information return after the filing date but before 30 days after the filing date, the current law $15 penalty will be increased to $25, with a maximum penalty of $200,000 per calendar year, $75,000 in the case of small businesses.

Where a taxpayer files a correct information return more than 30 days after the filing date but before August 1, the penalty for information returns will be increased from $30 to $60, with a maximum penalty of $500,000, $150,000 in the case of small businesses. The provision is a scaled-back version of the Treasury Department's proposal to increase penalties on failures to provide information returns.

Mr. Speaker, we can reduce the tax gap and make sure that taxpayers pay their fair share by having the IRS collect unpaid Federal taxes compared to private debt collectors. The American people demanded a new direction for America in the 2006 elections, and I believe that Congress must stand up for the American taxpayer. The current program's practice of giving unaccountable private contractors unfettered access to the personal financial data of American citizens poses an unnecessary and unacceptable risk.

Mr. Speaker, I urge my colleagues to join me in support of H.R. 3056, the Tax Collection Responsibility Act of 2007.

Mr. HONDA. Mr. Speaker, I rise today in support of H.R. 3056, the Tax Collection Responsibility Act of 2007. Among other provisions, this bill would repeal the authority of the Internal Revenue Service, IRS, to use private debt collection companies to collect overdue taxes.

I would also like to voice my support for an initiative being led by Senator BEN NELSON of Nebraska to provide disabled veterans and persons with disabilities with gainful employment as tax collectors. The Disability Preference Program for Tax Collection Contracts would give an incentive to private collection companies to employ people with disabilities. Despite the pending repeal of these debt collecting contracts by the IRS, I sincerely believe this initiative can provide immediate benefits to people with disabilities and be used as a model program for other services and industries to encourage similar hires.

Even after enactment of H.R. 3056, complete repeal of private debt collection authority would still take a couple of years while the existing private contracts expire. In that time, Sen. NELSON's initiative could provide disabled Americans invaluable training and experience to help continue their careers in similar services, likely with the same debt collecting company or even with the IRS. Since much of the same background scrutiny in hiring and job training are used for both the debt collection companies and the IRS, these disabled Americans would have an advantage for employment in the IRS. Additionally, under current Federal law, the disabled veterans would have right of first refusal to become IRS collectors.

The extraordinarily large number of returning disabled veterans from Iraq and Afghanistan are facing new, unexpected challenges to restoring their lives in America. These disabled veterans face an unemployment rate three times that of the general population. After their personal and their families' sacrifices for their country, it is Congress's responsibility to open doors to the largest number of jobs for the disabled, and these debt collecting jobs are exceptionally suited for people with disabilities. Even multiple amputees returning from Iraq, with only a high school education and expecting their career is over, could easily perform and excel in this profession.

Mr. Speaker, while I do not generally support the privatization of Federal tax collecting, I applaud Senator BEN NELSON's initiative to provide career paths for disabled veterans and people with severe disabilities.

Mr. PASTOR. Mr. Speaker, I rise today to talk about a proposal that would be impacted by the repeal of the Internal Revenue Service, IRS, program to collect unpaid taxes. The Disability Preference Program for Tax Collection Contracts is an initiative championed by the Senator from Nebraska, BEN NELSON. It would give an incentive to private third-party collection companies to hire people with severe disabilities and give them high-paying jobs.

The Disability Preference Program is worth supporting even under the assumption that the IRS contracting law should later be repealed. A closer look at the Disability Preference Program and the repeal of current IRS contracting law clearly shows that the two are not mutually exclusive. Until such time as a repeal is passed, workers with disabilities (including service disabled veterans) employed by contractors are gaining valuable vocational training and work experience on-the-job.

Disabled veterans and other disabled workers would most likely ''retain employment'' with the contractor through reassignment to another project within the company if the IRS contract were to expire or be terminated. Private sector collection contractors strive to lower attrition and training costs by reassigning exiting staff as projects are gained and lost.

In addition, employees assigned to the IRS contract work at the private collection contractor must pass the same level of scrutiny and background checks as IRS employees, and undergo IRS-approved project training and testing. Therefore, contractor employees will be the ''best available applicants for job opportunities with the IRS'' when the IRS hires internal collectors to do the work before or after repeal.

Under the Disability Preference Program, disabled workers would receive valuable training, certification, and job experience to seek gainful employment at private sector or government offices performing telephone collection work, and therefore would be much ''better qualified and prepared to continue a career'' in the collection industry than they otherwise would have been if the program was not available.

Although even for a temporary time period, use of this employment initiative will provide a much needed demonstration to government contracting entities that similar contracting requirements should be used to provide good job opportunities for disabled veterans and other persons with disabilities.

I strongly support enactment of the Disability Preference Program for Tax Collection Contracts.

Mr. MEEK of Florida. Mr. Speaker, I rise today in general support for H.R. 3056, which as a primary mission puts a stop to the harassing nature of private tax collection on a targeted group of American citizens, those least responsible for the ever-growing tax gap problem.

However, I rise to speak in particular about section 3 of the Chairman's mark which delays implementation of the 3 percent withholding requirement made by section of 511 of last year's Tax Increase Prevention and Reconciliation Act of 2005, also known as TIPRA.

Section 511 requires all levels of government with at least $100 million in annual procurements to withhold 3 percent of payment on most procurement contracts.

The Conference Report for the Tax Increase Prevention and Reconciliation Act of 2005 states that section 511 would impose an intergovernmental mandate not previously considered by either the House or the Senate.

The costs of this mandate on government would likely exceed the $64 million threshold established in the Unfunded Mandates Reform Act for public-sector mandates.

The costs of this mandate would also likely exceed the annual $128 million threshold established in the Unfunded Mandates Reform Act for private-sector mandates.

I am concerned this provision will seriously impact small businesses that routinely provide goods and services to the Federal, State and local governments, and those governments themselves.

For example, withholding 3 percent of payments to a primary contractor could hamper cash flows needed to meet operating expenses, pay suppliers or subcontractors, or meet payroll.

Any loss of small business involvement in government contracting is likely to have a negative effect on government costs associated with procurement contracts.

The withholding requirement would also create a new financial burden on the local governments responsible for administering withholding and forwarding these types of payments to the IRS, both in the increased need for new software and manpower, and in the likely increase in contract values as businesses seek to pass the 3 percent on to their government clients.

The 3 percent withholding was originally approved in an effort to narrow the ''tax gap.'' Like most, I believe that Congress should ferret out non-compliance to the best of our ability. Still, efforts to bridge the ''tax gap'' should

be weighed first against the potential for "collateral damage to honest taxpayers and local governments."

Annual procurements by Federal, State, and local governments add up to hundreds of billions of dollars, yet a one year delay, as mandated in the legislation before us, costs only $44 million, hardly the amount that would be expected if there was rampant noncompliance among contractors.

The language also requires the Department of the Treasury to study the negative affects that section 511 would have and report those to Congress.

There are too many questions left unanswered to go forward with the implementation of section 511, questions that we have a pretty good idea of the answers to.

I applaud and thank my Chairman, Congressman RANGEL, for giving this issue a spotlight on a bill that is of high priority to him.

We know that this is a starting point to full repeal of section 511 and with the continued grassroots support from the Government Withholding Coalition of private industry and the many public sector groups like the National Association of Counties, I feel confident that we will find the Ways and the Means to do away with this onerous requirement.

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

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 719, the previous question is ordered on the bill, as amended.

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.

MOTION TO RECOMMIT OFFERED BY MR. HULSHOF

Mr. HULSHOF. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. HULSHOF. I am opposed to the bill in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Hulshof of Missouri moves to recommit the bill H.R. 3056 to the Committee on Ways and Means with instructions to report the same back to the House promptly with the following amendment:

At the end of the bill, add the following:

SEC. 9. ESTATE TAX REPEAL MADE PERMANENT.

Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to title V of such Act or to amendments made by title V of such Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri is recognized for 5 minutes in support of his motion.

Mr. HULSHOF. Mr. Speaker, I rise to offer this motion to recommit to the underlying bill, the Tax Collection Responsibility Act.

The motion to recommit would actually incorporate H.R. 2380, which is a bill for which I am the original sponsor. It is a bipartisan bill, and I would hope that my colleagues on the other side of the aisle, especially those who have cosponsored the bill, would see fit to support this motion to recommit.

Since I have these few moments, and I see the distinguished chairman of the committee who may be responding, let me anticipate some points or questions perhaps and try to respond to them.

We may hear the question: Why are we doing the death tax repeal now?

Well, three times in the last session of Congress did we have the opportunity to debate this issue and vote on it. Again, this House in a bipartisan fashion voted to completely, permanently repeal the death tax.

I am not certain under the new majority that we will have that opportunity or not. There is a policy rationale for considering this measure now. One is the certainty.

As the Speaker knows, right now there is a $2 million exemption, a 45 percent rate, a very punitive rate. That exemption in 2010 goes up to a complete repeal, and there is lack of certainty, especially those family businesses that are looking to plan on how to dispose of those assets. So I think now is an appropriate time.

We may hear from my good friend, the chairman of the Ways and Means Committee, is this bill paid for. And I would suggest first of all that there is no budgetary impact in fiscal year 2009. We are looking beyond January 1, 2011, before any budgetary impact. And I would quote the chairman of the Ways and Means Committee who at least has been quoted in the paper as saying he is ready to tackle some big, tough issues, like the alternative minimum tax. The permanent death tax repeal is significantly less loss of revenue to the government than repealing the AMT.

He has talked about fairness and equity. I can think of nothing fairer than to get rid of this very punitive tax.

We may hear from the other side, as traditionally we do, this is something that only a handful of individuals face, or that this is for millionaires only. My rejoinder to that is then why is every small business group in America, whether it be the National Federation of Independent Business, whether it be every business group that represents minority interests, the Hispanic Chamber of Commerce, the African American Chamber of Commerce in the past, all have supported complete repeal, final repeal of this very punitive tax.

Let me talk a little bit about the values of this.

This is the land of opportunity, is it not? The old adage is, if you build a better mousetrap, the world will beat a path to your door. The only thing guaranteed, of course, in America is the guarantee of freedom and liberty and the opportunity to achieve whatever it is you dream about.

Let me tell you a very personal story of a dream of a young couple. A young, strapping man left home in 1956 with his new bride in tow. They had $1,000 to their name. That is what his father had given him to go make his way into the world. And so they settled in Mrs. EMERSON's district in southeast Missouri, and they worked very hard to build a farm.

Over the course of those many years, this couple had a son, an only son. That individual is the one the Chair has recognized here today.

They built this family business, a family-owned farm, 500 acres, three tractors, a used combine, the farmhouse where I grew up. And so it was, of course, the unfortunate reality of life, and that is we meet our heavenly reward. My dad passed on the anniversary of John F. Kennedy's death on November 22, 5 years ago this November. Mom survived another 17 months after that.

I am sitting there across the mahogany desk from our old, long-time family accountant who had an old adding machine with a tape in it, and he is plugging in a value for all of these assets that my parents had already been taxed on, whose assets were to help put food on the table. Suddenly I broke out in a cold sweat because I knew when he hit the total button, that figure was going to be above or below an arbitrary line, a line set by this body.

Mr. Speaker, death of a family member should not be a taxable event, and the fact is if Congress fails to do anything with the current regime, virtually every small business in America in 2011 is going to be facing this very punitive tax. I urge an "aye" vote on the motion to recommit.

Mr. POMEROY. Mr. Speaker, I rise to claim the time in opposition to the motion.

The SPEAKER pro tempore. The gentleman from North Dakota is recognized for 5 minutes.

Mr. POMEROY. Mr. Speaker, my friend is an articulate and forceful advocate. And we are all moved by the story of his time with the accountant, but they did not owe a tax. And basically, there is a figure missing from the motion to recommit he brings before us today, a very important figure: the cost of what the underlying motion to recommit would require. That figure is $498.8 billion. Now, we are a Nation of $9 trillion of debt, $9 trillion of debt, and they bring forward a proposal that would add another $498.8 billion, and they fail to say anything about how they are going to pay for it in their motion.

Well, obviously serious-minded legislators like my friend would not bring forward a serious proposal about repeal of the estate tax without some means of paying for it, and that is really what the heart of this motion is. It is not a real estate tax motion. This is a kill-the-underlying-bill motion.

The other side has some different priorities. Last week they were against SCHIP, expanding health insurance to uninsured kids. This week they are basically for privatizing debt collection of IRS debt. You like what Blackwater is doing in Iraq; you're going to love sending IRS debt to private bill collectors here.

□ 1715

Because they aren't going to prevail on the debate itself, they want to keep the vote from happening at all, which is what the underlying motion to recommit does, sends it promptly back to the Ways and Means Committee, which means the underlying bill is not before the House for a vote.

Mr. Speaker, to further use the time in our opposition to the motion to recommit, it is my honor to yield to the chairman of the Ways and Means Committee, Mr. RANGEL from New York.

Mr. RANGEL. Mr. Speaker, I came to the floor to hear the gentleman from Missouri (Mr. HULSHOF) who's an outstanding member of the Ways and Means Committee and I appreciate his contribution to the committee. I was moved by his story of the hardship that he felt as a result of the estate tax.

What the heck that has got to do with collecting debts that is owed to the Internal Revenue, I have no idea. If you're suggesting that we kill the bill that eliminates bounty hunters from working on commission and unfairly leaning and putting pressure on people who owe the Federal Government, that's one thing. If you want us to just substitute that and take back to the committee your idea about what we should do with the estate tax, well, you know as well as I do that we have to find out how much money do we lose, where do we raise the money, and do it in a Republican-Democratic fiscal fashion to say, hey, I want to reduce taxes here and raise it someplace else, maybe on the kids, maybe on a little tobacco, maybe whatever makes you feel good, but don't kill something with a parliamentary motion. It's not the right thing to do.

I think the subject matter that you discuss does warrant some discussion, someplace, at some time, but to imply that we should report back promptly, how promptly should we deal with the question of estate tax or estate tax repeal? Where do we get the half a billion dollars? These are things that I think should be in another day and another time.

Right now, we're talking about a great bill that if you kill this bill through a parliamentary procedure, which is all we're talking about, then the small business people that have been collecting government taxes, they're going to get hit. The citizens that we have in the Virgin Islands that are treated unfairly with the statute of limitations, they're going to get hit.

And the people who really believe that if you have to deal with your government, if you have to deal with the Treasury Department, if you have to deal with the Internal Revenue, for God's sake, deal with a civil servant whose mortgage payment is not dependent on how much money he can get out of you. Deal with someone that's been trained by the United States Government to collect money that's owed to the United States Government and not some company that has been created to fill the need because some people believe that the private sector can always but always do it best.

I do hope that when the committee has something to discuss as important as estate tax, why not discuss estate tax when it's time to do it.

Mr. POMEROY. Mr. Speaker, I yield back 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. HULSHOF. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage of the bill.

The vote was taken by electronic device, and there were—yeas 196, nays 212, not voting 23, as follows:

[Roll No. 959]

YEAS—196

Aderholt
Akin
Altmire
Bachmann
Bachus
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Ellsworth
Emerson
English (PA)
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jones (NC)
Jordan
Kagen
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Lampson
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Mahoney (FL)
Manzullo
Marchant
Matheson
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
McNerney
Mica
Miller (FL)
Miller (MI)
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Paul
Pearce
Pence
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Space
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NAYS—212

Abercrombie
Ackerman
Allen
Andrews
Arcuri
Baca
Baird
Baldwin
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Langevin
Lantos
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Markey
Marshall
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stupak
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Woolsey
Wu
Wynn
Yarmuth

NOT VOTING—23

Alexander
Baker
Bean
Boren
Calvert
Carson
Cubin
Cummings
Everett
Hastert
Jindal
Johnson (IL)
Johnson, E. B.
Larsen (WA)
Maloney (NY)
Miller, Gary
Nunes

Peterson (PA)
Reichert
Rogers (KY)
Simpson
Sutton
Wilson (OH)

□ 1742

Messrs. CARNEY, LOEBSACK, MELANCON, MURPHY of Connecticut, ROTHMAN, CUELLAR and Ms. SCHAKOWSKY changed their vote from ''yea'' to ''nay.''

Mr. KAGEN and Ms. GIFFORDS changed their vote from ''nay'' to ''yea.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

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.

RECORDED VOTE

Mr. RYAN of Wisconsin. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 232, noes 173, not voting 26, as follows:

[Roll No. 960]

AYES—232

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blumenauer
Boswell
Boucher
Boyda (KS)
Brady (PA)
Brown, Corrine
Butterfield
Capito
Capps
Capuano
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conaway
Conyers
Cooper
Costa
Costello
Courtney
Crowley
Cuellar
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Frank (MA)
Gerlach
Giffords
Gillibrand
Gohmert
Gonzalez
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Hayes
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Jones (NC)
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kind
Klein (FL)
Kucinich
LaHood
Langevin
Lantos
Larson (CT)
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Manzullo
Markey
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McCotter
McDermott
McGovern
McHugh
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (MI)
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Rogers (MI)
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shimkus
Shuler
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wolf
Woolsey
Wu
Wynn
Yarmuth

NOES—173

Aderholt
Akin
Bachmann
Bachus
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Boyd (FL)
Brady (TX)
Braley (IA)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Camp (MI)
Campbell (CA)
Cannon
Cantor
Carter
Castle
Chabot
Coble
Cole (OK)
Cramer
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Lincoln
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Fallin
Feeney
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gilchrest
Gingrey
Goode
Goodlatte
Gordon
Granger
Graves
Hall (TX)
Hastings (WA)
Heller
Hensarling
Herger
Herseth Sandlin
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
Lamborn
Lampson
Latham
Lewis (CA)
Lewis (KY)
Linder
Lucas
Lungren, Daniel E.
Mack
Marchant
Marshall
McCarthy (CA)
McCaul (TX)
McCrery
McHenry
McKeon
McMorris Rodgers
Mica
Miller (FL)
Moran (KS)
Musgrave
Myrick
Neugebauer
Paul
Pearce
Pence
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shuster
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Tanner
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Young (AK)
Young (FL)

NOT VOTING—26

Alexander
Baker
Bean
Boren
Calvert
Cardoza
Carson
Cubin
Cummings
Doggett
Everett
Hastert
Jindal
Johnson (IL)
Johnson, E. B.
Kilpatrick
Larsen (WA)
Maloney (NY)
Miller, Gary
Nunes
Peterson (PA)
Reichert
Rogers (KY)
Simpson
Sutton
Wilson (OH)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1750

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, due to a family health emergency, I was unable to be present for rollcall votes 949–958 on Tuesday, October 9, through Wednesday, October 10, 2007. Had I been present, I would have voted in the following manner: ''yea'' on rollcall votes 949, 950, 951, 952, 953, 954, 955, 958, 960; ''nay'' on rollcall votes 956, 957, 959.

PERSONAL EXPLANATION

Ms. KILPATRICK. Mr. Speaker, due to offical business in the 13th Congressional District of Michigan, I was unable to attend to two votes. Had I been present, I would have voted ''nay'' on the motion to recommit H.R. 3056, the Tax Collection Responsibility Act of 2007, and ''aye'' on final passage of H.R. 3056, the Tax Collection Responsibility Act of 2007.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H. RES. 618

Ms. CLARKE. Mr. Speaker, I ask unanimous consent to remove my name as a cosponsor of H. Res. 618.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2095, FEDERAL RAILROAD SAFETY IMPROVEMENT ACT OF 2007

Mr. WELCH of Vermont, from the Committee on Rules, submitted a privileged report (Rept. No. 110–371) on the resolution (H. Res. 724) providing for consideration of the bill (H.R. 2095) to amend title 49, United States Code, to prevent railroad fatalities, injuries, and hazardous materials releases, to authorize the Federal Railroad Safety Administration, and for other purposes, which was referred to the House Calendar and ordered to be printed.

AMENDMENT PROCESS FOR RULES COMMITTEE CONSIDERATION OF H.R. 2102, FREE FLOW OF INFORMATION ACT OF 2007

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

Mr. WELCH of Vermont. Mr. Speaker, the Rules Committee is expected to meet the week of October 15 to grant a rule which may structure the amendment process for floor consideration of H.R. 2102, the Free Flow of Information Act of 2007.

Members who wish to offer an amendment to this bill should submit 30 copies of the amendment and a brief description of the amendment to the

Rules Committee in H–312 in the Capitol no later than 4 p.m. on Friday, October 12. Members are strongly advised to adhere to the amendment deadline to ensure the amendments receive consideration.

Amendments should be drafted to the bill as ordered reported by the Committee on the Judiciary. A copy of the bill is posted on the Web site of the Rules Committee.

Amendments should be drafted by Legislative Counsel and also should be reviewed by the Office of the Parliamentarian to be sure that the amendments comply with the rules of the House. Members are also strongly encouraged to submit their amendments to the Congressional Budget Office for analysis regarding possible PAYGO violations.

LEGISLATIVE PROGRAM

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

Mr. BLUNT. Mr. Speaker, I yield to my friend from Maryland, the majority leader, to tell us what the plans are for next week.

Mr. HOYER. I thank the distinguished Republican whip for yielding.

Mr. Speaker, on Monday the House will meet at 12:30 p.m. for morning-hour business and 2 p.m. for legislative business, with votes rolled until 6:30 p.m. We will consider several bills under suspension of the rules. A list of those bills will be announced by the close of business on Friday.

On Tuesday next, the House will meet at 9 a.m. for morning-hour business and 10 a.m. for legislative business.

On Wednesday and Thursday, the House will meet at 10 a.m. for legislative business. We expect to consider the President's veto of the Children's Health Program; Foreign Intelligence Surveillance Act legislation; a resolution regarding the withholding of information related to corruption in Iraq; H.R. 2095, the Federal Railroad Safety Improvement Act; and H.R. 2102, the Free Flow of Information Act.

On Friday, there will be no votes in the House.

Mr. BLUNT. I thank the gentleman for that information.

On the President's veto on the SCHIP bill, we expect that vote to come, I believe the gentleman said, on Thursday.

Mr. HOYER. Thursday, the 18th.

Mr. BLUNT. On Thursday, the 18th. I really have two questions about that. One is, what time during the day do we expect that to happen? After the 18th, we will have 5 more weeks before the extension expires, and I'm wondering if we can anticipate any effort to include the minority, if in fact the President's veto is sustained.

I yield to the gentleman.

Mr. HOYER. I thank the gentleman. I don't know exactly what time. I would hope sometime around the middle of the day, noon or thereabouts we would consider the veto, maybe closer to 1 o'clock, but certainly in the middle of the day.

Of course our expectation is that so many of your Members will determine that this policy is absolutely one that ought to be adopted that we will override the veto and that 4 million additional children will be covered. That's certainly our hope. I know that's not your expectation.

So in the event that that does not happen, I think the answer to your question is, I would certainly be prepared to discuss the matter with you. No one has any intention of, frankly, seeing children dropped from the Children's Health Insurance Program.

As you know, the President's proposal, if we adopted the President's proposal, would result in a net reduction of 840,000 children from the current program. We think that's not appropriate and, therefore, we want to move legislation forward, appropriate funding levels, and we would certainly be available to discuss that.

We do anticipate, however, and are very hopeful that the Congress will work its will on this legislation.

Mr. BLUNT. I thank the gentleman for that information and for his attitude about this.

We were concerned this week, many of our Members were concerned, including the Members who had voted with the majority, when the leader on the other side of the building suggested that if this bill wasn't approved there would be no bill. We're not for that. We're for including the children that are covered now. I think that does mean that you have to go beyond the President's proposal, though in fairness to the President's proposal, his proposal would not have taken people off this program without intervening Congresses and intervening budgets, in my view.

But that's not the purpose of the debate here. The purpose of the debate is to try to have a program that works for children. I'm hopeful that we can arrive at a bill that I vote for, that the President signs, that keeps this program going.

I'm very pleased that the gentleman doesn't take the, if it doesn't work out to override the veto, as I believe it won't, that we still need to work together for a program that works well for children. And I appreciate the gentleman's comments on that.

And if we do sustain the veto, I pledge that I'll work hard with you to try to make this program work in the way that the majority of House Members, the majority of House Republicans, feel that it should to continue the current program.

Mr. HOYER. Will my friend yield?

Mr. BLUNT. I would.

Mr. HOYER. I would love to work with you on this issue just a little before we have the veto override, if perhaps we could convince you to be helpful at that point in time.

But if not, as we have in the past, I want to say something; my friends on my side of the aisle know this. I have always found the gentleman from Missouri, the Republican whip, to be open to discussion and reasonable discussion to see if we can move forward.

I don't know what exactly was said on the other side, but I would reiterate that nobody, I think, in this House, as I said in the debate, closing the debate on the CHIP bill when we passed it through this House very handily, that I believe every Member of this House wants to ensure that children have access to health care. And we need to work on how that can be accomplished. We think the bill we passed does that. But we certainly will be available to make sure that happens however we can get it done.

Mr. BLUNT. I appreciate that. I appreciate my friend's comments. And as many Members, most Members of the House know, we are good friends.

