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House of Representatives

The House met at 10 a.m. and was called to order by the Speaker.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer: Lord our God, throughout the ages of Holy Scripture, You have made promises to Your people; and Your divine promises were always fulfilled, in due time.

Be with Your people today. Realize in our day the hopes of compassion, peace, and justice You have placed within our hearts. Our deepest prayers are wrapped in such promises.

Look not upon our sins, Lord, unless it is to forgive and set us free. Fulfill in us Your word of salvation, both now and forever.

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 gentleman from Montana (Mr. REHBERG) come forward and lead the House in the Pledge of Allegiance.

Mr. REHBERG 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 15 requests for 1-minutes on each side of the aisle.

NOTICE

If the 111th Congress, 1st Session, adjourns sine die on or before December 23, 2009, a final issue of the *Congressional Record* for the 111th Congress, 1st Session, will be published on Thursday, December 31, 2009, to permit Members to insert statements.

All material for insertion must be signed by the Member and delivered to the respective offices of the Official Reporters of Debates (Room HT-59 or S-123 of the Capitol), Monday through Friday, between the hours of 10:00 a.m. and 3:00 p.m. through Wednesday, December 30. The final issue will be dated Thursday, December 31, 2009, and will be delivered on Monday, January 4, 2010.

None of the material printed in the final issue of the *Congressional Record* may contain subject matter, or relate to any event, that occurred after the sine die date.

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Members of the House of Representatives' statements may also be submitted electronically by e-mail, to accompany the signed statement, and formatted according to the instructions for the Extensions of Remarks template at <http://clerk.house.gov/forms>. The Official Reporters will transmit to GPO the template formatted electronic file only after receipt of, and authentication with, the hard copy, and signed manuscript. Deliver statements to the Official Reporters in Room HT-59.

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By order of the Joint Committee on Printing.

CHARLES E. SCHUMER, *Chairman*.

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

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



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H14375

STAND UP FOR THE TROOPS

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

Mr. KUCINICH. Today I will begin circulating two privileged resolutions which will trigger debate and votes on a timely withdrawal of our troops from Afghanistan and Pakistan. Article I, section 8 of the U.S. Constitution makes it Congress' responsibility to determine whether or not we go to war or stay at war. Consistent with article I, section 8, the privileged resolutions will invoke the War Powers Act of 1973. I ask for your support of these resolutions which will be introduced in the House in January.

Yesterday, with the Secretary of Defense at his side, the President of Afghanistan declared that his country's security forces will need financial and training assistance from the U.S. for the next 15 to 20 years. We cannot afford these wars. We cannot afford the loss of lives. We cannot afford the cost to taxpayers. We cannot afford to fail to exercise our constitutional right to end the wars.

Please sign on to the privileged resolutions to end the wars and bring our troops home. Stand up for the troops. Stand up for the truth. Stand up for the Constitution and Congress' responsibility.

CALLING FOR A STIMULUS AUDIT

(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, American taxpayers deserve an audit of stimulus funds. Taxpayers have faced weeks of fake jobs in fake districts posted on recovery.gov. We have heard the Government Accountability Office announcement that one in 10 jobs are fake. Action must be taken.

I have introduced the National Commission on American Recovery and Reinvestment Act to create a bipartisan commission to investigate how many jobs have actually been saved or created by the Recovery Act. The commission will look at the circumstances in which these jobs have been saved or created. The commission will make recommendations on what works to save or create more jobs and what steps can be made to prevent the improper spending of taxpayer dollars, such as The Hill's front page disclosure today of a Democrat pollster receiving \$6 million to preserve three jobs.

In conclusion, God bless our troops, and we will never forget September the 11th in the global war on terrorism.

INSURANCE COVERAGE OF ABORTION

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

Mrs. CAPPS. Mr. Speaker, one of the more divisive issues in our health reform debate has unfortunately been how to treat insurance coverage of abortion. Everyone agrees our goal is to preserve the status quo. Yesterday our colleagues in the Senate did exactly that by tabling the Nelson amendment, modeled after the Stupak amendment, which would have severely restricted a woman's access to reproductive health care services.

The status quo means no Federal funding for abortion other than in cases of rape, incest or life endangerment of the woman. The status quo means entities that receive Federal funds may use their own private funds for activities that are being prohibited from being paid for with Federal money. An example of this are the churches which receive millions of dollars in taxpayer funds every year to provide social services, but must segregate those funds from other funds used to engage in religious activity.

Similarly, the amendment I passed in the Energy and Commerce Committee, along with the current Senate language, maintains the same principle without eroding a woman's legitimate access to a legal medical procedure.

I urge my colleagues to reject inclusion of the harmful Stupak language in any final version of the health reform legislation. Maintain the Senate's language and the status quo.

SEALS TRIAL

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

Mr. PITTS. Mr. Speaker, President Obama is shifting our strategy to fight terrorists from a military model to a legal crime enforcement model. Case in point, this week, three Navy SEALs were arraigned on charges related to punching terrorist leader Ahmed Abed after he killed and mutilated four Americans in Iraq. A punch to the gut has led to the prosecution of three of our most highly dedicated and highly trained servicemen. Al Qaeda has many weapons and tactics to harm our troops, among them the weapon of our judicial system and the tactic of claiming abuse by our soldiers.

The SEALs risked their lives to capture Abed alive, when it may have been easier to kill him with a hellfire missile fired from a drone. They did not question the necessity of bringing Abed in alive so that he could be interrogated and so that valuable intelligence could be gathered.

Why would our soldiers undertake future operations when they too could be prosecuted based on the word of a terrorist? The Obama administration is taking us down a slippery slope where our legal system impedes our ability to fight an enemy that shows no regard for innocent lives.

REPRODUCTIVE RIGHTS IN HEALTH CARE REFORM

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

Ms. CHU. Last night the Senate stood up for women. Last night the Senate rejected an amendment that would have hurt women all across this Nation. Though we won the battle, the fight is not over. We must oppose the Stupak language in the final health care bill. It was on this House floor that we passed the historic health care vote.

But there is one moment that night that I'll never forget. I'll never forget looking up at the vote board and seeing that our House voted for the biggest rollback of women's reproductive rights in decades. My heart sank. Thirty years ago I got into the women's movement to ensure that women would not die in a back-alley abortion with coat hangers.

Today, women finally have choice over their own bodies, but with the Stupak amendment that changes. It was not a compromise. Women will lose benefits. Plans will not offer abortion coverage. Women will be forced to buy an extra rider for abortion ahead of time. And what woman plans to have an abortion?

Let's not make women the sacrificial lamb of health care reform. Let's pass health care reform that benefits all Americans.

HEALTH CARE REFORM

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

Mr. CARTER. Mr. Speaker, a constituent statement to Congress by Judy Brady of Texas District 31 on health care reform. I received this, and I wanted to read it to the rest of the Congress:

You tell us that the government needs to control health care because the government can administer programs more cheaply and fairly than the private system. Of course, recent studies show that nearly 10 percent of all Medicare payments are fraudulent. Why should we believe that government can do a better job with the entire Nation's health care system than it already does with Medicare?

We ask you to leave health care in the hands of doctors and patients and that you help drive down the costs of insurance so that more of us can be covered. Give us nationwide competition between private insurers, allow us tax deductions for insurance we purchase, and promote tort reform. Don't force us into a government system that will cost us more and cover us less.

REFORMING WALL STREET TO PROTECT MAIN STREET

(Mrs. DAHLKEMPER asked and was given permission to address the House for 1 minute.)

Mrs. DAHLKEMPER. Mr. Speaker, last year we witnessed the near collapse of our financial system. According to one estimate, the United States lost an estimated \$8.3 trillion of wealth in 2008. Right now, more than 15 million Americans are unemployed and looking for work. Families and businesses continue to struggle as our economy slowly recovers. We must ensure that this never happens again.

Hardworking Americans on Main Street have been the victim of Wall Street's excess and greed and also of Washington's failure to hold investors accountable. Our constituents, the American people, deserve better. The Wall Street Reform and Consumer Protection Act of 2009 will rein in risky behavior on Wall Street and create powerful protections for middle class families.

I urge my colleagues to stand up for middle class families and protect their financial future by supporting H.R. 4173.

FISCAL RESPONSIBILITY

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

Mr. REHBERG. This year, for Christmas, my wife, Jan, and I took out three loans for our three children, \$40,000 each. Of course, since my youngest daughter isn't old enough to get a loan, we had to sign for it, but the bank assured us she'd have to pay it all the same. Then with the \$120,000 in new-found credit, Jan and I went on a spending spree, leaving our children to repay \$40,000 each. Great, huh?

Of course this story isn't literally true. No parent would dream of saddling their children with \$40,000 in debt. No parent would do that, but right now the estimated share of the national debt is \$40,000 per American man, woman, and child; and that debt is just as real.

That's why I've cosponsored a resolution to require any increase in the statutory debt limit be considered as a stand-alone bill and passed by a supermajority of Congress. If we're not going to cut up the government's credit card, then let's make it harder to get new cards when we max the old one out.

ONE PERSON CAN CHANGE THE COURSE OF HISTORY

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

Mr. BRALEY of Iowa. Mr. Speaker, I rise today to congratulate my good friend, Dr. Jim Young, on his impact on the health care reform debate. Earlier this year, Jim gave me a copy of the book, "Overtreated," by Shannon Brownlee. This book, and Jim's encouragement, opened my eyes to the shortcomings of our country's reimbursement model, a fee-for-services model,

and the need to go to a health care delivery system that rewards high-quality, low-cost patient outcomes.

After months of negotiations, I'm proud we were able to secure language in the House bill to finally achieve a quality-based reimbursement model. Jim has been practicing family medicine in Iowa since 1973, following his service in the United States Navy. He's a valuable adviser and friend, and his insights and inspiration helped improve the House Health Care Reform bill to better serve all America. His spirit and his example show what one person can do to change the course of history.

□ 1015

DISTINGUISHED FLYING CROSS AWARDED TO GEORGE OHLMAN

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

Mr. COFFMAN of Colorado. Mr. Speaker, on Saturday, November 28, in Frantown, Colorado, I was privileged to present George Ohlman with his Distinguished Flying Cross.

Mr. Ohlman, 88 years old, was a pilot and flight leader in the famed "Thunder Bums" fighter squadron during World War II flying combat missions over Europe in P-47 Thunderbolts. Ohlman flew over 100 combat missions in World War II. Mr. Ohlman was awarded the Distinguished Flying Cross for his—and I quote from the award record—"extraordinary leadership and superior flying ability."

On September 3, 1944, near Mons, Belgium, then-Lieutenant Ohlman led his wingman in a strafing run on enemy positions. His aircraft received several direct hits, but he nevertheless continued the attack until out of ammunition. Due to the chaos and confusion prevalent during war, he never actually received the medal. Rectifying that oversight last month was a great honor for me.

OPPOSITION TO THE STUPAK-PITTS AMENDMENT

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

Ms. WOOLSEY. Mr. Speaker, I join my colleagues today to show opposition to the Stupak-Pitts amendment and its new limitation on women's reproductive rights. The House bill already had language that reflects current law prohibiting funds from being used for abortion while allowing women to use their own money to buy the coverage that they need.

The Stupak-Pitts amendment goes beyond the Hyde amendment. It sets new precedent for restricting women's rights and eliminating coverage for an important and legal health service that millions of women currently have.

That's why I will join with my colleagues to vote against any final health reform bill if it contains the Stupak-Pitts amendment.

LESSONS FROM AFGHANISTAN

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

Mr. OLSON. Mr. Speaker, I just returned from a trip to Afghanistan to assess the conditions on the ground. I want to update my colleagues on what I saw.

First of all, our military leadership has expressed confidence in our ability to achieve victory, and they need the additional troops promised by President Obama. The bigger problem lies with Afghanistan itself.

President Karzai must do the following to ensure success in Afghanistan: end the corruption, provide credible Afghan security forces, eliminate the illicit drug production, and grow the Afghan economy. These conditions are paramount to achieving victory when the U.S. military departs the country. And finally, Pakistan has to step up and stop serving as a safe harbor for terrorist insurgents.

The morale of our troops are high, and our commanders on the ground are confident that we can win if Afghanistan and Pakistan achieve these goals. None of these goals are easy, but they are crucial to the success of the security of Afghanistan.

OPPOSITION TO THE STUPAK-PITTS AMENDMENT

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

Ms. SCHAKOWSKY. Mr. Speaker, I rise on behalf of my constituents who called, faxed, emailed me in strong opposition to the Stupak-Pitts language and its inclusion in health care reform.

The grand myth in this debate is that the Stupak amendment is simply an extension of current law, which prohibits the use of Federal funds for abortions except in the case of rape or incest or to protect the life of a mother. It is not current law. It would be the largest restriction on abortion access since Roe v. Wade—preventing women from using private dollars to purchase coverage for a legal medical service.

A recent George Washington School of Public Health study warns that the Stupak language will reduce access to women who already have it by encouraging insurers to "drop coverage in all markets." That is not the status quo.

The Stupak-Pitts language is unfair, unnecessary, and unwise. The Senate rightly rejected it last night. It cannot be part of health care reform. Women will not be forced back to back alleys.

MEDICARE CUTS WOULD IMPACT OUR SENIORS

(Mr. BOUSTANY asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. BOUSTANY. Mr. Speaker, this week debate continues in the Senate over a massive health care overhaul. What's at stake for seniors? Many seniors will probably see their benefits cut or higher premiums. The Senate bill cuts more than \$135 billion from hospitals serving seniors. It cuts \$40 billion from home health agencies, \$15 billion from nursing homes, and nearly \$8 billion from hospices—an all-important service our seniors depends on.

Seniors deserve to know how Washington Democrats are going to pay for their massive new government-run bureaucracy because cuts like these will affect their care.

As a heart surgeon, I know that we can do better. We need to work together to strengthen Medicare, putting it on sound footing to ensure that it will be there when seniors need help with their health care costs.

We need to lower health care costs for seniors and all Americans by increasing competition in the insurance marketplace, promoting wellness programs, and limiting frivolous lawsuits in medicine. We can accomplish these commonsense solutions if we work together.

Let's protect seniors. Let's protect Medicare.

AMERICAN JOBS ARE TRENDING IN THE RIGHT DIRECTION

(Mrs. MALONEY asked and was given permission to address the House for 1 minute.)

Mrs. MALONEY. Mr. Speaker, while one month with fewer job losses does not show success, it certainly shows that we are trending in the right direction.

This blue is since President Obama took office; the red is the time under former President Bush. You see back in January of 2008 we started losing jobs. Here is when the Presidential candidate for the Republicans claimed that the fundamentals of our economy were sound. And in the last month that President Bush was in office, this country lost over 740,000 jobs.

The blue shows the direction under the Obama administration where we are trending in the right direction. It's not success, but it certainly shows we are trending in the right direction from over 70,000 jobs to 11,000 jobs. It's a tragedy for any family that has lost a job, but it does show that one election has truly made a difference in our economy.

JOBS AND THE ECONOMY

(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, you know the American people deserve some answers. Where are the jobs? Ten months after passing a

\$787 billion stimulus package, unemployment has reached 10 percent and thousands of workers have stayed unemployed for 6 months or more. Unfortunately, the Democrats still think throwing money at the struggling economy will fix it.

Albert Einstein once said, "The definition of insanity is doing the same thing over and over again expecting different results." The first stimulus didn't work. The new stimulus would only increase the already massive deficit and provide a temporary fix.

Higher taxes and higher spending is not the formula for economic growth. What America really needs is to encourage entrepreneurial activity, help small businesses, and get the government out of our pockets.

OPPOSITION TO STUPAK-PITTS AMENDMENT

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

Ms. SLAUGHTER. Mr. Speaker, I've witnessed the horror of choice between back alley abortions and sometimes enforced marriages to try to avoid disgrace. Those were the realities that women faced prior to 1973. My fear is if this harmful Stupak-Pitts language is signed into law, we will revert back to those dark times.

Critical to this debate is a breakdown of the facts. The opposition says that it codifies current law. It is grossly incorrect. Stupak-Pitts goes far beyond current law, placing unprecedented restrictions on the individual's use of their own private dollars. The Hyde amendment does not apply to private funding nor does it apply to administrative costs. It has only placed limits on direct Federal appropriations being used to fund abortion benefits. That brings in everyone who has insurance from their employer, which is tax exempt, which means, of course, a Federal subsidy.

The Hyde amendment does not include similar, far-reaching language. Seventeen States currently provide abortion coverage without separate funding.

We must not go back to the back alley.

UNITED STATES IN DANGER OF LOSING ITS CREDIT RATING

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

Mrs. SCHMIDT. Mr. Speaker, I rise again this morning to remind this body that we must stop this runaway spending in Congress or we are in jeopardy of losing our AAA credit rating. This would greatly hurt the United States of America's credit.

Moody's Investment Services indicates the United States will lose its AAA rating in 2013 if Congress con-

tinues to put us on this fiscal train wreck of too much spending and record Federal deficits. The Federal deficit for 2009 was \$1.4 trillion, tripling our record. The President's own Office of Management and Budget estimated in August that the budget deficit would be more than \$9 trillion over the next 10 years. Add this to the \$12 trillion in U.S. debt, and we're on a track to nearly double our record.

Mr. Speaker, we must stop the spending and stop it now.

THE BIRTHEERS AND DENIERS ARE WRONG

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

Mr. INSLEE. Mr. Speaker, the President is right to go to Copenhagen and lead the world against global warming. He is right to defeat the birthers who have tried to stop him from being President and the deniers who refuse to accept the fact of global warming. Both the birthers and the deniers refuse to accept clear, pure facts.

I just read that a former Governor of Alaska was arguing today in a newspaper that there is no such thing as global warming associated with human activity. She needs to read the National Academy of Sciences report which concludes it is a fact. She needs to read the report of NASA—the people who put the men on the Moon—that concludes this is a fact. She needs to read the NOAA reports about acidification of the ocean which shows it is a fact.

The birthers and the deniers are wrong. We should restore American leadership and make sure the jobs of the future clean energy economy are here, not just in China. The President is right; the deniers are wrong yet again.

WHERE ARE THE JOBS

(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, in January, President Obama and congressional Democrats promised spending another trillion dollars would create jobs immediately and that unemployment would not rise above 8 percent. Almost 1 year later, millions of Americans are still plagued by unemployment and many are struggling to make ends meet. In October, 190,000 jobs were lost and more than 2.8 million jobs have been lost since the so-called stimulus was signed by President Obama.

The American people continue to ask, Where are the jobs? I can safely say the answer lies in the House Republican economic recovery plan. Our plan provides targeted tax relief for working families and small businesses. Just as American families must improve their economic situations

through fiscal discipline, so, too, must this Congress.

House Republicans are passionately committed to creating jobs and getting the American people back to work.

□ 1030

WOMEN'S REPRODUCTIVE RIGHTS

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

Ms. HIRONO. Mr. Speaker, reproductive self-determination is one of the most fundamental civil and human rights a woman can have. And this right is under attack in the health care reform debate. Let's be clear that the real goal of the anti-choice opposition is not to maintain the status quo. Rather, they want to extend Federal prohibitions into private pocketbooks. They hope to make abortion coverage so unattractive that insurers eventually stop offering coverage for an otherwise legal medical procedure.

Women do not plan to have unintended pregnancies or pregnancies with complications. Unfortunately, these do happen. It is deeply insulting to tell women that if you want to guard against these unplanned situations, go buy additional coverage.

Essentially, health insurance companies today already treat being a woman as a preexisting condition, and they charge us more for it. The men of this country would rise up in protest if they faced this kind of unequal treatment based on conditions particular to their gender.

JOB RECOVERY

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

Mr. SIREN. Mr. Speaker, today Congress is faced with one of the greatest economic challenges of our time: high unemployment rates. It is a challenge that we must be determined to meet. While current unemployment numbers are still too high, the continued decline of job losses is a promising sign of economic recovery that we must build on.

We have already taken bold steps to lift our Nation out of recession. Since January, we have stabilized the financial system, revived lending to small businesses, prevented home foreclosures, cut taxes for the middle class, extended unemployment insurance, and created and saved more than 1 million jobs.

We must now build on this progress for continued job growth. Yesterday, the President outlined a frame of action to produce the greatest number of jobs while generating the greatest value for our economy. His top priorities include helping small businesses grow and hire new staff, additional investments in our roads, bridges, and infrastructure to create shovel-ready jobs, and increased investments in clean energy to spawn more green jobs.

In order to face our unemployment crisis head-on, Congress must follow the President's lead by passing a comprehensive jobs recovery package.

WALL STREET REFORM AND CONSUMER PROTECTION

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

Mr. PASCRELL. Mr. Speaker, for 8 years, President Bush's administration looked the other way as Wall Street exploited our financial system and ignored mounting risks. This failure to regulate our markets led to Wall Street gambling with America's livelihood and compromised our families' futures and savings.

Here we go again, making the tough choices that are necessary to bring our economy back from the brink of disaster. This great Nation is suffering the consequences of a period in our history where living beyond our means plagued not only American consumers but also those on Wall Street whose greed compelled them to take indefensible risks. The market failed us. It certainly wasn't a free market. It's beyond a "minor adjustment."

Wall Street reform is a critical step as we turn the tide and change not only how we deal with our financial sector but also where we lay to rest 8 years that marked the most fiscally irresponsible period in our Nation's history.

As we rebuild our economy, we must put in place commonsense rules to ensure Wall Street cannot jeopardize our recovery again.

STUPAK AMENDMENT

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

Ms. DELAURO. Mr. Speaker, I rise in objection to the Stupak-Pitts amendment that was added to our Affordable Health Care for America Act 1 month ago. It represents an overreach that denies women the right to buy abortion coverage with their own money. It will eventually deny all but the wealthiest women in America access to reproductive choice.

Were it up to me and many of my colleagues on both sides of this issue, abortion would never have intruded into our health care debate like this. But sadly, the Conference of Catholic Bishops had other ideas. They chose to hold comprehensive health care reform hostage to the abortion issue. They lobbied for this legislation in a manner that was unbecoming to our faith, and in doing so, they failed their obligation to help the poor and heal the sick.

Nonetheless, I'm heartened to see that, yesterday, our colleagues in the other body rejected a similarly overreaching amendment. I hope that we will get back to a common ground approach when it returns from conference. America's women need a

health care bill that ends discrimination against them, not encodes it ever further into our system of law.

PROVIDING FOR CONSIDERATION OF H.R. 4213, TAX EXTENDERS ACT OF 2009

Mr. ARCURI. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 955 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 955

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 4213) to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, 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 bill shall be considered as read. All points of order against provisions in the bill are waived. The previous question shall be considered as ordered on the bill to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chair and ranking minority member of the Committee on Ways and Means; and (2) one motion to recommit.

The SPEAKER pro tempore (Mr. PAS- TOR of Arizona). The gentleman from New York is recognized for 1 hour.

Mr. ARCURI. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Florida (Mr. LINCOLN DIAZ-BALART). All time yielded during consideration of the rule is for debate only.

GENERAL LEAVE

Mr. ARCURI. I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and insert extraneous materials into the RECORD.

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

There was no objection.

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

Mr. Speaker, this rule provides for consideration of H.R. 4213, the Tax Extenders Act of 2009. The rule waives all points of order against consideration of the bill except those arising under clause 9 and 10 of Rule XXI and against the bill itself. The rule provides that the previous question shall be considered as ordered without intervening motion except 1 hour of debate and one motion to recommit with or without instructions.

Mr. Speaker, I rise today in support of this rule to assist American families and small businesses with needed tax relief in a time when American citizens and American small businesses are beginning to turn the corner. This rule will allow us to bring legislation to the House floor later today that will not only strengthen our economy by directing tax relief to middle class families and creating jobs at small businesses, but will also do this in a deficit neutral, fiscally responsible way.

Since being elected to Congress, I have repeatedly voted, along with my colleagues, to cut taxes for middle class families and small businesses. In doing so, we have upheld our pledge to the American people, and I have kept a promise I made to my constituents to provide much-needed tax relief and incentives for economic growth.

I know that there are many families and businesses in my district that are struggling in the current economic crisis with rising costs of everyday items, including food, gas and health care. The legislation this rule provides for consideration of will extend a number of critical tax-relief measures that are relied upon by middle class families and small businesses to improve the quality of life and strengthen our economy.

I am aware that we face harsh realities in addressing the current economic crisis. While these are challenging times, we simply cannot endlessly borrow our way out of this situation. The legislation we will consider under the rule strikes the necessary balance between continuing the tax incentives that will help families and businesses continue to improve their position while offsetting the cost of extending these provisions by tightening tax compliance and making commonsense changes to the tax treatment of compensation paid to hedge fund managers. This change applies to investment fund managers the same rules that apply to real estate agents, waiters and CEO stock options.

In doing so, we will extend \$30 billion of expiring temporary tax provisions through 2010, including the existing deductions for tuition expenses, the research and development tax credit, and the State and local property tax deduction, among others, and we will do so without increasing the deficit and without any additional borrowing.

The American people understand the idea of PAYGO, that Congress should have to balance its books just as they do. Mr. Speaker, the House of Representatives continues to show a strong commitment to the pay-as-you-go rule adopted in January of 2007. I applaud my Blue Dog colleagues for their outspoken leadership on PAYGO, and I am proud that the House has passed legislation that would create statutory PAYGO.

All of the incentives that are included in this package will expire at the end of the year unless Congress acts to extend them. It is vitally important that these tax incentives are extended in order to maintain the economic recovery that has slowly started to take hold in this country.

The legislation's extenders create important tax credits for individuals. It extends the deductions for tuition and education expenses, helping families send their children to college. It continues to allow teachers to claim a credit for up to \$250 in out-of-pocket purchase of classroom supplies to better educate our children, and it extends

the increased standard deduction for State and local property taxes so that working families can keep more of their hard-earned dollars for other necessities during these tough economic times.

The legislation includes an extension of several provisions important to businesses, including the credit for a company's R&D expenditures. Extending the research and development credit is vital to ensuring that American companies remain competitive and on the cutting edge of innovation. This credit is of particular interest to the area of New York that I represent because its extension will further the expansion of the microchip fabrication and nanotechnology industries which are beginning to blossom in upstate New York.

In the past, the R&D tax credit has lapsed, and Congress has had to retroactively extend it. American companies rely on this credit and upon its continuity so they can adequately plan for their long-term research projects. I support this proactive extension to provide that continuity, and I will continue to work for a much-needed permanent extension that would eliminate concerns for further expirations or lapses.

The bill also extends expiring measures to address the drop in charitable giving that has been caused by the current state of our economy. It does so by extending deductions for charitable contributions of real property, food inventories, books, and computer equipment. The bill allows tax-free charitable contributions from an IRA account of up to \$100,000 per taxpayer per year.

When I speak with constituents who work and volunteer their valuable time with not-for-profit organizations, they tell me this is more important than ever today in our struggling economy. These provisions help those organizations continue to provide the assistance to those in need, which is particularly important today.

Supporting this rule and the tax-relief legislation we will consider later today is simple and common sense. We can provide tax relief and incentives to middle class families, spur innovation, retain and create jobs, reduce our dependence on oil from hostile nations, and reduce greenhouse gases. And we can do it all in a fiscally responsible manner.

Mr. Speaker, I urge my colleagues on both sides of the aisle to support this rule and the underlying legislation.

I reserve the balance of my time.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I would like to thank my friend, the gentleman from New York (Mr. ARCURI), for the time, and I yield myself such time as I may consume.

The underlying legislation of H.R. 4213, the Tax Extenders Act of 2009, extends for 1 year a number of non-controversial, temporary tax-relief provisions that are set to expire at the end of this year. These provisions will

benefit individual taxpayers, students, teachers, small businesses, and other companies that invest in research and development.

While I support these temporary tax-relief extensions, I believe that these tax provisions should be made permanent, or that at the very least they should be extended for more than 1 year. For example, the bill includes a 1-year extension of the sales tax deduction. This provision is very important in Florida, the State that I'm honored to represent, because without this deduction, Floridians would end up paying significantly more taxes to the Federal Government than the taxpayers with similar profiles in different States.

□ 1045

These year-to-year extensions, while better than no extension, fail to provide the predictability and the certainty that small businesses and families need to plan their budgets. Leaving these important tax-relief provisions to the last minute, also, I believe, is most unfortunate. It unnecessarily places an additional burden on families and small businesses that are already struggling in this economy.

I also oppose the inclusion in this legislation of a permanent tax to pay for temporary tax relief. The bill would raise the tax rate on investment gains received from an investment services partnership interest, which is currently taxed at a rate of 15 percent, to a rate as high as 35 percent at the end of 2010, and then the tax will rise to 39 percent.

My colleagues on the other side of the aisle claim that this is a tax on Wall Street venture funds; but as our friend, Congressman KEVIN BRADY, explained last night when he testified before the Rules Committee, about half of that tax will be paid by real estate partnerships that build apartments, homes and shopping centers in our communities. Those real estate partnerships invest in new infrastructure in our communities and they help create jobs in the construction industry. Yet once this tax hits those partnerships, they may very well reconsider their investment decisions and abandon their partnerships for other investments, further hurting our communities and hampering possible economic recovery.

The construction industry has been hit very hard. Mr. Speaker, in the community that I am honored to represent, and too many jobs have been lost. What we need to be doing is providing incentives for job growth and investment in the construction industry. Unfortunately, we are doing the opposite with this legislation.

During his first inaugural address, President Reagan said, It is not my intention to do away with government. It is, rather, to make it work, work for us, not over us, stand by our side, not right on our back. Government can and must provide opportunity, not smother it; foster productivity, not stifle it.

The legislation being brought to the floor today will not do what President Reagan said we need to do.

With unemployment at 10 percent and an economy struggling to recover, this is not the time to raise taxes, particularly a tax on capital investments that help create jobs. This new tax will discourage the entrepreneurial risk-taking that our economy desperately needs right now in order to create new jobs.

Mr. Speaker, for centuries the United States prospered because we have been the safest place in the world to invest. It was good for business to invest in the United States, to create new businesses, in other words, to create jobs in the United States. We are moving away from that philosophy that made this country the most prosperous Nation in the history of the world. Because of that, our economy will continue to suffer. We are moving away from that.

Just yesterday the President, for example, called for increased capital investments in small businesses. Yet here we are today, ironically, increasing taxes on capital investments that could help small businesses grow and provide them the capital to hire new workers.

During yesterday's Rules Committee hearing, we heard testimony from my friend and distinguished colleague from Louisiana (Mr. CAO) regarding a proposed amendment that he wished to have the House debate today. His amendment would extend the time for making low-income housing credit allocations under the Gulf Opportunity Zone Act by 2 years. According to Mr. CAO, this extension is needed to preserve the availability of financing for affordable housing projects in the Gulf States. This amendment is just another example of Mr. CAO's thoughtful efforts continuously on behalf of his constituents.

Unfortunately, the majority on the Rules Committee decided that once again they would block all amendments from consideration, including Mr. CAO's, as well as amendments submitted for consideration by Mr. BRADY, Mr. REICHERT and Mr. GEOFF DAVIS of Kentucky. It's unfortunate the majority continuously closes down the process and blocks consideration of amendments.

Yet, Mr. Speaker, they campaigned on the promise of openness. They said they would open this process as it had never before been opened, that there would be a transparency that had never before been seen; and what we have seen is exactly the opposite.

They have closed the process like never before. The majority should have allowed consideration of all the amendments to the legislation that were submitted before the Rules Committee, Mr. Speaker.

I reserve the balance of my time.

Mr. ARCURI. Mr. Speaker, I yield 3 minutes to the gentleman from Texas, a member of the Committee on Ways and Means, Mr. DOGGETT.

Mr. DOGGETT. I thank the gentleman.

This rule provides for consideration of a \$31 billion spending bill, including some worthwhile provisions and some not-so-worthwhile provisions. Approval of this tax extenders package has become something of an annual ritual, regardless of whether Democrats or Republicans are in charge, and the term "temporary tax break" has become an oxymoron.

If today's proposal required the government to write more checks to Wall Street and other fortunate Americans, there would be howls of protest; but because this involves tax expenditures, not direct expenditures, there is no protest, and there is no scrutiny of the expenditures. A tax expenditure occurs when this Congress decides to award some interest group, usually those with the most powerful lobbyists, the right to avoid paying taxes on the same basis as the rest of us by writing in some preference, deferral, loophole, or tax break.

The principal alleged virtue of today's bill is that it changes nothing. There is nothing more, there is nothing less than the advantages that Congress has repeatedly extended in the past.

In a modest effort to address the glaring disparity between the sunlight of the appropriations process and the shadows of the Tax Code, today's legislation does include a new requirement that I authored requiring that the Joint Committee on Taxation and the Government Accountability Office thoroughly evaluate and report on a set of criteria, the cost-effectiveness of each of these tax expenditures.

The Center for Tax Justice has been an invaluable partner in securing this provision. A good example of the urgent need for review was provided only yesterday regarding one of the most popular provisions in this bill, the research tax credit, that I have long personally supported. Calling for its permanent extension has become synonymous with being tech friendly and being concerned with economic growth.

But the Government Accountability Office "identified significant disparities in the incentives provided." It determined that "a substantial portion of credit dollars is a windfall" for some, while much "potentially beneficial research" receives nothing. That is why we should be scrutinizing these tax expenditures, even the most popular, at least as closely as we do direct expenditures.

On the plus side, today's bill does effectively address international tax evasion by individuals. On the minus side, it does nothing to stop an even more egregious abuse by corporations shifting jobs and tax revenues overseas. In fact, while some try to draw a distinction between illegal tax evasion and tax avoidance, the only real difference between individuals illegally hiding their cash overseas and corporations manipulating the Tax Code is that the corporations have better lobbyists to obtain a veneer of legitimacy.

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

Mr. ARCURI. I yield the gentleman an additional minute.

Mr. DOGGETT. Similarly, the equitable taxation of carried interest in this proposal is belatedly a step forward, but it presents two problems. First, the bill fails to distinguish venture capital, which is so important in spurring new businesses in the most innovative sectors of our economy.

Second, the Senate is most unlikely to accept the financing that we propose here and instead is likely to grab something from our health insurance reform pay-fors and begin taxing employer-provided health insurance as a substitute, something that so many Members of this House have opposed.

Facing a soaring deficit, to me tax justice means before we ask working families to pay any more taxes, we ought to ask why Congress has done so little to crack down on those getting special treatment and to prevent billions of dollars of tax avoidance. Next year, America deserves a little more tax justice and a more level playing field for small businesses that cannot take advantage of all the dodges available to their multinational competitors.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, it is my pleasure to yield 3 minutes to my good friend from Louisiana (Mr. BOUSTANY).

Mr. BOUSTANY. Mr. Speaker, I rise today to express my deep concern about gulf coast disaster relief left out of this bill.

Yesterday I offered an amendment at the Rules Committee to extend important tax provisions, tax relief provisions, to help gulf coast residents rebuild after the 2005 hurricanes. It's disappointing yet again that the majority is bringing this bill to the floor under another closed rule, prohibiting amendments to be debated.

The economic downturn complicated gulf coast recovery and jeopardized the effectiveness of Katrina and Rita aid. Residents need more time to fully utilize existing disaster assistance programs before they expire.

Congress should extend the GO Zone low-income housing tax credit for an additional year. At risk, currently at risk, are nearly 70 affordable rental housing projects encompassing over 6,000 units along the gulf coast. These projects take time, and this important extension will give investors and developers the confidence to move forward on these very important projects.

Congress should also make disaster-related low-income housing tax credits eligible for the new exchange grant program. This will provide immediate relief to disaster-impacted States as the market for housing tax credits rebounds. The bill also cuts short tax incentives for businesses to invest in the hardest-hit areas along the gulf coast through the special depreciation rules that promote economic development.

My amendment would extend the GO Zone 50 percent first-year bonus depreciation through 2010, bringing new capital to communities struggling to recover. They were hit twice, I mean, hit basically by hurricanes and now the economic downturn.

Look, gulf coast residents are resilient. They are working hard to rebuild, and Congress shouldn't pull the plug on existing disaster programs just as they are starting to make a difference.

What folks need is certainty. Businesses need certainty, and what they are seeing is nothing but uncertainty coming out of Washington. This is not the way to stimulate a recovery, whether it's from hurricanes or from this economic disaster we are facing. We need certainty.

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

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I yield 5 minutes to my friend from Louisiana, an extraordinarily thoughtful member of this House, Mr. CAO.

Mr. CAO. I want to thank the gentleman from Florida for yielding, and I just want to thank him personally for his continued commitment and compassion for the people of the gulf coast.

Mr. Speaker, yesterday I offered a bipartisan amendment to the Tax Extenders Act of 2009 for myself and my colleague, CHARLIE MELANCON. This amendment would have extended the place-in-service deadline for low-income housing tax credits under GO Zone for 2 years. If included, it would have freed up more than a billion dollars in delayed housing projects and supported thousands of jobs in the gulf coast and would have contributed greatly to the sustained redevelopment of the hurricane-impacted areas.

The amendment had bipartisan support in both Chambers of Congress. Representatives from HUD, the Obama administration, housing groups and private companies called and wrote letters in support of this amendment. Yet even with this level of support, the Rules Committee voted along party lines not to allow it in the bill.

I cannot say how disappointed I am that this happened. It is disappointing that the committee would choose to act in a partisan fashion rather than with the best interests of the people of the gulf coast in mind.

I have spoken before about how Congress is at its best and serves the people the best when we put partisanship aside and attend to the people's business. It is part of our job description as Representatives to represent their issues and concerns to the best of our abilities.

□ 1100

When we conform to party politics, we fail to make the right decisions for the American people. While it is not unusual to mix policy and politics in our line of work, there are some issues which ought not to be partisan. The development of affordable housing for

hurricane victims is one of them. Among the projects placed in jeopardy by this deadline is the Lafitte Housing Project in New Orleans. It is one of the city's oldest and was once made up of 896 units. This site was slated for redevelopment with the same number of units to allow any resident who wished to return the opportunity to do so. Additionally, the site would have had parks, support centers, and homes for sale. Now it looks as though it will remain in limbo because of party politics.

I challenge my Democrat colleagues to look low-income families in the eyes and say that the decision that they made was best for hardworking families.

Low-income families along the gulf coast trying to survive the ravages of Hurricanes Katrina and Rita do not care about party politics. The only thing that they care about is: Will I have affordable housing to shelter my children from the cold? We have to get beyond party politics to address the needs of American families. And I hope that we can correct the language in the tax extenders bill in order to address those who are in need along the gulf coast.

Mr. ARCURI. Mr. Speaker, I continue to reserve the balance of my time.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, we believe, as the overwhelming majority of Americans do, that Members of Congress should have the ability to read bills before they vote on them. It shouldn't be an issue, frankly, because the majority and the distinguished Speaker during the campaign, the political campaign, said that they would have the most open Congress in history and that Members would have at least, should have at least, 24 hours to examine bills before those bills are considered on the floor.

But that hasn't been the case. I remember in the Rules Committee one early morning at 3 a.m. we were handed a 900-page amendment, called the manager's amendment, to energy legislation, the so-called cap-and-trade legislation that we considered a few hours later, just a few hours later here on the floor of the House. No one had any opportunity to vote on that legislation. And then we had similar situations with very significant and extensive pieces of legislation. So the American people were, I think, rightfully so, outraged when they saw those examples of very important and extensive pieces of legislation being brought to the floor without Members of Congress being able to even read them. And they should really be posted online so that not only Members of Congress but the American people in general could read them.

That's why legislation has been filed by a bipartisan group of 182 Members that have signed right there, right at that desk in front of you, Mr. Speaker, a discharge petition, it's called. They go up there and they sign. I signed. 182

Members have signed the discharge petition to bring to the floor legislation saying that Members should have 3 days, that there should be 72 hours, once it's filed, before legislation is brought to a vote on the floor.

So that's why I am asking for a "no" vote on the previous question, so that we can consider that legislation that 182 Members have gone to the desk there and signed, bipartisan legislation by Congressmen BAIRD and CULBERSON. It would not interrupt this legislation that is being brought to the floor at this time, the tax extenders legislation, because if the motion passes, the motion I'm making, it provides for separate consideration of the Baird-Culberson bill within 3 days. So we could vote on the tax extender bill and then, once we have done that, consider that legislation requiring the 72-hour timeframe for Members to be able to study legislation and, quite frankly, for the American people to read legislation before it's voted on.

Mr. Speaker, I ask unanimous consent to insert the text of the amendment and extraneous materials immediately prior to the vote on the previous question.

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

There was no objection.

Mr. LINCOLN DIAZ-BALART of Florida. Thanking my friend Mr. ARCURI for his courtesy, I yield back the balance of my time.

Mr. ARCURI. Mr. Speaker, I would like to thank my colleague from the Rules Committee and friend from the State of Florida for his able management of this rule.

Mr. Speaker, in closing, I would like to point out that the underlying legislation will extend a number of expiring tax relief that individuals, businesses, and charitable organizations depend on to improve the quality of life and strengthen our community and our economy. These provisions are relied upon by families and individuals struggling with rising costs of everyday items, including food, gas, and health care. They encourage companies to hire more workers and invest in new technologies.

As our country is beginning to turn the corner, the naysayers continue to oppose any necessary substantial change. As if that is not enough, they continue to offer no meaningful alternatives, only more of the same policies of incurring more debt, passing it on to our children, and saying "no" to any responsible policy offered by the majority. It should not be the role of the loyal opposition to oppose every bill the majority offers. That is the reason partisan divide is so wide in this country today.

This bill, H.R. 4213, is a good bill. It is good for Democrats. It is good for Republicans. It is good for all Americans. To say we should not pay for it flies in the face of everything Democrats and Republicans have been saying

for months, that we cannot endlessly borrow and increase the debt but must restore fiscal responsibility.

Just a short time ago, I heard a colleague of mine on the other side of the aisle giving a 1-minute speech, saying that we must stop the runaway spending and the record deficits. That's exactly what this bill does. It makes us accountable and pays for the tax extenders. H.R. 4213 strikes the necessary balance between continuing the tax incentives to help families and businesses without increasing the deficit.

I don't think the importance of this fiscal responsibility can be overstated. We all know that these are challenging times, but we cannot endlessly borrow our way out of the situation. And there are only two ways to do the tax extenders: either to borrow and pass it on to our children or to have responsible ways of paying for it. And that's exactly what this bill does, responsibly pays for these very important tax extenders.

For years, borrow-and-spend policies of the previous administration have saddled our children's future with \$9 trillion of foreign-owned national debt, all incurred during relative times of economic prosperity. The debt translates into daily interest payments of \$1 billion.

These tax extenders are paid for. I repeat, they are paid for. H.R. 4213 represents the dedication to commonsense PAYGO principles that we in Congress should have to balance our books even in these tough economic times just as our constituents do. This legislation does exactly that.

I urge my colleagues to vote "yes" on the previous question and the rule because the American people are counting on us to extend these vital tax provisions in order to continue to improve our economy.

The material previously referred to by Mr. LINCOLN DIAZ-BALART of Florida is as follows:

AMENDMENT TO H. RES. 955 OFFERED BY MR. DIAZ-BALART

At the end of the resolution, insert the following new section:

SEC. 2. On the third legislative day after the adoption of this resolution, immediately after the third daily order of business under clause 1 of rule XIV and without intervention of any point of order, the House shall proceed to the consideration of the resolution (H. Res. 554) amending the Rules of the house of Representatives to require that legislation and conference reports be available on the Internet for 72 hours before consideration by the House, and for other purposes. The resolution shall be considered as read. The previous question shall be considered as ordered on the resolution and any amendment thereto 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 chair and ranking minority member of the Committee on Rules; (2) an amendment, if offered by the Minority Leader or his designee and if printed in that portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII at least one legislative day prior to its consideration, which shall be in order without intervention of any point of

order or demand for division of the question, shall be considered as read and shall be separately debatable for twenty minutes equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit which shall not contain instructions. Clause 1(c) of rule XIX shall not apply to the consideration of House Resolution 554.

(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 from 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. ARCURI. 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. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

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

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 11 o'clock and 10 minutes a.m.), the House stood in recess subject to the call of the Chair.

□ 1245

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Ms. MCCOLLUM) at 12 o'clock and 45 minutes p.m.).

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings now will resume on questions previously postponed as follows:

ordering the previous question on House Resolution 955, by the yeas and nays;

adopting House Resolution 955, if ordered; and

suspending the rules and passing H.R. 3951, by the yeas and nays.

The first vote will be a 15-minute vote. Succeeding votes will be 5-minute votes.

PROVIDING FOR CONSIDERATION OF H.R. 4213, TAX EXTENDERS ACT OF 2009

The SPEAKER pro tempore. The unfinished business is the vote on ordering the previous question on House Resolution 955, on which the yeas and nays were ordered.

The Clerk read the title of the resolution.

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

The vote was taken by electronic device, and there were—yeas 239, nays 182, not voting 13, as follows:

[Roll No. 939]

YEAS—239

Abercrombie
Ackerman
Adler (NJ)
Altmire
Andrews
Arcuri
Baca
Baird
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Bocchieri
Boren
Boswell
Boucher
Boyd
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Cardoza
Carnahan
Carney
Carson (IN)
Castor (FL)
Chandler
Childers
Chu
Clarke
Clay
Cleave
Clyburn
Cohen
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crowley
Cuellar
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Doggett
Driehaus
Edwards (MD)
Edwards (TX)
Ellison
Ellsworth
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Foster
Frank (MA)
Garamendi
Giffords
Gonzalez
Gordon (TN)
Grayson
Green, Al
Green, Gene

Griffith
Grijalva
Gutierrez
Hall (NY)
Halvorson
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Himes
Hinche
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hoyer
Inslie
Israel
Jackson (IL)
Jackson-Lee
(TX)
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kosmas
Langevin
Larsen (WA)
Lee (CA)
Levin
Lipinski
Loeb
Lofgren, Zoe
Lowey
Lujan
Lynch
Maffei
Maloney
Markey (CO)
Markey (MA)
Marshall
Massa
Matheson
Matsui
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McMahon
McNerney
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Minnick
Mollohan
Moore (KS)
Moore (WI)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Murtha
Nadler (NY)
Napolitano
Neal (MA)
Nye

Oberstar
Obey
Oliver
Ortiz
Owens
Pallone
Pascarell
Pastor (AZ)
Payne
Perlmutter
Peters
Peterson
Pingree (ME)
Polis (CO)
Pomeroy
Price (NC)
Quigley
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sanchez, Linda
T.
Sarbanes
Schakowsky
Schauer
Schiff
Schrader
Schwartz
Scott (GA)
Serrano
Sestak
Shea-Porter
Sherman
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Space
Speier
Spratt
Stark
Stupak
Sutton
Tanner
Taylor
Teague
Thompson (CA)
Thompson (MS)
Tierney
Titus
Tonko
Tsongas
Van Hollen
Velazquez
Visclosky
Walz
Wasserman
Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Wexler
Wilson (OH)
Woolsey
Wu
Yarmuth

NAYS—182

Aderholt
Akin
Alexander
Austria
Bachmann
Bachus
Bartlett
Barton (TX)
Biggart
Billray
Bilirakis
Bishop (UT)
Blackburn

Blunt
Boehner
Bonner
Bono Mack
Boozman
Boustany
Brady (TX)
Bright
Brown (GA)
Brown (SC)
Carter
Cassidy
Brown-Waite,
Ginny
Buchanan

Burgess
Burton (IN)
Buyer
Calvert
Camp
Campbell
Cantor
Cao
Capito
Carter
Cassidy
Castle
Chaffetz

Coble
Coffman (CO)
Cole
Conaway
Crenshaw
Culberson
Davis (KY)
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Donnelly (IN)
Dreier
Duncan
Ehlers
Emerson
Fallin
Flake
Fleming
Forbes
Fortenberry
Foxy
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gingrey (GA)
Gohmert
Goodlatte
Graves
Guthrie
Hall (TX)
Harper
Hastings (WA)
Heinrich
Heller
Hensarling
Herger
Hill
Hoekstra
Hunter
Inglis
Issa
Jenkins
Johnson (IL)
Johnson, Sam
Jones
Jordan (OH)

King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Kratovil
Lamborn
Lance
Latham
LaTourette
Latta
Lee (NY)
Lewis (CA)
Linder
LoBiondo
Lucas
Luetkemeyer
Lummis
Lungren, Daniel
E.
Mack
Manullo
Marchant
McCarthy (CA)
McCaul
McClintock
McCotter
McHenry
McKeon
McMorris
Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Mitchell
Moran (KS)
Murphy, Tim
Myrick
Neugebauer
Nunes
Olson
Paul
Paulsen
Pence
Perriello
Petri
Pitts
Platts

Poe (TX)
Posey
Price (GA)
Putnam
Rehberg
Reichert
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Scalise
Schmidt
Schock
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuler
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souter
Stearns
Sullivan
Terry
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden
Wamp
Westmoreland
Whitfield
Wilson (SC)
Wittman
Wolf
Young (AK)
Young (FL)

NOT VOTING—13

Baldwin
Barrett (SC)
Capuano
Dingell
Fudge

Granger
Kucinich
Larson (CT)
Lewis (GA)
Moran (VA)

Radanovich
Sanchez, Loretta
Scott (VA)

□ 1318

Messrs. LUETKEMEYER and KING of New York changed their vote from “yea” to “nay.”

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. LINCOLN DIAZ-BALART of Florida. Madam 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 237, nays 182, not voting 15, as follows:

[Roll No. 940]

YEAS—237

Abercrombie
Ackerman
Adler (NJ)
Andrews
Arcuri
Baca
Baird
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Bocchieri
Boren
Boswell
Boucher
Boyd
Brady (PA)
Braley (IA)
Bright

Brown, Corrine
Butterfield
Capps
Cardoza
Carnahan
Carney
Carson (IN)
Castor (FL)
Chandler
Childers
Chu
Clarke

Clay
Cleave
Clyburn
Cohen
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crowley
Cuellar
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Doggett
Doyle
Driehaus
Edwards (MD)
Edwards (TX)
Ellison
Ellsworth
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Foster
Frank (MA)
Garamendi
Giffords
Gonzalez
Gordon (TN)
Grayson
Green, Al
Green, Gene
Griffith
Grijalva
Gutierrez
Hall (NY)
Halvorson
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Himes
Hinche
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hoyer
Inslie
Israel
Jackson (IL)
Jackson-Lee
(TX)

Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
Kirkpatrick (AZ)
Kissell
Kosmas
Kucinich
Langevin
Larsen (WA)
Lee (CA)
Levin
Lipinski
Loeb
Lofgren, Zoe
Lowey
Lujan
Lynch
Maffei
Maloney
Markey (CO)
Markey (MA)
Marshall
Massa
Matheson
Matsui
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McMahon
McNerney
Meek (FL)
Meeks (NY)
Michaud
Miller (NC)
Miller, George
Minnick
Mollohan
Moore (KS)
Moore (WI)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Murtha
Nadler (NY)
Napolitano
Neal (MA)
Nye

Pingree (ME)
Polis (CO)
Pomeroy
Price (NC)
Quigley
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Ryan (OH)
Salazar
Sanchez, Linda
T.
Sarbanes
Schakowsky
Schauer
Schiff
Schrader
Schwartz
Scott (GA)
Serrano
Sestak
Shea-Porter
Sherman
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Space
Speier
Spratt
Stark
Stupak
Sutton
Tanner
Teague
Thompson (CA)
Thompson (MS)
Tierney
Titus
Tonko
Towns
Tsongas
Van Hollen
Velazquez
Visclosky
Walz
Wasserman
Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Wexler
Wilson (OH)
Woolsey
Wu
Yarmuth

NAYS—182

Aderholt
Akin
Alexander
Altmire
Austria
Bachmann
Bachus
Bartlett
Barton (TX)
Biggart
Billray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono Mack
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite,
Ginny
Buchanan
Burgess
Burton (IN)

Buyer
Calvert
Camp
Campbell
Cantor
Cao
Capito
Carter
Cassidy
Castle
Chaffetz
Coble
Coffman (CO)
Cole
Conaway
Crenshaw
Culberson
Davis (KY)
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Donnelly (IN)

Flake
Fleming
Forbes
Fortenberry
Foxy
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gingrey (GA)
Gohmert
Goodlatte
Graves
Guthrie
Hall (TX)
Harper
Hastings (WA)
Heinrich
Heller
Hensarling
Herger
Hill
Hoekstra
Hunter
Inglis
Issa
Jenkins

Johnson (IL)	McMorris	Scalise	Carney	Hensarling	Meeks (NY)	Shuler	Taylor	Wamp
Johnson, Sam	Rodgers	Schmidt	Carson (IN)	Herger	Melancon	Shuster	Teague	Wasserman
Jones	Mica	Schock	Carter	Herseth Sandlin	Mica	Simpson	Terry	Schultz
Jordan (OH)	Miller (FL)	Sensenbrenner	Cassidy	Higgins	Michaud	Sires	Thompson (CA)	Waters
King (IA)	Miller (MI)	Sessions	Castle	Hill	Miller (FL)	Skelton	Thompson (MS)	Watson
King (NY)	Miller, Gary	Shadegg	Castor (FL)	Himes	Miller (MI)	Slaughter	Thompson (PA)	Watt
Kingston	Mitchell	Shimkus	Chaffetz	Hinchey	Miller (NC)	Smith (NE)	Thornberry	Waxman
Kirk	Moran (KS)	Shuler	Childers	Hinojosa	Miller, Gary	Smith (NJ)	Tiahrt	Weiner
Klein (FL)	Murphy, Tim	Shuster	Chu	Hirono	Miller, George	Smith (TX)	Tiberi	Welch
Kline (MN)	Myrick	Simpson	Clarke	Hodes	Minnick	Smith (WA)	Tierney	Westmoreland
Kratovil	Neugebauer	Smith (NE)	Clay	Hoekstra	Mitchell	Snyder	Titus	Wexler
Lamborn	Nunes	Smith (NJ)	Cleaver	Holden	Mollohan	Souder	Tonko	Whitfield
Lance	Olson	Smith (TX)	Clyburn	Holt	Moore (KS)	Space	Towns	Wilson (OH)
Latham	Paulsen	Smith (TX)	Coble	Honda	Moore (WI)	Speier	Tsongas	Wilson (SC)
LaTourette	Pence	Souder	Cohen	Hoyer	Moran (KS)	Spratt	Turner	Wittman
Latta	Petri	Sullivan	Cole	Hunter	Murphy (CT)	Stark	Upton	Wolf
Lee (NY)	Pitts	Taylor	Conaway	Inglis	Murphy (NY)	Stearns	Van Hollen	Woolsey
Lewis (CA)	Platts	Terry	Connolly (VA)	Inslee	Murphy, Patrick	Stupak	Velázquez	Wu
Linder	Poe (TX)	Thompson (PA)	Conyers	Israel	Murphy, Tim	Sullivan	Visclosky	Yarmuth
LoBiondo	Posey	Thornberry	Cooper	Issa	Murtha	Sutton	Walden	Young (AK)
Lucas	Price (GA)	Tiahrt	Costa	Jackson (IL)	Myrick	Tanner	Walz	Young (FL)
Luetkemeyer	Putnam	Tiberi	Costello	Jackson-Lee	Nadler (NY)			
Lummis	Rehberg	Turner	Courtney	(TX)	Napolitano			
Lungren, Daniel E.	Reichert	Upton	Crenshaw	Jenkins	Neal (MA)			
Mack	Roe (TN)	Walden	Crowley	Johnson (GA)	Neugebauer			
Manzullo	Rogers (AL)	Wamp	Cuellar	Johnson (IL)	Nunes			
Marchant	Rogers (KY)	Westmoreland	Culberson	Johnson, E. B.	Nye			
McCarthy (CA)	Rogers (MI)	Whitfield	Cummings	Johnson, Sam	Oberstar			
McCaul	Rohrabacher	Wilson (SC)	Dahlkemper	Jones	Obey			
McClintock	Rooney	Wittman	Davis (AL)	Jordan (OH)	Olson			
McCotter	Ros-Lehtinen	Wolf	Davis (CA)	Kagen	Olver			
McHenry	Roskam	Young (AK)	Davis (IL)	Kanjorski	Ortiz			
McKeon	Royce	Young (FL)	Davis (KY)	Kaptur	Owens			
	Ryan (WI)		Davis (TN)	Kennedy	Pallone			
			Deal (GA)	Kildee	Pascrell			
			DeFazio	Kilpatrick (MI)	Pastor (AZ)			
			DeGette	Kilroy	Paul			
			Delahunt	Kind	Paulsen			
			DeLauro	King (IA)	Payne			
			Dent	King (NY)	Pence			
			Diaz-Balart, L.	Kingston	Perlmutter			
			Diaz-Balart, M.	Kirk	Perriello			
			Dicks	Kirkpatrick (AZ)	Peters			
			Doggett	Kissell	Peterson			
			Donnelly (IN)	Klein (FL)	Petri			
			Doyle	Kline (MN)	Pingree (ME)			
			Dreier	Kosmas	Pitts			
			Driehaus	Kratovil	Platts			
			Duncan	Kucinich	Poe (TX)			
			Edwards (MD)	Lamborn	Polis (CO)			
			Edwards (TX)	Lance	Pomeroy			
			Ehlers	Langevin	Posey			
			Ellison	Larsen (WA)	Price (GA)			
			Ellsworth	Latham	Price (NC)			
			Emerson	LaTourette	Putnam			
			Engel	Latta	Quigley			
			Eshoo	Lee (CA)	Rahall			
			Etheridge	Lee (NY)	Rangel			
			Fallin	Levin	Rehberg			
			Farr	Lewis (CA)	Reichert			
			Fattah	Lipinski	Reyes			
			Filner	LoBiondo	Richardson			
			Flake	Loeb sack	Rodriguez			
			Fleming	Lofgren, Zoe	Roe (TN)			
			Forbes	Lowey	Rogers (AL)			
			Fortenberry	Lucas	Rogers (KY)			
			Foster	Luetkemeyer	Rogers (MI)			
			Fox	Lujan	Rohrabacher			
			Frank (MA)	Lummis	Rooney			
			Franks (AZ)	Lungren, Daniel E.	Ros-Lehtinen			
			Frelinghuysen		Roskam			
			Gallegly	Lynch	Ross			
			Garamendi	Mack	Rothman (NJ)			
			Garrett (NJ)	Maffei	Roybal-Allard			
			Gerlach	Maloney	Royce			
			Giffords	Manzullo	Ruppersberger			
			Gingrey (GA)	Marchant	Rush			
			Gohmert	Markey (CO)	Ryan (OH)			
			Gonzalez	Markey (MA)	Ryan (WI)			
			Goodlatte	Marshall	Salazar			
			Gordon (TN)	Massa	Sánchez, Linda T.			
			Graves	Matheson	Sanbanes			
			Grayson	Matsui	Scalise			
			Green, Al	McCarthy (CA)	Schakowsky			
			Green, Gene	McCarthy (NY)	Schauer			
			Griffith	McCaul	Schiff			
			Grijalva	McClintock	Schmidt			
			Guthrie	McCollum	Schock			
			Gutierrez	McCotter	Schwartz			
			Hall (NY)	McDermott	Scott (GA)			
			Hall (TX)	McGovern	Scott (GA)			
			Halvorson	McHenry	Sensenbrenner			
			Hare	McIntyre	Serrano			
			Harman	McKeon	Sessions			
			Harper	McMahon	Sestak			
			Hastings (FL)	McMorris	Shadegg			
			Hastings (WA)	Rodgers	Shea-Porter			
			Heinrich	McNerney	Sherman			
			Heller	Meek (FL)	Shimkus			

NAYS—1

NOT VOTING—16

Baldwin	Dingell	Moran (VA)
Barrett (SC)	Fudge	Radanovich
Boyd	Granger	Sanchez, Loretta
Capuano	Larson (CT)	Scott (VA)
Chandler	Lewis (GA)	
Coffman (CO)	Linder	

□ 1333

So (two-thirds being in the affirmative) the rules were suspended and 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. LARSON of Connecticut. Madam Speaker, on December 9, 2009 I missed roll-call votes 939, 940 and 941. Had I been present, I would have voted “yea” on all.

TAX EXTENDERS ACT OF 2009

Mr. RANGEL. Mr. Speaker, pursuant to House Resolution 955, I call up the bill (H.R. 4213) to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. DRIEHAUS). Pursuant to House Resolution 955, the bill is considered read.

The text of the bill is as follows:

H.R. 4213

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 Extenders Act of 2009”.

(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 for this Act is as follows:

Sec. 1. Short title; amendment of 1986 Code; table of contents.

TITLE I—GENERAL PROVISIONS

Subtitle A—Individual Tax Relief

Sec. 101. Deduction of State and local sales taxes.

NOT VOTING—15

Baldwin	Granger	Paul
Barrett (SC)	Larson (CT)	Radanovich
Capuano	Lewis (GA)	Rush
Dingell	Melancon	Sanchez, Loretta
Fudge	Moran (VA)	Scott (VA)

□ 1326

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.

