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House of Representatives

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

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
June 16, 2010.

I hereby appoint the Honorable ED PASTOR to act as Speaker pro tempore on this day.

NANCY PELOSI,
Speaker of the House of Representatives.

PRAYER

Rabbi Joshua Davidson, Temple Beth El of Northern Westchester, Chappaqua, New York, offered the following prayer:

O God, source of the spirit of living things, You created humanity with all its diversity in Your image and placed us upon this Earth to tend it, guiding us along whichever spiritual path we call our own toward goodness and peace.

In this great Hall where dreams come true, we ask Your blessing upon these men and women, these representatives of the people. They have devoted their lives to our welfare. Strengthen them with Your courage. Inspire them as they answer Isaiah's call to feed the hungry and clothe the naked, to lift up those in this land and in all lands who cannot stand on their own.

In this Chamber of debate, may every debate be for the sake of justice, and may justice always be tempered with compassion. May this House be home to the hopes and aspirations of every American, and may America shine as an example to all the world.

Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from New York (Mr. HALL) come forward and lead the House in the Pledge of Allegiance.

Mr. HALL of New York 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.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate has passed without amendment a bill of the House of the following title:

H.R. 3951. An act to designate the facility of the United States Postal Service located at 2000 Louisiana Avenue in New Orleans, Louisiana, as the ''Roy Rondeno, Sr. Post Office Building''.

The message also announced that pursuant to Public Law 111–5, the Chair, on behalf of the Republican Leader, appoints the following individual to the Health Information Technology Policy Committee:

Richard Chapman of Kentucky.

WELCOMING RABBI JOSHUA DAVIDSON

The SPEAKER pro tempore. Without objection, the gentleman from New York, Congressman HALL, is recognized for 1 minute.

There was no objection.

Mr. HALL of New York. I am pleased to welcome Rabbi Joshua Davidson, Senior Rabbi of Temple Beth El in Northern Westchester, New York, as our guest chaplain in the House today. Rabbi Davidson is joined here today by his wife, Mia; their daughter, Mikaela; his aunt, Greer Goldman; and his in-laws, Carol and David Fram.

Rabbi Davidson is president of the Westchester Board of Rabbis. He has served Temple Beth El since 2002, and before that served at the Central Synagogue in New York City. He has a long, distinguished career, serving on the boards of many charitable organizations, interfaith coalitions, and prestigious Jewish organizations.

He served as the chair of the Central Conference of the American Rabbis' Committee on Justice, Peace, and Religious Liberties, vice chair of the Commission on Social Action of Reform Judaism. He currently chairs the commission's task force on Israel and World Affairs. Rabbi Davidson is a member of the Hebrew Union College President's Rabbinic Council, and serves on the Clergy Advisory Board of Interfaith Impact of New York State.

House chaplains are a long, proud tradition in the House of Representatives, dating back to the time of our Founding Fathers, and Rabbi Davidson is a worthy entry into the long roll of distinguished guests.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain up to 15 further requests for 1-minute speeches on each side of the aisle.

THE WARMEST JANUARY TO APRIL EVER

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

Mr. COHEN. Mr. Speaker, back in February, when Washington was slammed with record-breaking snowstorms, many of my Republican colleagues stood on this very floor and

made scientific conclusions that there was not climate change. Many Republicans seemed to suggest Vice President Gore come back and build an igloo on the White House.

Well, the National Oceanic and Atmospheric Administration has released information that says we had the warmest January to April ever, the warmest January to April ever since they started collecting data in 1880. And what do we get from our Republican colleagues? More drilling, more drilling. Not safeguards, but more drilling.

They go out and hold a press conference and ask for more offshore drilling. Rather than that, they should call for more solar investment, rebates for Americans to have solar technology, and get us away from fossil fuels that are ruining the gulf and causing the greatest disaster we have known in the Gulf of Mexico and ecological disaster we have known on this Earth.

While it's unclear what caused this tragic spill, what we can do to prevent future catastrophes is clear: We need to get away from fossil fuels. But Republicans are only interested in lining the pockets of oil companies and making sure that they have the opportunity to drill, drill, drill; spill, spill, spill. We need to stop it, and we need to get a policy that works.

CONGRATULATING ISAAC BEHAR ON HIS LIFETIME ACHIEVEMENT AWARD FROM MIAMI JEWISH HEALTH NETWORKS

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

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to recognize an outstanding constituent from my district in south Florida, Isaac Behar, a longtime humanitarian, philanthropist, and businessman. Ike will be presented with the Lifetime Achievement Award by the Miami Jewish Health Networks.

Ike's American journey embodies the American Dream. At the age of 20, Isaac left Havana for the United States with only $50 and the dream of building a new life and helping others. He proudly served our country, the United States, in the Army in the Korean War.

Upon completion of his service, he started his own clothing business, the Ike Behar Company, with over 400 employees. After seeing the great care that his mother-in-law received from the Miami Health Networks, Isaac decided to make sure that others would be able to take advantage of their great services. Due to his generosity and commitment, the Miami Health Networks have been able to continue to serve all south Floridians.

Ike, I would like to commend you for your service, for your support for our community and our Nation. Thank you for your dedication and commitment to improving the lives of all south Floridians. Thank you.

FIREFIGHTERS

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

Mrs. KIRKPATRICK of Arizona. Mr. Speaker, we are entering the heart of wildfire season in Arizona. Over the coming months, folks in my district will be faced with serious threats to their lives and property time and again; and time and again, these threats will be contained thanks to our firefighters.

As much as anyone, we in District One know the risk firefighters take to protect our communities. We remember how hard they worked to keep us safe when the Rodeo-Chediski fire forced thousands of Arizonans to evacuate their homes. We saw them heading into the forest to battle the Boggy fire, which they successfully contained 18 miles from Alpine just yesterday.

These brave men and women face incredible danger as a basic part of their jobs. So far this year, 34 firefighters have lost their lives in the line of duty. We must honor their service and sacrifice and renew our commitment to providing them with the support they need to fulfill their duties. It is the least we can do.

MORE DEBT

(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, last week the President's chief budget adviser, Peter Orszag, said that the administration was unwilling to send a package of deficit-reducing budget cuts to Capitol Hill. Even though the President's party is in control of both Houses, Orszag didn't think administration budget recommendations would be considered.

Just a few days later, however, the President announced that he wants Congress to pass a $50 billion bill to bail out States, regardless of whether that spending increases the deficit. So the administration is perfectly willing to dictate to Congress that we should increase our already burdensome national debt, but wholly unwilling to recommend sensible cuts to existing government programs. We just can't go on like this.

This week, Greece just had another debt rating agency slash their bond rating to junk. Now Europe is putting together a bailout package for Spain. Italy, Ireland, and Portugal may not be far behind. The warnings are numerous, but I fear that they are being ignored. We have to get control of our Federal budget or there is not going to be anyone big enough to bail us out.

PUTTING PEOPLE BACK TO WORK

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

Mr. PERLMUTTER. Mr. Speaker, listening to my friend from Pennsylvania, I remind him as well as others that the last month of George Bush this country lost 780,000 jobs in 1 month. Okay? Fourteen months later, 15 months later we gained some 400,000 jobs in this country, a swing of 1,100,000 jobs per month.

But in the process, down here in the recession after the Bush administration, we lost 8 million jobs. We have a long way to go to put those people back to work. But for Democrats, that's job number one, to continue to add jobs and put people back to work.

When President Bush left it was a $1.3 trillion deficit. We know that we have to rein in spending, and we can begin with Iraq, by drawing down those troops and saving this country some real money.

Our first job is to put people back to work, and that's what Democrats are going to do.

MARINE CORPS LEGEND SERGEANT CHUCK TALIANO

(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, a Marine Corps legend and Beaufort, South Carolina, resident, passed away on Friday, leaving behind many touched lives, an iconic image, and a legacy of service to our great country.

This is a copy of the iconic Marine Corps recruit photo of Sergeant Chuck Taliano. The story of how Sergeant Chuck Taliano ended up on this famous poster is best reported by Patrick Donahue in the Beaufort Gazette. The article explains that:

''Sergeant Chuck Taliano was awaiting an honorable discharge at Marine Corps Recruit Depot Parris Island in 1968 when a reservist writing a book about boot camp snapped a photo of him giving a recruit an 'attitude readjustment.'

''That cemented Taliano's place in Corps legend.

''The photo captured his snarling mug inches from a fresh-faced recruit with the caption, 'We don't promise you a rose garden.' It was on thousands of Marine Corps recruiting posters printed during the 1970s and 1980s.''

I want to thank Sergeant Taliano and his family for his commitment to America and the Marine Corps. My thoughts and prayers are with his family and friends.

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

IN SUPPORT OF H.R. 5297

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

Mr. QUIGLEY. Mr. Speaker, I rise in strong support of H.R. 5297, the Small

Business Lending Fund Act. This legislation will help the small businesses in my district, such as Al & Joe's Deli, a family-owned business in Franklin Park with sub sandwiches to die for, that is looking to expand. It will also save businesses such as National Plumbing & Heating Supply Company in Illinois, which had to shut down after 60 years because banks ended its line of credit.

To respond to these problems, I will vote to create a new $30 billion loan program to boost lending to small businesses so they can expand and create jobs.

I also cosponsored an amendment that will include commercial real estate lending as small business lending. This will complement regular lending efforts and help businesses like Al & Joe's capitalize on existing property to expand and create new jobs.

I urge my colleagues to pass this critical legislation.

□ 1015

HONORING ELAINE KANG

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

Mr. THOMPSON of Pennsylvania. Mr. Speaker, I rise today to recognize and honor the young talent of Elaine Kang, a 16-year-old violinist from Port Matilda, PA.

This coming September, she will make her radio debut on NPR's ''From the Top,'' a critically acclaimed radio show that reaches 700,000 listeners each week. ''From the Top'' serves to honor the passion and tenacity of classical musicians under the mission of allowing young people to make a difference by showing who they are and what they can accomplish.

Elaine should be highly commended for developing this wonderful talent. With only 16 years behind her and many more ahead, she is well on her way to a fruitful career. She is a role model for many other young musicians, as well as her peers. The lessons of hard work and discipline are universal, and Elaine certainly promotes them. She has exhibited wonderful skill and her example shows the benefit of pursuing one's passions.

I wish Elaine the best of luck on her upcoming taping at the Majestic Theatre in Gettysburg, and I look forward to hearing her play.

COMPREHENSIVE IMMIGRATION REFORM

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

Mr. BACA. I agree with my colleagues on the other side of the aisle that America's borders must be secured. Border security is an important part of comprehensive reform, but we simply cannot ignore the 12 million individuals who are forced to live in the shadows of our society. Our broken immigration system is tearing families apart, thousands of families, every year.

The Department of Homeland Security reports that over the last 10 years, more than 100,000 immigrant parents of U.S. citizen children have been deported. Misguided laws like Arizona's SB1070 don't help keep families together.

Immigration is a Federal problem that can only be solved with a comprehensive approach that is both sensitive to families and ensures border security.

I urge my colleagues, both Democrats and Republicans, to cosponsor H.R. 4321.

Last, but not least, I would like to wish the women good luck tonight in their softball game.

CONGRESS MUST BUDGET

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

Mr. FORTENBERRY. Mr. Speaker, the national debt just surpassed $13 trillion. Since 2000, the national debt and government spending have doubled, and in simple terms, every American citizen now owes $42,000 toward this debt.

To govern is to choose, Mr. Speaker, and choices must be made within our budget to resolve this dire situation. Yes, the choices before us are hard, and restoring economic strength will be very difficult. But tightening the belt, making hard choices and relieving the massive debt burden that will otherwise be left to our children and grandchildren, this is the charge of Congress. This is our duty. This is what the American people deserve

Government spending and overreach are eroding economic confidence, yet there is neither a political will or a mechanism in Washington right now for addressing this spiraling debt and deficit/right now there isn't even a budget, and this is unconscionable and unsustainable. Our constituents deserve a Nation with its fiscal house in order, and this starts with a responsible budget plan.

REMEMBERING BLOODY SUNDAY

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

Mr. NEAL. Mr. Speaker, we had an opportunity yesterday to witness another it-will-never-happen moment. Thirty-eight years after 13 unarmed men and women were shot dead on the streets of Derry in the north of Ireland, on a day now known as Bloody Sunday, the families and relatives of the victims have found the justice they've been seeking for decades. They learned the truth yesterday about what happened during a peaceful civil rights march in the Bogside community in January of 1972. And they heard the British Prime Minister David Cameron say that their loved ones were innocent and that the actions of the parachute regimen on that day were unjustified and wrong.

If Bloody Sunday was a defining day in the history of the troubles, let us hope the publication of the Saville Report will be transformative and cathartic moment for the people in the north of Ireland.

Today we remember those who lost their lives marching near Free Derry and Rossville Flats. We remember Bloody Sunday and those who were wounded. The innocent people have now been exonerated.

For those of us who stood up with those families over the course of almost four decades—and I was a staunch supporter of those families—this is a moment of satisfaction. And at the Guildhall yesterday in Derry, people cheered the vindication of their loved ones who died on that tragic, tragic day.