On the bill that the House voted on, as you know, I don't think House Republicans had the opportunity to have input there. I believe Senate Republicans may have. House Republicans did not. And I would like to see us work together to be sure that the priorities and the program are all exactly what the American people think we're talking about and what we hope to be talking about.

As we near that November 16 day, my other concern would be the fact that we apparently are not meeting yet on any appropriations bills. I believe on the four bills that have been sent over from the Senate, that our side is ready to join the Senate, who has already named conferees, and name conferees at any moment, and hope to see that happen.

I wonder, do we have any sense of any effort to get some of these appropriations bills before the House and on the President's desk in the month of October? Or even before November 16? And if we have a plan there, can you give me an idea of what that might be?

We've had four bills now. Some of them we've had for over a month. One, the Homeland Security bill, it is obviously important we continue those efforts; the Military Quality of Life bill.

□ 1800

We have had conferees named by the Senate for over a month now. We're ready to name our conferees, I believe, and I wonder if there is any way we can go ahead and at least start a conference to have a chance to get some of these bills signed into law.

And I yield.

Mr. HOYER. I thank the gentleman for yielding.

We are desirous, of course, of passing all 12 appropriation bills out of conference, through both floors, and to the President. We want to do that. We are working towards that end.

I will tell my friend I have talked to Chairman OBEY. There are discussions going on between the House and Senate. He is correct, there hasn't been a conference yet. There are still some

issues that need to be resolved. But we are hopeful, in answer to your question, that appropriation bills will be on the floor and will be passed and will be sent to the President prior to the 16th of November. And as I have told my friend before, we have no intention of getting to a place where the government is shut down. The best way to do that is passing our 12 appropriation bills and having the President sign them. We hope we can reach that objective, but obviously at this point in time, much work remains to be done. But we hope to be doing it.

The Senate, as you know, was not in session this week and we are here in an abbreviated session because of the untimely and sad death of our colleague Jo Ann Davis. But we hope to move appropriation bills and we hope to have them on the floor, as the gentleman asked, prior to November 16.

Mr. BLUNT. I would hope so.

Mr. HOYER. If the gentleman will yield.

Mr. BLUNT. I will yield.

Mr. HOYER. I don't want that read as saying I believe that we can get all 12 appropriation bills before November 16 because the Senate has only passed, as you point out, four of the 12 at this point in time. We are hopeful that they will have bills on the floor next week and can get through those bills in a relatively short period of time so that we can move ahead. But I didn't want to leave the impression I thought that all 12 would possibly be moved through by the 16th of November.

Thank you.

Mr. BLUNT. I thank the gentleman for those observations.

Of course, Mr. Speaker, I have been in the job he is doing now and in the whip's job on the majority side, and I do know that waiting for the Senate to pass their bills and taking blame, as we did and as others will in the future, for not getting our work done is a frustrating thing. But if we can move some of these along, I believe it's better.

I also, in response to the gentleman's comments about having the President sign the bills, hope that we are dealing with the reality that the President actually does have to sign those bills, and if he is not willing to sign the bill, we can go through the efforts of a veto and sustaining or overriding and all those sorts of things, but before we can get next year's business started, we actually have to have the President sign a bill. And I hope we are developing a strategy to do that.

On FTA, the Peru FTA has been through the markup phase in the Ways and Means Committee, and I'm wondering when the gentleman expects that, the first of four pending trade agreements, to come to the House floor.

And I yield.

Mr. HOYER. I thank the gentleman for yielding.

And I say to him that we had discussions on that today with Chairman RANGEL and we are going to try to move Trade Assistance Adjustment to provide for any dislocations that might occur that Members are concerned about. And I'm hopeful that we can move as well the Peru FTA hopefully by the end of the month, but in no event later than November 16. So it is very much my hope between now and then. But we will certainly pass at least the Peru FTA along with the Trade Assistance Adjustment.

I will say to my friend that Panama is another bill that I think might be possible; however, the gentleman knows there is a problem that has arisen unrelated to the provisions of the trade bill but which are of great concern to many Members on both sides of the aisle.

Mr. BLUNT. I understand that. And, of course, I also understand that up until now, we have always done these trade bills in sequence based on the time they were negotiated, at least under the TPA regimen we have when the House has been involved in trade bills. And Colombia, Panama, South Korea are all out there. I hope we can figure out a way to have the kind of debate those bills deserve.

I would also like to say to my friend I appreciate the accommodation of the House schedule this week based on the loss of our colleague from the First District of Virginia, Jo Ann Davis. She cared about the things this Congress does. She was a great Member of Congress. I think it's fair to say she was particularly focused on the armed services and on Federal employees, both of which she had a real opportunity to impact.

And I would say that I remember her seat over here where she almost always sat, that last week she was able to be here with us, just looking, and it was obvious the great health challenge she was facing and the incredible effort she was making to be here to cast the last week of votes she was able to cast. And for your quick accommodation of the schedule so that we could participate in her memorial service tomorrow and also, frankly, recognize her service by the House not being in session tomorrow, I am grateful to you for that.

I would yield for any comments you might want to make.

Mr. HOYER. I thank my friend for yielding, and I want to join him in commending Jo Ann Davis and sending our sympathies from this side of the aisle to her family.

I had the opportunity of working with her on a number of Federal employee issues. She and I both represented large numbers of Federal employees. She was very conscientious, hard working, focused, obviously very concerned about our national security, represented very substantial defense establishments, Navy establishments in her district. Her district was across the Potomac River from mine, as the gentleman probably knows, and we will miss her. I know that her constituents will miss her. And we were certainly pleased to have the opportunity to make sure that any and all Members who could go and wanted to go would be able to attend the services that will be held for her tomorrow at 1 p.m.

I thank the gentleman for his observations and join him in my commendations to her.

Mr. BLUNT. I appreciate your efforts to do that. She was an example of public service and personal courage.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. HOYER. Madam Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore (Ms. CLARKE). Is there objection to the request of the gentleman from Maryland?

There was no objection.

ADJOURNMENT TO FRIDAY, OCTOBER 12, 2007

Mr. HOYER. Madam Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 a.m. on Friday, October 12, and further, when the House adjourns on that day, it adjourn to meet at 12:30 p.m. on Monday, October 15, for morning-hour debate.

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

There was no objection.

PROVIDING FOR EXPENSES OF SELECT COMMITTEE ESTABLISHED UNDER H. RES. 611

Mr. DAVIS of Alabama. Madam Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. Res. 723) providing for the expenses of the select committee established under House Resolution 611.

The Clerk read the title of the resolution.

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

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 723

Resolved,

SECTION 1. EXPENSES OF SELECT COMMITTEE.

(a) PAYMENT OF EXPENSES.—There shall be paid out of the applicable accounts of the House of Representatives not more than $300,000 for the expenses of the select committee established under House Resolution 611, as agreed to August, 3, 2007 (hereafter referred to as the ''select committee'').

(b) CONSULTANTS.—The select committee shall be treated as a standing committee of the House for purposes of section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)).

(c) VOUCHERS.—Payments under this resolution shall be made on vouchers authorized by the select committee, signed by the chairman of such committee, and approved in the manner directed by the Committee on House Administration.

(d) REGULATIONS.—Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRAY FOR THE VICTIMS OF THE CLEVELAND SHOOTING

(Mrs. JONES of Ohio asked and was given permission to address the House for 1 minute.)

Mrs. JONES of Ohio. Madam Speaker, Members of the House that are still here this afternoon, and people of America, I ask you to join with me in a moment to say prayers for the families of the victims from the Cleveland shooting this afternoon.

It is unfortunate that we as a Nation once again face a shooting in a public schoolhouse. It is unfortunate that we once again face children who have access to guns in an educational environment.

I ask you to pray for the family of the young man who was the shooter. I ask you to pray for the families of the persons who were injured in this shooting.

Day after day we will get all kinds of questions about what happened and how it happened and what we could have done. But today is a day when we should stop and just for a moment say prayers on behalf of all those families.

The city of Cleveland is my home. I grew up there. I currently represent it, and I ask you to hold us in your thoughts and prayers and pray that God will give us the strength and the ability to work through this difficult time.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, 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 gentleman from Georgia (Mr. LEWIS) is recognized for 5 minutes.

(Mr. LEWIS of Georgia addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

TODAY MARKS A TRAGIC DAY IN AMERICAN HISTORY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

Ms. WOOLSEY. Madam Speaker, today marks a sad and tragic day in American history. Today is the fifth anniversary of the House joint resolution which authorized the use of American Armed Forces against Iraq.

I was among the 133 Members of the House who voted ''no'' on that resolution. But our voices could not be heard over the deafening spin machine of fear and misinformation that came from the administration.

We were told about mushroom clouds, yellow cake, and weapons of mass destruction. They all turned out to be fairytales. But they became the rationale of something America should never, never do: wage a war of choice.

But now the American people know that our involvement in Iraq is folly, and in 2006 they sent us to Congress to end the occupation.

Iraq is not the American people's war; it is the administration's war. And it goes on because the administration has turned a deaf ear to the will of the people. The administration looks to our involvement in South Korea as the model for Iraq. That means a permanent occupation that may last half a century or more.

Who wants this? The American people don't want it. The Iraqi people don't want it. The people of the Middle East don't want it. Our allies don't want it. The world does not want it. Iraq is the symptom of a foreign policy that is fatally flawed. We have turned our backs on the structure of international cooperation and agreement that is the best way to stop terrorism, ensure our national security, and keep the peace.

Our leaders have told us to wait for history to judge the wisdom of our involvement in Iraq, but we don't have to wait; 5 years is long enough to judge. And we already know what the occupation has done; it has shattered the lives of millions through death, injury, and displacement. It has wrecked our moral leadership, it has wrecked our standing in the world. It has distracted us from fighting the poverty and hopelessness that give rise to terrorism, and from working with other nations to dismantle terrorist networks. It has made us foreign occupiers in the eyes of the people of the Middle East, making it virtually impossible for us to be partners for peace in that very volatile region.

The occupation broke faith with our brave troops. We told them they were going to fight America's enemies, and then we left them to police a civil war that has nothing to do with America. The occupation has undermined our commitment to civil liberties and human rights. America should be known as the great champion of democracy; instead, we are known for Abu Ghraib, Guantanamo, illegal wiretapping, and the PATRIOT Act.

The occupation has squandered nearly half a trillion dollars from our Treasury, robbing money from domestic needs. And the occupation has not made our Nation safer. Our intelligence community has warned us that al Qaeda is using the occupation to recruit operatives for attacks on the United States.

So how should we mark this fifth anniversary day? Let us use October 10, 2007 to correct the mistake this House made on October 10, 2002. Let us use this day to commit ourselves to a bold new course of action. Congress must rescind the resolution authorizing the use of force in Iraq. Congress must use its power of the purse to defund the occupation and, instead, fully fund the safe, orderly, and responsible redeployment of our troops and withdrawal of all military contractors now. And Congress must resist the new drumbeat of war, this time against Iran.

The occupation of Iraq represents a failure of national policy. America's true strengths lie in our commitment to moral action, lies in our compassion for the people of the world, and a government based on the rule of law. Let us use this day to return to those values and ensure the safety of our country and our people. And let us be committed to bring our troops home from Iraq.

□ 1815

HOMES FOR OUR TROOPS

The SPEAKER pro tempore (Ms. CLARKE). Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of North Carolina. Madam Speaker, I rise this evening to commend Homes for Our Troops, a nonprofit 501(c)(3) organization, for its remarkable service to military men and women who have returned home with serious disabilities and injuries.

Homes for Our Troops was founded in 2004 to assist severely injured service men and women and their families by raising donations of money, building materials and professional labor, and coordinating the process of building a new home or adapting an existing home for handicap accessibility.

Homes for Our Troops has been awarded the Seal of Excellence by Independent Charities of America, and all services provided by the organization are at no cost to the veteran it serves.

This Saturday, I happened to be fortunate enough to witness firsthand the great work of this organization when U.S. Sergeant Edmundson and his family received keys to their new home in New Bern, North Carolina.

Sergeant Edmundson was severely wounded on October 2, 2005 in an IED attack in Iraq. His injuries include shrapnel wounds to his abdomen and right leg, and fractured vertebrae. Sergeant Edmundson has not been able to walk since the explosion, and he still cannot talk. He has worked very hard the past 2 years to regain quality of life, and just recently returned to his family after a 6-month rehabilitation stay in Chicago.

After Sergeant Edmundson was discharged, he and his family relocated to New Bern, North Carolina. Sergeant Edmundson and his family were selected to receive a new home after they encountered John Gonsalves, the president and founder of Homes for Our Troops. Sergeant Edmundson was at a

recovery center in Washington, DC, when he met Mr. Gonsalves.

Thousands of dollars in donations from businesses and members of the Craven County community poured in to support the efforts of Homes for Our Troops to build a home for this hero and his family in New Bern, North Carolina.

This Saturday, my heart was touched so deeply as I saw the joy of Sergeant Edmundson, his wife Stephanie, and his little girl, Gracie, as they were welcomed into their home.

This story is only one example of many individuals and groups across this Nation that are doing God's will for our men and women in uniform. I feel humbled to have met Sergeant Edmundson and his family, and all of those who have formed such a caring support system for them. These contributions and acts of service are what truly shows the goodness and the greatness of America.

Madam Speaker, with that, I close by asking God to continue to bless our men and women in uniform and their families, and ask God to continue to bless America.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. CUMMINGS) is recognized for 5 minutes.

(Mr. CUMMINGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

FIFTH ANNIVERSARY OF IRAQ AUMF

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. LEE) is recognized for 5 minutes.

Ms. LEE. Madam Speaker, I rise this evening to commemorate a sad and very tragic anniversary in our Nation's history. Five years ago today, over my strong objections and the objections of many of my colleagues, Congress voted to authorize the use of force against Iraq.

This campaign of shock and awe was a campaign that shocked us all. It was hard to believe that this administration, based on what little information they had, would move in and bomb and invade Iraq.

I often wonder what would have happened had the House approved the amendment that I offered that would have allowed the United Nations inspectors to finish their jobs. If my amendment had passed, and from what I remember, there were about 72 ''yes'' votes on that amendment, inspectors would have made it clear what we believed then and what the world knows now, that there were no weapons of mass destruction in Iraq. And how sad it was to see a great general, military man, then Secretary of State, Secretary of State Colin Powell, go to the United Nations and cherry-pick information to present to the world to try to convince the world and to convince this Congress to vote to invade and bomb Iraq.

Five years later, the President's failed policy in Iraq has claimed the lives of more than 3,800 brave service men and women, nearly 30,000 wounded, and countless Iraqi civilians, and yet we heard many years ago that the mission was accomplished.

This has cost us more than $400 billion, nearly a half trillion dollars, with the President poised to ask for $200 billion more, and no end in sight. The invasion and occupation of Iraq has undermined our Nation's security and the security of the world.

Along with Congresswomen LYNN WOOLSEY and MAXINE WATERS, many of our colleagues in the Progressive Caucus and in the Out of Iraq Caucus have indicated that we in Congress have the power, and we know we have the power, it is a constitutional mandate and requirement, to end the President's failed policy in Iraq. And today, we worked together, over the last few weeks, to put together the information so that this morning we could release a poll today that shows that the American people support us in doing this.

The President wants to pretend that Congress's only choice is to provide funds that he has requested unconditionally or cut off funding for our troops. This is a false choice, and we cannot buy into that argument. We can use our constitutionally mandated appropriations power to end his failed policy, to protect our troops and contractors, and to bring them home. We have the power to fully fund redeployment, and that is what we must do.

Our poll found that 70 percent of those surveyed rejected giving the President further funding for Iraq without conditions, and people favored requiring funds be spent on redeployment over providing the administration funds without conditions. And this was by a 2–1 margin. So, with the support of the American people, we will continue to build support in Congress for fully funding redeployment.

We wrote to the President of the United States to indicate that that is the only way he will get our vote for any funds for this very tragic occupation and tragic civil war that we find ourselves in now. Now we have maybe 86, 87 Members who have committed to this strategy because they know that this is the only way we can end this.

The truth is, the President's ''stay the course'' strategy provides an exit strategy really for him at the expense of our troops. It allows him to run out the clock on his failed policy and to slip out the door, to leave the American people holding the bag.

How many of our troops should die so that the President can save face? How large of a sacrifice must we make of our children's and grandchildren's future so that the President can avoid just admitting that he was wrong?

The President is not going to take responsibility for this failed policy, we've seen that and we know that now, so the Congress must. We must act. And the best way for us to do that is to fully fund the safe, timely, and responsible redeployment of our troops and contractors from Iraq.

So on this somber anniversary, we must remind our colleagues of what happened and how we got to this place; but also we must stand tall and say we will bring our young men and women home, and we will end this occupation soon.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. POE) is recognized for 5 minutes.

(Mr. POE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ARMENIAN GENOCIDE RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. KIRK) is recognized for 5 minutes.

Mr. KIRK. Madam Speaker, for more than 90 years, Armenians were denied recognition for the genocide of 1915. We promised in 1945 to never forget the Holocaust, to remember when such atrocities are committed. But the world could well forget the first genocide of the 20th century. In fact, Hitler used the world's denial of the Armenian genocide as the justification for his invasion of Poland and the ensuing murder of Europe's Jewry.

In a speech he gave in 1939, Adolf Hitler stated, ''I have placed my deathhead formation in readiness, with orders to send death mercilessly and without compassion, men, women and children of Polish derivation and language. Who, after all, speaks today of the annihilation of the Armenians?''

Unfortunately, Members of Congress, both Republicans and Democrats, are seeking to, once again, bury this to appease Turkey. We remember Turkey well, a formerly strong NATO ally; but in 2003, when the United States Army requested permission to transit this ally's territory, Turkey said no, a decision which cost the lives of American service men and women.

Former U.S. House Majority Leader Dick Gephardt, once an ardent supporter of the Armenian Genocide resolution, is now registered with the Justice Department as a foreign agent of the Turkish Government. Like many other former Members of Congress, he is lobbying against a bill that he cosponsored when he served in this body. As a defender of human rights, our country must formally recognize the genocide that Hitler so easily dismissed.

From 1915 to 1923, the Ottoman Turks systemically annihilated more than 1.5 million ethnic Armenians. There is no other way to describe this organized campaign of murder other than as genocide.

The Armenian Genocide resolution, H. Res. 106, was just approved today by a vote of 27–21 in the House Committee on Foreign Affairs. I urge Speaker PELOSI to bring this important resolution to the floor so that we may finally provide the Armenian community with the recognition that they deserve.

□ 1830

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WATERS) is recognized for 5 minutes.

(Ms. WATERS 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 gentlewoman from California (Ms. WATSON) is recognized for 5 minutes.

(Ms. WATSON 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 gentlewoman from Illinois (Ms. SCHAKOWSKY) is recognized for 5 minutes.

(Ms. SCHAKOWSKY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

THE FIFTH ANNIVERSARY OF ONE OF THE MOST TRAGIC DECISIONS EVER MADE BY THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HINCHEY) is recognized for 5 minutes.

Mr. HINCHEY. Madam Speaker, this date, October 10, 2007, marks the fifth anniversary of one of the most tragic decisions ever made by this House of Representatives. It was a decision that was also followed in the same way the following day, October 11, 5 years ago, by the United States Senate. That decision was based upon a request by this Bush administration to authorize the military invasion of the sovereign nation of Iraq. And that request by this administration and the subsequent authorization by this Congress was done based upon false information which was presented by various members of that organization.

After the attack of September 11, 2001, which was carried out by the al Qaeda network, this administration began to press the idea that Iraq was involved in that invasion. They began to try to manipulate the intelligence that was presented by our legitimate intelligence agencies. They began to press various parts of those intelligence operations to try to get them to provide some information upon which they could somehow justify the idea that Iraq was involved in that attack of September 11, 2001. That never really happened. The legitimate aspects of our intelligence agencies never produced that information.

Nevertheless, this administration provided that form of intelligence in an internal way within their own operation, evidence that they used to suggest initially that there was a relationship between Iraq and the attack of September 11th. They then began to make allegations that Iraq was a very dangerous country and we needed to engage them in a military invasion, and that military invasion was necessary based upon their assertion that Iraq possessed substantial amounts of so-called ''weapons of mass destruction.'' They were alleging biological and chemical weapons. Those allegations, of course, were based upon the fact that the first Bush administration and the Reagan administration, back in the 1980s, had, in fact, provided biological and chemical weapons and other forms of weaponry to the Iraqi Government of Saddam Hussein. They believed that perhaps some of those weapons were still in existence in Iraq in spite of the fact that they were told over and over again that that was no longer the case. So they continued to press the idea that we should justify the invasion of Iraq. Unfortunately, the majority of the Members of this House and the Senate apparently bought into that idea and voted to authorize that invasion.

Those of us who voted against it had access to information that everyone should have had access to, I believe that most people did, that there was no connection between Iraq and the attack of September 11; that whatever chemical and biological weapons had been sent into Iraq in the 1980s were no longer there; and that there was no justification for the assertion that was made by many members of this administration, including the President himself, that Iraq was engaged in the production of nuclear weapons.

On October 7, just several days prior to the vote here in the House of Representatives, the President made a speech in Cincinnati, Ohio. That speech, in part, was in response to growing evidence that there were no weapons of mass destruction in Iraq. President Bush, like other members of his administration, Donald Rumsfeld, Vice President CHENEY, and others, used the phrase ''mushroom cloud.'' He said, ''You do not want the evidence of weapons of mass destruction to be in the form of a mushroom cloud.'' That, of course, was designed to create that image in the minds of the American people that we were confronting a nation that was likely to use nuclear weapons against our country and against others, all of which was completely false.

So we know now that all of the justification for that invasion was false, and this Congress now has the responsibility to engage in actions to correct it. We need to set a specific date for the withdrawal of our military forces from Iraq. We also need to take action for a specific provision which will deauthorize that invasion which was authorized on October 10, 2002. We need to do that as soon as possible.

WHAT ABOUT THOSE INDIANS!

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Mrs. JONES of Ohio) is recognized for 5 minutes.

Mrs. JONES of Ohio. Madam Speaker, I rise today as a proud sports fan from the City of Cleveland, Ohio. Yes, I have said it. What about those Indians? It has been years since Clevelanders can stand up and say they are proud of their professional sports teams and can actually point to success. Yet just this year the Cavaliers made the NBA finals for the first time in franchise history and on the back of our young superstar, Lebron James. After a strong draft in the spring, the Cleveland Browns looked competitive for the first time since the franchise returned in 1999, save one season.

But the main reason I stand today is to congratulate the Cleveland Indians for their first trip to the ALCS since 1998. Cleveland fans have been through a lot of disappointment in our sports history. Two losses for the Browns in the 1980s in the AFC championship by a drive and a fluke fumble. Losses to Michael Jordan's Bulls by the Cavs in the Eastern Conference finals in the early 1990s, and most recently in a heartbreaking loss in Game 7 of the 1997 World Series in the 9th inning to the Florida Marlins.

As a lifelong Clevelander, it has been difficult to live through so many near misses, and it makes you yearn for the days of Jim Brown and Bob Feller. The Indians displayed such a consistent level, failures during the 1960s, 1970s, and 1980s, that the movie ''Major League'' was made depicting a fictional Indians team that was supposed to be the worst ever in baseball. However, all this disappointment changed in the 1990s when the Indians moved to their current home, Jacobs Field.

It was not so long ago that the Indians were competing for the World Series every year. Throughout the 1990s, the Indians made the World Series twice, in 1995 and 1997, and made the playoffs 5 straight years from 1994 to 1999. After a few bad years, the Indians were rebuilding through the early part of the 2000s, and I must credit General Manager Mark Shapiro for putting together a young, talented team that looks poised to become the class of the AL Central for years to come.

This year, the Indians won the AL Central crown and tied for the best record in baseball with the Boston, what are they called? Boston Red Sox. I must say, this team is exciting to watch. We have a rising star in center fielder Grady Sizemore, the best one-two pitching punch in baseball with CC Sabathia and Fausto Carmona.

I want to give a special shout out to veteran outfielder Kenny Lofton. Kenny is the only player on the roster who played with the Indians during

their playoff runs in the 1990s. Kenny has played for 11 teams in his 17-year baseball career, including nine different teams in the last seven seasons. He played nine of those seasons with Cleveland, and I was so happy to see him return during this season. He provides veteran leadership in the Indians lineup, and his performance in the ALDS is one of the main reasons the Indians have moved on to the ALCS. Cleveland is proud to have him back, and hopefully he can help lead the Tribe to the World Series victory he has worked for.

The Indians have been very impressive so far this postseason, defeating the vulnerable—veteran, excuse me, vulnerable now, New York Yankees in four games and closing out the series this past Monday in New York. I can't wait to see them take on the Boston Red Sox this Friday and hopefully win the series to get into the World Series.

It has been a tough few decades for Cleveland sports fans, but this year is providing hope for success in the future. This success is so wonderful and cherished by a community that has experienced so much economic loss. So I am grateful that our sports serve as a beacon of pride for Cleveland. I want to thank the owners, the management, and most of all the hard-working, young players, the Browns, the Cavs and the great Indians. And I want to say they do a good job in representing the City of Cleveland.