ROY RONDENO, SR. POST OFFICE BUILDING

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and pass the bill, H.R. 3951, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. LYNCH) that the House suspend the rules and pass the bill, H.R. 3951.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 417, nays 1, not voting 16, as follows:

[Roll No. 941]

YEAS—417

Abercrombie	Berry	Brale (IA)
Ackerman	Biggert	Bright
Aderholt	Bilbray	Broun (GA)
Adler (NJ)	Bilirakis	Brown (SC)
Akin	Bishop (GA)	Brown, Corrine
Alexander	Bishop (NY)	Brown-Waite,
Altmire	Bishop (UT)	Ginny
Andrews	Blackburn	Buchanan
Arcuri	Blumenauer	Burgess
Austria	Blunt	Burton (IN)
Baca	Boccieri	Butterfield
Bachmann	Boehner	Buyer
Bachus	Bonner	Calvert
Baird	Bono Mack	Camp
Barrow	Boozman	Campbell
Bartlett	Boren	Cantor
Barton (TX)	Boswell	Cao
Bean	Boucher	Capito
Becerra	Boustany	Capps
Berkley	Brady (PA)	Cardoza
Berman	Brady (TX)	Carnahan

- Sec. 102. Additional standard deduction for State and local real property taxes.
- Sec. 103. Above-the-line deduction for qualified tuition and related expenses.
- Sec. 104. Deduction for certain expenses of elementary and secondary school teachers.
- Subtitle B—Business Tax Relief
- Sec. 111. Research credit.
- Sec. 112. Exceptions for active financing income.
- Sec. 113. Look-thru treatment of payments between related controlled foreign corporations under foreign personal holding company rules.
- Sec. 114. 15-year straight-line cost recovery for qualified leasehold improvements, qualified restaurant buildings and improvements, and qualified retail improvements.
- Sec. 115. 7-year recovery period for motor-sports entertainment complexes.
- Sec. 116. Railroad track maintenance credit.
- Sec. 117. Special expensing rules for certain film and television productions.
- Sec. 118. Expensing of environmental remediation costs.
- Sec. 119. Mine rescue team training credit.
- Sec. 120. Election to expense advanced mine safety equipment.
- Sec. 121. Employer wage credit for employees who are active duty members of the uniformed services.
- Sec. 122. 5-year depreciation for farming business machinery and equipment.
- Sec. 123. Treatment of certain dividends and assets of regulated investment companies.
- Sec. 124. Look-thru of certain regulated investment company stock in determining gross estate of non-residents.
- Sec. 125. RIC qualified investment entity treatment under FIRPTA.
- Sec. 126. Suspension of limitation on percentage depletion for oil and gas from marginal wells.
- Subtitle C—Charitable Provisions
- Sec. 131. Contributions of capital gain real property made for conservation purposes.
- Sec. 132. Enhanced charitable deduction for contributions of food inventory.
- Sec. 133. Enhanced charitable deduction for contributions of book inventories to public schools.
- Sec. 134. Enhanced charitable deduction for corporate contributions of computer technology and equipment for educational purposes.
- Sec. 135. Tax-free distributions from individual retirement plans for charitable purposes.
- Sec. 136. Modification of tax treatment of certain payments to controlling exempt organizations.
- Sec. 137. Exclusion of gain or loss on sale or exchange of certain brownfield sites from unrelated business taxable income.
- Sec. 138. Basis adjustment to stock of S corporations making charitable contributions of property.
- Subtitle D—Miscellaneous Provisions
- Sec. 141. Indian employment tax credit.
- Sec. 142. Accelerated depreciation for business property on an Indian reservation.
- Sec. 143. Deduction allowable with respect to income attributable to domestic production activities in Puerto Rico.
- Sec. 144. Temporary increase in limit on cover over of rum excise taxes to Puerto Rico and the Virgin Islands.
- Sec. 145. American Samoa economic development credit.
- TITLE II—COMMUNITY ASSISTANCE PROVISIONS
- Sec. 201. Empowerment zone tax incentives.
- Sec. 202. Renewal community tax incentives.
- Sec. 203. New markets tax credit.
- Sec. 204. Tax incentives for investment in the District of Columbia.
- Sec. 205. Tax incentives for New York Liberty Zone.
- Sec. 206. Tax incentives for the Gulf Opportunity Zone.
- Sec. 207. Election for refundable low-income housing credit for 2010.
- TITLE III—DISASTER RELIEF PROVISIONS
- Sec. 301. Deductibility of personal casualty losses attributable to federally declared disasters.
- Sec. 302. Expensing of certain qualified disaster expenses.
- Sec. 303. 5-year carryback of net operating losses attributable to Federally declared disasters.
- Sec. 304. Waiver of certain mortgage revenue bond requirements for residences located in Federally declared disaster areas.
- Sec. 305. Expensing and special depreciation allowance for qualified disaster assistance property.
- TITLE IV—ENERGY PROVISIONS
- Sec. 401. Incentives for biodiesel and renewable diesel.
- Sec. 402. Alternative motor vehicle credit for heavy hybrids.
- Sec. 403. Alternative fuel credit for natural gas and liquefied petroleum gas.
- Sec. 404. Special rule for sales or dispositions to implement FERC or State electric restructuring policy for qualified electric utilities.
- TITLE V—FOREIGN ACCOUNT TAX COMPLIANCE
- Subtitle A—Increased Disclosure of Beneficial Owners
- Sec. 501. Reporting on certain foreign accounts.
- Sec. 502. Repeal of certain foreign exceptions to registered bond requirements.
- Subtitle B—Under Reporting With Respect to Foreign Assets
- Sec. 511. Disclosure of information with respect to foreign financial assets.
- Sec. 512. Penalties for underpayments attributable to undisclosed foreign financial assets.
- Sec. 513. Modification of statute of limitations for significant omission of income in connection with foreign assets.
- Subtitle C—Other Disclosure Provisions
- Sec. 521. Reporting of activities with respect to passive foreign investment companies.
- Sec. 522. Secretary permitted to require financial institutions to file certain returns related to withholding on foreign transfers electronically.
- Subtitle D—Provisions Related to Foreign Trusts
- Sec. 531. Clarifications with respect to foreign trusts which are treated as having a United States beneficiary.
- Sec. 532. Presumption that foreign trust has United States beneficiary.
- Sec. 533. Uncompensated use of trust property.
- Sec. 534. Reporting requirement of United States owners of foreign trusts.
- Sec. 535. Minimum penalty with respect to failure to report on certain foreign trusts.
- Subtitle E—Substitute Dividends and Dividend Equivalent Payments Received by Foreign Persons Treated as Dividends
- Sec. 541. Substitute dividends and dividend equivalent payments received by foreign persons treated as dividends.
- TITLE VI—OTHER REVENUE PROVISIONS
- Subtitle A—Partnership Interests Held by Partners Providing Services
- Sec. 601. Partnership interests transferred in connection with performance of services.
- Sec. 602. Income of partners for performing investment management services treated as ordinary income received for performance of services.
- Subtitle B—Time for Payment of Corporate Estimated Taxes
- Sec. 611. Time for payment of corporate estimated taxes.
- Subtitle C—Tax Expenditure Study
- Sec. 621. Findings.
- Sec. 622. Study of extended tax expenditures.
- TITLE I—GENERAL PROVISIONS
- Subtitle A—Individual Tax Relief
- SEC. 101. DEDUCTION OF STATE AND LOCAL SALES TAXES.**
- (a) IN GENERAL.—Subparagraph (I) of section 164(b)(5) is amended by striking “January 1, 2010” and inserting “January 1, 2011”.
- (b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2009.
- SEC. 102. ADDITIONAL STANDARD DEDUCTION FOR STATE AND LOCAL REAL PROPERTY TAXES.**
- (a) IN GENERAL.—Subparagraph (C) of section 63(c)(1) is amended by striking “or 2009” and inserting “, 2009, or 2010”.
- (b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2009.
- SEC. 103. ABOVE-THE-LINE DEDUCTION FOR QUALIFIED TUITION AND RELATED EXPENSES.**
- (a) IN GENERAL.—Subsection (e) of section 222 is amended by striking “December 31, 2009” and inserting “December 31, 2010”.
- (b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2009.
- SEC. 104. DEDUCTION FOR CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.**
- (a) IN GENERAL.—Subparagraph (D) of section 62(a)(2) is amended by striking “or 2009” and inserting “2009, or 2010”.
- (b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2009.
- Subtitle B—Business Tax Relief
- SEC. 111. RESEARCH CREDIT.**
- (a) IN GENERAL.—Subparagraph (B) of section 41(h)(1) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.
- (b) CONFORMING AMENDMENT.—Subparagraph (D) of section 45C(b)(1) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.
- (c) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after December 31, 2009.

SEC. 112. EXCEPTIONS FOR ACTIVE FINANCING INCOME.

(a) IN GENERAL.—Sections 953(e)(10) and 954(h)(9) are each amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(b) CONFORMING AMENDMENT.—Section 953(e)(10) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2009, and to taxable years of United States shareholders with or within which any such taxable year of such foreign corporation ends.

SEC. 113. LOOK-THRU TREATMENT OF PAYMENTS BETWEEN RELATED CONTROLLED FOREIGN CORPORATIONS UNDER FOREIGN PERSONAL HOLDING COMPANY RULES.

(a) IN GENERAL.—Subparagraph (C) of section 954(c)(6) is amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2009, and to taxable years of United States shareholders with or within which any such taxable year of such foreign corporation ends.

SEC. 114. 15-YEAR STRAIGHT-LINE COST RECOVERY FOR QUALIFIED LEASEHOLD IMPROVEMENTS, QUALIFIED RESTAURANT BUILDINGS AND IMPROVEMENTS, AND QUALIFIED RETAIL IMPROVEMENTS.

(a) IN GENERAL.—Clauses (iv), (v), and (ix) of section 168(e)(3)(E) are each amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2009.

SEC. 115. 7-YEAR RECOVERY PERIOD FOR MOTORSPORTS ENTERTAINMENT COMPLEXES.

(a) IN GENERAL.—Subparagraph (D) of section 168(i)(15) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2009.

SEC. 116. RAILROAD TRACK MAINTENANCE CREDIT.

(a) IN GENERAL.—Subsection (f) of section 45G is amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures paid or incurred in taxable years beginning after December 31, 2009.

SEC. 117. SPECIAL EXPENSING RULES FOR CERTAIN FILM AND TELEVISION PRODUCTIONS.

(a) IN GENERAL.—Subsection (f) of section 181 is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to productions commencing after December 31, 2009.

SEC. 118. EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.

(a) IN GENERAL.—Subsection (h) of section 198 is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures paid or incurred after December 31, 2009.

SEC. 119. MINE RESCUE TEAM TRAINING CREDIT.

(a) IN GENERAL.—Subsection (e) of section 45N is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 120. ELECTION TO EXPENSE ADVANCED MINE SAFETY EQUIPMENT.

(a) IN GENERAL.—Subsection (g) of section 179E is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2009.

SEC. 121. EMPLOYER WAGE CREDIT FOR EMPLOYEES WHO ARE ACTIVE DUTY MEMBERS OF THE UNIFORMED SERVICES.

(a) IN GENERAL.—Subsection (f) of section 45P is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made after December 31, 2009.

SEC. 122. 5-YEAR DEPRECIATION FOR FARMING BUSINESS MACHINERY AND EQUIPMENT.

(a) IN GENERAL.—Clause (vii) of section 168(e)(3)(B) is amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2009.

SEC. 123. TREATMENT OF CERTAIN DIVIDENDS AND ASSETS OF REGULATED INVESTMENT COMPANIES.

(a) IN GENERAL.—Paragraphs (1)(C) and (2)(C) of section 871(k) are each amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 124. LOOK-THRU OF CERTAIN REGULATED INVESTMENT COMPANY STOCK IN DETERMINING GROSS ESTATE OF NONRESIDENTS.

(a) IN GENERAL.—Paragraph (3) of section 2105(d) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to estates of decedents dying after December 31, 2009.

SEC. 125. RIC QUALIFIED INVESTMENT ENTITY TREATMENT UNDER FIRPTA.

(a) IN GENERAL.—Clause (ii) of section 897(h)(4)(A) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made after December 31, 2009.

SEC. 126. SUSPENSION OF LIMITATION ON PERCENTAGE DEPLETION FOR OIL AND GAS FROM MARGINAL WELLS.

(a) IN GENERAL.—Clause (ii) of section 613A(c)(6)(H) is amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2009.

Subtitle C—Charitable Provisions**SEC. 131. CONTRIBUTIONS OF CAPITAL GAIN REAL PROPERTY MADE FOR CONSERVATION PURPOSES.**

(a) IN GENERAL.—Clause (vi) of section 170(b)(1)(E) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) CONTRIBUTIONS BY CERTAIN CORPORATE FARMERS AND RANCHERS.—Clause (iii) of section 170(b)(2)(B) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2009.

SEC. 132. ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Clause (iv) of section 170(e)(3)(C) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after December 31, 2009.

SEC. 133. ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF BOOK INVENTORIES TO PUBLIC SCHOOLS.

(a) IN GENERAL.—Clause (iv) of section 170(e)(3)(D) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after December 31, 2009.

SEC. 134. ENHANCED CHARITABLE DEDUCTION FOR CORPORATE CONTRIBUTIONS OF COMPUTER TECHNOLOGY AND EQUIPMENT FOR EDUCATIONAL PURPOSES.

(a) IN GENERAL.—Subparagraph (G) of section 170(e)(6) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2009.

SEC. 135. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT PLANS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subparagraph (F) of section 408(d)(8) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made in taxable years beginning after December 31, 2009.

SEC. 136. MODIFICATION OF TAX TREATMENT OF CERTAIN PAYMENTS TO CONTROLLING EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Clause (iv) of section 512(b)(13)(E) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments received or accrued after December 31, 2009.

SEC. 137. EXCLUSION OF GAIN OR LOSS ON SALE OR EXCHANGE OF CERTAIN BROWNFIELD SITES FROM UNRELATED BUSINESS TAXABLE INCOME.

(a) IN GENERAL.—Subparagraph (K) of section 512(b)(19) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property acquired after December 31, 2009.

SEC. 138. BASIS ADJUSTMENT TO STOCK OF S CORPORATIONS MAKING CHARITABLE CONTRIBUTIONS OF PROPERTY.

(a) IN GENERAL.—Paragraph (2) of section 1367(a) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2009.

Subtitle D—Miscellaneous Provisions**SEC. 141. INDIAN EMPLOYMENT TAX CREDIT.**

(a) IN GENERAL.—Subsection (f) of section 45A is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 142. ACCELERATED DEPRECIATION FOR BUSINESS PROPERTY ON AN INDIAN RESERVATION.

(a) IN GENERAL.—Paragraph (8) of section 168(j) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2009.

SEC. 143. DEDUCTION ALLOWABLE WITH RESPECT TO INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES IN PUERTO RICO.

(a) IN GENERAL.—Subparagraph (C) of section 199(d)(8) is amended—

(1) by striking “first 4 taxable years” and inserting “first 5 taxable years”, and

(2) by striking “January 1, 2010” and inserting “January 1, 2011”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 144. TEMPORARY INCREASE IN LIMIT ON COVER OVER OF RUM EXCISE TAXES TO PUERTO RICO AND THE VIRGIN ISLANDS.

(a) IN GENERAL.—Paragraph (1) of section 7652(f) is amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distilled spirits brought into the United States after December 31, 2009.

SEC. 145. AMERICAN SAMOA ECONOMIC DEVELOPMENT CREDIT.

(a) IN GENERAL.—Subsection (d) of section 119 of division A of the Tax Relief and Health Care Act of 2006 is amended—

(1) by striking “first 4 taxable years” and inserting “first 5 taxable years”, and

(2) by striking “January 1, 2010” and inserting “January 1, 2011”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

TITLE II—COMMUNITY ASSISTANCE PROVISIONS

SEC. 201. EMPOWERMENT ZONE TAX INCENTIVES.

(a) IN GENERAL.—Clause (i) of section 1391(d)(1)(A) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) INCREASED EXCLUSION OF GAIN ON STOCK OF EMPOWERMENT ZONE BUSINESSES.—Subparagraph (C) of section 1202(a)(2) is amended—

(1) by striking “December 31, 2014” and inserting “December 31, 2015”, and

(2) by striking “2014” in the heading and inserting “2015”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 2009.

SEC. 202. RENEWAL COMMUNITY TAX INCENTIVES.

(a) IN GENERAL.—Subsection (b) of section 1400E is amended—

(1) by striking “December 31, 2009” in paragraphs (1)(A) and (3) and inserting “December 31, 2010”, and

(2) by striking “January 1, 2010” in paragraph (3) and inserting “January 1, 2011”.

(b) ZERO-PERCENT CAPITAL GAINS RATE.—

(1) ACQUISITION DATES.—Paragraphs (2)(A)(i), (3)(A), (4)(A)(i), and (4)(B)(i) of section 1400F(b) are each amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(2) LIMITATION ON PERIOD OF GAINS.—Paragraph (2) of section 1400F(c) is amended—

(A) by striking “December 31, 2014” and inserting “December 31, 2015”, and

(B) by striking “2014” in the heading and inserting “2015”.

(3) CLERICAL AMENDMENT.—Subsection (d) of section 1400F is amended by striking “and ‘December 31, 2014’ for ‘December 31, 2014’”.

(c) COMMERCIAL REVITALIZATION DEDUCTION.—Subsection (g) of section 1400I is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(d) INCREASED EXPENSING UNDER SECTION 179.—Subparagraph (A) of section 1400J(b)(1) is amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to periods after December 31, 2009.

(2) ACQUISITIONS.—The amendments made by subsection (b)(1) and (d) shall apply to acquisitions after December 31, 2009.

(3) COMMERCIAL REVITALIZATION DEDUCTION.—The amendment made by subsection (c) shall apply to building placed in service after December 31, 2009.

SEC. 203. NEW MARKETS TAX CREDIT.

(a) IN GENERAL.—Subparagraph (F) of section 45D(f)(1) is amended by inserting “and 2010” after “2009”.

(b) CARRYOVER OF UNUSED LIMITATION.—Paragraph (3) of section 45D(f) is amended by striking “2014” and inserting “2015”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after 2009.

SEC. 204. TAX INCENTIVES FOR INVESTMENT IN THE DISTRICT OF COLUMBIA.

(a) IN GENERAL.—Subsection (f) of section 1400 is amended by striking “December 31, 2009” each place it appears and inserting “December 31, 2010”.

(b) TAX-EXEMPT DC EMPOWERMENT ZONE BONDS.—Subsection (b) of section 1400A is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(c) ZERO-PERCENT CAPITAL GAINS RATE.—

(1) ACQUISITION DATES.—Paragraphs (2)(A)(i), (3)(A), (4)(A)(i), and (4)(B)(i)(I) of section 1400B(b) are each amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(2) LIMITATION ON PERIOD OF ZERO-PERCENT CAPITAL GAINS.—

(A) IN GENERAL.—Paragraph (2) of section 1400B(e) is amended—

(i) by striking “December 31, 2014” and inserting “December 31, 2015”, and

(ii) by striking “2014” in the heading and inserting “2015”.

(B) INTERESTS IN PARTNERSHIP AND S CORPORATIONS.—Paragraph (2) of section 1400B(g) is amended by striking “December 31, 2014” and inserting “December 31, 2015”.

(d) FIRST-TIME HOMEBUYER CREDIT.—Subsection (i) of section 1400C is amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to periods after December 31, 2009.

(2) TAX-EXEMPT DC EMPOWERMENT ZONE BONDS.—The amendment made by subsection (b) shall apply to bonds issued after December 31, 2009.

(3) ACQUISITION DATES FOR ZERO-PERCENT CAPITAL GAINS RATE.—The amendments made by subsection (c)(1) shall apply to property acquired or substantially improved after December 31, 2009.

(4) FIRST-TIME HOMEBUYER CREDIT.—The amendment made by subsection (d) shall apply to property purchased after December 31, 2009.

SEC. 205. TAX INCENTIVES FOR NEW YORK LIBERTY ZONE.

(a) BONUS DEPRECIATION FOR NONRESIDENTIAL REAL PROPERTY AND RESIDENTIAL RENTAL PROPERTY.—Subparagraph (A) of section 1400L(b)(2) is amended by striking “December 31, 2009” in the last sentence and inserting “December 31, 2010”.

(b) TAX-EXEMPT BOND FINANCING.—Subparagraph (D) of section 1400L(d)(2) is amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(c) EFFECTIVE DATES.—

(1) BONUS DEPRECIATION.—The amendment made by subsection (a) shall apply to property placed in service after December 31, 2009.

(2) TAX-EXEMPT BOND FINANCING.—The amendment made by subsection (b) shall apply to bonds issued after December 31, 2009.

SEC. 206. TAX INCENTIVES FOR THE GULF OPPORTUNITY ZONE.

(a) WORK OPPORTUNITY TAX CREDIT FOR CORE DISASTER AREA.—Paragraph (1) of section 201(b) of the Katrina Emergency Tax Relief Act of 2005 is amended by striking “4-year” and inserting “5-year”.

(b) INCREASE IN REHABILITATION CREDIT.—Subsection (h) of section 1400N is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(c) EFFECTIVE DATES.—

(1) WORK OPPORTUNITY TAX CREDIT.—The amendment made by subsection (a) shall apply to individuals hired on or after August 28, 2009.

(2) REHABILITATION CREDIT.—The amendment made by subsection (b) shall apply to amounts paid or incurred after December 31, 2009.

SEC. 207. ELECTION FOR REFUNDABLE LOW-INCOME HOUSING CREDIT FOR 2010.

(a) IN GENERAL.—Section 42 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

“(n) ELECTION FOR REFUNDABLE CREDITS.—

“(1) IN GENERAL.—The housing credit agency of each State shall be allowed a credit in an amount equal to such State’s 2010 low-income housing refundable credit election amount which shall be payable by the Secretary as provided in paragraph (5).

“(2) 2010 LOW-INCOME HOUSING REFUNDABLE CREDIT ELECTION AMOUNT.—For purposes of this subsection, the term ‘2010 low-income housing refundable credit election amount’ means, with respect to any State, such amount as the State may elect which does not exceed 85 percent of the product of—

“(A) the sum of—

“(i) 100 percent of the State housing credit ceiling for 2010 which is attributable to amounts described in clauses (i) and (iii) of subsection (h)(3)(C), and

“(ii) 40 percent of the State housing credit ceiling for 2010 which is attributable to amounts described in clauses (ii) and (iv) of such subsection, multiplied by

“(B) 10.

“(3) COORDINATION WITH NON-REFUNDABLE CREDIT.—For purposes of this section, the amounts described in clauses (i) through (iv) of subsection (h)(3)(C) with respect to any State for 2010 shall each be reduced by so much of such amount as is taken into account in determining the amount of the credit allowed with respect to such State under paragraph (1).

“(4) SPECIAL RULE FOR BASIS.—Basis of a qualified low-income building shall not be reduced by the amount of any payment made under this subsection.

“(5) PAYMENT OF CREDIT; USE TO FINANCE LOW-INCOME BUILDINGS.—The Secretary shall pay to the housing credit agency of each State an amount equal to the credit allowed under paragraph (1). Rules similar to the rules of subsections (c) and (d) of section 1602 of the American Recovery and Reinvestment Tax Act of 2009 shall apply with respect to any payment made under this paragraph, except that such subsection (d) shall be applied by substituting ‘January 1, 2012’ for ‘January 1, 2011’.”.

(b) CONFORMING AMENDMENT.—Section 1324(b)(2) of title 31, United States Code, is amended by inserting “42(n),” after “36A,”.

TITLE III—DISASTER RELIEF PROVISIONS
SEC. 301. DEDUCTIBILITY OF PERSONAL CASUALTY LOSSES ATTRIBUTABLE TO FEDERALLY DECLARED DISASTERS.

(a) IN GENERAL.—Subclause (I) of section 165(h)(3)(B)(i) is amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(b) EXTENSION OF \$500 LIMITATION.—Paragraph (1) of section 165(h) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to losses attributable to disasters occurring after December 31, 2009.

(2) EXTENSION OF \$500 LIMITATION.—The amendment made by subsection (b) shall apply to taxable years beginning after December 31, 2009.

SEC. 302. EXPENSING OF CERTAIN QUALIFIED DISASTER EXPENSES.

(a) IN GENERAL.—Subparagraph (A) of section 198A(b)(2) is amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures on account of disasters occurring after December 31, 2009.

SEC. 303. 5-YEAR CARRYBACK OF NET OPERATING LOSSES ATTRIBUTABLE TO FEDERALLY DECLARED DISASTERS.

(a) IN GENERAL.—Subclause (I) of section 172(j)(1)(A)(i) is amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to losses attributable to disasters occurring after December 31, 2009.

SEC. 304. WAIVER OF CERTAIN MORTGAGE REVENUE BOND REQUIREMENTS FOR RESIDENCES LOCATED IN FEDERALLY DECLARED DISASTER AREAS.

(a) IN GENERAL.—Paragraph (11) of section 143(k) is amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(b) SPECIAL RULE FOR RESIDENCES DESTROYED IN FEDERALLY DECLARED DISASTER AREAS.—Paragraph (13) of section 143(k), as redesignated under subsection (c), is amended by striking “January 1, 2010” in subparagraphs (A)(i) and (B)(i) and inserting “January 1, 2011”.

(c) TECHNICAL AMENDMENT.—Subsection (k) of section 143 is amended by redesignating the second paragraph (12) (relating to special rules for residences destroyed in Federally declared disasters) as paragraph (13).

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to bonds issued after December 31, 2009.

(2) RESIDENCES DESTROYED IN FEDERALLY DECLARED DISASTER AREAS.—The amendments made by subsection (b) shall apply with respect to disasters occurring after December 31, 2009.

(3) TECHNICAL AMENDMENT.—The amendment made by subsection (c) shall take effect as if included in section 709 of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008.

SEC. 305. EXPENSING AND SPECIAL DEPRECIATION ALLOWANCE FOR QUALIFIED DISASTER ASSISTANCE PROPERTY.

(a) IN GENERAL.—Subclause (I) of section 168(n)(2)(A)(ii) is amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disasters occurring after December 31, 2009.

TITLE IV—ENERGY PROVISIONS

SEC. 401. INCENTIVES FOR BIODIESEL AND RENEWABLE DIESEL.

(a) CREDITS FOR BIODIESEL AND RENEWABLE DIESEL USED AS FUEL.—Subsection (g) of sec-

tion 40A is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) EXCISE TAX CREDITS AND PAYMENTS FOR BIODIESEL AND RENEWABLE DIESEL FUEL MIXTURES.—

(1) Paragraph (6) of section 6426(c) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(2) Subparagraph (B) of section 6427(e)(6) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales and uses after December 31, 2009.

SEC. 402. ALTERNATIVE MOTOR VEHICLE CREDIT FOR HEAVY HYBRIDS.

(a) IN GENERAL.—Paragraph (3) of section 30B(k) is amended by striking “December 31, 2009” and inserting “December 31, 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property purchased after December 31, 2009.

SEC. 403. ALTERNATIVE FUEL CREDIT FOR NATURAL GAS AND LIQUIFIED PETROLEUM GAS.

(a) IN GENERAL.—Paragraph (5) of section 6426(d) is amended by striking “after December 31, 2009” and all that follows and inserting “after—

“(A) September 30, 2014, in the case of liquefied hydrogen,

“(B) December 31, 2010, in the case of—

“(i) compressed or liquified natural gas, and

“(ii) liquified petroleum gas (other than for use as fuel in a forklift), and

“(C) December 31, 2009, in any other case.”.

(b) PAYMENT AUTHORITY.—Paragraph (6) of section 6427(e) is amended by striking “and” at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting a comma and by adding at the end the following new subparagraphs:

“(E) any alternative fuel (as so defined) involving compressed or liquified natural gas sold or used after December 31, 2010, and

“(F) any alternative fuel (as so defined) involving liquified petroleum gas (other than for use as fuel in a forklift) sold or used after December 31, 2010.”.

(c) CONFORMING AMENDMENT.—Subparagraph (C) of section 6427(e)(6) is amended by inserting “(E), or (F)” after “subparagraph (D)”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel sold or used after December 31, 2009.

SEC. 404. SPECIAL RULE FOR SALES OR DISPOSITIONS TO IMPLEMENT FERC OR STATE ELECTRIC RESTRUCTURING POLICY FOR QUALIFIED ELECTRIC UTILITIES.

(a) IN GENERAL.—Paragraph (3) of section 451(i) is amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to dispositions after December 31, 2009.

TITLE V—FOREIGN ACCOUNT TAX COMPLIANCE

Subtitle A—Increased Disclosure of Beneficial Owners

SEC. 501. REPORTING ON CERTAIN FOREIGN ACCOUNTS.

(a) IN GENERAL.—The Internal Revenue Code of 1986 is amended by inserting after chapter 3 the following new chapter:

“CHAPTER 4—TAXES TO ENFORCE REPORTING ON CERTAIN FOREIGN ACCOUNTS

“Sec. 1471. Withholdable payments to foreign financial institutions.

“Sec. 1472. Withholdable payments to other foreign entities.

“Sec. 1473. Definitions.

“Sec. 1474. Special rules.

“SEC. 1471. WITHHOLDABLE PAYMENTS TO FOREIGN FINANCIAL INSTITUTIONS.

“(a) IN GENERAL.—In the case of any withholdable payment to a foreign financial institution which does not meet the requirements of subsection (b), the withholding agent with respect to such payment shall deduct and withhold from such payment a tax equal to 30 percent of the amount of such payment.

“(b) REPORTING REQUIREMENTS, ETC.—

“(1) IN GENERAL.—The requirements of this subsection are met with respect to any foreign financial institution if an agreement is in effect between such institution and the Secretary under which such institution agrees—

“(A) to obtain such information regarding each holder of each account maintained by such institution as is necessary to determine which (if any) of such accounts are United States accounts,

“(B) to comply with such verification and due diligence procedures as the Secretary may require with respect to the identification of United States accounts,

“(C) in the case of any United States account maintained by such institution, to report on an annual basis the information described in subsection (c) with respect to such account,

“(D) to deduct and withhold a tax equal to 30 percent of—

“(i) any passthru payment which is made by such institution to a recalcitrant account holder or another foreign financial institution which does not meet the requirements of this subsection, and

“(ii) in the case of any passthru payment which is made by such institution to a foreign financial institution which has in effect an election under paragraph (3) with respect to such payment, so much of such payment as is allocable to accounts held by recalcitrant account holders or foreign financial institutions which do not meet the requirements of this subsection,

“(E) to comply with requests by the Secretary for additional information with respect to any United States account maintained by such institution, and

“(F) in any case in which any foreign law would (but for a waiver described in clause (i)) prevent the reporting of any information referred to in this subsection or subsection (c) with respect to any United States account maintained by such institution—

“(i) to attempt to obtain a valid and effective waiver of such law from each holder of such account, and

“(ii) if a waiver described in clause (i) is not obtained from each such holder within a reasonable period of time, to close such account.

Any agreement entered into under this subsection may be terminated by the Secretary upon a determination by the Secretary that the foreign financial institution is out of compliance with such agreement.

“(2) FINANCIAL INSTITUTIONS DEEMED TO MEET REQUIREMENTS IN CERTAIN CASES.—A foreign financial institution may be treated by the Secretary as meeting the requirements of this subsection if—

“(A) such institution—

“(i) complies with such procedures as the Secretary may prescribe to ensure that such institution does not maintain United States accounts, and

“(ii) meets such other requirements as the Secretary may prescribe with respect to accounts of other foreign financial institutions maintained by such institution, or

“(B) such institution is a member of a class of institutions with respect to which the Secretary has determined that the application of this section is not necessary to carry out the purposes of this section.

“(3) ELECTION TO BE WITHHELD UPON RATHER THAN WITHHOLD ON PAYMENTS TO RECALCITRANT ACCOUNT HOLDERS AND NONPARTICIPATING FOREIGN FINANCIAL INSTITUTIONS.—In the case of a foreign financial institution which meets the requirements of this subsection and such other requirements as the Secretary may provide and which elects the application of this paragraph—

“(A) the requirements of paragraph (1)(D) shall not apply,

“(B) the withholding tax imposed under subsection (a) shall apply with respect to any withholdable payment to such institution to the extent such payment is allocable to accounts held by recalcitrant account holders or foreign financial institutions which do not meet the requirements of this subsection, and

“(C) the agreement described in paragraph (1) shall—

“(i) require such institution to notify the withholding agent with respect to each such payment of the institution’s election under this paragraph and such other information as may be necessary for the withholding agent to determine the appropriate amount to deduct and withhold from such payment, and

“(ii) include a waiver of any right under any treaty of the United States with respect to any amount deducted and withheld pursuant to an election under this paragraph.

To the extent provided by the Secretary, the election under this paragraph may be made with respect to certain classes or types of accounts of the foreign financial institution.

“(c) INFORMATION REQUIRED TO BE REPORTED ON UNITED STATES ACCOUNTS.—

“(1) IN GENERAL.—The agreement described in subsection (b) shall require the foreign financial institution to report the following with respect to each United States account maintained by such institution:

“(A) The name, address, and TIN of each account holder which is a specified United States person and, in the case of any account holder which is a United States owned foreign entity, the name, address, and TIN of each substantial United States owner of such entity.

“(B) The account number.

“(C) The account balance or value (determined at such time and in such manner as the Secretary may provide).

“(D) The gross receipts and gross withdrawals or payments from the account (determined for such period and in such manner as the Secretary may provide).

“(2) ELECTION TO BE SUBJECT TO SAME REPORTING AS UNITED STATES FINANCIAL INSTITUTIONS.—In the case of a foreign financial institution which elects the application of this paragraph—

“(A) subparagraphs (C) and (D) of paragraph (1) shall not apply, and

“(B) the agreement described in subsection (b) shall require such foreign financial institution to report such information with respect to each United States account maintained by such institution as such institution would be required to report under sections 6041, 6042, 6045, and 6049 if—

“(i) such institution were a United States person, and

“(ii) each holder of such account which is a specified United States person or United States owned foreign entity were a natural person and citizen of the United States.

An election under this paragraph shall be made at such time, in such manner, and subject to such conditions as the Secretary may provide.

“(3) SEPARATE REQUIREMENTS FOR QUALIFIED INTERMEDIARIES.—In the case of a foreign financial institution which is treated as a qualified intermediary by the Secretary for

purposes of section 1441 and the regulations issued thereunder, the requirements of this section shall be in addition to any reporting or other requirements imposed by the Secretary for purposes of such treatment.

“(d) DEFINITIONS.—For purposes of this section—

“(1) UNITED STATES ACCOUNT.—

“(A) IN GENERAL.—The term ‘United States account’ means any financial account which is held by one or more specified United States persons or United States owned foreign entities.

“(B) EXCEPTION FOR CERTAIN ACCOUNTS HELD BY INDIVIDUALS.—Unless the foreign financial institution elects to not have this subparagraph apply, such term shall not include any depository account maintained by such financial institution if—

“(i) each holder of such account is a natural person, and

“(ii) with respect to each holder of such account, the aggregate value of all depository accounts held (in whole or in part) by such holder and maintained by the same financial institution which maintains such account does not exceed \$50,000.

To the extent provided by the Secretary, financial institutions which are members of the same expanded affiliated group shall be treated for purposes of clause (ii) as a single financial institution.

“(C) ELIMINATION OF DUPLICATIVE REPORTING REQUIREMENTS.—Such term shall not include any financial account in a foreign financial institution if—

“(i) such account is held by another financial institution which meets the requirements of subsection (b), or

“(ii) the holder of such account is otherwise subject to information reporting requirements which the Secretary determines would make the reporting required by this section with respect to United States accounts duplicative.

“(2) FINANCIAL ACCOUNT.—The term ‘financial account’ means, with respect to any financial institution—

“(A) any depository account maintained by such financial institution,

“(B) any custodial account maintained by such financial institution, and

“(C) except as otherwise provided by the Secretary, any equity or debt interest in such financial institution (other than interests which are regularly traded on an established securities market).

Any equity or debt interest which constitutes a financial account under subparagraph (C) with respect to any financial institution shall be treated for purposes of this section as maintained by such financial institution.

“(3) UNITED STATES OWNED FOREIGN ENTITY.—The term ‘United States owned foreign entity’ means any foreign entity which has one or more substantial United States owners.

“(4) FOREIGN FINANCIAL INSTITUTION.—The term ‘foreign financial institution’ means any financial institution which is a foreign entity. Except as otherwise provided by the Secretary, such term shall not include a financial institution which is organized under the laws of any possession of the United States.

“(5) FINANCIAL INSTITUTION.—Except as otherwise provided by the Secretary, the term ‘financial institution’ means any entity that—

“(A) accepts deposits in the ordinary course of a banking or similar business,

“(B) is engaged in the business of holding financial assets for the account of others, or

“(C) is engaged (or holding itself out as being engaged) primarily in the business of investing, reinvesting, or trading in securi-

ties (as defined in section 475(c)(2) without regard to the last sentence thereof), partnership interests, commodities (as defined in section 475(e)(2)), or any interest (including a futures or forward contract or option) in such securities, partnership interests, or commodities.

“(6) RECALCITRANT ACCOUNT HOLDER.—The term ‘recalcitrant account holder’ means any account holder which—

“(A) fails to comply with reasonable requests for the information referred to in subsection (b)(1)(A) or (c)(1)(A), or

“(B) fails to provide a waiver described in subsection (b)(1)(F) upon request.

“(7) PASSTHRU PAYMENT.—The term ‘passthrough payment’ means any withholdable payment or other payment which is attributable to a withholdable payment.

“(e) AFFILIATED GROUPS.—

“(1) IN GENERAL.—The requirements of subsections (b) and (c)(1) shall apply—

“(A) with respect to United States accounts maintained by the foreign financial institution, and

“(B) except as otherwise provided by the Secretary, with respect to United States accounts maintained by each other foreign financial institution (other than any foreign financial institution which meets the requirements of subsection (b)) which is a member of the same expanded affiliated group as such foreign financial institution.

“(2) EXPANDED AFFILIATED GROUP.—For purposes of this section, the term ‘expanded affiliated group’ means an affiliated group as defined in section 1504(a), determined—

“(A) by substituting ‘more than 50 percent’ for ‘at least 80 percent’ each place it appears, and

“(B) without regard to paragraphs (2) and (3) of section 1504(b).

A partnership or any other entity (other than a corporation) shall be treated as a member of an expanded affiliated group if such entity is controlled (within the meaning of section 954(d)(3)) by members of such group (including any entity treated as a member of such group by reason of this sentence).

“(f) EXCEPTION FOR CERTAIN PAYMENTS.—Subsection (a) shall not apply to any payment if the beneficial owner of such payment is—

“(1) any foreign government, any political subdivision of a foreign government, or any wholly owned agency or instrumentality of any one or more of the foregoing,

“(2) any international organization or any wholly owned agency or instrumentality thereof,

“(3) any foreign central bank of issue, or

“(4) any other class of persons identified by the Secretary for purposes of this subsection as posing a low risk of tax evasion.

“SEC. 1472. WITHHOLDABLE PAYMENTS TO OTHER FOREIGN ENTITIES.

“(a) IN GENERAL.—In the case of any withholdable payment to a non-financial foreign entity, if—

“(1) the beneficial owner of such payment is such entity or any other non-financial foreign entity, and

“(2) the requirements of subsection (b) are not met with respect to such beneficial owner,

then the withholding agent with respect to such payment shall deduct and withhold from such payment a tax equal to 30 percent of the amount of such payment.

“(b) REQUIREMENTS FOR WAIVER OF WITHHOLDING.—The requirements of this subsection are met with respect to the beneficial owner of a payment if—

“(1) such beneficial owner or the payee provides the withholding agent with either—

“(A) a certification that such beneficial owner does not have any substantial United States owners, or

“(B) the name, address, and TIN of each substantial United States owner of such beneficial owner,

“(2) the withholding agent does not know, or have reason to know, that any information provided under paragraph (1) is incorrect, and

“(3) the withholding agent reports the information provided under paragraph (1)(B) to the Secretary in such manner as the Secretary may provide.

“(c) EXCEPTIONS.—Subsection (a) shall not apply to—

“(1) except as otherwise provided by the Secretary, any payment beneficially owned by—

“(A) any corporation the stock of which is regularly traded on an established securities market,

“(B) any corporation which is a member of the same expanded affiliated group (as defined in section 1471(e)(2) without regard to the last sentence thereof) as a corporation described in subparagraph (A),

“(C) any entity which is organized under the laws of a possession of the United States and which is wholly owned by one or more bona fide residents (as defined in section 937(a)) of such possession,

“(D) any foreign government, any political subdivision of a foreign government, or any wholly owned agency or instrumentality of any one or more of the foregoing,

“(E) any international organization or any wholly owned agency or instrumentality thereof,

“(F) any foreign central bank of issue, or

“(G) any other class of persons identified by the Secretary for purposes of this subsection, and

“(2) any class of payments identified by the Secretary for purposes of this subsection as posing a low risk of tax evasion.

“(d) NON-FINANCIAL FOREIGN ENTITY.—For purposes of this section, the term ‘non-financial foreign entity’ means any foreign entity which is not a financial institution (as defined in section 1471(d)(5)).

“SEC. 1473. DEFINITIONS.

“For purposes of this chapter—

“(1) WITHHOLDABLE PAYMENT.—Except as otherwise provided by the Secretary—

“(A) IN GENERAL.—The term ‘withholdable payment’ means—

“(i) any payment of interest (including any original issue discount), dividends, rents, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, and other fixed or determinable annual or periodical gains, profits, and income, if such payment is from sources within the United States, and

“(ii) any gross proceeds from the sale or other disposition of any property of a type which can produce interest or dividends from sources within the United States.

“(B) EXCEPTION FOR INCOME CONNECTED WITH UNITED STATES BUSINESS.—Such term shall not include any item of income which is taken into account under section 871(b)(1) or 882(a)(1) for the taxable year.

“(C) SPECIAL RULE FOR SOURCING INTEREST PAID BY FOREIGN BRANCHES OF DOMESTIC FINANCIAL INSTITUTIONS.—Subparagraph (B) of section 861(a)(1) shall not apply.

“(2) SUBSTANTIAL UNITED STATES OWNER.—

“(A) IN GENERAL.—The term ‘substantial United States owner’ means—

“(i) with respect to any corporation, any specified United States person which owns, directly or indirectly, more than 10 percent of the stock of such corporation (by vote or value),

“(ii) with respect to any partnership, any specified United States person which owns,

directly or indirectly, more than 10 percent of the profits interests or capital interests in such partnership, and

“(iii) in the case of a trust—

“(I) any specified United States person treated as an owner of any portion of such trust under subpart E of part I of subchapter J of chapter 1, and

“(II) to the extent provided by the Secretary in regulations or other guidance, any specified United States person which holds, directly or indirectly, more than 10 percent of the beneficial interests of such trust.

“(B) SPECIAL RULE FOR INVESTMENT VEHICLES.—In the case of any financial institution described in section 1471(d)(5)(C), clauses (i), (ii), and (iii) of subparagraph (A) shall be applied by substituting ‘0 percent’ for ‘10 percent’.

“(3) SPECIFIED UNITED STATES PERSON.—Except as otherwise provided by the Secretary, the term ‘specified United States person’ means any United States person other than—

“(A) any corporation the stock of which is regularly traded on an established securities market,

“(B) any corporation which is a member of the same expanded affiliated group (as defined in section 1471(e)(2) without regard to the last sentence thereof) as a corporation the stock of which is regularly traded on an established securities market,

“(C) any organization exempt from taxation under section 501(a) or an individual retirement plan,

“(D) the United States or any wholly owned agency or instrumentality thereof,

“(E) any State, the District of Columbia, any possession of the United States, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing,

“(F) any bank (as defined in section 581),

“(G) any real estate investment trust (as defined in section 856),

“(H) any regulated investment company (as defined in section 851),

“(I) any common trust fund (as defined in section 584(a)), and

“(J) any trust which—

“(i) is exempt from tax under section 664(c), or

“(ii) is described in section 4947(a)(1).

“(4) WITHHOLDING AGENT.—The term ‘withholding agent’ means all persons, in whatever capacity acting, having the control, receipt, custody, disposal, or payment of any withholdable payment.

“(5) FOREIGN ENTITY.—The term ‘foreign entity’ means any entity which is not a United States person.

“SEC. 1474. SPECIAL RULES.

“(a) LIABILITY FOR WITHHELD TAX.—Every person required to deduct and withhold any tax under this chapter is hereby made liable for such tax and is hereby indemnified against the claims and demands of any person for the amount of any payments made in accordance with the provisions of this chapter.

“(b) CREDITS AND REFUNDS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the determination of whether any tax deducted and withheld under this chapter results in an overpayment by the beneficial owner of the payment to which such tax is attributable shall be made as if such tax had been deducted and withheld under subchapter A of chapter 3.

“(2) SPECIAL RULE WHERE FOREIGN FINANCIAL INSTITUTION IS BENEFICIAL OWNER OF PAYMENT.—

“(A) IN GENERAL.—In the case of any tax properly deducted and withheld under section 1471 from a specified financial institution payment—

“(i) if the foreign financial institution referred to in subparagraph (B) with respect to such payment is entitled to a reduced rate of tax with respect to such payment by reason of any treaty obligation of the United States—

“(I) the amount of any credit or refund with respect to such tax shall not exceed the amount of credit or refund attributable to such reduction in rate, and

“(II) no interest shall be allowed or paid with respect to such credit or refund, and

“(ii) if such foreign financial institution is not so entitled, no credit or refund shall be allowed or paid with respect to such tax.

“(B) SPECIFIED FINANCIAL INSTITUTION PAYMENT.—The term ‘specified financial institution payment’ means any payment if the beneficial owner of such payment is a foreign financial institution.

“(3) REQUIREMENT TO IDENTIFY SUBSTANTIAL UNITED STATES OWNERS.—No credit or refund shall be allowed or paid with respect to any tax properly deducted and withheld under this chapter unless the beneficial owner of the payment provides the Secretary such information as the Secretary may require to determine whether such beneficial owner is a United States owned foreign entity (as defined in section 1471(d)(3)) and the identity of any substantial United States owners of such entity.

“(c) CONFIDENTIALITY OF INFORMATION.—

“(1) IN GENERAL.—For purposes of this chapter, rules similar to the rules of section 3406(f) shall apply.

“(2) DISCLOSURE OF LIST OF PARTICIPATING FOREIGN FINANCIAL INSTITUTIONS PERMITTED.—The identity of a foreign financial institution which meets the requirements of section 1471(b) shall not be treated as return information for purposes of section 6103.

“(d) COORDINATION WITH OTHER WITHHOLDING PROVISIONS.—The Secretary shall provide for the coordination of this chapter with other withholding provisions under this title, including providing for the proper crediting of amounts deducted and withheld under this chapter against amounts required to be deducted and withheld under such other provisions.

“(e) TREATMENT OF WITHHOLDING UNDER AGREEMENTS.—Any tax deducted and withheld pursuant to an agreement described in section 1471(b) shall be treated for purposes of this title as a tax deducted and withheld by a withholding agent under section 1471(a).

“(f) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this chapter.”.

(b) SPECIAL RULE FOR INTEREST ON OVERPAYMENTS.—Subsection (e) of section 6611 is amended by adding at the end the following new paragraph:

“(4) CERTAIN WITHHOLDING TAXES.—In the case of any overpayment resulting from tax deducted and withheld under chapter 3 or 4, paragraphs (1), (2), and (3) shall be applied by substituting ‘180 days’ for ‘45 days’ each place it appears.”.

(c) CONFORMING AMENDMENTS.—

(1) Section 6414 is amended by inserting “or 4” after “chapter 3”.

(2) Paragraph (1) of section 6501(b) is amended by inserting “4,” after “chapter 3.”.

(3) Paragraph (2) of section 6501(b) is amended—

(A) by inserting “4,” after “chapter 3,” in the text thereof, and

(B) by striking “TAXES AND TAX IMPOSED BY CHAPTER 3” in the heading thereof and inserting “AND WITHHOLDING TAXES”.

(4) Paragraph (3) of section 6513(b) is amended—

(A) by inserting “or 4” after “chapter 3”, and

(B) by inserting “or 1474(b)” after “section 1462”.

(5) Subsection (c) of section 6513 is amended by inserting “4,” after “chapter 3.”

(6) Paragraph (1) of section 6724(d) is amended by inserting “under chapter 4 or” after “filed with the Secretary” in the last sentence thereof.

(7) Paragraph (2) of section 6724(d) is amended by inserting “or 4” after “chapter 3”.

(8) The table of chapters of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

“CHAPTER 4. TAXES TO ENFORCE REPORTING ON CERTAIN FOREIGN ACCOUNTS.”

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to payments made after December 31, 2012.

(2) GRANDFATHERED TREATMENT OF OUTSTANDING OBLIGATIONS.—The amendments made by this section shall not require any amount to be deducted or withheld from any payment under any obligation outstanding on the date which is 2 years after the date of the enactment of this Act.

(3) INTEREST ON OVERPAYMENTS.—The amendment made by subsection (b) shall apply—

(A) in the case of such amendment's application to paragraph (1) of section 6611(e) of the Internal Revenue Code of 1986, to returns the due date for which (determined without regard to extensions) is after the date of the enactment of this Act,

(B) in the case of such amendment's application to paragraph (2) of such section, to claims for credit or refund of any overpayment filed after the date of the enactment of this Act (regardless of the taxable period to which such refund relates), and

(C) in the case of such amendment's application to paragraph (3) of such section, to refunds paid after the date of the enactment of this Act (regardless of the taxable period to which such refund relates).

SEC. 502. REPEAL OF CERTAIN FOREIGN EXCEPTIONS TO REGISTERED BOND REQUIREMENTS.

(a) REPEAL OF EXCEPTION TO DENIAL OF DEDUCTION FOR INTEREST ON NON-REGISTERED BONDS.—

(1) IN GENERAL.—Paragraph (2) of section 163(f) is amended by striking subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(2) CONFORMING AMENDMENTS.—

(A) Subparagraph (A) of section 163(f)(2) is amended by inserting “or” at the end of clause (ii), by striking “, or” at the end of clause (iii) and inserting a period, and by striking clause (iv).

(B) Subparagraph (B) of section 163(f)(2), as redesignated by paragraph (1), is amended—

(i) by striking “, and subparagraph (B),” in the matter preceding clause (i), and

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

“(i) such obligation is of a type which the Secretary has determined by regulations to be used frequently in avoiding Federal taxes, and”.

(C) Sections 165(j)(2)(A) and 1287(b)(1) are each amended by striking “except that clause (iv) of subparagraph (A), and subparagraph (B), of such section shall not apply”.

(b) REPEAL OF TREATMENT AS PORTFOLIO DEBT.—

(1) IN GENERAL.—Paragraph (2) of section 871(h) is amended to read as follows:

“(2) PORTFOLIO INTEREST.—For purposes of this subsection, the term ‘portfolio interest’ means any interest (including original issue discount) which—

“(A) would be subject to tax under subsection (a) but for this subsection, and

“(B) is paid on an obligation—

“(i) which is in registered form, and

“(ii) with respect to which—

“(I) the United States person who would otherwise be required to deduct and withhold tax from such interest under section 1441(a) receives a statement (which meets the requirements of paragraph (5)) that the beneficial owner of the obligation is not a United States person, or

“(II) the Secretary has determined that such a statement is not required in order to carry out the purposes of this subsection.”.

(2) CONFORMING AMENDMENTS.—

(A) Section 871(h)(3)(A) is amended by striking “subparagraph (A) or (B) of”.

(B) Paragraph (2) of section 881(c) is amended to read as follows:

“(2) PORTFOLIO INTEREST.—For purposes of this subsection, the term ‘portfolio interest’ means any interest (including original issue discount) which—

“(A) would be subject to tax under subsection (a) but for this subsection, and

“(B) is paid on an obligation—

“(i) which is in registered form, and

“(ii) with respect to which—

“(I) the person who would otherwise be required to deduct and withhold tax from such interest under section 1442(a) receives a statement which meets the requirements of section 871(h)(5) that the beneficial owner of the obligation is not a United States person, or

“(II) the Secretary has determined that such a statement is not required in order to carry out the purposes of this subsection.”.

(c) DEMATERIALIZED BOOK ENTRY SYSTEMS TREATED AS REGISTERED FORM.—Paragraph (3) of section 163(f) is amended by inserting “, except that a dematerialized book entry system shall be treated as a book entry system described in such section” before the period at the end.

(d) REPEAL OF EXCEPTION TO REQUIREMENT THAT TREASURY OBLIGATIONS BE IN REGISTERED FORM.—

(1) IN GENERAL.—Subsection (g) of section 3121 of title 31, United States Code, is amended by striking paragraph (2) and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(2) CONFORMING AMENDMENTS.—Paragraph (1) of section 3121(g) of such title is amended—

(A) by adding “or” at the end of subparagraph (A),

(B) by striking “; or” at the end of subparagraph (B) and inserting a period, and

(C) by striking subparagraph (C).

(e) PRESERVATION OF EXCEPTION FOR EXCISE TAX PURPOSES.—Paragraph (1) of section 4701(b) is amended to read as follows:

“(1) REGISTRATION-REQUIRED OBLIGATION.—

“(A) IN GENERAL.—The term ‘registration-required obligation’ has the same meaning as when used in section 163(f), except that such term shall not include any obligation which—

“(i) is required to be registered under section 149(a), or

“(ii) is described in subparagraph (B).

“(B) CERTAIN OBLIGATIONS NOT INCLUDED.—An obligation is described in this subparagraph if—

“(i) there are arrangements reasonably designed to ensure that such obligation will be sold (or resold in connection with the original issue) only to a person who is not a United States person,

“(ii) interest on such obligation is payable only outside the United States and its possessions, and

“(iii) on the face of such obligation there is a statement that any United States person who holds such obligation will be subject to limitations under the United States income tax laws.”.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after the date which is 2 years after the date of the enactment of this Act.

Subtitle B—Under Reporting With Respect to Foreign Assets

SEC. 511. DISCLOSURE OF INFORMATION WITH RESPECT TO FOREIGN FINANCIAL ASSETS.

(a) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 is amended by inserting after section 6038C the following new section:

“SEC. 6038D. INFORMATION WITH RESPECT TO FOREIGN FINANCIAL ASSETS.

“(a) IN GENERAL.—Any individual who, during any taxable year, holds any interest in a specified foreign financial asset shall attach to such person's return of tax imposed by subtitle A for such taxable year the information described in subsection (c) with respect to each such asset if the aggregate value of all such assets exceeds \$50,000 (or such higher dollar amount as the Secretary may prescribe).

“(b) SPECIFIED FOREIGN FINANCIAL ASSETS.—For purposes of this section, the term ‘specified foreign financial asset’ means—

“(1) any financial account (as defined in section 1471(d)(2)) maintained by a foreign financial institution (as defined in section 1471(d)(4)), and

“(2) any of the following assets which are not held in an account maintained by a financial institution (as defined in section 1471(d)(5))—

“(A) any stock or security issued by a person other than a United States person,

“(B) any financial instrument or contract held for investment that has an issuer or counterparty which is other than a United States person, and

“(C) any interest in a foreign entity (as defined in section 1473).

“(c) REQUIRED INFORMATION.—The information described in this subsection with respect to any asset is:

“(1) In the case of any account, the name and address of the financial institution in which such account is maintained and the number of such account.

“(2) In the case of any stock or security, the name and address of the issuer and such information as is necessary to identify the class or issue of which such stock or security is a part.

“(3) In the case of any other instrument, contract, or interest—

“(A) such information as is necessary to identify such instrument, contract, or interest, and

“(B) the names and addresses of all issuers and counterparties with respect to such instrument, contract, or interest.

“(4) The maximum value of the asset during the taxable year.

“(d) PENALTY FOR FAILURE TO DISCLOSE.—

“(1) IN GENERAL.—If any individual fails to furnish the information described in subsection (c) with respect to any taxable year at the time and in the manner described in subsection (a), such person shall pay a penalty of \$10,000.

“(2) INCREASE IN PENALTY WHERE FAILURE CONTINUES AFTER NOTIFICATION.—If any failure described in paragraph (1) continues for more than 90 days after the day on which the Secretary mails notice of such failure to the individual, such individual shall pay a penalty (in addition to the penalties under paragraph (1)) of \$10,000 for each 30-day period (or fraction thereof) during which such failure continues after the expiration of such 90-day period. The penalty imposed under this paragraph with respect to any failure shall not exceed \$50,000.

“(e) PRESUMPTION THAT VALUE OF SPECIFIED FOREIGN FINANCIAL ASSETS EXCEEDS DOLLAR THRESHOLD.—If—

“(1) the Secretary determines that an individual has an interest in one or more specified foreign financial assets, and

“(2) such individual does not provide sufficient information to demonstrate the aggregate value of such assets,

then the aggregate value of such assets shall be treated as being in excess of \$50,000 (or such higher dollar amount as the Secretary prescribes for purposes of subsection (a)) for purposes of assessing the penalties imposed under this section.

“(f) APPLICATION TO CERTAIN ENTITIES.—To the extent provided by the Secretary in regulations or other guidance, the provisions of this section shall apply to any domestic entity which is formed or availed of for purposes of holding, directly or indirectly, specified foreign financial assets, in the same manner as if such entity were an individual.

“(g) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed by this section on any failure which is shown to be due to reasonable cause and not due to willful neglect. The fact that a foreign jurisdiction would impose a civil or criminal penalty on the taxpayer (or any other person) for disclosing the required information is not reasonable cause.

“(h) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section, including regulations or other guidance which provide appropriate exceptions from the application of this section in the case of—

“(1) classes of assets identified by the Secretary, including any assets with respect to which the Secretary determines that disclosure under this section would be duplicative of other disclosures,

“(2) nonresident aliens, and

“(3) bona fide residents of any possession of the United States.”.

(b) CLERICAL AMENDMENT.—The table of sections for subpart A of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6038C the following new item:

“Sec. 6038D. Information with respect to foreign financial assets.”.

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

SEC. 512. PENALTIES FOR UNDERPAYMENTS ATTRIBUTABLE TO UNDISCLOSED FOREIGN FINANCIAL ASSETS.

(a) IN GENERAL.—Section 6662 is amended—

(1) in subsection (b), by inserting after paragraph (5) the following new paragraph:

“(6) Any undisclosed foreign financial asset understatement.”, and

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

“(i) UNDISCLOSED FOREIGN FINANCIAL ASSET UNDERSTATEMENT.—

“(1) IN GENERAL.—For purposes of this section, the term ‘undisclosed foreign financial asset understatement’ means, for any taxable year, the portion of the understatement for such taxable year which is attributable to any transaction involving an undisclosed foreign financial asset.

“(2) UNDISCLOSED FOREIGN FINANCIAL ASSET.—For purposes of this subsection, the term ‘undisclosed foreign financial asset’ means, with respect to any taxable year, any asset with respect to which information was required to be provided under section 6038, 6038B, 6038D, 6046A, or 6048 for such taxable year but was not provided by the taxpayer as required under the provisions of those sections.

“(3) INCREASE IN PENALTY FOR UNDISCLOSED FOREIGN FINANCIAL ASSET UNDERSTATEMENTS.—In the case of any portion of an underpayment which is attributable to any undisclosed foreign financial asset understatement, subsection (a) shall be applied with respect to such portion by substituting ‘40 percent’ for ‘20 percent’.”.

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

SEC. 513. MODIFICATION OF STATUTE OF LIMITATIONS FOR SIGNIFICANT OMISSION OF INCOME IN CONNECTION WITH FOREIGN ASSETS.

(a) EXTENSION OF STATUTE OF LIMITATIONS.—

(1) IN GENERAL.—Paragraph (1) of section 6501(e) is amended by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively, and by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

“(A) GENERAL RULE.—If the taxpayer omits from gross income an amount properly includible therein and—

“(i) such amount is in excess of 25 percent of the amount of gross income stated in the return, or

“(ii) such amount—

“(I) is attributable to one or more assets with respect to which information is required to be reported under section 6038D (or would be so required if such section were applied without regard to the dollar threshold specified in subsection (a) thereof and without regard to any exceptions provided pursuant to subsection (h)(1) thereof), and

“(II) is in excess of \$5,000,

the tax may be assessed, or a proceeding in court for collection of such tax may be begun without assessment, at any time within 6 years after the return was filed.”.

(2) CONFORMING AMENDMENTS.—

(A) Subparagraph (B) of section 6501(e)(1), as redesignated by paragraph (1), is amended by striking all that precedes clause (i) and inserting the following:

“(B) DETERMINATION OF GROSS INCOME.—For purposes of subparagraph (A)—”.