GIRLS ROCK THE HOUSE WINNER

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

Mrs. MCMORRIS RODGERS. Mr. Speaker, I rise today to congratulate Elli Rassbach, an eighth grade student from Walla Walla, Washington, the winner of the first ''Girls Rock the House'' contest in my home State of Washington State

At a time when only 17 percent of Congress is made up of women, we need to be doing a better job of making young ladies aware of the opportunities and encouraging more young women to become involved in public service.

That's why I'm a strong supporter of ''Girls Rock the House,'' and I'm very proud of this year's winner. The bill Elli wrote and submitted to ''Girls Rock the House'' is well-researched and well-written. It's an idea to promote healthy living, and I'm proud to stand before my colleagues and ask them to join me in recognizing her achievement.

On behalf of the United States Congress, congratulations, Elli. Well done.

NO MORE FREE RIDES COURTESY OF THE AMERICAN TAXPAYER

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

Mr. COURTNEY. Mr. Speaker, author Michael Kinsley once observed that ''a gaffe is when a politician tells the truth.''

The Republican leader, Mr. BOEHNER, proved this point the other day when he was asked point blank whether he agrees with the Chamber of Commerce that the government should pitch in to

pay for BP's oil spill. He replied, ''I think BP and the Federal Government should take full responsibility for what's happening here.'' His words clearly misstated the law. BP is solely responsible, and his staff went into damage control overdrive afterwards to clean up his mess.

But this gaffe really confirms what every American knows in their heart of hearts, that Washington Republicans for the last 40 years have been lockstep allies of the oil companies' push to shift the risk of oil production onto the taxpayer and keep the benefit to themselves. Americans listening today should know that no matter what the Republican leader says, the Democratic majority understands that BP is solely responsible for the cleanup; that the taxpayer will be repaid for its costs; and that BP will compensate small businesses and working families for the damage done to their lives.

No more free rides courtesy of the American taxpayer.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members are reminded to direct their remarks to the Chair.

BENEFITS OF THE HEALTH CARE ACT

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

Mr. YARMUTH. Mr. Speaker, after a year and a little bit more of debating health care in this country, with all the numbers and the rhetoric, sometimes we lose sight of the actual human face of what we accomplish for the American people.

I have the great honor today of being joined by two bright and beautiful young women: Camille Davis and Madeline Davis of Louisville, Kentucky, 7 and 9 years old. They both had tethered cord syndrome that was diagnosed and treated successfully at Children's Hospital in my hometown. They are doing great, and they will grow up to be whatever they want to be. As a matter of fact, I'm glad that they're not 25 because probably one of them would take my seat very shortly.

But the important thing is now, because of the health care bill that we passed, they can be anything they want to be. They can go to grad school. They can do an internship. They can stay on their parent's policy until they're 26. They have total freedom without regard to being denied coverage because of their medical history. This is one of the great benefits of the health care act that we achieved for the American people, and there are millions more like Madeline and Camille who will benefit for the rest of their lives.

I am so proud of what we accomplished for Madeline and Camille Davis and for millions of American young people.

SLOAN HILLS WITHDRAWAL ACT

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

Ms. TITUS. Mr. Speaker, today the Senate will hold a subcommittee hearing on the Sloan Hills Withdrawal Act introduced by Majority Leader REID. I am a cosponsor and strong supporter of the House companion to this legislation.

This bill would withdraw a 640-acre site near the Sun City Anthem community in Henderson from being made available for mining purposes. The proposed mining operation would cause air quality deterioration, a serious concern, especially for seniors and children, who are vulnerable to respiratory diseases. The proposal is also water-intensive and will increase traffic in the area.

Residents of nearby communities, which are in District Three, would be most directly impacted by this project. That is why I attended a public meeting in April of last year with more than 400 concerned residents of the area. I heard loud and clear that the proposed mine was unacceptable.

The Sloan Hills Withdrawal Act would ensure that an aggregate mine is not developed on this site and will protect the health and well-being of my constituents in Henderson. So I urge its passage.

SCOTT URBAN, 2010 OUTSTANDING EDUCATOR AWARD FOR TEACHER ACHIEVEMENT

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

Mr. WALZ. Mr. Speaker, I rise today to honor Scott Urban, a teacher from Mankato West High School in Mankato, Minnesota. Scott was this year's recipient of the Minnesota WEM Foundation's Outstanding Educator Award. This award recognizes exemplary teachers who support, inspire, and assist students to achieve their full potential. They are nominated by students, parents, colleagues, and community leaders, the people that matter most

As a teacher on leave myself from Mankato West High School, I had the honor of teaching in the classroom next to Scott. I have seen his passion and outstanding leadership inspire students to achieve far more than they ever dream. He encourages his students to learn the material, not simply for a test but to test their knowledge and their limits.

Scott's success with students is unparalleled. Over the past 11 years at Mankato West, the students in his rigorous advanced placement government and politics class have maintained an 80 percent pass rate on the national exam, well above all averages. Last year, 85 students took the exam with a pass rate of 94 percent, and 54 percent achieved five out of five. Students in Scott's advanced placement government class come away with not only superior knowledge of our political system but a deep love for our democracy.

For 27 years, he has challenged and inspired, and I hope it's another 27.

Congratulations, Scott.

WE MUST BREAK OUR ADDICTION TO FOSSIL FUEL

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

Ms. BERKLEY. The horrific crisis and tragedy in the gulf must be a wake-up call to America that we must break our addiction to fossil fuel and move with all deliberate haste to a renewable energy future or America simply will have no future.

Energy independence is an economic necessity. We can create an entire economy based on green jobs. It's not only an environmental necessity. Look at the crisis that we have in the gulf with the loss of life and the destruction of an ecosystem that will take a lifetime to fix.

It's a national security imperative. We have to break from our reliance on the Saudis and the Venezuelans, the BPs of the world, and harness the sun, wind, geothermal, biomass. The State of Nevada can become the epicenter of renewable energy. We just need the will to do it.

I ask my colleagues to please join me in a renewable energy future for this great country.

WALL STREET REFORM

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

Ms. FUDGE. Madam Speaker, Wall Street reform is critical to creating jobs and growing our economy. As we rebuild America, we must ensure that Wall Street won't gamble again with our futures.

I support the Restoring American Financial Stability Act because it includes commonsense reforms to hold Wall Street and the big banks accountable. This bill will end bailouts by ensuring taxpayers are never again on the hook for Wall Street's risky decisions and will rein in big banks and their big bonuses. It protects families' retirement funds, college savings, homes and businesses' financial futures from unnecessary risk by lenders.

It also safeguards the American people from predatory lending abuses, which resulted in millions of foreclosures over the past few years.

The American people deserve and want these reforms. Let's give Americans what they deserve: fairness in the financial system.

HONORING FIRST LIEUTENANT WAYNE T. HOGANCAMP

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

Ms. LORETTA SANCHEZ of California. Madam Speaker, I rise today to recognize a very special individual by the name of First Lieutenant Wayne T. Hogancamp. First Lieutenant Hogancamp, who lives in Orange County, California, was awarded the third highest honor in the military for gallantry in action, the Silver Star, on January 1, 1945.

While in command of an M–8 cannon platoon and advancing over an enemy-controlled road in the Philippines, First Lieutenant Hogancamp maneuvered his M–8 through a barrage of enemy artillery fire and successfully destroyed two 77 millimeter guns, thus allowing his column to advance. While continuously exposed to enemy fire and using a burning M–5 tank for cover, he eliminated the enemy threat, allowing the safe passage of his men.

First Lieutenant Hogancamp's bravery is a testament to the dedication and valor of himself, his unit, and the United States Army.

It was an honor for me and my office to have helped Lieutenant Hogancamp obtain his much-deserved Silver Star medal and to have presented it to him this past weekend, 65 years after his heroic act.

Madam Speaker, please join me in honoring First Lieutenant Wayne T. Hogancamp of the United States Army.

□ 1030

WHAT'S IT GOING TO TAKE?

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

Ms. SPEIER. Madam Speaker, I have one question: What's it going to take? How many more oil spills do we have to endure before we're going to do something decisive about ending our reliance on oil?

The amount of oil that has been spilled in the gulf since its inception is about 60,000 barrels per day we're now finding out, up from 1,000 barrels per day. Do you realize that if we had retrofitted 75,000 homes in this country, it would equal the amount of oil that has been spilled into the gulf during this time.

I say to all of us, it is time to take decisive action. It is time to rid ourselves of our dependence on oil. We can do so by embracing the Home Star program that the House has already passed. And maybe what we should do is ask BP to put into an escrow account $6 billion. And with $6 billion, do you know what we can do? We can retrofit over 3 million homes in America. And by the way, we can put to work 160,000 Americans.

INCREASING LENDING OPPORTUNITIES FOR WOMEN- AND MINORITY-OWNED BUSINESSES

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

Mr. CARSON of Indiana. Madam Speaker, I rise today as a champion of the small business community to ask Members to support the floor manager's amendment. The floor manager's amendment includes my provision which amends H.R. 5297 to ensure that women and minority-owned businesses are provided with lending opportunities to allow them access to capital.

Specifically, my amendment requires States applying to receive Federal contributions for their capital access programs to submit a report. This report will explain how they plan to provide lending opportunities for small businesses in underserved and low- and moderate-income communities.

According to SBA estimates, about 60 percent of the jobs lost in 2008 through the second quarter of 2009 were lost in small firms. As our Nation continues its recovery from the worst economic downturn since the Great Depression, we must recognize that our comeback will only go as far as our small businesses allow. This includes tapping into the potential of women and minority-owned small businesses. Several studies have found that these small business owners are more likely to experience loan denials, pay higher interest rates, and are less likely to apply for loans because of fear of rejection.

I understand that because of the economic challenges that we face, banks cannot loan to all existing or aspiring business owners, but I believe we must continue to work with States and banks to increase lending opportunities for women and minority-owned businesses. That is why I introduced this amendment.

I ask that Members join me in taking a step to make sure that all small business owners have access to capital and an opportunity to contribute to this Nation's free market.

PERMISSION RELATING TO CONSIDERATION OF AMENDMENT TO ORIGINAL-TEXT SUBSTITUTE TO H.R. 5297

Ms. BEAN. Madam Speaker, I ask unanimous consent that the instruction in the amendment printed in part B of House Report 111–506 relating to page 11, line 8, be considered to refer to section 4(d)(2)(a) of the original-text substitute.

The SPEAKER pro tempore (Ms. TITUS). Is there objection to the request of the gentlewoman from Illinois?

Mr. NEUGEBAUER. Madam Speaker, reserving the right to object, while I do not plan to object, I just wanted to point out that by accepting the chairman's request, we are agreeing to help you fix a drafting issue with your amendment. However, Republicans also note that only one of our amendments was made in order today. So at the same time we are agreeing to help you fix your amendment—an amendment, by the way, that is considered adopted without a vote—your side has blocked all but one of our amendments from coming up.

I just wanted to make sure that we are all clear on how things are handled these days in the House before we move on to this bill.

With that, I withdraw my reservation.

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

There was no objection.

GENERAL LEAVE

Ms. BEAN. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 5297 and to insert extraneous material thereon.

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

There was no objection.

SMALL BUSINESS JOBS AND CREDIT ACT OF 2010

The SPEAKER pro tempore. Pursuant to House Resolution 1436 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 5297.

□ 1035

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. 5297) to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, and for other purposes, with Mr. PASTOR of Arizona 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.

General debate shall not exceed 1 hour, with 30 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services and 30 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Small Business.

The gentlewoman from Illinois (Ms. BEAN) and the gentleman from Texas (Mr. NEUGEBAUER) and the gentlewoman from New York (Ms. VELÁZQUEZ) and the gentleman from Missouri (Mr. GRAVES) each will control 15 minutes.

The Chair recognizes the gentlewoman from Illinois.

Ms. BEAN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, our Nation's economic rebirth relies upon the ability of our community businesses to innovate, develop, and market solutions that deliver measurable value to their customers. Their success drives the majority of new jobs in our Nation. They are the engine of innovation, and their resiliency to reinvent their business models and adapt to emerging growth markets is critical. It's their creativity that drives 13 times more patents per employee than larger firms. They are the cornerstones of our economy and our communities. Beyond the goods and services and the jobs they provide, they invest in the bricks and mortar/real estate in our communities. They have supply chains that depend on their business. They do charitable giving, and they mentor young people in their communities.

Congress has done much to address the challenges small businesses face. Among the $288 billion in tax breaks in the Recovery Act were crucial small business tax provisions, such as accelerated bonus depreciation and an expansion of the net operating loss carryback that has already rebated $2.8 billion to businesses across our Nation.

U.S. manufacturing is growing, we're adding new jobs every month in 2010, and GPD is now trending positively, moving from a negative 6 to positive 6 in the year following the Recovery Act and it's now holding at 3 percent. But as I talk with small businesses in my district and across the Nation, the issue that has continued to be an obstacle to business expansion and diversification is access to credit.

The financial crisis of 2008 severely tightened small business access to credit and affordable terms. When businesses can't access financing, they're prevented from entering into new contracts, buying new equipment, hiring new employees, and other expansions. In the worst cases, business owners must cut payrolls, go into bankruptcy, or close their doors for good. Congress has taken steps to alleviate that problem. The Recovery Act included valuable changes to the SBA loan programs, reducing fees for lenders and borrowers on the 7(a) and 504 loan programs and increasing government guarantees to attract more capital. As a result, weekly SBA loan approval volumes have increased by over 90 percent.