Madam Speaker, I want to thank you for the opportunity to speak today, and I just want to close with one more thing. Go Tribe! Go Indians! Go Cleveland!

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.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. NADLER) is recognized for 5 minutes.

(Mr. NADLER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PAYNE) is recognized for 5 minutes.

(Mr. PAYNE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. MCDERMOTT) is recognized for 5 minutes.

(Mr. MCDERMOTT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. LOEBSACK) is recognized for 5 minutes.

(Mr. LOEBSACK addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. ELLISON) is recognized for 5 minutes.

(Mr. ELLISON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. SOLIS) is recognized for 5 minutes.

(Ms. SOLIS 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 Illinois (Mr. HARE) is recognized for 5 minutes.

(Mr. HARE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KAGEN) is recognized for 5 minutes.

(Mr. KAGEN addressed the House. His 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. COHEN) is recognized for 5 minutes.

(Mr. COHEN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. GRIJALVA) is recognized for 5 minutes.

(Mr. GRIJALVA addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MCGOVERN) is recognized for 5 minutes.

(Mr. MCGOVERN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

(Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

END THIS ENDLESS WAR IN IRAQ

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. DOGGETT) is recognized for 5 minutes.

Mr. DOGGETT. Madam Speaker, on this unfortunate day 5 years ago, a majority of this House enabled President Bush to proceed with his tragic ''go it alone'' war. He was dead certain then, and he was dead wrong then. He is dead certain today, and once again dead wrong. As a result of his choices, we approach now some 4,000 Americans whose lives have been lost, perhaps as many as another 30,000 who have been disabled.

Our Treasury, of course, has been disabled of what is scheduled to be probably a trillion or more dollars out of our Treasury that could have been spent right here at home on more causes that would have touched and protected the American people, their health care and economic security.

After this 5 years, I think it is important to look back and realize that despite the position of the Republican leadership, the Republican administration, and most of the Democratic administration, that in this House that day 5 years ago, a substantial majority of House Democrats voted against this war that should never have been launched.

We say today that the best course for this country to pursue is a new course, a change of course, not just more of the same old thing as the President proposed in his escalation, as he has implemented in his escalation, but a genuine change in course.

We need to end this endless war in Iraq. We really already have a blueprint of how to do it, how to implement a safe and orderly redeployment. The United Kingdom, the only one of our allies to offer any substantial help in Iraq, is already redeploying and seems to be indicating that their troops will be out of Iraq next year. We need to join that coalition, the coalition of refocusing on priorities here at home, because what we have done in Iraq has not made our families safer. As one independent study after another has shown, what we have done there has made our families much less safe than had this adventure never been launched.

For the last 5 years, this administration has repeatedly presented us with false choices. Remember, there would be a mushroom cloud, perhaps, if we waited to find the smoking gun to justify the invasion of Iraq to find all these weapons of mass destruction that never existed. Now we hear the same old deadly course is the only alternative to a ''precipitous withdrawal.'' Well, I don't know of anyone who is

proposing a precipitous withdrawal. There are other reasonable alternatives. We believe that the better course, a new course, is a safe, orderly, fully funded, phased redeployment. The British already have this underway.

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The British already have this underway. We can follow their example, and we can follow the leadership of the American people reflected in one study after another, that they want that kind of change in course.

The choice to redeploy or not is a decision about priorities. While it is true that the big cost of what we are doing there is measured in the blood of the brave, we are also hemorrhaging some $3 billion in Iraq expenditures right out of our Treasury, week after week, month after month.

The President vetoed the Children's Health Insurance bill, because even too little for our children seems to be too much for him. Half a trillion dollars for a war already that he chose in Iraq, but for the children of America's working poor, he brusquely tells us, they can just go to the emergency room. With millions of children uninsured, it is too soon to declare ''mission accomplished'' there, just as it was too soon for him to make that declaration years back and many deaths back in Iraq.

In Iraq and with the Children's Health Insurance Program, we believe that the President is on the wrong course and that we cannot afford to wait until he departs office to end this war and to end the indifference that he has shown toward our children.

This fifth anniversary then should be commemorated with thoughtful consideration of alternatives for new courses and new avenues to address the tremendous damage that has been done by this faulty policy of preemptive war. I believe that we need in these next few months to continue to focus on the wrongs that have been committed, the damage that has been done, and bring people together behind a genuinely new course that we have not tried before, and that is a complete but phased, safe and orderly, fully-funded redeployment of our troops that will protect our families, that will assure our Nation's security, and will not continue with the hemorrhaging that we have suffered these last many years.

30-SOMETHING WORKING GROUP

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from Florida (Mr. MEEK) is recognized for 60 minutes as the designee of the majority leader.

Mr. MEEK of Florida. Thank you so very much, Madam Speaker. It is an honor to be here before the House once again. As you know, the 30-Something Working Group, we come to the floor weekly, if not once, twice, if not twice, three times, to share with the Members the forward progress we are making with a number of pieces of legislation. In some areas we not only need Member help, but we need the American people to stay involved and get involved in certain issues.

As you know, last week we talked quite a bit about the children's health care bill that passed in a bipartisan vote here in Congress. We know that we have given Web sites out to the Members so that they can be able to educate themselves even more and also to the American people. I think it is important, Madam Speaker, that we continue in that light.

There will be a vote, I believe not this Thursday, but next Thursday, to override the President on behalf of children's health care. There are a lot of editorials that have been written, a lot of pressure that has been applied to the President and also mainly to Members on the Republican side of the aisle that we would need to vote in the affirmative to be able to allow us to do that.

I have faith, because I have watched legislation pass. I have watched the President and I have watched Republicans on the other side say that we're not going to increase the minimum wage; we're not going to take part in increasing the minimum wage. And when the American people voted for a new direction, that legislation was one of the first pieces of legislation that came before this House. We voted an overwhelming affirmative, the whole Congress.

The President was kind of stutter-stepping on it, and, all of a sudden, he signed it, even though he said he wouldn't sign it. That is not because of an act of the Members of Congress. That is because the American people were involved in that process and thought it was very, very important. A supermajority of the American people called their Members of Congress and said this is important, we must do this, and it is important for our economy.

The same thing as relates to the student loan interest rate. We cut it in half. The President said he would not sign that bill. It was not just because of the act of the Democratic majority moving in a new direction, it was because the American people got involved in that process and President Bush changed his mind.

I think it is very, very important for us, and I just want to say this to the Members and also to staff, maybe it is important for us to get the time that the President signs these bills late Friday at like 7:30 in the afternoon before he goes to Camp David. If the President signs it in broad daylight or at night, as long as he signs the bill and allows the American people to get what they deserve, a piece of the pie.

I am going to yield right now, because I know that I have a couple of colleagues that are here that want to shed some light on action. We have finished votes.

I just want to say also, Madam Speaker, our colleague, Congresswoman Davis, our hearts go out to her family and also to her constituents and also everyone that she has touched in her lifetime. We served together, I believe on Armed Services, and even though she was on the Republican side of the aisle, we were colleagues here in Congress. She served to the very end, and I am forever grateful to her family for allowing her to serve and be a part of this body, to serve the American people.

I know that over the coming days, tomorrow, I believe, will be her homegoing service, that there will be further reflections on her life.

With that, I would like to yield to Mr. MURPHY.

Mr. MURPHY of Connecticut. Thank you very much, Mr. MEEK, and my condolences go out as well to the Davis family.

Mr. MEEK, I am glad you started where we left off last time, talking about children's health care, because it is still on the table. For a lot us, we still believe that it has hope. This 2-week period in which we postponed a vote on the override will give our friends on the other side of the aisle the opportunity to rethink their position on this issue, to go back to their districts and talk to the millions of families, thousands and thousands of families in each congressional district across this country who are struggling with the real peril associated with trying to get health care in this country.

We are talking about 6 million kids which are going to lose health care if we don't reauthorize the national Federal Children's Health Program, the SCHIP program. We are talking about 4 million new kids that don't have health care now that could have health care.

We are really talking about families that are playing by the rules, who are doing everything we ask of them, working one job, two jobs, maybe even three jobs, but can't get health care through their employers. It just makes sense for us to reach out and try to help those families.

Mr. Speaker, it makes sense not only because it's the right thing to do from a moral standpoint, but we care about our fellow human beings, and we are our brother's keeper. But reaching out a helping hand to a sick child who lies in their bed simply because their parents can't afford a doctor, that is part of our moral obligation as Members of Congress, but it's also the fiscally responsible thing to do. These kids get health care, but they don't get health care until they get so sick that they end up in emergency rooms, and they end up getting the least humane, most expensive health care available to them.

Madam Speaker, this bill, the SCHIP bill, the Children's Health Insurance bill, which we hope we will have enough votes to override the President's veto on next week, this is not just about our moral obligation as a Congress, but it is also about our fiscal

obligation. I know Ms. WASSERMAN SCHULTZ will talk about this today.

It is also about choices. This is not about play money, found money or new money. This is about taking funding that we have been sending for far too long into the civil, religious conflict in Iraq. Thirty-seven days worth of funding of that war could insure every child that the SCHIP bill seeks to cover, 10 million kids. In the end, this is just about choices.

Madam Speaker, we have still got time to convince a few folks on the other side of the aisle to join us. You remember, Ms. WASSERMAN SCHULTZ, when this bill first came before the House, there were only a handful of Republicans that supported that. They went back to their districts over the course of August and they came back to take another shot, and, guess what? We had almost three to four times as many Republicans who, after they went back and heard from their constituents on this, decided they were going to stand with us, stand up for children's health.

I think the same thing can happen again next week if families throughout this country, if hardworking Americans who have no health care, go to their Members of Congress and say, listen, it is time to do the right thing for kids, time to do the right thing for families, time to do the right thing for health care. I think we can have a victory.

Ms. WASSERMAN SCHULTZ. Madam Speaker, I also want to add my voice and sorrow that goes out to the Davis family. Mr. MEEK, Mr. MURPHY, this is also Breast Cancer Awareness Month. Since we know that our dear colleague, Mrs. Davis, succumbed to breast cancer after a valiant 2-year battle, I think it is important to note that we are in Breast Cancer Awareness Month.

Breast cancer affects so many women from so many different walks of life, and it strikes every potential family, whether you're a Member of Congress, a maintenance worker, whether you're a scientist or someone from any walk of life. It is important that we focus our research and our effort, our dollars, our passion and our commitment to finding a cure for this horrendous disease. My prayers and thoughts go out to her family as well.

Madam Speaker, that having been said, I do have to tell you that I go back to my district and have talked to lots of different groups at home and in various places around the country, and when I bring up the possibility of the fact that President Bush might, and then did, veto a bill that would expand access to health care to 10 million kids, people really look at me like we must be working with aliens from another planet. Really. The jaws drop open, the puzzled look on people's faces in the audiences that I speak in front of, when I tell them that most of the Republicans and this President are actually opposed to expanding access to children's health care.

Now, they will say they are not. They have been saying, no, no, we support it. But words are pretty hollow when it comes to a mom or a dad whose child is suffering with a fever and they have no health insurance, which means they can't call up a doctor like we can and make an appointment to have a simple checkup or to get some antibiotics, and that they have to wait until their child is so sick, until that temperature climbs to about 104, 105, until you're ready to push the panic button, fly in your car, if you have a car, if you have a way to get yourself to the emergency room, to take your child to the emergency room to use it as your primary health care access.

People get that this is simple: You are either for making sure that kids have health care, or you're not. The lame excuse that they use, Mr. MEEK and Mr. MURPHY, is that they try to tell people that this is covering kids whose parents can afford insurance already, or who are already covered. They actually say that there are people that will drop the health insurance that they are paying for privately now to sign up for SCHIP; that that is exactly what any right-minded parent would do, is drop comprehensive health care coverage that they already have so that they can hopefully qualify for and keep their child qualified for a health insurance program that is really targeted for kids who fall in the gap.

Madam Speaker, not only is that completely wrong, it's a shell game designed to take away the focus that is clearly being shined on them right now, that shows that we are for children and they are not. That is the bottom line. It is very simple.

Our colleagues on the other side of the aisle have a simple choice coming up next Thursday, October 18. They can stand with the kids and make sure that kids who fall in the gap, who don't qualify for Medicaid, whose families aren't poor enough to qualify to get them Medicaid, and whose families can't afford to buy private health insurance, the gap of those kids in the middle, we need to make sure we cover them. It's the bottom line, Mr. MURPHY.

Mr. MURPHY of Connecticut. Let me tell you a story. I know you have heard it, Ms. WASSERMAN SCHULTZ, but it is pretty indicative of how low the other side is prepared to go to try to undermine children's health care.

□ 1900

There is a family, the Frosts. Their son, Graeme Frost, doesn't have health insurance. He is 13 years old and suffers with severe brain injury as a result of a car crash. The family has been the face of some of this discussion. The father is self-employed. He is a woodworker. The mother has had some part-time jobs on and off. They are not living in destitute poverty, but they are playing by the rules and doing everything we ask them to do. They are paying their taxes and contributing to society.

But because their son has a preexisting condition, they have been turned down for health insurance time and time and time again. And so they have to pay for injuries from a car crash for a 13-year-old boy out of their pockets. This is the kind of family that we are talking about. This is a family that has done everything that we have asked, a family that is getting by, but because their son has an injury that excludes him from most private insurance, he has no other recourse than the SCHIP program, a stopgap solution until the family finds some insurance program that does cover him.

Well, what happened. This family had their whole life uncovered by the right wing that is trying to stop children's health care from going forward. Every tax return, every purchase they have ever made, right down to the type of countertops they have in their kitchen was exposed by the right wing of this city to try to prove that this family is just leaching off the government.

This is a 13-year-old kid with brain injuries and a family that has done everything that they can to try to find insurance and haven't found it.

I was home this past weekend, and on Monday I listened to one of the talk show hosts in my district talk about the fact, he said: I don't understand why people are saying the poor can't get health care insurance. I went onto a Web site for one of the big health insurance companies, and I just plugged in for a family of four to see how much it would cost. He said, it is reasonable. You can get a 80/20 plan, he said, 80 percent covered by the insurer, 20 percent by you, with a $5,000 deductible for only $300 a month. That's a deal. That's a deal.

Madam Speaker, think of that, for a family making a little more than minimum wage, maybe making $22,000 a year, which in Connecticut just to have a roof over their head is paying about $10,000 a year in rent, now has to pay $9,000 a year for insurance.

Ms. WASSERMAN SCHULTZ. Do you happen to know what the average price of a house or of housing in your district is?

Mr. MURPHY of Connecticut. In my district, forget buying a house, if you want to rent an apartment with a couple of bedrooms, it is at least $600, $700 a month. You are talking $10,000 a year when it is all said and done. You add on $9,000 for health care costs, which under that plan that he found on a website, the minimum amount you have to pay before you even have a dime of health care coverage kick in, and you have $2,000 or $3,000 left over to do everything else, to put food on the table and educate your kids and pay for heat. It is mind numbing that people can't see that health care is so expensive that it is prohibitive for families doing the right thing. This is humane and it is right.

The conspiracy that gets thrown out there, and the stats and the numbers, by the right wing on this issue are

pretty easy to punch through in the end.

Ms. WASSERMAN SCHULTZ. There are different ways to talk about this issue. As a mom, I like to talk about it from the standpoint when I talk to other parents that there is pretty much nothing more basic, no more guttural reaction that a parent has than wanting to keep their child healthy. Everywhere I go when I talk to people, this is the most basic thing. It is as simple and as black and white and as big a no-brainer as most people have ever come across.

A lot of the issues we deal with up here are complex. They are not black and white necessarily. There is a lot of gray. There is no gray on whether or not, if we can cover 10 million kids, we should. There is no gray for most folks. If that is the case, and I am certain that is the case in my liberal Democratic district, as opposed to conservative Republican districts or moderate Democrat/moderate Republican districts. I don't think there is any tinge of partisanship on the basic instinct that parents want to make sure they provide health care for their kids.

But if that is not the priorities that our colleagues on the other side of the aisle share, what is? Well, I think a glance at this chart will demonstrate what their priorities are.

This chart details 37 days in Iraq and what that would pay for if we were comparing it to what we could pay for to cover children's health care.

One day in Iraq costs $330 million in funds that we appropriate. That would cover, over the 5 years that this children's health insurance program would authorize, 270,222 children.

One week of paying for the war in Iraq costs $2.3 billion, which would cover 1,891,551 kids over the 5 years of this program.

A month of the war in Iraq, which we are now in the sixth year, I believe, costs $10 billion, and that would cover 8,196,721 kids over the 5 years that we would authorize this program.

And finally, over 37 days, which would be about 4½ months' worth of paying for Iraq in the 5-year program, $12.2 billion, it costs us for 37 days in Iraq, that would cover the 10 million kids this program would cover. So 10 million kids times 5.

They have repeatedly voted to blindly follow President Bush, blindly follow President Bush on the war in Iraq, and now, except for 45 brave Republicans who understand that children come first, blindly follow him over a cliff and vote for $12.2 billion over 37 days in a given month and a week for the war in Iraq, and to continue it even though Americans want us to withdraw and refocus our efforts on homeland security here. And on top of that, choose to spend that money on a hopeless war as opposed to funding health care for 10 million kids.

Who is for children and who is just kidding? I think the numbers demonstrate that it is clear. They have an opportunity to right the wrong that the President's veto pen established last week. Next Thursday they can vote to override it, and the American people have been speaking and need to continue to speak to their Members who voted wrong on this bill. We need 15 more Republicans. We are this close, 15 Republicans. Grow some courage, see the wizard, toughen that spine or grow one. Vote to override the President's veto and 10 million children get health care coverage.

Mr. MURPHY of Connecticut. I was going to pick up on that point. We are so close. This has been a bipartisan effort. We have the votes necessary to override the President's veto in the Senate. You have Senator HATCH saying that the SCHIP proposal is an honest compromise that improves a program that works for America's low-income children. You have Senator GRASSLEY saying it is a good bill, it is a good comprise. PAT ROBERTS rises to express his support for the SCHIP bill. So with 45 Members in the House supporting this bill, we are so close.

This is a picture, I believe, from earlier in the year. We have a President standing out in front of his loyal soldiers, the Republican caucus in their winter coats, which suggests it was one of the early meetings the President had to galvanize support for his plan to escalate the war. We have seen, as time goes on, that if the President were to regather this group for a conversation on SCHIP there might not be as many Republicans there.

I think as Members go back to their district and start to hear from constituents about how important this SCHIP bill is, all of those loyal soldiers are going to get a little smaller and fewer every day. As people start to figure out that the President is so far out on a limb on this issue, that not only is he doing damage to America's children, but he is doing damage to the prospects of his colleagues in the House, you are going to find a lot more people seeking that courage and finding that wisdom and coming on board here.

We hope it happens next week. But if it does not happen next week, we are not going away because the 4 million kids out there who are showing up in emergency rooms because they can't get the treatment to try to prevent the mental illness that will cripple them as an adolescent, they can't get the treatment to try to cure that physical ailment that ends them up in the emergency room, those kids aren't going away, so we won't go away. If we fall 15 votes or seven votes or two votes or one vote short, we will be back here next year, we will be back here next summer. If there is anything that is important to us, it is standing up for the kids. If there is anything that should be important to the entire Congress, Republicans and Democrats, it is standing up for the kids. That is our message here tonight. It is not just that we hope that the Republicans go out and find that courage and that wisdom, but they know, and all those children and all those families know, that we are not going to stop until we get a bill that insures kids of families in this country who so desperately need our help.

Ms. WASSERMAN SCHULTZ. Mr. MURPHY, this process we are going through in trying to win over the 15 Republicans kind of reminds me of the lessons my parents taught me when I was a little kid. You would struggle, Madam Speaker, with what was really right from wrong and to understand the values that your parents were instilling. I know I did. I would ask my mom on tough questions: How am I going to know I did the right thing? What is the guidepost I should use? That is the kind of lessons parents teach their kids all the time.

I remember so vividly my mom and dad telling me you have to be able to go to sleep at night and wake up in the morning and look at yourself in the mirror and like what you see staring back at you. You have to know that your conscience is not going to gnaw at you.

There are plenty of our colleagues on the other side of the aisle who will thump their chests and use a lot of bravado, false bravado, I would add, and say, I can live with myself. I am doing the right thing. But you know in your heart of hearts when you go to sleep at night and you are the only one in the room with yourself whether or not you have done the right thing.

I am desperately hopeful they will listen to that inner voice, because you know your inner voice has to be telling you, if they truly have the values that they say they have as opposed to the ones that are reflected in many of their votes, that they will do the right thing, at least 15 of them, and vote to override the President's veto.

We all remember the vivid picture that we had when history was made on January 4 this year when Speaker PELOSI was sworn in and handed the gavel with all of those children, the children of our colleagues and grandchildren, surrounding her at the roster. That was a very vivid picture, but that wasn't a photo op. That was a representation of what Speaker PELOSI has staked her speakership on. She dedicated her speakership to our Nation's children, and we are making our entire agenda about improving their lives and affecting and impacting their future.

I mean at the end of the day, like I said a couple of minutes ago, and it bears repeating, this is a black-and-white issue. You vote to override the President's veto, you are for expanding access to health care for 10 million children. If you vote no, you are against it, period. There is no other way to define it.

This is one of those things, Mr. MEEK, the more they have to explain why they are doing what they are doing, the worse it gets for them. Again, I go back to standing in front of your constituents at a town hall meeting, and sometimes you look out at the

faces that we represent and you hope you are winning the audience over. But on this issue, those puzzled expressions don't go away the more words that come out of our colleagues' mouths in explanation of why they can't support expanding access to health care for 10 million children.

Mr. MEEK of Florida. Ms. WASSERMAN SCHULTZ and Mr. MURPHY, I can't help but think of the action that we are taking here in Congress, and we know that we have some of our friends on the other side of the aisle that don't necessarily see it our way. But because the American people are involved in what we are doing, because we are moving in a new direction, we are giving the American people what they asked for. That is what is supposed to happen. You run for office and say what you stand for. The people send you to Washington. Some races are closer than others. Or you are reelected to Congress and you come here to represent the people.

I see a pattern. You showed a picture of some of our friends on the other side of the aisle running down to the White House saying we are going to stand with you, Mr. President, not to allow the Congress to override, article I, section 1, of the U.S. Constitution.

□ 1915

I want you to talk about that a little later. There's something blowing through the air conditioning ducts, I guess, here in Congress and in the White House. One would be in disbelief of the fact that we actually have a say in what happens in this government because we appropriate the necessary dollars. We put forth the policy to be able to get the revenue to run the country.

I just want to say that some things that we have done here we can claim victory on, and I think we need to talk about a few of those things. We can claim victory on passing a children's health care bill with a bipartisan vote. This was not just powerful Democrats that voted. There are a number of Republicans that voted in both chambers. We have quotes on the Speaker's Web site. I believe it's, what is it, 45 Republicans over here and 18 Republicans in the Senate. And on www.speaker.gov you can go on the Web site and get the quotes of our Republican colleagues that spoke so very highly about this bipartisan piece of legislation.

You know something, we're putting in the work. We're putting in the work. I mean, the House last week held its 943rd rollcall vote of the year, and I mean of this year, breaking a previous record of 942 votes. That mark was set in 1978, and we're well on our way to taking care of the country's business of heading into a higher number of at least 1,000 votes by the end of this year. People wanted us to go to work. We're working now. We're working now. If it wasn't for the loss we had here in Congress, we would be working tomorrow.

But the bottom line is this, Madam Speaker, is that we have to continue to move down the track of responsibility, and that's the reason why we come to the floor because we want the Members to feel the pressure.

You might have seen me moving around here on the floor because, as Ms. WASSERMAN SCHULTZ can tell you, my good friend from Florida, and Mr. MURPHY can tell you, that we pride ourselves, Madam Speaker, on making sure that we share accurate information with the Members and the American people. That's just where it is. We don't talk about fiction. We just talk about facts.

Now, earlier today we had H.R. 3056. What does that mean? There's a lot of House bills that are around, but this bill was actually a very, very important bill to the U.S. taxpayer. It dealt with the Tax Collection Responsibility Act.

We had tax collectors that the Republican majority put it in power to have the phone numbers of every American taxpayer, and they were so-called to ring in dollars of individuals that are not paying taxes.

Ms. WASSERMAN SCHULTZ. Private.

Mr. MEEK of Florida. Private. I mean, these are private tax collectors that we ended up spending more money paying them than what they collected, and then they turned around and there's an instance of when an elderly couple received 150 calls in the course of 27 days. Now, anyone that knows anything about people calling your home that you don't want calling your home, and they're calling for someone else, they're calling the Murphy household and they're asking for the Johnson family, and you keep telling them that, no, the Johnson family doesn't live here, what we did today was to do the right thing on behalf of the American taxpayer by passing that piece of legislation that repealed the IRS authority to enter into private debt collector contracts. I think that's very, very important.