(B) Paragraph (2) of section 6229(c) is amended by striking “which is in excess of 25 percent of the amount of gross income stated in its return” and inserting “and such amount is described in clause (i) or (ii) of section 6501(e)(1)(A)”.

(b) ADDITIONAL REPORTS SUBJECT TO EXTENDED PERIOD.—Paragraph (8) of section 6501(c) is amended—

(1) by inserting “pursuant to an election under section 1295(b) or” before “under section 6038”;

(2) by inserting “1298(f),” before “6038”;

(3) by inserting “6038D,” after “6038B”.

(c) CLARIFICATIONS RELATED TO FAILURE TO DISCLOSE FOREIGN TRANSFERS.—Paragraph (8) of section 6501(c) is amended by striking “event” and inserting “tax return, event.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to—

(1) returns filed after the date of the enactment of this Act; and

(2) returns filed on or before such date if the period specified in section 6501 of the Internal Revenue Code of 1986 (determined without regard to such amendments) for assessment of such taxes has not expired as of such date.

Subtitle C—Other Disclosure Provisions

SEC. 521. REPORTING OF ACTIVITIES WITH RESPECT TO PASSIVE FOREIGN INVESTMENT COMPANIES.

(a) IN GENERAL.—Section 1298 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

“(f) REPORTING REQUIREMENT.—Except as otherwise provided by the Secretary, each United States person who is a shareholder of a passive foreign investment company shall file an annual report containing such information as the Secretary may require.”.

(b) CONFORMING AMENDMENT.—Subsection (e) of section 1291 is amended by striking “, (d), and (f)” and inserting “and (d)”.

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

SEC. 522. SECRETARY PERMITTED TO REQUIRE FINANCIAL INSTITUTIONS TO FILE CERTAIN RETURNS RELATED TO WITHHOLDING ON FOREIGN TRANSFERS ELECTRONICALLY.

(a) IN GENERAL.—Subsection (e) of section 6011 is amended by adding at the end the following new paragraph:

“(3) SPECIAL RULE FOR RETURNS FILED BY FINANCIAL INSTITUTIONS WITH RESPECT TO WITHHOLDING ON FOREIGN TRANSFERS.—Paragraph (2)(A) shall not apply to any return filed by a financial institution (as defined in section 1471(d)(5)) with respect to tax for which such institution is made liable under section 1461 or 1474(a).”.

(b) CONFORMING AMENDMENT.—Subsection (c) of section 6724 is amended by inserting “or with respect to a return described in section 6011(e)(3)”.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to returns the due date for which (determined without regard to extensions) is after the date of the enactment of this Act.

Subtitle D—Provisions Related to Foreign Trusts

SEC. 531. CLARIFICATIONS WITH RESPECT TO FOREIGN TRUSTS WHICH ARE TREATED AS HAVING A UNITED STATES BENEFICIARY.

(a) IN GENERAL.—Paragraph (1) of section 679(c) is amended by adding at the end the following:

“For purposes of subparagraph (A), an amount shall be treated as accumulated for the benefit of a United States person even if the United States person’s interest in the trust is contingent on a future event.”.

(b) CLARIFICATION REGARDING DISCRETION TO IDENTIFY BENEFICIARIES.—Subsection (c) of section 679 is amended by adding at the end the following new paragraph:

“(4) SPECIAL RULE IN CASE OF DISCRETION TO IDENTIFY BENEFICIARIES.—For purposes of paragraph (1)(A), if any person has the discretion (by authority given in the trust agreement, by power of appointment, or otherwise) of making a distribution from the trust to, or for the benefit of, any person, such trust shall be treated as having a beneficiary who is a United States person unless—

“(A) the terms of the trust specifically identify the class of persons to whom such distributions may be made, and

“(B) none of those persons are United States persons during the taxable year.”.

(c) CLARIFICATION THAT CERTAIN AGREEMENTS AND UNDERSTANDINGS ARE TERMS OF THE TRUST.—Subsection (c) of section 679, as amended by subsection (b), is amended by adding at the end the following new paragraph:

“(5) CERTAIN AGREEMENTS AND UNDERSTANDINGS TREATED AS TERMS OF THE TRUST.—For purposes of paragraph (1)(A), if any United States person who directly or indirectly transfers property to the trust is directly or indirectly involved in any agreement or understanding (whether written, oral, or otherwise) that may result in the income or corpus of the trust being paid or accumulated to or for the benefit of a United States person, such agreement or understanding shall be treated as a term of the trust.”.

SEC. 532. PRESUMPTION THAT FOREIGN TRUST HAS UNITED STATES BENEFICIARY.

(a) IN GENERAL.—Section 679 is amended by redesignating subsection (d) as subsection (e) and inserting after subsection (c) the following new subsection:

“(d) PRESUMPTION THAT FOREIGN TRUST HAS UNITED STATES BENEFICIARY.—If a United States person directly or indirectly transfers property to a foreign trust (other than a trust described in section 6048(a)(3)(B)(ii)), the Secretary may treat such trust as having a United States beneficiary for purposes of applying this section to such transfer unless such person—

“(1) submits such information to the Secretary as the Secretary may require with respect to such transfer, and

“(2) demonstrates to the satisfaction of the Secretary that such trust satisfies the requirements of subparagraphs (A) and (B) of subsection (c)(1).”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers of property after the date of the enactment of this Act.

SEC. 533. UNCOMPENSATED USE OF TRUST PROPERTY.

(a) IN GENERAL.—Paragraph (1) of section 643(i) is amended—

(1) by striking “directly or indirectly to” and inserting “(or permits the use of any other trust property) directly or indirectly to or by”, and

(2) by inserting “(or the fair market value of the use of such property)” after “the amount of such loan”.

(b) EXCEPTION FOR COMPENSATED USE.—Paragraph (2) of section 643(i) is amended by adding at the end the following new subparagraph:

“(E) EXCEPTION FOR COMPENSATED USE OF PROPERTY.—In the case of the use of any trust property other than a loan of cash or marketable securities, paragraph (1) shall not apply to the extent that the trust is paid the fair market value of such use within a reasonable period of time of such use.”

(c) APPLICATION TO GRANTOR TRUSTS.—Subsection (c) of section 679, as amended by section 531, is amended by adding at the end the following new paragraph:

“(6) UNCOMPENSATED USE OF TRUST PROPERTY TREATED AS A PAYMENT.—For purposes of this subsection, a loan of cash or marketable securities (or the use of any other trust property) directly or indirectly to or by any United States person (whether or not a beneficiary under the terms of the trust) shall be treated as paid or accumulated for the benefit of a United States person. The preceding sentence shall not apply to the extent that the United States person repays the loan at a market rate of interest (or pays the fair market value of the use of such property) within a reasonable period of time.”

(d) CONFORMING AMENDMENTS.—Paragraph (3) of section 643(i) is amended—

(1) by inserting “(or use of property)” after “If any loan”,

(2) by inserting “or the return of such property” before “shall be disregarded”, and

(3) by striking “REGARDING LOAN PRINCIPAL” in the heading thereof.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to loans made, and uses of property, after the date of the enactment of this Act.

SEC. 534. REPORTING REQUIREMENT OF UNITED STATES OWNERS OF FOREIGN TRUSTS.

(a) IN GENERAL.—Paragraph (1) of section 6048(b) is amended by inserting “shall submit such information as the Secretary may prescribe with respect to such trust for such year and” before “shall be responsible to ensure”.

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

years beginning after the date of the enactment of this Act.

SEC. 535. MINIMUM PENALTY WITH RESPECT TO FAILURE TO REPORT ON CERTAIN FOREIGN TRUSTS.

(a) IN GENERAL.—Subsection (a) of section 6677 is amended—

(1) by inserting “the greater of \$10,000 or” before “35 percent”, and

(2) by striking the last sentence and inserting the following: “At such time as the gross reportable amount with respect to any failure can be determined by the Secretary, any subsequent penalty imposed under this subsection with respect to such failure shall be reduced as necessary to assure that the aggregate amount of such penalties do not exceed the gross reportable amount (and to the extent that such aggregate amount already exceeds the gross reportable amount the Secretary shall refund such excess to the taxpayer).”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to notices and returns required to be filed after December 31, 2009.

Subtitle E—Substitute Dividends and Dividend Equivalent Payments Received by Foreign Persons Treated as Dividends**SEC. 541. SUBSTITUTE DIVIDENDS AND DIVIDEND EQUIVALENT PAYMENTS RECEIVED BY FOREIGN PERSONS TREATED AS DIVIDENDS.**

(a) IN GENERAL.—Section 871 is amended by redesignating subsection (l) as subsection (m) and by inserting after subsection (k) the following new subsection:

“(1) TREATMENT OF DIVIDEND EQUIVALENT PAYMENTS.—

“(1) IN GENERAL.—For purposes of this section, sections 881 and 4948(a), and chapters 3 and 4, a dividend equivalent shall be treated as a dividend from sources within the United States.

“(2) DIVIDEND EQUIVALENT.—For purposes of this subsection, the term ‘dividend equivalent’ means—

“(A) any substitute dividend,

“(B) any payment made pursuant to a specified notional principal contract that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and

“(C) any other payment determined by the Secretary to be substantially similar to a payment described in subparagraph (A) or (B).

“(3) SPECIFIED NOTIONAL PRINCIPAL CONTRACT.—For purposes of this subsection, the term ‘specified notional principal contract’ means—

“(A) any notional principal contract if—

“(i) in connection with entering into such contract, any long party transfers the underlying security,

“(ii) in connection with the termination of such contract, any short party transfers the underlying security to any long party,

“(iii) the underlying security is not readily tradable on an established securities market,

“(iv) in connection with entering into such contract, the underlying security is posted as collateral by any short party to the contract, or

“(v) such contract is identified by the Secretary as a specified notional principal contract,

“(B) in the case of payments made after the date which is 2 years after the date of the enactment of this subsection, any notional principal contract unless the Secretary determines that such contract is of a type which does not have the potential for tax avoidance.

“(4) DEFINITIONS.—For purposes of paragraph (3)(A)—

“(A) LONG PARTY.—The term ‘long party’ means, with respect to any underlying security of any notional principal contract, any party to the contract which is entitled to receive any payment pursuant to such contract which is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States with respect to such underlying security.

“(B) SHORT PARTY.—The term ‘short party’ means, with respect to any underlying security of any notional principal contract, any party to the contract which is not a long party with respect to such underlying security.

“(C) UNDERLYING SECURITY.—The term ‘underlying security’ means, with respect to any notional principal contract, the security with respect to which the dividend referred to in paragraph (2)(B) is paid. For purposes of this paragraph, any index or fixed basket of securities shall be treated as a single security.

“(5) PAYMENTS DETERMINED ON GROSS BASIS.—For purposes of this subsection, the term ‘payment’ includes any gross amount which is used in computing any net amount which is transferred to or from the taxpayer.

“(6) PREVENTION OF OVER-WITHHOLDING.—In the case of any chain of dividend equivalents one or more of which is subject to tax under this section or section 881, the Secretary may reduce such tax, but only to the extent that the taxpayer can establish that such tax has been paid with respect to another dividend equivalent in such chain. For purposes of this paragraph, a dividend shall be treated as a dividend equivalent.

“(7) COORDINATION WITH CHAPTERS 3 AND 4.—For purposes of chapters 3 and 4, each person that is a party to any contract or other arrangement that provides for the payment of a dividend equivalent shall be treated as having control of such payment.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made on or after the date that is 90 days after the date of the enactment of this Act.

TITLE VI—OTHER REVENUE PROVISIONS**Subtitle A—Partnership Interests Held by Partners Providing Services****SEC. 601. PARTNERSHIP INTERESTS TRANSFERRED IN CONNECTION WITH PERFORMANCE OF SERVICES.**

(a) MODIFICATION TO ELECTION TO INCLUDE PARTNERSHIP INTEREST IN GROSS INCOME IN YEAR OF TRANSFER.—Subsection (c) of section 83 is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

“(4) PARTNERSHIP INTERESTS.—Except as provided by the Secretary, in the case of any transfer of an interest in a partnership in connection with the provision of services to (or for the benefit of) such partnership—

“(A) the fair market value of such interest shall be treated for purposes of this section as being equal to the amount of the distribution which the partner would receive if the partnership sold (at the time of the transfer) all of its assets at fair market value and distributed the proceeds of such sale (reduced by the liabilities of the partnership) to its partners in liquidation of the partnership, and

“(B) the person receiving such interest shall be treated as having made the election under subsection (b)(1) unless such person makes an election under this paragraph to have such subsection not apply.”

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 83(b) is amended by inserting “or subsection (c)(4)(B)” after “paragraph (1)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to interests

in partnerships transferred after the date of the enactment of this Act.

SEC. 602. INCOME OF PARTNERS FOR PERFORMING INVESTMENT MANAGEMENT SERVICES TREATED AS ORDINARY INCOME RECEIVED FOR PERFORMANCE OF SERVICES.

(a) IN GENERAL.—Part I of subchapter K of chapter 1 is amended by adding at the end the following new section:

“SEC. 710. SPECIAL RULES FOR PARTNERS PROVIDING INVESTMENT MANAGEMENT SERVICES TO PARTNERSHIP.

“(a) TREATMENT OF DISTRIBUTIVE SHARE OF PARTNERSHIP ITEMS.—For purposes of this title, in the case of an investment services partnership interest—

“(1) IN GENERAL.—Notwithstanding section 702(b)—

“(A) any net income with respect to such interest for any partnership taxable year shall be treated as ordinary income, and

“(B) any net loss with respect to such interest for such year, to the extent not disallowed under paragraph (2) for such year, shall be treated as an ordinary loss.

All items of income, gain, deduction, and loss which are taken into account in computing net income or net loss shall be treated as ordinary income or ordinary loss (as the case may be).

“(2) TREATMENT OF LOSSES.—

“(A) LIMITATION.—Any net loss with respect to such interest shall be allowed for any partnership taxable year only to the extent that such loss does not exceed the excess (if any) of—

“(i) the aggregate net income with respect to such interest for all prior partnership taxable years, over

“(ii) the aggregate net loss with respect to such interest not disallowed under this subparagraph for all prior partnership taxable years.

“(B) CARRYFORWARD.—Any net loss for any partnership taxable year which is not allowed by reason of subparagraph (A) shall be treated as an item of loss with respect to such partnership interest for the succeeding partnership taxable year.

“(C) BASIS ADJUSTMENT.—No adjustment to the basis of a partnership interest shall be made on account of any net loss which is not allowed by reason of subparagraph (A).

“(D) PRIOR PARTNERSHIP YEARS.—Any reference in this paragraph to prior partnership taxable years shall only include prior partnership taxable years to which this section applies.

“(3) NET INCOME AND LOSS.—For purposes of this section—

“(A) NET INCOME.—The term ‘net income’ means, with respect to any investment services partnership interest for any partnership taxable year, the excess (if any) of—

“(i) all items of income and gain taken into account by the holder of such interest under section 702 with respect to such interest for such year, over

“(ii) all items of deduction and loss so taken into account.

“(B) NET LOSS.—The term ‘net loss’ means, with respect to such interest for such year, the excess (if any) of the amount described in subparagraph (A)(ii) over the amount described in subparagraph (A)(i).

“(b) DISPOSITIONS OF PARTNERSHIP INTERESTS.—

“(1) GAIN.—Any gain on the disposition of an investment services partnership interest shall be treated as ordinary income and shall be recognized notwithstanding any other provision of this subtitle.

“(2) LOSS.—Any loss on the disposition of an investment services partnership interest shall be treated as an ordinary loss to the extent of the excess (if any) of—

“(A) the aggregate net income with respect to such interest for all partnership taxable years, over

“(B) the aggregate net loss with respect to such interest allowed under subsection (a)(2) for all partnership taxable years.

“(3) DISPOSITION OF PORTION OF INTEREST.—In the case of any disposition of an investment services partnership interest, the amount of net loss which otherwise would have (but for subsection (a)(2)(C)) applied to reduce the basis of such interest shall be disregarded for purposes of this section for all succeeding partnership taxable years.

“(4) DISTRIBUTIONS OF PARTNERSHIP PROPERTY.—In the case of any distribution of property by a partnership with respect to any investment services partnership interest held by a partner—

“(A) the excess (if any) of—

“(i) the fair market value of such property at the time of such distribution, over

“(ii) the adjusted basis of such property in the hands of the partnership,

shall be taken into account as an increase in such partner’s distributive share of the taxable income of the partnership (except to the extent such excess is otherwise taken into account in determining the taxable income of the partnership).

“(B) such property shall be treated for purposes of subpart B of part II as money distributed to such partner in an amount equal to such fair market value, and

“(C) the basis of such property in the hands of such partner shall be such fair market value.

Subsection (b) of section 734 shall be applied without regard to the preceding sentence.

“(5) APPLICATION OF SECTION 751.—In applying section 751(a), an investment services partnership interest shall be treated as an inventory item.

“(c) INVESTMENT SERVICES PARTNERSHIP INTEREST.—For purposes of this section—

“(1) IN GENERAL.—The term ‘investment services partnership interest’ means any interest in a partnership which is held (directly or indirectly) by any person if it was reasonably expected (at the time that such person acquired such interest) that such person (or any person related to such person) would provide (directly or indirectly) a substantial quantity of any of the following services with respect to assets held (directly or indirectly) by the partnership:

“(A) Advising as to the advisability of investing in, purchasing, or selling any specified asset.

“(B) Managing, acquiring, or disposing of any specified asset.

“(C) Arranging financing with respect to acquiring specified assets.

“(D) Any activity in support of any service described in subparagraphs (A) through (C).

For purposes of this paragraph, the term ‘specified asset’ means securities (as defined in section 475(c)(2) without regard to the last sentence thereof), real estate held for rental or investment, interests in partnerships, commodities (as defined in section 475(e)(2)), or options or derivative contracts with respect to any of the foregoing.

“(2) EXCEPTION FOR CERTAIN CAPITAL INTERESTS.—

“(A) IN GENERAL.—In the case of any portion of an investment services partnership interest which is a qualified capital interest, all items of income, gain, loss, and deduction which are allocated to such qualified capital interest shall not be taken into account under subsection (a) if—

“(i) allocations of items are made by the partnership to such qualified capital interest in the same manner as such allocations are made to other qualified capital interests held by partners who do not provide any

services described in paragraph (1) and who are not related to the partner holding the qualified capital interest, and

“(ii) the allocations made to such other interests are significant compared to the allocations made to such qualified capital interest.

“(B) SPECIAL RULE FOR NO OR INSIGNIFICANT ALLOCATIONS TO NONSERVICE PROVIDERS.—To the extent provided by the Secretary in regulations or other guidance, in any case in which the requirements of subparagraph (A)(ii) are not satisfied, items of income, gain, loss, and deduction shall not be taken into account under subsection (a) to the extent that such items are properly allocable under such regulations or other guidance to qualified capital interests.

“(C) SPECIAL RULE FOR DISPOSITIONS.—In the case of any investment services partnership interest any portion of which is a qualified capital interest, subsection (b) shall not apply to so much of any gain or loss as bears the same proportion to the entire amount of such gain or loss as—

“(i) the distributive share of gain or loss that would have been allocable to the qualified capital interest under subparagraph (A) if the partnership sold all of its assets immediately before the disposition, bears to

“(ii) the distributive share of gain or loss that would have been so allocable to the investment services partnership interest of which such qualified capital interest is a part.

“(D) QUALIFIED CAPITAL INTEREST.—For purposes of this paragraph, the term ‘qualified capital interest’ means so much of a partner’s interest in the capital of the partnership as is attributable to—

“(i) the fair market value of any money or other property contributed to the partnership in exchange for such interest (determined without regard to section 752(a)),

“(ii) any amounts which have been included in gross income under section 83 with respect to the transfer of such interest, and

“(iii) the excess (if any) of—

“(I) any items of income and gain taken into account under section 702 with respect to such interest for taxable years to which this section applies, over

“(II) any items of deduction and loss so taken into account.

The qualified capital interest shall be reduced by distributions from the partnership with respect to such interest for taxable years to which this section applies and by the excess (if any) of the amount described in clause (iii)(II) over the amount described in clause (iii)(I).

“(E) TREATMENT OF CERTAIN LOANS.—

“(i) PROCEEDS OF PARTNERSHIP LOANS NOT TREATED AS QUALIFIED CAPITAL INTEREST OF SERVICE PROVIDING PARTNERS.—For purposes of this paragraph, an investment services partnership interest shall not be treated as a qualified capital interest to the extent that such interest is acquired in connection with the proceeds of any loan or other advance made or guaranteed, directly or indirectly, by any other partner or the partnership (or any person related to any such other partner or the partnership).

“(ii) REDUCTION IN ALLOCATIONS TO QUALIFIED CAPITAL INTERESTS FOR LOANS FROM NONSERVICE PROVIDING PARTNERS TO THE PARTNERSHIP.—For purposes of this paragraph, any loan or other advance to the partnership made or guaranteed, directly or indirectly, by a partner not providing services described in paragraph (1) to the partnership (or any person related to such partner) shall be taken into account in determining the qualified capital interests of the partners in the partnership.

“(3) RELATED PERSONS.—A person shall be treated as related to another person if the

relationship between such persons would result in a disallowance of losses under section 267 or 707(b).

“(d) OTHER INCOME AND GAIN IN CONNECTION WITH INVESTMENT MANAGEMENT SERVICES.—

“(1) IN GENERAL.—If—

“(A) a person performs (directly or indirectly) investment management services for any entity,

“(B) such person holds (directly or indirectly) a disqualified interest with respect to such entity, and

“(C) the value of such interest (or payments thereunder) is substantially related to the amount of income or gain (whether or not realized) from the assets with respect to which the investment management services are performed,

any income or gain with respect to such interest shall be treated as ordinary income. Rules similar to the rules of subsection (c)(2) shall apply for purposes of this subsection.

“(2) DEFINITIONS.—For purposes of this subsection—

“(A) DISQUALIFIED INTEREST.—

“(i) IN GENERAL.—The term ‘disqualified interest’ means, with respect to any entity—

“(I) any interest in such entity other than indebtedness,

“(II) convertible or contingent debt of such entity,

“(III) any option or other right to acquire property described in subclause (I) or (II), and

“(IV) any derivative instrument entered into (directly or indirectly) with such entity or any investor in such entity.

“(ii) EXCEPTIONS.—Such term shall not include—

“(I) a partnership interest,

“(II) except as provided by the Secretary, any interest in a taxable corporation, and

“(III) except as provided by the Secretary, stock in an S corporation.

“(B) TAXABLE CORPORATION.—The term ‘taxable corporation’ means—

“(i) a domestic C corporation, or

“(ii) a foreign corporation substantially all of the income of which is—

“(I) effectively connected with the conduct of a trade or business in the United States, or

“(II) subject to a comprehensive foreign income tax (as defined in section 457A(d)(2)).

“(C) INVESTMENT MANAGEMENT SERVICES.—The term ‘investment management services’ means a substantial quantity of any of the services described in subsection (c)(1).

“(e) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as is necessary or appropriate to carry out the purposes of this section, including regulations or other guidance to—

“(1) provide modifications to the application of this section (including treating related persons as not related to one another) to the extent such modification is consistent with the purposes of this section,

“(2) prevent the avoidance of the purposes of this section, and

“(3) coordinate this section with the other provisions of this title.

“(f) CROSS REFERENCE.—For 40 percent penalty on certain underpayments due to the avoidance of this section, see section 6662.”.

(b) INCOME FROM INVESTMENT SERVICES PARTNERSHIP INTERESTS NOT TREATED AS QUALIFYING INCOME OF PUBLICLY TRADED PARTNERSHIPS.—Subsection (d) of section 7704 is amended by adding at the end the following new paragraph:

“(6) INCOME FROM INVESTMENT SERVICES PARTNERSHIP INTERESTS NOT QUALIFIED.—

“(A) IN GENERAL.—Items of income and gain shall not be treated as qualifying income if such items are treated as ordinary income by reason of the application of sec-

tion 710 (relating to special rules for partners providing investment management services to partnership).

“(B) SPECIAL RULES FOR CERTAIN PARTNERSHIPS.—

“(i) CERTAIN PARTNERSHIPS OWNED BY REAL ESTATE INVESTMENT TRUSTS.—Subparagraph (A) shall not apply in the case of a partnership which meets each of the following requirements:

“(I) Such partnership is treated as publicly traded under this section solely by reason of interests in such partnership being convertible into interests in a real estate investment trust which is publicly traded.

“(II) 50 percent or more of the capital and profits interests of such partnership are owned, directly or indirectly, at all times during the taxable year by such real estate investment trust (determined with the application of section 267(c)).

“(III) Such partnership meets the requirements of paragraphs (2), (3), and (4) of section 856(c).

“(ii) CERTAIN PARTNERSHIPS OWNING OTHER PUBLICLY TRADED PARTNERSHIPS.—Subparagraph (A) shall not apply in the case of a partnership which meets each of the following requirements:

“(I) Substantially all of the assets of such partnership consist of interests in one or more publicly traded partnerships (determined without regard to subsection (b)(2)).

“(II) Substantially all of the income of such partnership is ordinary income or section 1231 gain (as defined in section 1231(a)(3)).

“(C) TRANSITIONAL RULE.—In the case of a partnership which is a publicly traded partnership on the date of the enactment of this paragraph, subparagraph (A) shall not apply to any taxable year of the partnership beginning before the date which is 10 years after the date of the enactment of this paragraph.”.

(c) IMPOSITION OF PENALTY ON UNDERPAYMENTS.—

(1) IN GENERAL.—Subsection (b) of section 6662, as amended by section 512, is amended by inserting after paragraph (6) the following new paragraph:

“(7) The application of subsection (d) of section 710 or the regulations prescribed under section 710(e) to prevent the avoidance of the purposes of section 710.”.

(2) AMOUNT OF PENALTY.—

(A) IN GENERAL.—Section 6662, as amended by section 512, is amended by adding at the end the following new subsection:

“(j) INCREASE IN PENALTY IN CASE OF PROPERTY TRANSFERRED FOR INVESTMENT MANAGEMENT SERVICES.—In the case of any portion of an underpayment to which this section applies by reason of subsection (b)(7), subsection (a) shall be applied with respect to such portion by substituting ‘40 percent’ for ‘20 percent’.”.

(B) CONFORMING AMENDMENTS.—Subparagraph (B) of section 6662A(e)(2) is amended—

(i) by striking “section 6662(h)” and inserting “subsection (h) or (i) of section 6662”, and

(ii) by striking “GROSS VALUATION MISSTATEMENT PENALTY” in the heading and inserting “CERTAIN INCREASED UNDERPAYMENT PENALTIES”.

(3) SPECIAL RULES FOR APPLICATION OF REASONABLE CAUSE EXCEPTION.—Subsection (c) of section 6664 is amended—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively,

(B) by striking “paragraph (2)” in paragraph (4), as so redesignated, and inserting “paragraph (3)”, and

(C) by inserting after paragraph (1) the following new paragraph:

“(2) SPECIAL RULE FOR UNDERPAYMENTS ATTRIBUTABLE TO INVESTMENT MANAGEMENT SERVICES.—

“(A) IN GENERAL.—Paragraph (1) shall not apply to any portion of an underpayment to which this section applies by reason of subsection (b)(7) unless—

“(i) the relevant facts affecting the tax treatment of the item are adequately disclosed,

“(ii) there is or was substantial authority for such treatment, and

“(iii) the taxpayer reasonably believed that such treatment was more likely than not the proper treatment.

“(B) RULES RELATING TO REASONABLE BELIEF.—Rules similar to the rules of subsection (d)(3) shall apply for purposes of subparagraph (A)(iii).”.

(d) INCOME AND LOSS FROM INVESTMENT SERVICES PARTNERSHIP INTERESTS TAKEN INTO ACCOUNT IN DETERMINING NET EARNINGS FROM SELF-EMPLOYMENT.—

(1) INTERNAL REVENUE CODE.—Section 1402(a) is amended by striking “and” at the end of paragraph (16), by striking the period at the end of paragraph (17) and inserting “; and”, and by inserting after paragraph (17) the following new paragraph:

“(18) notwithstanding the preceding provisions of this subsection, in the case of any individual engaged in the trade or business of providing services described in section 710(c)(1) with respect to any entity, any amount treated as ordinary income or ordinary loss of such individual under section 710 with respect to such entity shall be taken into account in determining the net earnings from self-employment of such individual.”.

(2) SOCIAL SECURITY ACT.—Section 211(a) of the Social Security Act is amended by inserting after paragraph (16) the following new paragraph:

“(17) Notwithstanding the preceding provisions of this subsection, in the case of any individual engaged in the trade or business of providing services described in section 710(c)(1) of the Internal Revenue Code of 1986 with respect to any entity, any amount treated as ordinary income or ordinary loss of such individual under section 710 of such Code with respect to such entity shall be taken into account in determining the net earnings from self-employment of such individual.”.

(e) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 731 is amended by inserting “section 710(b)(4) (relating to distributions of partnership property),” after “to the extent otherwise provided by”.

(2) Section 741 is amended by inserting “or section 710 (relating to special rules for partners providing investment management services to partnership)” before the period at the end.

(3) The table of sections for part I of subchapter K of chapter 1 is amended by adding at the end the following new item:

“Sec. 710. Special rules for partners providing investment management services to partnership.”.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years ending after December 31, 2009.

(2) PARTNERSHIP TAXABLE YEARS WHICH INCLUDE EFFECTIVE DATE.—In applying section 710(a) of the Internal Revenue Code of 1986 (as added by this section) in the case of any partnership taxable year which includes December 31, 2009, the amount of the net income referred to in such section shall be treated as being the lesser of the net income for the entire partnership taxable year or the net income determined by only taking into account items attributable to the portion of

the partnership taxable year which is after such date.

(3) DISPOSITIONS OF PARTNERSHIP INTERESTS.—Section 710(b) of the Internal Revenue Code of 1986 (as added by this section) shall apply to dispositions and distributions after December 31, 2009.

(4) OTHER INCOME AND GAIN IN CONNECTION WITH INVESTMENT MANAGEMENT SERVICES.—Section 710(d) of such Code (as added by this section) shall take effect on January 1, 2010.

(5) PUBLICLY TRADED PARTNERSHIPS.—The amendment made by subsection (b) shall apply to taxable years beginning after December 31, 2009.

Subtitle B—Time for Payment of Corporate Estimated Taxes

SEC. 611. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

The percentage under paragraph (1) of section 202(b) of the Corporate Estimated Tax Shift Act of 2009 in effect on the date of the enactment of this Act is increased by 26.5 percentage points.

Subtitle C—Tax Expenditure Study

SEC. 621. FINDINGS.

Congress finds the following:

(1) Currently, the aggregate cost of Federal tax expenditures rivals, or even exceeds, the amount of total Federal discretionary spending.

(2) Given the escalating public debt, a critical examination of this use of taxpayer dollars is essential.

(3) Additionally, tax expenditures can complicate the Internal Revenue Code of 1986 for taxpayers and complicate tax administration for the Internal Revenue Service.

(4) To facilitate a better understanding of tax expenditures in the future, it is constructive for legislation extending these provisions to include a study of such provisions.

SEC. 622. STUDY OF EXTENDED TAX EXPENDITURES.

(a) IN GENERAL.—Not later than November 30, 2010, the Chief of Staff of the Joint Committee on Taxation, in consultation with the Comptroller General of the United States, shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on each tax expenditure (as defined in section 3(3) of the Congressional Budget Impoundment Control Act of 1974 (2 U.S.C. 622(3)) extended by this Act.

(b) ROLLING SUBMISSION OF REPORTS.—The Chief of Staff of the Joint Committee on Taxation shall initially submit the reports for each such tax expenditure enacted in subtitle B of title I (relating to business tax relief) and title IV (relating to energy provisions) in order of the tax expenditure incurring the least aggregate cost to the greatest aggregate cost (determined by reference to the cost estimate of this Act by the Joint Committee on Taxation). Thereafter, such reports may be submitted in such order as the Chief of Staff determines appropriate.

(c) CONTENTS OF REPORT.—Such reports shall contain the following:

(1) An explanation of the tax expenditure and any relevant economic, social, or other context under which it was first enacted.

(2) A description of the intended purpose of the tax expenditure.

(3) An analysis of the overall success of the tax expenditure in achieving such purpose, and evidence supporting such analysis.

(4) An analysis of the extent to which further extending the tax expenditure, or making it permanent, would contribute to achieving such purpose.

(5) A description of the direct and indirect beneficiaries of the tax expenditure, including identifying any unintended beneficiaries.

(6) An analysis of whether the tax expenditure is the most cost-effective method for achieving the purpose for which it was intended, and a description of any more cost-effective methods through which such purpose could be accomplished.

(7) A description of any unintended effects of the tax expenditure that are useful in understanding the tax expenditure's overall value.

(8) An analysis of how the tax expenditure could be modified to better achieve its original purpose.

(9) A brief description of any interactions (actual or potential) with other tax expenditures or direct spending programs in the same or related budget function worthy of further study.

(10) A description of any unavailable information the staff of the Joint Committee on Taxation may need to complete a more thorough examination and analysis of the tax expenditure, and what must be done to make such information available.

(d) MINIMUM ANALYSIS BY DEADLINE.—In the event the Chief of Staff of the Joint Committee on Taxation concludes it will not be feasible to complete all reports by the date specified in subsection (a), at a minimum, the reports for each tax expenditure enacted in subtitle B of title I (relating to business tax relief) and title IV (relating to energy provisions) shall be completed by such date.

The SPEAKER pro tempore. The gentleman from New York (Mr. RANGEL) and the gentleman from Michigan (Mr. CAMP) each will control 30 minutes.

The Chair recognizes the gentleman from New York.

GENERAL LEAVE

Mr. RANGEL. Mr. Speaker, I ask that all Members have 5 legislative days to revise and extend their remarks and insert extraneous material in the RECORD.

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

There was no objection.

Mr. RANGEL. Mr. Speaker, this package of extensions of legislation that are about to expire represents the real need for tax reform in this country. I have talked with the Ways and Means Committee ranking member to see whether or not our leadership can agree that the taxpayer really deserves better than this and should be able to depend on some continuity in the law.

To that extent, we will be sending to the nonpartisan Joint Committee on Taxation all of these extenders that we hope will be supported overwhelmingly today to better advise us how we can get on with the tax reform to make certain that certain things like research and development and other great things that we have in this package would be made permanent, so that the taxpayers, corporate and private, would know what they can depend on, instead of just relying on the constant extensions which have passed this body before.

So along with Ways and Means Committee Ranking Member CAMP, we ask that this committee take this up. And also we want to make it clear that the contents of this bill and the understandings of legislative intent is avail-

able on the Joint Committee's Web site, www.jct.gov. And it's listed under the document number JCX-60-09.

This list of bills, as I said, concerns very important legislation, and our committee has worked very hard on this legislation.

Mr. Speaker, I would like permission for the balance of my time to be turned over to RICHARD NEAL, who heads up a special subcommittee on our Ways and Means Committee, who spent a great deal of time evaluating what we should do, along with Congressman LEVIN and other members of the Ways and Means Committee, and with your permission and the permission of the House, I'd like to yield the balance of the time that I have to Congressman NEAL.

The SPEAKER pro tempore. Without objection, the gentleman from Massachusetts will control the balance of the time.

There was no objection.

Mr. YOUNG of Alaska. Will the gentleman yield?

Mr. RANGEL. Yes, I will.

Mr. YOUNG of Alaska. Mr. Chairman, may I indulge in a colloquy with you?

Mr. RANGEL. Yes, I yield to the gentleman.

Mr. YOUNG of Alaska. I would like to engage in a brief colloquy with you regarding a provision of great importance to the Alaska Native community. As you and I have previously discussed on numerous occasions, section 646 of the Internal Revenue Code allows Alaska Native Settlement Trusts to provide health, education, and welfare benefits to Alaska Natives, who are generally recognized as among the most economically disadvantaged populations in the United States.

It is my understanding that this provision was not included in the bill before us today because the bill only extends tax benefits that terminate in 2009, and this benefit does not terminate until December 31, 2010. Its omission is not a reflection of your views on the merits of the provision.

Mr. RANGEL. The gentleman from Alaska is correct. I look forward to working with him on this important legislation for the Alaska Native community; and when the committee considered this and other provisions that have a later termination, all the other provisions we plan to take up with priority. And I thank you for bringing this to my attention.

Mr. YOUNG of Alaska. Thank you, Mr. Chairman. I'd like to thank you for your commitment to work on this provision and for your support of the Alaska Native people.

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

It is the tradition of this House to annually extend certain tax relief items, everything from a research and development tax credit to incentives for the manufacture, purchase and use of alternative fuels, to credits that help offset out-of-pocket expenses for teachers that they incur buying materials for their classrooms.

I helped write many of these provisions, and if the bill before us were truly a tax extenders bill, I'd be voting for it, as I have in previous years. However, the Democrats seemingly have never met a tax cut they liked; and, thus, the Democrats have turned tax extenders into tax extenders and tax raisers.

I want each of my colleagues to think about that for a minute. The bill before us proposes permanent tax increases and just 1 year of tax relief. Unemployment is at 10 percent. Nearly 3 million Americans have lost their jobs since the start of the year. The economy is continuing to hemorrhage thousands of jobs every month. Small businesses continue to struggle as credit markets remain tight. And this proposes to raise taxes on economic investment.

Just yesterday the President called for a Stimulus II package to help small businesses and to help start job creation. Part of that was to cut capital gains taxes on investments in small businesses, showing he understands the importance of capital to growing business and creating jobs.

By contrast, this bill changes how carried interest has been treated for decades, and it is nothing short of a new tax on the very investments needed to start a new business and create economic growth in this country.

So while Democrats claim they want to stimulate growth, they are actually increasing taxes in a way that will discourage job creation. And they left more than two dozen expiring tax relief provisions out of the bill, including the biggest of them all, the AMT patch.

So in addition to the tax increases within this bill, there are, by omission, close to 30 tax increases that Americans will face next year because of the bill's shortcomings, including higher taxes for small businesses and approximately \$2,600 in higher taxes for millions of middle class families.

While some of those admissions might be justified, I'm disappointed that, once again, the Ways and Means Committee held neither a hearing nor a mark-up to consider legislation within our jurisdiction. Given the disconnect between House Democrats' rhetoric on jobs and their votes for tax increases, it is no wonder employers are confused. New investments aren't being made, and unemployment remains high. I support tax extenders, and that's what we should pass today, not this tax-increasing, job-killing bill before us.

I reserve the balance of my time.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, I guess Mr. CAMP, who is my friend, wasn't referring to me when he talked about the Democrats who didn't like tax relief. They forgot about the idea that I was the lead sponsor on the net operating loss bill, and have supported accelerated depreciation allowance, and believe that there are some tax cuts, in fact, that are bet-

ter than others. And, at the same time, I think we could all find unity in the suggestion today that one thing we've discovered is that tax cuts really don't pay for themselves.

But I rise in support of this extenders legislation that we're considering today, and certainly Mr. RANGEL should be acknowledged for the hard work that he has offered on this legislation. There ought to be an opportunity here for us, Mr. Speaker, to find some common ground. There are many, many, many good parts of this legislation that I know our friends on the other side support.

There are provisions here in the bottom of the ninth inning, with two out, that are expiring; and we need to give some predictability to decisions that will be made by businesses and individuals over the course of the next year. And this is going to be the last chance that we're going to have to do it this year.

This bill contains extensions of many popular incentives. For my home State of Massachusetts, this bill means that 94,000 teachers will get a deduction for their out-of-pocket expenses for classroom supplies, no small matter.

□ 1345

It means that more than 1,000 businesses in Massachusetts will get some credits for the millions they spend on research here in the United States. A reminder, the research and development tax credit is in this bill, and it is critical to retaining American jobs. Without this bill, 125,000 families in Massachusetts cannot take the deduction for college tuition expenses. This legislation provides significant tax relief to millions of families nationwide both in red States, purple States, and blue States.

There are 12 million families nationwide who live in States with no income tax; however, this bill does provide a State sales tax deduction.

This bill also includes a number of popular tax incentives for alternative fuels. There are also packages of tax benefits to assist distressed communities and those hit by natural disasters. There are many well-crafted provisions in this bill. There's not really enough time to address all of them.

This bill does no harm to the Federal budget. The cost of these cuts is completely offset by two revenue raisers, one of which I have offered and authored, and I know there is broad support across America for that issue. This is the Foreign Bank Account Reporting bill, which will shut down abuses by wealthy taxpayers hiding money in overseas banks.

And for the life of me, I can't understand why everybody in this institution is not supportive of this measure. Transparency is important. 160,000 soldiers in Iraq, about to be 160,000 soldiers in Afghanistan, and we have taken our sweet time by not cracking down on these tax evaders who don't want to pay their fair share at the

same time that we had these extensive commitments around the world. I'd like to poll that question in any congressional district in America. We have taken the comments of those who are impacted and we have made this reporting regime a workable enforcement tool in this legislation. Again, you should not be hiding money in foreign bank accounts for the sole purpose of avoiding American taxes.

The second offset is a carry interest proposal which seeks to ensure investment managers pay taxes on their earnings as income tax rates rather than capital gains.

Let me also suggest that Mr. RANGEL has crafted a balanced bill. Again, I will repeat, it does no harm to the Federal Treasury. He has included a directive to the nonpartisan and, I think, highly effective and professional Joint Committee on Taxation to review the effectiveness of all of these extenders so that we could begin in earnest our effort to reform the Tax Code.

I certainly am supportive of this measure. I hope it will find broad support across this institution.

With that, I reserve the balance of my time.

Mr. CAMP. At this time, I yield 2 minutes to the distinguished member of the Ways and Means Committee, the gentleman from California (Mr. HERGER).

Mr. HERGER. I thank my good friend from Michigan.

Mr. Speaker, there is a long tradition of bipartisan support for extending these expiring tax relief provisions. I have personally been a strong supporter of the research and development tax credit, the 5-year depreciation schedule for farm equipment, and tax-free charitable contributions from individual retirement accounts. That is why I'm very disappointed that the majority party has chosen to bypass the Ways and Means Committee and bring a partisan extenders bill to the floor.

The bill before us raises taxes by nearly \$25 billion at a time of 10 percent unemployment. As our economy is struggling to recover, this tax increase directly targets hard-hit sectors like real estate. It simply does not make sense that at the same time we are talking about the need to create jobs, this House is voting for the second time in as many weeks to raise taxes for next year.

H.R. 4213 also fails to extend the renewable energy credit for open-loop biomass plants. That's very important to my northern California district. But the President and the Speaker heading overseas to talk about how we need more renewable energy, I can't imagine why we would pull the plug on successful biomass producers. Mr. Speaker, if we had moved this bill through the committee process, we could have fixed this oversight, and I hope we can address it in conference.

Mr. NEAL of Massachusetts. Just before I recognize my friend from Michigan, I want to remind my friend from

California there are 320,000 teachers in his home State who will not get a tax benefit if this legislation does not pass, 571,000 families will not be able to deduct higher education costs, 1.2 million families will not be able to deduct home State sales taxes that they currently pay, and 4,000 businesses in a State that is so dependent upon high technology in California will not be able to get the credit for their crucial research and development costs.

With that, I yield to my friend from Michigan (Mr. LEVIN) for 3 minutes.

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

Mr. LEVIN. Let's be clear what's involved in the pay-fors: tax-haven legislation, also the issue of fairness.

Those who invest their own money will continue to receive capital gains tax treatment, period. Those who manage other people's money will have to pay ordinary income tax like everybody else who performs services. There is widespread support for this.

Gregory Mankiw, who was on President Bush's Council of Economic Advisors, said this: "Deferred compensation, even risky compensation, is still compensation, and it should be taxed as such . . . When I wrote my book, that was sweat equity . . . I oppose different levels of taxation on different types of compensation."

This from a former member of President Reagan's Council of Economic Advisors, William Niskanen: "The share of investment profits are basically fees for managing other people's money."

Also, another person who was deputy undersecretary under George H.W. Bush, Professor Michael Graetz: "I think it's odd that people making that much money off of essentially labor income should be paying lower rates than, than the average . . . than their secretaries are, to put it baldly."

And then from the New York Times: "They're actively managing assets, and should be taxed accordingly as managers earning compensation . . . Congress will achieve a significant victory, for fairness and for fiscal responsibility, if it ends the breaks that are skewing the Tax Code in favor of the most advantaged Americans."

And likewise, the Washington Post: "But these fund managers, for the most part, are not risking their own money." And I insert to the extent they are, they get capital gains treatment. "Besides, plenty of risky industries don't enjoy comparable tax benefits. Income earned from managing an investment partnership fund should be treated just like the income earned for providing any other service."

And I could quote this from William Stanfill, who's a manager of venture capital. He says, "Many Americans invest sweat equity in their jobs and their businesses, take risks, contribute to the economy, and may have to wait a long time before their hard work pays off. But they still pay ordinary income tax rates on their compensation.

To the extent we take risk, we take it with other people's money."

And that's why the statement of administration policy is very clear from the President. "The legislation would fulfill the administration's commitment to crack down on overseas tax havens and put a stop to billions of dollars' worth of tax abuse and would end the special preferential treatment for carried interest income."

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

Mr. NEAL of Massachusetts. I yield the gentleman an additional 30 seconds.

Mr. LEVIN. In terms of sparking economic growth, we need to have measures that target investment, not give a special break for those who perform services. For example, I have introduced a bill to eliminate capital gains on investments in certain small business stock for 2010. On investments, That's the issue here, that nobody blur it. Those who work with other people's money will pay ordinary income tax; those who invest their own money will continue to receive capital gains tax treatment.

Mr. CAMP. At this time, Mr. Speaker, I yield 2 minutes to the distinguished member of the Ways and Means Committee, the gentleman from Texas (Mr. BRADY), who has been a leader in the effort to restore the local sales tax deduction.

Mr. BRADY of Texas. Mr. Speaker, I rise and strongly oppose this bill.

Encouraging research jobs on the one hand while killing local real estate and construction jobs on the other makes no economic sense. In making one of our most vulnerable sectors, commercial real estate, which faces the next real crisis in America, making that situation worse is going to kill jobs in this country. That type of thing is the reason that this new Congress and this White House has failed to get the American economy going.

Let me explain. There are parts of this bill that all of us support, including cracking down on tax evaders but encouraging companies to keep research and development jobs; letting States, local taxpayers, write off the State and local sales taxes. And our State, I'm proud to say, we fought to restore this. It saves our taxpayers \$1.2 billion a year, creates 22,000 jobs. That's fairness. In helping teachers write off, for example, their supplies they pay out of their pocket to help educate their students, we all agree on that. That's not the question.

But what they do in this bill as well, they target some of our most basic companies at home. They say they're going after those Wall Street managers of your money, the ones who have their feet up on the desk who just shuffle money back and forth and make billions of dollars. That's what they say they're aiming at. What they're hitting is Main Street, our real estate partnerships. These are our local companies

that build our office buildings, apartments, shopping centers, movie theaters, our industrial parks. There are no abuses in this. These are the people who create jobs at home.

This bill increases their tax, almost triples their taxes, and these are people who put in sweat equity for 15 years, 20 years. Only if they get it right do they make a dollar back on all of their hard work. This is who they nearly triple the taxes on.

These are the people, 1.2 million, traditional real estate partnerships, who will pay the price if this bill passes, because this makes no economic sense and damages jobs. That's why this bill is dead on arrival in the Senate, deader than a doornail, because with this economy, we ought to be creating jobs and not killing jobs.

Mr. NEAL of Massachusetts. Mr. Speaker, a reminder that there are 303,000 people in the State of Texas who will not be able to deduct their higher education tuition costs. That is for the State of Texas a \$690 million benefit.

With that, I would yield 30 seconds to the gentleman from Vermont (Mr. WELCH).

Mr. WELCH. Mr. Speaker, we spend more on tax expenditures authorized by Congress and the Committee on Ways and Means than we do on the entire appropriations budget. It really matters. This is the third year I've served in Congress, the third year we've had tax extenders. And the question for many of us is the one that was raised by Chairman RANGEL: Is it time to take a look at this, kick the tires of each one of these to see not just how it affects the particular beneficiary—they always are in favor—but how it affects the overall economy for creating wealth in jobs and how it affects the burden of fairness that is our responsibility? So I applaud the chairman in his effort to do that.

Mr. CAMP. At this time, I yield 2 minutes to the distinguished gentleman from the Ways and Means Committee, the gentleman from Illinois (Mr. ROSKAM).

Mr. ROSKAM. I thank the gentleman for yielding.

I think it's a sad argument, ironically, that the majority is using, and that is to kind of procedurally hold hostage, a group of teachers who are counting on predictability and clarity and forthrightness and transparency from this Congress, and now it is 21 days before a tax provision upon which they are going to rely is now dangling before them.

And what this House is being told by the majority is either you vote for these teachers or you push them off, and these are your choices. Is that really as good as it gets? Is that really as robust a tax provision and a tax policy that we can come up with, to dangle a group of teachers out and sort of manipulate them on the House floor in terms of an argument and say, "You're either for teachers or you're not"?

□ 1400

Well, I think the American public sees through that argument, Mr. Speaker. I think that the American public has a hope and an expectation that we are not going to get to this false trade; that is, that we are going to permanently increase taxes on job creators while offering temporary tax relief. That's a bad deal. That's a real bad deal all the way around.

And it gets particularly difficult if you think about the extension of that logic: Are we going to have this same debate in the 2010 cycle when we're going to be dealing with tax rates, we're going to be talking about dividend rates, and we're going to be talking about individual rates? Are we going to be having this same permanent tax increase in exchange for temporary tax relief?

Mr. Speaker, that's a bad deal. We ought to walk away from this. We ought to vote "no" and send this back to the committee where it belongs.

Mr. NEAL of Massachusetts. Mr. Speaker, since the gentleman was concerned that I was picking on teachers, let me raise this point. There are 2,274 businesses in his home State of Illinois that will not be able to get a credit for their crucial research and development costs, a \$23 million benefit.

And with that, I yield 2 minutes to the gentleman from North Carolina (Mr. ETHERIDGE).

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

Mr. ETHERIDGE. I thank the gentleman for yielding, and I thank Mr. RANGEL for his hard work on this legislation. I support the bill. The Tax Extenders Act of 2009 reduces taxes by more than \$30 billion for individuals and businesses to support small businesses and fuel job growth.

To help create high-tech jobs and support American competitiveness, H.R. 4213 extends the R&D tax credit. North Carolina's growth has been supported by technology and the health and energy industries. The R&D tax credit is vital to this sector of the economy, a sector that spurs innovation and creates new jobs all across America.

H.R. 4213 extends the accelerated cost recovery credit for restaurant and retail improvements, and incentivizes more businesses to grow, retool, modernize, and expand their facilities. To help struggling communities, the bill extends incentives like the new markets tax credits and tax incentives for businesses in designated Empowerment Zones. These provisions are more important than ever. As we help businesses grow, we help grow our workforce and strengthen our economy.

Education is the key to the future for both our young people and those who are retraining for new jobs. The bill protects tuition deductions to help make more students afford school. For individuals, it also extends the deductions for State and local taxes, and

property taxes, while also preserving \$7 billion in deductions that encourage charitable giving.

I also am pleased to know that this bill extends tax credits for teachers. Even though they are often underpaid, many teachers use their own money. I happen to know. I was a State superintendent of schools in North Carolina for 8 years and worked with this tax credit. I thank the committee for putting it in and keeping it in. It's unfair to ask them to continue year after year to pay. I thank you for doing it. This is a tax credit that helps them contribute to the success of future generations.

I support this legislation and encourage its passage.

Mr. CAMP. I yield myself such time as I may consume, and I think the point that we're trying to make on the floor here is that this is a false choice: Either you're for teachers or you're for the research and development tax credit, or you're against it. And the false choice is: Do we really have to raise taxes on job creators in order to get the extension of the research and development tax credit temporarily? Do we have to have this permanent tax increase that, frankly, will make us one of the highest-taxed countries in the world on this sort of investment tax? And I think that's a false choice being presented today.

And with that, I yield to the gentleman from Illinois (Mr. ROSKAM).

Mr. ROSKAM. I thank the gentleman. I want to thank the gentleman from Massachusetts for highlighting the research and development elements of my home State. And I guess my reply is that simply casting a wider net and grabbing more procedural hostages, I don't find it persuasive, because I think the false premise that is the basis of this bill is the permanence versus temporary argument; in other words, that the tax hikes that are being articulated are going to be permanent tax hikes. The tax relief that is being used, Mr. Speaker, to really sell the bill are going to be temporary tax relief.

I find it ironic that here we have had a jobs summit at the White House with the congressional leadership and obviously the President, and so much consternation that we all share about what? About the unpredictability of our economy.

This is an opportunity, I think, for us to come together on the research and development tax credit, for example, and cast a larger vision, and to say for R&D to make great strides in this country, there has to be a sense of predictability to it. We can't keep it on a short leash of 12 months. That's too short of a cycle. The accountants in these firms are going to be saying, Look, you can't rely on the Congress necessarily to come through.

So I think that is ultimately the argument that I'm making. I think we have a false choice, as Mr. CAMP said. I think we can do better, and I would

hope that we did. But I appreciate the gentleman from Massachusetts highlighting the State of Illinois.

Mr. NEAL of Massachusetts. Just reminding him of those numbers. I yield myself as much time as I might consume.

In response to my friend's, Mr. ROSKAM's, argument here about these tax proposals being made permanent, I don't understand how the other side could have been witness to borrowing billions and billions of dollars for Iraq and not having had the courage to speak to the issue of transparency and allowing the American people to see what Iraq was going to cost.

In addition, remember, they talk about fiscal responsibility? They cut taxes six times while committing 160,000 soldiers to Iraq. On January 19 of 2001, they inherited an almost perfect economic picture: unparalleled economic growth, the deficits had been paid off, the debt was coming down. And do you know what? To show you my bipartisan position here, let's give Bush I some credit for that, having had the courage to do it, and Clinton twice. It was the recklessness that the other side embraced that now we have to pay for.

And this bill today, as unpalatable as some of them might argue that it is, it's paid for. We square this issue with the American people. This legislation is paid for.

Mr. CAMP. At this time, I yield 2 minutes to the gentleman from Texas (Mr. BRADY).

Mr. BRADY of Texas. I would point out, Mr. Speaker, that when Republicans lost control of Congress, the deficit was \$160 billion, too high. Today, just 2½ years later, it is nearly nine times that high. It is greater than all the deficits in 1 year and all the deficits under President Bush. We are on an unsustainable path where our children and grandchildren will never be able to afford what is being spent today.

And I will remind, too, my friend from Massachusetts that when Democrats took that gavel, Speaker PELOSI pledged she would pay every dime of our wars in Iraq and Afghanistan. Nearly 3 years later, they haven't paid for a dime of those wars.

Let me make a point here. The reason I think Congress' approval ratings are lower than Bernie Madoff's is that we keep pitting Americans against other Americans. In this case, we keep pitting teachers and research workers and local taxpayers, you hear the numbers, against our local real estate workers and our local construction workers. This bill will seriously damage our ability to create jobs and raise property values at the local level. Our real estate partners, the real target of this bill, the real losers in this bill, these are average people who build our local facilities, who create construction jobs, who are the backbone of our economy. And in this case, they will have their taxes nearly tripled. It will

result in lower property values and fewer jobs at home.

What it really does is it punishes people who put in sweat equity and work for decades to bring it about. And it forces them to go to the bank and take debt, to seek capital at a time when there is no bank and no lending available. So we have taken one of the toughest parts of our economy, commercial real estate, and punished them. It is a false choice, as the gentleman from Michigan has said. It's the wrong choice. This is a bad deal.

Mr. CAMP. I just want to comment, too, on this perfect economic picture you said occurred in 2001. As we all know, the bubble burst in 2000. So that history is not quite accurate. I just want to correct that for the record.

Mr. NEAL of Massachusetts. Let me yield 2 minutes to the very important member of the Ways and Means Committee, the gentlewoman from Nevada (Ms. BERKLEY).

Ms. BERKLEY. Mr. Speaker, I thank the gentleman, who is doing a remarkably good job, in spite of all the misinformation on the other side, of moving this bill along.

I rise in support of this legislation to extend expiring tax provisions. It is very important that Congress pass this bill this year.

Allowing these provisions to expire would amount to a tax increase at a most challenging economic time for our Nation's businesses and families. Waiting to enact an extension retroactively would add to the already uncertain business climate and make tax planning all the more difficult for companies and individuals that depend on these tax credits.

The bill extends necessary tax relief to parents and teachers, college students, homeowners, small businesses, and millions of other middle-income families. This legislation is needed in my State for so many critical things. It ensures that Nevada residents who do not pay a State income tax can continue to deduct their sales and State tax from their Federal income tax. For Nevada college students, most of whom come from middle-income families, deduction of their tuition makes the difference between going to college and not going to college.

The bill extends a few alternative and renewable energy tax credits, so critical at this particular time, such as the tax incentive for natural gas and propane used as a fuel in transportation vehicles. These important provisions will help increase clean energy production and consumption.

When it comes to the State of Nevada, and all politics is local, I would like to tell the other side how important this is to the people I represent. This is not a joke, and this is not using these people. This is providing tax relief for millions and millions of people across the country and hundreds of thousands of Nevadans.

Over 23,000 teachers in my home State will not get a tax benefit for pur-

chasing school supplies out-of-pocket if we don't pass this.

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

Mr. NEAL of Massachusetts. I yield the gentlewoman 30 additional seconds.

Ms. BERKLEY. Over 32,000 families in my State will not be able to deduct their higher education tuition costs, and 346,000 Nevada families in my State will not be able to deduct the State sales tax that they pay. This would be a loss of a \$574 million benefit for the State of Nevada. And 141 businesses in my State will not be able to get a credit for their crucial research and development costs.

I submit to you, Mr. Speaker, this is an important piece of legislation. It is timely. We need to pass it now.

Mr. CAMP. I yield myself such time as I may consume.

What we're being offered here is temporary tax relief for 1 year paid for with permanent tax increases. And I would just say that while the majority disingenuously portrays this provision as targeting only rich Wall Street financiers, it actually goes well beyond that, affecting investments and transactions along Main Street as well. This extremely broad provision applies not only to private equity firms and hedge funds, but also to real estate partnerships that invest in every congressional district and venture capital funds that help finance start-up, high-tech and biotechnology investments all across America.

This provision would have far-reaching consequences on the returns of the pension funds, university endowments, and philanthropic foundations that invest in these partnerships that are targeted by the majority.

Let me just, for the record, say that in CQ there is a quote from Chairman BAUCUS on the Senate side that said the House on Wednesday will take up a roughly \$31 billion bill extending dozens of provisions expiring December 31. The major offset for the package, raising \$24.6 billion through taxing investment on partners income for managerial services as regular income rather than capital gains, is unlikely to survive in the Senate.

□ 1415

Again, we are moving forward on a funding mechanism that is permanent for 1 year of tax relief, and it is something that the Senate will not take up. To go on further, he says the provision passed the House twice in the 110th Congress but went nowhere in the Senate where Democratic leaders deemed it too contentious. Earlier this year, Baucus said he did not want to spook shaky financial markets by using the measure as an offset.

I reserve the balance of my time.

Mr. NEAL of Massachusetts. Mr. Speaker, might I inquire as to how much time remains on both sides.

The SPEAKER pro tempore. The majority has 12¾ minutes and the minority has 16½ minutes.

Mr. NEAL of Massachusetts. Just before I recognize the gentleman from Illinois (Mr. DAVIS), I hope that my friend Mr. CAMP will have a chance—he spoke to one provision of the pay-for. Maybe he will speak to the issue of tax evasion as to whether or not he supports the \$8 billion that's being raised in this legislation to pay for this bill.

With that, I would like to recognize the gentleman from Illinois, my friend, Mr. DAVIS, for 2 minutes.

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. Let me first of all thank the gentleman from Massachusetts for yielding.

I rise in strong support of H.R. 4213, the Tax Extenders Act of 2009. There are multiple provisions within this bill that are needed by individuals, businesses as well as State and local governments. This bill is good for Chicago, it's good for the State of Illinois and, indeed, it is good for the Nation.

This bill helps individuals with the cost of education, both for teachers who pay out of pocket for supplies and for students who pay for tuition and books. It helps families cover the cost of property taxes and sales taxes. It helps business invest in research and development, equipment, maintenance and certain capital improvements.

It promotes charitable giving of food, equipment and inventory. This bill also supports critical community assistance programs. It encourages empowerment zones and renewal communities in economically depressed areas. It supports areas that experienced natural disasters, such as the gulf coast and the Midwest.

The Chicago Reporter, a newspaper that does an outstanding job, found that the west and south sides of Chicago have unemployment rates of over 20 percent. It is obvious to me that the city of Chicago, the State of Illinois, and, indeed, the Nation, need this bill. I am proud to support it.

Mr. CAMP. At this time I am prepared to close if the gentleman has no further speakers.

I reserve the balance of my time.

