

Mr. Speaker, the wounds from which Nate Medeiros is recovering remind us all that while war is sometimes necessary in national self defense, it is always terrible in the toll it takes of our best and bravest. I am honored to be able to participate in this community effort to show Nate Medeiros how deeply we feel the debt to him, and Mr. Speaker, as an example that the nation should note, I ask that the article from the New Bedford Standard Times from October 11 about this event be printed here.

EVENT SCHEDULED TO HONOR NEW BEDFORD SOLDIER WOUNDED IN AFGHANISTAN
(By Brian Fraga)

NEW BEDFORD.—An event will be held later this month to honor Army Pfc. Nathan Medeiros, a New Bedford native recovering from shrapnel and burn wounds he sustained from a roadside bomb in Afghanistan last month.

"Honoring Our Own: Nate Medeiros" is scheduled for Oct. 23, from 3–7 p.m., at the Seaport Inn in Fairhaven. Due to military regulations, the event is not a benefit, and there will be no admission charge.

"After all, this will be the true epitome and best way to honor Nate for his heroic efforts," said Carl Pires, a friend of Medeiros's family who is coordinating the event, and will serve as its emcee.

The night will also feature performances by local musicians and artists such as poet Charles Perry and singers Tiny Tavares, Candida Rose, Glenn "G-Money" Enos, Navelle "Chops" Turner and Irving Washington III, former lead singer of the R&B group Portrait.

New Bedford Mayor Scott W. Lang, State Sen. Mark C.W. Montigny, D-New Bedford, and U.S. Rep. Barney Frank are also scheduled to be on hand to speak and present resolutions to Medeiros and his family, Pires said.

On Sept. 14, Medeiros, 28, an infantry machine-gunner assigned to the 1st Stryker Brigade Combat Team of the 25th Infantry Division, was on patrol in Afghanistan, clearing roadside bombs from an area known as "IED Alley."

Medeiros said he had just noticed two Afghan men crouching at a distance, and was pointing out their location to his fellow soldiers when a roadside bomb detonated less than 2 feet from where he was standing.

"I turned back around and just as I do this, I'm blown into the air and back onto my side," said Medeiros, who has undergone several surgeries to remove shrapnel and debris from his legs.

Medeiros, a graduate of New Bedford High School's night program, also sustained lacerations to his face and neck, swelling in his hands and partial hearing loss.

He arrived home in New Bedford last week on leave, and will be present for the event.

"It's great to have him home," said Medeiros' mother, Cherele Fortes, who said her son surprised them in coming home.

"He looks good. He's got some scars, some bruising, but he is in great spirits. He is an amazing kid. God still has plans for him. That's why he's still with us," Fortes said.

HONORING THE NAACP—MORRIS COUNTY BRANCH

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 12, 2011

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today to honor the Morris County Branch of

the National Association for the Advancement of Colored People, NAACP, as it celebrates its 80th Anniversary.

Founded in 1909, the NAACP is the nation's oldest and largest grassroots-based civil rights organization. With over a half-million members and supporters both throughout the country and around the world, the NAACP strives to ensure the political, educational, social and economic equality of rights of all persons to eliminate race-based discrimination.

To support the national organization's mission, different branches of the NAACP have been established throughout the United States. The NAACP, Morris County Branch, was established in 1931. Headquartered in Morristown, New Jersey, the Morris County Branch has provided great support to the mission and vision of the national organization.

Throughout its 80 years, the Morris County branch has sought to pursue the elimination of racial prejudice and discrimination through numerous events and fundraisers, most notably their Annual Freedom Banquet. This annual fundraiser, also celebrating its 80th anniversary, brings together people from all races, all economic backgrounds to join together for one common purpose: to ensure equality for our fellow citizens.

The NAACP, Morris County Branch, is a wonderful organization, one of which I am proud to say calls the New Jersey 11th Congressional District home.

Mr. Speaker, I ask you and my colleagues to join me in congratulating the members and staff of the Morris County Branch of the NAACP as they celebrate 80 years of promoting equality for our nation.