The improvements to SBA loan programs and other measures we've taken have helped, but much more needs to be done. Earlier this year, commercial and industrial loans declined for the seventh straight quarter, down more than 17 percent from 2009, and banks are receiving mixed messages. On the one hand, Congress and the administration are urging them to lend more; on the other, bank regulators are telling them to hold back on lending. In fact, our colleague, Mr. PRICE, has an amendment expressing a sense of Congress on that point.

In addition, banks have greater risk aversion due to their exposure on their balance sheets—stemming especially from the instability of the commercial real estate sector. That brings us to this important bill on the floor today. The Financial Services Committee has held several hearings on the restriction of credit for small business. The bill before us today builds on those hearings and was considered in the open process the committee is known for.

During markup of the bill, the committee adopted 15 amendments, including seven Republican amendments, and today we will consider 17 additional amendments, the vast majority of which are to the Financial Services portion of the bill.

The Small Business Lending Fund Act is a significant step to boost small business lending through our community banks. This legislation builds on the effective financial stabilization measures Congress has previously taken by establishing a new $30 billion small business loan fund to provide additional capital to community banks that increase lending to small businesses. This $30 billion investment on which the government will be collecting dividends and earning a profit per the CBO estimates can be leveraged by banks into over $300 billion in new small business loans. This is an important investment by the Federal Government in our small business that brings tremendous returns.

The terms of the capital provided to banks are performance based; the more a bank increases its small business lending, the lower the dividend rate is for the SBLF capital. If a bank decreases its small business lending, it will be penalized with higher dividend rates.

This legislation includes strong safeguards to ensure that banks adequately utilize available funds to increase lending to small businesses, not for other lending or to improve their balance sheet. There will be oversight consistently throughout the program, plus it requires that the capital be invested only in strong financial institutions at little risk of default and the best positioned to increase small business lending.

It's important for Americans to understand that although this fund has a maximum value of $30 billion, it is estimated to make a profit for taxpayers in the long run. And the money will ultimately go not to banks, but to the small businesses and their communities that they lend to. As our financial system stabilizes and our community banks recapitalize, these funds will be repaid to Treasury with full repayment required over the next 10 years.

Also included in the Financial Services portion of this bill is the State Small Business Credit Initiative championed by our colleague, Mr. PETERS. The underlying bill provides $2 billion in funding for new or existing State lending programs.

The CHAIR. The time of the gentlewoman has expired.

Ms. BEAN. I yield myself 1 additional minute.

This program provides funding for States to expand or create lending programs that use small amounts of public resources to generate private bank financing and are designed to address critical reasons why banks are having trouble making increased investments now—lack of adequate capital reserves on the part of lenders and collateral shortfalls on the part of borrowers.

The State Small Business Credit Initiative is required to leverage $10 of private funding for every $1 of government funding. Many of the existing capital access programs leverage 30 private dollars for every 1 government dollar. By supporting existing programs and using an easy-to-replicate model, this program will be quickly ramped up to increase small business lending which will retain and create jobs.

Small businesses are the job creators of our Nation. Supporting their ability to grow and innovate is key to a robust and stable economic recovery. I commend the leadership of Chairman FRANK and Chairwoman VELÁZQUEZ in bringing this package to the floor, which will provide critical support to the half of all American workers who either own or work for a small business.

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

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

I rise today in opposition to H.R. 5297. My opposition is not a question of whether or not I support small businesses, it's a question of whether or not this bill will actually help small businesses. Unfortunately, my conclusion is that this bill will not help them, but will cost the taxpayers another $33 billion—by the way, $33 billion that we don't have.

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As a former small business owner, as well as a former lender, I understand firsthand the need for small business to have access to credit. Access to credit has tightened, but demand for credit from worthy borrowers has also declined.

What small businesses really need more than anything in the current economic environment is more certainty so they can invest and can plan for the future. What they have gotten from Congress is more and more uncertainty.

Small businesses will face a costly tax penalty if they can't comply with the added cost of the new health care law. One business owner in my district told me he had plans to expand and to create jobs, but he has put those on hold now because his business would not grow over 51 employees and then be subject to the new law.

Small businesses are worried about how much their energy costs will go up under the proposals of cap-and-tax

bills. Finally, they have no idea how much their taxes will be next year. Not only are they worried about new taxes to pay for more government spending, but they know that taxes will also go up automatically if Congress does not do anything to address the expiring tax provisions.

No wonder small businesses are in a holding pattern and are not creating new jobs, and this bill does nothing to provide any certainty for small businesses. Rather than doing something that creates more certainty for small businesses to grow and to add jobs in this economy, the majority is repeating the same failed initiatives that have helped our national debt grow to $13 trillion in the past 2 years. This bill follows the model of the TARP program, minus the stronger oversight, and it puts another $30 billion into banks in the hopes that lending to small businesses will increase.

In the words of Neil Barofsky, the Special Inspector General who oversees the TARP, ''In terms of its basic design,'' he says, ''its participants, its application process, from an oversight perspective, the Small Business Lending Fund would essentially be an extension of the TARP's Capital Purchase Program.''

From the Congressional Oversight Panel for TARP, chaired by Elizabeth Warren, she says, ''The SBLF's prospects are far from certain. The SBLF also raises questions about whether, in light of the Capital Purchase Program's poor performance in improving credit access, any capital infusion program can successfully jump-start small business lending.''

This bill allows for another $33 million in spending that will be added to the government's credit card. The CBO tells us that the bank lending portion will ultimately cost taxpayers $3.4 billion when market risk is taken into account.

We have had record bank failures, including the failures of four banks that were TARP recipients. When those TARP recipient banks failed, the taxpayers' investments of $2.6 billion were essentially wiped out. More than 100 banks that have received TARP funds so far have missed their dividend payments. These missed dividend payments have cost the taxpayers almost $200 million. It turns out that many of these banks that received TARP funds were far from healthy.

Do we really think there will be no more bank failures or missed dividend payments among banks that receive funds out of this new TARP program? We know there will be, and the CBO says there will be, which will lead to more losses for the taxpayers.

This fund is just like the TARP's Capital Purchase Program, except for the stronger oversight. I am extremely disappointed that the Rules Committee blocked a sensible amendment that would have improved the oversight of this new lending fund by bringing it under the oversight of the Special Inspector General for TARP. SIGTARP has developed significant experience in looking out for the taxpayers when it comes to the TARP program. SIGTARP's expertise should be used for this fund to protect the taxpayers.

H.R. 5297 will lead to more losses for taxpayers and to no more improvement in credit for small businesses. A lack of credit is not even the largest problem facing these small businesses. According to the National Federation of Independent Business, the top problem facing small businesses is the lack of sales and demand. If businesses are not confident they will have customers, they are not going to borrow; they are not going to expand, and they are not going to add jobs.

This $33 billion bill is not going to help increase demand from small business customers. Instead, we need the government to step back and to stop prolonging the uncertainty that is crowding out economic growth in our country. The sad thing is that there are things that Congress could actually be doing to help small businesses. Instead, the majority has chosen to bring up bills that will cost the taxpayers billions and that will do nothing to help the small businesses. They have denied our side the ability to offer substantial amendments.

I think it was appalling, quite honestly, Mr. Chairman, that the majority awarded themselves 66 amendments to this bill and that they awarded the Republicans one. Now, if that is the bipartisanship that this leadership is talking about, I don't think the American people are buying that that is bipartisan, because many of the amendments that we offered, Mr. Chairman, were to add additional protections for the taxpayers. Obviously, the majority is not interested in protecting the taxpayers' investments with this $33 billion. By the way, this is $33 billion that we don't have.

I am hoping that the majority is going to tell us this morning where the proposal of the $33 billion is going to come from. Well, I can tell you where it is going to come from. We are going to charge it to our children and to our grandchildren. You know what? I think we've just about reached the limit on the amount of money we should charge to our children and to our grandchildren.

So, Mr. Chairman, I am going to urge my colleagues to insist that we do better for small businesses. We must do something for small businesses, but this is not the answer, and I am going to encourage my colleagues to vote ''no.''

I reserve the balance of my time.

Ms. BEAN. I yield 1 minute to the gentleman from Connecticut (Mr. LARSON).

Mr. LARSON of Connecticut. I rise in support of the bill for the purpose of engaging in a colloquy with Congresswoman BEAN.

I want to bring attention to the important role that banks at the $25 billion asset cap play in this economy, particularly in lending to small businesses.

The State of Connecticut has three such banks within the $10 to $25 billion range in terms of asset caps. These banks are on the ground, lending to small businesses in my district. They are the biggest SBA lenders and are the biggest lenders to minority businesses. They also fulfill a niche opportunity for so many manufacturers in my State as well.

While I understand that the asset cap could not be raised to include these banks in this bill, I would ask that Congresswoman BEAN and Chairman FRANK work with me, with the Treasury, and with the other body to ensure that these banks can be included in this program as this legislation goes forward.

Ms. BEAN. I thank the congressman for his concerns, and I have similar concerns.

In my home State of Illinois, we also have institutions that would like to participate but would be unable to because of the asset cap. I know Chairman FRANK agrees on this point.

I reserve the balance of my time.

Mr. NEUGEBAUER. Mr. Chairman, one of the things that is interesting is that this program is designed to put more capital into the banking system.

According to the Federal Reserve's April survey of senior loan officers, three factors that exerted the greatest influence on banks' business lending practices over the past 3 months were competitive pressures, the economic outlook, and the tolerance for risk in the business loan market. Lack of capital was not mentioned as one of the driving forces for lending decisions that are being made.

So, basically, Mr. Chairman, what this bill tries to do is to solve a problem that, according to the Federal Reserve, doesn't exist. There is plenty of capital, but there is this competitive pressure, this economic outlook, and this tolerance for risk.

Going back to my earlier point, when I traveled around the 19th Congressional District, I talked to a number of lenders. At the same time, I visited businesses in their communities. What I learned during that process is that many of the small businesses just said, Congressman, things are just too uncertain right now. We don't know what Congress is going to do with taxes. We don't know what they're going to do with this energy bill. We don't know exactly. We are trying to figure out how this new health care bill is going to impact our businesses, how it is going to impact our bottom lines.

Then I went over and talked to the lenders. Many of the lenders are sitting on record amounts of cash and capital in their banks. They are looking as hard as they can for good lending opportunities. What they said is, Unfortunately, some of our customers are not creditworthy. The economy has hurt their sales, and so it wouldn't be

prudent to loan those businesses more money. Others said, Our good customers, customers who are creditworthy, are not coming to us and borrowing any money because, again, of this uncertainty.

So, again, our opposition to this bill is that it is not really addressing the real issue in our economy, which is needing to bring some certainty and to leave the capital in the companies, to leave the capital in the economy, instead of the Federal Government's continuing to create uncertainty and taking money out of the economy.

I reserve the balance of my time.

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

Small businesses, which represent 99.7 percent of firms, are key to the recovery of the U.S. economy. Through innovation and hard work, they are able to not only create jobs but to also build the foundation for future growth. We saw this after the recession of the early 1990s. As we emerge from the latest downturn, small firms will again lead the way.

This downturn has affected every facet of the global economy. Most of the focus has been on repairing the residential housing market and homeowners in particular. It is important to note that this has greatly impacted small businesses as well. Through the Recovery Act, we were able to help them, providing more than $28 billion in assistance through the SBA. H.R. 5297 builds on this by establishing additional lending initiatives that will give small businesses even greater financing options.

This legislation, Mr. Chairman, also recognizes that capital markets are changing dramatically. Credit standards are stricter, and small businesses are now looking not only to loans and to credit cards to finance their operations, but they are also looking to equity investment to turn their ideas into reality. This has become even more pronounced as asset values have declined, leaving entrepreneurs with less collateral to borrow against.

Unfortunately, small firms' access to venture capital and to equity investment has declined. Last year, such investments plummeted from $28 billion in 2008 to only $17 billion last year. This is due, in part, to the previous administration's decision to terminate the SBA's largest pure equity financing program—the Small Business Investment Company Participating Securities program. This has left many entrepreneurs who need equity investment to fulfill their business plans without a source of such financing.

As a result, it has become more difficult to start a new business and to create the jobs that come with such activity. This is seen in data from the Bureau of Labor Statistics, which show that self-employment declined by 7.5 percent between 2007 and 2009. Less entrepreneurship is never a good thing, but during a recession, it is particularly problematic as small firms generate two-thirds of net new jobs.

In order to address this, title III creates a $2 billion investment fund at the SBA. Under this program, the agency will provide matching funds to qualified privately managed investment companies, which will, in turn, invest in small companies. To ensure that the public and private sectors' interests are aligned, the SBA's funding would be provided at a 1-to-1 ratio of private investment capital.

Funds from the program will only be given to investment companies that have a proven record of returning a profit to its investors. These managers must have experience in investing in small, early-stage companies. They must have the ability to provide leadership as these entrepreneurial endeavors grow. In selecting investment firms to participate in the program, the SBA will give a special preference to Small Business Investment Companies, which already have substantial experience in financing small firms. In exchange for receiving funds, participating investment funds must convey an equity interest to the SBA, similar to that of which individual investors will receive.