Mr. NEAL of Massachusetts. Mr. Speaker, we are trying to just assess how much time is here, if you will give me a second.

Mr. Speaker, I would like to recognize the gentleman from Michigan (Mr. LEVIN) for 3 minutes.

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

Mr. LEVIN. I think it's important that we look at the facts here. The gentleman from Texas and others have raised issues regarding real estate. These are the figures that have been compiled by our staff based on IRS data. That less than 10 percent of all of the income earned in real estate construction and development is earned by partnerships that might be involved here, that less than 5 percent of all

wages earned by employees in real estate construction and real estate development are earned by employees of partnerships.

Ninety percent of the income earned in real estate construction and real estate development is earned by C corporations or S corporations. Let me just say, in terms of corporations that are involved in real estate, when they give stock options, when those are exercised, and these are the vast majority of cases, the people who exercised the stock option pay ordinary income tax.

Essentially, you have here an argument undercutting the basic proposition. That is that those who invest their own money get capital gains treatment and those who provide services, in whatever circumstances, they pay ordinary income tax.

Also let me just mention that the President has suggested some specific provisions that will encourage investment. There is a basic structure in question here, a basic structure. When people invest their own money, they should pay capital gains tax on the profits. When they perform services managing other people's money, like everybody else who performs services, should they not pay ordinary income tax as does the waitress, no money except a small amount of minimum wage, and not even that, perhaps, if there are no tips; and the author, if the books aren't sold, then they don't get anything.

What is being proposed here, as I said earlier, is what has been suggested by economists, whether they are conservative, moderate, liberal, whatever you want to call them, and by various other sources. That there is a basic issue here. This legislation is an effort to address that basic issue and to pay for the tax extenders. In previous years, in so many cases, you have passed legislation without paying for it and the debt goes up and up.

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

Mr. NEAL of Massachusetts. I yield the gentleman an additional 15 seconds.

Mr. LEVIN. What we are suggesting here is fiscal responsibility. Don't dig the hole deeper and deeper. Step up and pay for it, and pay for it by making the Tax Code equitable for all of the citizens of the United States of America.

Mr. NEAL of Massachusetts. I would like to yield to the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) for the purpose of a unanimous consent request.

(Mrs. CHRISTENSEN asked and was given permission to revise and extend her remarks.)

Mrs. CHRISTENSEN. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of HR 4213, the Tax Extenders of 2009 Act which contains the crucial extension of the rum cover-over program to the American Caribbean territories. The annual extension, which raises at least \$20 million for the Virgin Islands for infrastruc-

ture development, is a vital component of our economic development strategies for continued growth and self sufficiency. In 1954, Congress extended the equalization cover-over provision to the Virgin Islands to foster greater fiscal autonomy and in 1983 and 2000, it enacted laws which vested the Legislature of the Virgin Islands with sole authority to determine how rum cover-over revenues should be utilized.

Recently, that authority has been challenged by legislation that would tie the hands of our local territorial governments in regards to determining how best to utilize those funds. The government and people of the Virgin Islands commend the early foresight of the Congress and reserve the right to determine what is in the best interest of our community.

Madame Speaker, Congress designed the rum cover-over program to create economic stability for its territories in the Caribbean, to include the U.S. Virgin Islands and Puerto Rico. Over the years, each has benefited from this program and hopes to continue to do so in the future. If one territory believes that they no longer need or require this benefit, I am here today to tell you, that the people of the Virgin Islands are grateful for the continued opportunity to have this funding and to determine how best it can be utilized for their ultimate benefit.

In the present global economic development environment, the U.S. Virgin Islands has moved to stabilize this industry on its shore, guaranteeing revenue and jobs for Americans, securing our retirement system and repairing schools while at the same time working to clean up environmental issues associated with the rum industry.

The Congress support of today's rum revenue extenders and indeed the entire rum cover program is crucial to the economic future of the territories and today, I, along with the people of the U.S. Virgin Islands thank Chairman RANGEL, the leadership of the House and my colleagues on both sides of the aisle for your continued support.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself 2 minutes.

There is an opportunity here today to begin the discussion of fundamental tax reform. If we could move past the ideology that is so rigid, where we can only discuss cuts and never revenue or, on the other side, only revenue and never cuts, then we could move this debate and discussion forward.

Now, the other side today, they are suggesting to the American people, we like the R&D tax credit. We like teachers. We like tuition assistance, and what we are saying on this side is we like all of those institutions as well, but we think they should be paid for. Sometimes you have to eat the broccoli before you have your dessert.

Tax reform is an opportunity. I hope that the strategy that got us into this difficulty—remember the old argument here that tax cuts pay for themselves? You couldn't even get our friend who ran for President on the Republican ticket last year to have his top economic adviser say that was true. That's part of the problem here, being married to rigid ideology as opposed to common solutions that might make this work for the American people.

I reserve the balance of my time.

Mr. CAMP. At this time I yield 2 minutes to the distinguished member of the Ways and Means Committee, the gentleman from Texas (Mr. BRADY).

Mr. BRADY of Texas. Mr. Speaker, well, there is no question we all support extending the Republican State and local sales tax deduction put in place, restored by a Republican Congress.

I am pleased to extend the teachers' classroom supply deduction, again, something created and fostered under a Republican Congress, the same with the renewable energy credits, much of which expanded under a Republican Congress. But make no mistake, this isn't about paying for these issues.

This Congress, this White House is paying for nothing these days; \$700 billion, \$800 billion stimulus bill, not a dime paid for. All the new spending, TARP II, second part of the bailout, not a dime paid for.

Two weeks ago they pass out this bill, a quarter of a trillion dollars out of this House, to help doctors with their Medicare reimbursements. Guess how much is paid for? Not a dime, zero. This new fiscal responsibility, while we appreciate it, you shouldn't achieve it by raising taxes and punishing our local real estate and construction people.

I do take exception. We were told today, well, don't worry about it. It's only 10 percent of our local real estate and construction jobs, only 10 percent. Well, that's \$4.5 trillion of local and real estate investment along Main Street America.

Here, I guess they think we can just sacrifice one out of every 10 local construction jobs. We will just sacrifice one out of every 10 local real estate jobs. That's just collateral damage up here.

It's real damage back home. Picking winners and losers, rewarding those, our teachers, our research workers, those who are sending their kids to college, and taking away jobs from Main Street America in real estate, construction from those who build our communities is a false choice.

The gentleman from Michigan is correct: this is a false choice that damages our economy, that's dead on arrival in the Senate, as it should be. We ought to be working together finding a way to help people, not picking winners and damaging jobs in America today. No wonder we face 10 percent unemployment.

Mr. NEAL of Massachusetts. My friend from Texas conveniently left out TARP I, which was a Bush initiative; conveniently left out the cost of the Iraq war, which was borrowed money; and conveniently left out the Bush tax cuts, which cost \$2.3 trillion that only went to people at the very top of the economic strata of America.

I reserve the balance of my time.

Mr. CAMP. To close, Mr. Speaker, the American people don't need to be reminded of the dire economic situation we face today. The American people know unemployment at 10 percent

remains far too high. They know it's tough to make ends meet without having to pay higher taxes. They know higher taxes on investment, on business investment, won't create jobs. In fact, it will hurt job creation.

The American people need not be reminded of those things, but apparently the majority does. Nearly 3 million Americans have lost their jobs since the Democrats enacted their so-called stimulus bill. Unemployment is 25 percent higher than the administration promised, and yet the bill before us proposes to add a new \$24.6 billion tax on business investment.

Now, frankly, I wish we could end this year-end process we go through, and I know the chairman of the Ways and Means Committee gave an interview yesterday where he suggested a way out of this year-end extenders process we find ourselves in. I look forward to working with the chairman to try to find a solution to this problem.

The bottom line is the decision we are faced with today means we should be encouraging business investment, not discouraging it through higher taxes. I would just say to my friend that our motion to recommit would not repeal the international banking disclosure provisions.

In fact, Republicans share the majority's concern about the illegal use of offshore accounts to evade U.S. taxes. Tax evasion is a Federal crime and individuals who break the law by illegally hiding their income in offshore accounts and any financial institutions that facilitate that tax evasion should be aggressively pursued and punished to the fullest extent of the law.

If loopholes exist in law that allow tax cheats to illegally hide assets offshore, obviously Republicans stand ready to help close those loopholes in an appropriate way. As I said, our motion to recommit would retain the language in the majority's bill on that provision.

Again, these extensions of tax relief, which in many cases are policies Republicans passed and voted for when we were in the majority, they are helpful, and they are important to do, but they are temporary. They last 1 year. In order to get that done, the majority would increase taxes on economic investment.

Let's just be clear about this. It changes how business income has been taxed for decades, making it so that income that is currently taxed at a rate of 15 percent would be taxed at 35 percent, more than doubling that tax in an economic recession. It places one of the highest taxes on investment found anywhere in the world, and its reach and scope will increase taxes on everyone from the largest investors to the local real estate partnerships, again, permanent tax increases for 1 year of tax relief. With that, I would urge my colleagues to oppose this legislation.

I yield back the balance of my time.

Mr. NEAL of Massachusetts. Mr. Speaker, at this time I would like to

yield the balance of my time to the chairman of the Ways and Means Committee, my friend, the gentleman from New York (Mr. RANGEL).

□ 1430

Mr. RANGEL. Mr. Speaker, I thank Chairman NEAL for the fantastic job he has done, along with my good friend Mr. LEVIN, for presenting the position of the Ways and Means Committee, which, Republican or Democrat, we are so proud to be a part of.

We have produced for this Congress \$30 billion of benefits to the American people. Some may be critical because it's only for 1 year, but I think we have made it abundantly clear that because we are on the brink of reform of the entire system, as Mr. LEVIN said, we've got to study this to evaluate how we can better serve our teachers, our State and local governments in order to make certain that the things that everybody here is in support of can be made permanent so that they can plan and understand exactly where this Congress is coming from for the people of the United States.

It's interesting to note that the opposition to this bill, nobody has criticized any of the benefits that are in this extender bill. Let me say this again. This is a very, very unique thing that would happen in the Halls of Congress. The bill that we are presenting and asking for an affirmative vote, H.R. 4213, there is no criticism of any provisions of the benefits that are in this legislation. I'm going to rest for a moment and let that sink in.

The opposition to this bill, it appears to me from listening to the responses from my Republican friends, is that their problem is that we don't want to increase the deficit. Their problem is they just don't like the way we are indeed closing the loopholes. When we say, We're closing loopholes, they say, You are raising taxes. You bet your life we are. We are getting the resources that America deserves by fairness and equities in the tax system. There's no way to clean up the tax system without making those who should be paying taxes to pay it.

So if indeed you have some criticism of the loopholes that we're closing, let's take a look at the loopholes. That sounds fair, because my friends have not been talking about the benefits in these bills. My friends on the other side are talking about taxes. If you want to make this a case of forgetting all of these good people that deserve and relied on the extension and make this a tax reform argument—which I really think should be at another time and another place. I really think that tax reform really deserves the study, the research, and the debate so at the end of the day we don't have a Democratic tax bill. This country deserves a bipartisan tax bill, because there's going to be pain in it; because every time we try to bring equity into it, if the other side is to say I don't have any tax reform, but you're raising taxes by cutting

away a lot of benefits that we say people don't deserve, and you say that we're increasing taxes.

Well, let's talk about it. A part of this good bill is being funded so that we don't have a deficit by making certain that, during this time of war, American taxpayers don't avoid their fair share of taxes and they get together in an unpatriotic way and pick foreign countries to determine how they can avoid American taxes and pick foreign countries to invest in and put foreign countries that really are not concerned with our need for jobs and equity but they're concerned with greed for their stockholders and corporations. Did one Republican get up and say this is a good thing? And I would yield to anyone on the other side who wants to say it is not a good thing to go after these people who are taking advantage of our law.

So we can't reform it all at one time, but we can knock out these things where people are taking unfair advantage of our Tax Code.

The other issue, which made me think in listening to the response to this extender bill where hardly anyone talked about the benefits, seemed to be centered around some tax provision that is commonly referred to as carried interest. It seems as though the minority is saying that there's a certain group of people that do work and they're entitled to get compensation for their work.

For those who think this is a complicated issue, it is not. It means that we really think as a body that those people who take outstanding risk, who are not employees but are adventurous, creative people, that they be given 15 percent, a lower tax rate than 35 percent. And we're saying that those people who put capital in, who work in order to develop jobs in whatever they want to develop, if their money is in, they should get a 15 percent tax cut because they took risks. Anybody who doesn't put money in here that becomes a partnership and acts like they're taking risk should not be able to enjoy this benefit.

So I do hope that you consider the weight of the debate and then vote accordingly.

Mr. HIMES. Mr. Speaker, I rise to express my serious concern regarding the revenue provisions of H.R. 4213, The Tax Extenders Act of 2009, specifically the provision affecting the treatment of "carried interest" in our tax code. I believe this provision, as currently worded, does not represent an optimal solution to the underlying challenge of fairly and appropriately taxing investment management professionals.

My concerns are tempered by my enthusiastic support for many of the provisions in the bill as a whole, which would provide individuals and businesses with approximately \$31 billion in tax relief in 2009. As families and businesses in my district struggle to make ends meet, these provisions will provide swift and cost-effective support to research and development, to alternative fuels, and to the ability of U.S. companies to serve customers in foreign markets.

My concerns with the legislation rest with the changes it would make to the tax treatment of “carried interest” on investment managers.

Current law treats carried interest the same as all other profits derived from a partnership and thus characterizes carried interest as being derived from an interest in the partnership’s capital. In a broad-brush fashion, the legislation would transform these capital gains into ordinary income for tax purposes, a change that would increase taxes on carried interest income from the current 15 percent capital gains rate to as much as 35 percent beginning next year. It should be noted that this date is a good deal more aggressive than a similar provision in President Obama’s budget, which in the interest of economic recovery would start taxing carried interest as regular income only in 2011.

While I respect the view that in some cases carried interest represents a form of compensation for services provided by the general partner, this distinction is far from clear in every case. Professionals in this industry should be taxed fairly and appropriately, but I disagree that the only way to achieve this goal is to apply one of two pre-existing categories to their services.

Industry analysts generally base their characterization of carried interest upon the degree to which a general partner’s own assets are at risk and differences in the profit interest of the general and limited partners. Many observers, such as Professor Victor Fleischer of the University of Colorado School of Law, argue with sound legal justification that these professionals should be taxed somewhere between that of pure capital and pure ordinary income.

Given the widespread reliance of partnerships on these rules, I believe we in Congress must be more cautious in enacting such a significant change in the rules at this juncture. Such a reformulation at the least deserves a greater hearing of views in a full and deliberate committee process.

Our venture capitalists risk significant quantities of time, money, and effort to assist the most compelling business models to improve the way that Americans live and work. Before we enact changes to our tax system which could threaten existing incentives to innovation and investment, I believe such changes deserve the fullest possible consideration to arrive at the most practical and fair solution.

I am hopeful that the underlying legislation will undergo revisions to its revenue-raising provisions which enable me to support it. Given the concerns voiced above, however, I regret that I am unable to cast my vote in support of the bill as it stands.

Mr. GENE GREEN of Texas. Mr. Speaker, I rise today to show my support for H.R. 4213, the Tax Extenders Package that includes several critical extensions important to Texas.

The package will extend through 2010 the \$1 per gallon credit for producing biodiesel and the \$1 per gallon credit for producing diesel from biomass, which is especially important to my district as it is home to the struggling biodiesel industry.

Texas is the leading producer of biodiesel in the nation. The industry supported up to 8,600 jobs in the State and over 50,000 jobs in the U.S. in the past year. It is both fiscally and environmentally responsible to extend these tax credits and to promote the development of biodiesel here at home.

The biodiesel excise tax credit enables biodiesel to remain price competitive with conventional diesel. Without the prompt extension of the tax credits before they expire on December 31, 2009, we risk reducing the domestic production of low carbon, renewable energy sources that help our nation to significantly reduce carbon emissions, as well as our dependence on foreign oil.

The biodiesel industry has already been forced to close several plants and is operating at about 20 percent capacity due in large part to the weak economy. A retroactive extension of the credit after December 31, 2009 could further exacerbate the industry’s job losses, and place this important industry in a precarious position.

I appreciate the bipartisan support of the following Texas members who recently joined me in sending a letter to House Leadership supporting the biodiesel tax extension: AL GREEN, CHET EDWARDS, SILVESTRE REYES, SOLOMON ORTIZ, RUBÉN HINOJOSA, HENRY CUELLAR, CIRO RODRIGUEZ, CHARLIE GONZALEZ, and JOE BARTON. This support exemplifies the importance of protecting the biodiesel industry for the nation and for Texans.

It is imperative that we move forward expeditiously to extend the biodiesel and renewable diesel excise tax credits to protect American jobs and to help our nation move towards a clean energy future.

Mr. SKELTON. Mr. Speaker, today the House of Representatives is considering H.R. 4213, the Tax Extenders Act of 2009. I wish to express my support for this legislation, which would continue a number of expiring provisions of the U.S. tax code that are important to the people and businesses I am privileged to represent in rural Missouri. Without Congressional action, these tax cuts will expire on December 31st.

For Missouri families, H.R. 4213 would provide important tax relief. The measure would extend deductions for state and local sales and property taxes and for college tuition. It would extend a special deduction for teachers and other school professionals who use personal funds to buy school supplies for their classrooms. And, the legislation would take steps to ensure activated military reservists do not suffer a pay reduction by providing a tax credit for small businesses that continue to pay National Guard and Reserve employees when they are called to active duty.

For Missouri farmers, H.R. 4213 would extend the five-year depreciation for farming machinery and equipment, would extend the charitable tax deduction for donated food, and would extend the tax deduction for donating conservation easements. H.R. 4213 would also extend critical tax incentives for biodiesel and renewable diesel fuel. The biodiesel tax credit is very important to the development and sustainability of America’s renewable fuel industry and is particularly beneficial to biodiesel facilities, like Prairie Pride, located in Missouri’s Fourth Congressional District.

For Missouri businesses, H.R. 4213 would extend the research and development (R&D) tax credit that encourages financial investment and job creation in America’s high tech sector. The legislation would also strengthen the ability of American companies to serve customers overseas, would extend benefits for investments in economically distressed areas of our country, and would extend the 15-year cost recovery for qualified improvements to res-

taurants and retail space. H.R. 4213 would also extend a low-income housing tax credit exchange program that has invested more than \$3.7 billion in the construction of over 49,000 low-income housing units.

H.R. 4213 would extend other valuable provisions of the U.S. tax code, including deductions for charitable contributions by individuals and businesses. And, to ensure the legislation does not add to the deficit, the \$31 billion cost of this legislation is offset by cracking down on tax evaders who hide their assets in offshore tax havens and ending special tax treatment for hedge fund and investment bank managers.

I urge my colleagues to support H.R. 4213 so that we can provide tax relief and economic certainty to families and businesses in 2010.

Mr. VAN HOLLEN. Mr. Speaker, I rise in strong support of the Tax Extenders Act of 2009. This legislation will provide businesses and individuals with \$31 billion in tax relief over the next year to continue creating jobs and strengthening our economy. It is on time, fully paid for and deserves this chamber’s support.

The R&D Tax Credit extension in this bill will enhance the competitiveness of nearly 11,000 corporations driving innovation in the global marketplace. The above-the-line deductions for school supplies and qualified tuition expenses will continue to support our teachers and students’ education. The IRA Charitable Rollover and Conservation Easement provisions maintain important incentives for critical work in our non-profit sector. And the clean energy credits move us towards the energy independence, reliability and efficiency we know we must embrace in the 21st century.

This is an important bill, strongly supported by the Obama Administration. For that reason, I urge our colleagues in the Senate to act expeditiously on H.R. 4213 so that the President can sign extenders legislation into law this year. I yield back the balance of my time.

Mr. KIND. Mr. Speaker, I rise today in strong support of H.R. 4213, the Tax Extenders Act of 2009. This bill extends several badly needed tax provisions that will continue to provide economic benefits to struggling families and businesses. While these temporary, last-minute patches are not the preferred means of action for anyone, this action is better than none, and I urge my colleagues to support it.

Passage of this bill will ensure that individuals already facing the worst economic situation in decades will retain the ability to deduct state and local taxes, preventing a \$3.3 billion tax increase. It also extends the deduction that students receive for tuition payments and the credit teachers receive for stocking their classrooms out of their own pocket. Both are essential for making a quality education accessible to all.

For businesses, this bill will extend the invaluable R&D tax credit so they can continue to invest in the innovation that will keep America competitive in the industries of today and tomorrow. I have long advocated making this credit permanent so companies can make it a permanent part of their business plans. I hope we will do that as part of overall tax reform starting next year.

Other provisions important to my district in Western Wisconsin include the Conservation Easement Credit, which gives individuals an incentive to protect environmentally important

land in perpetuity, and the extension of a 5-year depreciation period for farm and agricultural equipment. This extended period has been highly successful in spurring capital improvements on the farm and improving farm output and efficiency.

Finally, I am particularly pleased that this bill extends a provision I authored last year that provides tax relief to families and businesses who are impacted by natural disasters. Following devastating floods in my district in 2007 and 2008, it became clear to me that more tools were needed to assist individuals and businesses to recover. The tax relief provided here offers a more systematic and fair method than the previous system of ad hoc assistance on a case-by-case basis. I thank Chairman RANGEL and the rest of the committee for including it in the extenders package today.

Mr. Speaker, I would like to note that all of these benefits are completely paid for, meaning this bill will not add one dime to the deficit. In fact, one of the ways we pay for this bill is by cracking down on foreign bank accounts, where millionaires have been hiding their fortunes from the IRS for years. This type of enforcement has been sorely lacking. It is unfortunate, however, that the bulk of revenue for this bill will come from higher taxation of venture capital funds that have been leaders in spurring job growth and innovation. I sincerely wish we had been able to find an alternative revenue source that would not raise taxes on these entrepreneurs at the exact time when we need them the most. Twice before the Senate has rejected this pay-for, and I hope they will do so again.

On balance, Mr. Speaker, this is a critically important piece of legislation before us that will prevent disastrous consequences in this fragile economic environment. I ask my colleagues to join me in supporting its passage today.

Mr. LANGEVIN. Mr. Speaker, I rise in support of H.R. 4213, the Tax Extenders Act of 2009. This bill provides \$31 billion in tax relief to individuals, families, businesses and charitable organizations by extending over forty tax provisions that are set to expire at the end of 2009. These tax breaks are an important component to rebuilding the financial and economic strength of Rhode Islanders struggling in the wake of the worst recession in decades.

H.R. 4213 contains more than \$5 billion in individual tax relief and more than \$17 billion in tax cuts for American businesses. To strengthen pocketbooks of families and inject demand into the economy, this measure extends property tax relief for up to 30 million homeowners. It helps 4.5 million families better afford college with tuition deductions and saves 3.4 million teachers money with a deduction for classroom expenses. This measure further extends the research and development tax credit for thousands of American corporations, encouraging businesses to increase investments in technology and create more high-tech jobs for the twenty-first century.

Also included in this package is more than \$7 billion in tax provisions that encourage charitable contributions, provide community development incentives, and support alternative energy investments.

In tough economic times, it is important to enact tax policies that spur job creation and foster economic growth, innovation and opportunity. The annual extension of these tax cuts is an important step toward achieving that

goal, and I look forward to working with my colleagues on more permanent solutions to simplify the Internal Revenue Code and ease the tax burden on millions of Americans.

Mr. LARSON of Connecticut. Mr. Speaker, I rise in support of H.R. 4213, the Tax Extenders Act of 2009, and applaud the leadership of Chairman RANGEL and the Ways and Means Committee in crafting this bill. I commend the Chairman for the inclusion of the alternative fuel tax credit, which incentivizes individuals and businesses to purchase energy for vehicles that run on clean energy sources. This continues Congress' commitment to reduce our dependence on foreign oil. As long as we are exporting our dollars overseas in exchange for oil, our economic and national security are at risk.

Natural gas is an abundant transition energy that is twice as clean as coal. While 69% of the oil consumed in America is for transportation (two-thirds of which we import from foreign nations), 98% of the natural gas we consume is produced in North America.

The more than 100 years of natural gas reserves in the U.S. will provide thousands of domestic jobs that cannot be outsourced and will help keep taxpayer dollars in the U.S. Approximately 1.3 million Americans are directly employed by natural gas companies, and the entire U.S. natural gas industry supports nearly three million U.S. jobs, with the potential to add many more.

Natural gas will play an increasing role in reducing U.S. carbon emissions, creating jobs, and enhancing U.S. security. I thank Chairman RANGEL for extending the alternative fuel tax credit and for recognizing the importance of natural gas.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 955, the previous question is ordered on the bill.

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

Mr. CAMP. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. CAMP. I am, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Camp moves to recommit the bill H.R. 4213 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendments:

In subtitle A of title I, add at the end the following:

SEC. 105. ALTERNATIVE MINIMUM TAX RELIEF.

(a) INCREASED EXEMPTION AMOUNT.—Paragraph (1) of section 55(d) is amended—

(1) by striking “(\$70,950 in the case of taxable years beginning in 2009)” in subparagraph (A) and inserting “(\$72,650 in the case of taxable years beginning in 2010)”, and

(2) by striking “(\$46,700 in the case of taxable years beginning in 2009)” in subparagraph (B) and inserting “(\$47,550 in the case of taxable years beginning in 2010)”.

(b) ALLOWANCE OF NONREFUNDABLE PERSONAL CREDITS AGAINST ALTERNATIVE MINIMUM TAX.—Paragraph (2) of section 26(a) is amended—

(1) by striking “or 2009” and inserting “2009, or 2010”, and

(2) by striking “2009” in the heading thereof and inserting “2010”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

In subtitle B of title I, add at the end the following:

SEC. 127. INCREASED LIMITATIONS ON EXPENSING OF CERTAIN DEPRECIABLE BUSINESS ASSETS.

(a) IN GENERAL.—Paragraph (7) of section 179(b) is amended—

(1) by striking “or 2009” in the text thereof and inserting “2009, or 2010”, and

(2) by striking “AND 2009” in the heading thereof and inserting “2009, AND 2010”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

In title VI, strike subtitles A and B.

Mr. CAMP (during the reading). Mr. Speaker, I ask unanimous consent to dispense with the reading.

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

There was no objection.

POINT OF ORDER

Mr. NEAL of Massachusetts. Mr. Speaker, I make a point of order that the motion before us is in violation of clause 10 of rule XXI of the rules of the House.

The SPEAKER pro tempore. Does any Member wish to be heard on the point of order?

Mr. CAMP. Mr. Speaker, I ask to be heard on the point of order.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Michigan.

Mr. CAMP. Mr. Speaker, this point of order illustrates the dangers raised by the majority's PAYGO rule and its decision at the start of this Congress to prohibit us from offering motions to recommit that are not PAYGO compliant, something that all minorities, Republican and Democrat, over the last many years have been permitted to do in prior sessions, including as recently as last year.

The majority has asserted the motion to recommit violates clause 10 of rule XXI, known as the PAYGO rule, which requires amendments, including those contained in a motion to recommit, to be budget neutral.

I submit, Mr. Speaker, that his point of order should be overturned because it precludes the House from considering the merits of a different approach to the underlying bill, one that would let the American people keep more of their hard-earned income.

By contrast, granting the PAYGO point of order would prevent the House from considering whether to extend this tax relief, as it has done many times before, without offsets. We should be encouraging business investment, not discouraging it through higher taxes.

Let's be clear. This carried interest tax of over \$25 billion changes how business income has been taxed for decades, making income currently taxed at 15 percent up to 30 percent, more than doubling it.

Mr. Speaker, granting this point of order would foreclose the House from even considering whether it might want to pass this bill with fewer offsets or further tax relief.

Accordingly, I ask that you overrule the point of order and allow the House to debate and vote on our alternative, which would provide additional tax relief for families and small businesses without some of the most objectionable offsets found in the underlying bill.

The SPEAKER pro tempore. The gentleman from Massachusetts makes a point of order that the amendment proposed in the instructions included in the motion to recommit offered by the gentleman from Michigan violates clause 10 of rule XXI by proposing a change in revenues that would increase the deficit.

Pursuant to clause 10 of rule XXI, the Chair is authoritatively guided by estimates from the Committee on the Budget that the net effect of the provisions in the amendment affecting revenues would increase the deficit for a relevant period.

Accordingly, the point of order is sustained and the motion is not in order.

Mr. CAMP. Mr. Speaker, I appeal the ruling of the Chair.

The SPEAKER pro tempore. The question is, Shall the decision of the Chair stand as the judgment of the House?

MOTION TO TABLE

Mr. NEAL of Massachusetts. Mr. Speaker, I move to table the motion to appeal the ruling of the Chair.

The SPEAKER pro tempore. The question is on the motion to table.

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 and clause 9 of rule XX, this 15-minute vote on the motion to table will be followed by 5-minute votes on passage of the bill, if arising without further proceedings in recommitment, and suspending the rules with regard to H.R. 3603.

The vote was taken by electronic device, and there were—yeas 251, nays 172, not voting 11, as follows:

[Roll No. 942]

YEAS—251

Abercrombie	Boswell	Clarke
Ackerman	Boucher	Clay
Adler (NJ)	Boyd	Cleaver
Altmire	Brady (PA)	Clyburn
Andrews	Braley (IA)	Cohen
Arcuri	Bright	Connolly (VA)
Baca	Brown, Corrine	Conyers
Baird	Butterfield	Cooper
Barrow	Cao	Costa
Bean	Capps	Costello
Becerra	Capuano	Courtney
Berkley	Cardoza	Crowley
Berman	Carnahan	Cuellar
Berry	Carney	Cummings
Bishop (GA)	Carson (IN)	Dahlkemper
Bishop (NY)	Castor (FL)	Davis (AL)
Blumenauer	Chandler	Davis (CA)
Bocciari	Childers	Davis (IL)
Boren	Chu	Davis (TN)

DeFazio	Kissell	Rahall	Linder	Olson	Shadegg
DeGette	Klein (FL)	Rangel	LoBiondo	Paul	Shimkus
Delahunt	Kusmas	Reyes	Lucas	Paulsen	Shuster
DeLauro	Kratovil	Richardson	Luetkemeyer	Pence	Simpson
Dicks	Kucinich	Rodriguez	Lummis	Petri	Smith (NE)
Dingell	Langevin	Ross	Lungren, Daniel	Pitts	Smith (NJ)
Doggett	Larsen (WA)	Rothman (NJ)	E.	Platts	Smith (TX)
Donnelly (IN)	Larson (CT)	Roybal-Allard	Mack	Poe (TX)	Souder
Doyle	Lee (CA)	Ruppersberger	Manzullo	Posey	Stearns
Driehaus	Levin	Rush	Marchant	Price (GA)	Sullivan
Edwards (MD)	Lipinski	Ryan (OH)	McCarthy (CA)	Putnam	Terry
Edwards (TX)	Loeb sack	Salazar	McCaul	Rehberg	Thompson (PA)
Ellison	Lofgren, Zoe	Sanchez, Linda	McClintock	Reichert	Thornberry
Ellsworth	Lowey	T.	McCotter	Roe (TN)	Tiahrt
Engel	Lujan	Sarbanes	McHenry	Rogers (AL)	Tiberi
Eshoo	Lynch	Schakowsky	McKeon	Rogers (KY)	Turner
Etheridge	Maffei	Schauer	McMorris	Rogers (MI)	Upton
Farr	Maloney	Schiff	Rodgers	Rohrabacher	Walden
Fattah	Markey (CO)	Schrader	Mica	Rooney	Wamp
Filner	Markey (MA)	Schwartz	Miller (FL)	Ros-Lehtinen	Westmoreland
Foster	Marshall	Schwartz	Miller (MI)	Roskam	Whitfield
Frank (MA)	Massa	Scott (GA)	Miller, Gary	Royce	Whitfield
Garamendi	Matheson	Scott (VA)	Moran (KS)	Ryan (WI)	Wilson (SC)
Giffords	Matsui	Serrano	Murphy, Tim	Scalise	Wittman
Gonzalez	McCarthy (NY)	Sestak	Myrick	Schmidt	Wolf
Gordon (TN)	McCollum	Shea-Porter	Neugebauer	Schock	Young (AK)
Grayson	McDermott	Sherman	Nunes	Sensenbrenner	Young (FL)
Green, Al	McGovern	Shuler	Nye	Sessions	
Green, Gene	McIntyre	Sires			
Griffith	McMahon	Skelton			
Grijalva	McNerney	Slaughter			
Gutierrez	Meek (FL)	Smith (WA)			
Hall (NY)	Meeke (NY)	Snyder			
Halvorson	Melancon	Space			
Hare	Michaud	Speier			
Harman	Miller (NC)	Spratt			
Hastings (FL)	Miller, George	Stark			
Heinrich	Minnick	Stupak			
Herseht Sandlin	Mitchell	Sutton			
Higgins	Mollohan	Tanner			
Hill	Moore (KS)	Taylor			
Himes	Moore (WD)	Teague			
Hinchev	Murphy (CT)	Thompson (CA)			
Hinojosa	Murphy (NY)	Thompson (MS)			
Hirono	Murphy, Patrick	Tierney			
Hodes	Nadler (NY)	Titus			
Holden	Napolitano	Tonko			
Holt	Neal (MA)	Towns			
Honda	Oberstar	Tsongas			
Hoyer	Obey	Van Hollen			
Inslee	Oliver	Velázquez			
Israel	Ortiz	Visclosky			
Jackson (IL)	Owens	Walz			
Jackson-Lee	Pallone	Wasserman			
(TX)	Pascarell	Schultz			
Johnson (GA)	Pastor (AZ)	Waters			
Johnson, E. B.	Payne	Watson			
Kagen	Perlmutter	Watt			
Kanjorski	Perriello	Waxman			
Kaptur	Peters	Weiner			
Kennedy	Peterson	Welch			
Kildee	Pingree (ME)	Wexler			
Kilpatrick (MI)	Polis (CO)	Wilson (OH)			
Kilroy	Pomeroy	Woolsey			
Kind	Price (NC)	Wu			
Kirkpatrick (AZ)	Quigley	Yarmuth			

NAYS—172

Aderholt	Cantor	Gingrey (GA)
Akin	Capito	Gohmert
Alexander	Cassidy	Goodlatte
Austria	Castle	Graves
Bachmann	Chaffetz	Guthrie
Bachus	Coble	Hall (TX)
Bartlett	Coffman (CO)	Harper
Barton (TX)	Cole	Hastings (WA)
Biggett	Conaway	Heller
Bilbray	Crenshaw	Hensarling
Bilirakis	Culberson	Herger
Bishop (UT)	Davis (KY)	Hoekstra
Blackburn	Deal (GA)	Hunter
Blunt	Dent	Inglis
Boehner	Diaz-Balart, L.	Issa
Bonner	Diaz-Balart, M.	Jenkins
Bono Mack	Dreier	Johnson (IL)
Boozman	Duncan	Johnson, Sam
Boustany	Ehlers	Jones
Brady (TX)	Emerson	Jordan (OH)
Broun (GA)	Fallin	King (IA)
Brown (SC)	Flake	King (NY)
Brown-Waite,	Fleming	Kingston
Ginny	Forbes	Kirk
Buchanan	Fortenberry	Kline (MN)
Burgess	Foxx	Lamborn
Burton (IN)	Franks (AZ)	Lance
Buyer	Frelinghuysen	Latham
Calvert	Gallely	Latta
Camp	Garrett (NJ)	Lee (NY)
Campbell	Gerlach	Lewis (CA)

Baldwin	Granger	Murtha
Barrett (SC)	LaTourette	Radanovich
Carter	Lewis (GA)	Sanchez, Loretta
Fudge	Moran (VA)	

NOT VOTING—11

Baldwin	Granger	Murtha
Barrett (SC)	LaTourette	Radanovich
Carter	Lewis (GA)	Sanchez, Loretta
Fudge	Moran (VA)	

□ 1508

Messrs. DUNCAN, ROONEY and Mrs. MYRICK changed their vote from “yea” to “nay.”

Messrs. GORDON of Tennessee and FILNER changed their vote from “nay” to “yea.”

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

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. RANGEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

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

The vote was taken by electronic device, and there were—ayes 241, noes 181, not voting 12, as follows:

[Roll No. 943]

AYES—241

Abercrombie	Capps	Davis (IL)
Ackerman	Capuano	Davis (TN)
Adler (NJ)	Cardoza	DeFazio
Altmire	Carnahan	DeGette
Andrews	Carney	Delahunt
Arcuri	Carson (IN)	DeLauro
Baca	Castor (FL)	Dicks
Baird	Chandler	Dingell
Barrow	Childers	Doggett
Becerra	Chu	Donnelly (IN)
Berkley	Berkley	Doyle
Berman	Berman	Driehaus
Berry	Berry	Cleaver
Bishop (GA)	Bishop (GA)	Clyburn
Bishop (NY)	Bishop (NY)	Cohen
Blumenauer	Blumenauer	Connolly (VA)
Bocciari	Bocciari	Conyers
Boren	Boren	Engel
Boswell	Boswell	Eshoo
Boucher	Boucher	Etheridge
Boyd	Boyd	Farr
Brady (PA)	Brady (PA)	Fattah
Braley (IA)	Braley (IA)	Filner
Bright	Bright	Foster
Brown, Corrine	Brown, Corrine	Frank (MA)
Butterfield	Butterfield	Garamendi
Cao	Cao	Giffords
Capps	Capps	Gonzalez
Capuano	Capuano	
Cardoza	Cardoza	
Carnahan	Carnahan	
Carney	Carney	
Carson (IN)	Carson (IN)	
Castor (FL)	Castor (FL)	
Chandler	Chandler	
Childers	Childers	
Chu	Chu	

Gordon (TN) Markey (CO) Ruppertsberger Paul Roskam Taylor Courtney Jenkins Neugebauer
 Grayson Markey (MA) Rush Paulsen Royce Crenshaw Johnson (GA) Nunes
 Green, Al Marshall Ryan (OH) Pence Ryan (WI) Crowley Johnson (IL) Nye
 Green, Gene Massa Salazar Schalis Thornberry Johnson, E. B. Oberstar
 Griffith Matheson Sánchez, Linda Pitts Schmidt Tiahrt Johnson, Sam Obey
 Grijalva Matsui T. Platts Schock Tiberi Jones Olson
 Gutierrez McCarthy (NY) Sarbanes Poe (TX) Schrader Turner Dahlkemper Jordan (OH) Olver
 Hall (NY) McCollum Schakowsky Polis (CO) Sensenbrenner Upton Davis (AL) Kagen
 Halvorson McDermott Schauer Posey Sessions Shadegg Walden Davis (CA) Kanjorski
 Hare McGovern Schiff Price (GA) Shadegg Walden Davis (IL) Kaptur Owens
 Harman McIntyre Putnam Schiff Price (GA) Shadegg Walden Davis (KY) Pallone
 Hastings (FL) McMahan Rehberg Reichert Davis (TN) Kennedy Pascrell
 Heinrich McNeerney Scott (GA) Reichert Davis (TN) Kennedy Pascrell
 Hersth Sandlin Meek (FL) Scott (VA) Roe (TN) Deal (GA) Kildee Kildee Pastor (AZ)
 Higgins Meeks (NY) Serrano Whitfield DeFazio Kilroy Kilpatrick (MI) Paul
 Hill Melancon Michaud Shea-Porter DeGette Kind King (IA) Kingroy Paulsen
 Hinojosa Miller (NC) Sherman Shuler Wolf King (NY) Dent King (NY) Payne
 Hirono Miller (NC) Sherman Shuler Young (AK) Young (FL) Diaz-Balart, L. Kingston Perriello
 Hodes Miller, George Shuler Young (FL) Diaz-Balart, M. Kirk Kirkpatrick (AZ) Peters
 Holden Minnick Skelton Slaughtert Dingell Dicks Kirkpatrick (AZ) Peterson
 Holt Mollohan Skelton Slaughtert Dingell Dicks Kirkpatrick (AZ) Peterson
 Honda Moore (KS) Snyder Doggett Kleinf (FL) Pingree (ME)
 Hoyer Moore (WI) Snyder Doggett Kleinf (FL) Pingree (ME)
 Inslee Murphy (CT) Space Donnelly (IN) Kline (MN) Pitts
 Israel Murphy (NY) Speier Dreier Kosmas Kratovil Poe (TX)
 Jackson (IL) Murphy, Patrick Spratt Duncan Radanovich Kucinich Poliss (CO)
 Jackson-Lee Nadler (NY) Stark Edwards (MD) Lamborn Pomeroy
 (TX) Napolitano Stupak Edwards (TX) Lance Posey
 Johnson (GA) Neal (MA) Sutton Tanner Teague Price (GA)
 Johnson, E. B. Nye Oberstar Price (NC) Price (NC)
 Kagen Obey Thompson (CA) Larson (CT) Putnam
 Kanjorski Olver Thompson (MS) Larson (CT) Putnam
 Kennedy Ortiz Tierney Quigley Rahall
 Kildee Owens Titus Latta Lee (CA) Rangel
 Kilpatrick (MI) Pallone Tonko Reberg Rehberg
 Kilroy Pascrell Towns Reichert
 Kind Pastor (AZ) Tsongas Linder Reyes
 Kirkpatrick (AZ) Payne Van Hollen Richardsson
 Kissell Perlmutter Velázquez Rodriguez
 Kosmas Perriello Visclosky Roe (TN)
 Kratovil Peters Peterson Rogers (AL)
 Kucinich Peterson Rogers (KY)
 Langevin Pingree (ME) Lowey Rogers (MI)
 Larsen (WA) Pomeroy Wasserman Rohrabacher
 Larson (CT) Price (NC) Schultz Rooney
 Lee (CA) Quigley Waters Ros-Lehtinen
 Levin Rahall Watt Waxman
 Lipinski Rangel Waxman
 Loeb sack Reyes Weiner
 Lofgren, Zoe Richardson Welch
 Lowey Rodriguez Wilson (OH)
 Lujan Ross Woolsey
 Lynch Rothman (NJ) Wu
 Maloney Roybal-Allard Yarmuth

Walden Wamp Westmoreland Wexler Whitfield Whitman Wolf Young (AK) Young (FL) Moran (VA) Murtha Sanchez, Loretta

Johnson, E. B. Jones Jones Jordan (OH) Kagen Kanjorski Kaptur Kennedy Kildee Kilpatrick (MI) Kilroy Kind King (IA) King (NY) Kingston Kirk Kirkpatrick (AZ) Kissell Klein (FL) Kline (MN) Kosmas Kratovil Kucinich Lamborn Lance Langevin Larsen (WA) Larson (CT) Latham Latta Lee (CA) Lee (NY) Levin Lewis (CA) Linder Lipinski LoBiondo Loeb sack Lofgren, Zoe Lowey Lucas Luetkemeyer Lujan Lummis Lungren, Daniel E. Lynch Mack Maffei Maloney Manzullo Marchant Markey (CO) Markey (MA) Marshall Matsui Matheson McCarthy (CA) McCarthy (NY) McCaul McClintock McCollum McCotter McDermott McGovern McHenry McIntyre McMahan McMorris Rodgers McNeerney Meek (FL) Meeks (NY) Melancon Mica Michaud Miller (FL) Miller (MI) Miller (NC) Miller, Gary Miller, George Minnick Mitchell Mollohan Moore (KS) Moore (WI) Moran (KS) Murphy (CT) Murphy (NY) Murphy, Patrick Murphy, Tim Myrick Nadler (NY) Napolitano Neal (MA)

NOT VOTING—12

Baldwin Granger Moran (VA)
 Barrett (SC) Hinchev Murtha
 Carter Kaptur Radanovich
 Fudge Lewis (GA) Sanchez, Loretta

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

□ 1517

So the bill was passed.
 The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

RENAMING THE OCMULGEE NATIONAL MONUMENT

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and pass the bill, H.R. 3603, as amended, on which the yeas and nays were ordered.

The Clerk read the title of the bill.
 The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Guam (Ms. BORDALLO) that the House suspend the rules and pass the bill, H.R. 3603, as amended.

This is a 5-minute vote.
 The vote was taken by electronic device, and there were—yeas 419, nays 0, not voting 15, as follows:

[Roll No. 944]

YEAS—419

NOES—181
 Aderholt Culberson King (NY)
 Akin Davis (KY) Kingston
 Alexander Deal (GA) Kirk
 Austria Dent Klein (FL)
 Bachmann Diaz-Balart, L. Kline (MN)
 Bachus Diaz-Balart, M. Lamborn
 Bartlett Dreier Lance
 Barton (TX) Duncan Latham
 Bean Ehlers LaTourette
 Biggert Emerson Latta
 Bilbray Fallin Lee (NY)
 Bilirakis Flake Lewis (CA)
 Bishop (UT) Fleming Linder
 Blackburn Forbes LoBiondo
 Blunt Fortenberry Lucas
 Boehner Foxx Luetkemeyer
 Bonner Franks (AZ) Lummis
 Bono Mack Frelinghuysen Lungren, Daniel
 Boozman Gallegly E.
 Boustany Garrett (NJ) Mack
 Brady (TX) Gerlach Maffei
 Broun (GA) Gingrey (GA) Manzullo
 Brown (SC) Gohmert Marchant
 Brown-Waite, Goodlatte McCarthy (CA)
 Ginny Graves McCaul
 Buchanan Guthrie McClintock
 Burgess Hall (TX) McCotter
 Burton (IN) Harper McHenry
 Buyer Hastings (WA) McKeon
 Calvert Heller McMorris
 Camp Hensarling Rodgers
 Campbell Herger Mica
 Cantor Himes Miller (FL)
 Capito Hoekstra Miller (MI)
 Cassidy Hunter Miller, Gary
 Castle Ingliis Mitchell
 Chaffetz Issa Moran (KS)
 Coble Jenkins Murphy, Tim
 Coffman (CO) Johnson (IL) Myrick
 Cole Johnson, Sam Neugebauer
 Conaway Jordan (OH) Nunes
 Crenshaw King (IA) Olson

Abercrombie Blunt Cao
 Ackerman Bocchieri Capito
 Aderholt Boehner Capps
 Adler (NJ) Bonner Capuano
 Akin Bono Mack Cardoza
 Alexander Boozman Carnahan
 Altmire Boren Carney
 Andrews Boswell Carson (IN)
 Austria Boucher Cassidy
 Baca Boustany Castle
 Bachmann Boyd Castor (FL)
 Bachus Brady (PA) Chaffetz
 Baird Brady (TX) Chandler
 Barrow Braley (IA) Childers
 Bartlett Bright Chu
 Barton (TX) Brown (GA) Clarke
 Bean Brown (SC) Clay
 Becerra Brown, Corrine Cleaver
 Berkley Brown-Waite, Clyburn
 Berman Ginny Coble
 Berry Buchanan Coffman (CO)
 Biggert Burgess Cohen
 Bilbray Burton (IN) Cole
 Bilirakis Butterfield Conaway
 Bishop (GA) Buyer Conolly (VA)
 Bishop (NY) Calvert Conyers
 Camp Cooper
 Blackburn Campbell Costa
 Blumenauer Cantor Costello

Johnson, E. B. Jones Jones Jordan (OH) Kagen Kanjorski Kaptur Kennedy Kildee Kilpatrick (MI) Kilroy Kind King (IA) King (NY) Kingston Kirk Kirkpatrick (AZ) Kissell Klein (FL) Kline (MN) Kosmas Kratovil Kucinich Lamborn Lance Langevin Larsen (WA) Larson (CT) Latham Latta Lee (CA) Lee (NY) Levin Lewis (CA) Linder Lipinski LoBiondo Loeb sack Lofgren, Zoe Lowey Lucas Luetkemeyer Lujan Lummis Lungren, Daniel E. Lynch Mack Maffei Maloney Manzullo Marchant Markey (CO) Markey (MA) Marshall Matsui Matheson McCarthy (CA) McCarthy (NY) McCaul McClintock McCollum McCotter McDermott McGovern McHenry McIntyre McMahan McMorris Rodgers McNeerney Meek (FL) Meeks (NY) Melancon Mica Michaud Miller (FL) Miller (MI) Miller (NC) Miller, Gary Miller, George Minnick Mitchell Mollohan Moore (KS) Moore (WI) Moran (KS) Murphy (CT) Murphy (NY) Murphy, Patrick Murphy, Tim Myrick Nadler (NY) Napolitano Neal (MA)

Teague	Upton	Welch
Terry	Van Hollen	Westmoreland
Thompson (CA)	Velázquez	Wexler
Thompson (MS)	Visclosky	Whitfield
Thompson (PA)	Walden	Wilson (OH)
Thornberry	Walz	Wilson (SC)
Tiahrt	Wamp	Wittman
Tiberi	Wasserman	Wolf
Tierney	Schultz	Woolsey
Titus	Waters	Wu
Tonko	Watson	Yarmuth
Towns	Watt	Young (AK)
Tsongas	Waxman	Young (FL)
Turner	Weiner	

NOT VOTING—15

Arcuri	Doyle	McKeon
Baldwin	Fudge	Moran (VA)
Barrett (SC)	Granger	Murtha
Carter	LaTourette	Radanovich
DeLauro	Lewis (GA)	Sanchez, Loretta

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members have 1 minute to record their votes.

□ 1526

So (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 3 o'clock and 26 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1847

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. JACKSON of Illinois) at 6 o'clock and 47 minutes p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON H.R. 3288, CONSOLIDATED APPROPRIATIONS ACT, 2010

Mr. PERLMUTTER, from the Committee on Rules, submitted a privileged report (Rept. No. 111-368) on the resolution (H. Res. 961) providing for consideration of the conference report to accompany the bill (H.R. 3288) making appropriations for the Departments of Transportation, and Housing and Urban Development, and related agencies for the fiscal year ending September 30, 2010, and for other purposes, which was referred to the House Calendar and ordered to be printed.

COMMUNICATION FROM THE HONORABLE JOHN SARBANES, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable JOHN SARBANES, Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, DC, December 9, 2009.

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

DEAR MADAM SPEAKER: This is to notify you formally, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a third-party subpoena for production of documents issued by the U.S. District Court for the District of Maryland, in connection with a civil matter now pending in that court.

After consultation with the Office of the General Counsel, I have determined that compliance with the subpoena is consistent with the precedents and privileges of the House.

Sincerely,

JOHN SARBANES,
Member of Congress.

COMMUNICATION FROM THE REPUBLICAN LEADER

The SPEAKER pro tempore laid before the House the following communication from the Honorable JOHN A. BOEHNER, Republican Leader:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, December 8, 2009.

Hon. NANCY PELOSI,
Speaker, U.S. Capitol,
Washington, DC.

DEAR SPEAKER PELOSI: Pursuant to Section 125(c)(1) of the Emergency Economic Stabilization Act of 2008 (P.L. 110-343), I am pleased to appoint Mr. J. Mark McWatters of Dallas, Texas to the Congressional Oversight Panel. Mr. McWatters' appointment fills the vacancy created by the Honorable Jeb Hensarling, who has resigned the position, effective upon Mr. McWatters' appointment.

Mr. McWatters has expressed interest in serving in this capacity and I am pleased to fulfill his request.

Sincerely,

JOHN A. BOEHNER,
Republican Leader.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, December 9, 2009.

Hon. JOHN A. BOEHNER,
Republican Leader, The Capitol,
Washington, DC.

DEAR LEADER BOEHNER: After one year of service on the Congressional Oversight Panel (Panel), I am writing today to inform you of my resignation from the Panel, effective upon the designation of my replacement.

As you are aware, with some notable exceptions, I have been disappointed with the Panel's work that too often focuses upon making policy recommendations to Congress in place of critical and badly needed oversight. As a Member of Congress, I already possess ample opportunities to advise my colleagues. Still, I respect the commitment and dedication of each of my fellow Panel members and the hard work of the Panel's staff.

Now that the Obama Administration has chosen to extend the Troubled Asset Relief Program into next year, I want to devote more of my time and energy as a Member of Congress to fighting its continued efforts to misuse the program and thus the taxpayers' money as a revolving bailout fund.

It has been an honor to serve on the Panel, and I want to thank you for providing me with the opportunity.

Yours respectfully,

JEB HENSARLING,
Member of Congress.

PROVIDING FOR CONSIDERATION OF H.R. 4173, WALL STREET REFORM AND CONSUMER PROTECTION ACT OF 2009

Mr. PERLMUTTER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 956 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 956

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. 4173) to provide for financial regulatory reform, to protect consumers and investors, to enhance Federal understanding of insurance issues, to regulate the over-the-counter derivatives markets, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. The amendment printed in the report of the Committee on Rules accompanying this resolution shall be considered as adopted in the House and in the Committee of the Whole. General debate shall be confined to the bill, as amended, and shall not exceed three hours, with two hours equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services, 30 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Agriculture, and 30 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Energy and Commerce. After general debate, the Committee of the Whole shall rise without motion. No further consideration of the bill shall be in order except pursuant to a subsequent order of the House.

SEC. 2. During consideration of H.R. 4173 pursuant to this resolution, the Chair of the Committee of the Whole may entertain a motion that the Committee rise only if offered by the chair of the Committee on Financial Services or his designee.

The SPEAKER pro tempore. The gentleman from Colorado (Mr. PERLMUTTER) is recognized for 1 hour.

Mr. PERLMUTTER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from California (Mr. DREIER).

GENERAL LEAVE

Mr. PERLMUTTER. 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 956.

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

There was no objection.

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

House Resolution 956 provides for general debate on the bill, H.R. 4173, the Wall Street Reform and Consumer Protection Act of 2009. It provides 3 hours of general debate, which will be evenly divided between the chairmen and ranking members of the various committees of jurisdiction. It self-executes an amendment to resolve jurisdictional concerns among the committees of jurisdiction of this bill. The

amendment also includes the text of H.R. 1728, regarding predatory lending, which the House passed earlier this year overwhelmingly. It also makes certain revisions to the bill to ensure it complies with pay-as-you-go rules.

Mr. Speaker, for more than a year, the Financial Services Committee, of which I am a member, has held hearings and conducted a thorough oversight into the causes of last year's financial meltdown which caused our current economic troubles. After exhaustive work, the House now has before it a comprehensive package of reforms to address the numerous failures that led to the near collapse of our financial system last year.

The banking system is our Nation's circulatory system for our economy; and last year that circulatory system had a heart attack. We cannot and will not let the banking system fail, which is why this House had to take bold action last year to stabilize it. However, now we must turn and look to the causes at the root of the meltdown and make targeted reforms and repairs to address the inefficiencies and failures we found in the system.

The legislation before us is the most significant reform to our financial system since the New Deal of the 1930s. The bill creates a Financial Stability Oversight Council to monitor systematically significant institutions, counterparties and potential threats to the financial system. This ensures that there is no place to hide by closing loopholes, improving consolidated supervision, and establishing robust regulatory oversight.

We provide for the orderly wind-down of failing firms that are systemically significant, ending the notion of "too big to fail." By dissolving these firms, we end them. We kill them. We put them out of their misery, so we say "no" to any more taxpayer bailouts.

This legislation also makes robust consumer protection repair and reform. It puts the regulation of consumer protection on a level playing field with the regulation of safety and soundness of our financial institutions. It creates an independent agency focused solely on writing meaningful consumer protection standards and keeping watch over predatory practices that some lenders have shown a propensity to pursue.

Additionally, we increase transparency and accountability by establishing a regulatory system for the over-the-counter derivative market. Now most derivative trades will be done on exchanges or through clearinghouses. Again, we have made sure that there is no place to hide. Other important pieces of this legislation include the registration of hedge funds and the doubling of SEC funding to hire more experts and investigators. Investor protection is substantially strengthened. A Federal insurance office is created to gather information, mitigate systemic risk and provide for insurance expertise to the Federal Government.

In this legislation, we have also included two very important measures

which passed the House earlier this year. First, is the say-on-pay, and the second is on mortgage reform aimed at curbing the abusive and predatory practices that led to the subprime lending problems. This legislation is critical to protect taxpayers and consumers by reining in the abuses of Wall Street, while enabling a balanced environment for the financial markets to grow and stabilize our economy.

These changes are essential to rebuilding Main Street and getting credit flowing to small businesses, creating jobs, and rebuilding our economy.

I'm proud to stand here with my colleagues today while we consider this important set of reforms. We cannot afford another collapse as we had last fall. It cost this Nation trillions of dollars and millions of jobs, and is no longer acceptable. We need to repair and restore the system so that confidence is restored by the American public and people around world. We make these necessary reforms that establish robust regulatory oversight. This bill is another step toward economic recovery, and I urge its adoption.

I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I yield myself such time as I might consume. (Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, I have to say at the outset that I have a slightly different take than was just offered by my Rules Committee colleague, the gentleman from Golden, Colorado. As our economy, Mr. Speaker, and our jobs market continue to struggle and families face the coming year with deep worries for their own financial futures, I believe that our responsibility here in this institution as Members of Congress is very clear. We must reform our financial regulatory system to prevent the kind of catastrophic breakdown that occurred last year. We both can agree on that. We know that what happened last year, I mean, a year ago right now, many of us were sensing that our economy was in peril, and we could have seen a major meltdown.

We need to ensure that that doesn't happen again, the threat that we went through does not happen again. We must do so in a way that preserves access to credit for families and small businesses, promotes job creation, ends taxpayer-funded bailouts, and allows us to begin to pay down this horrendous national debt that we're all facing. Unfortunately, the proposal that is before us this evening fails on all counts.

At a time when we need to reform and streamline our regulatory regime, the Democratic majority proposes to make it more complicated and less accountable, more unworkable and less transparent. The majority wants to keep the taxpayers on the hook for a permanent system of bailouts. Now, my friend said we were going to ensure that we no longer had bailouts. Clearly, from our perspective, this will con-

tinue the pattern of bailouts; and they're attempting to use repaid TARP funds as what is little more than a slush fund that will create a wide range of additional Federal spending.

The net effect of the underlying bill that the Democratic majority has put forward will be to reduce consumers' access to credit, destroy jobs, and leave our deficit spiraling out of control. This is not the solution that the American people were hoping for from this institution. They understand while the circumstances leading up to our current economic crisis involved incredibly complex and arcane regulations, policies and institutions, the lack of accountability and transparency was the core problem.

They understood that a lack of accountability, a lack of transparency, that that really was the core problem that led up to the crisis. Financial institutions took on unsustainable levels of risk and used highly questionable practices that fed into a bubble that we all know inevitably burst.

□ 1900

Individuals took on an enormous amount of debt that they simply could not afford, and we all know that the Federal Government did the exact same thing. The result was frozen credit markets, declining growth, and hundreds of thousands of jobs lost. We're still trying to climb out of this hole, as we all know. The task at hand is not about increasing regulation or diminishing regulation. It is about making it smarter, more accountable, and more effective.

The Democratic majority's so-called reform bill takes us in the opposite direction. By adding multiple layers of new bureaucracy and making agencies like the Fed even less accountable than before, they threaten to compound the very problems that led to our current situation.

What's more, by further tangling this Byzantine mess of regulators and superregulators, they will further tie up credit that families and small businesses desperately need. This is credit that enables small companies to grow, expand, make payroll for current employees, and create positions for new employees. This is credit that enables responsible homeowners to make purchases and help get our housing market back on track. By exacerbating the credit crunch, today's underlying bill threatens further job destruction and stymied growth.

The bill also creates this \$150 billion fund paid for with new taxes to continue to bail out failing institutions. Now, if that \$150 billion turns out to not be enough, who's on the hook for more bailouts? Well, surprise, surprise. It's the U.S. taxpayer.

The Democratic majority was given the opportunity to remove these bailout provisions from the bill in committee, but they chose to keep them in place. And if that weren't bad enough, this bill will take the bailout dollars

that are repaid to the taxpayers and put them into a slush fund for more government spending rather than paying down the national debt. The Democratic majority has apparently forgotten that they voted last fall to consider the taxpayer first as bailout dollars are repaid rather than putting it off into some other fund. The path charted by this legislation is utterly reckless at a time when prudence and accountability are more needed than ever.

But, Mr. Speaker, I'm happy to say that we, as Republicans, have an alternative. We have a very viable alternative. We put forth the proposal that reforms our financial regulatory system without threatening access to credit or job creation. We enhance rather than diminish accountability for agencies like the Fed. We tackle the issue of fraud and give shareholders greater rights when it comes to executive compensation. We put an end to the bailouts once and for all, and we return repaid bailout dollars to the Federal Treasury where they belong. Our alternative accomplishes the goal of guarding against future crises without imperiling our recovery. This is what the American people are demanding of us.

Mr. Speaker, I urge my colleagues—while we're considering this as a general debate rule, I'm urging my colleagues to reject this because we can do better. Reject taxpayer-funded bailouts, reject the credit crunch for small businesses with families, reject greater job losses, and reject a new slush fund for even more wasteful spending.

With that, I reserve the balance of my time.

Mr. PERLMUTTER. I yield myself as much time as I may consume.