Also, when you look at it from a fiscal responsibility piece, Madam Speaker, and we're talking about being responsible, you have to look at this whole issue of the study that shows that the IRS employees that are employed by the IRS is 13–1 on what they can collect from what the private collectors are actually able to collect.

Also in that great piece of legislation was something that we all feel very strong about, the 1-year suspension on the 3 percent, 3 percent that is collected from small businesses up front when they contract with local governments, and a number of other issues that were in that bill.

I'm saying all of this to make this point: 210 Democrats voted for it; 22 Republicans voted for it. Now, one can say that's a bipartisan vote, but when you look at 164 Republicans voting against something that, on its surface, you don't have to dig far, the numbers, when we had hearing in Ways and Means on it, the numbers represent the true meaning of what has not happened and contracting with a private company to call the taxpayers of this great country of ours and not doing the job that they set out to do, that they ended up getting a real paycheck at the end of the day, which they didn't even do the work, and then better yet, they're calling individuals' homes that already paid their taxes, because the accountability was not there.

I think it is very, very important. I just want to make sure that it is very important that we highlight these issues and we talk about the success that we're having here in Congress where we need our Republican colleagues to join us, but we're still pushing forward because the good thing about it is the fact that the American people are with the new direction agenda, and it's their agenda. We're just a vehicle to allow it to happen, need it be children's health care, need it be cutting student loan interest rates in half, need it be increasing the minimum wage, need it be what we're doing and what's at the President's desk on the issue of energy.

I mean, we have all these issues. Some were the 6 in '06 that we talked about. Some were ideas we picked up along the way that we thought was very, very important.

As we continue to move down this track, I just want to share with my colleagues on the other side of the aisle that it is not necessarily or if it is something of a Democratic idea, because when you see votes like this, I can't help but think as a legislator going into my 14th year of public service, you have me by 2 years, to see a vote like this vote, that was obviously a good vote to take on behalf of the American people and to go the opposite way, if it was just merely politics, then I would say, well, you know, let's just go back and sit in our office and allow them to continue to take these votes.

But when we start looking at how we are going to deal with the war in Iraq, you called those numbers out of how many children I mean by day, by week, by month, by days that can receive health care, and just like this, $3,316 I think are spent every second in Iraq when children can receive health care.

And so when you look at it, I mean, when we start talking about why and it should work itself out or it's the right thing to do, it's something that's happening around here that we haven't quite uncovered yet. But I don't have a lot of time, Madam Speaker, to try to uncover the problem on the other side of the aisle. I don't.

I'm with the Speaker and I'm with the majority leader and I'm with the majority whip and I'm with the Chair of the caucus and the Vice Chair of the caucus and all of the leadership folks that are running around here in the different caucuses and saying that the American people sent us here to go to work. We've gone to work. We've already broken records. We're on our way to break another record as it relates to

what we're doing on behalf of the American people.

But that's something that Members are going to have to explain back home if they're taking these unpopular votes, when one may say the blind leading the blind and two shall fall down in the ditch, that should happen. That's what we used to stay when I was on the football field at Florida A&M.

The real issue here is we should feel good about what we have accomplished. We should feel good that the American people are on board. We're on board with the American people. We're carrying out their agenda, and that's Democrat and Republican, too. I don't want an American that opens their wallet and, you know, look at their voter registration card and say, well, I'm a Republican, Congressman MEEK is not talking to me. I'm talking to you because when you look at fiscal responsibility, when you look at this issue, this is your wallet, too. When we cut interest rates in half, the President didn't want to do it. You wanted it to happen, Republican, independent, nonvoter, Democrat, you wanted it to happen. That was a bill for you, not for the three of us, for you to cut your interest rates in half. So when we look at these issues, we have to look at a functional government, that we have responsibility, and then we have to put the partisanship aside.

One thing I can say, that we have passed major pieces of legislation in a bipartisan way and have allowed Republican input that has not been the case, I know and I can attest, for the 108th and 109th Congress.

I say all of that to say that I think it's important that we continue to paint the picture, especially for our colleagues that are not voting when it's abundantly clear of why you should vote for something. I mean, someone had to say don't vote for it, and then they say, okay, I'm not going to vote for it. There has to be a reason why, when you empower private debt collectors to have private information, you know what I'm talking about because I know you wear that privacy hat, privacy information of your personal information, okay, and they abuse and they fail in the mission of collecting the dollars that they're supposed to collect from individuals that are not paying their taxes. And then to turn around and see numbers of cases of abuse where individuals have been called over 150 times that have been documented over a period of 27 days to an elderly couple and still you come to the floor and vote no? I mean, I just don't understand it.

Ms. WASSERMAN SCHULTZ. I'm so glad that you brought this up, because as a member of the whip team, I was working this debt collection bill that we passed on the House floor today, and I was just equally as shocked as you were about how many of our colleagues on the other side of the aisle voted against this because here are the facts.

Those private debt collection companies were costing us $70 million. We paid them $70 million of government funds to collect $20 million.

Mr. MEEK of Florida. I know we have it for the record, but I just want, when folks open the CONGRESSIONAL RECORD, that they can see that number twice, because that's the point even driven further down the street as it relates to why would you vote against something like this.

Ms. WASSERMAN SCHULTZ. I will be glad to say it again. It's that shocking. We were paying private debt collection companies, instead of paying IRS employees a salary, to collect the debt that is owed in taxes from the people who have not been paying their taxes, $70 million to private debt collection companies to collect $20 million, and if we had spent the same $70 million, the statistics show that the track record of IRS employees paid the same amount of money would have collected $1.6 billion. $1.6 billion would have been collected by government employees working for the IRS who we have to presume are quite a bit more trustworthy with our constituents' private, personal information in this time of stolen identities and stolen funds from our constituents.

The thing that strikes me as the most disturbing about this is that the Republicans talk this good game about being fiscally responsible and being the ones that are the stewards of the public's tax dollars, and then let's go down the list of where our votes and our leadership has been as Democrats under Speaker PELOSI and where theirs have been.

There was this bill today. Do you have the numbers on how many Republicans voted against this bill today? Voted to continue the practice of spending $70 million to collect $20 million. 232 Democrat ''yes'' votes and 173 Republican ''no'' votes. Only 22 Republicans voted ''yes.'' I don't understand that. So maybe it's an isolated incident. Maybe it's isolated.

Mr. MEEK of Florida. Let's just engage in a conversation here. I mean, the real issue is this: It's not an isolated incident, and that's the reason why many of our Republican colleagues that were here in the 109th Congress is now reading about what Congress is doing in their hometown paper in an involuntary retirement. It's not like they said, oh, I just don't want to be your Congressman here anymore.

No, they took votes that were unpopular, and when I say unpopular, one person may say, well, leadership, you're supposed to lead, but when you have a bill like the bill that is in question here, H.R. 3056, and I encourage the Members, staff and what have you because maybe there may be another opportunity.

Ms. WASSERMAN SCHULTZ. I believe it's called the Tax Collection Responsibility Act.

Mr. MEEKS of Florida. Yes, that's correct, but they may have the opportunity to do the right thing.

We made the point, because even on the minimum wage bill, we had Republicans. Over my dead body, you know.

□ 1930

That should not happen, especially when something is so good on behalf of the American people. That's the decision that folks have to make. I am not concerned. I am not concerned about decisions they are making. I am saying that we should shed light on what we should celebrate. We should celebrate the fact we are providing the leadership for such a bill to come to the floor. It wouldn't have even been heard in Ways and Means if it was under a Republican Congress.

When we look at it, when I say ''Republican'' and ''Democrat,'' I just want to make sure the people understand that I am not talking about us versus them; I am talking about fiscal responsibility and doing what government is supposed to do. This is what we are supposed to do.

Ms. WASSERMAN SCHULTZ. Again, for some more examples, Mr. MURPHY, you came in the new freshman class or majority-makers who were committed to this campaign to come here and help move this country in a new direction. The new direction we have been talking about is eliminating the consistent examples of Republicans talking about being fiscally responsible but doing exactly the opposite. The next time we should bring the numbers of the votes to the floor on how many Republicans voted for the PAYGO rules and how many Democrats voted for it, how many Republicans voted against the amendment that closed the tax loophole that allowed American companies to hide how much they were supposed to pay in taxes by headquartering them in a different country even if they were really American companies doing business here.

In that energy bill, we put a provision in that energy bill to make sure we could close that loophole. I would like to see numbers here on how many Republicans voted against it, allowing companies to skirt their responsibility. This is not about increasing taxes. That vote was about collecting the taxes that are due, that these companies owe.

So no on PAYGO, no on closing tax loopholes, no on debt collection responsibility and leaving $50 million on the table. Who is fiscally responsible and who is just kidding?

Mr. MURPHY of Connecticut. It goes to the very subject that we opened with in talking about here, which is the war itself, and we believe that there is a much better way to spend pretty much all of that money, whether it be rebuilding our schools, educating kids, giving health care to children.

But even, even given the vast amount of money that we are spending over there, there has been virtually no check, virtually no oversight by this Congress and this administration. A

great example is the Government Oversight Committee, which has done really yeoman's work in trying to make up for the complete absence of oversight during the past several Congresses. The Oversight Committee held a hearing, very well attended, very highly publicized hearing a few weeks back with the CEO of Blackwater, who came before Congress, Blackwater, the private security firm which has basically created a privatized military in Iraq today.

Blackwater came before us, the CEO of Blackwater came before us the other week, and we asked him simply this. We said, tell us how much profit you are making. Tell us how much profit Blackwater is making off of U.S. Government contracts and said, You know what? It's none of your business. I can give you an estimation. I think we are making about $85 million a year in profits off of $850 million in contracts. But, basically, it's none of your business, United States Congress.

There weren't a lot of people on the Republican side of the aisle, on that government Oversight Committee that blinked at that suggestion, because that has been the practice in this Congress over the past several years. That has been de rigueur, as a matter of course here, that we don't ask any questions, that it is okay that Blackwater security, a private military operating in Iraq, can make $85 million in profit off of doing what we know the United States military could do themselves.

So it's endemic when you talk about private tax collectors, it's endemic when you talk about the issues such as PAYGO that Representative WASSERMAN SCHULTZ raised and certainly in spending on the war. Time after time again we have seen no fiscal responsibility here, and time after time this Congress, Mr. MEEK and Ms. WASSERMAN SCHULTZ, is shedding light on that misused taxpayer funds, but passing legislation like the bill that we passed today, which changes the course, and we start spending tax money wisely once again.

Mr. MEEK of Florida. We are going to start closing out here, and this is something we don't ordinarily do. We are going to end up leaving 10 minutes left open. I mean, there is just so much information we want to share, but we know that the House has to continue, but I want to recognize Ms. WASSERMAN SCHULTZ.

Ms. WASSERMAN SCHULTZ. In helping to close us out, I do want to direct people to the charts and the other information that we have talked about here tonight. Our Web site can be reached by going to www.speaker.gov, and you will find the 30-something link right on that Web page, www.speaker.gov. I can only hope that the next time we meet, which will be the day before we cast that children's health insurance vote, to decide who is for kids and who is not, to override the President's veto, that we will be able to report that we have picked up those 15 Republicans who have found their way and would be willing to do right by our Nation's kids. It has been a pleasure to join you here this evening.

Mr. MEEK of Florida. I want to thank the Members for what they have done this far, the majority of the Members in this House, and that is including some of our Republican friends that have voted for a number of these measures that the American people want, Republicans, Democrats, you name it, those that are involved in other parties and those that are thinking about voting. We have to show that we are a functional House and that we can be able to provide the leadership, when necessary, to be able to run the country in a way that it should be operated, especially on appropriations and on the finance and tax hand.

I want to thank the Democratic leadership for allowing us to have the hour.

HEALTH CARE IN AMERICA

The SPEAKER pro tempore (Ms. CLARKE). Under the Speaker's announced policy of January 18, 2007, the gentleman from Texas (Mr. BURGESS) is recognized for 60 minutes as the designee of the minority leader.

Mr. BURGESS. Madam Speaker, I appreciate you letting me come to the floor tonight to talk, as I often do, about health care, the state of health care in our country.

This is a unique time in our Nation's history. We are kind of coming up on the 2008 Presidential campaign, and the reality of unfettered election-year politics intersects harshly with the perennial challenge, the perennial challenge we face in this House, how do we refine, transform, transform this Nation's health care system.

The history of health care in America over the last century and the very beginning of this century, it's a fascinating, fascinating subject. Medicine is a very highly structured, highly ordered, scientific-oriented, disciplined, scientific process, the scientific method. And then coupled with a number of governmental policies, we would like to think that they are science driven, we would like to think that they are fact based, but oftentimes they are more emotionally based, and how those policies interact with the scientific basis of the fundamental world of medicine and how, when we enact those policies and what seems like with every good noble intention in the world, how those policies then affect things decades into the future in ways that most people who enacted the policies would have had no idea what became of them.

Now, last century, in the 1940s, really a pivotal year in health care, medical care in America, both from a scientific aspect and from the policy aspect. From the scientific aspect, it was a time of great discovery and great excitement.

Mr. Alexander Fleming, the famed British scientist, isolated penicillin in 1928 in his laboratory, didn't quite know what he had or what to do with it. Certainly the substance produced by this mold in a petri dish inhibited the growth of the microorganism staphylococcus, a known cause of infection. For the first time, mankind had an agent to battle these unseen microscopic entities that plagued mankind for centuries.

Now, 1928 is not exactly 1940, and I referenced 1940. What happened in 1940 was American scientists, American scientists in this country, recognizing the value of this discovery, elucidated a method for mass production of penicillin. Penicillin, which had been a miracle drug before but available in very small quantities only for a very select few was now suddenly available for everyone, and available cheaply.

This affected our soldiers, who landed at Normandy on D–Day in 1944, the wounds that they suffered, which otherwise may have become infected and caused serious disability or even death were now even amenable to therapy with an antibiotic. Therapy with an antibiotic is something we now just take as almost second nature, just for granted. We get sick, we go to the doctor, they write a prescription for an antibiotic, we take it, we get well. In the 1940s, this was almost unheard of. So this was truly a breakthrough in the 1940s in the scientific realm in medicine.

Another discovery, that had actually occurred earlier, the discovery of cortisone. A very potent anti-inflammatory, cortisone was actually taken from the adrenal glands of oxen who were slaughtered. It was a very laborious, labor-intensive process to get small amounts of cortisone, so it really wasn't something that was amenable to treatment.

Then in the 1940s, a scientist that we, in fact, honored in this House during the last Congress, an African American gentleman, Percy Julian, who was a biochemist, not even a physician, a biochemist who worked heavily with soybeans and soybean products elucidated a method to mass produce cortisone, cortisol, which had not been able to be produced other than in very small quantities before, and now suddenly, again, it's available to very large numbers of people at a very reasonable price.

These two entities, antibiotics, anti-inflammatory, introduced in the 1940s changed forever the practice of medicine not just in America, but worldwide. What else happened in the 1940s? Obviously, World War II.

The Supreme Court made a decision in the 1940s that affects us to this day. During the Second World War, President Franklin Roosevelt, in an effort to keep down problems with inflation, it was a wartime economy, and he was worried about inflation taking hold and taking off, said we are going to have to have wage and price controls.

There was a lot of demand for labor in this country. We were producing materiel, things that were needed on the

frontlines in the war. Yet the workforce were all off fighting the war, so employers who were lucky enough to have employees to work wanted to keep them and keep them happy. How do you do that? You pay them more money. But the President said we better not do that or we are going to have trouble with the inflation.

Well, employers, being enterprising and ingenuous sorts, said, let's then offer benefits. Let's offer health care benefits, let's offer retirement benefits. A decision by the Supreme Court in the 1940s said, yes, you can do this. It does not violate the spirit of the wage and price controls. Not only that, you can pay these with pretax dollars.

So the era of employer-derived, employer-based health insurance was born, turned out to be enormously popular. People liked the idea, and, for decades into the future, that was the model that was followed in this country.

Then, fast-forward another 20 years and we are in the mid-1960s. What other health care policy happened at that time? Well, it was the institution of the Medicare program by President Lyndon Johnson. The Congress at that time who said, You know what? We are going to provide protection for our seniors.

Now, at that time, they provided protection for the doctors in the hospitals. Prescription drugs came 40 years later in the 108th Congress when we enacted the prescription drug benefit, but think how the interposition of the Medicare policies changed the fundamentals of how health care is paid for in this country.

The Medicare and Medicaid programs of the mid-1960s meant all of a sudden the government is in a position to finance a large portion of health care provided in the United States. Now, prior to the Second World War, most health care was paid for at the time of service and was a cash exchange. With the advent of employer-derived health insurance and the position of a large governmental program, most health care now is administered through some type of third-party arrangement.

That's useful in that it protects the individual who is covered by insurance from large cash outlays, but there is a trade-off. The covered individual is generally unaware of the cost of the care that he or she receives, as well as the provider, who remains insensitive to the cost of the care that that provider orders.

This arrangement has created an environment that permits really rapid growth in almost all sectors of health care and the cost of health care. America's challenge in the early part of the 21st century, America's challenge becomes evident. How do we improve the model of the current hybrid system that involves public and private payment for health care but at the same time anesthetizes most of us as to the true cost of that care?

□ 1945

It's also perhaps wise to consider that any truly useful attempt to modernize the system, the primary goal really has to be, first off, you protect the patient. You protect the person, not the status quo. And we also need to ask ourselves if the goal is to protect the system of third party payment or to provide Americans with a reasonable way to obtain health care and allow physicians a reasonable way to provide health care for their patients. Sometimes, with some of the legislation that I see come before my committee, Energy and Commerce, I wonder if we don't forget that fundamental rule.

In health care, the basic fundamental unit of production is the interaction that takes place between the medical professional, the doctor and the patient in the treatment room. That fundamental interaction, Madam Speaker, if you will, is the widget. That's what this large health care machine produces. And sometimes that concept also gets lost in the process when we talk about how do we reform health care.

The current situation subsidizes, makes payments to those indirectly involved with the delivery of that widget and, ultimately, that drives up the cost. Now, currently in the United States, about half of every health care dollar that's spent originates here in the United States Congress.

The United States gross domestic product, we spend about 15 percent of that on health care, and half of that expenditure is generated from the Congress. The gross domestic product currently is about $1.6 trillion. Medicare and Medicaid systems pay for or cost about $600 billion in aggregate. You've got the Federal prison system, the Indian Health Service, the VA system, all of the other interactions that the Federal Government has with paying for health care amount to about half.

What's the other half? Is it all private insurance? No, of course it's not. There are a certain number of people who are uninsured.

Private insurance, to be sure, occupies a significant percentage of that half that's not paid for by the government. Some is paid for by the individual. Some of it is self-pay, and I would include health savings accounts, medical savings account in that self-pay group because I think that's an important concept that sometimes gets lost in the discussion.

And finally, let's be honest. There is a good deal of care that is delivered that is simply a charitable offering by doctors, nurses, hospitals, a charitable offering that is given to patients who lack the ability to pay.

Again, the test before us, protect the people, not the special interests. Madam Speaker, we ought to define that which ought to be determined by market principles and that which, of necessity, must be left in the realm of the public provider, the government realm, and how, in all of this process, we preserve individual self-direction instead of establishing supremacy of the state.

Additionally, we must challenge those things that result in distortion of market forces, especially those market forces in health care, and acknowledge that some of that distortion is, in fact, endemic. We'll never be able to subtract it out of the system. Some of it is hidden. We'll never even know that it's there, and since it's hidden, or we can't subtract it out of the system, it's not readily changed. So recognize that and acknowledge that we're not going to change that part, but also recognize that there's part of it that is actually easily amenable to change. And the key here is how to maximize the value at the production level.

Again, I go back to that fundamental unit of production, the doctor-patient interaction in the treatment room. Yes, I know it may be the emergency room, the operating room, but that fundamental unit of interaction, how do we maximize value at the production level?

How do we place a patient who exists on a continuum between health and disease, how do we move that patient more in the direction of health and slow that movement in the direction of disease?

How do we allow physicians an appropriate return on their investment, their investment of time, their skill, their intellectual property? And that opens up a host of questions relating to future physician work force issues.

How do we keep the employer, if the employer is indeed still involved in providing health insurance for an employee, how do we keep the employer to continue to see value in the system? They get a quicker return to work for their injured or ill employee. Perhaps there's increased productivity, better maintenance of a healthy and more satisfied work force. All of these things are of value to the employer, and that ought to be recognized.

In regards to health insurance, how to provide a predictable and managed risk environment, remembering that insurance companies themselves, of necessity, they tend to seek a state of monopoly, and if left unchecked, that's the direction in which they're going to move. If that is a good thing, okay. If that needs to be monitored or regulated, we need to be willing to provide that regulatory expertise as well.

And finally, how do we balance the needs of hospitals, ambulatory surgery centers, long-term care facilities and the needs of the community, as well as the needs of doctors, nurses and administrators?

Now, Madam Speaker, individual legislation, H.R. 2583, H.R. 2584, H.R. 2585 deal specifically with medical work force issues. And as some of the hubbub around the current health care debate dies down, I hope we get a chance to actually articulate and debate those issues.

Another bill, H.R. 2203, that was introduced in the 109th Congress would

provide low-income Americans with a direct subsidy to help pay for their health care and many others that would chart a path to true reform in our health care system.

But let's keep in mind some principles when we talk about legislation. And I would say the first principle that Americans, at least in my estimation from 25 years of practicing medicine, what do Americans value in their health care system?

They value that freedom of choice. They want to go see the doctor they want to see. They want to see them when they want to see them, not when the system says they can come in. When hospitalization is required, you know, no one objects to incentives, but freedom of choice must remain central.

Another principle that certainly a number of people talk to me about is a principle of ownership. Madam Speaker, I had a medical savings account before I came to Congress. The whole concept of having what we now call a health savings account or a medical IRA and being allowed to accumulate savings, a nest egg, dollars to offset future medical expenses, is a fundamental desire of many Americans, and I think we should encourage that.

These dollars that are then dedicated to health care should be properly owned by the individual. And guess what? When this individual leaves this life, those dollars stay in that individual's estate and they don't go back to any governmental body upon the death of the individual.

Another principle would be independence, the preservation of autonomy. The patient or the patient's designee should ultimately be responsible for their care or the ability to decline medical intervention.

Another principle that I think we need to keep foremost in our minds is that of high standards. One of the underpinnings of the American medical system has always been high standards of excellence and nothing, in any future change, should undermine that. And, in fact, the pathways to facilitate future growth in excellence should always be encouraged.

Again, it gets back to delivering value for the dollar. Innovative approaches. We Americans pride ourselves on innovative approaches. American medicine has always been characterized as embracing innovation and developing new technologies and treatments. Clearly, this must be preserved.

Madam Speaker, we just came through the FDA reauthorization bill earlier this year. The whole purpose, years ago, with the development of the Prescription Drug User Fee and the Medical Device User Fee Act was to provide additional funding so that inventions and discoveries and intellectual property that was developed, whether it be a pharmaceutical or a medical device, would not sit so long in the approval phase and could be brought, not just to market, but to be able to help patients more quickly.

The difference between practicing medicine in the 1980s, when we had the old system, and the 1990s, under the new system, was phenomenal, and the ability to deliver drugs and devices to the patient public was, in fact, vastly increased. I was grateful to play a small role in the reauthorization of the FDA process when we did that earlier this year.

In fact, Madam Speaker, we heard a lot of talk just a few minutes ago about the SCHIP bill. I would hold out the FDA legislative process as a model which this Congress should follow because that was truly a bipartisan process. The SCHIP bill that came through this House that everyone is now holding their breath waiting to see whether or not the other side has the votes to override a veto, but the reality is that bill came through this Congress in what I consider a very pernicious way that is likely to poison any future attempts at bipartisan cooperation because here was a bill that was simply thrown across the transom, rammed through committee, rammed through the House on a party-line vote. Then we go back to the Senate. Well, we can't really do a conference committee. So what do we do? We take up a brand new bill. But we don't bring it back through the committee. We don't bring it back through the subcommittee. No. We come right to the floor and take it or leave it. That's not the way America wants to see this Congress operate. America wants to see this Congress operate as it is supposed to operate. They want to see my committee, the Committee on Energy and Commerce, have a subcommittee markup on the bill. There might be a good idea out there on the Republican side. There might not, but there might be.

And what reason could anyone in this body give for saying, we're just not going to do that? They say it was in the interest of time.

Madam Speaker, every single Member of this body who stood in this House in January of 2007, raised their right hand and swore an oath to defend the Constitution, knew that at the end of September, what's going to happen? SCHIP expires. It was a 10-year authorization. It started in 1997. Time's up at the end of September. The fiscal year is over. So we all knew this was coming. Why did we leave it till the last minute? And then why did we bring such an imperfect product through and then ram it through at the last minute, without any of the usual consultative advise and consent that goes on at the subcommittee level and the committee level. I frankly don't understand.

If people are watching this process, if people are able to dig beneath the political rhetoric, they ought to be outraged at the way this was handled. But I'm getting off message.