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The equity interest shall entitle the SBA to a repayment of its investment and a proportion of any profits made by the investment company. As a result, the government is on a level playing field with private-sector investors, and the taxpayer stands to benefit from the growth and success of these small companies.

By giving entrepreneurs access to $2 billion in equity investment, we will provide them the resources to grow and create the types of long-term employment gains we need. It goes without saying that the groundbreaking, innovative firms that rely on such investment tend to be some of our most prolific job creators. Between 2006 and 2008, these companies created eight times more jobs than other businesses. That is exactly the kind of job growth Americans need right now.

Mr. Chairman, I support this legislation.

I reserve the balance of my time.

Mr. GRAVES of Missouri. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today, I rise in opposition to H.R. 5297, the Small Business Lending Fund Act. Although my colleagues on the other side of the aisle claim that this bill would improve small business access to much-needed capital, I am not convinced. In fact, there is virtually no guarantee that small businesses will benefit whatsoever from the funding in this bill.

Nothing in Title 1 of the bill assures that banks will lend the capital, much less to small businesses. Title 2 authorizes lending by State programs to businesses that the Small Business Administration would consider large. And only Title 3 of this bill is targeted to assist small businesses. Nevertheless, the overall bill is badly flawed, and I can't support it, nor can I support the excessive small business assistance spending in Title 3.

Now more than ever, our Nation is relying on small businesses to create jobs and to lead us in our economic recovery. But without sufficient access to credit or capital, small businesses can't expand operations or hire new employees. There's little doubt that efforts to bail out banks and other major financial institutions has not led to improved access to capital by small businesses.

Last session, I strongly supported H.R. 3854. It was a comprehensive, bipartisan revision to the capital access programs overseen by the Small Business Administration. That bill, unlike the one before us today, would have improved access to needed capital by small businesses.

Incorporated into that bill was H.R. 3738, which provided a streamlined process to enable qualified venture capitalists to bootstrap their investment with additional Federal moneys to provide needed early-stage equity capital to small businesses. Successful operators would pay back the Federal Government before they took their own profits. Although the legislation came with a relatively modest price tag of $200 million, its benefits were sure to far outweigh the cost. Moreover, if the program did not succeed, the cost of failure was going to be very modest.

That certainly isn't the case today with the bill we have before us. The cost has increased by 500 percent without any previous testing of its potential to succeed. This will pile unnecessary risk or costs onto taxpayers at a time when we're dealing with record debt and unsustainable deficit spending. Even if Title 3 of this bill—the small business portion—even if Title 3 stood alone, given the dramatic increase in costs, I couldn't support it. But yet here it is. It remains attached to a bill that has even greater costs—and costs that are fully not paid for in the short term.

So let's lay this out. We still do not have a budget for fiscal year 2011. Our national debt has reached a new record high of $13 trillion. And the administration and the majority in the House continue to rely on unsustainable borrowing and spending to keep things running. When you consider the complete chaos our fiscal house is in, the idea of more spending seems foolish. Completely foolish. But that's what's being proposed by this legislation today, and I refuse to support it.

If my colleagues want to get serious about supporting small businesses and encouraging their growth, there are lots of ways to do so, and I'm very happy to help. But H.R. 5297 is yet another ill-conceived effort that, at the end of the day, will only further punish American entrepreneurs.

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

Ms. BEAN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. HINOJOSA).

Mr. HINOJOSA. Mr. Chairman, I rise in strong support of H.R. 5297, the Small Business Lending Fund Act of 2010. This legislation will help small businesses survive and thrive in the current economic climate by providing the Secretary of the Treasury temporary authority to make capital investments up to $30 billion to banks and savings associations with assets of less than $10 billion and to their parent holding companies, provided they also have assets of less than $10 billion.

Mr. Chairman, H.R. 5297 increases the availability of credit for small businesses. It provides funding to eligible institutions that serve small businesses that are minority- and women-owned and that also serve low-and moderate-income, minority, and other underserved or rural communities. This legislation ensures that all eligible institutions may apply to participate in the program established under this title, without discrimination based on geography, which is very important to the great State of Texas.

H.R. 5297 requires eligible institutions receiving capital investments under the program to provide outreach in languages other than English describing the availability and application process to receiving loans from eligible institutions through the use of print, radio, television, or electronic media outlets which target organizations, trade associations, and individuals that represent or work within or are members of minority communities.

The Small Business Lending Fund Act of 2010 contains provisions promoting financial education and literacy and would-be borrowers.

The CHAIR. The time of the gentleman has expired.

Ms. BEAN. Mr. Chairman, I yield 30 additional seconds to the gentleman from Texas.

Mr. HINOJOSA. Most importantly, this legislation protects and increases American jobs.

Mr. Chairman, H.R. 5297 will help small businesses, community banks, the low- and moderate-income, minorities, and other underserved or rural communities, and all of our constituents. It will help our great country move further down the road towards economic recovery and expansion. I strongly urge my colleagues to support this important and timely piece of legislation.

NATIONAL ASSOCIATION
OF REALTORS®,
Washington, DC, June 15, 2010.

U.S. HOUSE OF REPRESENTATIVES,
Washington, DC.

DEAR REPRESENTATIVE: On behalf of the 1.1 million members of National Association of REALTORS®, and their affiliates, I ask for your support of H.R. 5297, the ''Small Business Lending Fund Act of 2010,'' introduced by Representative Frank (D–MA). This bill will create the Small Business Lending Fund Program (SBLFP) that would increase the availability of credit to our nation's commercial real estate and small business sectors.

Nearly $1.4 trillion of commercial real estate loans will mature over the next several years, with a very limited capacity to refinance. If not addressed, the swelling wave of maturities could place further stress on already fragile financial markets and slow our nation's economic recovery. In addition to addressing the issues facing the commercial real estate industry, improving access to capital for small businesses—widely acknowledged as a critical part of growing the American economy—is also greatly needed. In fact, the percentage of small business owners holding a business loan or credit line fell almost 20 percent last year. Unappreciated is the fact that a significant portion of commercial real estate is owned, leased, and operated by small businesses.

Unlike the Troubled Asset Relief Program (TARP), the SBLFP contains lending provisions that help ensure community banks have both the incentive and greater capacity to increase total loans to small businesses by decreasing the dividend cost on the capital investment as lending grows.

Additionally, we support Amendment #4 (Minnick, D–ID), which would allow commercial real estate loans for properties for lease to be eligible in the SBLFP. As H.R. 5297 is currently written, only owner-occupied commercial real estate loans qualify for this program, which excludes commercial real estate loans on properties for lease—a significant portion of small businesses that need refinancing assistance.

In order to help spur small business hiring and growth, NAR urges you to pass this important legislation.

Sincerely,

VICKI COX GOLDER, CRB,
2010 President, National Association of REALTORS®

INDEPENDENT COMMUNITY BANKERS
OF AMERICA,
Washington, DC, June 15, 2010.

To: Members of the U.S. House of Representatives

MEMORANDUM

Subject: House vote on the Small Business Lending Fund Act (H.R. 5297)

On behalf of the nearly 5,000 members of the Independent Community Bankers of America (ICBA), we express strong support for the Small Business Lending Fund Act of 2010 (H.R. 5297) and urge House passage.

The Act will boost the flow of credit to small businesses by leveraging the role of our nation's community banks. Community banks are prolific lenders to small business with the experience, expertise and grassroots relationships necessary to quickly deploy the funds to creditworthy borrowers. Notably, the Small Business Lending Fund's (the Fund's) $30 billion in capital can be leveraged by community banks to support $300 billion in additional small business lending, creating new jobs and sustaining the economic recovery.

As the Act goes to the House floor, we take this opportunity to share our views on amendments that would improve it and those that would undermine its goal of increased small business lending by discouraging community bank and small business participation.

Amendments Supporting Greater Small Business Lending

ICBA supports amendments that will further the goal of greater small business lending including:

Amendment No. 4 (offered by Reps. Minnick, Simpson, Kosmas, Quigley and Marchant): ICBA supports this amendment because it would broaden eligibility for the program by including non-owner occupied commercial real estate and provide greater credit options to small business.

Amendment No. 5 (offered by Reps. Perlmutter, Gutierrez, Klein and Kagen): ICBA supports this amendment because it would further incentivize community banks to participate in the Fund and create greater lending capacity and flexibility to better serve struggling borrowers by allowing them to amortize their loan losses over 10 years.

Amendment No. 6 (offered by Rep. Tom Price): ICBA supports this amendment because it highlights the mixed messages that community banks get from their regulators: Community banks are encouraged to increase lending but at the same time punished with aggressive write-downs of performing loans.

Amendment No. 10 (offered by Reps. Miller and Baca): ICBA supports this amendment because it broadens the definition of small business loans to include construction, land development, and other land loans in domestic offices. These loans will help expand economic activity and employment.

Amendment No. 12 (offered by Reps. Jackson Lee and Cao): ICBA supports this amendment because it would support hard hit community banks and the small businesses they serve in the Gulf Coast states impacted by the oil spill disaster.

Amendment No. 15 (offered by Rep. Braley): ICBA supports this amendment because the documents used to obtain a benefit or service under the program should be clear and user-friendly so interested parties can make best use of the program.

Amendment No. 16 (offered by Rep. Loebsack): ICBA supports this amendment because it further highlights the importance of agricultural operations, farms, and rural communities in our national economy.

Amendment Raising Serious Concern

The SBLF is a voluntary program for interested community banks. ICBA wants to ensure that it is workable for community banks and small business borrowers alike. ICBA opposes amendments that would make the program too costly or create a difficult compliance burden. Amendments in this category include:

Amendment No. 3 (offered by Rep. Nye): ICBA opposes this amendment because it would increase the compliance burden on lenders through the addition of unnecessary complexity and unworkable provisions thereby discouraging participation and small business credit.

Amendments No. 7 (offered by Rep. Green) and No. 8 (offered by Reps. Driehaus, Connolly, and Moore): ICBA opposes these amendments because they would increase reporting requirements and other compliance costs and burdens. These added layers of regulation will discourage participation and reduce available small business loans.

Amendment No. 11 (offered by Rep. Michaud): ICBA believes that the program should remain focused on community banks and traditional debt financing as the most established and effective source of small business lending.

The outcome of these amendments is critical to the success of the Fund. As you cast your votes, please consider which amendments will further the fundamental goal of the program—increased access to credit for small businesses, which can only be achieved through broad, voluntary participation of community banks—and which will undermine this goal.

Thank you for your consideration.

JAMES D. MACPHEE,
Chairman.
SALVATORE MARRANCA,
Chairman-Elect.
JEFFREY L. GERHART,
Vice Chairman.
JACK A. HARTINGS,
Treasurer.
WAYNE A. COTTLE,
Secretary.
R. MICHAEL MENZIES, SR.,
Immediate Past Chairman.
CAMDEN R. FINE,
President and CEO.

Washington, DC, May 14, 2010.

CONFERENCE OF STATE BANK SUPERVISORS

STATE REGULATORS SUPPORT ADMINISTRATION'S SMALL BUSINESS LENDING PROPOSALS

(By Neil Milner)

The Conference of State Bank Supervisors (CSBS) supports the Obama Administration's small business lending proposals to stimulate small business stability and growth.

The proposals—the Small Business Lending Fund and the State Small Business Credit Initiative—will provide much-needed access to capital to support small business lending, the lifeblood of our national economy.

The Administration's proposals will provide capital injections to fund new small business loans to financial institutions with assets less than $10 billion. In the past few years, the government has gone to extraordinary lengths to prop up our capital markets by providing assistance to the nation's largest institutions. CSBS is pleased the Administration is taking the next steps to promote a full economic recovery by assisting those institutions which largely did not contribute to the economic crisis and have played such a pivotal role in our recovery to date.

Further, CSBS is pleased the proposals are independent initiatives separate from the TARP program. By separating the small business proposals from TARP, we believe the programs will enjoy wider participation and greater success.

We encourage Congress to coordinate with the Department of the Treasury to rapidly implement these much needed initiatives to assist community banks as they continue to support small businesses around the country.

Mr. NEUGEBAUER. Mr. Chairman, I continue to reserve the balance of my time.

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

I want to use this time to respond to those who are making the assessment that this money, that there are not safeguards into this legislation to make sure that the money goes to small businesses. First, banks must apply to the Treasury to receive funds, with a detailed plan on how to increase small business lending at their institution. This language was included at my insistence that we need to make sure that small businesses will get the benefit of this legislation.

Second, this capital, repayment of the government loans will be at a dividend rate starting at 5 percent per year. This rate will be lowered by 1 percent for every 2.5 percent increase in small business lending over 2009 levels. It can go as low as a total dividend rate of just 1 percent if the bank increases its business lending by 10 percent or more, incentivizing banks to do the right thing. To ensure that banks actually use the funding they receive, the rate will increase—and there are penalties—to 7 percent if the bank fails to increase its small business lending at their institution within 2 years. To ensure that all federal funds are paid back within 5 years, the dividend rate will increase to 9 percent for all banks, irrespective of their small business lending, after 4½ years.