As much as I enjoy listening to my friend from California, I'm afraid that I would have to say, Mr. Speaker, he hasn't read much of this bill. And the reason I would say that is that under the proposal the Republicans presented to us in Financial Services, they were going to allow this thing to linger through a chapter 11. If there was a failed banking institution, it would linger, as opposed to the proposal by the Democrats which says, and which is the bill before us, a financial company that comes within the coverage of this title for resolution shall be placed in liquidation, period. It's over. It's done. Number one.

Number two, with respect to this comment or his comments and general comments about job creation and the debacle that occurred last fall, it came under the watch of President Bush, who has the worst track record for job creation of any President since the job creation records have been taken. Also, we've lost trillions of dollars because of the types of casino-like approaches that were taken in and on Wall Street and other places that cost millions of investors thousands and thousands of dollars each and cost so many jobs.

I would like to now yield 4½ minutes to my friend from Kansas (Mr. MOORE).

Mr. MOORE of Kansas. Mr. Speaker, I rise tonight in support of the rule and in support of H.R. 4173, the Wall Street Reform and Consumer Protection Act of 2009, a comprehensive package that the House Financial Services Committee and other committees have worked this year to produce. I commend the leadership of Chairman FRANK. Without his hard work and many committee hearings, long committee markups and behind the scenes to listen and address concerns, we would not be on the floor tonight with the bill we have.

We spent over 50 hours debating the various pieces of this regulatory reform package, and our work was bipartisan. Over 50 Republican amendments were accepted along with over 20 bipartisan amendments. This package, Mr. Speaker, contains ideas put forward by Democrats and Republicans, as it should, creating a better and more thoughtful bill that we are considering tonight.

We should never forget why we're here tonight with the most sweeping financial regulatory reform since the Great Depression. Last year, due to years of little oversight of our financial system, credit was overextended and financial firms were overleveraged to a point that was unsustainable.

Henry Paulson, Secretary of the Treasury in the Bush administration, said to a group of us, "We may not have a market on Monday" if Congress did not quickly approve the TARP legislation he requested. So more than a year later, it's well past time for Congress to take the next step and create strong, fair, and clear rules of the road for Wall Street.

I believe in free and open markets, but I don't believe in letting people game the system. This bill will make sure that that can't happen by, number one, ending "too big to fail" and putting an end to taxpayer bailouts; number two, strengthening investor protections to prevent Bernie Madoff Ponzi schemes; and number three, improving consumer protection so that innocent people are no longer taken advantage of by terms of agreement they don't understand and can't afford.

I worked with my colleagues in our committee offering amendments to strengthen and improve this regulatory reform package such as, number one, the Moore-Meeks amendment, which will require "too big to fail" firms and other large financial institutions to conduct stress tests to ensure, in good times or in bad, these firms are fully prepared for the worst; and second, my amendment to strike "qualified receivership," which is a form of conservatorship which would have allowed the government or revive a failing firm. The amendment ensures the next AIG or Lehman Brothers will be required to fail and be put out of its misery. And three, the Moore-Lynch amendment creates a council of inspectors general on financial oversight. This I.G. council will conduct strong

oversight of the systemic risk council, ensuring they respond to legitimate concerns that are raised by independent inspectors general.

I urge my colleagues to support the Wall Street Reform and Consumer Protection Act to guarantee we have tough, new rules of the road for Wall Street to play by and to fully protect consumers, investors, and U.S. taxpayers.

Mr. DREIER. Mr. Speaker, at this time I'm happy to yield 2 minutes to your Illinois colleague, the gentlewoman from Hinsdale, a hardworking member of the Financial Services Committee, Mrs. BIGGERT.

Mrs. BIGGERT. I thank the gentleman for yielding.

Mr. Speaker, I rise today in opposition to this rule and the underlying bill. This massive financial overhaul would permanently entrench the Federal Government and taxpayers in the very position we have worked to avoid since the beginning of this economic crisis.

We must crack down on illegal, unfair, and deceptive activity, eliminate regulatory gaps, and strengthen the effectiveness of the enforcement agencies. We should create a culture of transparency and accountability on Wall Street that will discourage, not promote, risky behavior, and never ever allow taxpayers to be left holding the bag when those deemed "too big to fail" cannot make their obligations. Instead, this bill creates a vast new government agency, permanently codifies the practice of bailouts, and doubles down on government intrusion in the financial sector.

I have joined my colleagues in the Financial Services Committee at every step of the way to offer ideas for smarter, stronger financial regulations, and yet this proposal continues to weaken the economic competitiveness of our markets, limit consumer choice, and place taxpayers on the hook for Wall Street's mistakes.

Mr. Speaker, American taxpayers cannot afford any more bailouts, and our financial markets cannot weather another storm of mismanagement.

I ask my colleagues to vote "no" on this rule and the underlying big bill.

Mr. PERLMUTTER. Mr. Speaker, I yield 4 minutes to my friend from Florida, a member of the Financial Services Committee, Mr. KLEIN.

Mr. KLEIN of Florida. I thank the gentleman from Colorado and thank him for his work both on the Financial Services Committee and on this rule, and certainly I support the rule and the underlying bill, H.R. 4173, Wall Street Reform and Consumer Protection Act.

And we think about the name, Wall Street Reform and Consumer Protection Act. This is self-descriptive, exactly what Americans have been looking for for the past year. Our current economic crisis is the worst in decades, and it certainly didn't happen overnight. It happened over the last number of years because of a failure of regulation and oversight.

The one thing I'll agree with Mr. DREIER from California is that it's not a question of more or less regulation. It's smart regulation. It's the right type of regulation. It's the right type of people in those agencies that know what they're doing, that have the proper training, they're probably paid, and they're not outsmarted by some people who are trying to scam the system. That's what Americans have been asking for. That's what Americans are looking for Congress to do.

And finally, after a tremendous amount of work—and again, a lot of it has been through good work by Democrats and Republicans—I'm very sorry to see that this moment it's becoming a partisan issue. But the good news is this bill is good quality, is one of the most important things that has been done in our economy and our financial system in over 50 years, and it will be an answer to not only figure out what went wrong in the past and learn from those mistakes, but also anticipate what can go wrong in the future. There are a lot of very smart people out there that have learned how to scam the system, and we as Americans need to make sure that we are anticipating what those kinds of problems may be so we can avoid those problems from happening again.

Under the bill before us today, we've created a regulatory structure that will protect consumers and ensure that investors have the appropriate information to make knowledgeable investment decisions. There's no guarantee in investing, and every person has to take personal responsibility for themselves in making those decisions, but at the same time, you can't be fraudulently misled. You can't have a lack of information, a lack of context. And it's important to have an agency that will stand up for the consumers or abusive other financial institutions that are out there.

This legislation also restores responsibility and accountability through Wall Street. Regulatory loopholes and gaps in regulation have been closed to make sure that there is common sense, transparency, and adequate oversight. Financial institutions that were previously unregulated—and we've already heard the stories of who they are—will now be brought under government supervision. Derivatives and other complex financial products that we've never even heard of—credit default swaps and other things—will now be tightly regulated to eliminate unnecessary risk taking by financial institutions. And executive compensation at these institutions has also been modified to discourage risky speculation for short-term gains that have negative effects on our overall economy.

This bill also makes sure the American taxpayer, all of us, won't have to bail out Wall Street banks by putting in place resolution authority that will allow these firms to fail without damaging the financial system and the entire economy. No more "too big to

fail" or we have to rescue them because, if they fail, the whole economy fails.

□ 1915

We cannot let it get to that point, and that's exactly what this bill does. It stops it before it gets to that point.

We've also learned that both quality and the quantity of staff at regulatory agencies, as I said before, are very important. We want to have qualified technical staff, and we want to know that if someone blows the whistle and calls something out that the staff at these agencies will respond quickly and efficiently to make sure that that doesn't continue.

It's also important to hold individuals who committed misdeeds to account. Many financial players committed abusive and fraudulent acts, from Wall Street to local mortgage brokers, and we have to hold these people accountable. Americans, all they ask for is a sense of fairness. They want to know if they play by the rules, that people who sell them products are also playing by those same rules.

And unfortunately, there haven't been enough prosecutions for those who committed some of these very bad acts that brought us to our knees. That's unacceptable. People that commit these types of criminal fraudulent acts must be punished.

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

Mr. PERLMUTTER. I yield the gentleman 1 additional minute.

Mr. KLEIN of Florida. Yet simply punishing these bad actors is not enough. We have to learn from the past and anticipate the future and make sure our financial structures are adapted accordingly. The reforms made by this legislation are essential to creating a functional, sustainable financial system that families and our businesses can count on.

We cannot and will not, as Americans, allow what happened last year to happen again. I look forward to working with my colleagues in the Congress, to the passage of this bill, to the President signing it, and to Americans knowing that they will have confidence in their financial system. I thank the gentleman.

Mr. DREIER. Mr. Speaker, at this time, I am very privileged to yield 2 minutes to the senior Republican Californian on the Committee on Financial Services, my friend from Fullerton, Mr. ROYCE.

Mr. ROYCE. Mr. Speaker, as our colleague has said, this crisis occurred over the last several years. I will remind the body that the Democrats have controlled this Congress over the last 3 years, and I agree here tonight with my Republican colleagues who oppose permanent bailout authority which is put in this bill, and the fact that this legislation institutionalizes the "too big to fail" model. I would like to focus on one other critical shortcoming in this legislation, and

that's the failure of this bill to address one of the key causes of this financial collapse.

While others may claim it was a lack of government involvement in the market, I think history is going to show that government intervention in the market also had a major role. And let me show you how. It was government-sponsored enterprises, Fannie Mae and Freddie Mac, that were at the heart of the housing market and largely responsible for the proliferation of subprime and Alt-A mortgages throughout the financial system. Over the years, they loaded up on over \$1 trillion of these junk loans, pushed by initiatives on the other side of the aisle, and they signaled to the market that these were safe loans when we know, in fact, they were not. There was \$1 trillion in losses out of this.

It was the Federal Reserve also, and the central banks around the world setting negative real interest rates, when measured against inflation, for 4 years running. And the effect of those negative interest rates was devastating, because instead of mitigating the ups and downs in the economy, the Fed's actions had the opposite effect. The negative real interest rates intensified the boom-and-bust cycle, and it encouraged excessive risk-taking throughout the economy, especially in the financial sector and in housing, something economists have been warning about for decades.

While there have been other blunders that contributed to the crisis, these two steps taken by the Federal Government were at the heart of the boom and subsequent bust in the housing market and the broader financial system. And until we address these market distortions, we are simply treating the symptoms rather than the disease.

Mr. PERLMUTTER. Mr. Speaker, I continue to reserve the balance of my time.

Mr. DREIER. Mr. Speaker, at this time, I'm very happy to yield 2 minutes to my good friend from Roswell, Georgia (Mr. PRICE).

Mr. PRICE of Georgia. Mr. Speaker, I thank my colleague from California for his leadership on this issue and so many other things. Here we go again, Mr. Speaker. Here it is. We got the bill right here. Another late night, another thousand-plus-page bill that virtually nobody in this House has read, and another government takeover.

This ought to be called the "unending bailout authority, credit-restricting, and permanent job loss act," Mr. Speaker. It not only doesn't solve the problem of government bailouts, it codifies them. It writes them into law. It makes them permanent, putting us into a permanent political economy, politicians picking winners and losers.

Mr. Speaker, this is a very dangerous time. The American people are concerned about jobs and the stagnant economy, and the majority party comes to this floor with this bill that will destroy hundreds of thousands of jobs and further harm the economy.

Why? Well, Mr. Speaker, as a physician, I'm here to tell you, I think they got the wrong diagnosis, just like in health care. Their prescription for health care was a government takeover, and now they want a government takeover of our economy and our financial services area because their prescription is wrong.

If we conclude as a society that we are here because of a failure of free-market capitalism and a failure of deregulation, then our kids and our grandkids will lose, because all of the solutions will harm free-market capitalism, depress the economy, and increase regulation, which will destroy jobs and destroy our economy.

We're not here because of a failure of free-market capitalism, Mr. Speaker. We're here because of a failure of the government distorting the market, because of politicians getting involved. We're not here because of a failure of deregulation. We're here because of foolish and inflexible regulation and because of government edicts that made it so people couldn't do their jobs.

The Democrat prescription for this, then, is to take over and control the entire economy, thereby destroying jobs and destroying our economy. The shame of all of that, Mr. Speaker, is that there are wonderful solutions. We believe that there ought not be any more bailouts.

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

Mr. DREIER. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. PRICE of Georgia. I thank the gentleman.

We believe there ought not be any more bailouts. No more bailouts. Like the American people, we know what the American people know, and that is if there is no risk, there can be no reward.

Mr. Speaker, we believe that government ought to get out of the business of picking winners and losers. This bill doesn't create jobs; it destroys them, absolutely destroys them. We know that markets must be allowed to function and to innovate in order to be profitable. And the economy cannot and will not recover without these things.

In so many ways, this bill kills jobs and harms the economy. The American people want to end the bailouts, the Wall Street bailouts that the majority party so desires to have that they wrote it into this law, and they want to make certain we get back to the business of freeing up the economy to increase jobs and allow free-market capitalism to work. That's what will restore the confidence of the American people.

I thank the gentleman from California for this time.

Mr. PERLMUTTER. Mr. Speaker, how much time does each side have?

The SPEAKER pro tempore. The gentleman from Colorado has 16 minutes remaining. The gentleman from California has 16½ minutes remaining.

Mr. PERLMUTTER. I yield myself so much time as I may consume.

I just want to respond to my two colleagues from the Financial Services Committee. After all the hearings we had, after all the witnesses that we heard from, it's almost as if they forgot everything they heard. The Wild West mentality that permeated Wall Street permeated the investment community and the banking system and brought this country to its knees last fall. And as a consequence, trillions of dollars of wealth were lost, and millions of jobs have been lost, and it was based on a belief within the Bush administration and the Republican Congress that participated with it that you don't need regulation, these markets will take care of themselves. Well, what they ended up doing is, we had three of the biggest Ponzi schemes ever, Madoff, Petters and Stanford, under that regime, under that administration. And that's just wrong.

Our bill has nine sections to it, Mr. Speaker. The first is on consumer protection. The second is on investor protection. The third is on hedge funds. The fourth is on credit rating agencies, the fifth on derivatives, the sixth on life insurance companies, and the seventh on dealing with banks that are so big or financial institutions that have so many components to them that they are a threat to the system. And we force those institutions to either raise all their reserves and their capital or sell different parts of their company if they are a threat to the system, and if they finally fail, we put them out of their misery. We don't let them linger like the Republicans would have us do, and bail them out some more. We are done with those bailouts.

The last sections of the bill, one is "say on pay." Executive salary got completely out of control and was part of the gambling that was going on. And so now we allow the shareholders to have some opportunity to say what their executives should be paid. And the final piece deals with subprime mortgages where people were allowed to just get into mortgages that had teaser rates and were impossible to repay. And we now require that financial institutions have skin in the game.

These are nine sections of reasonable regulation to restore confidence in the system and stop the kind of failures that we saw in this last administration that cost this country trillions of dollars, trillions of dollars and millions of jobs. And we're not going to let that happen again.

With that, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, at this time, I am happy to yield 2 minutes to a very hardworking member of the Committee on Financial Services, my friend from Texas (Mr. HENSARLING).

Mr. HENSARLING. I thank the gentleman from California for yielding.

I've listened to my friend from Colorado say that under their plan, they are done with the bailouts. Well, Mr.

Speaker, it kind of begs the question: Why do they have a bailout fund? Why do you have a bailout fund if you're not going to bail people out? My wife and I started a college fund for our children, and the reason we are having a college fund is because we intend to send our children to college.

Why is it, Mr. Speaker, that the Democrats have a bailout fund, but now they expect us to suspend disbelief that they won't use it? If I can paraphrase a line from the famous Kevin Costner film, "Field of Dreams," "if you build it, they will come." If you create a bailout fund, people will come for bailouts. That's what this is. This is the TARP bill in perpetuity.

So, Mr. Speaker, if the American people like bailouts, our friends on the other side of the aisle certainly have the bill for them.

But as I talk to my constituents in the Fifth Congressional District of Texas, they are tired of the bailouts. The school teacher in Mesquite, the fireman in Malakoff, the farmer in Henderson County—they are tired of the bailouts. They are tired of paying for this. And yet they create a \$200 billion bailout fund.

Worse than that, Mr. Speaker, this is a job-killing bill. It is a bill that creates a huge Federal bureaucracy to ban and ration credit. I mean this is the group of people who have brought us double-digit unemployment, the worst unemployment in a generation. I would just ask my friends on the other side of the aisle, how many more jobs have to be lost under your plan? Small business needs credit. You're going to crush it.

Reject the rule. Reject the bill.

Mr. PERLMUTTER. Mr. Speaker, I would yield 5 minutes to the chairman of the committee, Mr. FRANK.

Mr. FRANK of Massachusetts. Mr. Speaker, few people in this House apparently recognize, or in the country, the enormous significance of January 21, 2009. That is apparently the day in which a number of extraordinary things happened. It's the day on which bailouts began. According to my Republican colleagues, there weren't any before. Bailouts, you may think they started under George Bush, the bailout of General Motors, of AIG, of Chrysler, and the TARP bill. Some people may think they happened in 2008. No. Apparently, they started on January 21, 2009. That's also the day, of course, that the war in Afghanistan, which was going wonderfully, began to go bad. It's the day in which a surplus magically became an enormous deficit. It's also the day in which we had a recession.

My Republican colleagues talk about job loss. Job loss was, of course, I thought, begun with a recession that started in 2007 and got worse and worse during 2008 and is only now beginning to moderate.

And not only did all those bad things happen on January 21, 2009—the bailout began, the TARP sprang full-blown, the deficits came, the war in Afghanistan turned south, but it was also the day in

which we had one of the worst outbreaks of illness in American history, mass amnesia on the part of the Republican Party, who forgot everything that had happened before.

Every single bailout now going on in America started under the Bush administration. In some cases, some of us thought we had to cooperate because the lack of regulation, the ideologically driven opposition to any regulation of derivatives, of subprime mortgages, of excessive leverage by banks; all of those things were Republican policy. And now, Members have said, that's their answer.

□ 1930

Leave it to the market, because if you try to regulate, you will kill the economy.

Well, Members who are impressed by that don't have to wait and listen to my Republican colleagues say it. Go back and read the CONGRESSIONAL RECORD from 1900 when they were saying that about Theodore Roosevelt and the antitrust, actually 1902, 1903.

Read what they said when Franklin Roosevelt set up the SEC during the 1930s. Yes, we believe that there should be some regulation. We are told, leave it to the markets.

Leave it to AIG to sell as many credit default swaps as they want to without any ability to pay them back; leave it to people unregulated to sell subprime mortgages to people who shouldn't have them. Leave it to the rating agencies to then say to AIG, Hey, those are a great deals, buy them, or insure them, rather, through the people who bought them.

Do nothing about executive compensation. Do nothing about a salary structure that incentivizes excessive risk. Don't let the shareholders have a say. Now, one of my colleagues said, I guess the gentleman from Texas, that it is a bailout fund. No, there is not.

He talks about a bailout fund as if it were a reality. Here is the deal: we did have bailout starting with the TARP bill in September, which I voted for when the Bush administration, I think, said, look, as a result, not—they didn't say this—but as a result of lack of regulation, we were in a terrible crisis.

We, in this bill, end those. The authority that the Federal Reserve, George Bush's appointees to the Federal Reserve, they were all his, used to give money to AIG, that's abolished in our bill. Section 13.3 will no longer allow them to do what they did with Bear Stearns or do with AIG.

It will allow a facility to be set up, and here we agree—the Republicans said the same thing in their bill—to provide for some liquidity for solvent institutions, but there is no more of the Federal Reserve doing what they did with AIG and Bear Stearns.

We do take a fund, not from the taxpayers, as we were asked to do by the Bush administration, and as I went along with, along with the Republican leadership of the House and the Sen-

ate—because I didn't think we had an option at that time to avert disaster—but we now with some time will assess the financial institutions for that fund. The fund is not used to bail out any failing institution.

The bill specifically says the money only comes to put that institution to death. There is nothing in here that allows a failing institution to be continued with Federal money. There is a dissolution fund, not a bailout fund; and it does say that it may be that to dissolve this in an orderly way, as opposed to Lehman Brothers, where you just had a flat bankruptcy, that you need to put some money into it, maybe pay off some of the States that would otherwise be hurt because they got into investments they shouldn't have gotten into. That's the only fund, so there is no bailout. The institution has died.

Here is another difference, though. The Republican bill does zero, proudly, does zero to prevent those institutions from getting to that point. The bill that we are putting forward says the regulators, as a systemic risk council, will monitor institutions and will monitor activity. If we see an institution getting to that point, we step in and say, raise your capital, stop selling CDSs, stop selling mortgages, giving mortgages to people who shouldn't get them, divest yourself of this or that.

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

Mr. PERLMUTTER. I yield the gentleman 1 more minute.

Mr. FRANK of Massachusetts. Mr. Speaker, I know that some of my conservative colleagues who have aligned themselves with people who came to be the new American patriots want to emulate the people who revolted against George III, but there is another monarch who comes to mind when I come to think of them. When in the 19th century the Bourbons were restored after the French Revolution, it was said of them that they had forgotten nothing because they learned nothing.

That's my Republican colleagues. They have learned absolutely nothing from the fact that a total absence of regulation caused this enormous financial crisis.

Do we care about jobs, yes. We don't want, as their bill would do, their substitute to allow an AIG to continue to do what it did to allow subprime mortgages to continue, to allow executive pay to have that perverse incentive. Yes, we are trying to prevent another job loss like the one President Obama inherited from President Bush.

Mr. DREIER. Mr. Speaker, at this time I am happy to yield 3 minutes to the very distinguished chairman of the Republican Conference, the gentleman from Columbus, Indiana (Mr. PENCE).

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

Mr. PENCE. Mr. Speaker, I rise in opposition to the rule and the underlying bill, the so-called Wall Street Reform

and Consumer Protection Act of 2009. Unfortunately, as has been said, there is not much taxpayer protection in the bill, and there is even less Wall Street reform.

Now, I see this bill as nothing more than a permanent bailout and a job killer. I must say I relish the opportunity to rise in the immediate aftermath of the formidable debating skills of the chairman of this committee, who I respect, both personally and as a colleague.

But I respectfully differ with him on this bailout, as I did on the bailout that he authored last year during the Bush administration.

Mr. FRANK of Massachusetts. Will the gentleman yield?

Mr. PENCE. I would be pleased to yield.

Mr. FRANK of Massachusetts. I didn't offer it. It was offered by President Bush. I did vote for it, but it was President Bush's offer. I give credit where credit is due.

Mr. PENCE. Reclaiming my time, I believe it was a bill that bore the gentleman's cosponsorship.

I opposed the Wall Street bailout last fall, and I oppose this Wall Street bailout today. The truth is the American people that are looking in tonight really have got to be astounded that Washington DC, in response to these extraordinary economic times, is now launching and making permanent the policies of bailouts that millions of Americans have rejected over the last year.

After more than a year of the Federal Government's heavy-handed intervention in our financial services industry, this bill continues to take the country in the wrong direction: more government, more bailouts. The legislation before us today makes permanent the failed policy of taxpayer-funded abortions that led to record deficits and undermined our economic freedom.

In this cause, House Republicans stand with the American people who have said virtually with one voice in the last year: no more bailouts. No more bailouts by Republican administrations; no more bailouts by Democrat administrations. We stand with them in their cause.

This Democrat plan for regulatory reform will vastly expand the power of the Federal Government and further empower Washington bureaucrats over the financial decisions of America's families and businesses. It creates a so-called credit czar that will have the authority to determine what financial products are available for consumers.

The President yesterday said at the Brookings Institution that we need to address "the continuing struggle of small businesses to get loans." He is right about that. He said the same thing at a White House meeting I attended today, but apparently Democrats in Congress didn't get the message.

The bill before us today will severely restrict the flow of credit. At a time

when families are struggling to make ends meet, small businesses are trying hard to keep the doors open.

I say with respect to my Democrat colleagues and to the President, American small business doesn't want a hand out; they want the Federal Government to get out of their way. Instead of providing taxpayers with an exit strategy for government involvement in Wall Street, this bill makes it permanent.

Now, House Republicans have a good alternative, regulatory reform that ensures that the era of taxpayer bailouts will come to an end. It's an interesting choice tonight, Mr. Speaker. Do we want to make bailouts permanent? Do we want to set our Nation on a path of ending the era of bailouts once and for all?

I urge support of the Republican alternative in opposition to this rule and this bill, which is really the Wall Street bailout and protection act, rightly understood.

Mr. PERLMUTTER. I just want to respond to my friend from Indiana, who continues to call this a bailout. All it does is put big institutions that fail out of their misery, just like we liquidate banks who have failed. Big financial institutions on Wall Street, whether they are insurance companies or credit companies or banks or stockbrokers, are placed into liquidation and finished.

With that, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, at this time I am happy to yield 2 minutes to our great new colleague from Eden Prairie, Minnesota, a hardworking member of the Financial Services Committee, Mr. PAULSEN.

Mr. PAULSEN. I thank the gentleman.

Mr. Speaker, I rise tonight in opposition to the rule for H.R. 4173 and the underlying legislation.

Mr. Speaker, the effects of this bill, as we have already heard, will further harm our economy, draining capital from our economy and reducing overall lending by over as much as \$55 billion, as studies have shown. The effects of this bill further harming our economy will hurt small business and consumers alike. They are going to considerably find it much more difficult to access the credit they need in a very challenging economy in addition to dealing with more government bureaucracy.

This bill, this legislation, will create a new credit czar with a mandate to limit consumer choice, to ration credit, and to increase the cost of financial transactions. Congress should be focusing on measures that will lead to job creation and encourage American prosperity, not implementing policies that will increase the unemployment numbers. Again, studies have shown that this legislation will literally cost hundreds of thousands of jobs in our economy.

We should be putting an end to all Washington bailouts and the Wash-

ington bailout mentality. This legislation does not firmly put an end to taxpayer-funded bailouts. Rather, it could increase the likelihood of future bailouts. This legislation should also be ending the "too big to fail" mentality that has dominated Washington. Instead, this legislation will institutionalize it.

By creating institutions that are too big to fail, we are implying that certain financial companies will be sheltered by a Federal safety net. Mr. Speaker, I urge a "no" vote on the rule.

Mr. PERLMUTTER. I would like to ask again how much time each side has.

The SPEAKER pro tempore. The gentleman from Colorado has 7 minutes remaining, and the gentleman from California has 10 minutes remaining.

Mr. PERLMUTTER. I continue to reserve the balance of my time.

Mr. DREIER. At this time, Mr. Speaker, I am very happy to yield 1½ minutes to my friend from Mesa, Arizona (Mr. FLAKE).

Mr. FLAKE. I thank the gentleman for yielding.

I wish the gentleman from Massachusetts were here to hear this discussion. Earlier in the year we had a discussion about moral hazard. I think all of us recognize that moral hazard played a role in the mess that we got in last year and have been in for a couple of years. The implied guarantees that we had at Freddie and Fannie played a role, a rather large role, in the problems that we later had.

I had mentioned to the gentleman from Massachusetts that some legislation we were passing earlier this year would further foster that principle of moral hazard. He said to me that, yes, that would be a problem if what we were doing were permanent, but it wasn't. It was simply temporary.

But here what we are doing is very permanent. We are establishing a permanent, in a sense, a permanent bailout fund. We are told only to believe that we are establishing a bailout fund that will never bail out any companies but, rather, will be used to shut companies down, or something like that, to establish a fund.

Fifty billion seed money from the Treasury, 50 billion in taxes from other companies to establish a fund to shut companies down? I don't think so. I think what we are establishing here, it's rather clear, is a bailout fund, a permanent bailout fund.

If you want to talk about moral hazard, this is it. This is moral hazard institutionalized that will lead to the types of problems that we have seen. It's not a Republican issue or a Democrat issue. This is a principle, an economic principle that simply we cannot ignore.

Mr. PERLMUTTER. I continue to reserve the balance of my time.

Mr. DREIER. Mr. Speaker, may I inquire again how much time remains on each side.

The SPEAKER pro tempore. The gentleman from California has 8½ minutes remaining, and the gentleman from Colorado has 7 minutes remaining.

Mr. DREIER. Let me just say to my friend, if I might, Mr. Speaker, that we are winding down. If the gentleman has no further speakers, we are prepared to close.

Mr. PERLMUTTER. I have one.

Mr. DREIER. At this time I am happy to yield 2 minutes to my very good friend, the former Rules Committee member from Charleston, West Virginia (Mrs. CAPITO).

Mrs. CAPITO. I would like to thank the ranking member and my former Chair for yielding this time to me and thank him for his leadership on every important debate.

My colleagues, our friends on the other side of the aisle would have us believe that the Wall Street Reform and Consumer Protection Act derives its name from the assumption that the underlying text will prevent Americans from the impact of future economic disturbances like the one we experienced last fall. If only that were true.

Instead, this bill is nothing more than a continuation of the bailout mentality that has put trillions of taxpayer dollars on the hook for the mistakes of Wall Street. Are we finally putting an end to the bailout culture on this bill? No, we are not.

Rather than ending the bailouts, this legislation institutionalizes them. Instead of protecting taxpayers, this bill puts them at further risk. The Democrats' bill will grant authority to both the Treasury and the Federal Reserve to create a new \$200 billion fund to finance future bailouts of the big banks and financial institutions. Who will be paying for this fund? The consumers.

Furthermore, if there is another market-wide disturbance like the experience last fall, it will be the taxpayers who will be called upon to pick up the tab. Unfortunately, the chairman's bill also fails to put an end to "too big to fail." If certain institutions are too big to fail, then that means that the rest are too small to save.

□ 1945

This will no doubt continue the troubling practice of government's picking winners and losers in the marketplace. This bill will do nothing more than set up an unlevel playing field that penalizes consumers, puts taxpayers' dollars at risk, and restricts the flow of credit at a time when our small businesses need it most.

Republicans on the House Financial Services Committee have put forth a better proposal. We believe it's time to truly put an end to the bailouts. Business decisions have consequences, and Wall Street needs to know that taxpayers will not be there to help them pick up the pieces of their risky business practices. Instead of permanent bailouts, we propose a new chapter of the bankruptcy code capable of ensuring the orderly unwinding of failed firms.

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

Mr. DREIER. Mr. Speaker, I yield my friend an additional 30 seconds.

Mrs. CAPITO. We would give bankruptcy judges the authority to stay claims by creditors and counterparties to prevent runs on troubled institutions, alleviating potential panics if a large institution faces trouble. Under this proposal, all market participants, large and small, will know the rules of the game. If they take on too much risk, they'll face bankruptcy just like any other failed business.

We'll also protect consumers with increased investment fraud enforcement. We'll monitor systemic risk through improved coordination between regulators. Yet, most importantly, we'll provide market certainty by making it clear to Wall Street that no firm is "too big to fail."

I urge my colleagues to say "no" to bailouts and oppose the underlying bill.

Mr. PERLMUTTER. Mr. Speaker, I say to my good friend from West Virginia she continues to use the word "bailout," but as it's clear in the bill, this is not any taxpayer-funded money. The continued use by my Republican colleagues of the word "bailout" is simply wrong and misleading because what is stated in the bill is the creation of a fund based on assessments paid by the biggest financial institutions in the world, \$50 billion and bigger in terms of assets, so that those institutions, if they fail, will have a liquidation fund to put themselves out of their misery. That's what this is all about, to just be finished with it.

Now, one thing I would like to say about my Republican colleagues. They've forgotten. They've talked about two sections of the bill: consumer protection, which is absolutely essential in this bill, as well as dealing with huge financial institutions that are risky to our financial system and could create a domino effect like we had last fall.

The seven other sections of the bill—hedge funds, credit rating agencies, derivatives, life insurance, executive pay, and subprime—those were bipartisan sections of the bill. So this bill covers a lot of topics to rein in our financial system and restore it and strengthen it as we go forward.

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

Mr. DREIER. Mr. Speaker, at this juncture I am happy to yield 1 minute to the gentleman from Savannah, Georgia (Mr. KINGSTON).

Mr. KINGSTON. I thank the chairman for yielding.

I stand in opposition to the rule and in opposition to the bill. One reason is that in 1969, when Congress passed Truth in Lending, it was with great intent. Nobody would argue against the purism of the heart. But the reality is, in 1969 before the bill even went into effect, before the new law became effective on the books, there were 34 official interpretations of what the rule would

mean, and 10 years later there were over 13,000 lawsuits about it just trying to figure out what does this thing mean.

Now here comes this bill and there are all kinds of terms in there like "excessive," "unreasonable," and "abusive," and they're not defined. Those are going to be defined in a court system by trial and error over a period of time.

We need to send this bill back to the committee and ask for definitions on this stuff so that we can, during these uncertain economic times, not put one more ambiguity on the private sector. I think that's the better way to do reform.

The SPEAKER pro tempore. The gentleman from California has 5 minutes remaining, and the gentleman from Colorado has 5½ minutes remaining.

Mr. PERLMUTTER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. I thank the gentleman very much for yielding.

There's nothing like delay, delay, delay when we begin to talk about helping the American people. If my good friends on the other side of the aisle would look at what the intent of this bill is, I think we'd find common ground. So I rise to support the rule and the underlying bill because it does point to some of the major crises that we have been contending with.

I am glad that we are ending the bailout and preventing the rise of institutions that are "too big to fail." We're dismantling large, failing institutions, and we're getting money back for the taxpayer. I am very glad that we have a financial stability council that has been enhanced by the Congressional Black Caucus where we will have diverse membership so the oversight will be effective and consistent. Executive compensation gives shareholders a say on pay. Never before have we had that. This is long overdue. Investor protections and certainly to be able to respond to too big and too fat cats like Madoff, it's long overdue.

Then to emphasize the importance that I have heard from so many of my constituents on the whole question of mortgage foreclosure modification, and that is they need to have real foreclosure modification, and only 6 percent of those that have been in trial modifications have now been moved to permanent foreclosure modifications. The process is too slow.

We are kicking this down the road by adding \$3 billion from the Federal Troubled Assets Relief Program toward mortgage relief for jobless Americans. The measure would designate another \$1 billion for a program that gives grants to State and local governments to purchase foreclosed properties and use them for many productive purposes, according to the members of the Financial Services Committee and the Congressional Black Caucus task force that have worked with Congresswoman MAXINE WATERS. We stand together

united on the idea that the financial structure has not worked for the jobless, the poor, and working Americans. This legislation helps to generate that kind of pathway and that kind of roadway.

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

Mr. PERLMUTTER. I yield the gentlewoman an additional 15 seconds.

Ms. JACKSON-LEE of Texas. I thank the distinguished gentleman.

I think it is extremely important that we protect and consider our credit unions. I have met with those today, and I want to ensure that if this bill has any language in it about the overdraft not being protected that, in essence, we work through that process. They are very much a part of this, and I want to make sure that this bill is supported.

I support the rule and the underlying bill.

Mr. DREIER. Mr. Speaker, at this time I am happy to yield 2 minutes to a hardworking member of the Financial Services Committee, the gentleman from Wantage, New Jersey (Mr. GARRETT).

Mr. GARRETT of New Jersey. I thank the gentleman for yielding.

Delay, delay, delay? Ms. JACKSON-LEE just made the comment. It's absolutely delay. We've been waiting here for the last 4 hours for your side of the aisle to come to the floor to be able to debate this bill. So Ms. JACKSON-LEE, I would ask, through the Chair, who it is on your side that was delay, delay, delay, and I would be glad to bring that person to the floor to ask, Why are you delaying trying to reform the system in this country?

But I rushed to the floor because I was just doing a telephone town hall and people were watching what is going on on the floor right now, and they said, Congressman, you must go down to the floor to end the bailouts, end this piece of legislation that will cut jobs in this country, and end this piece of legislation that will expand the size of government.

Now, I understand the reason the gentleman from Colorado says that we are mistaken with regard to whether or not there are bailouts in the bill. This bill is larger than the health care bill. It's larger than the cap-and-trade bill. You remember the bill that no one read before they came here or the health care bill that no one read before they came here? Maybe the reason why the gentleman from Colorado is perhaps mistaken on this point is because, quite candidly, enough people on your side of the aisle haven't read the bill. And if you did, you would see that there are bailouts and that the taxpayer is ultimately on the hook to the tune of upwards of \$150 billion.

How does that work? Well, we set up this system where, in essence, we're going to say we're going to set up a slush fund that eventually will tax businesses that are causing cuts in jobs across this country, but until we get

that up and running, where are we going to get that money? Well, we're going to get it by essentially allowing the U.S. Treasury to go to the American public and ask them once again, once again, to bail out the mistakes on Wall Street.

Well, we say enough to the bailouts. Enough of putting the taxpayer on the hook for the bailouts. Enough for all the mistakes, both by Wall Street and government. And enough to these bailouts passed in legislation that this administration has passed and that the chairman in this committee has ushered through in the past. Whether it's the past administration or this administration, that side of the aisle has been at the forefront of having the American taxpayer bailing out Wall Street and the government as well.

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

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

Mr. Speaker, this has been a very interesting debate as we talk about where we are economically and the challenges with which we are trying to contend. It's a very serious time. The American people are hurting. People are losing their businesses, their homes, their jobs all across this country. They want us to get our economy back on track, and they want us to ensure that we do this in a very, very responsible way.

Well, Mr. Speaker, my colleague Mr. GARRETT has just put before us the 1,279-page bill that is to be considered under this measure, and I have to say that as we look at it, it is voluminous. And I will admit I haven't read every single page of that bill and I doubt that there are many of our colleagues who have.

The fact of the matter is we have a 170-page alternative. This one, by the way, is on both sides of the pages, and ours is on one side, Mr. Speaker. It's 170 pages, and it's a proposal that clearly will ensure that we don't proceed down the road towards bailouts. It will make sure that we don't jeopardize our economic growth. It will make sure that we create greater transparency and accountability, and that is a key priority that I believe the American people want us to pursue.

□ 2000

We all hear David Letterman's regular Top 10 list. I was just handed a Top 10 list as to why we should support the 170-page bill that provides transparency and accountability and will work to get our economy back on track without increasing taxes or permanent bailouts, and to oppose this 1,279-page bill.

Number one: This one creates a permanent TARP-like bailout authority.

Number two: It imposes a massive tax during a credit crisis and weak economy.

Number three: It expands the powers of the Federal Reserve.

Number four: It creates a credit czar with the authority to restrict access to

credit and impose taxes on consumers and small businesses.

Number five: It undermines the "safety and soundness" regulation of financial institutions.

Number six: It rewards trial lawyers at the expense of investors.

Number seven: It kills jobs by undermining the ability of Main Street companies to manage risk.

Number eight: It empowers regulators to impose wage controls on workers and enterprises.

Number nine: It continues "business as usual" at Fannie Mae and Freddie Mac.

And number 10: Our Republican substitute ends the bailouts, restores market discipline, and protects consumers, small businesses, and taxpayers.

Reject this rule. Reject this legislation. We can do better. We have it in our hands right here, Mr. Speaker.

With that, I yield back the balance of my time.

Mr. PERLMUTTER. Mr. Speaker, my friend from California wanted to compare the 170-page proposal that they have versus the 1,300 pages of the bill that we have. I would just say to him, in his proposal, he doesn't deal with hedge funds, he doesn't deal with credit rating agencies, he doesn't deal with derivatives, he doesn't deal with excessive compensation to executives, he doesn't deal with life insurance. He doesn't deal with a whole range of things. He just deals with one thing: Let's put them in bankruptcy. Let's do a chapter 11. Let's let these things go on forever in a chapter 11.

Well, ladies and gentlemen, we can't afford this anymore. The status quo, which is more or less what the Republicans are proposing—they should call their bill "Let's Protect Wall Street" because that's all it does. It doesn't change anything.

When we lose trillions of dollars and people's livelihoods, and retirement funds, and pension plans, and jobs are lost, and they come in here and say, Oh, theirs is 1,300 pages, that's got to be bad because ours is 170 pages, when people's lives have changed, the debate on this floor and the debate about American futures is more than that. This is about restoring confidence in a financial system that was allowed to be the Wild West under George Bush and under the Republicans. This is no longer going to be the case. We are going to have reasonable regulation that people can rely on; certainty will be restored and confidence in the system regained.

There are nine sections: Consumer protection; investor protection; dealing with derivatives; dealing with credit rating agencies; dealing with executive compensation; dealing with hedge funds; and specifically, and most importantly, dealing with those financial institutions that have become so risky that they are going to cause a collapse of our entire banking system, which we cannot allow. So we require those institutions to post themselves \$150 bil-

lion so they can be liquidated without any cost to the taxpayer.

Their proposal is nothing but bailouts. Their proposal is nothing but protecting Wall Street. We've got to change that. This bill changes the future of our financial system in a way that we haven't seen since the New Deal. We need to restore confidence. That's what we do.

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

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

The previous question was ordered.

The 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. DREIER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, this 15-minute vote on adopting House Resolution 956 will be followed by a 5-minute vote on suspending the rules and passing H.R. 86.

The vote was taken by electronic device, and there were—yeas 235, nays 177, not voting 22, as follows:

[Roll No. 945]

YEAS—235

Abercrombie	Delahunt	Kagen
Ackerman	DeLauro	Kanjorski
Adler (NJ)	Dicks	Kennedy
Altmire	Dingell	Kildee
Andrews	Doggett	Kilpatrick (MD)
Arcuri	Donnelly (IN)	Kilroy
Baca	Doyle	Kind
Baird	Driehaus	Kissell
Barrow	Edwards (MD)	Klein (FL)
Bean	Edwards (TX)	Kosmas
Becerra	Ellison	Kratovil
Berkley	Ellsworth	Kucinich
Berman	Engel	Langevin
Bishop (GA)	Eshoo	Larsen (WA)
Bishop (NY)	Etheridge	Larson (CT)
Blumenauer	Farr	Lee (CA)
Bocchieri	Fattah	Levin
Boren	Filner	Lipinski
Boswell	Foster	Loebsack
Boucher	Frank (MA)	Lofgren, Zoe
Boyd	Garamendi	Lowey
Brady (PA)	Giffords	Lujan
Braley (IA)	Gonzalez	Lynch
Brown, Corrine	Gordon (TN)	Maffei
Butterfield	Grayson	Maloney
Capps	Green, Al	Markey (CO)
Capuano	Green, Gene	Markey (MA)
Cardoza	Grijalva	Marshall
Carnahan	Gutierrez	Massa
Carney	Hall (NY)	Matheson
Carson (IN)	Halvorson	Matsui
Castor (FL)	Hare	McCarthy (NY)
Chandler	Harman	McCollum
Childers	Hastings (FL)	McDermott
Chu	Heinrich	McGovern
Clarke	Herseth Sandlin	McIntyre
Clay	Higgins	McMahon
Cleaver	Hill	McNerney
Clyburn	Himes	Meek (FL)
Cohen	Hinchey	Meeks (NY)
Connolly (VA)	Hinojosa	Melancon
Conyers	Hirono	Michaud
Cooper	Hodes	Miller (NC)
Costa	Holden	Minnick
Costello	Holt	Mollohan
Courtney	Honda	Moore (KS)
Crowley	Hoyer	Moore (WI)
Cuellar	Inslee	Murphy (CT)
Cummings	Israel	Murphy (NY)
Dahlkemper	Jackson (IL)	Murphy, Patrick
Davis (AL)	Jackson-Lee	Nadler (NY)
Davis (CA)	(TX)	Napolitano
Davis (IL)	Johnson (GA)	Neal (MA)
DeFazio	Johnson, E. B.	Nye

Oberstar
Obey
Oliver
Ortiz
Owens
Pallone
Pascrell
Perlmutter
Perriello
Peters
Peterson
Pingree (ME)
Polis (CO)
Pomeroy
Price (NC)
Quigley
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush

Ryan (OH)
Salazar
Sánchez, Linda T.
Sarbanes
Schakowsky
Schauer
Schiff
Schrader
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Space
Speier
Spratt
Stupak
Sutton

Tanner
Teague
Thompson (CA)
Thompson (MS)
Tierney
Titus
Tonko
Towns
Tsongas
Van Hollen
Velázquez
Visclosky
Walz
Wasserman
Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Wilson (OH)
Wu
Yarmuth

NAYS—177

Aderholt
Akin
Alexander
Austria
Bachmann
Bachus
Bartlett
Barton (TX)
Biggart
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono Mack
Boozman
Boustany
Brady (TX)
Bright
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Calvert
Camp
Campbell
Cantor
Cao
Capito
Carter
Cassidy
Castle
Chaffetz
Coble
Coffman (CO)
Cole
Conaway
Crenshaw
Culberson
Davis (KY)
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dreier
Duncan
Ehlers
Emerson
Fallin
Flake
Fleming
Forbes
Fortenberry
Foxx
Franks (AZ)

Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gingrey (GA)
Gohmert
Goodlatte
Graves
Griffith
Guthrie
Hall (TX)
Harper
Hastings (WA)
Heller
Hensarling
Herger
Hoekstra
Inglis
Issa
Jenkins
Johnson (IL)
Johnson, Sam
Jones
Jordan (OH)
Kaptur
King (IA)
King (NY)
Kingston
Kirk
Kirkpatrick (AZ)
Kline (MN)
Lamborn
Lance
Latham
LaTourette
Latta
Lewis (CA)
Linder
LoBiondo
Lucas
Luetkemeyer
Lummis
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul
McClintock
McCotter
McKeon
McMorris
Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Mitchell
Moran (KS)

Murphy, Tim
Myrick
Neugebauer
Nunes
Olson
Paul
Paulsen
Pence
Petri
Pitts
Platts
Poe (TX)
Poey
Price (GA)
Putnam
Rehberg
Reichert
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Scalise
Schmidt
Schock
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuler
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Taylor
Terry
Thompson (PA)
Thornberry
Tiahrt
Blumenauer
Blunt
Bocchieri
Boehner
Bonner
Bono Mack
Boozman
Boren
Boswell
Boucher
Boustany
Boyd
Brady (PA)
Brady (TX)
Braley (IA)
Bright
Broun (GA)
Brown (SC)
Brown, Corrine
Brown-Waite,
Ginny
Buchanan
Burgess

NOT VOTING—22

Baldwin
Barrett (SC)
Berry
Buyer
Davis (TN)
DeGette
Fudge
Granger

Hunter
Lee (NY)
Lewis (GA)
McHenry
Miller, George
Moran (VA)
Murtha
Pastor (AZ)

Payne
Radanovich
Sanchez, Loretta
Wexler
Woolsey

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE
The SPEAKER pro tempore (during the vote). There are 2 minutes remaining in this vote.

□ 2029

Mr. TERRY and Ms. KAPTUR changed their vote from “yea” to “nay.”

Messrs. SPRATT and PERRIELLO changed their vote from “nay” to “yea.”

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.

PRESERVING ORANGE COUNTY'S ROCKS AND SMALL ISLANDS

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and pass the bill, H.R. 86, as amended, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Guam (Ms. BORDALLO) that the House suspend the rules and pass the bill, H.R. 86, as amended.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 397, nays 4, not voting 33, as follows:

[Roll No. 946]

YEAS—397

Abercrombie
Ackerman
Aderholt
Adler (NJ)
Akin
Alexander
Altmire
Andrews
Arcuri
Austria
Baca
Bachmann
Barrow
Bartlett
Barton (TX)
Bean
Becerra
Berkley
Berman
Biggart
Bilbray
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Bocchieri
Boehner
Bonner
Bono Mack
Boozman
Boren
Boswell
Boucher
Boustany
Boyd
Brady (PA)
Brady (TX)
Braley (IA)
Bright
Broun (GA)
Brown (SC)
Brown, Corrine
Brown-Waite,
Ginny
Buchanan
Burgess

Burton (IN)
Butterfield
Calvert
Camp
Campbell
Cantor
Cao
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Carter
Cassidy
Castle
Castor (FL)
Chaffetz
Chandler
Childers
Chu
Clarke
Clay
Clever
Clyburn
Coble
Coffman (CO)
Cohen
Cole
Conaway
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crenshaw
Crowley
Cuellar
Culberson
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Deal (GA)

DeFazio
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Donnelly (IN)
Doyle
Dreier
Driehaus
Duncan
Edwards (MD)
Edwards (TX)
Ehlers
Ellison
Ellsworth
Engel
Eshoo
Etheridge
Fallin
Farr
Fattah
Filner
Flake
Fleming
Forbes
Fortenberry
Foster
Foxx
Frank (MA)
Franks (AZ)
Frelinghuysen
Gallegly
Garamendi
Garrett (NJ)
Gerlach
Giffords
Gingrey (GA)
Gohmert
Gonzalez
Goodlatte
Gordon (TN)
Graves
Grayson
Green, Al
Green, Gene
Griffith

Guthrie
Gutierrez
Hall (NY)
Hall (TX)
Hare
Harper
Hastings (FL)
Hastings (WA)
Heinrich
Heller
Hensarling
Herger
Herseth Sandlin
Higgins
Hill
Himes
Hinchev
Hinojosa
Issa
Jackson (IL)
Jackson-Lee (TX)
Jenkins
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones
Jordan (OH)
Kanjorski
Kaptur
Kildee
Kilpatrick (MI)
Kilroy
Kind
King (IA)
King (NY)
Kingston
Kirk
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kline (MN)
Kosmas
Kratovil
Kucinich
Lamborn
Lance
Langevin
Larsen (WA)
Larson (CT)
Latham
LaTourette
Latta
Lee (CA)
Lee (NY)
Lewis (CA)
Linder
Lipinski
LoBiondo
Loeb sack
Lofgren, Zoe
Lowey
Lucas
Luetkemeyer
Lujan
Lummis
Lungren, Daniel E.
Lynch
Mack
Maffei
Maloney
Manzullo
Marchant
Markey (CO)

Markey (MA)
Marshall
Ruppersberger
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCaul
McClintock
McCollum
McCotter
McDermott
McGovern
McHenry
McIntyre
McKeon
McMahon
McMorris
Rodgers
Meek (FL)
Meeks (NY)
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NY)
Minnick
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Murphy, Tim
Myrick
Nadler (NY)
Napolitano
Neal (MA)
Neugebauer
Nunes
Nye
Oberstar
Olson
Oliver
Ortiz
Owens
Pallone
Pascrell
Paul
Paulsen
Pence
Perlmutter
Perriello
Peters
Peterson
Petri
Pingree (ME)
Pitts
Platts
Poe (TX)
Polis (CO)
Pomeroy
Poey
Price (GA)
Price (NC)
Putnam
Quigley
Rahall
Rangel
Rehberg
Reichert
Reyes
Richardson
Rodriguez
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Roskam
Ross
Rothman (NJ)

Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Salazar
Sánchez, Linda T.
Sarbanes
Scalise
Schakowsky
Schauer
Schiff
Schmidt
Schock
Schrader
Schwartz
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Sestak
Shadegg
Shea-Porter
Sherman
Shimkus
Shuster
Simpson
Sires
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Space
Speier
Spratt
Stearns
Stupak
Sullivan
Sutton
Tanner
Taylor
Teague
Terry
Thompson (CA)
Thompson (MS)
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Tierney
Peterson
Titus
Pingree (ME)
Towns
Tsongas
Turner
Upton
Van Hollen
Velázquez
Visclosky
Walden
Walz
Wamp
Wasserman
Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Westmoreland
Whitfield
Wilson (OH)
Wilson (SC)
Wittman
Wolf
Wu
Yarmuth
Young (FL)

NAYS—4

Skelton
Young (AK)

NOT VOTING—33

Bachus
Baird
Baldwin
Barrett (SC)
Berry
Bilirakis

Buyer
Davis (TN)
DeGette
Delahunt
Doggett
Fudge

Granger
Grijalva
Halvorson
Harman
Holden
Kagen

Lewis (GA)	Murtha	Sanchez, Loretta
McNerney	Obey	Shuler
Melancon	Pastor (AZ)	Stark
Miller, George	Payne	Wexler
Moran (VA)	Radanovich	Woolsey

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. 4173.

□ 2041

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. 4173) to provide for financial regulatory reform, to protect consumers and investors, to enhance Federal understanding of insurance issues, to regulate the over-the-counter derivatives markets, and for other purposes, with Mr. TEAGUE in the chair.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time and the amendment printed in House Report 111-365 is adopted.

Pursuant to the rule and the earlier orders of the House, general debate shall not exceed 3 hours, with 2 hours and 20 minutes equally divided and controlled by the Chair and ranking minority member of the Committee on Financial Services, 30 minutes equally divided and controlled by the Chair and ranking minority member of the Committee on Agriculture, and 10 minutes equally divided and controlled by the Chair and ranking minority member of the Committee on Energy and Commerce.

The gentleman from Massachusetts (Mr. FRANK) and the gentleman from Alabama (Mr. BACHUS) each will control 1 hour and 10 minutes. The gentleman from Minnesota (Mr. PETERSON) and the gentleman from Oklahoma (Mr. LUCAS) each will control 15 minutes. The gentleman from California (Mr. WAXMAN) and the gentleman from Texas (Mr. BARTON) each will control 5 minutes.

The Chair recognizes the gentleman from California.

Mr. WAXMAN. Mr. Chairman, I rise in strong support of H.R. 4173, the Wall Street Reform and Consumer Protection Act of 2009. I have long advocated for comprehensive and effective financial regulatory reform. Last year, as the chairman of the Oversight Committee, we held many hearings examining the causes of the financial crisis. Those hearings showed government regulators were asleep at the switch while Wall Street banks drove our economy off a cliff. Change is necessary, and I believe this legislation will strengthen the Federal Government's ability to prevent and respond to future crises.

Consumer protection is a central element of the Energy and Commerce Committee's jurisdiction, and I support the reforms in the bill.

□ 2045

The legislation provides four essential improvements to the operations of the Federal Trade Commission. These improvements allow the FTC to seek civil penalties in enforcement actions

against violations of the FTC Act, not just violations of rules and orders, as the FTC Act currently allows; enforce against those who provide substantial assistance to entities that commit fraud; promulgate rules using the Standard Administrative Procedures Act, processes used by virtually all other agencies; and litigate its own cases without delay when it seeks civil penalties against fraudulent actors.

Each of these four provisions will strengthen FTC's consumer protection abilities and enable it to be a powerful partner with the Consumer Financial Protection Agency in protecting consumers from financial fraud.

The Energy and Commerce Committee shares jurisdiction over the new Consumer Financial Protection Agency with the Financial Services Committee, and I am pleased Chairman FRANK and I were able to find a compromise in this area. Under the agreement we have reached, the agency will start off with a single director who can take early leadership in establishing the agency and getting it off the ground. After a period of 2 years, the agency will continue operations with the leadership from a bipartisan commission.

I have also been concerned about the provisions of this legislation relating to the regulation of financial instruments associated with the energy sector. I'm pleased to report that the Agriculture Committee and the Energy and Commerce Committee reached an agreement to address potential regulatory conflicts where the jurisdiction of the Commodity Futures Trading Commission as enhanced by the proposed bill could overlap with the jurisdiction of the Federal Energy Regulatory Commission.

I want to thank Chairman FRANK and his staff for leading this important legislation through Congress. I also want to thank Commerce, Trade, and Consumer Protection Subcommittee Chairman BOBBY RUSH for taking an early lead in examining the CFPA proposal in his subcommittee, and Chairman Emeritus DINGELL for ensuring that we enhance FTC's role. Ranking Member BARTON worked closely with us on our proposal to create a commission to lead the CFPA. And I finally want to thank Chairman PETERSON for working with us to resolve the energy regulatory issues.

I urge all of my colleagues to support this legislation.

I yield back the balance of my time.

Mr. BARTON of Texas. Mr. Chairman, I would yield myself 4 minutes.

(Mr. BARTON of Texas asked and was given permission to revise and extend his remarks.)

Mr. BARTON of Texas. First, let me say I rise in strong opposition to this bill. I did support marking it up at the Energy and Commerce Committee to maintain jurisdiction over this agency and other agencies in our committee's jurisdictions, and I did work with

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Two minutes remain in this vote.

□ 2036

So (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to eliminate an unused light-house reservation, provide management consistency by incorporating the rocks and small islands along the coast of Orange County, California, into the California Coastal National Monument managed by the Bureau of Land Management, and meet the original Congressional intent of preserving Orange County's rocks and small islands, and for other purposes."

A motion to reconsider was laid on the table.

PERMISSION TO REALLOCATE TIME FOR GENERAL DEBATE DURING CONSIDERATION OF H.R. 4173

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that during consideration of H.R. 4173 pursuant to H. Res. 956, the Chair of the Committee on Financial Services be permitted to control 10 minutes of the time allocated to the Chair of the Committee on Energy and Commerce.

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

There was no objection.

Mr. BARTON of Texas. Mr. Speaker, I ask unanimous consent that during consideration of H.R. 4173 pursuant to H. Res. 956, the ranking member of the Committee on Financial Services be permitted to control 10 minutes of the time allocated to the Chair of the Committee on Energy and Commerce.

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

There was no objection.

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 4173 and to insert extraneous material therein.

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

There was no objection.

WALL STREET REFORM AND CONSUMER PROTECTION ACT OF 2009

The SPEAKER pro tempore. Pursuant to House Resolution 956 and rule

Chairman WAXMAN to make some perfecting changes to the bill that is before us. But having said that, I think that it is a bad bill, it's an unnecessary bill, and it's a bill that will have unintended consequences of a negative fashion if enacted in its current form.

I'm glad that some of the Federal Trade Commission's jurisdiction that was originally stripped from the bill and given to the new agency has been retained and put back with the FTC. I also think, though, that a new agency cobbled together by Congress from existing regulatory structure will not eliminate one of the world's oldest sins. Hucksters and scam artists will not throw up their hands and turn honest because there is a new Federal regulator on the block. They will simply find new ways to cheat the government as it tries to get on its wobbly new feet. Bureaucracies, particularly new ones, don't move at the speed of businesses, especially shady, illegal businesses, and they certainly don't move at the speed of fraudsters.

I want to commend Chairman FRANK for his hard work on a tough issue. Having said that, the outcome of his hard work is an enormous bill and an enormous bureaucracy that, in my opinion, just won't do the job. Having said that, the Obama administration apparently wants this new behemoth, so we're going to get it—at least we're going to attempt to get it through the House on the floor this evening or tomorrow, whenever the vote may occur.

I wish that a superregulator could find and repair the underlying problems with the housing and mortgage markets, but I don't think it can. Empowering a new agency with nearly limitless power to deem almost any product or service of financial activity is questionable at best and tyrannical at worst. This legislation even fails to create a national standard for the superregulator to enforce. Instead, it adds another layer of Federal regulation on top of existing State laws.

Finally, the legislation gives broad, new authority to the FTC that really has nothing to do with the proposed agency and covers everything beyond consumer financial products.

Mr. Chairman, I rise in opposition to the bill, and I would hope that we would defeat it.

With that, I want to yield the balance of my time that I control to the distinguished ranking member of the Financial Services Committee, Congressman BACHUS of Alabama.

The CHAIR. The Chair cannot entertain that request in the Committee of the Whole.

Mr. BARTON of Texas. I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I begin by yielding 4 minutes to one of the Members of the House who has a very significant imprint in this bill, all to the protection of investors and the integrity of our markets, the chairman of the Capital Markets Subcommittee, the gentleman from Pennsylvania (Mr. KANJORSKI).

Mr. KANJORSKI. Mr. Chairman, I want to thank the chairman of the full committee for recognizing me and to assert for the record in the full House that although today this huge bill of 1,300 pages or 1,200 pages will be difficult to describe and probably not well understood by either the people watching this proceeding nor all of the Members of the House, I want to say that I am proud to have worked under the tutelage of the chairman, Mr. FRANK, and I think that in years to come, history will look back at this moment and say, when there was need in this country for reformation, it was had in the major part of this bill.

Mr. Chairman, I have had the pleasure of participating in major portions of the bill—Title V, Title VI, and then part of Title I.

What we tried to do, in essence, so that the viewing public can understand, is to recognize some of the problems, not all of the problems, but some of the problems that we were facing as a result of the actions of last year of the capital markets of the United States.

First and foremost, we had discovered that there were great irregularities in transparency and accountability in the rating agencies as they acted to evaluate various sets of securities in the world markets. And when we examined the rating agencies in great detail and through hearings and examination, we found that these entities were poorly—not really regulated at all but certainly poorly accounting for their own responsibilities in the system. We found they were enticing investors throughout the world to buy securities that were rated AAA when, in fact, some of those securities weren't even of B class quality. As a result, millions of people around the world and billions of dollars came in to the purchase of these securitized—or these securities, and as a result, when the market failed, they failed. And there was an impression around the world created that the American Government, the United States of America, stood behind these rating agencies when, in fact, we didn't, and that there was a great compromise.