When we talk about principles for health care reform, one of the things that we really have to focus on is timeliness.

Madam Speaker, we always hear about American comparisons to other health care systems around the world. But consider this: Access to a waiting list does not equal access to care. This was the message delivered by the Canadian Supreme Court to its medical system in 2005. We must diligently seek not to duplicate the most sinister type of rationing than that that exists in a system of nationalized health care which prevents citizens from getting care because it just simply takes so long to get to the doctor or get that needed procedure or get that needed hospitalization.

Another principle that really, I think, we ought to spend some time discussing and debating, not everyone agrees with this, but really this ought to be a market-based solution and not an administrative solution. The pricing should be based on what is actually indicated by market conditions, and not that that is assumed by an administrator, either an administrator at a private insurance company or an administrator at a Department of Health and Human Services or Center for Medicare and Medicaid Services.

Madam Speaker, we hear a lot of talk about mandates. Mandates, in general, in my opinion, lead to a restriction of services. State mandates cause more harm than good and impede competition and choice and drive up the cost and limit the availability of health insurance.

Employer mandates. We've heard various reform schemes that have been talked about that deal with employer mandates. That was the crux of the Clinton plan in 1993. Individual mandates, some of the things that have been talked about at some of the State levels. But employer mandates and individual mandates are likewise restrictive. A discussion of mandates should include an accounting of cost and whether those mandates limit the availability of insurance for those who may operate a small business, those who may be self-employed or self-insured. Remember, Medicare part D, the prescription drug program from 2 or 3 years ago, achieved a 90 percent enrollment rate with education, incentives, competition, and not a single mandate. We must not forget that lesson because that's been a highly successful program and one that, in fact, enjoys very high popularity in the population that it serves.

The concept of premium support. Premium support is kind of like a tax credit, kind of like a voucher, but not quite.

Let's be honest. Our Tax Code is complicated enough as it is. We don't need to layer more complexity on the Tax Code. I know that's a topic for a different discussion, but when we're talking about health care reform, I'm not such a big fan of tax credits. But if there is the ability for, whether it be the SCHIP program or the Medicaid program, to help someone buy down

the cost of that health insurance premium so they can, in fact, afford an insurance policy, I think the concept of premium support is one that this Congress really ought to investigate. In fact, that was an amendment that I had for the SCHIP process, but, again, we weren't allowed to amend that bill in subcommittee, full committee or here on the House floor.

□ 2000

You know, on the concept of the premium support, one thing that we could think about doing is some individuals receive some additional help to the earned income tax credit. Well, what if we made it not just a good idea but a requirement that people who receive money on the earned income tax credit that some of those dollars are actually earmarked for their health insurance? Maybe an idea worth exploring.

Another principle is that of antitrust enforcement. It has to be balanced. If the Federal Government picks winners and losers, we're going to further distort and make the playing field unlevel, and as a consequence, we are going to thwart our best efforts for health care reform. Creating winners and losers via the antitrust law actually erodes the viability of the American health care system.

Well, what about talking about some of the policies that actually may affect some change? For health care within the public sector model, the transformation after the experience with Medicare part D has been instructive. Six protected classes of medication, which were required of all companies who wish to compete and participate in the system, allowed for greater acceptance by the covered population and greater medical flexibility when treating patients. At the same time, the competitive influences brought to bear in that part of the program, indeed, have managed to control costs. In fact, the projection of the cost of the Medicare part D program is $130 billion less over that moving target we call the 10-year budgetary window. It's solely the result of competition. It is likely we will get some additional benefit, some additional cost relief by more timely treatment of disease and delivering more value for the health care dollar. But those concepts, those savings are going to necessarily appear later in the timeline of that process. But just from competition alone, a substantial amount of dollars savings were achieved under the part D program.

Madam Speaker, one of the most important lessons learned in the Medicare part D program is that coverage can be significant without the use of mandates. Ninety percent of seniors now have some type of prescription drug coverage, and this was achieved how? By mandates? No. But by creating plans that people actually wanted. What a concept. You don't mandate you have to do it. You build something that people want, and they come to it. We ought to follow that model more often when we are talking about health care reform in this country.

Ninety percent of seniors have prescription drug coverage, and providing that coverage means that incentives to sign up in a timely fashion had to be provided. And, indeed, that worked. It emphasized that the personal involvement responsibility was there to maintain some type of credible coverage if it already existed or to buy into credible coverage during the open enrollment period. And, in fact, people accepted that and behaved accordingly.

Employer-derived health insurance I think will be a significant player in the American health care scene. A lot of writers who write about health care insurance say the employer-based model is passe. It's dead and gone, never to return. I don't know that I agree with that. Certainly it is still a very viable presence, a very robust presence in the insurance market today. And while again there are some problems, it is hard for me to see that the day is coming where that will completely fall by the wayside.

I think that's because it adds value. It adds value to the contract between the employer and employee. It rewards loyal employees and builds commitments within the organization. Businesses can spread risk and help drive down cost.

Now, one of the features that is inherent in that model is the proposed associated health plans that the previous Congress and the Congress before that have voted on on several occasions. We have never been able to get that concept to pass in the Senate, but maybe it's time to look at that again. Associated health plans are allowing small businesses of a similar business model to pool together to get the purchasing power of a larger organization. It gives, say, a group of Realtors or a group of doctors' offices the ability to go out and perhaps achieve some of the same kind of discounts that Verizon or AT&T or Wal-Mart get because they are such big employers. This is a very powerful concept to put in the hands of employers.

In fact, it was a concept that was so good it was actually first proposed on the floor of this House by Bill Clinton in 1993 in his September speech to this body when he outlined his proposals for health care reform. Associated health plans were part of that reform package. I don't know what happened to them on the way to the end of the legislative process, but somewhere along the way, people stopped talking about them. But they are a good idea. Again, the concept has passed this House twice, in the 108th Congress and 109th Congress. It's a mystery to me why we don't take it up again. I think that is something the American people would be interested in our doing, and, goodness knows, they would like to see us work on something meaningful when it comes to health care.

Now, regardless of whether the system is public or private, what have we seen in the way that information is transferred and handled? Have there been any changes in the last 100 years? Yes, I think so. Are there going to be changes in the next 25 years? I think you can bet on that. Vast changes in information technology are going to occur whether doctors want them to, whether hospitals want them to, whether insurance companies want them to. Those changes in how information is handled are going to occur, and they need to be facilitated. We are coming up to a time of rapid learning, and because of improvements in health care technology, the ability to manage databases, retrieve data in a timely fashion are going to be critical for the delivery of health care and protection of patients in the future.

Madam Speaker, if I could, let me just share with my colleagues in the House a picture. When I was first elected to Congress in 2002, I have got to say I wasn't a big believer in electronic medical records. They are kind of cumbersome. When you are first learning them, they really slow you down. Your productivity suffers because you have got to learn this system.

But 2 years ago at Charity Hospital in New Orleans, one of the venerable, venerable health care institutions of this country, the whole city of New Orleans was hit with Hurricane Katrina and then the flooding to follow the hurricane. Well, here is a picture from January 2006. So 5 months after the hurricane, the water has been pulled out of the city. Here is the medical records room at Charity Hospital. These records haven't been burned. This black stuff here, that is black mold. You could not send anyone in there to retrieve data off of one of these charts without imposing a significant health risk. I don't know what's contained within there, maybe a bone marrow transplant, childbirth, kidney transplant, heart attack. All of that information lost to the ages because they were contained on paper records.

Again, I wasn't a big believer in electronic medical records, but walking through the records room at Charity Hospital that day, how many hours have I spent in the records room doing my medical records when I was on staff at various hospitals. It looked a lot like our records room at Parkland Hospital back in the 1970s.

These records are lost. This patient's data are now forever irretrievable. And at some point we are going to have to come up with a system that allows that data to be stored in an area where it is not vulnerable to this type of degradation and that it is readily retrievable. And then guess what. If a patient is being seen in New Orleans and treated for a condition but they happen to travel to Fort Worth, Texas, and their medical records are needed, they are accessible online and immediately available to the treating doctors in the destination city.

Another issue that I think we will have to pay some attention to is quality reporting. In my opinion, quality reporting should be voluntary, but it is important. Programs need to be generally available. They have got to be accessible to the medical personnel who desire to participate.

Currently, I think in all 50 States, we have got quality improvement organizations, and they currently do a good job. They provide information, timely information, information back to the provider as to how the care was delivered. Was it delivered in a timely fashion? Was it delivered in a fashion that was utilizable?

There are other ways of establishing quality. Legislation that passed in this House last time to establish a medical home also will result in the accumulation of some quality and some utilization data. I think that data needs to be available to the treating physician. It doesn't have to be widely disseminated publicly, but you make that data available to the physician, and physicians being naturally competitive sorts are going to ask the question, Well, that's interesting. I wonder if I could do better or how have I done in comparison to the people around me? And that will be useful information to provide to physicians and hospitals.

Any of the quality reporting methods that are out there have to be generally available and accessible to all of the physicians practicing in a community. Yes, I would like for it to be voluntary, but if it is not generally available, ultimately it is not going to be useful.

Now, this approach was a component of the Medicare physician update proposal by, at that time, Chairman JOE BARTON of the Energy and Commerce Committee. He offered that late in 2006. I think it is a concept that should be revisited.

Within the individual market, and, again, within the individual market I would include self-pay and also that individual who is the owner of a health savings account, within that portion of the market, transparency of information is critical, and that is another area where we are going to see rapid evolution and rapid change. It is going to require that there is adequacy of the reports that detail the information about cost, price, and quality, and they are not all the same. This information has to be linked to data detailing things like complications and infection rates.

Web-based programs. We have got a good one in my home State of Texas. Web-based programs will begin to build databases and actually build familiarity with the consuming public so that these will become useful in the future. And www.txpricepoint.org is a Web-based program that is up and functioning in Texas. It's just beginning. Some people will look at it and say, well, that information is really pretty rudimentary, but currently it allows patients, say, in my home county of Denton County where there are four hospitals, to compare the costs of treating a fractured femur, episode of childbirth. How do those four hospitals compare in the area? Is there one that is significantly cheaper or one that is significantly more expensive than its counterparts? Maybe if that information is present, then to begin to ask the questions why and for the consumer to begin digging a little deeper and finding out more information about the hospital, whether or not they want to choose that hospital for their care. Again, not for people who have Medicare, Medicaid, SCHIP, or private insurance, but for the individual who is paying out of pocket or the individual who has a health savings account with a high deductible so, again, is probably paying out of pocket for a portion of their care. This is a useful exercise, and, again, I encourage people, particularly people in my home State of Texas, www.txpricepoint.org.

Now, crafting a readily affordable basic package of insurance benefits perhaps modeled after what we already do in the Federally Qualified Health Center program is another important opportunity for reform that this body could look into. Currently, Federally Qualified Health Centers are required to provide a basic level of primary care. They also provide dental and mental health services. Providing a basic package of benefits along this line that is affordable and available with the option of adding on additional benefits at additional costs, that could be a powerful option for many Americans. This could remove some of the influence of some of the special interest groups, which I talked about earlier, and, again, allows us to focus on the patient and certainly allows a functioning business model to replace some of the draconian institutional standards that are now required.

Providing a truly affordable basic package of benefits, that coverage which insurance companies then would want to market to segments of the uninsured population, you've got to believe that companies like Aetna, United look at 47 million people who are uninsured and say that's a potential market share. If we only had an affordable product that we could deliver to that population, we actually could perhaps provide a good deal of coverage for that population.

Madam Speaker, let's not forget that care that is truly charitable: Organizing and providing a tax credit for donated services by doctors, nurses, even hospitals, I think that is something that is fundamental to the American psyche and something to be readily embraced by the American people.

□ 2015

We could provide additional protection under the Federal Tort Claims Act, perhaps a legal safe harbor from lawsuits where, in good faith, charitable care is provided and, in effect, allow providers who are retired or semiretired to return and fill some of the vacuum for indigent care.

I had an acquaintance whose father is a physician. Hurricane Katrina hit, obviously, the next-door neighbor State of Louisiana, but a lot of people left Louisiana and came to Texas. There were a lot of areas that were strained in their availability to deliver health care in that time 2 years ago.

This acquaintance's dad was a physician. He was a retired physician, no longer carried insurance, and said, well, I'm going to go down to the shelter where these people are being received and offer my services. And my friend was quite concerned about his dad and said, you don't have insurance. If you go down there and something bad happens and you get sued, you have no coverage for that. Maybe we ought to provide a mechanism for providing that coverage for someone who truly, out of the goodness of their heart, wants to respond to a national emergency, wants to respond to their country in a time of need, allow them the opportunity of doing that.

And along those lines, we ought to have a system of emergency credentialing so that when people just show up on a scene of a disaster, whoever is in charge, the first responders in charge will have a way of quickly and rapidly assessing whether this individual, indeed, possesses the credentials that they purport to have. And that would go a long way towards alleviating, frankly, some of the confusion that occurred on the ground in various health care sites, not just in Texas, but back in Louisiana as well.

Madam Speaker, the late President Ronald Reagan used to say, ''trust, but verify.'' Trust the market to make correct decisions, and to the extent that distortions can be removed, remove those distortions, but remember that some guidance from market principles will always be required, whether the system is completely public or completely private.

Finally, as part of this discussion, there must be a rational breakdown of the numbers of the uninsured. We want to talk about, how do we cover the uninsured? We don't have accurate numbers, not for the total number of the uninsured, but who comprises that population? We just say 47 million uninsured. And we're happy to talk about that in a political sense, but we need the data on the breakdown of those numbers so we know how to better craft policies that will provide coverage that's needed for those individuals. Is it just that some people aren't bothering to buy insurance? Maybe we craft a policy that would encourage them to do that.

I don't like mandates. I prefer incentives. Other people may like mandates. But let's have that discussion. But if we don't know how big the population is who just choose not to have health insurance but has the means to pay for it, we will never be able to enter into that discussion because we don't know. We just say 47 million uninsured. We hit each other over the head with it.

We go home at the end of the day and feel like we've done a good job, the American people say not so much.

Finally, just a point of contrast. And we've heard it a lot because of our health care discussions this week. My good friends on the other side of the aisle want to expand a culture of dependence on the state, while on my side of the aisle we want to expand the number of individuals who actually own and direct their own care. Which system would you choose? Which system gives you the greater liberty, the greater freedom that we all treasure and cherish as Americans? The answer for me is obvious.

Finally, Madam Speaker, we talked about this a little bit at the beginning of this discussion, but the concept of American exceptionalism. The American health care system has no shortage of critics, critics throughout this body, critics throughout the city, critics throughout the world, but it is the American system that stands at the forefront of innovation and new technology, precisely the types of system-wide changes that are going to be necessary to efficiently and effectively provide care for Americans today and on into the future.

Now, Madam Speaker, I would rather this information not be widely disseminated, but from time to time I pick up and read the New York Times. An article in the New York Times from October 5, 2006, a year ago, by an individual named Tyler Cowlan, he writes, ''When it comes to medical innovation, the United States is the world's leader. In the past 10 years, 12 Nobel Prizes in medicine have gone to American-born scientists working in the United States, three have gone to foreign-born scientists working in the United States, and seven went to researchers outside this country; 15–7, America, the rest of the world.''

He goes on to point out that ''five of the six most important medical innovations of the past 25 years have been developed within and because of the American system.'' Now, comparisons with other countries may be useful, it may be information that we want to go out and seek and consider when crafting health care policy, but it is important to remember that it's the American system that's always reinventing itself and always seeking to improve itself. It is precisely because of the tension inherent in our hybrid system that creates the impetus for change. A system that's fully funded by a payroll tax, well, that's what they've got in Sweden. I think it's 7.1 percent that they pay on their payroll tax, and it funds their health care system. But quite honestly, Madam Speaker, there is no reason for them ever to seek improvement; and as a consequence, a system like that faces stagnation.

And indeed, if such a system, if it becomes necessary to control costs, guess where they look? Doctor, they look at you. They look at the provider. You know this. It's happening in the Medicare system, cuts projected for as far as the eye can see. Make no mistake about it, if the Democrats are successful with this SCHIP system that they are proposing to vastly expand, it's going to drive kids off of private health insurance onto an SCHIP program. The difficulties faced by providers within the Medicare system on an ongoing basis are certainly witness to this.

The fact is, Madam Speaker, the United States is not Europe. American patients are accustomed to wide choices when it comes to hospitals, physicians and pharmaceuticals. Because our experience is unique and because it's different from other countries, this difference should be acknowledged and embraced when it comes time to talk about reform or transformation, whether it's contemplated in a purely public or private health insurance model within this country.

One final point that's illustrated in a recent news story that was covered by a national Canadian television broadcaster about a Canadian Member of Parliament who sought treatment for cancer within the United States. The story itself is not particularly unique, but the online comments that followed the story I thought were pretty instructive.

To be sure, a number of the respondents felt that it was unfair to draw any conclusion because this was, after all, an individual who was ill and was seeking treatment. No argument with that concept. I hope she got the treatment that she sought, and I certainly pray that she got better. No one could argue this point. But one writer summed it up, ''She joins a lengthy list of Canadians who go to the United States to get treated. Unfortunately, the mythology that the state-run medicine is superior to that of the private sector takes precedent over the health of individual Canadians.''

A further comment from another individual: ''The story here isn't about those who get treatment in the United States. It's about a liberal politician who is part of a political party that espouses the Canadian public system and vows to ensure that no private health care is going to usurp the current system. She is a Member of Parliament for the party that relentlessly attacked conservatives for their ''hidden agenda'' to privatize health care. The irony and the hypocrisy in that position supports the notion that the rich get health care and the rest of us wait in line. All because liberals' fear-mongering that does not allow for a real debate on the state of the health care system in Canada.''

One final note from the online postings, ''It's been sort of alluded to, but I hope everyone who is reading this story realizes that, in fact, we do have a two-tiered system in Canada. We have public care in Canada. And for those who have lots of cash, we've got private care in the United States, which is quicker and better.''

Well, Madam Speaker, a little over a year ago, maybe now a year and a half ago, Alan Greenspan came and talked to a group of us one morning before he left Capitol Hill. And as it often happens with Chairman Greenspan, the talk came around to entitlements and entitlement spending. And the question got around to Medicare, how are we going to pay for Medicare. And the chairman acknowledged this is going to be a tough problem. But after he thought about it, he also said, ''When it comes time, I think that the Congress is going to end up doing the right thing and it will find a way to pay for Medicare.'' He said, ''What concerns me more is, will there be anyone there to actually deliver the services that you want?'' That's a pretty profound statement, and one that certainly has stuck with me for the past year and a half or more.

Now, in March of this year, back in my home State of Texas, the official magazine of the Texas Medical Association, Texas Medicine, put out a story. In fact, their cover story that month was, ''Running Out of Doctors.'' I think that's something we need to pay some attention to in this body. With all of our discussion about health care reform, all of our talk about changing the system this way or that way, more public, less public, more private, less private, if we ain't got the docs on the front line, it doesn't matter what we do because the care won't be there for the patients. We see this in the Medicare system. There is probably no other issue that I deal with with more frequency than the program cuts that are going to happen to Medicare physicians, again, literally, as far as the eye can see; 5 percent cut this year, 5 percent cut next year, oh, by the way, we've got to make up that 10 percent cut from last year. The problem is, the formula by which we pay physicians is different from the formula by which we reimburse hospitals, HMOs, drug companies and nursing homes.

Bear with me for just a moment because, wouldn't you know it, I have a poster that illustrates that. And I apologize, this one has gotten a little bit dated. The 2007 number has an asterisk beside it because that was projected, and now we're well into 2007.

This didn't happen because we held it back at zero. So it looks like there is no recording here for physician reimbursement under 2006; in fact, it was held at zero. Again, by a last-minute maneuver last year, we held it at zero for 2007 as well.

2002, pretty big cut. We did some last-minute changes in 2003, 2004 and 2005, which prevented the program cuts. We were unable to come up with any additional money in 2006 and 2007. Now, for 2008 and 2009, move this bar graph over a notch for those 2 years because that, after all, is what we're looking at, Medicare Advantage, hospitals, nursing homes, they're basically reimbursed on a cost of living adjustment, it's called the Medicare Economic Index. Physicians ought to be reimbursed on the

Medicare Economic Index, but they're not, and we need to fix that. It's not easy to fix it. It's going to cost some money. The Congressional Budget Office puts a very big number up there. Deep down in my heart I don't believe it's a real number, but nevertheless, we do need to be sensitive to that fact and we do need to fix it.

I would encourage Members to look at H.R. 2585. It is a way to sanely repeal the sustainable growth rate. It doesn't do it next year, waits a couple of years to do it, but because of some adjustments to the baseline, physicians won't, in fact, take a cut for 2008 and 2009. We need to keep them involved. And then in 2010, the SGR is repealed, with savings that are going to occur over the next 2 years. And we know savings are going to occur in the Medicare program over the next 2 years because that's the history that we've seen in the last several years.

The trustees' report that came out just this past June had some good news and some bad news. The bad news was, we're still going broke; but the good news is we're going to go broke a year later than what we told you last year. The reason is because 600,000 hospital beds weren't filled in 2005 that they thought would be filled in 2005. And why weren't they filled? Because the doctors were doing a better job. They were keeping people out of the hospital. Maybe the prescription drug benefit was allowing them for more timely treatment of disease, to treat disease earlier. So we didn't push them on that health disease continuum in the arena of disease, we kept them on the side of health. Things that are done in ambulatory surgery centers that are billed to part B, the physicians' part of Medicare, are actually savings that accrue in part A. Let's take those savings, sequester them, wall them off, a lock box, like we used to talk about back in 2000. Remember that? Put those savings in a lock box and use them to offset the cost of repealing the SGR in 2010.

□ 2030

That is the type of innovative thinking that is going to be required to get us out of this conundrum. And why is it important? Again, Alan Greenspan said, ''What worries me more is not how you pay for it, but is there going to be anyone there at the bedside to provide the service?''

I don't want to make light of what is a very serious situation. Yeah, there will always be someone there at the bedside, but I don't know that you want to look up and find it is Dr. Nick who is delivering your care, Dr. Nick, the famous physician from Springfield, Somewhere, U.S.A. who can do any operation for $199.95. That may be the physician of the future. We don't want to leave that legacy for our children. We need to correct this situation now. We can do it in this Congress if we just have the political will to work together to get this done.

Now, my time is almost up. This discussion on health care is likely to consume the better part of the next 2 years of both dialogue here on the floor of the House, dialogue on the Presidential campaign trail, and indeed dialogue in the general public. The United States is, indeed, at a crossroads. It is incumbent on every one of us here who believes, who believes in the American system of providing health care, that we be educated and we stay involved and we be committed to being at the top of our game every single day, whether we agree on every principle or not. We have to be on the top of our game every single day.

This is one of those rare instances where it is necessary, certainly on my side, to be prepared to win the debate because we don't have the votes to win much of anything in subcommittee, committee or the House floor. But it is an important topic. It is one of that the American people believe that we should be involved in.

If we adhere to the principles that I have outlined here this evening, I think that ultimately we are going to post a win for the health of the American people and for generations yet to come. That is the central task in front of us.

FISCAL RESPONSIBILITY AND THE WAR IN IRAQ

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from New Hampshire (Mr. HODES) is recognized for 60 minutes.

Mr. HODES. Mr. Speaker, I am delighted to be here tonight to talk about a number of issues that are of grave importance to this Congress and to the people of this country. I will be joined by some of my colleagues tonight who represent districts all over this country.

We are going to talk about a number of things tonight. We are going to talk about fiscal responsibility, which means money. It means we are going to talk a little bit about how in this Democratic majority Congress we have now taken a new responsible approach to spending the taxpayers' hard-earned tax dollars, because that is one of the main reasons that the taxpayers of this country sent a new Democratic majority to Congress, because they saw what had happened under previous Congresses. They saw that the Congress had engaged in borrow-and-spend policies that had left us with huge deficits, where before we had big surpluses, now we were running out of balance. And everybody knew that they couldn't run their businesses that way. They couldn't run their homes that way. And so they sent us to Congress to make a change about what we were going to do.

We are also going to move to talk about health care. We are going to talk about health care for kids because that is an issue that is very, very current. The President has vetoed a fiscally responsible, that means responsible with the money of the taxpayers, bill that would provide health care for the neediest kid in the country. He has vetoed that legislation. He said he doesn't want to have health care for our kids by vetoing that legislation.

We are going to be coming up for a vote in not too long about that. So we are going to talk about what it means for kids and for health care, and we are also going to sort of compare that to what is going on with the spending on the war in Iraq because the President and his administration have come and said they want to spend $191 billion more this year on the war in Iraq but they don't want to spend $35 billion to insure our kids.