Let me just make it clear: What the CBO estimates through what they provided to the Congress and telling us, CBO estimates that this provision will save taxpayers $1 billion over 10 years, as banks are expected to pay back this loan over 10 years, with interest.

I reserve the balance of my time.

Mr. GRAVES of Missouri. Mr. Chairman, I don't have any other speakers on this.

I just might comment on this bill. One of the frustrating things about our economic recovery right now, and we continue to hear over and over and over again, that small businesses are uncertain about what the future is. They don't know what's going to happen with cap-and-trade and what's going to happen with the energy tax, particularly those businesses that are using a lot of energy to produce whatever it is. They're uncertain about what's going to happen with this health care bill and all the mandates that are coming out. They're uncertain about what's going to happen with their taxes. They're uncertain about what's going to happen with the amassing debt that's taking place, because somebody is going to have to pay for it. And this administration continues to look at small businesses to be able to provide that.

So here we come along with a bill that supposedly is supposed to help small businesses, which the way it is right now, there's no guarantee whatsoever that that money is going to be loaned to small businesses. As the bill stands right now, a commercial loan could qualify, any commercial loan could qualify if it's a loan less than a million dollars.

The fact of the matter is, Mr. Chairman, there's no guarantee. There's no guarantee.

Small businesses are the ones that need help. And the fact of the matter is, too, that if the government would just get out of the way, then small businesses would lead us back into this economic recovery. They provide 7 out of every 10 jobs in this country, and they are the ones that are going to lead us. But nobody is going to expand and nobody is going to add any new productivity, any new hires, until they know what's going to go on and what's going to be around the corner. With this administration, they don't know what's going to happen to them.

I reserve the balance of my time.

Ms. BEAN. Mr. Chairman, I yield 2½ minutes to the gentleman from Michigan (Mr. PETERS).

Mr. PETERS. I rise today in support of H.R. 5297. Small businesses create two in every three new jobs in this country. Creating an environment that allows small businesses to innovate and grow is the single most important objective necessary to reduce unemployment and lead our Nation to full economic recovery.

I have held a field hearing and roundtables with small business owners and have traveled door-to-door in downtowns in my district, and the one thing that I hear over and over again is many entrepreneurs are ready to invest and create jobs again, but they cannot secure the capital necessary to start or grow their business. Some, like Karen Teegarden, owner of a small advertising firm in Oakland County, told me that because she could not get a simple line of credit to meet some short-term payroll needs, she was forced to lay off workers.

It is no secret why small businesses are struggling. Wall Street banks have admitted that they have reduced their investments in Michigan as well as other States. And small local lenders don't have enough capital to lend. I have been fighting for the past year for action to help solve this problem, and the bill before us today will create a $30 billion fund to promote small business lending. Small local lenders can leverage this funding into $300 billion in loans for small businesses. But because local lenders will pay the investment back with interest, the nonpartisan CBO says the taxpayers will earn a projected $1 billion.

It's not often that a single action can create a multitude of jobs across this country and reduce the deficit at the same time. Enacting this bill will do just that. In Michigan, our manufacturers are struggling particularly hard to get access to credit. As their assets decline in value, they have less collateral to post, and this makes banks less likely to lend to them, even if they can show that they are thriving.

The Michigan Collateral Support Program helps lenders, small manufacturers and the State pool default risk to help these companies secure the capital they need to create new jobs. Thirty States have similar programs, and a provision of this bill that I wrote would allow States to strengthen their existing programs and allow other States to create them.

Washington's top priority must be to help create an environment that allows our small businesses to succeed and to create jobs. This legislation helps one of the primary obstacles facing our small businesses, and passing this bill is critical.

Mr. NEUGEBAUER. I reserve the balance of my time.

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Ms. BEAN. I yield 1 minute to the majority leader.

Mr. HOYER. I appreciate the gentlelady from Illinois (Ms. BEAN) for yielding.

I want to first thank the chair of the Small Business Committee, Congresswoman VELÁZQUEZ, for the work that she has done on this bill and for others who have worked on this bill.

As I'm sure has been said many times on this floor but bears repeating, small businesses are the job-creating engine of our economy. They employ more than half of all employees in the private sector, and they've created 64 percent of net new jobs over the past 15 years. So ensuring that small businesses have the resources they need to

keep innovating, growing and creating jobs is essential if we're going to sustain the economic recovery. And small businesses have been at the heart of Democrats' recovery strategy ever since this Congress convened in the midst of the greatest economic crisis since the Great Depression, indeed, the deepest recession we've seen in three-quarters of a century.

The Recovery Act, which cut taxes for 98 percent of Americans and is responsible for some 2 million jobs, gave small businesses tax credits for hiring many unemployed workers and helped them make the capital investments that are essential to their growth. Since the Recovery Act, we've expanded Small Business Administration lending, created further tax credits for hiring unemployed workers, and offered immediate and long-term tax credits to help small businesses afford employee health care. And yesterday, the House passed the Small Business Jobs Tax Relief Act, which will exempt 100 percent of small business capital gains from taxation and increase the amount of startup expenses small business owners can deduct from their taxes, all designed to allow small businesses to grow and expand. That means more investment in small businesses, and more entrepreneurs willing and able to start businesses of their own and hire workers to staff it.

Today, ladies and gentlemen of the House, we can take another step to help small businesses and workers, establishing a $30 billion fund to expand lending to small businesses looking to make new investments in growth at no cost to the taxpayer. Ladies and gentlemen, I know that those of you who have been not only in your own districts but in your States and throughout the country know that every small businessman and -woman in America who wants to expand has a singular complaint, and that is that they cannot access capital. That's what this bill is about. This bill, the Small Business Lending Fund Act, invests capital in community and small banks that were not the problem that caused this financial meltdown, investing in those community and small banks under terms that become more favorable to those banks as they make more loans to small businesses. In other words, carrots for giving money to small business.

The CBO tells us that all of the money in the Small Business Lending Fund will be repaid with interest and that taxpayers will actually make $1 billion profit over the next decade. Now, that's not too hard to believe, I think, when you understand that in terms of the dollars that the Bush administration asked us to put on the table to stabilize the economy back in 2008, that to the extent that the money has now been paid back—not all of it yet—but to the extent that we have gotten repayment, we have made some 12 percent on that money. Unfortunately, 45 percent of small businesses seeking loans to expand or even just stay afloat were turned down last year, and you can imagine how those denials led directly to unemployment.

This bill, ladies and gentlemen of the House, can go a long way towards opening up the flow of credit that helps create jobs. That's what this is about, allowing small businesses to expand, grow their businesses, hire more people, pay good salaries and benefits, and get our economy moving. I urge my colleagues to support this bill and to help our small businesses create jobs. I want to congratulate once again the chair of the Small Business Committee, NYDIA VELÁZQUEZ, for her leadership. I thank Ms. BEAN from Illinois for her leadership on these issues, and I thank our Republican friends, who I hope will join us in supporting this effort to make sure that small businesses have the capital they need to grow our economy.

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

Ms. VELÁZQUEZ. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, the face of American small business is changing—and rapidly. Twenty years ago, entrepreneurs were likely to rely on loans and credit cards to start up or expand their businesses. This met the needs of most entrepreneurs, but today's startup costs have grown dramatically. This has caused many small companies to turn to equity investment, particularly those in high-growth, technology-based sectors which show the greatest promise to create new jobs. For these firms, their assets are not buildings or machinery; they are people, ideas and skills. For this new generation, the old method of securing capital, through debt, is no longer sufficient by itself.

In a world where revolutionary new products are conceived in dorm rooms, and companies are launched in garages, new ways of meeting businesses' capital needs are needed. Through the Small Business Early Stage Investment program, this bill recognizes this fundamental shift and takes steps to meet the capital needs of our new businesses. Our Nation's entrepreneurs have led us out of every previous recession, and they can do so again, but only if we give them the right tools. This legislation will make loans more affordable for existing businesses so they can grow and add to their payrolls. And for the enterprises just getting off the ground, it will reinvigorate investment in cutting-edge startups.

A vote for this bill is a vote in favor of the American traditions of innovation and entrepreneurship. I urge my colleagues to vote with the small businesses in their district; vote ''yes.''

I yield back the balance of my time.

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

I appreciate the majority leader coming and telling us that this won't cost the taxpayers any money. We have asked the majority for an updated CBO score on this bill with the revisions, and we have not seen that yet. So we don't actually know that for certain. But what we do know is that from the TARP program, there were losses incurred in the TARP program. And this program has been identified by people who are very familiar with the TARP program as another TARP program, except some people want to call this TARP II, TARP Jr. But by and large, this is another TARP program.

You know, there is no question today that all of us realize that small businesses are the number one job creator in our country. Mr. Chairman, in fact, I am a small businessman. I came to Congress not from being a lifelong politician, but from creating jobs in this country, of making payrolls. I have made a payroll. I have borrowed money. I have actually been a lender. And if you really want to get the economy going back in America, as the majority has tried throwing money at the problem—and I would have thought that they would have learned by now that all this money, the trillions of dollars that they have thrown at the economy hasn't created any jobs. We still have almost 10 percent of the American people who are unemployed in this country today. The numbers show that 17 percent of the American people are either unemployed or underemployed, so throwing money at the problem isn't the answer.

If you want to create jobs in America, I will tell you how you create jobs in America. Number one, you bring some certainty in America. Right now the American people are questioning what the future of their country is. They are seeing record deficits by this administration. This year alone, if we had a budget—we don't know what the deficit is going to be this year because, one, we haven't passed any appropriation bills in this Congress.

And, secondly, the leadership of the majority hasn't brought a budget to the floor, and maybe they are not going to because they don't want their Members to have to take a vote on a budget that's going to say: for every dollar we're going to spend, we are going to have to borrow 42 cents. I am sure they would be embarrassed. And it would be more embarrassing if you voted for a budget like that.

But the way you bring certainty to the country is, one, we are going to have to start cutting back our spending and reducing these deficits. Leaving money in the economy. As a small businessman, when I had the capital in my business, and the government wasn't taxing away my capital, I was able to take that capital and leverage it, and go to my lender, be a responsible borrower, and it would be prudent to lend to me, and we could expand our business that way.

The other thing is, yesterday this body had an opportunity to do something for small business, and that was to repeal the mandate for health care

that was in the Democrats' health care bill. Unfortunately, there was not enough votes, but some of our Democratic colleagues understand the same thing we do: if you want to bring certainty, create jobs in America, you take that off the backs of small businesses.

So, really, I wish that this bill would do something for small businesses in this country because small businesses are the lifeblood and the engine for our country. Unfortunately, this bill will not do anything for small businesses; but it will put the taxpayers, again, at risk to underwrite and to invest in banks.

You know, I figured this: it's simple back there in Lubbock, Texas, that, you know, if somebody wants to invest their dollars in a bank, let them invest their dollars in a bank. Don't take the money away from the taxpayers and invest it because the government thinks that they know what is a better program. So, again, I urge my colleagues to vote for small business, but not this bill. This bill doesn't help small business.

And with that, I yield back the balance of my time.

Ms. BEAN. I yield myself the balance of time.

Well, first I would like to address some of the points our colleague from Missouri suggested, that all we need to do for business is less Federal action and less regulation. And on that point, I would have to agree, the minority has delivered—less action and less regulation, a culture of deregulation that led to the financial crisis and the recent oil spill in the gulf. But this bill isn't about regulation. It's about credit.

And I would then like to move to the point of my colleague from Texas who suggested that this bill adds $33 billion to the national debt. That's disingenuous, as the gentleman knows. This is not a $30 billion cost, according to the nonpartisan CBO. The legislation, in fact, will reduce the deficit. Now, these funds are an investment, and there are clear safeguards that ensure that taxpayers are repaid with interest. Also, his concern for small businesses fearing higher taxes is unwarranted, as taxes are, in fact, at historic lows; and in the Recovery Act, of the $288 billion in tax cuts, many of those went to our community businesses.

He also cited the NFIB to claim that access to credit is not a serious problem, yet the NFIB's own data shows that only 40 percent of small business owners attempting to borrow last year had all of their credit needs met, and nearly one-quarter of would-be borrowers, 25 percent, had none of their credit needs met. Now, he did suggest that some businesses—or he suggested all businesses—are just in a holding pattern, when the reality is, some of them are, and that's not who this legislation is directed to. There are many others who have started to see their pipeline build and their forecasts develop and are seeking to expand their operations and hire people, and they need that access to capital.

This Small Business Lending Fund Act is for those who are going to grow us out of this recession. I urge my colleagues to support this important investment in those community businesses that are the cornerstone of our economy.

I yield back the balance of my time.

The CHAIR. All time for general debate has expired.

In lieu of the amendment in the nature of a substitute recommended by the Committee on Financial Services printed in the bill, it shall be in order to consider as an original bill for the purpose of amendment under the 5-minute rule the amendment in the nature of a substitute printed in part A of House Report 111–506, modified by the amendment printed in part B of that report and the order of the House of today. The amendment in the nature of a substitute shall be considered as read.

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

Strike all after the enacting clause and insert the following:

TITLE I—SMALL BUSINESS LENDING FUND

SECTION 1. SHORT TITLE.

This title may be cited as the ''Small Business Jobs and Credit Act of 2010''.