Some of these rating agencies, because of the internal conflicts within the agencies, were taking great liberty in evaluating and analyzing the values of certain securities to the extent that, because they were paid by the individuals that were issuing the agency, there was an internal conflict. Whether that conflict caused, to a large extent, a scandal or caused failure in the system, one will probably never know, but certainly the aspects of the operations of the rating agencies have been called into question, were called into question at the time, and certainly have been since our examination.

So what have we done? We have developed a set of principles and rules to account for accountability and transparency in the rating agencies in the United States. Will that cure the prob-

lem? No. We're going to have to watch very closely, monitor very closely that these rating agencies do not stray from the straight path. If they do, we will have to come back and impose greater restrictions on them and take extraordinary actions in the future if necessary.

But we will have rating agencies now that can be sued when they could never be sued before. We will have rating agencies that will have the responsibility to provide disclosure, will have the responsibility of showing their methodologies and explanations to the buying public of the securities they rate and analyze. To that extent, we hope the public will be protected.

Next, we looked at who is accounted for in our system, and we found, as we've all known, that some 10, 12 years ago, hedge funds were denied the examination of the Securities and Exchange Commission. We have now formed what is known as the Private-Funded Investment Advisors Registration Act, which is Title V of this act, part A, and that provides that all advisers that want to play in the capital markets must register and must disclose certain information so that knowledge of what capital is doing, where it is and in what amounts will be known by our regulators. That is the first time in the history of the United States that that will prevail. It should go a long way of having inside information in the role of the regulators of the United States as to what is at risk.

Then, finally, we created an Investors Protection Act. The Investors Protection Act has done so many things it's almost impossible to enumerate, but the SEC gave recommendations which were incorporated in the bill.

The CHAIR. The time of the gentleman has expired.

Mr. FRANK of Massachusetts. I yield an additional 1 minute.

Mr. KANJORSKI. Authorities that they lacked, they were given. With that inclusion, I think we have one of the finest investment protection acts that ever existed.

Finally, we have something new we created. We created the Federal insurance office that will, for the first time, will encompass information encompassing the insurance industry in the United States.

Finally, I'm proud to say I had a major part in putting together an amendment to the act, the first provision of the act, part one, that allows "too big to fail" protection in the United States. For the first time, the regulators in the United States will have the opportunity to analyze the structure of corporations and the financial service industry that either may be too large, interconnected, or too large in scope or too inexperienced in management or some other condition that may, in the future, cause them to be of systemic risk to the economic system of the United States. And we've empowered the regulators to move in and require changes, controls,

and regulations to prevent that occurrence so that never again, we hope, the “too large to fail,” in fact, will be, in fact, too large not to fail.

So with that, I recommend to all of my colleagues on both the Democrat side and the Republican side, stop for a moment and think what we’ve done.

May I call the attention of the Republican side, three of the eight bills that we passed through our committee went through with significant bipartisan support.

Mr. Chair, over the next few days this body will have the opportunity to consider sweeping, meaningful reforms to protect American investors, safeguard consumers on Main Street, and fundamentally change the way Wall Street and large financial institutions operate. For roughly two years, we have endured a severe crisis that exposed vulnerabilities in our system for overseeing the financial sector and demonstrated the perils of deregulation.

During this calamity, Americans have unfortunately lost trillions of dollars in personal wealth and retirement savings, millions of families have lost their homes, and far too many workers have lost their jobs. Last year, in order to save the financial system itself, we had to act courageously and pass the Troubled Asset Relief Program, despite considerable criticism. This law has worked to stabilize our system, but public faith in our financial markets has also nearly vanished. We therefore must now take bold steps to restore trust in the financial services industry by significantly modifying its regulation. H.R. 4173, the Wall Street Reform and Consumer Protection Act, will do just that.

While this broad, comprehensive legislation encompasses substantial reforms in many areas—from the regulation of complex financial derivatives to the creation of a Consumer Financial Protection Agency—I want to focus my comments on the proposals that I worked to develop and incorporate into this package. These reforms include investor protection improvements, the registration of hedge fund advisers, changes to credit rating agency oversight, and the creation of a Federal insurance office. I also want to discuss how this legislation will rein in “too-big-to-fail” financial institutions.

The failure to detect the massive \$65 billion Madoff Ponzi scheme, the problematic securities lending program of American International Group, the freezing up of the auction-rate securities market, and the “breaking of the buck” by Reserve Primary Fund each demonstrated the need for comprehensive investor protection reform. In response, the Investor Protection Act of 2009—a key part of H.R. 4173—contains more than six dozen provisions aimed at strengthening the oversight of U.S. securities markets and closing regulatory loopholes.

For the first time, every professional who offers investment advice about a securities product will have a fiduciary duty to their customer. For the first time, we will create a bounty program to encourage tipsters to come forward with information about securities fraud. For the first time, we will regulate municipal financial advisers. Moreover, by doubling the budget of the U.S. Securities and Exchange Commission and by requiring a comprehensive study to fundamentally reform the way the agency operates, this bill lays the foundation for us to

put in place a superior securities regulatory system going forward.

We also need to regulate everyone who plays in our capital markets. By mandating the registration of hedge fund advisers and others who currently operate in the shadows of our markets and subjecting them to recordkeeping and disclosure requirements, for the first time regulators will have the information needed to better understand exactly how these entities operate and whether their actions pose a threat to the financial system as a whole.

Without question, the actions of Moody’s, Standard and Poor’s, and Fitch exacerbated this financial crisis. In response, H.R. 4173 takes strong steps to reduce conflicts of interest, stem market reliance on credit rating agencies, and impose accountability on rating agencies by increasing liability. As gatekeepers to our markets, credit rating agencies must be held to higher standards. We need to incentivize them to do their jobs correctly and effectively, and there must be repercussions if they fall short.

Insurance also plays a vital role in the smooth and efficient functioning of our economy, but the credit crisis highlighted the lack of expertise within the Federal Government on the industry, especially during the collapse of American International Group and last year’s turmoil in the bond insurance industry. I have long championed the need to establish a place within the Federal Government to collect information and build expertise on this sizable industry. The Federal Government needs a fundamental knowledge base on these matters, and for the first time we will have such a repository because of this bill.

Finally, I am pleased that H.R. 4173 includes my amendment addressing companies that have become too big to fail. This bill will empower Federal regulators to rein in and dismantle financial firms that are so large, interconnected, or risky that their collapse would put at risk the entire American economic system, even if those firms currently appear to be well-capitalized and healthy. By ensuring that financial companies cannot become so big that their failure would pose a threat to economic stability, we will protect American taxpayers from future bailouts. By outlining clear and objective standards for regulators to examine financial companies, we will also reduce the level of risk their activities pose to our financial stability and our economy.

In sum, I want to thank the Members of the Financial Services Committee for their hard work and their support of my efforts to better protect investors, advance credit rating agency accountability, register hedge fund advisers, establish a knowledge base on insurance, and curb too-big-to-fail companies. I especially want to congratulate the Chairman of our Committee, the gentleman from Massachusetts (Mr. FRANK), for his tireless efforts in pulling this comprehensive package together during the last year. I urge all of my colleagues to support this landmark bill.

Mr. BARTON of Texas. May I inquire how much time I still control, Mr. Chairman?

The CHAIR. The gentleman has 2 minutes remaining.

Mr. BARTON of Texas. I yield 2 minutes to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Thank you.

The gentleman from California referred to the Wild West earlier. No two

institutions better fit that description than the government-sponsored enterprises Fannie Mae and Freddie Mac.

Over the years, some of us pleaded for additional regulation. You may recall, in 2005, we tried to pass strong legislation to fix this problem and bring reforms to the government-sponsored enterprises. I brought an amendment to this floor to give the regulator the ability to rein in their mortgage portfolios that were spiraling out of control. The Federal Reserve came to us and said, These institutions at the heart of the U.S. mortgage market pose a systemic threat to our economy.

That is why I offered my amendment, which was defeated, as were others, that would have provided stronger regulation. That is why Senator Chuck Hagel offered similar legislation which passed the Senate Banking Committee on a party-line vote but was blocked by the Senate Democrats from coming to the floor.

We understood the risks posed by those government companies, especially when it came to the affordable housing goals the Democratic-controlled Congress mandated in 1992. Those affordable housing goals led the GSEs into the subprime Alt-A market, and they ultimately led to their collapse.

Former President Bill Clinton understands this epic blunder. Last September, the former President said in an interview, “I think the responsibility that the Democrats have may rest more in resisting any efforts by Republicans in the Congress, or by me when I was President, to put some standards and tighten up a little on Fannie Mae and Freddie Mac.”

□ 2100

This is one of the main reasons why our economy is where it is today. And this is why we must reform the GSEs, which this bill does not do. Instead, this bill creates a perpetual bailout fund and ensures that the “too big to fail” doctrine is with us definitely.

For the first time in its history, Washington will officially become the center of our financial system.

The CHAIR. The time of the gentleman has expired.

Mr. BACHUS. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. ROYCE. Regulators will be able to rescue certain companies and liquidate others. They will be able to pay off some creditors and counterparties and not others, and keep failed or failing companies operating and competing in the market for years. They will even be able to dismantle a healthy institution that they believe may pose a risk.

If there is any doubt that this type of authority will be abused, look at how the administration handled the Chrysler bankruptcy earlier this year. It was their desire to do away with the clearly defined rules of the road found in the bankruptcy code in order to reward their political allies. Those rules of the

road that were so easily dismissed by the administration have acted as the bedrock of our capital markets for decades. They differentiate us from much of the world and serve to attract capital from all corners of the globe. This bill throws that model out the window. It replaces objectivity with subjectivity, market discipline with political pull.

What is the likely outcome of all of this? The larger, politically connected institutions will have the edge over their competitors.

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

I rise today in support of H.R. 4173 and of the Peterson-Frank amendment to this legislation, which will be considered at a later time. I want to thank Chairman FRANK and his staff for working with us and our staff over the last few months on the amendment and on the provisions in the underlying bill that affect both of our committees. Mr. Chairman, passage of this bill is necessary to improve the financial regulatory structure in America.

The House Agriculture Committee has played a significant role in contributing to this legislation, and while I may not agree with every provision in this bill, I support the goals of increased oversight, more transparency, and an end to taxpayer bailouts of large financial institutions.

Mr. Chairman, our committee has spent over 2 years examining various elements of derivatives markets, and we have focused for the last year specifically on their contribution to this financial meltdown, most notably the prevalence of unregulated, heavily traded bilateral swaps used by large financial institutions that either collapsed or received taxpayer bailouts.

Now derivatives, in and of themselves, were not the cause of the financial meltdown in the second half of last year, but they did play a role. Had the provisions of the Peterson-Frank amendment that we will consider later been in place last year, financial institutions like AIG would have never gotten themselves into a position where they needed billions of taxpayer dollars just to keep them solvent.

The derivatives reforms in the Peterson-Frank amendment and the resolution authority provided for in the underlying bill will mean large financial institutions, and not the taxpayers, will be financially responsible for their own undoing.

I also want to thank Chairman FRANK for the work he did with our committee on ensuring that this legislation does not have unintended consequences for the Farm Credit System, a network of rural lenders that support local agricultural producers, utilities and businesses. So Mr. Chairman, Farm Credit had nothing to do with the financial crisis, and in fact, the strong underwriting, capital, security, appraisal, and repayment statutory standards that we put in place after

farm country went through its own stressful credit period have resulted in a more stable financing network. The Treasury Department agreed with this assessment when they said it was not their intention to bring Farm Credit into the regulatory reform discussion, and I thank Chairman FRANK for recognizing this.

With that said, Mr. Chairman, I still have some concerns with some parts of the underlying bill, particularly the establishment of a systemic risk regulator and the empowerment of the Federal Reserve to take a leading role.

I am concerned that the real power resides in the Federal Reserve instead of the Financial Services Oversight Council established by this bill, particularly the ability to impose whatever prudential standards it sees fit. And there does not seem to be any mechanism for the Council to check the power of the Federal Reserve if it believes the Fed is going too far.

While I think the systemic risk language needs much more refinement, I will not let these concerns deter my support for the underlying bill and the much-needed Peterson-Frank amendment that will finally shine light on the previously dark markets for over-the-counter derivatives and ensure that we will never again threaten the stability of our financial system.

Mr. Chairman, I urge my colleagues to support the bill.

I reserve the balance of my time.

Mr. LUCAS. Mr. Chairman, I yield myself what time I might consume.

Mr. Chairman, I must rise today in opposition to H.R. 4173. Regulatory reform of our financial system is indeed needed. However, rather than using this opportunity to enact meaningful reform that creates financial stability and encourages economic growth, the majority has constructed a massive piece of legislation that will restrict credit availability and does little to address the real problems in the financial industry.

In addition to dramatically expanding the power of the Federal Reserve and establishing what is, in effect, a "credit czar" who will have virtually unlimited authority to restrict consumer choices, this bill will create a permanent bailout, some would call slush fund, for so-called "too big to fail" companies funded by a \$150 billion tax on financial institutions. This tax will reduce available capital for lending and will most certainly be passed on to consumers in the form of higher fees.

As the ranking member of the Agriculture Committee, I also rise in opposition to title III, the OTC derivatives title, that is currently in H.R. 4173. This is the same title that was adopted by the Financial Services Committee. I opposed this title in the committee, where I'm also a member, because it makes it too costly for end-users to manage risk and unnecessarily ties up capital that could otherwise be used to create jobs and grow their businesses.

However, Chairman PETERSON and Chairman FRANK will bring an amendment to the floor that will strike and replace this derivatives title. This Peterson-Frank amendment is the product of negotiations between our two committees. I prefer, I must admit, the version reported by the Agriculture Committee, but this compromise is significantly better than the current title in the bill, and I will support its inclusion. But, I support its inclusion only if the other secondary amendments that may be offered by my friends on the other side of the aisle are defeated, save one.

I would be remiss if I didn't thank Chairman PETERSON for working with Agriculture Committee Republicans in a process that started back in February when our committee reported out H.R. 977. Chairman PETERSON worked in good faith to address issues our members brought to the table, and we learned together the concerns of all of the participants in the over-the-counter derivatives markets. Although we were able to address some of these concerns, many still remain unresolved.

We were able to improve areas most important to end-users; the manufacturers, the energy companies and food processors that use swap agreements to manage price risk so they can provide consumers with the lowest-cost products. End-users should not be regulated as though they were major financial houses residing on Wall Street. They did not cause the financial collapse. They should not be regulated like they did.

I would have preferred language that would have made clear that only those entities that can have a significant adverse impact on the U.S. financial system be regulated as major swap participants. Similarly, I don't understand why market makers that only deal in cleared products need to have additional capital and margin requirements imposed upon them by the Federal Government.

Finally, we should not forget that new opportunities, innovative products and services, and ultimately economic growth are born from people willing and able to take risk and invest. We should not attempt to regulate risk out of existence. As it stands now, the Peterson-Frank amendment allows the appropriate financial regulator to closely monitor market trends and market participants who may generate too much risk for a healthy and robust financial system. This amendment also gives the regulator the appropriate tools to reduce risk before it can negatively affect our economy. The Peterson-Frank amendment isn't perfect, but it is a marked improvement over other legislative efforts either proposed or considered.

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

Mr. Chairman, my Republican colleagues are in the throes of regret that things that they would like to have denounced are not in this bill. There will

be a certain amount of fantasy tonight on the floor of the House as they lament the existence of things that are not here.

One of the major bailout instruments, section 13.3 of the Federal Reserve Act, was used during the Bush years to bail out not the institution, but the creditors of Bear Stearns, but then it was used by a unilateral decision by the Federal Reserve with no congressional input in September during the Bush year of 2008 to provide substantial amounts of money to AIG. The bill before us today wipes that power out. There will be no more use of section 13.3 to provide funds to any existing institution.

There will be, as the Republican bill also said, instead, the ability to fund an instrument to which companies can apply if they are solvent in the midst of a national liquidity crisis. But there will be nothing like AIG.

There is a fund in here for the FDIC to use if a financial institution has to be put out of existence because it had become too indebted and unable to meet its debts, and it was big enough so that its failure would cause the kind of systemic negative consequences that we saw from Lehman Brothers.

Last year, the problem was Lehman Brothers went under, and the Bush administration felt they couldn't pay anybody, and there was a crisis. So then AIG went under, and the Bush administration said, well, we better pay everybody because we don't have the legal authority to pick and choose. We now end that dilemma. We say, and this is absolutely crystal clear in the bill, it says if an institution gets to the point where it cannot pay its debts, and it is of such size that those debts threaten systemic negative consequences reverberating throughout the economy, it dies. There is no bailout. There is no continuation of that entity. It's a dissolution fund. It is put into receivership.

There is a fund raised, it is true, by assessments on the financial institutions, and my Republican colleagues are far more solicitous than I of those institutions. They don't want to restrain their compensation, and they don't want them to have to contribute to expenses that may be incurred by their own irresponsibility. That is clearly a difference between us.

We say that if the Federal agency that is putting this out of business and takes it over, and, yeah, there's a take-over of failing institutions who threaten, by the size and complexity of their indebtedness, to threaten the stability of the country, we take them over to put them out of business. The shareholders are wiped out, the boards of directors. These are all absolute conditions that have to be met.

And it may be that in winding them down, some money has to be spent. You don't just walk in the next day and say, okay, the door is closed. That is irresponsible. We say it may take some money to wind them down. So we as-

sess the business community that caused these problems in the whole for that. And we do say if there is a need and there's a shortfall before, if one of these things happens before the fund is built up, money will be borrowed from the Treasury with an absolute requirement of repayment in this fund. There are no taxpayer dollars that will be used. They will be lent, in some cases, as has been lent in other cases, but they must be repaid, and there must be a repayment schedule.

□ 2115

The assessments will continue until they are repaid.

Now, one of the odd things is, and I apologize to my colleagues, the bill is too big. I don't know whether that means it was too much to read or too heavy to carry, or some really short ones can't see over it when they are sitting down. I don't know what the problem was. This notion that the value of a piece of legislation is inversely related to its size is rather odd.

But let me tell you how they managed to slim down—which I would like to do, now that I am through with all of that, but I will have to start my diet next week. How do they slim it down? They don't do anything in their bill about executive compensation.

I agree, we spent some pages saying that the kind of bonuses and large payments to take risks and not be penalized if they fail, we have language in here to stop that. They don't. Save some pages.

We say, let's ban the kind of subprime loans that got this country into so much trouble. We have a lot of language in here to ban subprime loans. They don't. Save some more pages.

We do regulation in other ways that they don't do. They don't have registration of hedge funds. They don't have requirements on private advisers. They don't have anything about a whole lot of things. It is true if you avoid subjects, you shrink the size of the bill.

By the way, as to the size of the bill, this didn't come—one of the things, you know, sometimes it's what's not said that you open—you haven't heard any complaints today, and I appreciate that, about the process. We began marking up the elements of this bill before the summer recess. We have had a large number of hearings. We have spent over 50 hours in actual markup debate on this bill.

There have been hundreds of amendments offered, dozens of amendments accepted from both the Republican and Democratic sides in many days of markups. It has been very thoroughly vetted. It was made public and available.

I am sorry that they had to read a lot of pages about things they didn't want to read about. They don't like to be reminded of compensation abuses. They don't want to hear about subprime, but we do. We want to stop it.

There is no bailout fund. The bailouts of AIG and Bear Stearns, not possible, illegal under this bill. If a company fails, it will be put to death. Yes, we have death panels, but they got the death panels in the wrong bill. The death panels are in this bill. We will spend money to get rid of them in ways that will minimize damage, money that will come from the financial community.

Now, we heard that it's going to have a restriction on credit. Well, it's true, many of them were opposed to the credit card bill. Many voted for it. The National Federation of Independent Business supported the credit card bill. They say there is a credit czar. That one is too odd to put any meaning behind. I would like them to point to the sections that do it. Maybe, if it's too much to read all at once, they could divide it up. Like there are 177, if they each read 8 pages, I think they could get the whole bill done. Maybe they could then find a credit czar in there. I can't.

We do say that if you are identified by the systemic risk council as overleveraged, and you are big, we will step in and tell you, as the gentleman from Pennsylvania's amendment said, you are too big, raise your capital. Maybe that's a credit czar.

Maybe when someone would have told AIG a couple of years ago, stop selling those credit default swaps that you can't back up, because mortgages that you are ensuring against loss can lose money, maybe they think that's a credit czar if you tell AIG don't do it, because nothing in that bill, nothing, zero in that bill would have interfered with AIG's recklessness. There's not a word in here that would have done that in terms of the overleveraging of AIG, nor of the subprime loans that were there.

Yes, the lack of regulation over many years allowed big problems to grow up. It takes a fairly comprehensive bill to do it. We have been working on this bill for literally months. We have had days and days of hearings. We have voted on it; we have amended it. It's been available.

I would hope they would stop complaining about the size. I would hope they would deal with the substance. But the real substance of this bill, not a bailout that does not exist, I want someone to read me the sections that show there is taxpayer money that can go to keep a failing institution going. There absolutely is not. I would like them to tell me, do they think we should ever do anything about subprime loans, anything about executive compensation, anything about subprime hedge funds, about any of these other things?

Yes, here is the situation. Years of an absence of regulation, both an absence of war and an absence of will to regulate—mostly under Republican rule but some with Democratic complicity—led to the largest crisis in recent memory since the Depression.

They talk about job loss. As I said before, what a terrible day January 21 was. Apparently, we had a wonderful economy up until January 20. Barack Obama took power and millions of jobs disappeared retroactively. A deficit sprung up that had not been there. Bailouts were retroactively pushed back to September.

The major factor in jobs loss was this terrible crisis. What we do for jobs is to say you will not be allowed, once again, the financial irresponsibility of some in that community to get us into trouble.

The Republican proposal is very clear. Do not interfere with the ability of an AIG, Lehman Brothers, Citicorp, Countrywide or any of those other financial entities. Do not prevent them from doing again what they did before. If and when they have done such a bad job that they are collapsing, then let them go bankrupt and don't do anything to deal with the consequences. Let's have another Lehman Brothers.

We say "no." Let's try to stop them from getting there. If they do get there, yes, we will put them out of business, but in a more orderly way.

I reserve the balance of my time.

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

Mr. Chairman, this is a great country, and I think we are all proud of our country. It is no small tribute to our country that people all over the world dream about coming to America. Our forefathers, they were either born here or they dreamed of coming to America.

America is not just a country; it's an idea, and that idea is about the individual. That's the basis of our country. It's not about the government. It's about the individual, it's about the citizen, it's about freedom, it's about choice.

Mr. Chairman, the problem with this bill isn't the size of the bill. The problem with this bill is that it goes right to the heart and strikes a wound against the character of our country. It's the character and the culture of this legislation that is so wrong, and not the size.

Individuals in this country ought to have the right to choose. They ought to have the right to choose their health care provider, their doctor. They ought to be able to make choices, health care choices, treatment choices between themselves, their doctor, their family, not the government.

We see with health care that this idea of the individual, this idea of choice, this idea of freedom to make those choices is under attack. We found that with energy that not the individual, the country, but the government determined that we weren't going to use coal, our most abundant source. We weren't going to use oil, that we were going to tax, that we were going to tax energy, we were going to discourage that. We are taxing health care in the health care bill.

In this bill we levy taxes. We have sanctions. People may still be able to

make choices, but they will be discouraged or they will be taxed when they make those choices.

The decision about seeking the doctor of your choice or the decision about borrowing money or the choice about lending money or the choice about the terms of that loan, those ought to be choices between individuals; those should not be managed by the government.

Now, the chairman has brought this legislation before, and it is his legislation. I mean, his image and his imprint is clear on each and every page of this legislation.

I have not really seen such an individual drive legislation since perhaps the first lady, Hillary Clinton, brought her government-managed health care to the floor in the early 1990s. This is just simply another way of an attempt on the part of, really—and I think the chairman really has faith in the government and the government's ability to manage and the government's ability to make decisions, that he actually has a sincere faith.

In fact, members of this committee, members of this committee on TV this morning, and Democratic members, actually made references to Europe, the way they do things in Europe, the fact that the government is making these decisions in Europe. We are the greatest, as I said, the greatest country on the face of the Earth, and we didn't get there through government management. We didn't get there through government management of health care. We won't get there by government management of creditor or of lending or of other financial services. It won't happen.

We are the largest economy in the world. It's not the British economy, it's not the French economy, it's not the Chinese economy, it's not the Japanese economy. It's the American economy. How did we get to be the largest economy in the world, three times larger than the next largest economy, the Japanese economy, bigger than the Chinese economy, the Japanese economy, the British economy and the French economy put together? We got there with faith in the individual, not in the government.

That is what's wrong with this bill. You can clearly look, and nowhere is it more evident than in this bill that not only do we not have faith in the individual and in individual responsibility and an individual's right, sometimes, to take risk, but we also give individuals the right in this country to succeed. But when you do that, unlike in other countries, you give them the right to fail.

This bill clearly establishes a bailout fund. It says when the largest companies in this country, when the largest companies in this country, when they fail, we are going to establish a \$150 billion fund, a permanent fund, a permanent TARP.

The Democratic gentleman from California, Mr. BRAD SHERMAN, said

TARP on steroids, and where do you get this money from? Well, actually, it's 200 billion, 150 you get, not from the companies that are failing, but from their competitors who are succeeding. You transfer that money to those companies that have taken risk they shouldn't have taken. You take it from those companies that didn't take those risks. That's not competition; that's socialism.

Now, you can call it what you want to, but it's socialism. It's government managed. It's not what America is about.

This is not about a crisis that occurred last September. This is not about the continuing bailouts that started with the Federal Reserve, an independent body, but continued and have grown in intensity under the Obama administration. But there is enough fault to go around.

But can we not agree on one thing, that it is time that we allow people in this country to succeed, and we allow them to fail? Isn't it time in this country that we decide that there is no more "too big to fail," because if you make that determination, you make the determination, as we have over the past year, that there are thousands of small businesses and medium-sized businesses and companies that were too small to save.

That's not fair. That's not what America is about. It is not about taking from people who pay their mortgage.

No matter what the circumstances of those who failed to pay their mortgage, it's not about transferring money from one to the other. That's not about America. It might be about charity, it might be about neighbor helping neighbor, but that is not what this country was established about.

□ 2130

So let's not use the crisis that we have experienced this past year to create the calamity of a government-managed country where the individual, where freedom, where choice is a thing of the past.

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

Mr. PETERSON. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Ohio (Mr. BOCCIERI), a member of our committee.

Mr. BOCCIERI. Mr. Chairman, in this season of yule tidings, gift giving, and silver and gold, just what are my colleagues on the Republican side attempting to give Americans with their opposition to this bill?

My colleagues who oppose this bill would rather give gold to the big executive corporate execs at Goldman Sachs rather than put a little silver and gold under the Christmas tree of ordinary Americans. Bah humbug.

My friends on the other side of the aisle would rather stand with corporate executives and their thousand dollar suits than stand with those who are in the unemployment line. Bah humbug.

They'd rather bail out the big banks on Wall Street than help Americans try to keep their homes on Main Street. Bah humbug.

My colleagues who oppose this bill would rather give bonuses to big corporate executives than protect the pensions of millions of middle class Americans. Bah humbug.

They'd rather stand with hedge fund managers, predatory lenders who are betting on the price of oil going up, betting on the price of food going up, and betting on Americans failing to pay their mortgages rather than helping those families who are now standing in the line at food banks this holiday season. Bah humbug.

This bill will end taxpayer bailouts so that Americans are never again on the hook for Wall Street's risky behavior and bad bets. It protects families and retirement funds and college savings and small businesses' financial futures from the unnecessary risks by Wall Street lenders and speculators and high-paid execs. It brings transparency and accountability to a financial system that has run amok. This bill is about instituting commonsense reforms, holding Wall Street and big banks accountable.

Now, Republican leaders would rather vote to rescue big banks on Wall Street than find it in their hearts to help struggling Americans on Main Street.

Don't be a Scrooge this Christmas and vote against this bill. Help our people, or surely you're going to be visited by the ghosts of Christmas past.

Mr. LUCAS. Mr. Chairman, I yield 2½ minutes to the gentleman from Kansas (Mr. MORAN).

Mr. MORAN of Kansas. Mr. Chairman, I rise this evening, as one might expect, in my opposition to H.R. 4173 certainly as written, as the gentleman from Massachusetts says, this massive financial regulation bill.

Once again we have 1,200-plus pages, a so-called "reform" bill before the House of Representatives that would dramatically increase government involvement in our economy. If this Congress is serious about economic recovery, then we should be reducing burdensome regulations, not increasing them.

I have heard from many Kansans about their inability to access credit from their local community-based lending institutions. Small businesses and farmers rely upon these loans to make payroll, expand, and to make their ends meet. Local lending institutions would love nothing more than to make these loans, but the overly broad regulations and the inconsistency with which different examiners enforce those regulations, together with higher FDIC insurance premiums and increased reserve requirements, has greatly restricted family and small business access to capital. This House should be more focused on the credit crunch and helping institutions cut through the bureaucracy and lend

money, not creating more layers of regulation.

Among the provisions I oppose within this legislation is the creation of a permanent TARP-like bailout authority. This authority will continue to shield large financial firms from their mistakes and pass those costs of their miscalculations on to the American taxpayer. The legislation takes an overly broad approach, disrupting markets that have performed well and placing more regulatory burdens into places where they are not needed.

One example of these changes that this legislation would make is the commodities futures market known as designated contract markets. These are not the over-the-counter derivatives markets you will hear most Members discuss during this debate. In the wake of last fall's financial collapse, these regulated contract markets performed relatively well under the current core principle regulatory regime. This regime allowed both regulators and exchanges the ability to adapt their regulatory approach to changing market conditions.

Rather than recognize the success, this legislation replaces those core principle regimes with an antiquated rules-based structure that has failed at the SEC. This legislation also redefines the definition of a bona fide hedging transaction in the contract markets so narrowly that it will be difficult for many commercial market participants to properly hedge their risk. These changes will hurt, not help, our economic recovery and introduce more, not less, volatility into the marketplace.

For these and many other reasons, I urge the House to reject this legislation.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 30 seconds to note that with all these assertions that this is going to hurt credit and small banks, the Independent Community Bankers Association, a great representative of small banks, supports this bill. Now, they'll be upset if we do bankruptcy. But as far as the bill is concerned and the provisions we have been talking about now, the Independent Community Bankers Association supports this bill. They believe exactly the opposite about credit.

Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. The ranking member came to the floor and quoted me as describing this bill as "TARP on steroids." That's the phrase I used to describe the original bill submitted to us by the Secretary of the Treasury. This bill is very different.

I want to thank Chairman FRANK for all the changes we have been able to make and declare that this bill is now a step forward in limiting, on balance, the power of the executive branch to put taxpayer money at risk or to bail out private institutions.

The bill does include two provisions that those concerned with bailouts

might object to, but these provisions are limited as to amount and purpose, and they are sunsetted in 2013. Finally, while taxpayer money may be put at risk initially, ultimately the cost falls on the industry.

But you cannot call this bill "TARP on steroids" and quote me to that effect without noting the major change this bill now makes in section 13(3) of the Federal Reserve Act. That is the most dangerous provision in the U.S. Code, and this bill is a major step toward limiting that section. Code section 13(3) now allows the Federal Reserve to lend, at times of systemic risk that they declare to be in existence, unlimited amounts to just about anyone on whatever terms the Fed thinks is adequately secured. Unlimited amounts. They've already done about \$3 trillion, and under current statute they could do \$30 trillion. And the Republican alternative does nothing to limit section 13(3). It leaves the giant freeway of bailouts open forever.

In contrast, this bill contains three important limitations. The first was drafted by the chairman, and it says that 13(3) can only be used to put money in the economy in general, not to bail out one or two firms. And I thank the chairman for accepting two of my amendments. One limits section 13(3) to \$4 trillion and does not adjust that amount for inflation so that the power of the Fed will decline with inflation over time, which is only fair since it's the Fed that's supposed to be in charge of limiting and eliminating inflation.

The second amendment that was accepted was the idea of requiring the highest possible security for amounts of credit extended under 13(3). This bill is a step toward limiting the power of the executive branch to put money, taxpayer money, at risk. It does contain section 1109 and 1604, both of which are, pursuant to an amendment accepted in committee which I authored, sunsetted in 2013.

Section 1109 replaces 1823 under current statute, so it doesn't expand bailout authority. In fact, it contrasts it, because it's limited to \$500 billion, while 1823, which is suspended by this bill, is an unlimited amount. Section 1109 as it will appear in the manager's amendment requires an advance fee so that taxpayers are compensated for any money put at risk and, finally, any losses to be collected from those companies which participate in the section 1109 loan guarantee program.

Section 1604 does provide funds to resolve insolvent institutions, but as the chairman points out, it's a death panel, not a bailout. It's only for institutions that are going to be liquidated.

The CHAIR. The time of the gentleman has expired.

Mr. FRANK of Massachusetts. I yield the gentleman 1 additional minute.

Mr. SHERMAN. It's limited to \$150 billion collected in advance from the same large companies whose creditors could be eligible for relief. And section 1604 is sunsetted in the year 2013.

Taken as a whole, this is antibailout legislation and contrasts with the Republican alternative that does nothing to limit section 13(3), which has already been used chiefly under the Bush administration to put over \$3 trillion of taxpayer money at risk. It does provide for section 1109 and 1604, but under the bill these are limited in amount and they're temporary in time. And most importantly, it limits section 13(3) three ways: as to dollar amount, as to the purpose that money is put at risk, and, finally, as to the degree of risk which the Fed is able to take.

What I said about this bill when it was originally proposed may well have been true. The bill now is a step away from the TARP approach, a step away from bailouts.

Mr. BACHUS. Mr. Chairman, I yield 4 minutes to the ranking member of the Subcommittee on Oversight and Investigations, the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. I thank the gentleman for yielding me the time.

There's no question and no disagreement among Members from both sides of the aisle that we need financial reform, for consumers, for the health of our financial services industry, and for the economy. But this bill isn't the answer.

In fairness, you can find some good bipartisan provisions in this bill. For example, Mr. KANJORSKI and I worked out insurance language to bridge the gap in communication among regulators and address problems with multifaceted businesses like AIG. Mr. HINOJOSA and I worked on language to bolster housing counseling efforts at HUD. And the bill contains much-needed credit rating agency reform.

Unfortunately, the good does not outweigh the bad. Today credit is less available than ever, small businesses are struggling to keep their doors open, and a record number of Americans are jobless. According to a report issued yesterday by the U.S. Conference of Mayors, the number of homeless and hungry families is still on the rise.

We need a bill to unfreeze the credit markets so that financing is available to allow U.S. businesses to grow and create jobs. We need a bill to improve regulation. We need a bill to help Americans get back to work so that they can provide for their families and put food on the table.

Instead, Mr. FRANK's bill sets us back. It imposes a new tax on financial institutions, diverts financing away from lending and job creation, and creates a permanent Federal bailout fund, TARP II. Successful businesses and taxpayers will pay in advance for the failings of those that are reckless. And guess what? Taxpayers are on the hook once again if there isn't enough money. Does that sound familiar? Of course, because it's more of the same.

This bill doubles down the government intrusion in the private sector, and it increases fees and Federal spending. Instead of strengthening consumer

protections, it creates a giant new Federal bureaucracy. Five D.C. bureaucrats will tell groups across America, anyone involved in financial activities, including churches that provide payment plans for funerals, what products and services they can offer. Did churches cause the financial meltdown? No. Why not address the disconnect among dozens of existing Federal agencies before layering on a new one? Are we creating another agency or another problem?

Finally, we need straightforward, over-the-counter derivatives reform. What we don't need is regulation that charges regulators with creating a one-size-fits-all approach to regulatory compliance, enforces unjustified mandates, and kills jobs.

We must crack down on illegal, unfair, and deceptive activity, eliminate regulatory gaps, and strengthen the effectiveness of enforcement agencies. We should create a culture of transparency and accountability on Wall Street that will discourage, not promote, risky behavior, and never ever, ever again leave taxpayers holding the bag when those deemed "too big to fail" cannot meet their obligations.

□ 2145

That's what our Republican alternative aims to do.

My Republican colleagues on the Financial Services Committee and I have offered, at every step of the way, solutions for smarter, stronger financial regulations, and yet Mr. FRANK's bill steamrolls ahead, threatening to weaken the economic competitiveness of our markets, tie up capital, tie the hands of businesses, limit consumer choice, and place taxpayers on the hook for Wall Street's mistakes.

This bill is an overreach and an overreaction, and it should be thrown overboard. It will cause irreparable harm. We need bipartisan reform to get our financial system and our country back on track. Americans, consumers, taxpayers, job seekers, the homeless, the hungry, and Main Street businesses deserve financial reform. This bill is not it.

I urge my colleagues to oppose the bill and support the Republican alternative.

Mr. PETERSON. Mr. Chairman, I would like to engage Chairman FRANK in a short colloquy, and then give the rest of our time on our side to Mr. MURPHY, who is our last speaker. So if Mr. FRANK would be willing, I would yield myself as much time as I may consume and would like to enter into a colloquy with my good friend, the chairman of the Financial Services Committee.

Title I of this legislation creates a systemic risk oversight and regulatory structure that enables regulators to raise capital requirements and impose heightened prudential standards on large, interconnected firms that could pose a threat to financial stability. The legislation also empowers the Federal

Reserve Board to impose a host of additional requirements on institutions and activities deemed systemically important.

It appears that this new structure is not intended to replace or duplicate regulation of securities or derivative exchanges that are already subject to regulations by the SEC or the CFTC. In looking at the statutory criteria for determining whether a financial company should be subjected to stricter prudential standards, it is hard to visualize the application of these criteria to derivatives and securities exchanges. Exchanges are not the players who perform the trading, but the administrators of the marketplace where such trading occurs.

Do you agree that while derivatives and security exchanges would certainly qualify for the definition of a financial company in Title I, the intent of the legislation is targeted more at the players in the marketplace as opposed to the administration of the marketplace?

Mr. FRANK of Massachusetts. If the gentleman would yield, the answer is yes, I agree completely, as they have operated, as they are almost certainly going to operate, as they are intended to function as marketplaces rather than themselves, it is inconceivable to me that they could be designated in that way.

Mr. PETERSON. I thank the chairman for the clarification of the intent.

I recognize the gentleman from New York (Mr. MURPHY) for the balance of our time, a new member of our committee who has actually got some real world experience in this area and has been a great member in helping us put this together.

Mr. MURPHY of New York. Thank you, Chairman PETERSON, and also thank you to Ranking Member LUCAS.

The work we did on the Ag Committee I think is the kind of common-sense solution that Americans are looking for. We worked together to come up with regulatory reform in the Ag Committee with respect to the derivatives legislation. And we saw overwhelming support from not just Democrats, but Republicans, because people in that committee know what the American public knows: For the last 10 years, Washington has failed to regulate our financial markets. As a result, some of those on Wall Street and at the big financial firms have taken that opportunity to gamble with our money. They have put our future at risk, and they have put the very American dream that so many Americans spend their time hoping and praying for at risk. It is time for us to respond to that.

The failures in Washington and the failures on Wall Street precipitated the worst financial crisis since the Great Depression, and it is our job here and now to come up with solutions to that. Wall Street melted down, and Main Street paid the price. This cannot happen again.

So what do we need to do? We need to regulate what wasn't regulated. So many people now recognize that no one was looking at systemic risk, no one was looking at the AIGs of the world and seeing what they were up to. There were whole sections of the derivatives marketplace that no one was regulating; in fact, by a law that was passed here in Washington, no one was responsible for looking at it. That cannot continue.

There were whole parts of the consumer world that were not regulated—mortgage brokers, payday lenders. This cannot continue. We must regulate what was unregulated to bring everything into the system.

We need to protect our consumers. We talked about payday loans and mortgage brokers and the kind of liar loans that were put out there and passed. No one was responsible strictly for looking at protecting our consumers. This legislation will do that.

With the Consumer Financial Protection Agency, there will be a focus on protecting our consumers. That's something that is common sense. That's something that all Americans want us to do here in Washington.

The last thing that everybody in my district wants—and I think Americans all over this country want—is they want protection from taxpayers having to fund any future bailouts. Nobody thinks that Main Street should be bailing out Wall Street; it shouldn't have happened in the past, and it sure should not happen again in the future. It is critically important that we fix that. The bill that we have in front of us does set up dissolution authority. It is funded by the large financial institutions to help shut down those that fail. That is what needed to happen in the past; that is what needs to happen in the future. That is the kind of commonsense reform that we all need to come behind.

We need to regulate what wasn't regulated, we need to protect our consumers, and we need to make sure that taxpayers never again have to fund a bailout. That's what we are working on here. That's what this legislation would do. And I think it's very important that we come together to pass this and protect America's taxpayers, protect our financial system, and get our economy moving again.

Mr. LUCAS. Mr. Chairman, I yield 2½ minutes to the gentleman from Iowa (Mr. KING).

Mr. KING of Iowa. I thank the gentleman from Oklahoma for yielding, and I appreciate the debate that we have here tonight.

I am going to stand with the gentleman from Oklahoma and thank the gentlemen from Minnesota for the work that they've done on the credit default swaps and the regulation that is there. I do think it is an improvement, and I am certainly going to support that amendment.

But I think it is important for us, as Members of this Congress, to bring a

perspective to this. And the words of Mr. BACHUS from Alabama echo in my ears, Mr. Chairman, and that is, it isn't so much about this stack of the bill that Mr. FRANK says might be too heavy for us all to carry; it's about the culture of the bill that may be too heavy for the American people to carry. It's about the difference between believing the Federal Government can regulate more aspects of our society, more aspects of our economy, and the difference in believing whether people can become and entities can become too big to be allowed to fail, or whether small businesses might be too small to be allowed to succeed. And it's about the difference between a free enterprise economy and a managed and controlled economy. It's about the difference between liberty and the difference between a socialized economy.

I have watched as this economy has spiraled downward over the last 15 or more months. And we've been involved in this, we've been engaged in it intensively. And it comes down to two divergent philosophies; one of those philosophies is echoed in some advice we got from one of our top economic advisers—who will remain nameless—who said to us 2½ years ago at the beginning of the subprime mortgage discussion, what's going on is these large financial institutions are doing what everybody else does. They're doing that because the other people are making money, and they're making money. And their psychology is, if things fall apart and melt down, there is likely to be a bailout; if they do what everybody else does, they will get bailed out like everybody else. That is at the root of this: Whether you can be allowed to fail so that we have a free enterprise system.

There is a stack of immigration cards produced by U.S. Citizenship Immigration Services, glossy flashcards. And you look through those flashcards and it asks, Who is the founder of our country? George Washington. Turn to another one, What is the basis of our economy in the United States? Flip the other side of it, free enterprise capitalism. It is a principal tenet of the American way of life that you must answer that question accurately if you want to become a citizen of the United States, and yet here we are debating whether we're going to have a managed economy or whether we're going to have freedom in free markets. Mr. Chairman, I am going to submit that we have got to be able to take a chance to succeed and fail.

The CHAIR. The time of the gentleman has expired.

Mr. LUCAS. I yield the gentleman an additional 30 seconds.

Mr. KING of Iowa. I thank the gentleman for yielding.

So I will point this out: We had a chance, and we should continue forward, to repeal the Community Reinvestment Act. We should regulate Fannie Mae and Freddie Mac. We ought to require them to meet the same

standards of every other financial institution in the United States. We should let people fail, though, so that others can succeed. And AIG should be split up. This is the seventh Federal agency when we have already too many. We need to have free enterprise succeed.

Mr. FRANK of Massachusetts. First, I yield myself 15 seconds to invite Members to show me the part of the bill where there is a bailout that goes to failed institutions and keeps them going. I will read the parts that make it very clear that that's not the case, but maybe there is something I didn't read. So anybody who tells me there is a bailout that goes to continuing business institutions—

Mr. GARRETT of New Jersey. Will the gentleman yield?

The CHAIR. The time of the gentleman has expired.

Mr. FRANK of Massachusetts. I yield myself 2 more minutes and yield to the gentleman.

Mr. GARRETT of New Jersey. I appreciate the gentleman yielding.

The language of the bill says that—

Mr. FRANK of Massachusetts. What page? Give me the page or we can't have a serious discussion, obviously.

Mr. GARRETT of New Jersey. The language of the bill gives the authority to set up a bailout—

Mr. FRANK of Massachusetts. I take back my time. If the gentleman will point to the page. I'm not interested in their misconceptions; I'm interested in actual language. The gentleman rose voluntarily, I would assume he would have the language.

Mr. GARRETT of New Jersey. Page 3 of the Judiciary Committee's self-executing amendment.

Mr. FRANK of Massachusetts. And it says what?

Mr. GARRETT of New Jersey. It says, on page 291, after line 4, Insert the following new subsections: Conversion to Bankruptcy (1) Conversion: The corporation may at any time, with the approval of the Secretary—meaning the Treasury Secretary—and after consulting with the council, convert the receivership of a covered financial company to a proceeding under chapter 7 or chapter 11 of title 11, United States Code, by filing a petition against the covered financial company under section 303(m) of such title. The corporation may serve as the trustee for the covered financial company.

Basically, what you have established here is a political decision by the Treasury Secretary to take an institution that they decide they are going to put into receivership—which you said before would be the end game—and allow them to convert back into 7 or 11 bankruptcy.

So your statement before—and this goes to my opening comment, which you responded to, why are we so concerned with such a large bill? The reason we are so concerned with such a large bill is because obviously the Chair and Members of your side of the

aisle have not read the entire bill. The reason we presented a much smaller bill was because obviously you have not read our bill either. I know our opening comment—

Mr. FRANK of Massachusetts. I will take back my time.

Mr. GARRETT of New Jersey. You yielded it to me, so I am responding.

Mr. FRANK of Massachusetts. I yielded to you—and I want to respond to the response.

Mr. GARRETT of New Jersey. You yielded me 2 minutes, I believe.

The CHAIR. The time of the gentleman has expired.

Mr. FRANK of Massachusetts. I took 2 minutes for myself, and then yielded to the gentleman.

Mr. GARRETT of New Jersey. I'm sorry, I thought you wanted a response.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 30 seconds just to explain to the gentleman from New Jersey, who misunderstands the rules, I yielded myself 2 minutes so we could have a conversation. He then used up the 2 minutes. So it was not within my power to continue it.

Mr. GARRETT of New Jersey. Hopefully I answered the gentleman's question.

Mr. FRANK of Massachusetts. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. AL GREEN of Texas) having assumed the chair, Mr. TEAGUE, Chair 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. 4173) to provide for financial regulatory reform, to protect consumers and investors, to enhance Federal understanding of insurance issues, to regulate the over-the-counter derivatives markets, and for other purposes, had come to no resolution thereon.

REPORT ON RESOLUTION WAIVING REQUIREMENT OF CLAUSE 6(a) OF RULE XIII WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. PERLMUTTER, from the Committee on Rules, submitted a privileged report (Rept. No. 111-369) on the resolution (H. Res. 962) waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules, which was referred to the House Calendar and ordered to be printed.

WALL STREET REFORM AND CONSUMER PROTECTION ACT OF 2009

The SPEAKER pro tempore. Pursuant to House Resolution 956 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4173.

□ 2200

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 further consideration of the bill (H.R. 4173) to provide for financial regulatory reform, to protect consumers and investors, to enhance Federal understanding of insurance issues, to regulate the over-the-counter derivatives markets, and for other purposes, with Mr. TEAGUE in the chair.

The Clerk read the title of the bill.

The CHAIR. When the Committee of the Whole rose earlier today, 108¼ minutes remained in general debate.

The gentleman from Massachusetts (Mr. FRANK) has 46¾ minutes remaining, the gentleman from Alabama (Mr. BACHUS) has 56½ minutes remaining, and the gentleman from Oklahoma (Mr. LUCAS) has 5 minutes remaining.

Who yields time?

Mr. FRANK of Massachusetts. I will yield 4 minutes to the gentleman from Illinois (Mr. GUTIERREZ), the chairman of the Subcommittee on Financial Institutions, who's done a great deal to help small banks in this bill.

Mr. GUTIERREZ. Mr. Chairman, in spite of the words of the other side of the aisle, I rise in strong support of H.R. 4173, the Wall Street Reform and Consumer Protection Act of 2009. This is legislation that is vital to making our financial institutions better capitalized, our consumers safe from predatory practices, and our economy stronger so that we can emerge from the recession that was caused by the very financial institutions that we are now fighting tooth and nail to defeat this legislation.

I was proud to work with the chairman to include my amendment. And I understand that my parents came to this country and they didn't speak English, and so the first 5 years before they sent me to school I spoke another language other than English. But I've had the bill thoroughly examined by those who do speak the English language and have only spoken the English language all of their lives, and they cannot find the bailout fund in the bill.

Now, I've worked with the chairman, I wrote the dissolution fund, I wrote the fund and I put it in the bill. It's my amendment. Now, the ex-ante fund means that firms that could ultimately be dissolved by this fund would have to pay at least.

But what my friends on the other side said, they said, and they finally used it, Mr. Chairman, in all of the committee hearings, they didn't call us socialists. They waited to get to the House floor before they used the dreaded word of socialism. And what did they say? They said, the socialists, that means us, the Democrats, created a bill in which, and this is Mr. BACHUS, and he can go and check his words, he said, they created a bill and they made all the institutions pay into it. And he said, that's socialism. And then when

one of them fails and doesn't do something right, all of those people that paid into the funds have to pay for the wrongs of that person.

Well, I guess Geico is socialist. State Farm is socialist. Allstate is socialist. Indeed, any insurance fund is socialist, because when I drive my car and never have an accident, I pay into the insurance fund so that maybe when some Member on the other side of the aisle gets into an accident, I pay with my funds for his mistakes. That's insurance. Now, what they won't tell you is that, unlike everybody in this room who has to go out and take out an insurance policy to drive a car, they want Wall Street and Goldman Sachs to be able to drive our economy into the ground without paying a cent of insurance in case they act recklessly.

And all we're saying, as Democrats, is it's simple: if you want to do business in America, and you threaten the economic stability of our country, then you've got to pay into an insurance fund. But let me tell you, it's not the kind of insurance fund that you get into an accident and you take your car and they fix and they give it kind of back to you new. No, no. In our insurance fund, you know what happens? We chop up your car into pieces and sell it, and then we pay back the fund with the pieces. That's our fund. Read the bill. It's a funeral fund.

You guys loved to talk about the death and death and death when it came to health care insurance. Why don't you talk about our death panels now? Oh, you don't want to talk about our death panels now, because you want to know why? Because yesterday they had 100 lobbyists out here in Washington, DC meeting with them. One hundred.

How many of those lobbyists do you think met with the other side of the aisle and said, we're here to make sure that our small farm is protected against Goldman Sachs? How many of those lobbyists do you think came here and said to my friends on the other side of the aisle, tomorrow can you make sure that that bill protects my 401(k)? How many of those lobbyists do you think they met with yesterday said, make sure it protects my home, make sure it protects my small business. I don't think any of those lobbyists came to ask my friends on the other side—

The CHAIR. The time of the gentleman has expired.

Mr. FRANK of Massachusetts. I yield the gentleman another minute.

Mr. GUTIERREZ. So let's be clear. This side of the aisle wants to make sure there are no longer situations of "too big to fail." Now, if you believe that the men and women at Goldman Sachs tonight and tomorrow and into the future, when they make an economic decision, they say to themselves, well, this might harm homeowners and put them on the street, we shouldn't do that—I'm sure Goldman Sachs they're really worried about

that. Let me see, these kids not be able to go to college if we make this economic decision. Oh, Goldman Sachs is really worried about whether our kids can go to college in America. Let me see. You mean, small businesses may suffer. Banks may go under if we make those decisions? I'm sure the men and women at Goldman Sachs, they think every day about the poor American public and the risk they put us to.

If you believe that, then you can follow my friends on the other side of the aisle and do nothing. But if you believe, as I do, and many of us, that we should protect the American worker each and every day, make sure the kids go to college, make sure there's a pension for him, make sure his home is there for him, then I say support this bill.

Mr. LUCAS. Mr. Chairman, I yield 3½ minutes to the distinguished gentleman from Indiana (Mr. BURTON).

Mr. BURTON of Indiana. I get such a big kick out of that hollering and yelling over there. Maybe I should get my voice up here real quick. You know, Shakespeare said, a rose by any other name would smell as sweet. And when we talk about socialism, I just suggest you go look in the dictionary and read what it says as far as the definition is concerned.

My Democrat colleagues have moved to take over the auto industry, the health industry, the energy industry, and now they're trying to do it through the bureaucracy, and now they're doing it with the banking industry and the financial institutions of this country. Now, when the government takes over the private sector, that's socialism. And if you don't believe it, look it up in the dictionary.

You know, this was tried back in the 1930s when Roosevelt was President. He passed what was called the National Recovery Act, and he tried to do it in one fell swoop. You guys are doing it incrementally, but you're doing the same thing they tried to do back then. There were two guys that came over from Europe who sold chickens, and they had these chickens in a crate. And they let people pick out the chickens they wanted to buy because the people could pick the fat ones or whatever ones they wanted. And the National Recovery Act officials came in and said, you can't do that; you have to take the first chicken you grab because you might leave some of the skinny ones for the people that come later. That case went all the way to the United States Supreme Court, and Justice Brandeis, who was not a conservative, he was a liberal judge, he wrote the opinion. And the vote was 9-0 saying that it was unconstitutional to have the National Recovery Act because it was socialism. And that's what you're doing right now to this economy.

And I think everybody in America that's paying attention really understands it. You're running us in the ground financially, and you're putting

all the control you can under the government. And the future generations are going to suffer because of that.

And so I'd just like to say to my colleagues tonight on the other side of the aisle, we believe we should solve these problems—and there are problems. But we believe we should do it the way Ronald Reagan did, instead of taxing the people to death, putting more control in government and putting us in a debt that we'll never get out of, and saddle our kids and posterity with something that they'll curse us for down the road.

So what I say to my colleagues, and I hope my colleague who just spoke is still around here, he probably left, go to the dictionary, and if you need one, I'll get it for you, and look up "socialism," and you'll see what you're doing is socialism.

□ 2210

Mr. FRANK of Massachusetts. Mr. Chairman, I would yield myself 15 seconds to say I wish we had the Consumer Financial Protection Agency already in place, because then the gentleman could get a refund on his dictionary because someone sold him a bum dictionary.

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

Mr. SCOTT of Georgia. Thank you very much, Mr. Chairman.

I rise in strong support of this legislation, very much needed. When you talk of socialism, these are the same arguments that were held when Franklin Delano Roosevelt and members on the same body on the Democratic side of the aisle came forward to respond to the crisis in that generation. And there is no difference here today.

Oftentimes, when we've had great debates and when people get heated up in the call of the debate, when there's nothing else to argue, when there is no other point, you can always rely on "it's socialism" or "it's communism." No. What this is is good ol' Americanism.

This is the most severe financial crisis since the Depression, and it requires this Congress to step forward with the intelligence and the sober mindedness to respond. This isn't socialism. This is good old-fashioned, good ol' free enterprise Americanism.

Let us talk for one second about one of the major issues that's been debated here, that this is not an end to bailout. This is an end of taxpayer bailouts to protect the American economy and American taxpayers from ever, ever again having to pay for a bailout. We don't know what the future holds in terms of ups and downs. This is not a socialist system. This is a free enterprise system. And that means we're going to be governed by the rigors of the markets, by supply and demand, by all of those things that are unforeseen.

But one thing we do know, that never again will the taxpayers have to foot the bill. That is what this does. It has worked well for us with FDIC.

There is nothing more we're doing with the system here for these large firms that are above \$50 billion in assets or hedge funds that are above \$10 billion then assessing them a simple insurance fee. If situations arise in which they become a systemic risk in which they have to be dismantled, then the taxpayers shouldn't have to pay for that. Let the financial services do it in that industry that is causing that problem. That is the American way.

Let us go to the issue of executive compensation. We know that one of the major reasons why we're in the situation we're in is because of incentives that require risk and encourage executives to take awesome risks as a feature for their bonuses or their compensation packages.

Are we saying the government now would determine these salaries and bonuses? No. We're incorporating the plan of resolution for this problem within the free private enterprise concepts, by telling the shareholders, allowing them to have a say in that pay. They own the company. Why shouldn't they be able to have a say-so in that pay so they will know what these risky behaviors are? And that is what we're doing in the executive pay and the compensation package.

And in the derivatives, we know what happened with Lehman Brothers. We know that was a derivative problem. That's a new, unregulated area, and so we move to govern and regulate over-the-counter derivatives by making them clear and standardized and putting them in exchanges for electronic platforms.

And finally, I want to add one other point. There has been a disproportionate impact on this crisis, and in this bill are some very important things for those people who have lost their jobs and are on the verge of losing their homes. And we put \$3 billion in here for that and to help with economic stabilization and to address their concern.

What a fantastic bill. I urge my colleagues to support it.

Mr. LUCAS. Can I inquire of the Chair how much time I have remaining, please?

The Acting CHAIR (Ms. TITUS). The gentleman has 3½ minutes remaining.

Mr. LUCAS. Madam Chairman, I yield myself as much time as I might consume.

In my concluding remarks, I'd like to observe to my colleagues you can pass a 1,200-page bill, you can set up the process to generate tens of thousands of pages of rules and regulations, you can hire an army of faceless bureaucrats to enforce all of that stuff, to make decisions for the economy, to make decisions for business, to make decisions for people, but you can't repeal the laws of supply and demand.

If you add enough fees and enough rules and regulations to the process of delivering credit, you will drive away the sources of credit, reduce the supply of credit. At the same time, we hope to

reinvigorate this economy, to start it growing again. Demand for credit will go up. What happens when you lower the supply of credit and you raise the demand for credit? Through pieces of legislation like this, ultimately you drive up the cost of credit for everyone. The laws of supply and demand.

I know my friends believe they're sincerely doing the right thing, but the right thing in this scenario will drive down the availability of credit while at the same time demand goes up; and costs will go up, too, and that will affect every business, every person, every entity that needs credit.

I come from a capital-starved district in Oklahoma. Credit's important to every farmer, rancher, businessperson, every person engaged in the industry of energy production, every individual with a family trying to send their kids to school. Let's not make everything they do cost more.

I would now yield the balance of my time to the gentleman from the Financial Services Committee, Mr. BACHUS of Alabama.

Mr. BACHUS. I thank the gentleman.

Mr. GUTIERREZ came to the floor, and he made a point that we want to avoid what happened in AIG, but, in fact, I think he reminded the body of a very important thing, and that is what did happen in AIG. Large counterparties and creditors were bailed out. And whether you call it a permanent bailout authority—as we do—of \$150 billion, or as the gentleman of Illinois says, a funeral fund of \$150 billion, and it is used to bail out creditors and counterparties, now, isn't that what happened in AIG? Isn't that what the gentleman from Illinois and the chairman of the committee say they want to avoid? Yet they create a fund to bail out large counterparties and creditors. And in AIG, they bailed out 12 large counterparties, 10 of them foreign banks, 2 of them Wall Street firms.

□ 2220

They didn't bail out any cities. They didn't bail out any counties. They didn't bail out any community banks. And over 1,000 were owed money. And they are creating another fund to do exactly that.

I see my time has expired.

Madam Chair, I yield 5 minutes to the gentleman from Texas (Mr. SMITH).

Mr. SMITH of Texas. Madam Chair, I thank the gentleman from Alabama, the ranking member of the Financial Services Committee, for yielding me time.

Madam Chair, Congress today faces a once-in-a-generation decision. To respond to the financial meltdown of 2008, Congress can enact reforms that respond to the true causes of the calamity. Or Congress can pass legislation that flies in the face of the facts.

The first course will protect America from the same fate we suffered last fall. The second will only pave the way for our next potentially worse crisis. That's what the Wall Street Reform

and Consumer Protection Act does. Why? Because as we have investigated the causes of the financial crisis, one conclusion has become clear. What caused the financial crisis of 2008 was government intervention in the economy. That intervention swept from the Community Reinvestment Act to Fannie Mae and Freddie Mac, to the Bear Stearns and AIG bailouts and beyond. It destroyed financial incentives, promoted dangerous risk-taking, and ultimately provoked full-blown market panic.

Yet what does this legislation do? It provides super-sized tools for ever more invasive government control of the economy. It further entrenches the Community Reinvestment Act. It fails to reform Fannie Mae and Freddie Mac. And it institutionalizes billion-dollar bailouts. For example, take the act's provisions that allow the Federal Government to take over and wind down the liabilities of financial institutions. This empowers the Federal Government to determine which of our biggest financial institutions live and die. It is backed by a \$200 billion bailout fund. It has never before existed. And it should not be created now.

For over 100 years, the bankruptcy code has been America's trusted means for dissolving or reorganizing failed or failing firms. The administration and this bill's sponsors send the Bankruptcy Code's remedies to the trash heap. They do so on the theory that Lehman Brothers' bankruptcy triggered the financial panic of September 2008. If bankruptcy triggered the panic, goes the argument, we have to look beyond the bankruptcy code to reform the financial system. The problem is that the so-called Lehman Brothers theory is a myth. The market took Lehman Brothers' bankruptcy more or less in stride.