I will just talk briefly now, and I have got a chart up, that shows you where we were when we started this Congress, what had happened with the mess. It is an example of what we were sent to fix, because this chart shows public borrowing by the administrations and the annual average of what we had to borrow to run our government. What you can see is where we came in to Congress. What we saw was, if you take a look down here in the lower corner, we started with President Carter. That little blue line shows that we were borrowing about $50 billion. Then you can see what happened under Presidents Reagan and Bush. Then you can see over here that under President Clinton we were able to handle the taxpayers' money in a responsible way. In fact, President Clinton, who was a Democrat, handled money so responsibly for the taxpayers of this country that when he left office in the year 2000 we were looking at budget surpluses over the next 10 years in the trillions of dollars. But when the Republicans took control, when President Bush came in, in 2000, he turned that upside down and topsy-turvy, and what we were left with coming into this Congress was the fact that President Bush was borrowing about $300 billion during his first 6 years. He had turned surpluses upside down into huge deficits that left us in the hole as far as the eye could see.

That is what we came in with. We came in with that, and we had to restore fiscal responsibility. Now, ''fiscal'' is a big word. It just means being responsible with the hard-earned money that the taxpayers of this country send to Washington so that an effective government honors local control but is able to get the projects done and run the programs that the people of this country expect. They expect us to be stewards of the public trust. By that, I mean they expect us to be honest about how we are spending their money. They expect us to use their money wisely. They expect us, just like they do at home and in their businesses, to balance things out and not spend more than we take in. And they want to make sure that we are spending their money wisely.

So what we did in very short order, and then I will throw it over to my good colleague from Wisconsin, was the first thing we did when we came into Congress was we established, reestablished, what are called pay-as-you-go rules. It basically means if you are going to increase spending over here, in order to keep the deficit from getting worse and making sure we are headed towards balance, we have to decrease something over here. So we put in these pay-as-you-go rules. Every bill that is covered by those rules has been a fiscally responsible thing to do. It means that we are using the taxpayers' money wisely as we head towards a balanced budget. Because the other thing we did was in the Democratic budget proposal, we set this country on a new track to be responsible about the taxpayers' money. We said we are going to establish a balanced budget by the year 2012. We are going to do that with the pay-as-you-go rules and making sure that we are restraining Federal spending, that even as we shift priorities towards health care for kids, health care for our veterans, benefits for our wounded warriors, with the greatest rise in spending in veterans' benefits in the 77 years of the Veterans Administration, even while we are spending money on competitiveness, we are headed towards a balanced budget with pay-as-you-go rules because we understand that it is not our money. It is the taxpayers' money. Our job is to spend it wisely and to spend it in a balanced way. We also got rid of something called ''fast tracking'' in order to make sure that our spending was responsible.

Now, with that as a framework, one of the things we are still facing are huge costs for the war in Iraq. As I said earlier on, the President and the administration has now come and said they want $191 billion more this year for the war in Iraq. We have had a bill that would help insure our kids that would cost about $35 billion. So really, we are faced with a choice in this country. Are we, and are my colleagues across the aisle who are supporting the President, going to decide that it is not worth the investment to invest $35 billion over 5 years in health care for kids, but it is worth the money to invest $191 billion in the war in Iraq? Is that the kind of choice we, as a country, are going to make? Is that something that is sound policy? Does it make sense for our kids? Does it make sense for health care? Does it make sense for the taxpayers? Does it make sense for the country? Those are the kinds of questions that we have to answer.

Now, I would like to turn it over to my good friend from Wisconsin, Dr. STEVE KAGEN, a man who understands what health care is about, who has been in the trenches helping kids get well, helping families stay healthy. He understands things about children's health care. I am going to turn it over to you, my good friend from Wisconsin, Dr. STEVE KAGEN.

Mr. KAGEN. Thank you for yielding, Congressman HODES. It is an extreme pleasure for me to be with you this evening and with our Speaker BRALEY from Iowa. The American people have been posed a number of questions by you this evening. I think the most important question was posed to our generation many years ago by Bobby Kennedy on the evening of the assassination of Martin Luther King when he asked the country this question: What kind of Nation are we? And which direction shall we turn?

We were confronted several days ago with a Presidential veto of children's health care called SCHIP. The State Children Health Insurance Plan, SCHIP, saves lives. SCHIP saves lives for children and for pregnant mothers. We have to do all we can to guarantee access to affordable care for everyone in our country. But first and foremost, what kind of Nation are we if we don't care for our children?

I have here a placard that gives us the SCHIP facts. People may have heard a number of things in the last several days about SCHIP, but these are the facts. SCHIP is a State-run private program. The States get grant money from the Federal Government to run their own programs. It focuses on the poorest working families in America, families that earn just above what would qualify for welfare or Medicaid health care coverage. It also provides $3.50 cost per child per day. Now, if you want to compare what you can do with your hard-earned tax dollars, you can invest $3.50 of your hard-earned tax money into the health care for children who need it most, and on 1 day we are currently spending $330 million to $400 million a day in the sands of Iraq.

Now, where I come from in northeast Wisconsin people are asking me this question: ''Doc, how can I get my country back? I want my country back.'' We need to create jobs here in America, not overseas. SCHIP fact Number 4, who is eligible? The poorest working people in America. People that are three times the Federal poverty rate, which is just under $58,000, $59,000 per year. Also, who is it going to cover? It is going to cover 10 million, 10.8 million, we hope, children who need access to their pediatricians, children who require their family practitioner to guide them and make them healthy.

If our children are not healthy, they can't learn in school. If they are unable to learn in school and progress with their education, what kind of future do they have? Our children, after all, are our own future. Our future depends on the good health of our children.

So these are the SCHIP facts that we are going to be taking about in the next several days. You will see more and more Congressmen and Congresswomen talking about health care for children. But I haven't seen in my medical practice over 30 years a single child in my examination room without a mother, a father, or a caregiver.

So we have to begin to broaden this discussion not just about children's health care, but access to health care for every citizen everywhere in these United States. So SCHIP is a proven program. I hold it against no one that it started out as a Republican program. It is a Republican-inspired private program administered by States with moneys appropriated through the Federal Government. It focuses on working families, the poorest among us, and focuses on putting children first.

It only involves U.S. citizens. If you are not a citizen, you are not a legal resident, you are not going to get these benefits that come with it. It is a private, private-run plan, private doctors, private health care plans, and children up to 19 years of age can be covered.

This is a program that works for kids. In my view, in the view of most people living throughout the United States and especially northeast Wisconsin, the President was being morally unresponsible. It is morally unacceptable to say ''no'' to our children.

I yield back my time for a few moments, to my good colleague from New Hampshire as we talk more about health care and its relationship to Iraq. Because the way I look at it, Iraq is a health care issue. They are using real bullets, real people are being killed, about 700,000 Iraqi civilians are dead, and they are not coming back. Thousands of our soldiers have given everything, have given their lives as they have served with courage, with honor and with incredible skill. We have done our job in Iraq. We have taken down Saddam. We have done everything the Iraqi Parliament needed us to do for them to help them in their religious civil war.

□ 2045

Mr. HODES. Well, it is really an important point to underscore, and I appreciate your saying it, which we all agree, that there is nobody on whatever side of the debate you're in about Iraq who doesn't understand that our troops have served with extraordinary bravery and courage. They have performed. It is really up to the policymakers. It is up to the administration, who makes the policy. It is up to Congress, who makes the policy, the Senate. It is up to the policymakers, who send our military to do the job to make the right judgments and right decisions about when they should be sent, under what conditions they ought to be sent, and what their mission is.

Mr. Speaker, one of the real sad failings is that the mission here has changed so many times, nobody knows what it is anymore. Seventy percent of the American people now understand that whatever it is that we have tried to do in Iraq hasn't worked. The Iraqi Government has not stood up. We have spent lives, our brave troops have given their lives, thousands and thousands of wounded, at a huge cost, because so far we have spent about half a trillion dollars in direct costs for the war in Iraq.

Half a trillion dollars. That has got so many zeroes that I really have trouble figuring out and contemplating wrapping my brain around what half a trillion dollars is. That is $500 billion.

That is an awful lot of money to experience what we have experienced in Iraq, because it's clear now that the war hasn't made us safer and more secure. It's clear that, unfortunately, al Qaeda and the Taliban are still strong and resurgent in the Pakistan-Afghanistan area, and still threatening to us. The region is more unstable.

Mr. Speaker, it is clear we need a new course. But we don't often talk about the costs, because it is not just the $500 billion or half a trillion dollars we have spent in direct costs in Iraq, but we are facing $1 trillion-plus in total costs for the care of all those who have served in Iraq, who are going to come home and need care on an ongoing basis as we go forward. And the costs in lost productivity to society are huge.

When you think about the comparison of the costs between what we have spent in Iraq and what we could spend that money on in terms of providing health care for our kids, as this Democratic Congress in a bipartisan way has proposed, because the SCHIP bill that we sent to the President was a bipartisan bill, we passed a bill in the House and then we sent it over to the Senate. They compromised. We worked with the Senate and we compromised on the bill. The Senate had some different ideas. They sort of reduced things in some areas and sent it back to us. We then sent this compromise bill to the President.

But even though it was a compromise bill, and even though it was supported by 45 Republicans in the House and numbers of Senators on the Republican side in the Senate, and I can talk about some of what they said later on, the President decided that $35 billion was too much to spend on our kids. He decided that $35 billion over 5 years for kids' health care wasn't worth the investment; that $35 billion for American kids who needed health care, American kids at the lowest income levels, struggling families trying to make ends meet, was not something that the President of the United States was willing to invest our money in. This, despite the fact that in previous speeches he had promised that he was going to cover millions of new kids for health care. But for some reason, when the Democratic-controlled Congress sent it to the President, he decided that it was too much. He also decided that he could ask us for $191 billion more for a failed policy in Iraq.

Mr. Speaker, here is how it breaks down. Here are the facts. Here are the figures. They are shown on this chart that I have.

What this shows is that 37 days in Iraq would pay for 10 million children to have health care every year. It shows 37 days in Iraq, 10 million kids with health care. One day in Iraq is costing us $330 million. That money, $330 million in the SCHIP program, would cover more than 270,000 kids. Just stop for a minute and think about those numbers.

Dr. KAGEN, I don't know about you, but where I come from, $330 million is a significant amount of money. That is what we are spending every day in Iraq. It would cover more than a quarter of a million kids for a year of health care. When you get into a week in Iraq, we are spending $2.3 billion, that is billion dollars, $2.3 billion every week, and that amount of money, if we spent it on SCHIP, would cover 1,891,000 kids. That is a huge number of kids, for 1 week of Iraq war spending. And it is hard to say we are spending our money wisely in Iraq.

Let me just tell you a little bit about a hearing that I was on. I have the privilege of sitting on the Oversight and Government Reform Committee, and one of the issues we took up in the past couple of weeks was the issue of the cost of corruption in Iraq.

Now, the Middle East has always been a difficult place when it comes to how governments spend money, how they account or don't account to their citizens, what kind of accounting practices they have, and the issue of corruption has traditionally been one that throughout the Middle East has been a significant problem. So you would think, for instance, that maybe in Iraq, now that we are there in such strength, we have 160,000 of our troops fighting there, we have support personnel, we have a huge number of contractors, another bit of a problem that we ran into. But with all these contractors and all these people and all the American money and all the oversight and all the planning, you would think that maybe after 5 years of the Iraq occupation we would be in a position to do something about the corruption in Iraq, to make sure that money was being spent wisely, because if you are going to spend $2.3 billion in one week in Iraq, which otherwise would cover almost 2 million kids for health care for 1 year, you want to make sure that it is going to be spent well. You would think you would want to make sure.

So at this oversight hearing we had on October 4, we had the chief judge from Iraq who was dealing with corruption and accountability under the new al Maliki government that we have supported come to our hearing. By the way, he is no longer in Iraq, because he fears for his life. So not only is there a problem on the money side, but there is a problem when people try to do something about it. He now fears for his life, so he is over in this country, and he came to testify. His name is Radhi Hamza al Radhi, former head of the Iraqi Commission on Public Integrity.

He took the oath, and testified as follows. He told us that the corruption within the Iraqi Government has cost the Iraqi people $18 billion. So instead of its original purpose, infrastructure, new hospitals, electricity, things that the people need, he told us the money is now being used to finance terrorist militias in Iraq.

Also of note with this government of al Maliki that we are supporting, what the judge said was, when we asked him, why are you here and what happened when you tried to do something about the corruption? What he said was, well, I tried to investigate many cases of corruption within the government of Iraq and with Iraqi officials. It was my job. I was set up. I was supposed to coordinate with the Americans who were overseeing the corruption and coordinate with the Iraqis who were overseeing the corruption. My job was to investigate corruption.

But he ran into a bit of a roadblock. You know what he told us the roadblock was? The roadblock, for example, was Prime Minister Maliki himself, who blocked his attempts to uncover the truth and to deal with corruption. Why did he do it? He did it because the people that the judge was investigating were Shia, so the Prime Minister didn't want those people investigated, or because they were related in some way to the Prime Minister, so those people couldn't be investigated.

So with the money we have poured into Iraq, the money we have poured in for reconstruction and other things, the Iraqi Government is missing $18 billion worth in corruption. That is what we are dealing with in Iraq. That is where our money is going. And instead of covering our kids for health care, we want to spend another $191 billion more in Iraq.

Dr. KAGEN?

Mr. KAGEN. Thank you for yielding. One of the nice things about being in the majority is we have an opportunity now to have oversight, to ask questions seeking the truth about where our hard-earned tax dollars are being spent.

I have always believed and I believe everyone in Wisconsin believes that your family values are reflected in how and where you spend your money. The values of this administration, of this President, will be reflected in how and where he is attempting to direct us to spend our hard-earned dollars.

We have heard from you, Congressman HODES, the voice of the administrator from the new Iraq, the freely elected government of Iraq. I would like to share with you now some of the words of people from my district who have concerns about money and their health and where we are going.

Albert from Crivitz writes, ''Without a job that pays a fair wage, I won't have money to pay for health care, gas, a war, Social Security or anything else.''

Albert in Crivitz understands. He has to balance his checkbook every month and he can't spend money that he doesn't have.

Lloyd in Wisconsin, who I spoke with this evening before coming down to the floor, he is from Kaukauna, said, ''Do

something to help your senior citizens for health care and drug programs. Thank you.''

When I spoke with him this evening, he went beyond his postcard to me to explain that he has two daughters who are retarded who are dependent upon him. And even though he is trying to retire, he is a retired paper worker in the paper industry and his wife has diabetes, he is having a hard time making it. And without the role of government, what kind of future would he and his daughters have?

From Waupaca, Dianne writes to me, ''We know numerous people over 50 who have lost their jobs so companies can cut health care and payroll costs, and cannot find any other work and no longer have health insurance.'' No health insurance for 4 years.

In speaking with Dianne's husband this evening, Ken, he explained that his son is shipping out on the 26th of this month to Iraq as a member of the Guard. He is a gunner on a Humvee. He is a college graduate, and he is making a sacrifice.

No one in this administration has asked the American people to sacrifice for this poor judgment of entering into the Iraqi civil war. But who is he really asking to pay the price? He is asking us to forgo health care for the poorest among us and for our Nation's children who are near poverty. That is a poor choice. It is poor judgment that got us into Iraq. But we have to stand up in this House, in this, the People's House, expressing citizens' points of view. It is their money, and that is who we represent.

From Appleton, Wisconsin, my hometown, Leroy and Lois: ''We are retired, over 80. We need drugs for high cholesterol, but the cost for this drug is extremely high. Also it would be great to have some alternative auto fuel.''

These people in Appleton really get it. And they are listening tonight. I called them to tune in on C–SPAN, because we are expressing their views here this evening.

From Fremont, Wisconsin, Larry writes, ''My wife and I spend over $900 a month for drugs now. When we hit the doughnut hole, that is when we really will pay.'' In speaking with him tonight, his wife is in the doughnut hole. That is over a $2,400 hole, and their copay is $600 for their medications.

We have some values that we have to reflect here in the People's House. Where are we going to spend the taxpayers' hard-earned dollars—overseas, or here at home?

□ 2100

Bonnie from Biron, Wisconsin, writes, ''We need to start worrying about the people of U.S.A. before we worry about others in the world.''

Robert from Green Bay, ''Iraq, bringing them home. If taxpayers can't get the same health insurance as Congress, at least get drug costs down to the VA amounts.''

My friend, people in Wisconsin understand the deal they are being handed. My honorable friend, Congressman HODES, you point to a chart that shows $330 million a day being spent in Iraq. I can build 10 brand new hospitals in Wisconsin with that amount of money. Each and every day, 10 hospitals in your State, Texas, California, Missouri, everywhere in these United States and that money is gone and it is not coming back.

Mr. HODES. As I hear the stories that you are telling me from the folks back home in your district in Wisconsin, it literally breaks my heart to think, as a Member of Congress, we are having to fight, we are having to fight hard for the people of this country to override a Presidential veto which says we are going to spend money on a failed war instead of spending money on health care for our people. Health care for our people. We would rather spend the money over there on something that isn't working. But questioning whether or not we are being wise about making a basic investment in the health care for kids with a program that has worked well to help lift kids out of poverty and into health, because when kids are healthy, they can learn. When the kids are learning and productive, their families are working better. Those are the kinds of things that the American people expect us to be spending our money on.

They are asking those questions. Why are we spending so much money in the sands of Iraq and with so little to show for it and why aren't we investing for kids at home. And they may not even know where all that money is going because the numbers are so big; $191 billion, what does that mean to anybody? When I carry around a $10 bill in my wallet, I can handle those sums. But $191 billion, what is it going for? What is it paying for? What kind of value are the taxpayers getting for what they are spending?

Mr. KAGEN. That brings up a good point that Linda DePere writes, ''I do not want the government involved in health care. The government mismanages money and thinks funds are endless.''

We agree with Linda, but we also believe in good government. And I believe good government can make a real difference in people's lives. That's why I left my medical practice to come to Congress to speak up for people who can't pay for their prescriptions.

Mr. HODES. It is a fair thing for the American people to expect competence from their government. They expect us to manage their money well, to manage it wisely, to be smart and be prudent and to be basically competent. That is one of the things that an effective government does.

When you think about some of the ways that our government has unfortunately mismanaged the effort in Iraq, the imagination cannot even keep up with what kinds of things have gone on.

Here are a couple of things. We know that the Bush administration has tragically mismanaged the war. The money we have spent on contracting has just been like throwing it out the window because we have had contracts upon contracts and subcontracts, nobody knows where the money has gone. Somebody is making a lot of money in Iraq. It was a free-for-all from the beginning with no-bid contracts, contractors piled on top of each other, and millions and billions of dollars.

We heard in one of our hearings in the Oversight Committee how we shipped $12 billion in cash over to Iraq during the early days of the occupation. The money was just given away to the ministries in Iraq and spent without any kind of accountability. And there have been how many prosecutions for war profiteering? Very few.

Luckily, our Congress in the past few days has enacted the War Profiteering Act, and we hope that will mean some real accountability. But there are billions unaccounted for. We have spent more than $50 billion on U.S. contractors for relief and reconstruction activities in Iraq alone; yet we heard in our hearings how these contractors who were being paid millions and billions of dollars weren't getting the jobs done. Things were left unfinished. The money was being wasted, and with all that, the Special Inspector General for Iraq Reconstruction had a report recently. He said that the Coalition Provisional Authority in Iraq, that was the government that we set up under Mr. Bremer, who is a good friend of the President, we set up this Coalition Provisional Authority. He said, I am the ruler of everything, I'm running the show. He ran the show. They can't account for $8.8 billion. I will say it again: They can't account for $8.8 billion.

If you look at what that involves, that is about the money to insure over 8 million kids under SCHIP, $8.8 billion. That is about the equivalent that it means. Gone, unaccounted for, can't figure it out. That is not competent management.

Take the issue of Blackwater that we have dealt with in hearings the other day. We found out that this company, Blackwater, which is providing security in Iraq and which now is under question for a terrible incident in which many Iraq civilians seem to have been gunned down, it is now being investigated by the FBI. Well, Blackwater is charging the government $1,222 a day for the services of a private military contractor. Each person they have got, $1,222 a day. That is $445,000 a year for each of these security guards, and that is over six times what we pay an equivalent U.S. soldier.

When we heard that during the hearing, we sat there stunned. We scratched our heads. We brought in the State Department and asked them what they knew about it. They couldn't give us any good answers. They were being

guarded by these guys at these exorbitant costs, but they were not willing to talk to us. They weren't able to talk to us and couldn't give us any answers. We wanted to know why shouldn't we have U.S. soldiers perform these duties at a much lower cost.

Now, one of the things that we expect from our government is competent management. We certainly haven't gotten it in this effort in Iraq, and we want to make sure that our kids are covered. We have incompetent management in Iraq, or are we going to cover our kids. Those are the kinds of choices that we are facing. They are pretty basic choices.

Mr. KAGEN. Being a songwriter and a singer yourself, I understand, you remember the song, ''There's a Hole in the Bucket.'' Well, when we came to Congress, we discovered there is a hole in the bucket. We feel, and I will just speak on behalf of myself, I feel just as frustrated as everyone back home that change can't happen fast enough, that we can't plug the leaks as fast as humanly possible.

We have not got the ability. I wasn't elected President; I was elected to be one of the 435 Members of Congress who express the people's view. We are not the administrators. Our job is to do oversight, to legislate, and to fund those things and place our values on the table and put our money where we believe the people best want it spent.

And people watching have to ask themselves: Whose side are we on? Are we on the side of large insurance companies? Are we on the side of no-bid contractors?

I am a Democrat. I am not on their side. I don't sit in the boardrooms. I sit and stand with you on the House floor speaking their voice.

All these issues come together. You cannot solve our situation in Iraq and health care and education and our environment and the safety and security of this Nation without talking about how we are going to spend our hard-earned money. It always requires money, and that's obvious. It is simple. Money is a problem solver. If you have a problem, you throw money at it and the problem should go away. Well, we are throwing money into Iraq and the problem isn't going away.

Here are the words from Tom and Sue from New London: ''Number one, 51 million people without health care is a disgrace. Number two, the war in Iraq is like Vietnam all over. Number three, outsourcing is unacceptable and morally wrong.'' Tom and Sue from New London understand. There is a connection between outsourcing by hiring people offshore, lower wages, lower tax base that we don't have the money to solve our problems here at home.

Vicki from Green Bay writes, ''Better medical care for poor seniors.''

Well, SCHIP is not focused at seniors. It is focused first at our children who are most at risk, those with lower-income families. Those are the people I think we have to focus on first, and never think for a moment we are going to neglect our seniors, our military veterans and active military people who have served and put their lives on the line. They covered our back. It is time we cover theirs as well.

This is Kathleen from DePere: ''It is time for all Americans to have the same health care benefits as their representatives in Washington.''

Well, Kathleen, you don't want my coverage because I respectfully declined the health care benefits here until everyone in my district and the State and the country is offered the same cafeteria menu of choices. I felt it was wrong.

Deb from Little Chute in my district. ''I want to see lower drug prices for everyone, not just seniors.''

People back home get it, Congressman HODES. It is not just about kids, but we have to start somewhere. If we can't stand up and say—what kind of Nation are we, that we would turn our back on those most in need, children from hardworking families, what kind of Nation are we? It is morally unacceptable for the President to have vetoed this bill. This bill is paid for, and it is paid for in a responsible manner. It is a good deal for the American taxpayer. It is a great deal for our future to invest in our children's care.

Mr. HODES. It is extraordinary to stand on the floor of the House of Representatives and have the privilege of representing hardworking families in this country who get it. I believe the people of this country know in their hearts that our kids are important. The kids are not Democrats or Republicans; they are American kids. That is why the SCHIP bill is a bill about American kids. It is not a partisan bill. In fact, it had enormous bipartisan support. That's why 45 Members of the House of Representatives who are Republicans supported the bill. That's why it was supported in the Senate by so many Republican Senators.

Some of the things that were said by Republicans about the SCHIP children's health care bill which our President has now vetoed and which we are trying to override so we can bring health care to the most needy American kids, so we can make the investment that the American people understand is the moral thing to do, the smart thing to do with money, the smart thing to do for our future, they understand our kids are our future. Here is what some Republicans have said about that bill.

Representative REHBERG from Montana said: ''I think it is a sensible, reasonable compromise.'' Sounds right to me. He said that on September 25.

Representative THOMAS PETRI, a Republican from Wisconsin, said: ''A lot of hard work has been put into this bill, including the successful efforts of Senators ORRIN HATCH of Utah and CHUCK GRASSLEY of Iowa, both good Republicans and conservatives. So,'' he said, ''I am comfortable that this bill is the right compromise, that it will provide much-needed health insurance for the Nation's low-income children, and do it at a reasonable cost.'' He said that in the Northwestern in Wisconsin, a paper, on September 25 of 2007, this year.

Representative WAYNE GILCHREST, a Republican from Maryland, says, ''This is a compromise version of the bill which has the support of a broad coalition of groups. It focuses on the lowest-income kids, and fixes a lot of problems with the current programs.''

Now, these aren't the words of Democrats. These aren't the words of people who some folks might even dismiss as liberals. You know, when you use the word ''liberals,'' just trying to spend people's money, they say.