SEC. 2. PURPOSE.

The purpose of this title is to address the ongoing effects of the financial crisis on small businesses by providing temporary authority to the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses.

SEC. 3. DEFINITIONS.

For purposes of this title:

(1) APPROPRIATE COMMITTEES OF CONGRESS.—The term ''appropriate committees of Congress'' means—

(A) the Committee on Small Business and Entrepreneurship, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, the Committee on the Budget, and the Committee on Appropriations of the Senate; and

(B) the Committee on Small Business, the Committee on Agriculture, the Committee on Financial Services, the Committee on Ways and Means, the Committee on the Budget, and the Committee on Appropriations of the House of Representatives.

(2) APPROPRIATE FEDERAL BANKING AGENCY.—The term ''appropriate Federal banking agency'' has the meaning given such term under section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)).

(3) BANK HOLDING COMPANY.—The term ''bank holding company'' has the meaning given such term under section 2(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(2)(a)(1)).

(4) CALL REPORT.—The term ''call report'' means—

(A) reports of Condition and Income submitted to the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation;

(B) the Office of Thrift Supervision Thrift Financial Report;

(C) any report that is designated by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the Office of Thrift Supervision, as applicable, as a successor to any report referred to in subparagraph (A) or (B); and

(D) standard reports of Condition and Income submitted by Community Development Financial Institution loan funds to the Community Development Financial Institutions Fund.

(5) CDCI.—The term ''CDCI'' means the Community Development Capital Initiative created by the Secretary under the Troubled Asset Relief Program established by the Emergency Economic Stabilization Act of 2008.

(6) CDCI INVESTMENT.—The term ''CDCI investment'' means, with respect to any eligible institution, the principal amount of any investment made by the Secretary in such eligible institution under the CDCI that has not been repaid.

(7) CPP.—The term ''CPP'' means the Capital Purchase Program created by the Secretary under the Troubled Asset Relief Program established by the Emergency Economic Stabilization Act of 2008.

(8) CPP INVESTMENT.—The term ''CPP investment'' means, with respect to any eligible institution, the principal amount of any investment made by the Secretary in such eligible institution under the CPP that has not been repaid.

(9) ELIGIBLE INSTITUTION.—The term ''eligible institution'' means—

(A) any insured depository institution, which—

(i) is not controlled by a bank holding company or savings and loan holding company that is also an eligible institution;

(ii) has total assets of equal to or less than $10,000,000,000, as reported in the call report as of the end of the fourth quarter of calendar year 2009; and

(iii) is not directly or indirectly controlled by any company or other entity that has total consolidated assets of more than $10,000,000,000, as so reported;

(B) any bank holding company which has total consolidated assets of equal to or less than $10,000,000,000;

(C) any savings and loan holding company which has total consolidated assets of equal to or less than $10,000,000,000; and

(D) any community development financial institution loan fund which has total assets of equal to or less than $10,000,000,000.

(10) FUND.—The term ''Fund'' means the Small Business Lending Fund established by section 4(a)(1) of this title.

(11) INSURED DEPOSITORY INSTITUTION.—The term ''insured depository institution'' has the meaning given such term under section 3(c)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(2)).

(12) PROGRAM.—The term ''Program'' means the Small Business Lending Fund Program authorized by section 4(a)(2) of this title.

(13) SAVINGS AND LOAN HOLDING COMPANY.—The term ''savings and loan holding company'' has the meaning given such term under section 10(a)(1)(D) of the Home Owners' Loan Act (12 U.S.C. 1467a(a)(1)(D)).

(14) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

(15) SMALL BUSINESS LENDING.—

(A) IN GENERAL.—The term ''small business lending'' means small business lending, as

defined by and reported in an eligible institution's quarterly call report, of the following types:

(i) Commercial and industrial loans.

(ii) Owner-occupied nonfarm, nonresidential real estate loans.

(iii) Loans to finance agricultural production and other loans to farmers.

(iv) Loans secured by farmland.

(B) TREATMENT OF HOLDING COMPANIES.—In the case of eligible institutions that are bank holding companies or savings and loan holding companies having one or more insured depository institution subsidiaries, small business lending shall be measured based on the combined small business lending reported in the call report of the insured depository institution subsidiaries.

(16) MINORITY-OWNED AND WOMEN-OWNED BUSINESS.—The terms ''minority-owned business'' and ''women-owned business'' shall have the meaning given the terms ''minority-owned business'' and ''women's business'', respectively, under section 21A(r)(4) of the Federal Home Loan Bank Act (12 U.S.C. 1441A(r)(4)).

(17) CDFI; COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The terms ''CDFI'' and ''community development financial institution'' have the meaning given the term ''community development financial institution'' under the Riegle Community Development and Regulatory Improvement Act of 1994.

(18) CDLF; COMMUNITY DEVELOPMENT LOAN FUND.—The terms ''CDLF'' and ''community development loan fund'' mean any entity that—

(A) is certified by the Department of the Treasury as a community development financial institution loan fund;

(B) is exempt from taxation under the Internal Revenue Code of 1986; and

(C) has assets under $10,000,000,000 as of the fourth quarter of calendar year 2009.

SEC. 4. SMALL BUSINESS LENDING FUND.

(a) FUND AND PROGRAM.—

(1) FUND ESTABLISHED.—There is established in the Treasury of the United States a fund to be known as the ''Small Business Lending Fund'', which shall be administered by the Secretary.

(2) PROGRAMS AUTHORIZED.—The Secretary is authorized to establish the Small Business Lending Fund Program for using the Fund consistent with this title.

(b) USE OF FUND.—

(1) IN GENERAL.—Subject to paragraph (2), the Fund shall be available to the Secretary, without further appropriation or fiscal year limitation, for the costs of purchases (including commitments to purchase), and modifications of such purchases, of preferred stock and other financial instruments from eligible institutions on such terms and conditions as are determined by the Secretary in accordance with this title.

''For purposes of this paragraph and with respect to an eligible institution, the term 'other financial instruments' shall include only debt instruments for which such eligible institution is fully liable or equity equivalent capital of the eligible institution. Such debt instruments may be subordinated to the claims of other creditors of the eligible institution''.

(2) MAXIMUM PURCHASE LIMIT.—The aggregate amount of purchases (and commitments to purchase) made pursuant to paragraph (1) may not exceed $30,000,000,000.

(3) PROCEEDS USED TO PAY DOWN PUBLIC DEBT.—All funds received by the Secretary in connection with purchases made pursuant to paragraph (1), including interest payments, dividend payments, and proceeds from the sale of any financial instrument, shall be paid into the general fund of the Treasury for reduction of the public debt.

(4) LIMITATION ON PURCHASES FROM CDLFS.—

(A) IN GENERAL.—Not more than 1 percent of the value of purchases made by the Secretary in carrying out the Program may be used to make purchases from community development loan funds.

(B) ELIGIBILITY STANDARD.—The Secretary, in consultation with the Community Development Financial Institutions Fund, shall develop eligibility criteria to determine the financial ability of a CDLF to participate in the Program and repay the investment. Such criteria may include net asset ratio to total assets, ratio of loan loss reserves to loans and leases 90 days or more delinquent (including loans sold with full recourse), positive net income measured on a 3-year rolling average, operating liquidity ratio, ratio of loans and leases 90 days or more delinquent (including loans sold with full recourse) to total equity plus loan loss reserves or any other measures deemed appropriate. In addition, CDLFs participating in the Program shall submit audited financial statements to the Secretary, have a clean audit opinion, and have at least three years of operating experience.

(c) CREDITS TO THE FUND.—There shall be credited to the Fund amounts made available pursuant to section 9, to the extent provided by appropriations Acts.

(d) TERMS.—

(1) APPLICATION.—

(A) INSTITUTIONS WITH ASSETS OF $1,000,000,000 OR LESS.—Eligible institutions having total assets equal to or less than $1,000,000,000, as reported in a call report as of the end of the fourth quarter of calendar year 2009, may apply to receive a capital investment from the Fund in an amount not exceeding 5 percent of risk-weighted assets, as reported in the call report immediately preceding the date of application, less the amount of any CDCI investment and any CPP investment.

(B) INSTITUTIONS WITH ASSETS OF MORE THAN $1,000,000,000 AND LESS THAN $10,000,000,000.—Eligible institutions having total assets of more than $1,000,000,000 but less than $10,000,000,000, as of the end of the fourth quarter of calendar year 2009, may apply to receive a capital investment from the Fund in an amount not exceeding 3 percent of risk-weighted assets, as reported in the call report immediately preceding the date of application, less the amount of any CDCI investment and any CPP investment.

(C) TREATMENT OF HOLDING COMPANIES.—In the case of an eligible institution that is a bank holding company or a savings and loan holding company having one or more insured depository institution subsidiaries, total assets shall be measured based on the combined total assets reported in the call report of the insured depository institution subsidiaries as of the end of the fourth quarter of calendar year 2009 and risk-weighted assets shall be measured based on the combined risk-weighted assets of the insured depository institution subsidiaries as reported in the call report immediately preceding the date of application.

(D) TREATMENT OF APPLICANTS THAT ARE INSTITUTIONS CONTROLLED BY HOLDING COMPANIES.—If an eligible institution that applies to receive a capital investment under the Program is under the control of a bank holding company or a savings and loan holding company, then the Secretary may use the Fund to purchase preferred stock or other financial instruments from the top-tier bank holding company or savings and loan holding company of such eligible institution, as applicable. For purposes of this paragraph, the term ''control'' with respect to a bank holding company shall have the same meaning as in section 2(a)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(2)(a)(2)). For purposes of this paragraph, the term ''control'' with respect to a savings and loan holding company shall have the same meaning as in 10(a)(2) of the Home Owners' Loan Act (12 U.S.C. 1467a(a)(2)).

(E) REQUIREMENT TO PROVIDE A SMALL BUSINESS LENDING PLAN.—At the time that an applicant submits an application to the Secretary for a capital investment under the Program, the applicant shall deliver to the appropriate Federal banking agency and, for applicant's that are State-chartered banks, to the appropriate State banking regulator, a small business lending plan describing how the applicant's business strategy and operating goals will allow it to address the needs of small businesses in the areas it serves. This plan shall be confidential supervisory information.

(F) TREATMENT OF APPLICANTS THAT ARE COMMUNITY DEVELOPMENT LOAN FUNDS.—Eligible institutions that are community development loan funds may apply to receive a capital investment from the Fund in an amount not exceeding 10 percent of total assets, as reported in the call report immediately preceding the date of application.

(2) CONSULTATION WITH REGULATORS.—For each eligible institution that applies to receive a capital investment under the Program, the Secretary shall—

(A) consult with the appropriate Federal banking agency or, in the case of an eligible institution that is a non-depository community development financial institution, the Community Development Financial Institution Fund, for the eligible institution to determine whether the eligible institution may receive such capital investment;

(B) in the case of an eligible institution that is a State-chartered bank, consider any views received from the State banking regulator of the State of the eligible institution regarding the financial condition of the eligible institution; and

(C) in the case of a community development financial institution loan fund, consult with the Community Development Financial Institution Fund.

(3) INELIGIBILITY OF INSTITUTIONS ON FDIC PROBLEM BANK LIST.—

(A) IN GENERAL.—An eligible institution may not receive any capital investment under the Program if—

(i) such institution is on the FDIC problem bank list; or

(ii) such institution has been removed from the FDIC problem bank list for less than 90 days.

(B) CONSTRUCTION.—Nothing in subparagraph (A) shall be construed as limiting the discretion of the Secretary to deny the application of an eligible institution that is not on the FDIC problem bank list.

(C) FDIC PROBLEM BANK LIST DEFINED.—For purposes of this subparagraph, the term ''FDIC problem bank list'' means the list of institutions with a current rating of 4 or 5 under the Uniform Financial Institutions Rating System, or such other list designated by the Federal Deposit Insurance Corporation.

(4) INCENTIVES TO LEND.—

(A) REQUIREMENTS ON PREFERRED STOCK AND OTHER FINANCIAL INSTRUMENTS.—Any preferred stock or other financial instrument issued to Treasury by an eligible institution receiving a capital investment under the Program shall provide that—

(i) the rate at which dividends or interest are payable shall be 5 percent per annum initially;

(ii) within the first 2 years after the date of the capital investment under the Program, the rate may be adjusted based on the amount of an eligible institution's small business lending. Changes in the amount of small business lending shall be measured against the amount of small business lending

reported by the eligible institution in its call report for the last quarter in calendar year 2009 or the average amount of small business lending reported by the eligible institution in all call reports for calendar year 2009, whichever is lower, minus adjustments from each quarterly balance in respect of—

(I) net loan charge offs with respect to small business lending; and

(II) gains realized by the eligible institution resulting from mergers, acquisitions or purchases of loans after origination and syndication; which adjustments shall be determined in accordance with guidance promulgated by the Secretary; and

(iii) during any calendar quarter during the initial 2-year period referred to in clause (ii), an institution's rate shall be adjusted to reflect the following schedule, based on that institution's change in the amount of small business lending relative to the baseline—

(I) if the amount of small business lending has increased by less than 2.5 percent, the dividend or interest rate shall be 5 percent;

(II) if the amount of small business lending has increased by 2.5 percent or greater, but by less than 5.0 percent, the dividend or interest rate shall be 4 percent;

(III) if the amount of small business lending has increased by 5.0 percent or greater, but by less than 7.5 percent, the dividend or interest rate shall be 3 percent;

(IV) if the amount of small business lending has increased by 7.5 percent or greater, and but by less than 10.0 percent, the dividend or interest rate shall be 2 percent; or

(V) if the amount of small business lending has increased by 10 percent or greater, the dividend or interest rate shall be 1 percent.