What triggered systemic financial panic was subsequent action by the Treasury and the Federal Reserve. These agencies' actions signaled to investors that the government anticipated a market collapse, but did not have an adequate plan of action. In a self-fulfilling prophecy, it was only after the Treasury and the Fed ratcheted everyone up into a panic that the market itself collapsed and not after their earlier decision to let Lehman Brothers go into bankruptcy.

Other government actions also contributed to the panic. These included the government's inconsistent treatment of Bear Stearns and AIG, which it bailed out, and Lehman Brothers, which it did not.

Yet what does today's bill do? It expands and then cements into place the government's authority to engage in wave after wave of ad-hoc bailouts. It sews the Community Reinvestment Act into the very fabric of the new consumer financial protection agency. It fails to reform Fannie Mae and Freddie Mac, and it throws out the one tool that has worked to resolve a giant, failing financial company. That tool is

the bankruptcy code, which was used successfully to wind down Lehman Brothers.

Madam Chair, we have no reason to avoid the bankruptcy code and other sound measures that can avert future financial distress. What America should renounce is the super-charged government control of our economy that the bill represents.

We do not need government control that lets Federal agencies and government employees distort who gets credit, displace private enterprise, and determine behind closed doors what companies live and die. We have tried that before. It brought us the meltdown of 2008.

Mr. FRANK of Massachusetts. I believe there is an imbalance of time, so I will reserve.

Mr. GARRETT of New Jersey. I yield 3 minutes to the gentleman from New York (Mr. LEE).

Mr. LEE of New York. Madam Chair, with unemployment currently in the double digits and a Federal deficit of over \$12 trillion, Congress should be focused on creating jobs and keeping taxes low. Instead, before us today is another staggering bill, 1,300 pages in all, which will add to the deficit and shift thousands of jobs overseas.

This bill creates yet another new government agency which will be headed up by yet another new czar, in this case a new credit czar, who will limit consumer choices, ration credit and increase the cost of doing business.

It's outrageous that we want to give this new credit czar virtually unchecked authority to restrict financial product choices for businesses and consumers at a time when this economy is in dire straits. Studies suggest that this agency will reduce new job creation by at least 4.3 percent and worsen the credit crunch that businesses of all sizes are currently facing.

This bill also establishes a permanent bailout fund for financial institutions. Washington should finally abandon this notion of "too big too fail." I can tell you my constituents are surely sick and tired of the bailouts of Wall Street firms.

One thing I know: There is no such thing as a free lunch. And unfortunately, the \$150 billion cost of this new permanent bailout fund will rest on the shoulders of consumers and investors in the form of higher interest rates and increased fees.

The financial crisis showed us that reforms are needed. But this bill will do far more harm than good. This bill is simply the wrong approach at absolutely the wrong time, and I urge all of my colleagues to oppose it.

Mr. FRANK of Massachusetts. I yield 4 minutes to the gentleman from Minnesota (Mr. ELLISON).

Mr. ELLISON. Madam Chair, let me thank the chairman and ranking member, but also let me remind our colleagues that we are not here by accident. We are here because over the course of several years, lax regulation

and failure, and inadequacy of law landed us at a point where we have seen over 2 million homes in foreclosure in this year alone. By September 2008, the average housing price had declined by over 20 percent since 2006. That's real wealth from families. More than 60 percent of subprime loans went to people who could have qualified for lower cost. And nearly one in four U.S. borrowers currently owes more on their mortgage than their home is worth.

This, in large measure, happened, Madam Chair, because mortgage brokers, unregulated, lured families with low teaser-rate interest rates that later skyrocketed to unaffordable levels, hidden fees, and charges in incomprehensible terms and conditions that brought on the housing crisis and undermined the financial system.

I want to rise in favor of the Wall Street Reform and Consumer Protection Act, which includes a strong consumer financial protection regulation. One of the most important causes of the financial crisis, as I mentioned, is the utter failure of consumer protection. The most abusive and predatory lenders were not federally regulated, were not regulated at all in some cases, while regulation was overly lax for banks and other institutions that were covered.

To address this problem, I believe we need a new agency dedicated to consumer financial protection, a consumer financial protection agency, one agency, not a bunch, one, one that takes the interests of the consumer and puts them first. Not, let's work in the consumer. Not let's see what we can do for the consumer when we get to it, but the interests of the consumer up front.

Such an agency, as contemplated in this legislation, would have the power to stop unfair, deceptive, and abusive financial products and services. It would also require financial institutions to provide concise, clear and easy-to-understand disclosures on the terms and conditions of consumer credit products.

Of course, there are some who would like to keep the same regulators on the job and thereby piece together shards of a broken system. But what we need is real reform to protect not only the individual consumer but our economy as a whole.

Right now, many people are fighting tooth-and-nail to weaken and eliminate the consumer financial protection proposal, spending millions of dollars on a scare campaign that spreads false claims about the agency. But how can they do this in light of the over 2 million foreclosures we have seen? Consumers all across America can't afford what these lobbyists are selling to certain Members of our body.

The sale of risky and irresponsible credit products has cost over 10 million jobs and 2 million homes. We can't afford to lose any more, and that is why we need a consumer financial protection agency that is the cornerstone of any real regulatory reform.

Now this bill, Madam Chair, is comprehensive. It talks about derivatives, credit rating agencies, and executive compensation, and it ends bailouts.

□ 2230

Make no mistake about it: it is protection of the consumer, the average person purchasing a financial product that is the cornerstone of this financial legislation; and it is why I urge my colleagues to support it.

Mr. GARRETT of New Jersey. Madam Chair, can you advise the time remaining on both sides.

The Acting CHAIR. The gentleman from New Jersey has 50¼ minutes remaining, and the gentleman from Massachusetts has 33½ minutes remaining.

Mr. GARRETT of New Jersey. I now yield 2 minutes to a gentleman who is leading the fight against this bill, which perpetuates taxpayer-funded bailouts and the loss of millions of jobs, the gentleman from Illinois (Mr. MANZULLO).

Mr. MANZULLO. Madam Chair, I have great concerns about this bill, especially title IV of the so-called Consumer Financial Protection Agency. It creates yet another czar, and look at the groups that will be impacted by this bill:

Financial advisers, anybody providing financial advice, educational courses or instructional materials to customers, credit counselors, debt management services, anybody acting as a custodian of money, trust accounts, tax planning services, private pools of capital, municipalities who issue bills on utilities, water, sewer, electricity, waste collection, et cetera, courts dealing with fees, fines, taxes paid on an installment basis for counties and municipalities, schools, tuition installment, room and board, third-party agencies handling fee processing, banks, credits, unions, thrifts merchants, layaway plans, any installment plan, financing option, real estate activities, brokers, appraisers, title companies, title insurers, auctioneers, inspectors, surveyors of real estate settlement, cockroach inspectors for homes are covered under this bill.

What's financial about that unless you are counting cockroaches? Doctors, issuance of credit, rarely do people pay a bill at the "point of sale" in a doctor's office, lawyers, disbursing money through a trust account, the closing of a real estate transaction.

Madam Chair, this bill is so pervasive that the term "anybody involved in a financial action" literally covers somebody writing checks on behalf of his mother who is in a nursing home. That's why this bill is dangerous.

We can't proceed on a bill like this and have all these different groups that are impacted. Most of these groups will have no idea that they will be governed by the so-called financial czar. We don't need another czar. We need a lot more freedom in this country.

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

Mr. GARRETT of New Jersey. Madam Chair, I now yield 3 minutes to another leader in the fight against this bill which perpetuates the idea of continued taxpayer-funded bailouts, the gentleman from Florida (Mr. POSEY).

Mr. POSEY. Madam Chair, unfortunately this well-intentioned legislation misses the mark when it comes to taking steps to prevent future financial sector meltdowns. The well-intentioned authors of this bill have failed to fully acknowledge the reasons behind the current meltdown. They point primarily to Wall Street as the cause of the meltdown and direct most of their efforts in this bill at further regulating the private marketplace.

Certainly, the actions taken by some on Wall Street were responsible, at least in large part, for the financial meltdown. Efforts to address some of these excesses are warranted and should be part of the reform. However, there are many factors that contributed to the meltdown; and by assigning a disproportionate share of the blame to any one party, they leave in place many of the practices that contributed to the meltdown.

If we base our actions upon the mistaken notion that the financial meltdown was principally caused by the private sector and that the regulators lacked the necessary tools to oversee the private sector, then we are bound to repeat the mistakes of the past.

The crafters of this legislation have failed to objectively assign blame. History will bear out that a major culprit of the financial meltdown was the government itself, and the government's policies, including many such policies that were advocated by Members of the Congress.

The government-sponsored enterprises, Fannie Mae and Freddie Mac, were key players in the mortgage marketplace, and they were largely responsible for proliferating subprime loans. Freddie and Fannie were heavily regulated by the Federal Government. They carried an implied government guarantee.

Yet, what did they do? They purchased over \$1.9 trillion in subprime loans between 2002 and 2007. That, according to a report by the Government Oversight and Reform Committee, represented 54 percent of all such mortgages purchased in those years. In purchasing these subprime loans, they were encouraging lenders to make more of them.

Had Fannie and Freddie not been such ready buyers of subprime loans, many of the loans likely would not have been made. That is not to say that some of the private sector would not have made such loans; but had they done it, it certainly would not have been of the grand magnitude, since Fannie and Freddie would not have been standing there ready to buy the loans from the lenders.

We must also consider the actions of the Federal Reserve. The Fed and other central banks around the world kept

interest rates at very low levels between 2002 and 2006, making credit easy and cheap. Making access to money so easy and so cheap intensified and inflated the boom in the early to mid-2000s as well as the resulting burst in 2008.

Common sense would suggest that we would learn from these mistakes. Unfortunately, H.R. 4173 significantly expands the power of the Federal Reserve, the very entity that was responsible for, but failed to identify, systemic risk in what have become some of the recipients of taxpayer bailouts.

The Acting CHAIR. The time of the gentleman has expired.

Mr. GARRETT of New Jersey. I yield the gentleman 1 additional minute.

Mr. POSEY. Even worse is that H.R. 4173 creates a permanent TARP-like bailout authority. This is likely to promote systemic risk and undermine systemic financial stability.

Another blatant failure of the Federal regulators is the Securities and Exchange Commission's failure to pursue the investigation of Bernie Madoff's Ponzi scheme. In 1999 Charles Markopolos presented the SEC with an extensive report alleging fraud by Bernie Madoff. In 2001 Barrons ran an article outlining the alleged fraud.

While they had the necessary tools to investigate Madoff, the SEC's failure to use these tools at their disposal and launch a full investigation enabled Madoff to perpetuate his \$50 billion-plus Ponzi scheme. As further evidence it is wrong to further empower bureaucrats, note that today not one SEC employee has been terminated, disciplined, furloughed or even had their wrist slapped for their colossal failures with regard to the Madoff scandal.

We have also heard concerns of small businesses that this bill will further restrict their access to credit.

Not only is this particular development troubling, but when you consider the cumulative effects of legislation under consideration in the Congress that would adversely affect them, it is very disconcerting.

The taxes that would be imposed by the health care bill, the proposed national energy tax, the resulting carbon regulations coming forward from the Environmental Protection Agency, and the higher taxes that will be imposed by expiring tax reductions point to a perfect storm for killing America's economic engine—our small businesses.

There is plenty of blame to go around for the financial meltdown. The failure of the H.R. 4173 to acknowledge this, will only put us on the path to repeating such costly mistakes in the future.

I urge my colleagues to vote against H.R. 4173. Let's send this bill back to committee and get it right.

Mr. FRANK of Massachusetts. I yield to the gentlewoman from Ohio (Ms. KILROY), who I understand wants to engage in a colloquy.

Ms. KILROY. Thank you, Mr. Chairman. I would like to address the provisions of section 1103, which specifies the criteria to be considered in determining whether a financial company

might be subject to stricter standards. It is my understanding that nondepository captive finance companies do not pose the types of risks that warrant such treatment.

Nondepository captive finance companies typically provide financing on a nonrevolving basis only to customers and to dealers who sell and lease the products of their parent or affiliate. As such, they are involved in only a narrow scope of financial activity.

Equally important, their loans are made on a depreciating asset, a fact taken into account when the loans are entered into. If they are not a depository institution, they therefore have no access to the Federal deposit insurance safety net. It is my understanding that it is the intent of the committee that nondepository captive finance companies are not the types of finance companies that should be subjected to stricter standards under section 1103 of this legislation; is that correct?

Mr. FRANK of Massachusetts. The gentlewoman is correct. She has been very diligent in trying to protect this very important type of financing. Financing companies are not depository institutions. They provide financing for the sale of that particular product in that company.

It is again inconceivable to me that somehow they would rise to the level of risk that would justify the Systemic Risk Council stepping in.

Ms. KILROY. Thank you, Mr. Chairman.

□ 2240

Mr. GARRETT of New Jersey. Madam Chair, I yield 3 minutes to the gentlewoman from Minnesota (Mrs. BACHMANN).

Mrs. BACHMANN. Madam Chair, last July an economist from Arizona State University had determined that since the inception of "Bailout Nation" in September of 2008, the Federal Government has taken ownership or control of 18 percent of our economy, and if President Obama gets his way and takes over the health care industry, that's another 18 percent of our economy, or 48 percent. Then, if President Obama and former Vice President Al Gore have their way and cause electricity rates to necessarily skyrocket by taking over the energy industry and imposing a national energy tax, that would mean the government takeover of another 8 percent of the economy for a total of 54 percent.

As harmful to freedom as these bills are, they don't hold a candle to the government takeover and control of every financial transaction of the financial industry. And why? Because when government controls credit, when government rations credit and bails out its politically well-connected friends, that's gangster government at its worst, and that throws a net of government control over every financial transaction entered into in this country. Some experts say that is government control of another 15 percent of

the economy for a total of 69 percent. This is stunning, nothing less than stunning.

Could it be that not in our lifetime but in less than 18 months' time the Federal Government will take over or control nearly 70 percent of the American economy? And the majority has the audacity to berate this side of the aisle for suggesting the word "socialism"?

Heaven help the American taxpayer. Heaven help the American entrepreneur. Heaven help the maintenance of freedom for the sake not only of our people but for the sake of the continuance of the Constitution of these great United States.

Mr. GARRETT of New Jersey. Madam Chair, I yield 2 minutes to the gentleman from Minnesota (Mr. PAULSEN).

Mr. PAULSEN. I thank my colleague for yielding.

Madam Chair, unfortunately this bill only continues the culture of bailouts and encourages firms to engage in risky behavior. As far I'm concerned, all it will do is remove the element of surprise that we saw last fall with the first amount of selected bailouts we had, and this is not the right way to go.

Just look at what this bill would do to the availability of credit. The bill before us, this 1,300-page bill, has provisions that actually take away capital needed by firms to help expand businesses, increase investments, and ultimately create jobs. Estimates show that the size of the fund could be more than \$200 billion as a part of this fund. Now, this money has to come from somewhere, and this will place a significant burden not only on these firms but also on credit that will get dried up.

During these tough economic times with record unemployment, 10 percent unemployment, why do we make it more difficult for getting credit for small businesses and job creation? Why should a company who is not deemed to be systemically risky have to pay for those companies that have been engaging in excessively risky behavior?

Madam Chair, it's also worth mentioning the danger that's posed when we create institutions that are "too big to fail." That's been a problem with Washington, the "too big to fail" doctrine. In doing so, we will also define those businesses, unfortunately, that are too small to save, and we're not helping those too-small-to-save businesses.

It's unacceptable, unacceptable to have an economy, a two-tiered economy, economic system where the government is going to be picking winners and losers and it's codified into law. This bill does nothing to shelter companies from being swayed by the political winds like we saw in the previous round of bailouts. We've heard in testimony in committee that this bill will harm consumers from access to credit. It's going to make services even harder

to get. In a time when businesses can't access credit, why would we further stunt jobs and hurt economic growth? But as studies have shown, that's exactly what this bill will do.

The bottom line is, between the restrictions on capital, the jobs that would be lost, and the continued bailouts, this legislation is unacceptable.

Mr. FRANK of Massachusetts. Madam Chair, I yield 3 minutes to the gentleman from California (Ms. SPEIER).

Ms. SPEIER. Madam Chair, there are a couple of things I have asked Santa for Christmas. One of them is that our colleagues on the other side might tell the truth once in a while.

The words we have heard tonight, "overregulation," "government control," "job loss," "government takeover," "bailout funds," couldn't be further from the truth. Let's go back in history.

For over 60 years, the Glass-Steagall Act worked in this country. It worked because the banks, the investment banks, the commercial banks, the insurance companies had to be separate. And then the financial institutions came in 1999 and we offered them, on a silver platter, what is called the Gramm-Leach-Bliley Act which allowed them all to merge, which allowed them to become too big to fail.

So what this particular bill is going to do is reverse that in many respects. It is going to create accountability. That fund that we're talking about is not going to be paid for by the taxpayers; it's going to be paid for by the companies themselves. It means that we are not going to see the kind of job loss we've had over the last few years because that all came under a period of time where there was no regulation, where the SEC was allowed to reduce the number of enforcement actions by 80 percent and disgorgement actions were reduced by some 60 percent.

So, Madam Chair, there's only one other thing I ask Santa for Christmas, and I think we're going to get it, and that is that the Wall Street firms are going to find something new in their Christmas stockings, and it's called accountability.

Mr. GARRETT of New Jersey. Madam Chair, I yield 2 minutes to the gentleman from Florida (Mr. PUTNAM) who recognizes that Glass-Steagall had absolutely nothing to do with the bailout of Bear Stearns and Lehman and the S and L crisis, and the gentleman who also recognizes that the American public is tired of the bailout mentality which would be sustained by this bill.

Mr. PUTNAM. I thank my friend for yielding.

Tonight my Democratic colleagues have brought forth for taxpayers' consideration legislation that will not only cost America more jobs but will make recovery more illusive, particularly for small businesses.

The bill creates a permanent bailout fund totaling \$200 billion for Washington to prop up failing institutions,

assuming, that is, that the \$150 billion tax proves insufficient. That tax will contract lending and cause the loss of hundreds of thousands of jobs. The legislation would create a new burden on end users of derivatives in every sector of our economy: commercial real estate, energy production, manufacturing, agriculture, utilities, even health care. These types of businesses depend on hedging to protect themselves from price volatility.

What's more, businesses that had nothing to do with the financial collapse will now be saddled by a complex new regime of regulations. This will force businesses all across America to use their working capital against a risk they never posed instead of creating new jobs, replacing equipment, or expanding their business.

The legislation also welcomes a new bureaucrat, the credit czar, to our Nation's Capital in the form of a Washington-knows-best agency. The credit czar's mission is to dictate which financial products can and cannot be made available to consumers. The credit czar is required to assess fees on entities so the new government bureaucracy can meet its expenses. Such attacks mean less money for small businesses to create jobs, more fees passed on to consumers, and less access to credit for small business. What this assessment does guarantee is a bigger Washington bureaucracy.

If you're serious about lowering the deficit and creating jobs, oppose this big government expansion and support the Republican substitute.

Mr. FRANK of Massachusetts. Madam Chair, I yield 3 minutes to the gentleman from Ohio (Mr. WILSON).

Mr. WILSON of Ohio. Madam Chair, I come to the floor tonight to support H.R. 4173, the Wall Street Reform and Consumer Protection Act of 2009.

I have often said it's hard to play a fair game without a referee, and I believe that this bill will help us put the appropriate referees in place in our financial markets. It's a big step forward for more oversight, transparency, and consumer protection.

Before coming to Congress, I served for many years on a small bank board back home in Ohio. I know that small banks like the one in our community were not the problem that we're having today and they were not a part of the problem that led our financial markets to the edge of collapse this last fall.

□ 2250

I am proud that this legislation acknowledges that by not putting unfair burdens on banking institutions that have shown themselves to be good corporate citizens.

While the bill is not perfect, I support commonsense regulation of our financial markets. We must put an end to the "too big to fail" phenomenon. We must finally give consumers the long-overdue protection that will be provided by consumer protection. And we have to continue making significant

improvements on mortgage lending standards so that we never again suffer from predatory lending and practices that we have in the past.

I urge my colleagues to support this important legislation.

Mr. GARRETT of New Jersey. May I inquire of the Chair the amount of time remaining on both sides?

The Acting CHAIR. The gentleman from New Jersey has 38 minutes remaining; the gentleman from Massachusetts has 30¼ minutes remaining.

Mr. GARRETT of New Jersey. Madam Chairman, I yield 4 minutes to the gentleman from Texas (Mr. NEUGEBAUER).

Mr. NEUGEBAUER. I thank the gentleman.

Sometimes we think that government's role is to save the world. When I was in small business, there was a joke: People would say, I'm from the government, I'm here to help you. And you know, what I hear from small business men and women all across the country right now is, Please don't help us anymore. Why are they saying that? Because over the years, Congress has amassed a huge amount of regulations, and those regulations have been put on the backs of businesses all across our country.

Today, we are here to put another huge mountain on top of the financial markets, the capital markets, the very markets that our small businesses depend on for capital, in the name of trying to help them. And I will tell you tonight we're going to hurt them. We are going to cause people to lose their jobs because of this bill. In fact, a recent study at the University of Chicago and George Mason University estimated that passing this piece of legislation would reduce job growth by 4.3 percent. And you say, well, how can a consumer protection, how can a regulatory bill hurt small businesses, how can it cause job losses? Well, let's look at some of the predictions in here.

We are going to have this new regulator that is going to determine what kind of financial products banks and people that provide loans can hand out. So if I need a specialized loan that maybe has a little bit different terms than normal, my lender is concerned that the regulator is going to look at that loan and say, you know what, you shouldn't be making those kinds of loans.

At a time when the President of the United States is even trying to look and wait to find some jobs—and we are all looking for all of those jobs that supposedly the stimulus package created, but the truth of the matter is this will kill jobs. It will also hurt small businesses' ability to get capital.

Right now, we already hear that banks across the country are a little reluctant to loan money. Why are they reluctant to loan money? Because the regulators are clamping down on them. And now we're going to say to the regulators, you know what? You didn't clamp down hard enough, you didn't

regulate enough, so we're going to give you some new marching orders and put this new massive legislation in place. And everybody thinks that that is going to free up credit for small businesses to create jobs in America? It's not going to do that.

The concern I have is that if we continue down this road of regulation in the financial markets, we are going to begin to limit the choices for these banks to provide financial products.

The other thing that this bill does is it picks winners and losers again. Now, the distinguished chairman of the committee, who I have great respect for, says the taxpayers' money isn't involved in here. Maybe it's not tax money, but the consumers are going to pay for these bailouts. If you have an assessment, and you assess an entity for bailing out its competitor—and how that makes sense, I don't know—who do you think is going to pay the additional cost that that company is going to have to pay the assessment? The consumer is.

So what is this going to do to small businesses? It's going to raise the cost of capital. In fact, there is an estimate out there that the U.S. Chamber of Commerce, and others, say this will raise borrowing costs almost 1.5 percent for people and small businesses and consumers. Now, how does that help the economy? It doesn't help the economy; in fact, it puts a weight on the economy and, again, is going to cause jobs to be lost in this country.

So the question is, why are we here tonight? Why are we debating this bill? It's got a fancy title that says it's going to protect consumers, and it's going to punish Wall Street. Well, really, the issue is it doesn't punish Wall Street, because if you're a big company, this bill says we've got a way to prop you up because we're going to get the Federal Reserve to imply that you are too big to fail, picking winners and losers. And then that gives an unfair competitive advantage to these banks and other entities that aren't on the "too big to fail" list.

So I encourage my colleagues to vote "no" on this piece of legislation.

Mr. FRANK of Massachusetts. I yield 4 minutes to the gentleman from Texas (Mr. AL GREEN).

Mr. AL GREEN of Texas. Madam Chair, it is said that a politician will always rise to the occasion; many have tonight, and many will. But it is also said that it takes a statesman to make the occasion. And I can say to you without reservation, hesitation, or equivocation, there is one great statesman among us tonight, and that is the honorable Chair of the Financial Services Committee who has made this occasion. And it should be intuitively obvious to the most casual observer that he has made this occasion because of a mandate from the American public, but also in spite of the efforts of many.

I would have us note that this newfound theory of "less is best," this newfound theory of 170 pages is better

than 1,279 pages, that this newfound theory can be improved upon. Rather than have 170 pages, why not have just one page, one page with nothing on it, or because we are all educated, let's just have one page with *laissez faire*, because that's what got us here, *laissez faire*, invidious *laissez faire*. This is what produced 327s; mortgages with 3 years of a fixed rate and 27 years of a variable rate; 228s, 2 years of a fixed rate—many people are very much aware of what I speak because they have suffered from these insidious products—2 years of a fixed rate and 28 years of a variable rate.

And then we had these teaser rates that coincided with prepayment penalties, such that if you wanted to get out of the teaser rate before it's set to an adjusted rate you had to pay an enormous prepayment penalty that locked people into these teaser rates. And of course we had the naked shorts. People were actually betting that the market would go down without money to cover the bets. And of course we had what we called the credit default swaps, the whole notion that you can bet that something won't fail and not have the money to cover your bet. Even in Vegas you have to have the money to cover your bet. AIG was engaging in a gambling racket that at any other time and place could have been declared unlawful and people could have gone to jail.

And of course this *laissez faire*, hands-off attitude gave us the so-called "too big to fail"; too big to fail, which is just the right size to regulate, just the right size to separate into smaller pieces, and just the right size to eliminate, which is what this bill, H.R. 4173, does. It puts "too big to fail" in a position such that it will not only be regulated, but it will be eliminated. And it will be done in an orderly process, very much akin to the way we move in when banks are failing, and on one Friday it closes, and on Monday a new bank opens, perhaps not as fast, but the concept is the same.

□ 2300

"Too big to fail" will no longer exist.

So, Mr. Chairman, I want to commend you, and I want to thank you for allowing me to be a part of this process and a part of this legislation. I want to thank you because I want you to know that there would be no H.R. 4173 without your leadership. Your leadership has clearly made a difference in the lives of people in this country.

The Acting CHAIR. The time of the gentleman has expired.

Mr. FRANK of Massachusetts. I yield the gentleman an additional minute.

Mr. AL GREEN of Texas. And it is my absolute belief that when historians look back through the vista of time, they will say that the chairperson of this committee left big tracks in the sands of time, and that he made a difference in our lives for all time.

Mr. GARRETT of New Jersey. Madam Chairman, I now yield 6 min-

utes to the gentleman from Texas (Mr. HENSARLING), who has been probably one of the most outspoken leaders in our committee to try to end the continuation of taxpayer-funded bailouts.

Mr. HENSARLING. Madam Chairman, I rise tonight to oppose the Permanent Wall Street Bailout and Increase Job Losses Through Credit Rationing Act of 2009. If Congress had to abide by the truth-in-advertising laws that they impose on the rest of the Nation, surely this would be the official title of, indeed, this 1,279-page piece of legislation.

Madam Chairman, it is section 1609(n), for those who may have written the legislation and forgotten it, that creates a permanent \$200 billion bailout fund. To paraphrase a line from the famous Kevin Costner movie "Field of Dreams," if you build it, they will come. The only reason to create a Wall Street bailout fund is to bail out Wall Street permanently.

Now, the Democrats claim, Madam Chairman, that the bailout fund will not be paid for by taxpayers; but, Madam Chairman, these are the very same people who told us that the GSEs, the government sponsored enterprises, would never, never receive a dime of taxpayer money. And I guess, in a sense, they were literally correct. Instead, it's \$1 trillion, \$1 trillion of taxpayer money now committed to the failed government-sponsored enterprises.

These are the very same people who told us that, hey, don't worry about the Social Security trust fund; it'll get paid back. Medicare is financially sound. The National Federal Flood Insurance Program will never need a taxpayer infusion.

Madam Chairman, they were wrong then and they are wrong now. Besides creating a permanent Wall Street bailout fund, Madam Chairman, this bill represents the fourth piece of the Democrats' failing economic agenda. First was the \$1 trillion stimulus, next the \$600 billion national energy tax. After that, the \$1 trillion government takeover of our health care plan.

Now, we all remember the stimulus plan. The President told us if it was enacted that unemployment would never rise above 8 percent. Yet our unemployment rate is at double digits, the worst in a generation; and the legislation before us will cause even more job losses. In sections 4301, 4304, 4308, it will do this by empowering an unelected czar to unilaterally—give the power to unilaterally ban and ration consumer credit products, and then finance itself through hidden taxes on consumer credit and successful American companies.

You heard the study alluded to earlier: interest rates paid by consumers would rise 1½ percent; new jobs would be reduced by almost 5 percent in our economy. More jobs would be lost, Madam Chairman, under the bailout authority which assesses \$150 billion of taxes on large financial firms.

Now, maybe those on the other side of the aisle wish to engage in the myth that somehow that won't be passed on to consumers, that somehow this won't impact credit lines at small businesses; but they are wrong. Increased interest rates. Increased fees, fewer loans to small businesses. Madam Chairman, once again, more jobs will be lost under the Permanent Wall Street Bailout and Increase Job Losses Through Credit Rationing Act of 2009. The United States Chamber of Commerce has said that if this act is passed, it would have a significant adverse effect on small businesses by restricting their access to credit. Some would lose credit altogether.

Madam Chairman, I talk to a lot of good community bankers in my part of Texas. I have heard the chairman allude to the ICBA, and I certainly respect those who have Washington ZIP codes. Frankly, I respect those who have Texas ZIP codes a little bit more. I talked to a man who helps build Palestine, Texas, Kev Williams, East Texas National Bank. And he said, Congressman, if I have more compliance costs and the Federal Government in going to limit the types of customized credit products I can offer, we will lose jobs in Anderson County, Texas, that I have the privilege of representing in Congress.

I heard from a small businessman in my district, from Jacksonville, Texas, "As a small businessman the restriction on credit may very well mean the end of my company." Madam Chairman, why should we pass any legislation that will harm the ability of small businesses to access credit in the midst of a credit contraction? After 3.6 million of our fellow countrymen have lost their jobs since President Obama took office, I ask my Democratic colleagues, how many more jobs have to be lost? How many more?

And, Madam Chairman, next the government takeover. Again, after proposing the \$600 billion tax on our energy sector, a \$1 trillion takeover of our health care system, the Democrats now bring us the next chapter in the narrative, and that is the takeover of huge portions of our consumer credit and finance markets. They will create a huge new, complex government bureaucracy and grant it sweeping draconian powers.

Section 1104 will allow it to break up successful companies like Dell Computer or American Airlines. Section 204 and 4306 will allow it to dictate the pay structure, all the way down to a bank teller in east Texas making \$25,000 a year.

The Acting CHAIR. The time of the gentleman has expired.

Mr. GARRETT of New Jersey. I will yield the gentleman another 2 minutes.

Mr. HENSARLING. Madam Chairman, section 4301 will allow it to decide, again, which credit cards, which home mortgages, and which car loans we are allowed to receive, and the list goes on and on and on. Madam Chair-

man, what this really leads us to is a bailout and job loss bill where the big get bigger, the small get smaller, the taxpayer gets poorer and the economy gets more political.

Madam Chairman, what does a political economy look like? Well, we've seen it. We've seen it in the government-sponsored enterprises of Fannie Mae and Freddie Mac, where we give them these monopoly powers. They're allowed to grow these profits, but then they do a deal with Congress, oh, but you have to have an affordable housing mission. You have to have this political mission. And \$1 trillion of taxpayer liability exposure later, we know how that turned out. That's what a political economy is about.

How about GM and Chrysler? When they went bankrupt, all of a sudden, allies of the administration, the United Auto Workers, they end up with a sweetheart deal. And Chrysler, senior secured creditors received 29 cents on the dollars; but the United Auto Workers received 43 cents on the dollar, and they ended up owning the company. How convenient. That's what a political economy looks like.

And look at individual Members of Congress, including the distinguished chairman of this committee. From *The Wall Street Journal*, dated June 5, 2009, quote, "The latest self-appointed czar is Massachusetts' own BARNEY FRANK, who intervened this week to save a GM distribution center in Norton, Massachusetts. The warehouse, which employs some 90 people, was slated for closure by the end of the year under GM's restructuring plan. But Mr. FRANK put in a call to GM's CEO, Fritz Henderson, and secured a new lease on life for the facility." Now, I respect our chairman. I'm not here to suggest—

The Acting CHAIR. The time of the gentleman has again expired.

Mr. GARRETT of New Jersey. I yield the gentleman an additional 1 minute.

Mr. FRANK of Massachusetts. I will give him a minute because they're listening in Norton.

Mr. HENSARLING. I know that the distinguished chairman relishes this. And, again, I'm not here to suggest that the activity is illegal, was immoral, was even fattening. I'm here to suggest it is what a political economy is all about. I would suggest anyone else besides the chairman of the Financial Services Committee making that telephone call, that facility wouldn't be open today. Under this bill, Madam Chairman, Americans' job security will depend less on how well you perform your job at home and more upon who you know in Washington.

□ 2310

That is what the political economy is all about.

This bill represents an assault on the fundamental economic liberties of the American citizen. You want a home mortgage, you now have to get the approval of the Federal Government. You

want to offer a credit product? The Federal Government. If you build a successful business, it can be torn down unless you go to the Federal Government on bended knee.

Fewer jobs, more bailouts, more government control, less personal freedom. It is time to reject this bill.

Mr. FRANK of Massachusetts. I yield 4 minutes to the gentleman from Illinois (Mr. FOSTER).

Mr. FOSTER. I want to thank the chairman for yielding.

I rise in strong support of H.R. 4173, The Wall Street Reform and Consumer Protection Act of 2009. As a member of the House Financial Services Committee that drafted this landmark bill, I'm proud of our chairman's work, and I want to especially thank the chairman for his diligent efforts over the last many months in shepherding this complex piece of legislation to the floor this week.

This historic comprehensive legislation has dozens of moving parts designed to prevent future bailouts and restore financial stability to the marketplace. I make no apologies for its complexity. It is the simplistic view of financial markets that has brought us to this place.

I want, however, to take a moment to highlight a few of the possibly underappreciated aspects of this bill which may ultimately prove to be among the most beneficial.

First, this bill has language authorizing requirements for the inclusion of something called contingent capital into the capital structure of large financial holding companies. Contingent capital is a special form of debt which, when a company gets into trouble, will immediately convert into equity on previously negotiated terms, thus causing the firm to be recapitalized without requiring a penny from the taxpayer. In this sense, a requirement for large firms to carry contingent capital amounts to a requirement that they carry privately funded bailout insurance. The elegance of this solution is that it is market based and privately funded.

For large financial firms that are poorly run, the market-imposed terms on which they could receive contingent capital could be more onerous than their better-run competitors. And while not eliminating the need for a systemic dissolution fund, I firmly believe that contingent capital will become the first best line of defense against financial contagion and will serve to mitigate the effects of future crises.

Secondly, this bill significantly reforms the credit rating agencies which played a central role in the crisis last fall by giving inflated ratings to mortgage-backed securities and other financial instruments. In the wake of the Enron accounting scandal, Congress established an independent Public Company Accounting Oversight Board, PCAOB. This board, dominated by

users of accounting reports, was designed and effectively regulates the accounting industry. And this bill, in addition to mandating that the rating agencies establish internal controls to resolve conflicts of interest and institute better corporate governance, also has language which creates a prototype independent committee to oversee the SEC regulation and enforcement of the rating agencies. Like the PCAOB, this oversight committee will be dominated by end users of credit ratings and will serve as a template for future, stronger oversight if the SEC enforcement proves inadequate.

Finally, the last issue that I'd like to highlight is the greater investor protection this bill provides. In particular, this bill contains a provision that makes investment adviser fraud—like that perpetrated by Bernie Madoff—virtually impossible. Specifically, the bill contains language which requires those who advise and manage large amounts of money on behalf of others either to employ an independent custodian to hold those assets or to have an independent set of eyes verifying the accuracy of statements to investors. This simple requirement should give investors peace of mind that what is on their statements each month actually exists.

I have touched on only a few of the historic and beneficial changes in this bill designed to restore market confidence, ensure the end of taxpayer-funded bailouts, and modernize the rules governing our 21st century economy. I hope my colleagues can support this important bill.

Mr. HENSARLING. Madam Chair, at this time I would like to yield 5 minutes to the distinguished ranking member of the Capital Markets Subcommittee and one of the true champions of economic liberty in Congress, the gentleman from New Jersey (Mr. GARRETT).

Mr. GARRETT of New Jersey. I thank the gentleman from Texas.

You know, the American public has spoken. They are opposed to more taxpayer-funded bailouts, they are opposed to more loss of jobs in this country, and they are opposed to bigger and larger and more expensive government. The American public has spoken. Obviously, the majority has failed to listen to them, because we've come to the floor tonight with a major 1,300-page piece of legislation which goes in the exact opposite direction that the American public has asked for.

The bill before us has in it taxpayer-funded bailouts. The bill before us has in it the loss of additional millions of jobs, and of course, with the 1,300 pages that we see here before us, the bill before us has in it an expansive growth of the Federal Government and cost that we have never seen the likes of which during our 200-plus history.

You know, at the beginning of this 2- or 3-hour debate that we've had here on the floor, the chairman of the committee began his remarks by saying

that we will have—we will be hearing fantasy tonight, and then he proceeded to give us some of that fantasy, for much of what we've heard from the other side of the aisle is fantasy, whether it's describing their legislation that we're about to vote on later tomorrow or whether describing legislation that we have offered as an alternative to it.

You know, I've heard the chairman say there is nothing in this bill, in the Republican's alternative, dealing with 13(3) and the Federal Reserve powers. I guess the chairman has never taken a look at the Republican substitute.

Mr. FRANK of Massachusetts. Will the gentleman yield?

Mr. GARRETT of New Jersey. I will.

Mr. FRANK of Massachusetts. The gentleman stated the exact opposite of what I said. He's quoting another Member.

I said, in fact, that on 13(3) our bills are very similar. So the gentleman has just put words in my mouth that was the exact opposite of what I said. It was another Member who talked about 13(3). I talked about the similarity of our approach as you had offered it in committee and ours on 13(3).

Mr. GARRETT of New Jersey. I remember in committee that we had similarity, but I remember, because I wrote it down, that there was nothing in our bill with regard to this.

Mr. FRANK of Massachusetts. Another Member said that, yes.

Mr. GARRETT of New Jersey. I thought I heard it from you, just as I thought I heard it from you saying that there was nothing in our bill with regard to executive compensation, and I know that we do have language in our bill which also was discussed in committee with regard to executive compensation. So at least in that area I know I heard this from the chairman, and it is in our bill. I thought I heard the chairman say that there's nothing in here with regard to Federal powers.

Regardless, if it's just one issue or two, I would just ask the chairman to refer back to my earlier comments, the reason we're concerned with the extensive nature of the largeness of the bill is because when it gets so large, 1,300 pages, your side of the aisle is not familiar with what's in your bill, and even our bill, which pales in comparison by size, you fail to know exactly what's in ours as well.

The American public has spoken out and says they're opposed to more taxpayer-funded bailouts. This was one point where we were in discussion just a moment ago, an hour ago, where I did have to point out to the chairman that in your bill, in the Judiciary Committee self-executing amendment, there is language in there which basically perpetuates what has occurred already in this year that the American people are opposed to is taxpayer-funded bailouts.

Let me explain it very quickly.

What happens is the Federal Government is able to set up a taxing mecha-

nism on businesses in this country to the tune of \$150 or \$200 billion, and until we establish that, you can—the Treasury Secretary can draw on the taxpayer dollar to help fund this mechanism. And even after that is set up, under this provision on page 3, the corporation may, as I said before, convert what is called a receivership—which basically would be putting the business out of business, which is something that the chairman says would occur—but then would allow it to proceed to a chapter 7 or a chapter 11 bankruptcy, and, of course, that basically means that the business is reorganized.

So what's occurring here is we are allowing the Treasury Secretary, a political appointee, to make the decision, the life-and-death decisions of businesses of this country.

□ 2320

And they will say that this company is going to survive, and this company is not going to survive, and this company over here is going to survive on the backs of American taxpayers. This company is going to survive even though it made bad decisions, risky decisions, but for whatever political purposes or otherwise, the Treasury Secretary can sign off and say, take taxpayer dollars, funnel it into that company for a while under the corporations act, under the bridge loans and bridge proposals and what have you, and then under section B on page 3 convert it back into a reorganization and allow it to flourish once again with the blessing of the Treasury Secretary and of this administration and of the American taxpayer as well.

The Acting CHAIR. The time of the gentleman has expired.

Mr. HENSARLING. I yield the gentleman an additional 2 minutes.

Mr. GARRETT of New Jersey. So the bill does have what the American taxpayer does not want to have, which is a continuation of bailouts at their expense.

What else does the bill have that the American public is asking not to have? And that is the loss of jobs. I remember being on this floor, and I do remember this conversation very well standing right over there when the majority leader was standing over here at the beginning of the year, and he was predicting, he was promising that if we only passed the \$700 billion or \$800 billion stimulus package, as the gentleman from Texas said earlier, that we would see the results immediately, not by the summer, not by the end of the year, not by next year, but we would see immediate job growth in this country. We would never see 8 or 8½ percent unemployment, and we would see the results immediately.

Well, that tune changed when unemployment went up to 8, then 8½ percent, then 9, then 9½, then 10, then 10.2 percent. Then, all of a sudden, their tune changed to say, well, you won't see it immediately. We will see it some time next year. And now, of course,

we're coming to the floor with the majority leader saying that we will see job growth some time next year, but we just need another stimulus package. However many dollars from the American taxpayer pockets that's going to cost, I'm not sure.

Mr. HENSARLING. If the gentleman would just yield on that one point, I would say the results were seen immediately, and that is an additional 3.6 million of our countrymen lost their jobs under this program.

I yield back to the gentleman.

Mr. GARRETT of New Jersey. Thank you. Actually, you're right. We saw two things immediately. We saw the loss of 3½ million jobs during that period of time, and, of course, we saw more borrowing from the American taxpayer and also actually from overseas, China and elsewhere, to the tune of \$700 billion or \$800 billion. So those are the predictions, those are the promises there.

What do we see in this bill? What we see in the bill is the creation of a number of entities, a number of pieces in this bill that will result in losses of even greater numbers of jobs. Just like we saw the studies showing that if we ever passed cap-and-trade we will be seeing millions of jobs lost there, just as we saw the documentation coming out with the health care bill saying we would lose millions of jobs because of that. Here too studies have looked at the CFPA and said that provision alone would raise the interest rates for businesses.

The Acting CHAIR. The time of the gentleman has again expired.

Mr. HENSARLING. I yield the gentleman 2 additional minutes.

Mr. GARRETT of New Jersey. That provision alone will raise interest rates between 1.4 or 1.6, but say 1.5 percentage points, that means that businesses and individuals trying to get loans will see their loans go from 6 percent up to 7½ percent. That will mean less jobs today and in the future. How many jobs? Well, one study points out roughly over 1 million jobs under that provision alone.

Where else will we be losing jobs? We will be losing jobs due to this whole bailout proposal in this bill. If you put a tax on anything, you're meaning that those businesses can't spend the money here when they have to send it over to the government to be stored over here for some other purposes. So if we are going to ask businesses to spend \$150 billion, \$200 billion on this new bailout tax, well, some studies have looked at that and said that will result in higher costs for those businesses naturally, less ability for them to invest. If they can't invest it in new plants, materials, and employees, they will be putting it over here. The numbers there we are seeing is around some 450,000 less jobs because of that provision.

You're talking between those two provisions alone in the over millions range of jobs not being created or lost because of this legislation.

So I will leave to later on my last point, which is that this bill obviously also creates bigger government, more expansive growth of government, more expansive takeover of the private sector and private individuals' lives as well, their decisionmaking lives, as Ranking Member BACHUS said at the very beginning comments, all things the American taxpayer has spoken out against.

The American taxpayer has spoken out against taxpayer-funded bailouts. They said we want less job destruction. We want less big government. This bill gives us taxpayer-funded bailouts. This bill gives us destruction of more jobs. And this bill gives us a bigger government. All things the American public is opposed to. And that's why I come to the floor tonight and oppose this piece of legislation.

Mr. FRANK of Massachusetts. I yield 5 minutes to the gentleman from North Carolina (Mr. WATT), a leading member of the committee who has done a great deal on this bill.

Mr. WATT. Madam Chair, I have endured the entire debate this evening, which is now approaching 3 hours, and I've been absolutely fascinated by it. Before I came to the body, I practiced law for 22 years. I've now been in this body 17 years. When I was practicing law, quite often, I had cases in which the facts and the law were on my side, and I would go to court, and I would argue the facts and the law and deal with what was before us.

Sometimes I would have some cases where neither the facts nor the law were on my side. And I would show up in court, and I would argue everything other than what the case was about. Now, that's what my friends on the opposite side of the aisle have been doing tonight, because neither the facts nor the law is on their side this time.

So we've heard about health care. I've been making notes. I was here the whole time. We've heard about socialism. We've heard about supply and demand. We've heard about energy and electricity rates. We've heard that the government intervention caused the economic meltdown, that the Fed ratcheted up the panic and that other government agencies contributed to the panic, and that's how we got into this economic mess.

We've heard almost every speaker talk about the size of the bill. We've heard something about cockroaches. I have no idea what that has to do with this bill. We've heard a lot about czars. We've heard about the 2003 and 2007 Fannie and Freddie purchase of subprime loans, and made it sound like somehow that was our fault rather than your President who was out there pushing home ownership when we were trying to get him to push to provide decent housing for people.

We've heard about credit czars, and we've had our colleagues just pull figures out of the sky. I have no idea where they came from. This bill is going to increase interest rates by a

point and a half. I don't know how anybody would ever be able to know that. It's going to decrease jobs by 5 percent. I don't know where that figure came from. It's going to break up Dell. My goodness. I didn't know Dell was a financial entity at all. It's in the computer business, it's not in the financial services business. And we've heard our friends say that they don't want taxpayer bailouts, but they also don't want us to set up a fund that's paid for by the industry to take care of the dissolution of these failing companies.

So what's the solution here? I don't know what their solution is, to be honest with you. The truth of the matter is the private market failed, and we had an economic meltdown. And I think we need some reasonable regulation, which is what this bill does.

We need somebody who is going to show up at work every single morning saying, my primary obligation is to at least think about what is in the interests of consumers. And that's what the consumer financial protection agency's charge and responsibility will be.

And that is what this bill does.

□ 2330

We need to do something about all these predatory loans that were made that are now being foreclosed and have gotten us into the financial mess that we are in, and that's what this bill does. We need to make the derivatives market more transparent and put them on a platform so that the whole world can see what's going on back there in the derivative room, and that's what this bill does.

Now, what do you all want to talk about? You can talk about health care or energy or electricity or cockroaches or whatever you want to talk about. We want to fix this economic system in our financial services industry. That's what this bill does. It is long, it is complex, it is a complex undertaking. Our Chair has done it admirably; he has led this.

What is your proposal? That we just do nothing and let the market take care of itself?

That is not an option, my friend. That is not an option, my friends. That time has passed for a while.

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR. Members are reminded to direct their remarks to the Chair.

Mr. HENSARLING. Before yielding to the other gentleman from Texas, I will yield myself 1 minute.

I heard the gentleman from North Carolina in a spate of candor say he didn't know what the solution was. I do know what the solution is. It's the Republican substitute. I would commend the gentleman to read it. It ends bailouts. Your bill will increase bailouts. It reforms the Federal Reserve.

Your bill increases the powers of the Federal Reserve. This bill protects consumer rights. Your bill constricts consumer rights.

Your bill was stone-cold silent with respect to the government-sponsored

enterprises, but now you protect them. Clearly the GSEs are too big to fail.

Our bill goes to the source of the problem. If the gentleman needs to know what the solution is, I would be happy to provide him with a copy of the Republican substitute.

It is now my privilege, Madam Chair, to yield 5 minutes to the gentleman from Texas (Mr. NEUGEBAUER).

Mr. NEUGEBAUER. I thank the gentleman.

I think I want to go back to what really is at stake here and that's choices for the people that borrow money in this country. Back in the fall of last year and in the spring of this year, we were working on legislation that the other side brought forward for credit cards, and everybody has got a credit card story that they have had a bad experience. We passed this big credit card bill.

When we were talking and debating that bill on this very floor, we told the American people be careful here, because what they are saying is they don't trust you to make your own choices, and they are going to tinker with the credit card industry. We said, you know what's going to happen? Interest rates are going to go up. Credit limits are going to go down, payments are going to go up. And what happened?

Rates went up, credit limits went down, and payments went up. Who did that affect? Well, it affected families. More importantly, we said it's going to hurt small businesses because a number of small businesses across this country use credit cards to help with their cash-flow needs of their company.

Now we are here tonight talking about the rest of the credit market. What's going to happen here, one of the gentlemen, several gentlemen have brought up predatory lending.

Well, let me talk about a predatory loan. How about this young businessman that needs to buy another truck and some tools for his plumbing company, and he goes to his banker and he says, you know what, I need an interest-only loan for 12 months until I get my business up and going and I get my new employee generating the revenue, and then I want to convert over to another payment plan at the end of 12 months.

The banker says, well, I would love to do that; I have done that for you in the past. But you know what, we have got this new czar, or czarina, who is in charge of determining what kinds of financial products I can offer, so I can't do that.

So what happens? That plumber can't expand, can't buy another truck, can't hire another employee. Those are the consequences of this.

Where we are headed in this is that we are going to let the Federal Government tell you, because you are not smart enough, according to my colleagues on the other side, to determine what kind of mortgage is appropriate for your family; that you are not smart

enough to determine what kind of car loan is appropriate; what kind of student loan is appropriate for you and your family as you are trying to send your daughter or your son to school; that the overdraft privileges that your bank has been extending to you in the past, but because of these new regulations and the interference of government, you may not be extended those, or those charges may go up.

How about that person that wants to experience the American Dream and wants to go start their own business and needs a specialized financing package to be able to get that business off the ground and so initially has a small amount of capital.

The banker is going to take a larger risk, and so he is going to have to price the cost of that loan higher, and he is reluctant to do that because he might be making a predatory loan according to this new czar, this new agency that's going to determine what kind of financial products the American people get to have access to in the future.

You know what, Madam Chairman, I still have faith in the American people because this Nation wasn't built because of its government. This Nation was built because of its people, people that took risks and chances and worked hard and went out and did different things in different ways and made things happen, and they didn't conform to what was the standard.

You see, when we start standardizing everything, we begin to limit the potential for success, and we limit failure, and there is no reward for those who do the extra and do special. That's not what this Nation was built on.

I just recently over the weekend came back from Afghanistan, where our young men and women are doing remarkable things in the name of security, peace, and liberty for our country. You would have thought they would want to talk about, you know, thank you for the President's commitment to additional troops; but this sergeant came up to me as I was about to walk out and go get on a plane. He said, Congressman, you know what really scares me? It's not these Afghani Taliban people. What really scares me is what you all are doing to our country. Every time I turn around you are spending money we don't have. The government is getting into the car business. The government is buying banks. The government is limiting my choices.

You are leaving a legacy, and I am over here fighting for a country. Quite honestly, I look back home and I am not sure the Congress is not destroying our country by taking away the liberties and the freedoms that I am fighting for.

That's the reason tonight and tomorrow, whenever we vote on this, we need to defeat this so that we can preserve liberty and freedom for this country and trust the American people because the American people are smart enough to make their own decisions.

Mr. FRANK of Massachusetts. I have only one speaker left.

I reserve the balance of my time.

Mr. HENSARLING. Madam Chair, might I inquire how much time remains on both sides.

The Acting CHAIR. The gentleman from Texas has 10 minutes remaining, and the gentleman from Massachusetts has 14½ minutes remaining.

Mr. HENSARLING. At this time, Madam Chair, I would like to yield 5 minutes to the distinguished ranking member of the Capital Markets Subcommittee, the gentleman from New Jersey (Mr. GARRETT).

Mr. GARRETT of New Jersey. I thank the Chair, and I thank the gentleman from Texas. Just to go back to a comment—the gentleman from North Carolina made two comments—what is the solution?

Well, the gentleman from Texas said here is our solution, and I leave a copy here in case he has not had an opportunity to read it. It is by size a lot less than what you have before you.

The gentleman from North Carolina also asked about our studies; and where we say this will hurt jobs because you will be raising credit interest rates by 1.4 or 1.6, I average it out to about 1.5 percent. It translates into X number of jobs, millions of jobs lost. The questions are studies before we implement this.

My question to the gentleman is before we pass this legislation today and implement it and impose this burden onto the American business sector and the American public in general, can you tell me which study you are referring to that will not cause a loss of jobs?

Mr. WATT. The gentleman is yielding to me for the purpose of responding to that?

Mr. GARRETT of New Jersey. Yes.

Mr. WATT. I haven't referred to any study because I haven't said that it wasn't going to cost jobs or increase or decrease jobs.

Mr. GARRETT of New Jersey. Reclaiming my time, and there is the point. We have this 1,300-page bill that I would hazard the great guess that the vast majority of this body here tonight has not ever had the opportunity to, nor the inclination to, nor, in fact, did read.

□ 2340

And now we seem to hear that when it comes to what the impact, the vast impact that this will have on our economy, where is there information as to what they inquired that it would do? It is absent.

I spoke before about the point that this bill goes contrary to the American public's claim that they do not want any more bailouts, and I raised reference to one section of the bill which in perpetuity it allows for the creation of switching from receivership into bankruptcy and makes it basically a political decision. Another provision of the bill on page 408 basically says that the Treasury Secretary has unlimited authority to borrow an unlimited

amount of money from the Federal Treasury, which means from the American taxpayer.

How do we see this? Page 408 of the bill, section 3, "Borrowing authority when fund assets are less than \$150 billion." Section (B), "The corporation may borrow, and the Secretary may lend, any amount of funds that, when added to the amount available in the fund on the date the corporation makes a request to borrow funds, would not exceed \$150 billion."

What does that mean? That means today, as we start this program out, there are zero dollars in the fund. The Treasury Secretary can go to the Treasury, meaning the American taxpayer, and ask for \$150 billion from the American public, and they could bail out some company, maybe AIG again, as this past administration helped facilitate. And then after that, there's no money in the fund again, so they go back to Treasury and say, We need another \$150 billion, because, under the terms of the bill as written right now, there's no money in the fund and they can borrow up to \$150 billion. They ask for another \$150 billion. And then a company akin to Lehman or something goes under, or another company over here or the auto companies go under, and they pay it all out the next day. How much is in the fund then? Zero. At which point the Treasury Secretary can go back to the American taxpayer a third time and ask for an additional \$150 billion.

When does it end? This bill puts absolutely no limit on it whatsoever. It could be \$150 billion. It can be \$1 trillion. It could be \$10 trillion. It's all in the hands of the political appointee, Secretary Geithner, for him to decide where this money goes and how much it goes to, and it can be a political decision because, as we have seen before, he can prop up favorite companies and allow them then to go into receivership and then allow them to come back out of it after he has asked the American public to spend \$10 billion, \$100 billion, \$1 trillion in order to do so. Where is the limitation in this bill? There is absolutely none.

So when the other side of the aisle looks chagrined when we say the American taxpayer is on the hook for bailouts, they need only to look at their own bill, page 408 or page 3 over here in the Judiciary Committee, to see that is an unlimited drain on the American taxpayer, that this will allow perpetual bailouts that are never ending and will be made by political appointees for their favorite companies that they want to prop up to the end of the Earth. That, I think, is reason one why we should be opposed to this bill.

If there's nothing else in this bill besides those few pages, we should all be voting "no." If there's nothing else in this bill, every American listening to this floor debate tonight should be calling up their Member of Congress and saying, Why are you putting us on the hook to bail out bad businesses and bad

business decisions? Why are you putting us on the hook to bail out your political favorite companies that you want to bail out, and why do you want to do so without limitation?

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

Mr. HENSARLING. Madam Chair, I yield myself the balance of my time.

Madam Chair, again, what we have before us is the "Perpetual Wall Street Bailout and Increased Job Losses Through Credit Rationing Act of 2009."

No matter how much our friends on the other side of the aisle wish to deny it, the only reason to create a bailout fund is to bail someone out. The American people are sick and tired of paying for the bailouts.

Now, my friends on the other side of the aisle say we're not really going to use this bailout fund, which kind of begs the question: Why are you creating it in the first place? Well, it's just going to be used for wind-down cost. Well, in bankruptcy, typically you use the assets of the bankrupt company to do that. So this \$150 billion plus the \$50 billion line of credit from the Treasury, what's the \$200 billion being used for? Well, ultimately it's going to be used to bail out other Wall Street parties, the creditors, the shareholders, the counterparties, just like what was done in AIG.

Now, again the distinguished chairman of the Financial Services Committee says, Well, our bailout fund is like a death penalty. Well, it may be a death penalty, but the death sentence has been commuted for up to 3 years. And, by the way, as it's commuted, just like in the AIG bailout, Societe Generale could walk away with \$16.5 billion, a French concern, like they did in AIG. Goldman Sachs could walk away with \$14 billion in the bailout like they did in AIG. Merrill Lynch could walk away with \$6.2 billion. Deutsche Bank, a German concern, could walk away with \$8.5 billion. UBS, a Swiss concern, could walk away with \$3.8 billion. These are the counterparties on credit default swaps to AIG, and their legislation would replicate it, Madam Chair.

There's nothing in their legislation that would prevent the entire AIG fiasco from repeating itself, and, if anything, they would triple it, up to 3 years, up to 3 years of bailout authority there.

So not only is the death sentence commuted in their so-called bailout fund, but not unlike the GM and Chrysler cases, we could have a Lazarus-like resurrection. Not unlike old GM and old Chrysler, well, you flip a switch and all of a sudden you take care of your political allies, the United Auto Workers, and you've got new GM and you've got new Chrysler, and all of a sudden they just keep on trucking along. So it's an interesting metaphor to call this a death penalty. What it is is it is a bailout.

Here we all are, Madam Chair, at a very tough time in our Nation's econ-

omy and 3.6 million of our fellow citizens have lost their jobs since the President told us if we passed his plan, his government stimulus plan, we'd only have 8 percent unemployment. Still, we know we have 10 percent unemployment. And yet here we have a piece of legislation that's ultimate impact is to make credit more expensive, less available when small businesses are losing jobs by the tens of thousands and thousands. Why, in the middle of one of the great credit contractions in our Nation's economy, would you want to make credit more expensive and less available? It's beyond me, Madam Chair. It is beyond me.

Again, my fear is that under this type of legislation the big will get bigger. This is again Fannie Mae and Freddie Mac, politically favorite firms given a political mission and that blows up. Now, again maybe the Merrill Lynchs and the UBSs are taken care of. The school teachers in Mesquite, Texas, they're not taken care of under this legislation. They end up paying for the bailout in this political economy. The big will get bigger and they will be given a political mission. Again, your job will depend not so much on what you do at home but who you know in Washington.

One of the great free market economists of our time, Nobel Laureate Milton Friedman said, "Sooner or later, and perhaps sooner than many of us expect, an ever bigger government would destroy prosperity that we owe to the free market and the human freedom proclaimed so eloquently in the Declaration of Independence."

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That moment is here, and we must vote for freedom and against this bill.

Mr. FRANK of Massachusetts. May I inquire as to the time remaining?

The Acting CHAIR. The gentleman has 14½ minutes remaining.

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

First, I have to deal with some of the misstatements that we've heard. There is nothing in here that rations credit. There isn't even anything to refute because there is nothing here they could even misinterpret, Madam Chair, about the rationing of credit. Now, some are particularly upset because we establish a Consumer Protection Agency. In the first place, as far as the banks are concerned, that entity gets no new powers; it takes powers that are already there in the bank's regulators that haven't been used very well.

If my friends on the other side want to go to the American people and say, oh, great, here's one of the differences between the parties, we think you consumers have been very adequately protected, and you don't need to improve that manner of administration, then I will take that debate to the American public.

They tell us that this is bad for small business. The Independent Community Bankers Association supports this bill.

They will be unhappy if bankruptcy is added, I understand that, but as far as the bill now stands, before we get to the bankruptcy clause of the Judiciary Committee amendment—which I'm going to vote for, but insofar as the accusation that it restricts credit, the Independent Community Bankers don't think so, just as when we did the credit card bill and the Republicans said—some of them, some of them voted for it—this is bad for small business and the National Federation of Independent Business said no.

What we say here is—and this is a big difference—we do say that we want to prevent the granting of those kinds of mortgages that get people in trouble because it's not just the individual who gets in trouble; the whole economy suffers. And we do want to ban the kind of practices in the mortgage area—so it's true, it's an expansion of government power. I will say, by the way, that was a constant debate. For much of the past, oh, 15 years, until recently, many Democrats tried to get restrictions on irresponsible subprime mortgages. The Republicans resisted them.