□ 2115

These are the words of my Republican colleagues who sit here day after day and have come together in a bipartisan coalition, in a bipartisan way, as good Americans to send the President a reasonable compromise that represents the best thinking, the best work that we could produce to cover our kids. Because the children's health care bill that we sent the President is not only good health care for kids, it's good health care, period. And it's done in a responsible way because what we did was we said we'll spend $35 billion over 5 years, we'll fix some of the problems with the current program, we'll not only insure the 6 million kids who are now the beneficiaries of this SCHIP program, but we'll expand it to about 3.8, almost 4 million more kids, but we're going to pay for every penny of that investment. How are we going to pay for every penny of that investment? We're going to frankly ask smokers to pay some more than they're paying now and use that money to pay for our kids.

So there's a trade. We have health care for kids and sound health policy because when we have smokers, we've got secondhand smoke, we've got huge rates of disease. So we're going to be sound fiscally. That means spending the taxpayers' money wisely. We're not going to spend new dollars. We're going to take from over here and pay for our kids over here.

So that's what we proposed, and as I said, all these Republicans, good, good Americans, and our colleagues here decided that it was worth it on a bipartisan basis, and here's what the President proposed. Here was the President's approach to what he wanted to do for America's kids.

Under the President's budget, 840,000 of our kids will lose their SCHIP coverage. Eight hundred forty thousand kids under the President's proposal will lose their health care. That's what he wants to do, and what we proposed, in a bipartisan way, in this Congress, one of the stunning achievements of the 110th Congress was doing what the American people asked us to do, because one of the things I heard when I came to Congress was we want to see

you folks get past the bickering. We want to see you folks get past all that gridlock in Congress. We want to see Republicans and Democrats come together, come together and put the interests of Americans first.

And so on this bill, the kids' health bill, that's exactly what happened. Republicans and Democrats came together, sent it to the President, and said, Mr. President, this stunning example of bipartisan cooperation is ready for your signature, pick up the pen and help America's kids, Mr. President.

And what the President did and I personally in my heart of hearts find it not just disappointing but disgraceful, that what he did was he vetoed that bill. And now we're faced with trying to bring some of our Republican colleagues along to help override that veto so our kids, our poorest kids can have health insurance.

I yield to the gentleman.

Mr. KAGEN. Thank you for yielding. One of the lessons I learned when I entered the world of politics and politicians was that it's politicians that determine who will live and who will die. It was, after all, politicians that took us to war based on lies and deceptions, and it's politicians today who are preventing my patients, my constituents and those who are most in need from having access to their health care that they require to survive. It's politicians that are very important.

So our politicians I believe on every level, whether you're a mayor, an alderman, a county board person, a Governor, a President, our elected leaders must now, more than ever, have good judgment, and good judgment will yield good results.

Now, this bill isn't just paid for with SCHIP. It saves money. Instead of a low-income family taking their children with a strep throat to the emergency room, they will get to go to a doctor, and you know, I can share with you a scientific fact you already know, but sometimes people who point out the obvious are called geniuses. You know, a cataract never had a name on it like Republican or Democrat. Strep throat never had a name like Independent or Progressive or Republican. Human disease has no political affiliation. I have not asked my patients what political party they're in before we decide what's best for them. The motto is, the thematic idea is, do what is best for your patients if you're a physician.

Here in Congress we have to have that same mantra, that same idea: do what is best for our constituents. That's our duty. That's our job, but we have to have good judgment.

Now, the other thing I've discovered here, when I served in the Veterans Administration hospitals as a physician during my training days, we had a slogan that said, hey, wait a minute, if it makes sense, don't do it; it's the military. If you served in the Marines or the Army, you might have that same idea, wait a minute, if it makes sense, what are we doing it for?

But we have to now make sense of our judgments, especially with health care for our children. They are the ones most at risk. Early in life, the early development of the human brain, the first 5 years of development are so critical to the future health and psychology of that person. We have to invest in our children's health care. SCHIP is not perfect but it is the best way forward. It just makes too much common sense for many people.

I'm hoping that tonight people watching throughout America will understand, yeah, it does matter who my politician is, who my congressperson is. They should call and write their congressman and congresswoman today. Don't wait till tomorrow. This is far too important.

This is a matter literally of life and death. It's not just your pocketbook. We're talking about your neighbors, the people that live just down the street that don't have access to care that they require.

We can change it. I believe in good government. I know you do as well. I know people listening want good government. This is their opportunity to participate. We have shared their stories here tonight. It's their story, and it's their lives that we're attempting to improve. Their quality of life is on the line on the 18th of October.

This President has failed to listen to ordinary people, people from my district who are asking for access to their doctor, who are asking him to take a new and different direction away from Iraq and back after Osama bin Laden and his followers.

The President, who I believe is a good man, has poor judgment on this one, is listening to some people that are giving him bad advice. We'd like to work with the President.

The third lesson I've learned: One congressperson can't make a tremendous change, but they don't have to give up trying. What really matters here in our government is who's in the White House. I'm convinced, now more than ever, with this recent battle over health care for children that makes sense, that's paid for, that saves money, saves tax dollars, if we can't win over this President and the Republican Party on this argument, they don't deserve to be in the White House for a generation. Their judgment is ill, spoken like a physician, and no joke meant.

I cannot tell you how hard I took it when the President said ''no'' to our children, to our Nation's children most in need. It's the most unkind act, other than taking us to war based on poor judgment and deception.

Mr. HODES. Well, I hear you loud and clear, and I think the American people do, also.

You know, there's often a mistrust of politicians, and you and I came to Congress not from lives as professional politicians. You and I came to Congress because we saw trouble in our country. We saw priorities that weren't being handled right. We saw policies that weren't working for hardworking American people. We saw a country we loved where the Constitution was treated as a nuisance, where the American people weren't told the truth, where the real needs of hardworking folks in our districts, in our home States, the needs for health care, for good schools, for good jobs, for rational trade policies, for an end to wars that didn't work weren't being answered by the politicians when we ran for office.

You were a doctor. I practiced law for years. I was never in the State legislature. I don't think you were either. We came here to do the most good for most of the people all of the time.

And on this bill in particular, it is such a shame that it has become any kind of political football. We didn't make it that way. What we did on this bill was we reached across the aisle and we said to our Republican colleagues, come on, this is for America; we can at least agree on this, that we're going to get past the gridlock, we're going to help kids because that's what Americans are about.

We're good, decent people who understand that our kids are our future, and whatever political party we're in, our kids are our future. We love them and we want to help them. They shouldn't be sick. The sight of one sick child who otherwise could have been helped with the SCHIP bill, who goes ill, who lies there sick because his family or her family can't afford to take her to the doctor because this President has decided that a war in Iraq is worth spending $191 billion on but our kids aren't worth $35 billion over 5 years is something that I think you and I have a hard time understanding. It has a direct impact.

And for us as politicians here in Washington, sitting in the House of Representatives, it's a great privilege, great honor, great obligation which we take seriously, but ultimately, the way change happens in this country is at the grassroots. It's people around America, and there are probably a lot of folks who are listening to us tonight because this goes out all over the country, and what I'm begging the people of this country to do, what I'm asking is that it's up to them, Mr. Speaker. It's up to the people in this country to say to the President, to say to their representatives, whether they're Republicans or Democrats, who haven't voted for the SCHIP bill and who have got to vote to override this veto, it's up to the people of this country to step up, step forward, use e-mail, use mail, use the telephones. Don't let this go.

We need the people of this country to step up and speak to their representatives and say this veto must not stand. It's not right for America. It's not who we are. It's not the moral thing. It's not the right thing to do monetarily. It's not the right thing for our kids, to send a message loud and clear to the

President of the United States that says we're not going to stand down with you, we're going to stand up for our kids.

Because if we don't do it, if the people of this country don't do it, if the House of Representatives, if the Congress won't stand up for kids, we know the President won't, who will? We have the opportunity in the next week or so to come to a vote, and I think it's going to come up to the floor of this House on Monday next week. Maybe I'm off on my date. It will be the 18th of October. There's going to be a vote right here on this floor where you and I are standing of whether or not we are going to override the President's veto, and I want my colleagues and especially those who we need on the other side of the aisle who are thinking about whether or not to support the President or support the kids to hear from the people of this country, because I'm betting, as sure as I'm standing here representing the good people of New Hampshire, I'm betting the people of this country want the President and the Congress to stand up for kids, not to stand down with the discredited President.

That's what I'm betting. That's where I am putting my money. I'm putting my money on the kids, and I'm putting my money on the people of the United States of America. What do you think?

Mr. KAGEN. I appreciate your sentiment, your energy, and I agree with everything that you have been saying, and I would ask another question of the American people, not just what kind of Nation are we, but this essential question that you will recognize. If not now, when? And if not you, then who? This moment does matter.

I am so grateful for our leadership in giving us this opportunity this week to have an ongoing conversation with constituents and voters and parents and children all across the country. We need to have a discussion about what kind of Nation we are and in which direction we're going to turn, shall we invest in the health of our children, those who are most in need, or shall we be unkind and immoral and turn away from them? I think most people would agree with us, that it's a great idea to be healthy and especially to invest in the health of our children.

□ 2130

In the State of Wisconsin, the SCHIP program under BadgerCare, what we call BadgerCare, 16,527 children are covered. We can enhance with this bill up to 37,000 additional children who have access to health care. My friends, if not now, when? And if not you, then who? You must contact your representative to make sure that he or she is speaking the way you want them to speak.

We have been listening to you all throughout our election and all throughout our careers, we will continue. Because a politician is someone who is looking forward to their next election. We are statesmen looking out for our next generation.

Mr. HODES. You know, in my home State, the bill would preserve care for 11,000-plus children, and we could add 8,000 children with our bill. I think, as we have talked tonight with each other and with the American people about what this means for our children, it is clear, certainly, that you and I are here listening to the American people, trying to do the best we can for hard-working families and our kids.

There is nothing as simple. It's a pretty simple proposition we face. Are we going to stand up for our kids, or stand down with a discredited President, and we both said that we need the American people to speak loud and clear, because we are two voices among many. But the American people can speak on this issue with a solid unified voice, send a message to Congress, send a message to the President, that we will stand up together for our kids. It's the least we can do. It's the best we can do. Together, we can make a difference for the kids of this country.

Mr. KAGEN. By working together, we will.

Mr. HODES. Thank you for having a great evening and a great chance to talk together on this important issue.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CUMMINGS (at the request of Mr. HOYER) for today after 5 p.m.

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 Ms. LEE) to revise and extend their remarks and include extraneous material:)

Mr. LEWIS of Georgia, for 5 minutes, today.

Mr. CUMMINGS, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Ms. LEE, for 5 minutes, today.

Ms. WATERS, for 5 minutes, today.

Ms. WATSON, for 5 minutes, today.

Ms. SCHAKOWSKY, for 5 minutes, today.

Mr. HINCHEY, for 5 minutes, today.

Mrs. JONES of Ohio, for 5 minutes, today.

Mr. NADLER, for 5 minutes, today.

Mr. PAYNE, for 5 minutes, today.

Mr. MCDERMOTT, for 5 minutes, today.

Mr. LOEBSACK, for 5 minutes, today.

Mr. ELLISON, for 5 minutes, today.

Ms. SOLIS, for 5 minutes, today.

Mr. HARE, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. KAGEN, for 5 minutes, today.

Mr. COHEN, for 5 minutes, today.

Mr. GRIJALVA, for 5 minutes, today.

Mr. MCGOVERN, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

(The following Members (at the request of Mr. JONES of North Carolina) to revise and extend their remarks and include extraneous material:)

Mr. JONES of North Carolina, for 5 minutes, October 17.

Mr. KIRK, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. DOGGETT, for 5 minutes, today.

ENROLLED BILL SIGNED

Ms. Lorraine C. Miller, Clerk of the House, reported and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1124. An act to extend the District of Columbia College Access Act of 1999.

ADJOURNMENT

Mr. HODES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 31 minutes p.m.), under its previous order, the House adjourned until Friday, October 12, 2007, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

3674. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department's final rule — Mexican Fruit Fly; Removal of Quarantined Area [Docket No. APHIS-2007-0051-3] received September 25, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3675. A letter from the Assistant to the Board, Department of the Treasury, transmitting the Department's final rule — Expanded Examination Cycle for Certain Small Insured Depository Institutions and U.S. Branches and Agencies of Foreign Banks [Docket ID OCC-2007-00014] (RIN: 1557-AD02) received September 25, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

3676. A letter from the Assistant Secretary For Export Administration, Department of Commerce, transmitting the Department's final rule — Implementation of the Undertanding Reached at the June 2007 Australia Group (AG) Plenary Meeting; Addition to the List of States Parties to the Chemical Weapons Convetion (CWC) [Docket No. 070705267-7492-01] (RIN: 0694-AE08) received September 17, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Foreign Affairs.

3677. A letter from the Assistant General Counsel, Federal Election Commission, transmitting the Commission's final rule — Use of Campaign Funds for Donations to Non-Federal Candidates and Any Other Lawful Purpose Other Than Personal Use [Notice 2007-18] received September 25, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on House Administration.

3678. A letter from the Director, Reg. Management, Office of Regulation Policy and Management, Department of Veterans Affairs, transmitting the Department's final

rule — Disclosure of Information to Organ Procurement Organizations (RIN: 2900 AM65) Recived September 4, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3679. A letter from the Chief, Publications and Regulations, Internal Revenue Service, transmitting the Service's final rule — Regulations Governing Practice Before the Internal Revenue Service [TD 9359] (RIN: 1545-BA72) received September 25, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

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. CONYERS: Committee on the Judiciary. H.R. 2102. A bill to maintain the free flow of information to the public by providing conditions for the federally compelled disclosure of information by certain persons connected with the news media; with an amendment (Rept. 110–370). Referred to the Committee on the Whole House on the State of the Union.

Ms. MATSUI: Committee on Rules. House Resolution 724. Resolution providing for consideration of the bill (H.R. 2095) to amend title 49, United States Code, to prevent railroad fatalities, injuries, and hazardous materials releases, to authorize the Federal Railroad Safety Administration, and for other purposes (Rept. 110–371). 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. LAMPSON:

H.R. 3791. A bill to modernize and expand the reporting requirements relating to child pornography, to expand cooperation in combating child pornography, and for other purposes; to the Committee on the Judiciary.

By Mr. WAMP:

H.R. 3792. A bill to amend the Federal Election Campaign Act of 1971 to repeal the limitation on party expenditures on behalf of candidates in general elections; to the Committee on House Administration.

By Mr. ALTMIRE (for himself, Mr. STEARNS, Mr. JONES of North Carolina, and Mr. PATRICK MURPHY of Pennsylvania):

H.R. 3793. A bill to amend title 37, United States Code, to require the Secretary of Defense to continue to pay to a member of the Armed Forces who is retired or separated from the Armed Forces due to a combat-related injury certain bonuses that the member was entitled to before the retirement or separation and would continue to be entitled to if the member was not retired or separated; to the Committee on Armed Services.

By Mr. FILNER:

H.R. 3794. A bill to improve the availability of benefits for veterans and the surviving spouses of veterans who were exposed while in military service to ionizing radiation, and for other purposes; to the Committee on the Judiciary, 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. FILNER:

H.R. 3795. A bill to amend title 38, United States Code, to provide that veterans of service in the 1991 Persian Gulf War and subsequent conflicts shall be considered to be radiation-exposed veterans for purposes of the service-connection of certain diseases and disabilities, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. GEORGE MILLER of California (for himself, Ms. KAPTUR, Mr. KILDEE, Mr. BISHOP of New York, Mrs. MCCARTHY of New York, Ms. SHEA-PORTER, Mr. KUCINICH, Mr. DAVIS of Illinois, Mr. GRIJALVA, and Ms. WOOLSEY):

H.R. 3796. A bill to amend the Worker Adjustment and Retraining Notification Act to minimize the adverse effects of employment dislocation, and for other purposes; to the Committee on Education and Labor.

By Mr. PRICE of North Carolina (for himself, Mr. THOMPSON of California, and Mr. UDALL of Colorado):

H.R. 3797. A bill to require the President to seek to institute a regional diplomatic plan for the Middle East, and for other purposes; to the Committee on Foreign Affairs.

By Mr. HAYES (for himself and Ms. BORDALLO):

H.R. 3798. A bill to amend title 38, United States Code, to provide for employment and reemployment rights for certain individuals ordered to full-time National Guard duty; to the Committee on Veterans' Affairs.

By Mrs. MALONEY of New York (for herself, Mr. DAVIS of Illinois, Mr. HOYER, Mr. TOM DAVIS of Virginia, and Mr. GEORGE MILLER of California):

H.R. 3799. A bill to provide that 8 of the 12 weeks of parental leave made available to a Federal employee shall be paid leave, and for other purposes; to the Committee on Oversight and Government Reform, and in addition to the Committee on House Administration, 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. ESHOO (for herself and Mr. ROGERS of Michigan):

H.R. 3800. A bill to advance the adoption of nationwide interoperable health information technology and to improve health care quality and reduce health care costs in the United States; to the Committee on Energy and Commerce.

By Mr. SMITH of Washington (for himself, Mrs. TAUSCHER, Mr. CROWLEY, Mr. KIND, Mr. DAVIS of Alabama, Mr. MOORE of Kansas, Mr. CARNAHAN, Mr. ALTMIRE, Mr. COURTNEY, Mr. MORAN of Virginia, Mr. LARSEN of Washington, Mr. DICKS, Mr. ETHERIDGE, Mr. BAIRD, Ms. BEAN, Mrs. MCCARTHY of New York, Mr. MATHESON, Mr. INSLEE, Mr. GONZALEZ, and Mr. CUELLAR):

H.R. 3801. A bill to amend the Trade Act of 1974 to address the impact of globalization, to reauthorize trade adjustment assistance, to extend trade adjustment assistance to service workers, communities, firms, and farmers, and for other purposes; to the Committee on Ways and Means, and in addition to the Committees on Education and Labor, Energy and Commerce, and Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BOSWELL (for himself, Mr. TERRY, Mr. ENGLISH of Pennsylvania, Mr. FORTENBERRY, and Mr. PETERSON of Pennsylvania):

H.R. 3802. A bill to prohibit the collection of tolls on highways, bridges, and tunnels constructed using Federal funds; to the Committee on Transportation and Infrastructure.

By Mr. BUTTERFIELD (for himself, Mr. WATT, Mr. ETHERIDGE, Mr. PRICE of North Carolina, Mr. MILLER of North Carolina, Mr. MCINTYRE, Mr. SHULER, and Mrs. MYRICK):

H.R. 3803. A bill to designate the facility of the United States Postal Service located at 3100 Cashwell Drive in Goldsboro, North Carolina, as the ''John Henry Wooten, Sr. Post Office Building''; to the Committee on Oversight and Government Reform.

By Mr. CAMPBELL of California:

H.R. 3804. A bill to eliminate an unused lighthouse reservation, provide management consistency by bringing the rocks and small islands along the coast of Orange County, California, and meet the original Congressional intent of preserving Orange County's rocks and small islands, and for other purposes; to the Committee on Natural Resources.

By Mr. ELLISON:

H.R. 3805. A bill to amend the Food Stamp Act of 1977 to provide to States an option to provide food assistance to foster community reintegration; to the Committee on Agriculture.

By Mr. FORBES (for himself, Mr. SMITH of Texas, Mr. COBLE, Mr. GALLEGLY, and Mr. WOLF):

H.R. 3806. A bill to amend title 18, with respect to certain crimes affecting national security, and for other purposes; to the Committee on the Judiciary.

By Ms. GIFFORDS (for herself, Mr. VAN HOLLEN, Mr. ELLISON, Mr. BLUMENAUER, Mr. LAMPSON, Mr. PALLONE, Mr. EMANUEL, Mr. POMEROY, Mr. CHANDLER, Mr. UDALL of New Mexico, Mr. ALTMIRE, Ms. BERKLEY, Mr. GRIJALVA, Mr. ISRAEL, Mr. CARNEY, Mr. PASTOR, Mr. EHLERS, Mr. SMITH of Washington, Mr. MCCAUL of Texas, Mr. MITCHELL, Mr. BRALEY of Iowa, Mr. MCNERNEY, Mr. INSLEE, and Mr. MOORE of Kansas):

H.R. 3807. A bill to amend the Internal Revenue Code of 1986 to increase and extend certain renewable energy and energy efficiency incentives; to the Committee on Ways and Means.

By Ms. GIFFORDS (for herself, Mr. JOHNSON of Georgia, Mr. MURPHY of Connecticut, Mr. MEEK of Florida, Mr. BRADY of Pennsylvania, Mr. ALTMIRE, Ms. BERKLEY, Mr. GRIJALVA, Mr. ISRAEL, Mr. CARNEY, Mr. PASTOR, Mr. MCCAUL of Texas, Mr. MITCHELL, and Mr. HARE):

H.R. 3808. A bill to amend the Internal Revenue Code of 1986 to permanently extend the special rule treating combat pay as earned income for purposes of the earned income credit and to increase the standard deduction for individuals performing service in the uniformed services while on active duty for a period of more than 30 days; to the Committee on Ways and Means.

By Mr. KANJORSKI (for himself, Mr. DENT, and Mr. PATRICK MURPHY of Pennsylvania):

H.R. 3809. A bill to amend the Delaware and Lehigh National Heritage Corridor Act of 1988 regarding the local coordinating entity of the Delaware and Lehigh National Heritage Corridor, and for other purposes; to the Committee on Natural Resources.

By Mr. KUHL of New York (for himself and Ms. SLAUGHTER):

H.R. 3810. A bill to direct the Secretary of the Interior to conduct a special resource study to evaluate the significance of the 1816 Farmington Quaker Meetinghouse located in Farmington, New York, and the suitability and feasibility of its inclusion in the National Park System as part of Women's Rights National Historical Park, and for other purposes; to the Committee on Natural Resources.

By Mr. LAMPSON (for himself, Mr. CHABOT, Mr. CARNEY, and Ms. JACKSON-LEE of Texas):

H.R. 3811. A bill to amend title 18, United States Code, to expressly include State online sexual exploitation investigations in the list of those for which interception of communications is authorized; to the Committee on the Judiciary.

By Ms. LEE (for herself, Mr. PAYNE, Mr. JACKSON of Illinois, Mr. MCDERMOTT, Mr. SMITH of Washington, Mr. HINCHEY, Mr. RUSH, Mr. HONDA, Mr. GRIJALVA, Ms. MCCOLLUM of Minnesota, Ms. CARSON, Ms. WOOLSEY, Mr. BERMAN, Mr. DAVIS of Illinois, Mr. MCGOVERN, Mr. KUCINICH, Mr. COHEN, Ms. MOORE of Wisconsin, Ms. NORTON, Mr. FATTAH, Mr. BISHOP of Georgia, and Mr. SERRANO):

H.R. 3812. A bill to amend the Foreign Assistance Act of 1961 to assist countries in sub-Saharan Africa in the effort to achieve internationally recognized goals in the treatment and prevention of HIV/AIDS and other major diseases and the reduction of maternal and child mortality by improving human health care capacity and improving retention of medical health professionals in sub-Saharan Africa, and for other purposes; to the Committee on Foreign Affairs.

By Mr. MURPHY of Connecticut:

H.R. 3813. A bill to amend the Truth in Lending Act to prohibit mortgage originators from receiving incentive compensation that varies with the terms of a residential mortgage loan and from steering consumers to residential mortgage loans that are not in the consumers' best interest, and for other purposes X; to the Committee on Financial Services.

By Mr. NADLER:

H.R. 3814. A bill to provide for a ''gold standard'' for the security of nuclear materials worldwide, and for other purposes; to the Committee on Foreign Affairs, 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. PERLMUTTER (for himself, Mr. DANIEL E. LUNGREN of California, Mr. THOMPSON of Mississippi, Mr. SHAYS, Mrs. LOWEY, Mr. CARNEY, Mr. RENZI, and Ms. HARMAN):

H.R. 3815. A bill to amend the Homeland Security Act of 2002 to require the Secretary of Homeland Security to make full and efficient use of open source information to develop and disseminate open source homeland security information products, and for other purposes; to the Committee on Homeland Security.

By Mr. PERLMUTTER:

H.R. 3816. A bill to amend the Internal Revenue Code of 1986 to extend for 1 year the authority for individuals called to active duty to make penalty-free withdrawals from retirement plans and for the use of tax-exempt bonds to finance homes for veterans without regard to the first-time homebuyer requirement; to the Committee on Ways and Means.

By Mr. POMEROY (for himself, Mr. KING of Iowa, Mr. BOSWELL, and Mr. HULSHOF):

H.R. 3817. A bill to amend the Internal Revenue Code of 1986 to make improvements to assist young farmers and ranchers; to the Committee on Ways and Means.