INTRODUCTION OF LEGISLATION ENDING A CURRENT LAW LOOPHOLE THAT ALLOWS FOREIGN INSURANCE GROUPS TO STRIP THEIR U.S. INCOME INTO TAX HAVENS TO AVOID U.S. TAX

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 12, 2011

Mr. NEAL. Mr. Speaker, today I am pleased to come before the House to introduce legislation ending a current law loophole that allows foreign insurance groups to strip their U.S. income into tax havens to avoid U.S. tax and gain a competitive advantage over American companies. I am pleased to be joined in my efforts by Senator MENENDEZ who is introducing the Senate companion bill.

Many foreign-based insurance companies are using affiliate reinsurance to shift their U.S. reserves overseas into tax havens, thereby avoiding U.S. tax on their all investment income. This provides these companies with a significant unfair competitive advantage over U.S.-based companies, which must pay tax on their investment income. To take advantage of this loophole, several U.S. companies have "inverted" into tax havens and numerous other companies have been formed offshore. And, absent effective legislation, industry experts have predicted that capital migration will continue to grow and other insurers will be forced to redomesticate offshore. As we grapple with significant budget challenges in the years to come, it is essential that we not allow the con-

tinued migration of capital overseas and erosion of our tax base.

The bill I am introducing today does not impact third party reinsurance, which adds needed capacity to the market. It is a fundamental business technique for risk management and is to be fostered. Rather, the bill is targeted solely at reinsurance among affiliates, which adds no additional capacity to the market and is often used for tax avoidance.

There have been previous attempts to address the tax avoidance problem resulting from reinsurance between related entities. Congress first recognized the problem of excessive reinsurance in 1984 and provided specific authority to Treasury under Section 845 of the Tax Code to reallocate items and make adjustments in reinsurance transactions in order to prevent tax avoidance or evasion. In 2003, the Bush Treasury Department testified before Congress that the existing mechanisms were not sufficient. In 2004, Congress amended Section 845 to expand the authority of Treasury to not only reallocate among the parties to a reinsurance agreement but also to recharacterize items within or related to the agreement. Congress specifically cited the concern that these reinsurance transactions were being used inappropriately among U.S. and foreign related parties for tax evasion. Unfortunately, as recent data shows, this grant of expanded authority to Treasury has not stemmed the tide of capital moving offshore.

Since 1996, the amount of reinsurance sent to offshore affiliates has grown dramatically, from a total of \$4 billion ceded in 1996 to \$33 billion in 2008, including nearly \$21 billion to Bermuda affiliates and over \$7 billion to Swiss affiliates. Use of this affiliate reinsurance provides foreign insurance groups with a significant market advantage over U.S. companies in writing direct insurance here in the U.S. We have seen in the last decade a doubling in the growth of market share of direct premiums written by groups domiciled outside the U.S., from 5.1 percent to 10.9 percent, representing \$54 billion in direct premiums written in 2006. Again, Bermuda-based companies represent the bulk of this growth, rising from 0.1 percent to 4 percent. And it should be noted that during this time, the percentage of premiums ceded to affiliates of non-U.S. based companies has grown from 13 percent to 67 percent. Bermuda is not the only jurisdiction favorable for reinsurance. In fact, one company moved from the Cayman Islands to Switzerland citing "the security of a network of tax treaties," among other benefits.

A coalition of U.S.-based insurance and reinsurance companies has been formed to express their concerns to Congress. They wrote to the leadership of the House and Senate tax-writing committees urging passage of my prior bill because, as they wrote, "This loophole provides foreign-controlled insurers a significant tax advantage over their domestic competitors in attracting capital to write U.S. business." With more than 150,000 employees and a trillion dollars in assets here in the U.S., I believe it is a message of concern that we should heed.

That is why I am again filing legislation to end the Bermuda reinsurance loophole. This proposal has been developed working with the tax experts at both the Treasury Department and the staff of the Joint Committee on Taxation to address concerns that have been raised with prior versions of the bill and develop a balanced approach to address this