(B) BASIS OF INITIAL RATE.—The initial dividend or interest rate shall be based on call report data published in the quarter immediately preceding the date of the capital investment under the Program.

(C) TIMING OF RATE ADJUSTMENTS.—Any rate adjustment shall occur in the calendar quarter following the publication of call report data, such that the rate based on call report data from any one calendar quarter, which is published in the first following calendar quarter, shall be adjusted in that first following calendar quarter and payable in the second following quarter.

(D) RATE FOLLOWING INITIAL 2-YEAR PERIOD.—Generally, the rate based on call report data from the eighth calendar quarter after the date of the capital investment under the Program shall be payable until the expiration of the 4½-year period that begins on the date of the investment. In the case where the amount of small business lending has remained the same or decreased relative to the institution's baseline in the eighth quarter after the date of the capital investment under the Program, the rate shall be 7 percent until the expiration of the 4½-year period that begins on the date of the investment.

(E) RATE FOLLOWING INITIAL 4½-YEAR PERIOD.—The dividend or interest rate paid on any preferred stock or other financial instrument issued by an eligible institution that receives a capital investment under the Program shall increase to 9 percent at the end of the 4½-year period that begins on the date of the capital investment under the Program.

(F) LIMITATION ON RATE REDUCTIONS WITH RESPECT TO CERTAIN AMOUNT.—The reduction in the dividend or interest rate payable to Treasury by any eligible institution shall be limited such that the rate reduction shall not apply to a dollar amount of the investment made by Treasury that is greater than the dollar amount increase in the amount of small business lending realized under this program. The Secretary may issue guidelines that will apply to new capital investments limiting the amount of capital available to eligible institutions consistent with this limitation.

(G) RATE ADJUSTMENTS FOR S CORPORATION.—Before making a capital investment in an eligible institution that is an S corporation or a corporation organized on a mutual basis, the Secretary may adjust the dividend or interest rate on the financial instrument to be issued to the Secretary, from the dividend or interest rate that would apply under subparagraphs (A) through (F), to take into account any differential tax treatment of securities issued by such eligible institution. For purpose of this subparagraph, the term ''S corporation'' has the same meaning as in section 1361(a) of the Internal Revenue Code of 1986.

(H) REPAYMENT DEADLINE.—The capital investment received by an eligible institution under the Program shall be evidenced by preferred stock or other financial instrument that—

(i) includes, as a term and condition, that the capital investment will—

(I) be repaid not later than the end of the 10-year period beginning on the date of the capital investment under the Program; or

(II) at the end of such 10-year period, be subject to such additional terms as the Secretary shall prescribe, which shall include a requirement that the stock or instrument shall carry the highest dividend or interest rate payable; and

(ii) provides that the term and condition described under clause (i) shall not apply if the application of that term and condition would adversely affect the capital treatment of the stock or financial instrument under current or successor applicable capital provisions compared to a capital instrument with identical terms other than the term and condition described under clause (i).

(I) REQUIREMENTS ON FINANCIAL INSTRUMENTS ISSUED BY A COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION LOAN FUND.—Any equity equivalent capital issued to the Treasury by a Community Development Financial Institution loan fund receiving a capital investment under the Program shall provide that the rate at which interest is payable shall be 2 percent per annum for 8 years. After 8 years, the rate at which interest is payable shall be 9 percent.

(5) ADDITIONAL INCENTIVES TO REPAY.—The Secretary may, by regulation or guidance issued under section 5(9), establish repayment incentives in addition to the incentive in paragraph (4)(E) that will apply to new capital investments in a manner that the Secretary determines to be consistent with the purposes of this title.

(6) CAPITAL PURCHASE PROGRAM REFINANCE.—

(A) IN GENERAL.—The Secretary shall, in a manner that the Secretary determines to be consistent with the purposes of this title, issue regulations and other guidance to permit eligible institutions to refinance securities issued to Treasury under the CDCI and the CPP for securities to be issued under the Program.

(B) PROHIBITION ON PARTICIPATION BY NONPAYING CPP PARTICIPANTS.—Subparagraph (A) shall not apply to any eligible institution that has missed more than one dividend payment due under the CPP. For purposes of this subparagraph, a CPP dividend payment that is submitted within 60 days of the due date of such payment shall not be considered a missed divident payment.

(7) MINORITY OUTREACH.—The Secretary shall require eligible institutions receiving capital investments under the Program to provide outreach and advertising in the appropriate language of the applicant pool describing the availability and application process of receiving loans from the eligible institution that are made possible by the Program through the use of print, radio, television or electronic media outlets which target organizations, trade associations, and individuals that represent or work within or are members of minority communities.

(8) ADDITIONAL TERMS.—The Secretary may, by regulation or guidance issued under section 5(9), make modifications that will apply to new capital investments in order to manage risks associated with the administration of the Fund in a manner consistent with the purposes of this title.

(9) MINIMUM UNDERWRITING STANDARDS.—The appropriate Federal banking agency for an eligible institution that receives funds under the Program shall within 60 days issue guidance regarding prudent underwriting standards that must be used for loans made by the eligible institution using such funds.

''In the case of a community development financial institution loan fund, the Community Development Financial Institutions Fund shall within 60 days issue regulations defining minimum underwriting standards that must be used for loans made by the eligible institution using such funds''.

(10) REPORTING.—Each eligible institution receiving a capital investment under the Program shall issue a quarterly report to the Secretary detailing the percentage of new loans to small businesses the institution makes that are—

(A) guaranteed by the Small Business Administration;

(B) made to Small Business Investment Companies;

(C) other loans made to small business concerns (as defined under the Small Business Act), if the internal reporting of the concern distinguishes the size of businesses to which loans are made; and

(D) other loans made to entities that the internal reporting of the concern classifies as a small business.

SEC. 5. ADDITIONAL AUTHORITIES OF THE SECRETARY.

The Secretary may take such actions as the Secretary deems necessary to carry out the authorities in this title, including, without limitation, the following:

(1) The Secretary may use the services of any agency or instrumentality of the United States or component thereof on a reimbursable basis, and any such agency or instrumentality or component thereof is authorized to provide services as requested by the Secretary using all authorities vested in or delegated to that agency, instrumentality, or component.

(2) The Secretary may designate any bank, savings association, trust company, security broker or dealer, asset manager, or investment adviser as a financial agent of the Federal Government and such institution shall perform all such reasonable duties related to this title as financial agent of the Federal Government as may be required. The Secretary shall have authority to amend existing agreements with financial agents, entered into during the 2-year period before the date of enactment of this title, to perform reasonable duties related to this title.

(3) The Secretary may exercise any rights received in connection with any preferred stock or other financial instruments or assets purchased or acquired pursuant to the authorities granted under this title.

(4) Subject to section 4(b)(3), the Secretary may manage any assets purchased under this title, including revenues and portfolio risks therefrom.

(5) The Secretary may sell, dispose of, transfer, exchange or enter into securities loans, repurchase transactions, or other financial transactions in regard to, any preferred stock or other financial instrument or asset purchased or acquired under this title,

upon terms and conditions and at a price determined by the Secretary.

(6) The Secretary may manage or prohibit conflicts of interest that may arise in connection with the administration and execution of the authorities provided under this title.

(7) The Secretary may establish and use vehicles, subject to supervision by the Secretary, to purchase, hold, and sell preferred stock or other financial instruments and issue obligations.

(8) The Secretary may, in consultation with the Administrator of the Small Business Administration, issue such regulations and other guidance as may be necessary or appropriate to define terms or carry out the authorities or purposes of this title.

SEC. 6. CONSIDERATIONS.

In exercising the authorities granted in this title, the Secretary shall take into consideration—

(1) increasing the availability of credit for small businesses;

(2) providing funding to eligible institutions that serve small businesses that are minority- and women-owned and that also serve low- and moderate-income, minority, and other underserved or rural communities;

(3) protecting and increasing American jobs;

(4) ensuring that all eligible institutions may apply to participate in the program established under this title, without discrimination based on geography;

(5) providing transparency with respect to use of funds provided under this title;

(6) minimizing the cost to taxpayers of exercising the authorities; and

(7) promoting and engaging in financial education to would-be borrowers.

SEC. 7. REPORTS.

The Secretary shall provide to the appropriate committees of Congress—

(1) within 7 days of the end of each month commencing with the first month in which transactions are made under the Program, a written report describing all of the transactions made during the reporting period pursuant to the authorities granted under this title;

(2) after the end of March and the end of September, commencing September 30, 2010, a written report on all projected costs and liabilities, all operating expenses, including compensation for financial agents, and all transactions made by the Fund, which shall include participating institutions and amounts each institution has received under the Program; and

(3) within 7 days of the end of each month commencing with the first month in which transactions are made under the Program, a written report detailing how eligible institutions participating in the Program have used the funds such institutions received under the Program.

SEC. 8. OVERSIGHT AND AUDITS.

(a) INSPECTOR GENERAL OVERSIGHT.—The Inspector General of the Department of the Treasury shall conduct, supervise, and coordinate audits and investigations of the purchase (and commitments to purchase) of preferred stock and other financial instruments under the Program.

(b) GAO AUDIT.—The Comptroller General of the United States shall perform an annual audit of the Program and issue a report to the appropriate committees of Congress containing the results of such audit.

(c) REQUIRED CERTIFICATIONS.—

(1) ELIGIBLE INSTITUTION CERTIFICATION.—Each eligible institution that participate in the Program must certify that such institution is in compliance with the requirements of section 103.121 of title 31, Code of Federal Regulations, a regulation that, at a minumum, requires financial institutions, as that term is defined in 31 U.S.C. 5312(a)(2) and (c)(1)(A), to implement reasonable procedures to verify the identity of any person seeking to open an account, to the extent reasonable and practicable, maintain records of the information used to verify the person's identity, and determine whether the person appears on any lists of known or suspected terrorists or terrorist organizations provided to the financial institution by any government agency.

(2) LOAN RECIPIENTS.—With respect to funds received by an eligible institution under the Program, any business receiving a loan from the eligible institution using such funds after the date of the enactment of this title shall certify to such eligible institution that the principals of such business have not been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)).

(d) PROHIBITION ON PORNOGRAPHY.—None of the funds made available under this title may be used to pay the salary of any individual engaged in activities related to the Program who has been officially disciplined for violations of subpart G of the Standards of Ethical Conduct for Employees of the Executive Branch for viewing, downloading, or exchanging pornography, including chld pornography, on a Federal Government computer or while performing official Federal Government duties.

SEC. 9. CREDIT REFORM; FUNDING.

(a) CREDIT REFORM.—The cost of purchases of preferred stock and other financial instruments made as capital investments under this title shall be determined as provided under the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).

(b) FUNDS MADE AVAILABLE.—There are hereby appropriated, out of funds in the Treasury not otherwise appropriated, such sums as may be necessary to pay the costs of $30,000,000,000 of capital investments in eligible institutions, including the costs of modifying such investments, and reasonable costs of administering the program of making, holding, managing, and selling the capital investments.

SEC. 10. TERMINATION AND CONTINUATION OF AUTHORITIES.

(a) TERMINATION OF INVESTMENT AUTHORITY.—The authority to make capital investments in eligible institutions, including commitments to purchase preferred stock or other instruments, provided under this title shall terminate 1 year after the date of enactment of this title.

(b) CONTINUATION OF OTHER AUTHORITIES.—The authorities of the Secretary in section 5 shall not be limited by the termination date in subsection (a).

SEC. 11. PRESERVATION OF AUTHORITY.

Nothing in this title may be construed to limit the authority of the Secretary under any other provision of law.

SEC. 12. ASSURANCES.

(a) SMALL BUSINESS LENDING FUND SEPARATE FROM TARP.—The Small Business Lending Fund Program is established as separate and distinct from the Troubled Asset Relief Program established by the Emergency Economic Stabilization Act of 2008. An institution shall not, by virtue of a capital investment under the Small Business Lending Fund Program, be considered a recipient of the Troubled Asset Relief Program.

(b) CHANGE IN LAW.—If, after a capital investment has been made in an eligible institution under the Program, there is a change in law that modifies the terms of the investment or program in a materially adverse respect for the eligible institution, the eligible institution may, after consultation with the appropriate Federal banking agency for the eligible institution, repay the investment without impediment.

SEC. 13. STUDY AND REPORT WITH RESPECT TO WOMEN-OWNED AND MINORITY-OWNED BUSINESSES.

(a) STUDY.—The Secretary shall conduct a study to determine the number of women-owned businesses and minority-owned businesses that receive assistance as a result of the Program, including—

(1) efforts, including technical assistance and outreach that institutions have employed under the Program to provide loans to minority- and women-owned small businesses;

(2) loan applications received;

(3) loan applications approved; and

(4) and any other relevant data related to such transactions to promote the purposes of the Program as the Secretary may require.