By Mr. RYAN of Wisconsin (for himself, Mr. HENSARLING, Mr. CAMPBELL of California, Mrs. BACHMANN, Mr. HERGER, Mr. PENCE, Mr. FEENEY, Mr. GARRETT of New Jersey, Mrs. MUSGRAVE, Mr. ISSA, Mr. PRICE of Georgia, Ms. FOXX, Mr. PAUL, Mr. KLINE of Minnesota, Mr. SALI, Mr. WILSON of South Carolina, Mr. NEUGEBAUER, Mr. BURTON of Indiana, Mr. MCHENRY, Mr. AKIN, Ms. FALLIN, Mr. BROUN of Georgia, Mr. LAMBORN, Mr. WALBERG, Mr. PITTS, Mr. MCKEON, Mr. MCCAUL of Texas, Mr. MILLER of Florida, Mr. ROYCE, Mr. ADERHOLT, Mr. BARTLETT of Maryland, Mr. MARCHANT, Mr. DOOLITTLE, and Mr. ALEXANDER):

H.R. 3818. A bill to amend the Internal Revenue Code of 1986 to repeal the alternative minimum tax on individuals and replace it with an alternative tax individuals may choose; to the Committee on Ways and Means.

By Mr. SPACE:

H.R. 3819. A bill to amend title 38, United States Code, to require the Secretary of Veterans Affairs to reimburse veterans receiving emergency treatment in non-Department of Veterans Affairs facilities for such treatment until such veterans are transferred to Department facilities, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. THOMPSON of California (for himself, Mr. LEWIS of Kentucky, Mr. SHULER, Mr. LATOURETTE, Mr. DEFAZIO, Mr. LEVIN, Mrs. TAUSCHER, and Mr. ROGERS of Michigan):

H.R. 3820. A bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax to facilitate the accelerated development and deployment of advanced safety systems for commercial motor vehicles; to the Committee on Ways and Means.

By Ms. GINNY BROWN-WAITE of Florida (for herself, Mr. SESSIONS, Mr. ROSKAM, Mrs. CAPPS, Mr. SMITH of New Jersey, Ms. ROS-LEHTINEN, Mrs. DAVIS of California, Mr. MACK, Ms. SOLIS, Mr. BILIRAKIS, Mrs. EMERSON, Mrs. CAPITO, Mrs. DRAKE, Ms. GRANGER, Mrs. MYRICK, Mr. BAKER, Mrs. BIGGERT, Ms. BORDALLO, Mr. CANTOR, Mr. MARIO DIAZ-BALART of Florida, Mr. SESTAK, Mr. PLATTS, Mr. BURGESS, Mrs. SCHMIDT, Mr. PEARCE, Ms. FOXX, Mr. BURTON of Indiana, Mr. HINCHEY, Mr. HOLDEN, Mr. REYNOLDS, Mr. YOUNG of Alaska, Mr. DAVIS of Kentucky, Mrs. MCCARTHY of New York, Mr. FEENEY, Mr. BISHOP of Georgia, Mr. SERRANO, Mr. HALL of New York, Mr. LAMPSON, Ms. BERKLEY, Mr. SNYDER, Mr. HULSHOF, Ms. BALDWIN, Ms. PRYCE of Ohio, Mr. KUHL of New York, Mr. MILLER of Florida, Ms. WASSERMAN SCHULTZ, Ms. HOOLEY, Mr. KELLER, Mr. DEAL of Georgia, Mr. GINGREY, Mr. WESTMORELAND, Mr. BROUN of Georgia, Mr. BUCHANAN, Mr. TIM MURPHY of Pennsylvania, Mr. LANGEVIN, Mr. ROGERS of Alabama, Mr. BONNER, Mr. GARY G. MILLER of California, Mr. LATHAM, Mr. CALVERT, and Mr. FOSSELLA):

H. Con. Res. 230. Concurrent resolution supporting the observance of Breast Cancer Awareness Month, and for other purposes; to the Committee on Energy and Commerce.

By Mr. ISRAEL (for himself, Mr. DENT, and Mr. BISHOP of New York):

H. Con. Res. 231. Concurrent resolution expressing the sense of Congress that the Government of the United States should submit to the Government of Iraq a draft bilateral status-of-forces agreement; to the Committee on Foreign Affairs.

By Mr. MARCHANT:

H. Con. Res. 232. Concurrent resolution it is the Sense of the Congress that the confidentiality mandates for minors should be removed from family planning services programs operating under Title X of the Public Health Services Act and Medicaid; to the Committee on Energy and Commerce.

By Mr. ROGERS of Kentucky (for himself, Mr. WHITFIELD, Mr. LEWIS of Kentucky, Mr. YARMUTH, Mr. DAVIS of Kentucky, and Mr. CHANDLER):

H. Con. Res. 233. Concurrent resolution commending the Kentucky National Guard for its service to the Commonwealth of Kentucky and the citizens of the United States; to the Committee on Armed Services.

By Mr. PUTNAM:

H. Res. 722. A resolution electing Minority Members to certain standing committees of the House of Representatives; considered and agreed to.

By Mr. DELAHUNT (for himself, Mr. PENCE, Mr. DAVIS of Alabama, Mr. LATOURETTE, Ms. HERSETH SANDLIN, and Mr. HULSHOF):

H. Res. 723. A resolution providing for the expenses of the select committee established under House Resolution 611; considered and agreed to.

By Mr. BLUMENAUER (for himself, Mr. DINGELL, Mr. DUNCAN, Mr. EHLERS, Mr. GILCHREST, Mr. HALL of New York, Ms. EDDIE BERNICE JOHNSON of Texas, and Mr. OBERSTAR):

H. Res. 725. A resolution recognizing the 35th anniversary of the Clean Water Act, and for other purposes; to the Committee on Transportation and Infrastructure.

By Ms. DELAURO (for herself, Ms. ROS-LEHTINEN, Mr. MILLER of North Carolina, Ms. NORTON, Mr. NADLER, Mr. FORTUÑO, Mr. MCGOVERN, Ms. LEE, Mr. OLVER, Mrs. CAPPS, Mr. SERRANO, Mr. BISHOP of Georgia, Ms. BORDALLO, Mrs. MALONEY of New York, Mr. LANTOS, Ms. SCHAKOWSKY, Mr. ISRAEL, Mr. DAVIS of Illinois, Mr. CHABOT, Mr. MCCAUL of Texas, Mr. FORTENBERRY, Mr. WEXLER, Ms. WATSON, Ms. JACKSON-LEE of Texas, Mr. DOGGETT, Mr. MCDERMOTT, Ms. WOOLSEY, Ms. GIFFORDS, Mr. HONDA, Ms. SUTTON, Mr. KUCINICH, Mr. DELAHUNT, Ms. MCCOLLUM of Minnesota, Mr. FATTAH, Mr. SHAYS, Mrs. JONES of Ohio, Mr. COHEN, Ms. SHEA-PORTER, Mr. MICHAUD, Mr. CROWLEY, Ms. LORETTA SANCHEZ of California, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. LYNCH, Mrs. MCCARTHY of New York, Mr. PAYNE, Mr. ALLEN, and Mr. CHANDLER):

H. Res. 726. A resolution calling on the President of the United States and the international community to take immediate steps to respond to and prevent acts of rape and sexual violence against women and girls in Darfur, Sudan, eastern Chad and the Central African Republic; to the Committee on Foreign Affairs.

By Mr. FLAKE (for himself and Mr. MORAN of Kansas):

H. Res. 727. A resolution providing for a moratorium on the consideration of any bill or joint resolution, or amendment thereto or conference report thereon, that contains any congressional earmark until a bipartisan panel is established to provide oversight over the congressional earmarking process and that panel reports its recommendations to the House; to the Committee on Rules.

By Mr. JORDAN (for himself, Mr. TIBERI, Ms. SUTTON, Mr. KUCINICH, Ms. KAPTUR, Mr. BOEHNER, Mr. LATOURETTE, Ms. PRYCE of Ohio, Mr. REGULA, Mr. RYAN of Ohio, Mr. SPACE, Mr. CHABOT, Mrs. SCHMIDT, Mr. TURNER, Mr. WILSON of Ohio, Mr. HOBSON, and Mrs. JONES of Ohio):

H. Res. 728. A resolution expressing the support and sympathy of the House of Representatives and the people of the United States for the victims of the devastating flooding that occurred across many parts of Ohio in August 2007 and commending the

communities, volunteer organizations, churches and emergency response agencies for their continuing work to restore the affected areas across the state; to the Committee on Oversight and Government Reform.

By Mr. LAMPSON (for himself, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. EDWARDS, Mr. REYES, Mr. RODRIGUEZ, Mr. ORTIZ, Mr. CUELLAR, Mr. GENE GREEN of Texas, and Ms. JACKSON-LEE of Texas):

H. Res. 729. A resolution commending the 1st-149th Attack Reconnaissance Battalion of the Texas Army National Guard for their service to the State of Texas and the United States; to the Committee on Armed Services.

By Ms. ROS-LEHTINEN (for herself, Mr. MCCOTTER, Mr. HOEKSTRA, Mrs. BOYDA of Kansas, Mr. BURTON of Indiana, Mr. CULBERSON, Mr. ROHRABACHER, and Mr. CALVERT):

H. Res. 730. A resolution expressing the sense of the House of Representatives regarding the planned acquisition of a minority interest in 3Com by affiliates of Huawei; to the Committee on Financial Services, and in addition to the Committees on Foreign Affairs, and Energy and Commerce, 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. RYAN of Ohio:

H. Res. 731. A resolution honoring Kelly Pavlik, the undisputed middleweight boxing champion, his trainer Jack Loew, Team Pavlik and Pavlik's fans in Northeast Ohio; to the Committee on Oversight and Government Reform.

By Mr. THOMPSON of California:

H. Res. 732. A resolution designating the third week of October as ''National Estate Planning Awareness Week''; to the Committee on Oversight and Government Reform.

By Mr. WELLER (for himself, Mr. MCDERMOTT, Mr. ENGLISH of Pennsylvania, Mr. LEWIS of Georgia, and Mrs. BACHMANN):

H. Res. 733. A resolution recognizing the importance of improving the high school graduation rate of foster youth; to the Committee on Education and Labor.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 111: Ms. HIRONO.
H.R. 138: Mrs. MYRICK, Mr. SHUSTER, and Mr. BILBRAY.
H.R. 281: Mr. MILLER of North Carolina.
H.R. 371: Mr. MILLER of North Carolina.
H.R. 522: Mr. ENGEL.
H.R. 549: Mr. GOODE and Mr. JACKSON of Illinois.
H.R. 552: Mr. BRADY of Texas and Mr. GONZALEZ.
H.R. 618: Mr. NEUGEBAUER and Mr. EVERETT.
H.R. 621: Mr. POE, Mrs. GILLIBRAND, and Ms. CORRINE BROWN of Florida.
H.R. 627: Mr. JACKSON of Illinois.
H.R. 643: Mr. GOHMERT.
H.R. 648: Mr. EVERETT.
H.R. 728: Ms. WASSERMAN SCHULTZ.
H.R. 743: Mr. CAMP of Michigan.
H.R. 758: Mr. DAVIS of Kentucky, Mr. BOYD of Florida, Mr. BRADY of Pennsylvania, Mr. LANTOS, Mr. SKELTON, Mr. SALAZAR, Mr. MCNERNEY, Mr. Baird, and Mr. LEWIS of Kentucky.
H.R. 769: Mr. JINDAL.
H.R. 821: Mr. JACKSON of Illinois.
H.R. 882: Ms. BALDWIN.
H.R. 938: Mr. SHAYS and Mr. KLINE of Minnesota.
H.R. 939: Mr. BILBRAY.
H.R. 997: Mr. JINDAL and Mr. HAYES.
H.R. 1000: Mr. PAYNE.
H.R. 1014: Mr. SMITH of New Jersey and Mr. BISHOP of Georgia.
H.R. 1043: Ms. SUTTON.
H.R. 1070: Mr. MILLER of North Carolina.
H.R. 1073: Mrs. DRAKE.
H.R. 1078: Mr. COURTNEY and Mr. BISHOP of Georgia.
H.R. 1091: Mr. ORTIZ.
H.R. 1092: Ms. SUTTON.
H.R. 1110: Mr. DOGGETT.
H.R. 1113: Ms. ESHOO, Mr. BAKER, and Mr. FILNER.
H.R. 1123: Mr. HOLDEN.
H.R. 1147: Mr. BRADY of Texas.
H.R. 1171: Mr. ALTMIRE.
H.R. 1174: Mr. SMITH of New Jersey.
H.R. 1193: Mr. CONYERS, Mr. RUSH, and Mr. BROWN of South Carolina.
H.R. 1232: Mr. MOORE of Kansas and Mr. UPTON.
H.R. 1237: Mr. HINCHEY, Mr. KENNEDY, Mr. LEVIN, Ms. SCHAKOWSKY, and Mr. RADANOVICH.
H.R. 1275: Mr. JACKSON of Illinois.
H.R. 1279: Mr. YARMUTH.
H.R. 1322: Mr. WU.
H.R. 1342: Mr. BILBRAY.
H.R. 1355: Mr. BILBRAY.
H.R. 1363: Ms. SHEA-PORTER.
H.R. 1381: Mr. HONDA.
H.R. 1422: Mr. THOMPSON of Mississippi and Mr. HAYES.
H.R. 1435: Mr. HOLDEN.
H.R. 1461: Mr. CONYERS.
H.R. 1479: Mr. POE.
H.R. 1522: Mr. SCOTT of Virginia.
H.R. 1537: Mr. CAMP of Michigan.
H.R. 1576: Mr. MCGOVERN, Mr. MILLER of North Carolina, Mr. ALTMIRE, and Mr. HOLT.
H.R. 1581: Mr. FILNER.
H.R. 1619: Ms. ZOE LOFGREN of California.
H.R. 1711: Mr. JACKSON of Illinois.
H.R. 1727: Ms. PRYCE of Ohio.
H.R. 1738: Mrs. BLACKBURN and Mr. BERMAN.
H.R. 1742: Ms. HARMAN and Mr. HILL.
H.R. 1767: Ms. CLARKE.
H.R. 1791: Mr. YOUNG of Alaska.
H.R. 1843: Mr. TIM MURPHY of Pennsylvania, Mr. ELLISON, Mr. BAKER, Mr. DEAL of Georgia, and Mr. JACKSON of Illinois.
H.R. 1884: Mr. ARCURI.
H.R. 1940: Mr. ROSKAM and Mr. FORTENBERRY.
H.R. 1947: Ms. BORDALLO.
H.R. 1954: Mr. HARE.
H.R. 1957: Mr. SERRANO.
H.R. 1976: Mr. BRADY of Pennsylvania.
H.R. 1992: Mr. BISHOP of Georgia, Ms. SHEA-PORTER, Mr. DONNELLY, Mrs. MALONEY of New York, Mr. PERLMUTTER, and Mr. HALL of New York.
H.R. 2012: Mr. COHEN.
H.R. 2016: Mr. SAXTON.
H.R. 2061: Mr. SESTAK.
H.R. 2075: Mrs. SCHMIDT.
H.R. 2091: Mr. LINDER.
H.R. 2109: Mr. BILBRAY.
H.R. 2134: Mr. TIAHRT.
H.R. 2138: Mr. PERLMUTTER.
H.R. 2167: Ms. ZOE LOFGREN of California.
H.R. 2205: Mr. LAHOOD.
H.R. 2220: Mr. PRICE of North Carolina.
H.R. 2295: Ms. SCHWARTZ.
H.R. 2327: Mr. JACKSON of Illinois.
H.R. 2387: Mr. FEENEY.
H.R. 2417: Ms. SHEA-PORTER.
H.R. 2464: Ms. SHEA-PORTER.
H.R. 2490: Mr. BILBRAY.
H.R. 2508: Mr. BILBRAY.
H.R. 2511: Mr. GONZALEZ, Ms. SCHAKOWSKY, and Ms. BORDALLO.
H.R. 2593: Mr. DOGGETT.
H.R. 2599: Mr. MELANCON.
H.R. 2604: Mr. ISRAEL and Ms. SCHAKOWSKY.
H.R. 2668: Mr. KAGEN.
H.R. 2702: Ms. SUTTON and Ms. SHEA-PORTER.
H.R. 2711: Mr. GALLEGLY and Mr. SHAYS.
H.R. 2714: Mr. WOLF.
H.R. 2744: Mr. MARKEY, Mr. TIM MURPHY of Pennsylvania, Mr. WELCH of Vermont, and Mr. JACKSON of Illinois.
H.R. 2758: Mr. JACKSON of Illinois.
H.R. 2832: Mr. FORTENBERRY.
H.R. 2868: Ms. VELÁZQUEZ and Mr. HIGGINS.
H.R. 2878: Mr. FERGUSON, Mr. DAVID DAVIS of Tennessee, and Mr. HASTINGS of Florida.
H.R. 2885: Mr. MAHONEY of Florida.
H.R. 2902: Mr. WEXLER.
H.R. 2914: Mr. WELLER.
H.R. 2915: Mr. LATHAM.
H.R. 2933: Mr. CAMPBELL of California.
H.R. 2946: Mr. JACKSON of Illinois.
H.R. 2994: Mr. UPTON and Ms. SCHAKOWSKY.
H.R. 3026: Mrs. DAVIS of California.
H.R. 3028: Ms. BORDALLO.
H.R. 3047: Ms. GINNY BROWN-WAITE of Florida.
H.R. 3085: Mr. STARK.
H.R. 3099: Mr. BISHOP of New York and Mr. BLUMENAUER.
H.R. 3119: Mr. MCGOVERN, Ms. SCHAKOWSKY, and Mr. DOGGETT.
H.R. 3142: Mrs. MUSGRAVE.
H.R. 3144: Mrs. MUSGRAVE.
H.R. 3145: Mr. BILBRAY.
H.R. 3150: Mrs. MUSGRAVE.
H.R. 3151: Mr. CHABOT.
H.R. 3168: Mr. JACKSON of Illinois.
H.R. 3176: Mr. WESTMORELAND.
H.R. 3212: Mr. AL GREEN of Texas and Mr. CLAY.
H.R. 3232: Ms. GIFFORDS, Mr. CARDOZA, Mr. FILNER, Mr. SPRATT, and Mr. BROWN of South Carolina.
H.R. 3282: Mr. PRICE of North Carolina, Mr. SHIMKUS, and Mr. BROWN of South Carolina.
H.R. 3298: Mr. LATHAM.
H.R. 3327: Mr. HONDA.
H.R. 3358: Mr. HASTERT and Mr. TIM MURPHY of Pennsylvania.
H.R. 3374: Mr. GRIJALVA.
H.R. 3397: Mr. CONYERS and Mr. HINCHEY.
H.R. 3403: Ms. CARSON and Mrs. CAPPS.
H.R. 3414: Mr. PETERSON of Pennsylvania.
H.R. 3448: Mr. WEINER.
H.R. 3453: Mr. SMITH of New Jersey, Mr. ABERCROMBIE, and Mr. MORAN of Kansas.
H.R. 3461: Mr. COURTNEY.
H.R. 3479: Mr. SESSIONS and Mr. AKIN.
H.R. 3480: Mrs. MUSGRAVE and Ms. SHEA-PORTER.
H.R. 3481: Mr. MCNERNEY, Mr. STUPAK, Mr. RENZI, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. ROTHMAN, Mrs. DAVIS of California, and Mr. GRIJALVA.
H.R. 3521: Mr. HIGGINS.
H.R. 3533: Mr. OLVER and Ms. RICHARDSON.
H.R. 3569: Ms. SOLIS, Mr. STARK, and Ms. ESHOO.
H.R. 3585: Mr. MCDERMOTT and Mr. COLE of Oklahoma.
H.R. 3609: Mr. AL GREEN of Texas, Ms. CLARKE, Mr. BUTTERFIELD, Ms. BORDALLO, and Ms. SUTTON.
H.R. 3612: Mr. BURTON of Indiana, Mrs. DRAKE, Mr. NEUGEBAUER, Mr. POE, and Mr. BILBRAY.
H.R. 3627: Mr. PETERSON of Minnesota.
H.R. 3629: Mr. TOWNS.
H.R. 3663: Mr. ROTHMAN, Mr. WAXMAN, Mr. SERRANO, Mr. WEXLER, Ms. ESHOO, Mr. GRIJALVA, and Mrs. CAPPS.
H.R. 3689: Ms. SLAUGHTER.
H.R. 3691: Mr. BRADY of Pennsylvania, Mr. EMANUEL, Mr. KIND, Mr. CAPUANO, Mrs. CAPPS, Mr. HARE, Mr. PASCRELL, Ms. KAPTUR, Mr. ANDREWS, Ms. WATSON, Ms. WASSERMAN SCHULTZ, Ms. SLAUGHTER, Mr.

LANTOS, Mr. LEWIS of Georgia, Mr. MCNULTY, Mr. RODRIGUEZ, Ms. WOOLSEY, Ms. SOLIS, Ms. SCHWARTZ, Mr. WEINER, Mr. MOORE of Kansas, Ms. LINDA T. SÁNCHEZ OF CALIFORNIA, MR. ACKERMAN, Mr. DOGGETT, Mr. HINCHEY, Ms. MATSUI, and Mr. BERRY.

H.R. 3706: Mr. EMANUEL, Mr. ACKERMAN, and Mr. PATRICK MURPHY of Pennsylvania.

H.R. 3738: Mr. SAM JOHNSON of Texas, Mr. BARRETT of South Carolina, Mr. PITTS, Mrs. BACHMANN, Mr. SHADEGG, Ms. FALLIN, Mr. BILBRAY, Mr. WALBERG, and Mr. CHABOT.

H.R. 3741: Mr. OBERSTAR.

H.R. 3748: Ms. WOOLSEY.

H.R. 3780: Ms. MCCOLLUM of Minnesota.

H.R. 3782: Ms. LEE, Mr. KUCINICH, and Ms. WOOLSEY.

H.R. 3785: Mr. LAHOOD.

H. Con. Res. 40: Mrs. GILLIBRAND.

H. Con. Res. 81: Mr. MURPHY of Connecticut.

H. Con. Res. 119: Mr. BILBRAY.

H. Con. Res. 122: Mr. TIM MURPHY of Pennsylvania, Mr. GERLACH, and Ms. SUTTON.

H. Con. Res. 160: Mr. CUMMINGS.

H. Con. Res. 163: Ms. BORDALLO.

H. Con. Res. 167: Mr. HASTINGS of Florida.

H. Con. Res. 182: Mr. BURGESS, Mrs. WILSON of New Mexico, Mr. MCCOTTER, Mr. KING of Iowa, Mr. TURNER, Mr. WAMP, Mr. REYNOLDS, Mr. BARRETT of South Carolina, and Mr. LATHAM.

H. Con. Res. 197: Ms. MATSUI, Mrs. DAVIS of California, Mr. PASTOR, Ms. SOLIS, and Mr. BECERRA.

H. Con. Res. 198: Mr. COHEN and Mr. JACKSON of Illinois.

H. Con. Res. 204: Mr. BILBRAY.

H. Con. Res. 218: Mr. POE, Mr. CHABOT, Mr. CANTOR, Mr. BRADY of Texas, Mr. PRICE of Georgia, and Mr. BILBRAY.

H. Con. Res. 221: Mr. WU.

H. Res. 111: Mrs. MUSGRAVE, Mr. KIND, and Ms. ZOE LOFGREN of California.

H. Res. 194: Ms. SHEA-PORTER.

H. Res. 237: Mr. PETERSON of Minnesota.

H. Res. 282: Mr. MARKEY.

H. Res. 335: Ms. NORTON, Mr. WOLF, Mr. PETRI, and Mr. WALSH of New York.

H. Res. 351: Mr. BILBRAY.

H. Res. 356: Mr. PERLMUTTER.

H. Res. 415: Ms. SUTTON.

H. Res. 537: Mr. BUTTERFIELD.

H. Res. 573: Mr. ELLISON and Mr. RUSH.

H. Res. 576: Mr. DOOLITTLE.

H. Res. 610: Ms. WATERS.

H. Res. 620: Mr. LINCOLN DIAZ-BALART of Florida.

H. Res. 649: Mr. ELLISON, Mr. MCCAUL of Texas, and Mr. HASTINGS of Florida.

H. Res. 680: Mr. ALTMIRE, Mr. COBLE, and Ms. BORDALLO.

H. Res. 684: Ms. SLAUGHTER, Ms. MATSUI, Mrs. NAPOLITANO, Ms. DELAURO, Mrs. MALONEY of New York, Ms. BORDALLO, and Ms. NORTON.

H. Res. 690: Mr. ROTHMAN, Mr. KIRK, and Mr. BURTON of Indiana.

H. Res. 713: Mr. LEVIN and Ms. CORRINE BROWN of Florida.

CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, OR LIMITED TARIFF BENEFITS

Under clause 9 of rule XXI, lists or statements on congressional earmarks, limited tax benefits, or limited tariff benefits were submitted as follows:

The amendment to be offered by Representative CONYERS, or a designee, to H.R. 2102, the Free Flow of Information Act of 2007, does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of Rule XXI.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H. Res. 618: Ms. CLARKE.