From 1995 to 2007, my Republican friends controlled this House; not a piece of legislation passed to stop mortgages, not a piece of legislation passed to deal with Fannie Mae and Freddie Mac. We did, in 2007, pass such legislation, but the damage had been done.

So, yeah, there is a difference. We want to expand the regulatory power to stop the kind of mortgages from being granted that were a major problem in the crisis. One Member said, Well, we would do nothing to stop the AIG crisis. No, we do many things to stop the AIG crisis. First of all, we do not allow, under the legislation we are putting forward, an entity like AIG to get so overextended by issuing credit default swaps that they can't pay off. They would be restricted because derivatives would be better regulated. They would be restricted because they would not be allowed to be so leveraged because we would give regulators the power to hold them in.

The notion that it's socialism when you have bank regulation is quite odd. We heard Members say this is socialism. There is nothing in here about the ownership of the means of production. There is nothing in here about the government taking over any ongoing institution. Yes, we have bank regulation, and that's the deal. These are people who think that regulation is socialism. We are for regulation. We do believe that the absence of regulation over the last 20 years contributed greatly to this problem.

Now, I know there are people who say, when you start regulating the innovation aspects of the economy, you get into trouble. They said it about Franklin Roosevelt and the Securities Exchange Commission, they said it about Theodore Roosevelt and anti-trust. I urge people to go back and read the same old arguments.

Now, the gentleman from Texas (Mr. NEUGEBAUER) said the Federal Reserve will decide that you are too big to fail and you will be advantaged; wrong, wrong, wrong. In the first place, the designation that an entity, a financial entity—by the way, we heard some comments about Dell and American Airlines, which are not covered under this bill. They are not financial holding companies and could not be made financial holding companies. So Dell and American Airlines are total red herrings.

What we have here is the ability of a group of the existing regulators—not the Federal Reserve—to decide that a particular institution is so big and so overleveraged that it's a danger. But they don't get designated and then carried around; coordinated with that is a restriction on what they do. They are not told you're too big to fail, go out and make more money. They are told, you are so big that if you fail because of problems, raise your capital, cut back on your activity, and if you're AIG, stop selling the credit default swaps.

There is this very real difference between the bills. Their bill is very small because it does nothing to retard the kind of activity that got us in trouble. It does not stop over-leveraging, it does not stop unregulated derivative trading, it does not stop credit default swaps without anything to back them up, it does not stop any subprime lending abuses. So yes, that's their view, and they're very clear: Leave it to the private market. We say the private market always does better with sensible regulation.

When Roosevelt and Wilson put anti-trust into place, I think they did a good thing. When Franklin Roosevelt did the SEC and the Investment Company Act, those were good things. So, yes, a lack of regulation we believe did cause this great problem.

Now, we get into the bailout issue because the Judiciary Committee, frankly, copied the Republican bill by saying you should use chapter 11. The Republican bill talks about chapter 14—the equivalent of chapter 11 here. Here's what, however, the Judiciary language is subject to. It is subject to—we are talking about now the fund. Yes, somebody could be put into chapter 11, but none of the money could be spent that's in the fund. It's raised not by taxpayers, but by an assessment.

On page 399, "The Fund shall be available to the corporation for use with respect to the dissolution of a covered financial company to cover the costs incurred by the corporation. The Fund shall not be used in any manner to benefit any officer or director of such company."

It also then says, on page 397, here is the fund, this is the purpose of the fund, "to facilitate and provide for the orderly and complete dissolution of any failed financial company or companies that pose a systemic threat to the financial markets or economy as deter-

mined under 1603(b)." The language about Judiciary does not alter that in any respect. It says that the Fund can only be used for dissolution.

Now, it is true, they said, well, what about AIG when they paid off all these people? This is precisely to prevent the repetition. That was done, by the way, as Members will know, under section 13(3). It can no longer be done. We have changed section 13(3), so that should not happen again.

What they did was to say—and this was in the Bush administration—they said, look, we don't have the discretion to pick and choose, so we are doing exactly the opposite of AIG. With AIG, it was the ruling of the Bush administration's top officials, concurred in by President Bush without any congressional input, that they had to pay off every creditor of AIG because they got the legal authority to pick and choose. They said, we can put them all into bankruptcy, we have Lehman Brothers, and the markets will end—Secretary Paulsen said—or we can pay everybody.

We give them the authority precisely to avoid that dilemma. And by the way, AIG was not being put out of business. It is not AIG. AIG was not put under dissolution; they are being kept going. That could not happen. What we say is, in the future, if you think an entity like AIG has gotten too big and owes too many people too much money, you take it over and you spend money only to wind it down and to dissolve it. If there was some notion that it could be kept going, then none of these monies could be used for it.

Let me read it again: "To facilitate and provide for the orderly and complete dissolution of any failed financial company." That is a restriction on the use of the fund—it's not a taxpayer fund, but even of the other funds.

And then on page 288 it says, "The Corporation is authorized to take the stabilization actions"—including the bankruptcy—"only if the Secretary and the Corporation determine that it is necessary for the purpose of financial stability and not for the purpose of preserving the covered financial company." And it then says, "The Corporation ensures that any funds from taxpayers shall be repaid as part of the resolution process before payments are made to creditors." Funds will be repaid if there is a borrowing. Funds go to the taxpayer before a nickel goes to the creditors.

These are the inaccuracies that we have heard. There is no Dell or American Airlines in here. Oh, by the way, there is no permanent bailout fund either because that fund and the borrowing authority the gentleman from New Jersey talks about sunsets in 2013. The borrowing authority is sunsetted at 2013. So permanent is true if you believe that the world is ending on January 1, 2014. Now, I know the Republicans believe the world began on January 21, 2009, and all the bad things that happened never happened under Bush—they didn't fail to vote for them. They all happened in 2009.

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Again, as my partner said to me, that was also the day of a terrible, terrible disease outbreak, mass Republican amnesia on January 21, 2009, when they forgot what all these—We've heard talk about job losses. Isn't it interesting that the gentleman from Texas cannot remember that a single job was lost before January 20. He talks about the job losses since the stimulus bill was passed. In fact, this recession, the worst since the Depression, began in 2007, in December; and there was enormous job loss under President Bush. Job loss has diminished recently.

So, yes, I will acknowledge that the Obama recovery from the Bush recession has been slower than we would have liked. But every sensible economist understands that the question is not whether there were any job losses at all, or whether you have affected the rate. And clearly the economic recovery plan has affected the rate. And further things will affect it further.

I yield to my friend from North Carolina.

Mr. WATT. I just wanted to inquire of the chairman whether he saw anything in the bill about cockroaches.

Mr. FRANK of Massachusetts. No, I did not, and I did read the whole bill. And by the way, I also would object, there was some reference to steamroll, or not having the opportunity to read it. We have had complaints from the minority about too many markups and too many hearings and people on the staffs of both sides, and there was a magnificent group of staffers on both sides who have given the American people the best bargain they've ever gotten with the amount of work both sides have done on this. So, yeah, this has been very thoroughly vetted and discussed and debated and all the deadlines have been met.

But here's the fundamental difference: we do not have a bailout fund. We have a fund that will come from the financial institutions that can only be used, as I said, for dissolution, that will sunset in terms of borrowing authority in 2013, in terms of borrowing authority. It is used so you don't just say, okay, you're out of business; we end you tomorrow. It is to avoid what Secretary Paulsen and Ben Bernanke and George Bush told us was the dilemma of a year and half ago, all or nothing. We've got to use these funds to wind it down in an orderly way.

But here's the bigger difference: the Republican bill doesn't even try to stop the situation from arising. That's the difference. We analyzed the various things, too much leverage, unregulated derivatives, subprime loans, executive bonuses that encourage people to take too many risks. Their bill says, no, they're none of the government's business. It is true, every time you try to prevent a bad practice by regulation, you're expanding government power. That's true. An unregulated derivative market versus a regulated derivative market, that's more government power.

Restrictions on irresponsible subprime loans, that's government power. Telling an institution they can't be overleveraged, that's government power. In terms of breaking up companies, no one's breaking up Dell or American Airlines. That is fantasy. What we say is we first try to stop an institution from being so overleveraged and so big that it causes a problem. So, yes, we do say that the regulators should be able to step in if the Systemic Risk Council says so and restrain them from doing things. And, yes, the Federal Reserve is the agent, so the Federal Reserve gets more powers under the Systemic Risk Council.

We, by the way, take away more power in our bill with the Consumer Protection Agency from the Federal Reserve than any other agency. We limit section 13(3) of the Federal Reserve very severely. We do empower them as the agent of the Systemic Risk Council to do what the Republicans say you should never do: tell a company you've gotten too big and owe too much money and need to slow down. Break them up because their parts have begun to pull apart.

AIG should not have been allowed to be an insurance company and a credit default swap handler. And, yes, under the amendments we've adopted someone could have come in and said, okay guys, stay in the insurance business, but don't put us all at risk by doing all of these other things.

So that's the fundamental difference. The Republican position is, business knows best. Do not have any rules, do not prevent—and literally, nothing in their bill would retard any of the irresponsible, reckless, overleveraging that happened and led to the crisis.

And then they said, if there is a crisis, just let them go bankrupt. We say, first of all, let's try to prevent the crisis. Let's try to step in and slow it down.

And if that's socialism, I guess the antitrust laws are socialism by that definition, and the Republican equivalents of today's Republicans called Theodore Roosevelt a socialist. They turned against him. They called Franklin Roosevelt a socialist because he created the Securities and Exchange Commission. They call people socialists when they want to do regulation. The Independent Community Bankers don't think so. And the consumers of America do not believe that being protected from abuses is socialism. I look forward to tomorrow when we debate the amendments.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, DC, December 2, 2009.

Hon. BARNEY FRANK,
Chairman, Financial Services Committee, 2129
Rayburn House Office Building, Wash-
ington, DC.

DEAR MR. CHAIRMAN: I am writing regarding H.R. 2609, the "Federal Insurance Office Act of 2009." As you know, the Committee on Ways and Means had jurisdictional and other concerns with provisions of this bill. I note that in 2008, we exchanged letters on similar

legislation (H.R. 5840) introduced in the 110th Congress.

Earlier today, the bill was amended during markup by your Committee to address the concerns my staff and I have raised. For example, the bill was amended: to preserve USTR's authorities, including over development and coordination of U.S. international trade policy and the administration of the U.S. trade agreements program; to modify the types of agreements that are covered by the bill and to provide for their joint negotiation by USTR and the U.S. Department of the Treasury; to require that annual reports by the Federal Insurance Office be provided to the Committee on Ways and Means; and to modify the standards and process for preempting State law. I appreciate your willingness, and the willingness of your staff, to work with me and my staff on this important legislation.

To expedite this legislation for Floor consideration, the Committee on Ways and Means will forgo action on this bill. This is being done with the understanding that it does not in any way prejudice the Committee with respect to the appointment of conferees or its jurisdictional prerogatives on this bill or similar legislation in the future.

I would appreciate your response to this letter, confirming this understanding with respect to H.R. 2609, and would ask that a copy of our exchange of letters on this matter be included in the committee report on the bill and in the CONGRESSIONAL RECORD during House Floor consideration of this bill.

Once again, thank you for your work and cooperation on this legislation.

Sincerely,

CHARLES B. RANGEL,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
Washington, DC, December 3, 2009.

Hon. CHARLES B. RANGEL,
Chairman, Committee on Ways and Means, 1102
Longworth House Office Building, Wash-
ington, DC.

DEAR CHAIRMAN RANGEL: Thank you for your letter regarding your committee's interest in H.R. 2609, the "Federal Insurance Office Act of 2009."

I appreciate your willingness to support expediting floor consideration of this important legislation today. I understand and agree that this is without prejudice to your Committee's jurisdictional interests in this legislation as amended or similar legislation in the future. In the event a House-Senate conference on this or similar legislation is convened, I would support your request for an appropriate number of conferees.

I will include a copy of your letter and this response in the committee report on the bill and in the Congressional Record during House floor consideration of this bill. Thank you for your cooperation as we work towards enactment of this legislation.

BARNEY FRANK,
Chairman.

HOUSE OF REPRESENTATIVES, COM-
MITTEE ON OVERSIGHT AND GOV-
ERNMENT REFORM,
Washington, DC, December 3, 2009.

Hon. BARNEY FRANK,
Chairman, House Committee on Financial Ser-
vices, 2129 Rayburn House Office Building,
House of Representatives, Washington, DC.

DEAR CHAIRMAN FRANK: I am writing to you concerning the jurisdictional interest of the Committee on Oversight and Government Reform in H.R. 4173, "The Wall Street Reform and Consumer Protection Act of 2009".

I appreciate your effort to work with the Oversight Committee regarding those provisions of H.R. 4173 that fall within the Committee's jurisdiction. This includes provisions relating to the audit authorities of the Comptroller General, federal personnel matters, the applicability of the Federal Advisory Committee Act and the Freedom of Information Act, amendments to the Inspectors General Act, and governmentwide reporting requirements for federal agencies.

As you know, the Oversight Committee was one of the committees receiving an additional referral of this bill. Because of the cooperation between our two committees, further consideration in the Oversight Committee is unnecessary. However, this letter should not be construed as a waiver of the Oversight Committee's legislative jurisdiction over subjects addressed in H.R. 4173 that fall within the jurisdiction of the Committee. I request your support for the appointment of conferees from the Oversight Committee should H.R. 4173 or a similar bill be considered in conference with the Senate.

Please include a copy of this letter and your response in the Congressional Record during consideration of this legislation on the House floor.

Thank you for your attention to these matters.

Sincerely,

EDOLPHUS TOWNS,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
Washington, DC, December 3, 2009.

Hon. EDOLPHUS TOWNS,
Chairman, Committee on Oversight and Government Reform, 2157 Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN TOWNS: I am writing in response to your letter regarding H.R. 4173, "The Wall Street Reform and Consumer Protection Act of 2009".

I wish to confirm our mutual understanding on this bill. I recognize that certain provisions of the bill fall within the jurisdiction of the Committee on Oversight and Government Reform. However, I appreciate your willingness to forego committee action on H.R. 4173 in order to allow the bill to come to the floor expeditiously. I agree that your decision to forego further action on this bill should not be construed as a waiver of the Oversight Committee's legislative jurisdiction. I would support your request for conferees on those provisions within your jurisdiction should this or a similar bill be the subject of a House-Senate conference.

I will include this exchange of letters in the Congressional Record when this bill is considered by the House. Thank you again for your assistance.

BARNEY FRANK,
Chairman.

Mr. POMEROY. Madam Chair, I rise today in support of H.R. 4173, the Wall Street Reform and Consumer Protection Act of 2009. I would like to thank Chairman PETERSON of the Agriculture Committee for his leadership and work to produce legislation that regulates the futures markets and brings transparency to the dark corners of the financial markets. I would also like to thank Chairman FRANK of the Financial Services Committee for his leadership and efforts in crafting the greater overall regulatory package.

Madam Chair, the unchecked greed and excesses of Wall Street have brought our economy to its knees, placed hardship on millions of American families and dimmed the prospect of leaving behind a better life for our children. The volatility in the oil prices and the crash of

the financial markets were fueled by outrageous short term profits at the expense of our shared long term prosperity. These markets resemble the Wild West, and are void of transparency or effective regulation.

Today, Congress has before it a common-sense reform package that will assure the American people that what happened to create the financial meltdown will not happen again. H.R. 4173 would place limits on speculators, preventing them from dominating the markets, and also bring transparency to the markets. The bill will also give regulators the information they need to properly police the markets and the authority to identify and protect against systemic risk. H.R. 4173 protects the economy from irresponsible too-big-to-fail companies like AIG, by creating a responsible mechanism to dissolve them without putting the American tax payer on the hook. It is essential that consumers, farmers, and businesses have access to a reliable source of credit and financing that does not dry up because Wall Street tries to gamble away our future.

Madam Chair, the landmark Wall Street Reform and Consumer Protection Act of 2009 puts the interests of consumers, small business and the millions of Americans dependent on their 401Ks for retirement, first. I urge my colleagues to support H.R. 4173.

Ms. JACKSON-LEE of Texas. Madam Chair, today I rise in support of H.R. 4173—"The Wall Street Reform and Consumer Protection Act." I support this legislation because I believe that it is an important step in preventing the conditions that created last year's financial crisis from occurring again.

Last year's financial crisis put hundreds of thousands of Americans out of work and our economy into turmoil. The White House estimates that 5 trillion dollars worth of American household wealth disappeared in approximately three months. Credit markets froze as bank after bank after bank failed or require government assistance to stay afloat. This weak financial system and credit market impacted businesses large and small throughout the Nation. Furthermore, the weak credit market affected student loans, credit cards, and purchases of automobiles and homes.

In response, Congress, in collaboration with President Obama passed sweeping legislation to help hardworking Americans soften the blow from the worst economy in years.

Although I still believe that our response was necessary to help bring America out of the recession, we must ensure that actors in the financial industry are never again able to behave recklessly as to threaten the economy of not only our Nation, but also the world. I do not believe that the financial industry acts with malice toward people or our economy; however, some firms in the financial industry are prone to taking risks in a manner that threatens our economic structure. As President Obama said in New York on September 15, "We will not go back to the days of reckless behavior and unchecked excess at the heart of the crisis, where too many were motivated only by the appetite for quick bills and bloated bonuses. Those on Wall Street cannot resume taking risks without regard for consequences, and expect that next time, American taxpayers will be there to break the fall."

This legislation is a response to the dangers and loopholes that persist, and it will serve to protect the American investors, students,

home and auto buyers, and business owners. A new Consumer Financial Protection Agency will protect families and small businesses by ensuring that bank loans, mortgages, and credit cards are fair, affordable, understandable, and transparent.

We have tough rules that keep companies from selling us faulty toasters that burn down our houses, but there is currently no agency that has as its sole mission oversight of potentially harmful financial products sold to consumers. This critical enforcement is necessary to ensure that consumers get information that is clear and concise from banks, mortgage servicers, and credit card companies. It is critical to prevent the financial industry from offering predatory mortgage loans to people who can't afford repayment that marked the subprime lending era. Finally, it will put in place common sense regulations to stop abuses by the financial industry, such as payday lending and exorbitant overdraft fees.

Secondly, this legislation will put an end to "too big to fail" financial firms, providing the government with the tools—funded by big banks and financial firms and NOT taxpayers—it needs to manage financial crises so we are not forced to choose between bailouts and financial collapse.

This includes the ability to preemptively dismantle big banks whose risky and irresponsible behavior could bring down the entire economy, as well as an orderly process to wind down failing firms.

This legislation will end taxpayer-funded bailouts and Help ensure American taxpayers are never again on the hook for bailing them out by requiring big banks and other financial institutions (with \$50 billion in assets) to foot the bill for any bailouts in the future. These institutions would pay assessments based on a company's potential risk to the whole financial system if they were to fail.

These new consumer safeguards will require that all financial firms that pose risk to the financial system—not just banks—are subject to strong supervision and regulation, including stronger capital standards and leverage rules.

They will increase transparency at the Federal Reserve, which has played an enormous role in shoring up big banks and other financial institutions in this crisis, subjecting it to scrutiny by Congress's Government Accountability Office with audits of the Fed's lending programs.

This legislation will also stop predatory and irresponsible mortgage loan practices including prepayment penalties, deceptive mortgage documentation, and making extra profits for steering borrowers to higher cost loans that played a major role in the current financial meltdown. Help ensure that the mortgage industry follows basic principles of sound lending and consumer protection.

The legislation also imposes tough new rules on the riskiest financial practices by strengthening enforcement by the Securities and Exchange Commission to better protect investors and prevent future Bernie Madoff Ponzi schemes.

It creates rules to curtail excess speculation in derivatives and growing use of unregulated credit default swaps that devastated AIG and Bear Stearns.

It provides more transparency and tougher regulation of hedge funds, private equity firms

and credit rating agencies, whose seal of approval gave way to excessively risky practices that led to a financial collapse.

Finally, it requires investment advisors to act for the sole benefit of their client under the law, exercising the highest standard of care.

Finally, this legislation addresses egregious executive pay compensations by putting an end to compensation practices that encourage executives to take excessive risk at the expense of their companies, shareholders, employees, and ultimately the American taxpayer.

It also provides shareholders of public companies with an annual, non-binding vote on executive compensation and golden parachutes for the top five executives, requires independent directors on the compensation committees of public companies, and authorizes the SEC to restrict or prohibit "inappropriate or imprudently risky compensation practices" at large financial firms (with at least \$1 billion in assets).

In conclusion, this legislation will modernize America's financial regulations as we seek to prevent last year's financial conditions from ever happening again. America is on the road to recovery, and we need this legislation to ensure that the recovery is permanent.

Mr. MARKEY of Massachusetts. Madam Speaker, one of the most critical elements of the legislation now before us is the establishment of tough new regulation of the over-the-counter derivatives market. This reform is long overdue and I strongly support the legislation now before us.

I am pleased to say that I can wholeheartedly support this bill because—thanks to language agreed upon by Chairman PETERSON, Chairman WAXMAN and myself—it ensures that the expansion of Commodity Futures Trading Commission's authority over derivatives will not in any way limit the Federal Energy Regulatory Commission's authority to regulate energy markets. FERC plays a critical role in ensuring that those markets deliver energy reliably and at just and reasonable rates.

The bill preserves FERC's role in three ways:

First, the bill amends the Commodity Exchange Act to fully preserve FERC's authority over agreements, contracts, and transactions entered into pursuant to a FERC-approved tariff or rate schedule. An exception is made for instruments that are executed, traded, or cleared on a CFTC-registered entity. However, it is the drafters' understanding and intention that CFTC cannot construe this exception to limit FERC's underlying authority. For example, FERC-regulated entities, such as Regional Transmission Organizations and Independent System Operators, would not be required to register with CFTC based on their utilization of Financial Transmission Rights or other instruments to facilitate the physical operation of the electric grid. Nor will CFTC require instruments of that nature to be executed, traded, or cleared on some other CFTC-registered entity.

Second, in any area where FERC and CFTC have overlapping authority, the bill requires the two agencies to conclude a memorandum of understanding delineating their respective areas so as to avoid conflicting or duplicative regulation. Where FERC has regulatory authority, CFTC is permitted to step back and let FERC do its job. It is the drafters' understanding and expectation that CFTC will recognize FERC's primacy with regard to en-

ergy markets that it comprehensively regulates.

Finally, the bill states that it does not in any way limit or affect FERC's existing authority, under Section 222 of the Federal Power Act and Section 4A of the Natural Gas Act, to protect against manipulation of the electricity and natural gas markets. As one of the principal authors of these anti-manipulation provisions, which were included in the Energy Policy Act of 2005, I see the preservation of this authority as critical to ensuring fair and transparent energy markets. These provisions were drafted broadly to allow FERC to protect against the use of any manipulative or deceptive device or contrivance "in connection with" FERC-regulated electricity and natural gas markets, regardless of where such manipulation occurs.

With these elements now included in the legislation, I strongly urge my colleagues to vote "yes" on this legislation.

Mr. FRANK of Massachusetts. I yield back the balance of my time.

The Acting CHAIR. All time for general debate has expired.

Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. WATT) having assumed the chair, Ms. TITUS, Acting Chair 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. 4173) to provide for financial regulatory reform, to protect consumers and investors, to enhance Federal understanding of insurance issues, to regulate the over-the-counter derivatives markets, and for other purposes, had come to no resolution thereon.

IMMIGRATION CREATES JOBS

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

Mr. POLIS. Mr. Speaker, I rise today to highlight a report just released by the Fiscal Policy Institute, a non-partisan research group, regarding the contributions of immigrants in the 25 largest U.S. metropolitan areas. The report makes official what we have known all along: Immigration and economic growth go hand-in-hand. That's right. Immigrants boost economic productivity and create jobs.

This has been true throughout our Nation's history. It's been true during boom times and during tough times. It's true yesterday, today, and tomorrow. Immigrants help our economy. Cities with a growing proportion of foreign-born workers have "well above average economic growth." Immigrants expand the labor and consumer markets and fuel growth.

In my home State of Colorado, immigrant workers and business owners have added billions of dollars and tens of thousands of jobs. The usual suspects will cry we lie with these facts. But their prejudices will no longer prey on our uncertainties. Thanks to this report, we can all say we know better. Together we can embrace comprehensive immigration reform, help our Na-

tion recover, and create jobs for Americans.

IMMIGRANTS AND THE ECONOMY [From the Fiscal Policy Institute] EXECUTIVE SUMMARY

This report examines the economic role of immigrants in the 25 largest metropolitan areas in the United States. The results are clear: immigrants contribute to the economy in direct relation to their share of the population. The economy of metro areas grows in tandem with immigrant share of the labor force. And, immigrants work across the occupational spectrum, from high-paying professional jobs to low-wage service employment.

Immigrants contribute significantly to the U.S. economy. In the 25 largest metropolitan areas combined, immigrants make up 20 percent of the population and are responsible for 20 percent of economic output. Together, these metro areas comprise 42 percent of the total population of the country, 66 percent of all immigrants, and half of the country's total Gross Domestic Product. This report looks at all U.S. residents who were born in another country, regardless of immigration status or year of arrival in the United States.

1. IMMIGRATION AND ECONOMIC GROWTH OF METRO AREAS GO HAND IN HAND

An analysis of data from the past decade and a half show that in the 25 largest metropolitan areas, immigration and economic growth go hand in hand. That's easily understandable: Economic growth and labor force growth are closely connected, and immigrants are likely to move to areas where there are jobs, and not to areas where there are not.

Between 1990 and 2006, the metropolitan areas with the fastest economic growth were also the areas with the greatest increase in immigrant share of the labor force. The economies of Phoenix, Dallas, and Houston saw the fastest growth in immigrant share of labor force, while all showed well above average economic growth in these years and Phoenix experienced the fastest growth of all metro areas. By contrast, Cleveland, Pittsburgh and Detroit metro areas experienced the slowest economic growth and among the smallest increases in immigrant share of labor force.

Economic growth does not guarantee, however, that pay and other conditions of employment improve significantly for all workers. The challenge is to make sure that immigrants and U.S.-born workers struggling in low-wage jobs share in the benefits of economic growth.

2. IMMIGRANTS CONTRIBUTE TO THE ECONOMY IN PROPORTION TO THEIR SHARE OF THE POPULATION

The most striking finding in the analysis of 25 metro areas is how closely immigrant share of economic output matches immigrant share of the population. From the Pittsburgh metro area, where immigrants make up 3 percent of the population and 4 percent of economic output, to the Miami metro area, where immigrants represent 37 percent of all residents and 38 percent of economic output, immigrants are playing a consistently proportionate role in local economies.

The Immigrant Economic Contribution Ratio (IECR) captures this relationship, measuring the ratio of immigrant share of economic output to immigrant share of population. An IECR of 1.00 would show that immigrants contribute to the economy in exact proportion to their share of the population; above 1.00 indicates a higher contribution than share of population and below indicates lower.

In over half of the largest 25 metro areas, the IECR hovers very close to parity, measuring between 0.90 and 1.10. In only three metro areas—Phoenix, Minneapolis, and Denver—does the IECR go below 0.90; in eight metro areas it is above 1.10.

Two main factors explain this close relationship. First, immigrants are more likely than their U.S.-born counterparts to be of working age. A higher share of the population in the labor force offsets cases where immigrants have lower wages.

Second, immigrants work in jobs across the economic spectrum, and are business owners as well. Although immigrants are more likely than U.S.-born workers to be in lower-wage service or blue-collar occupations, 24 percent of immigrants in the 25 metro areas work in managerial and professional occupations. Another 25 percent work in technical, sales, and administrative support occupations. In fact, in 15 of the 25 metro areas, there are more immigrants in these two higher-pay job categories taken together than there are in service and blue-collar jobs combined. And, immigrants are also entrepreneurs. Immigrants account for 22 percent of all proprietors' earnings in the 25 largest metro areas—slightly higher than their share of the population.

3. FAVORABLE EARNINGS AT THE TOP OF THE LABOR MARKET; DIFFICULTIES AT THE BOTTOM

At the high end of the economic ladder, immigrants earn wages that are broadly comparable to their U.S.-born counterparts in the same occupations. Immigrants working in the professions—doctors, engineers, lawyers, and others—earn about the same as U.S.-born professionals in almost all metro areas. The same is true for registered nurses, pharmacists, and health therapists, and for technicians.

At the low-end of the labor market, wages can also be roughly similar for foreign- and U.S.-born workers. However, in service occupations, most workers have a hard time making ends meet. Both U.S.- and foreign-born workers earn well below the median in almost every service occupation examined in this report—including guards, cleaning, and building services; food preparation; and dental, health, and nursing aides.

The clear challenge for service jobs is to raise pay for all workers, U.S.- and foreign-born alike.

Some blue-collar workers are in a similar position, with both immigrants and U.S.-born workers showing low annual earnings. In certain blue-collar occupations, however, immigrant workers earn considerably less than

their U.S.-born counterparts. In the 25 metro areas combined, for example, the median earnings for U.S.-born workers in construction trades is \$45,000, while the median for immigrants is just \$27,000. Although wages in blue-collar jobs have eroded in recent decades, in the early years of the post-World War II period several blue-collar occupations paid workers, primarily men without college degrees, family-sustaining wages. The discrepancy today between U.S.- and foreign-born earnings in these occupations thus presents a challenge: to raise all workers to the standard that has been set by some, as a means to improve pay for low-wage workers in the occupation and to protect higher-wage earners.

Unions have played an important role in raising pay in many areas, including some blue-collar jobs. By contrast, the relatively low unionization rate in service jobs helps explain the consistently low pay. Unions continue to play an important role in raising wages and equalizing differences in pay for all workers, documented or otherwise. Although undocumented immigrants are legally permitted to join unions, in practice unscrupulous employers have frequently found ways to take advantage of the status of undocumented workers to thwart their efforts.

In the 25 largest metro areas, the average unionization rate is lower for immigrants than for U.S.-born workers—10 percent compared to 14 percent. With immigrants playing a major role in the labor force, they are also playing a significant role in unions, making up 20 percent of all union members in the 25 largest metro areas.

A closer look at the five largest metro areas in the East—New York, Philadelphia, Washington, Atlanta, and Miami—reveals that the same experience applies to them. Economic growth and immigration generally go hand in hand; immigrants work in all occupations; those in managerial, professional, and technical occupations fare relatively well, those in service and blue-collar jobs less so. Atlanta experienced the biggest growth in immigrant share of the labor force and the fastest growth in its overall economy.

THE POLICY CONTEXT

The current recession has pushed up unemployment, prompting some to feel that sharp restrictions on immigration would help the economy. But, creating a climate that is hostile to immigrants would risk damaging a significant part of the country's economic fabric. Immigrants are an important part of

the economies of the 25 largest metro areas, working in jobs up and down the economic ladder. Immigration is highly responsive to demand—the immigrant share of the labor force increases with economic growth. Immigrants are part of the same economy as other workers, getting paid well in jobs at the top of the ladder and struggling in jobs in the economy's lower rungs.

While the immigrant labor force brings many benefits to the U.S. economy, it also presents political, economic and social challenges. This is especially true in the context of an extremely polarized economy, relatively low unionization rates, weak enforcement of labor standards, and a broken immigration system. Immigration has always been an important part of America's history, and it will continue to be a part of our future. Addressing these complex problems would be a better path for policymakers than wishing away immigration. This report presents an empirical look at the role of immigrants in the U.S. economy, in the hopes of informing a constructive public debate that will result in much-needed policy reform.

REVISION TO BUDGET ALLOCATIONS AND AGGREGATES FOR CERTAIN HOUSE COMMITTEES FOR FISCAL YEAR 2010 AND THE PERIOD OF FISCAL YEARS 2010 THROUGH 2014

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. SPRATT) is recognized for 5 minutes.

Mr. SPRATT. Madam Speaker, under section 325 of S. Con. Res. 13, the concurrent resolution on the budget for fiscal year 2010, I hereby submit for printing a revision to the budget allocations and aggregates for certain House committees for fiscal year 2010 and the period of fiscal years 2010 through 2014. This adjustment responds to House consideration of the bill H.R. 4213, the Tax Extenders Act of 2009. A corresponding table is attached.

This revision represents an adjustment for the purposes of sections 302 and 311 of the Congressional Budget Act of 1974, as amended. For the purposes of the Congressional Budget Act of 1974, as amended, this revised allocation is to be considered as an allocation included in the budget resolution, pursuant to section 427(b) of S. Con. Res. 13.

BUDGET AGGREGATES

[On-budget amounts, in millions of dollars]

	Fiscal years—		
	2009	2010	2010–2014
Current Aggregates: ¹			
Budget Authority	3,668,601	2,882,149	(?)
Outlays	3,357,164	3,002,606	(?)
Revenues	1,532,579	1,653,728	10,500,149
Change for Tax Extenders Reform Act (H.R. 4213):			
Budget Authority	0	4,548	(?)
Outlays	0	4,548	(?)
Revenues	0	-6,049	4,688
Revised Aggregates:			
Budget Authority	3,668,601	2,886,697	(?)
Outlays	3,357,164	3,007,154	(?)
Revenues	1,532,579	1,647,679	10,504,837

¹ Current aggregates do not include the disaster allowance assumed in the budget resolution, which if needed will be excluded from current level with an emergency designation (section 423(b)).

² Not applicable because annual appropriations Acts for fiscal years 2011 through 2014 will not be considered until future sessions of Congress.

DIRECT SPENDING LEGISLATION—AUTHORIZING COMMITTEE 302(a) ALLOCATIONS FOR RESOLUTION CHANGES

[Fiscal Years, in millions of dollars]

House Committee	2009		2010		2010–2014 Total	
	BA	Outlays	BA	Outlays	BA	Outlays
Current allocation:						
Ways and Means ¹	0	0	6,840	6,840	37,000	37,000

DIRECT SPENDING LEGISLATION—AUTHORIZING COMMITTEE 302(a) ALLOCATIONS FOR RESOLUTION CHANGES—Continued

[Fiscal Years, in millions of dollars]

House Committee	2009		2010		2010–2014 Total	
	BA	Outlays	BA	Outlays	BA	Outlays
Change for Tax Extenders Reform Act (H.R. 4213):						
Ways and Means	0	0	4,548	4,548	4,574	4,574
Revised allocation:						
Ways and Means	0	0	11,388	11,388	41,574	41,574

¹ Does not include allowable adjustments for SGR.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BUYER (at the request of Mr. BOEHNER) for today after 8 p.m. and for the balance of the week on account of family medical reasons.

Ms. BALDWIN (at the request of Mr. HOYER) for today on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SCOTT of Georgia) to revise and extend their remarks and include extraneous material:)

Mr. DAVIS of Tennessee, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Mr. LANGEVIN, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. GRAYSON, for 5 minutes, today.

Mr. SPRATT, for 5 minutes, today.

(The following Members (at the request of Mr. GARRETT of New Jersey) to revise and extend their remarks and include extraneous material:)

Mr. SMITH of New Jersey, for 5 minutes, December 10.

Mr. POE of Texas, for 5 minutes, December 16.

Mr. JONES, for 5 minutes, December 16.

Mr. DEAL of Georgia, for 5 minutes, December 16.

Mr. PITTS, for 5 minutes, December 10.

Ms. FOX, for 5 minutes, December 10.

ADJOURNMENT

Mr. SCOTT of Georgia. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 8 minutes a.m.), the House adjourned until today, Thursday, December 10, 2009, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4948. A letter from the Acting Farm Bill Coordinator, Department of Agriculture, transmitting the Department's final rule — Wildlife Habitat Incentive Program (RIN:

0578-AA49) received November 18, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4949. A letter from the Acting Farm Bill Coordinator, Department of Agriculture, transmitting the Department's final rule — Farm and Ranch Lands Protection Program (RIN: 0578-AA46) received November 18, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4950. A letter from the Vice Chairman, Defense Nuclear Facilities Safety Board, transmitting the Board's Recommendation 2009-2, Los Alamos National Laboratory Plutonium Facility Seismic Safety; to the Committee on Armed Services.

4951. A letter from the Assistant Secretary, Department of the Navy, Department of Defense, transmitting notice of the completion of a public-private competition for identification card and administrative functions; to the Committee on Armed Services.

4952. A letter from the Director, Financial Crimes Enforcement Network, Department of the Treasury, transmitting the Department's final rule — Financial Crimes Enforcement Network; Amendment to the Bank Secrecy Act Regulations — Administrative Ruling System (RIN: 1506-AB03) received November 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

4953. A letter from the Secretary, Securities and Exchange Commission, transmitting the Commission's final rule — Regulation S-AM: Limitations on Affiliate Marketing; Extension of Compliance Date [Release Nos. 34-60946; IA-2946; IC-28990; File No. S7-29-04] (RIN: 3235-AJ24) November 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

4954. A letter from the Secretary, Securities and Exchange Commission, transmitting the Commission's final rule — Final Model Privacy Form under the Gramm-Leach-Bliley Act [Release Nos.: 34-61003, IA-2950, IC-28997; File No. S7-09-07] (RIN: 3235-AJ06) received November 18, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

4955. A letter from the Director, OSHA Directorate of Standards and Guidance, Department of Labor, transmitting the Department's final rule — Revising Standards Referenced in the Acetylene Standard [Docket No.: OSHA-2008-0034] (RIN: 1218-AC08) received November 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and Labor.

4956. A letter from the Department Director, Regulations Policy and Management Staff, Department of Health and Human Services, transmitting the Department's final rule — Medical Device; Clinical Chemistry and Clinical Toxicology Devices; Classification of the Cardiac Allograft Gene Expression Profiling Test Systems [Docket No.: FDA-2009-N-0472] received November 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4957. A letter from the Administrator, Environmental Protection Agency, transmitting a report entitled: "Mercury Compounds: Potential for Conversion to Elemental Mercury for Export"; to the Committee on Energy and Commerce.

4958. A letter from the Chief of Staff, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Wheatland, Wyoming) [MD Docket No.: 08-3] received November 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4959. A letter from the Chief of Staff, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Dubois, Wyoming) [MB Docket No.: 09-83] received November 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

4960. A letter from the Assistant Secretary, Legislative Affairs, Department of State, transmitting a copy of Presidential Determination No. 2009-26: Eligibility of Economic Community of Central African States (CEEAC) to be Furnished Defense Articles and Services Under the Foreign Assistance Act and the Arms Export Control Act, pursuant to 22 U.S.C. 2753(a); to the Committee on Foreign Affairs.

4961. A letter from the Assistant Secretary, Legislative Affairs, Department of State, transmitting weekly Iraq Status Reports for the August 15 to October 15, 2009 period; to the Committee on Foreign Affairs.

4962. A letter from the Chairman, Consumer Product Safety Commission, transmitting Fiscal Year 2009 Annual Performance Accountability Report; to the Committee on Oversight and Government Reform.

4963. A letter from the Chairman and President, John F. Kennedy Center for the Performing Arts, transmitting the Center's audited financial statements for the period ending September 28, 2008 and September 30, 2007, pursuant to 20 U.S.C. 761(c); to the Committee on Oversight and Government Reform.

4964. A letter from the Acting Director, Pension Benefit Guaranty Corporation, transmitting the Corporation's Annual Management Report for Fiscal Year 2009, as required under OMB Circular No. A-136, Section I.6, pursuant to 31 U.S.C. 9106; to the Committee on Oversight and Government Reform.

4965. A letter from the Acting Assistant Administrator, NMFS, Department of Commerce, transmitting the Department's final rule — Sea Turtle Conservation; Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic [Docket No.: 0910141365-91366-01] (RIN: 0648-AY21) received November 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Natural Resources.

4966. A letter from the Director, Fish and Wildlife Service, Department of the Interior, transmitting the Department's final rule — Endangered and Threatened Wildlife and Plants; Reinstatement of Protections for the Gray Wolf in the Western Great Lakes in Compliance with Settlement Agreement and Court Order [Docket No.: FWS-R3-ES-2009-0063] received November 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Natural Resources.

4967. A letter from the Chief, Division of Scientific Authority, USFWS, Department of

the Interior, transmitting the Department's final rule — Endangered and Threatened Wildlife and Plants; Listing the Chatham Petrel, Fiji Petrel, and Magenta Petrel as Endangered Throughout Their Ranges [FWS-R8-IA-2007-0021; 96100-1671-0000-B6] (RIN: 1018-AV21) received November 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Natural Resources.

4968. A letter from the Attorney-Advisor, Department of Homeland Security, transmitting the Department's final rule — Drawbridge Operation Regulation; Atlantic Intra-coastal Waterway (AIWW), Elizabeth River, Southern Branch, VA [Docket No. USCG-2009-0814] (RIN: 1625-AA09) received November 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4969. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Establishment of Class D and E Airspace and Modification of Class E Airspace; State College, PA [Docket No.: FAA-2009-0750; Airspace Docket No. 09-AEA-16] received November 13, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4970. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Amendment of Class E Airspace; Tioga, ND [Docket No.: FAA-2009-0504; Airspace Docket No. 09-AGL-7] received November 13, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4971. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Establishment of VOR Federal Airway V-626; UT [Docket No.: FAA-2009-0311; Airspace Docket No. 09-ANM-3] (RIN: 2120-AA66) received November 13, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4972. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Modification of Class E Airspace; Anniston, AL [Docket No.: FAA-2009-0653; Airspace Docket 09-ASO-22] received November 13, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4973. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Establishment of Class E Airspace; Nantucket, MA [Docket No. FAA-2008-1253; Airspace Docket No. 08-ANB-103] received November 13, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4974. A letter from the Chief, Publications and Regulations Branch, Department of the Treasury, transmitting the Department's final rule — Margins and Other Unsubstantiated Additions to Insurance Company Reserves for Unpaid Losses and Claims received November 20, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4975. A letter from the Chief, Publications and Regulations, Internal Revenue Service, transmitting the Service's final rule — Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property (Rev. Rul. 2009-38) received November 20, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4976. A letter from the Administrator, FEMA, transmitting the Department's report on the Preliminary Damage Assessment information on FEMA-1860-DR for the State of Kansas; jointly to the Committees on Appropriations, Transportation and Infrastructure, and Homeland Security.

4977. A letter from the Administrator, FEMA, transmitting the Department's report on the Preliminary Damage Assessment

information on FEMA-1859-DR for the Territory of American Samoa; jointly to the Committees on Appropriations, Transportation and Infrastructure, and Homeland Security.

4978. A letter from the Administrator, FEMA, transmitting the Department's report on the Preliminary Damage Assessment information on FEMA-1858-DR for the State of Georgia; jointly to the Committees on Appropriations, Transportation and Infrastructure, and Homeland Security.

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. WAXMAN: Committee on Energy and Commerce. H.R. 3126. A bill to establish the Consumer Financial Protection Agency, and for other purposes; with an amendment (Rept. 111-367, Pt. 1). Order to be printed.

Ms. SLAUGHTER: Committee on Rules. House Resolution 961. Resolution providing for consideration of the conference report to accompany the bill (H.R. 3288) making appropriations for the Departments of Transportation and Housing and Urban Development, and related agencies for the fiscal year ending September 30, 2010, and for other purposes (Rept. 111-368). Referred to the House Calendar.

Mr. HASTINGS of Florida: Committee on Rules. House Resolution 962. Resolution waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules (Rept. 111-369). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. GEORGE MILLER of California (for himself and Mrs. McMORRIS RODGERS):

H.R. 4247. A bill to prevent and reduce the use of physical restraint and seclusion in schools, and for other purposes; to the Committee on Education and Labor.

By Mr. PAUL:

H.R. 4248. A bill to repeal the legal tender laws, to prohibit taxation on certain coins and bullion, and to repeal superfluous sections related to coinage; to the Committee on Financial Services, and in addition to the Committees on Ways and Means, and the Judiciary, 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. MCHENRY:

H.R. 4249. A bill to establish a commission to develop legislation designed to reform entitlement benefit programs and ensure a sound fiscal future for the United States, and for other purposes; to the Committee on the Budget, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MELANCON (for himself, Mr. ALEXANDER, Mr. CAO, Mr. CASSIDY, Mr. BOUSTANY, and Mr. FLEMING):

H.R. 4250. A bill to direct the Secretary of Health and Human Services to revise regulations implementing the statutory reporting and auditing requirements for the Medicaid

disproportionate share hospital ("DSH") payment program to be consistent with the scope of the statutory provisions and avoid substantive changes to preexisting DSH policy; to the Committee on Energy and Commerce.

By Mr. FILNER:

H.R. 4251. A bill to amend title 31, United States Code, to provide for payments in lieu of taxes for certain Department of Homeland Security land; to the Committee on Natural Resources.

By Mr. BACA (for himself and Mrs. NAPOLITANO):

H.R. 4252. A bill to direct the Secretary of the Interior to conduct a study of water resources in the Rialto-Colton Basin in the State of California, and for other purposes; to the Committee on Natural Resources.

By Mr. BUTTERFIELD:

H.R. 4253. A bill to amend the Small Business Act to change the net worth amount under the small business program for socially and economically disadvantaged individuals from \$750,000 to \$978,722, and for other purposes; to the Committee on Small Business.

By Ms. KAPTUR:

H.R. 4254. A bill to direct amounts derived from the repayment of TARP assistance to the Deposit Insurance Fund of the Federal Deposit Insurance Corporation to reduce the amount of any increase in premiums that would otherwise be required of smaller insured depository institutions and community banks whose prudent activities did not contribute to the financial crisis, and for other purposes; to the Committee on Financial Services.

By Mr. MITCHELL (for himself and Mr. PAUL):

H.R. 4255. A bill to prevent Members of Congress from receiving any automatic pay adjustment in 2011; to the Committee on House Administration, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. LINDA T. SÁNCHEZ of California (for herself, Mr. HELLER, Ms. BERKLEY, and Mr. NUNES):

H.R. 4256. A bill to amend the American Recovery and Reinvestment Tax Act of 2009 to allow specified energy property grants to real estate investment trusts without regard to the ratable share income limitations; to the Committee on Ways and Means, and in addition to the Committee on 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 Ms. TITUS (for herself, Ms. GIFFORDS, and Mr. HENRICH):

H.R. 4257. A bill to amend the Energy Policy Act of 2005 relating to contracts for Federal purchases of renewable energy; to the Committee on Oversight and Government Reform.

By Mr. YOUNG of Alaska:

H.R. 4258. A bill to amend the Internal Revenue Code of 1986 to allow a business credit for donations for vocational educational purposes; to the Committee on Ways and Means.

By Mr. POE of Texas:

H. Res. 959. A resolution amending the Rules of the House of Representatives to prohibit the consideration of a regulation of individual activity disguised as a tax; to the Committee on Rules.

By Mr. POE of Texas:

H. Res. 960. A resolution expressing support for designation of January 2010 as "National Stalking Awareness Month" to raise awareness and encourage prevention of stalking; to the Committee on the Judiciary.

By Mr. KILDEE (for himself, Mr. CAMP, Mr. CONYERS, Mr. DINGELL, Mr. EHLERS, Mr. HOEKSTRA, Ms. KILPATRICK of Michigan, Mr. LEVIN, Mr. McCOTTER, Mrs. MILLER of Michigan, Mr. PETERS, Mr. ROGERS of Michigan, Mr. SCHAUER, Mr. STUPAK, and Mr. UPTON):

H. Res. 963. A resolution congratulating the Great Lakes Bay Regional Convention and Visitors Bureaus for securing the 2012 Region II United States Youth Soccer Association (USYSA) tournament; to the Committee on Oversight and Government Reform.

MEMORIALS

Under clause 4 of Rule XXII, 223. The SPEAKER presented a memorial of the Senate of the Commonwealth of Pennsylvania, relative to Senate Resolution No. 153 urging the U.S. Congress to exclude all youth all-terrain vehicles, off-highway motorcycles and snowmobiles from the provisions of the Consumer Product Safety Improvement Act of 2008; to the Committee on Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 25: Mr. SOUDER.
 H.R. 272: Mr. LUETKEMEYER and Mr. WILSON of South Carolina.
 H.R. 391: Mr. BOOZMAN, Mr. SOUDER, Mr. SESSIONS, Ms. JENKINS, and Mr. FLAKE.
 H.R. 406: Ms. SLAUGHTER.
 H.R. 571: Mr. PAULSEN.
 H.R. 646: Mr. PETERSON.
 H.R. 690: Ms. VELÁZQUEZ.
 H.R. 775: Ms. ESHOO, Mr. UPTON, Mr. CARDOZA, and Mr. NEAL of Massachusetts.
 H.R. 847: Mr. WALZ.
 H.R. 930: Mrs. DAHLKEMPER.
 H.R. 938: Mr. FRANK of Massachusetts.
 H.R. 997: Mr. TIM MURPHY of Pennsylvania and Mr. BISHOP of Utah.
 H.R. 1126: Mr. JACKSON of Illinois.
 H.R. 1135: Mrs. DAHLKEMPER.
 H.R. 1177: Mr. DAVIS of Kentucky and Ms. SHEA-PORTER.
 H.R. 1193: Mr. GERLACH.
 H.R. 1326: Mr. KILDEE, Mr. CROWLEY, Mr. HODES, Mr. OLVER, Mr. CUMMINGS, and Mr. LATOURETTE.
 H.R. 1409: Mr. OWENS.
 H.R. 1428: Ms. ZOE LOFGREN of California.
 H.R. 1458: Mr. SMITH of New Jersey.
 H.R. 1523: Mr. KENNEDY.
 H.R. 1551: Mrs. DAHLKEMPER.
 H.R. 1821: Mr. STUPAK.
 H.R. 2085: Mr. FRANK of Massachusetts.
 H.R. 2106: Mr. PLATTS.
 H.R. 2194: Mr. HOLT.
 H.R. 2254: Mr. KING of New York, Mr. NADLER of New York, Mr. OBERSTAR, Mr. PERRIELLO, Ms. MOORE of Wisconsin, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. CLARKE, Mr. BOOZMAN, and Mr. BISHOP of Utah.
 H.R. 2262: Mr. YOUNG of Alaska.
 H.R. 2308: Mr. MORAN of Virginia.
 H.R. 2378: Mr. SCHAUER.
 H.R. 2450: Mr. CARNEY.
 H.R. 2480: Ms. SLAUGHTER.
 H.R. 2553: Mr. TEAGUE.
 H.R. 2608: Mr. MORAN of Kansas and Mr. CRENSHAW.
 H.R. 2698: Mr. TAYLOR and Mr. HILL.
 H.R. 2699: Mr. TAYLOR.
 H.R. 2799: Mr. HINOJOSA, Mr. TAYLOR, Mrs. MALONEY, Mr. HALL of New York, Mrs. KIRKPATRICK of Arizona, and Ms. RICHARDSON.

H.R. 2807: Mr. LIPINSKI and Ms. LEE of California.
 H.R. 2829: Mr. JOHNSON of Georgia.
 H.R. 2906: Ms. SCHAKOWSKY.
 H.R. 2946: Mr. GUTHRIE, Mr. CLEAVER, and Mrs. CAPITO.
 H.R. 3010: Mr. DELAHUNT.
 H.R. 3044: Mr. BARTON of Texas and Mr. HOEKSTRA.
 H.R. 3105: Mr. GARY G. MILLER of California.
 H.R. 3129: Mr. OLSON and Mr. BOOZMAN.
 H.R. 3212: Mr. CONYERS.
 H.R. 3251: Mr. CHAFFETZ.
 H.R. 3286: Mr. HODES and Ms. WOOLSEY.
 H.R. 3359: Mr. BERMAN.
 H.R. 3380: Mr. SCHAUER, Mr. UPTON, Mr. KILDEE, and Mr. MASSA.
 H.R. 3393: Mr. MURPHY of New York, Mrs. BLACKBURN, and Mr. JONES.
 H.R. 3486: Mr. MICA and Mr. SPACE.
 H.R. 3531: Mr. PASTOR of Arizona and Mr. STARK.
 H.R. 3554: Ms. HARMAN.
 H.R. 3564: Mr. HARE and Mr. GONZALEZ.
 H.R. 3586: Mr. FRANK of Massachusetts and Mr. PASCRELL.
 H.R. 3589: Mr. PAYNE.
 H.R. 3646: Ms. ROYBAL-ALLARD, Ms. CHU, Mr. HONDA, Mr. FARR, and Ms. BALDWIN.
 H.R. 3699: Mr. FRANK of Massachusetts and Mr. PAUL.
 H.R. 3712: Mr. QUIGLEY and Ms. FUDGE.
 H.R. 3721: Mr. MEEK of Florida.
 H.R. 3758: Mr. YOUNG of Alaska, Mr. HOEKSTRA, Mr. CONYERS, Mrs. MYRICK, Mr. SIREN, Mr. POE of Texas, and Mr. ROSS.
 H.R. 3778: Mr. KING of New York.
 H.R. 3810: Mr. CUMMINGS.
 H.R. 3828: Mr. POSEY, Mr. GARRETT of New Jersey, and Mr. ROYCE.
 H.R. 3838: Mr. MEEKS of New York.
 H.R. 3855: Mr. POLIS, Ms. DEGETTE, and Mr. CLEAVER.
 H.R. 3942: Mrs. DAHLKEMPER.
 H.R. 4000: Mr. FOSTER and Mr. FILNER.
 H.R. 4052: Mr. REICHERT.
 H.R. 4067: Mr. QUIGLEY and Mr. ALTMIRE.
 H.R. 4090: Mr. LEVIN.
 H.R. 4100: Mr. GINGREY of Georgia, Mr. ALXANDER, Mr. BURTON of Indiana, Mr. OLSON, Mr. ROE of Tennessee, Mr. BARTLETT, Mr. THOMPSON of Pennsylvania, and Mr. SOUDER.
 H.R. 4104: Mr. CASTLE.
 H.R. 4114: Mr. JOHNSON of Georgia.
 H.R. 4116: Mr. NADLER of New York, Mr. JACKSON of Illinois, Ms. VELÁZQUEZ, and Mr. RAHALL.
 H.R. 4127: Mr. ADERHOLT and Mr. ROGERS of Kentucky.
 H.R. 4132: Ms. ROS-LEHTINEN and Mrs. NAPOLITANO.
 H.R. 4134: Mr. BUTTERFIELD, Mr. THOMPSON of Mississippi, Mr. MEEKS of New York, Mr. CLEAVER, Ms. JACKSON-LEE of Texas, Mrs. BLACKBURN, Ms. WATSON, Ms. KILPATRICK of Michigan, Mr. CUMMINGS, Ms. EDWARDS of Maryland, Mr. JOHNSON of Georgia, Mr. SCOTT of Georgia, Mr. KUCINICH, and Mr. FATTAH.
 H.R. 4138: Mr. PITTS, Mr. MARCHANT, Mr. SHADEGG, Mr. CONAWAY, Mr. KING of Iowa, Mr. COLE, Mr. BURTON of Indiana, Mr. OLSON, Mr. GOHMERT, Mr. BARTLETT, Mr. JORDAN of Ohio, Mr. BISHOP of Utah, Mr. LAMBORN, Mr. POSEY, Mr. THOMPSON of Pennsylvania, Mr. BILBRAY, Mr. AKIN, and Ms. FALLIN.
 H.R. 4157: Mr. WILSON of South Carolina and Mr. DUNCAN.
 H.R. 4162: Mr. CULBERSON.
 H.R. 4163: Ms. SCHAKOWSKY.
 H.R. 4177: Mr. BISHOP of Georgia.
 H.R. 4184: Ms. BERKLEY and Mr. CROWLEY.
 H.R. 4185: Ms. HERSETH SANDLIN.
 H.R. 4190: Ms. SLAUGHTER.
 H.R. 4191: Mr. CONYERS and Ms. ZOE LOFGREN of California.

H.R. 4196: Mr. JACKSON of Illinois, Mr. FILNER, Mr. LARSEN of Washington, and Ms. CORRINE BROWN of Florida.
 H.R. 4219: Mr. MARIO DIAZ-BALART of Florida, Mr. DUNCAN, Ms. ROS-LEHTINEN, Mr. ROGERS of Alabama, Mr. COFFMAN of Colorado, Mr. ROE of Tennessee, Mr. GUTHRIE, Mr. HARPER, Mr. HUNTER, Mr. MCHENRY, and Mr. CHAFFETZ.
 H.R. 4235: Mr. LANGEVIN.
 H.J. Res. 47: Mr. BACHUS and Mr. ROSS.
 H. Con. Res. 24: Mr. RYAN of Ohio.
 H. Res. 111: Mr. CAPUANO and Mr. MCMAHON.
 H. Res. 166: Mr. SPRATT.
 H. Res. 704: Ms. WASSERMAN SCHULTZ, Mr. CAMPBELL, Mr. DAVIS of Alabama, Mr. HINOJOSA, Mr. OLSON, Mr. MCKEON, Mr. MARCHANT, and Mr. WILSON of South Carolina.
 H. Res. 708: Mr. BISHOP of New York, Mrs. BIGGERT, Mrs. BLACKBURN, Ms. GRANGER, Ms. GINNY BROWN-WAITE of Florida, and Mrs. BONO MACK.
 H. Res. 713: Mr. SKELTON, Mr. THOMPSON of Mississippi, Mr. PATRICK J. MURPHY of Pennsylvania, Mr. BACA, Mr. BRALEY of Iowa, Mrs. CHRISTENSEN, Ms. MATSUI, Mr. DOYLE, Ms. SUTTON, Mr. WELCH, Ms. ROYBAL-ALLARD, Ms. WATERS, Mr. DAVIS of Illinois, Mr. CARSON of Indiana, Mr. CONYERS, Mr. CUMMINGS, Ms. LEE of California, Mr. JACKSON of Illinois, Ms. NORTON, Mr. TOWNS, Ms. HIRONO, Mr. WU, Mr. BURGESS, and Mr. GOHMERT.
 H. Res. 812: Mr. SPRATT and Mrs. MYRICK.
 H. Res. 860: Mr. KAGEN, Mr. GEORGE MILLER of California, and Mr. POLIS of Colorado.
 H. Res. 862: Mr. RUSH, Mr. JACKSON of Illinois, Mr. GUTIERREZ, Ms. SCHAKOWSKY, Mr. COSTELLO, and Ms. HERSETH SANDLIN.
 H. Res. 864: Mr. PRICE of North Carolina, Mr. MAFFEI, Mr. HOYER, Mr. KISSELL, Mr. KIND, Mr. MEEK of Florida, Mr. OWENS, Mr. HOLDEN, Mr. MICHAUD, Mrs. HALVORSON, Mr. HILL, Mr. BAIRD, Mr. ETHERIDGE, Mr. HODES, Ms. TITUS, Mr. STUPAK, Mr. EDWARDS of Texas, and Mr. SARBANES.
 H. Res. 879: Mrs. LOWEY, Ms. HIRONO, and Mr. JOHNSON of Georgia.
 H. Res. 901: Mr. JOHNSON of Georgia.
 H. Res. 904: Mrs. Kirkpatrick of Arizona, Mr. WALZ, Mr. FALCOMAVAEGA, Mr. SHULER, Mrs. CHRISTENSEN, Ms. MOORE of Wisconsin, and Mr. MCNERNEY.
 H. Res. 924: Mr. CONAWAY, Mr. FORBES, and Mr. LAMBORN.
 H. Res. 925: Mr. WITTMAN and Mr. TAYLOR.
 H. Res. 933: Mr. McCOTTER.
 H. Res. 934: Mr. McCOTTER.
 H. Res. 945: Mr. THOMPSON of Pennsylvania, Mr. AKIN, Mr. WAMP, Mr. HUNTER, Mr. SHAD-EGG, Mr. BURTON of Indiana, Mr. ROE of Tennessee, Mr. HENSARLING, Mr. RYAN of Wisconsin, Mr. MARCHANT, Mr. CONAWAY, Mr. GOHMERT, Mr. HALL of Texas, Mr. ALEXANDER, Mr. JORDAN of Ohio, Mr. BILIRAKIS, and Mr. SCALISE.
 H. Res. 947: Ms. SCHAKOWSKY, Mrs. MALONEY, and Mrs. DAVIS of California.
 H. Res. 951: Mr. COBLE, Mr. NEUGEBAUER, Mr. MARCHANT, Mr. PITTS, Mr. GINGREY of Georgia, Mr. HENSARLING, Mr. GOODLATTE, Mrs. BLACKBURN, Ms. FALLIN, Mr. ISSA, Mr. WAMP, Mr. AKIN, Mr. ADERHOLT, Mr. BILBRAY, Mr. THOMPSON of Pennsylvania, Mr. POSEY, Mr. BISHOP of Utah, Mr. JORDAN of Ohio, Mr. BARTLETT, Mr. ROE of Tennessee, Mr. HALL of Texas, Mr. GOHMERT, Mr. ALEXANDER, Mr. SHADEGG, Mr. WESTMORELAND, and Mrs. BACHMANN.