(b) REPORT.—Not later than one year after the date of enactment of this Act, the Secretary shall submit to Congress a report on the results of the study conducted pursuant to subsection (a).

(c) INFORMATION PROVIDED TO THE SECRETARY.—Eligible institutions that participate in the Program shall provide the Secretary with such information as the Secretary may require to carry out the study required by this section.

TITLE II—STATE SMALL BUSINESS CREDIT INITIATIVE

SEC. 201. SHORT TITLE.

This title may be cited as the ''State Small Business Credit Initiative Act of 2010''.

SEC. 202. DEFINITIONS.

For purposes of this title, the following definitions shall apply:

(1) APPROPRIATE FEDERAL BANKING AGENCY.—The term ''appropriate Federal banking agency''—

(A) has the same meaning as in section 3 of the Federal Deposit Insurance Act; and

(B) includes the National Credit Union Administration Board in the case of any credit union the deposits of which are insured in accordance with the Federal Credit Union Act.

(2) ENROLLED LOAN.—The term ''enrolled loan'' means a loan made by a financial institution lender that is enrolled by a participating State in an approved State capital access program in accordance with this title.

(3) FEDERAL CONTRIBUTION.—The term ''Federal contribution'' means the portion of the contribution made by a participating State to, or for the account of, an approved State program that is made with Federal funds allocated to the State by the Secretary under section 203.

(4) FINANCIAL INSTITUTION.—The term ''financial institution'' means any insured depository institution, insured credit union, or community development financial institution, as those terms are each defined in section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994.

(5) PARTICIPATING STATE.—The term ''participating State'' means any State that has been approved for participation in the Program under section 204.

(6) PROGRAM.—The term ''Program'' means the State Small Business Credit Initiative established under this title.

(7) QUALIFYING LOAN OR SWAP FUNDING FACILITY.—The term ''qualifying loan or swap funding facility'' means a contractual arrangement between a participating State and a private financial entity under which—

(A) the participating State delivers funds to the entity as collateral;

(B) the entity provides funding from the arrangement back to the participating State; and

(C) the full amount of resulting funding from the arrangement, less any fees and other costs of the arrangement, is contributed to, or for the account of, an approved State program.

(8) RESERVE FUND.—The term ''reserve fund'' means a fund, established by a participating State, dedicated to a particular financial institution lender, for the purposes of—

(A) depositing all required premium charges paid by the financial institution lender and by each borrower receiving a loan under an approved State program from that financial institution lender;

(B) depositing contributions made by the participating State, including State contributions made with Federal contributions; and

(C) covering losses on enrolled loans by disbursing accumulated funds.

(9) STATE.—The term ''State'' means—

(A) a State of the United States;

(B) the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of Northern Mariana Islands, Guam, American Samoa, and the United States Virgin Islands;

(C) when designated by a State of the United States, a political subdivision of that State that the Secretary determines has the capacity to participate in the Program; and

(D) under the circumstances described in section 204(d), a municipality of a State of the United States to which the Secretary has given a special permission under section 204(d).

(10) STATE CAPITAL ACCESS PROGRAM.—The term ''State capital access program'' means a program of a State that—

(A) uses public resources to promote private access to credit; and

(B) meets the eligibility criteria in section 205(c).

(11) STATE OTHER CREDIT SUPPORT PROGRAM.—The term ''State other credit support program''—

(A) means a program of a State that—

(i) uses public resources to promote private access to credit;

(ii) is not a State capital access program; and

(iii) meets the eligibility criteria in section 206(c); and

(B) includes, collateral support programs, loan participation programs, and credit guarantee programs.

(12) STATE PROGRAM.—The term ''State program'' means a State capital access program or a State other credit support program.

(13) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

SEC. 203. FEDERAL FUNDS ALLOCATED TO STATES.

(a) PROGRAM ESTABLISHED; PURPOSE.—There is established the State Small Business Credit Initiative (hereinafter in this title referred to as the ''Program''), to be administered by the Secretary. Under the Program, the Secretary shall allocate Federal funds to participating States and make the allocated funds available to the participating States as provided in this section for the uses described in this section.

(b) ALLOCATION FORMULA.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this title, the Secretary shall allocate Federal funds to participating States so that each State is eligible to receive an amount equal to the average of the respective amounts that the State—

(A) would receive under the 2009 allocation, as determined under paragraph (2); and

(B) would receive under the 2010 allocation, as determined under paragraph (3).

(2) 2009 ALLOCATION FORMULA.—

(A) IN GENERAL.—The Secretary shall determine the 2009 allocation by allocating Federal funds among the States in the proportion that each such State's 2008 State employment decline bears to the aggregate of the 2008 State employment declines for all States.

(B) MINIMUM ALLOCATION.—The Secretary shall adjust the allocations under subparagraph (A) for each State to the extent necessary to ensure that no State receives less than 0.9 percent of the Federal funds.

(C) 2008 STATE EMPLOYMENT DECLINE DEFINED.—For purposes of this paragraph and with respect to a State, the term ''2008 State employment decline'' means the excess (if any) of—

(i) the number of individuals employed in such State determined for December 2007; over

(ii) the number of individuals employed in such State determined for December 2008.

(3) 2010 ALLOCATION FORMULA.—

(A) IN GENERAL.—The Secretary shall determine the 2010 allocation by allocating Federal funds among the States in the proportion that each such State's 2009 unemployment number bears to the aggregate of the 2009 unemployment numbers for all of the States.

(B) MINIMUM ALLOCATION.—The Secretary shall adjust the allocations under subparagraph (A) for each State to the extent necessary to ensure that no State receives less than 0.9 percent of the Federal funds.

(C) 2009 UNEMPLOYMENT NUMBER DEFINED.—For purposes of this paragraph and with respect to a State, the term ''2009 unemployment number'' means the number of individuals within such State who were determined to be unemployed by the Bureau of Labor Statistics for December 2009.

(c) AVAILABILITY OF ALLOCATED AMOUNT.—The amount allocated by the Secretary to each participating State under subsection (b) shall be made available to the State as follows:

(1) ALLOCATED AMOUNT GENERALLY TO BE AVAILABLE TO STATE IN ONE-THIRDS.—

(A) IN GENERAL.—The Secretary shall—

(i) apportion the participating State's allocated amount into one-thirds;

(ii) transfer to the participating State the first one-third when the Secretary approves the State for participation under section 204; and

(iii) transfer to the participating State each successive one-third when the State has certified to the Secretary that it has expended, transferred, or obligated 80 percent of the last transferred one-third for Federal contributions to, or for the account of, State programs.

(B) AUTHORITY TO WITHHOLD PENDING AUDIT.—The Secretary may withhold the transfer of any successive one-third pending results of a financial audit.

(C) TRANSFERS CONTINGENT ON INSPECTOR GENERAL AUDITS.—

(i) IN GENERAL.—Before a transfer to a participating State of the second one-third or the last one-third, the Inspector General of the Department of the Treasury shall carry out an audit of the participating State's use of amounts already received.

(ii) PENALTY FOR MISSTATEMENT.—Any participating State that is found to have intentionally misstated any report issued to the Secretary under the Program shall be ineligible to receive any additional funds under the Program. Funds that had been allocated or that would otherwise have been allocated to such participating State shall be paid into the general fund of the Treasury for reduction of the public debt.

(iii) MUNICIPALITIES.—For purposes of this subparagraph, the term ''participating State'' shall include a municipality given special permission to participate in the Program, pursuant to section 204(d).

(D) EXCEPTION.—

(i) IN GENERAL.—The Secretary may, in the Secretary's discretion, transfer the full amount of the participating State's allocated amount to the State in a single transfer if the participating State applies to the Secretary for approval to use the full amount of the allocation as collateral for a qualifying loan or swap funding facility.

(ii) RECOUPMENT TRIGGERED BY INTENTIONAL MISSTATEMENT.—If, in any audit of a report issued by a participating State that receives a single transfer pursuant to clause (i), the Secretary or the Inspector General of the Department of the Treasury determines that such State intentionally misstated information in such report, the participating State shall be required to fully repay all amounts received by the State under the Program, and such amounts shall be paid into the general fund of the Treasury for reduction of the public debt.

(2) TRANSFERRED AMOUNTS.—Each amount transferred to a participating State under this section shall remain available to the State until used by the State as permitted under paragraph (3).

(3) USE OF TRANSFERRED FUNDS.—Each participating State may use funds transferred to it under this section only—

(A) for making Federal contributions to, or for the account of, an approved State program;

(B) as collateral for a qualifying loan or swap funding facility;

(C) in the case of the first one-third transferred, for paying administrative costs incurred by the State in implementing an approved State program in an amount not to exceed 5 percent of that first one-third; or

(D) in the case of each successive one-third transferred, for paying administrative costs incurred by the State in implementing an approved State program in an amount not to exceed 3 percent of that successive one-third.

(4) TERMINATION OF AVAILABILITY OF AMOUNTS NOT TRANSFERRED WITHIN 2 YEARS OF PARTICIPATION.—Any portion of a participating State's allocated amount that has not been transferred to the State under this section by the end of the 2-year period beginning on the date that the Secretary approves the State for participation may be deemed by the Secretary to be no longer allocated to the State and no longer available to the State and shall be returned to the General Fund of the Treasury.

(5) TRANSFERRED AMOUNTS NOT ASSISTANCE.—The amounts transferred to a participating State under this section shall not be considered ''assistance'' for purposes of subtitle V of title 31, United States Code.

(6) DEFINITIONS.—For purposes of this section—

(A) the term ''allocated amount'' means the total amount of Federal funds allocated by the Secretary under subsection (b) to the participating State; and

(B) the term ''one-third'' means—

(i) in the case of the first and second one-thirds, an amount equal to 33 percent of a participating State's allocated amount; and

(ii) in the case of the last one-third, an amount equal to 34 percent of a participating State's allocated amount.

SEC. 204. APPROVING STATES FOR PARTICIPATION.

(a) APPLICATION.—Any State may apply to the Secretary for approval to be a participating State under the Program and to be eligible for an allocation of Federal funds under the Program.

(b) GENERAL APPROVAL CRITERIA.—The Secretary shall approve a State to be a participating State, if—

(1) a specific department, agency, or political subdivision of the State has been designated to implement a State program and participate in the Program;

(2) all legal actions necessary to enable such designated department, agency, or political subdivision to implement a State program and participate in the Program have been accomplished;

(3) the State has filed an application with the Secretary for approval of a State capital access program under section 205 or approval as a State other credit support program under section 206, in each case within the time period provided in the respective section; and

(4) the State and the Secretary have executed an allocation agreement that—

(A) conforms to the requirements of this title;

(B) ensures that the State program complies with such national standards as are established by the Secretary under section 209(a)(2);

(C) sets forth internal control, compliance, and reporting requirements as established by the Secretary, and such other terms and conditions necessary to carry out the purposes of this title, including an agreement by the State to allow the Secretary to audit State programs;

(D) requires that the State program be fully positioned, within 90 days of the State's execution of the allocation agreement with the Secretary, to act on providing the kind of credit support that the State program was established to provide; and

(E) includes an agreement by the State to deliver to the Secretary, and update annually, a schedule describing how the State intends to apportion among its State programs the Federal funds allocated to the State.

(c) CONTRACTUAL ARRANGEMENTS FOR IMPLEMENTATION OF STATE PROGRAMS.—A State may be approved to be a participating State, and be eligible for an allocation of Federal funds under the Program, if the State has contractual arrangements for the implementation and administration of its State program with—

(1) an existing, approved State program administered by another State; or

(2) an authorized agent of, or entity supervised by, the State, including for-profit and not-for-profit entities.

(d) SPECIAL PERMISSION.—

(1) CIRCUMSTANCES WHEN A MUNICIPALITY MAY APPLY DIRECTLY.—If a State does not, within 60 days after the date of enactment of this title, file with the Secretary a notice of its intent to apply for approval by the Secretary of a State program or within 9 months after the date of enactment of this title, file with the Secretary a complete application for approval of a State program, the Secretary may grant to municipalities of that State a special permission that will allow them to apply directly to the Secretary without the State for approval to be participating municipalities.

(2) TIMING REQUIREMENTS APPLICABLE TO MUNICIPALITIES APPLYING DIRECTLY.—To qualify for the special permission, a municipality of a State must, within 12 months after the date of enactment of this title, file with the Secretary a complete application for approval by the Secretary of a State program.

(3) NOTICES OF INTENT AND APPLICATIONS FROM MORE THAN 1 MUNICIPALITY.—A municipality of a State may combine with 1 or more other municipalities of that State to file a joint notice of intent to file and a joint application.

(4) APPROVAL CRITERIA.—The general approval criteria in paragraphs (2) and (4) shall apply.

(5) ALLOCATION TO MUNICIPALITIES.—

(A) IF MORE THAN 3.—If more than 3 municipalities, or combination of municipalities as provided in paragraph (3), of a State apply for approval by the Secretary to be participating municipalities under this subsection, and the applications meet the approval criteria in paragraph (4), the Secretary shall allocate Federal funds to the 3 municipalities with the largest populations.

(B) IF 3 OR FEWER.—If 3 or fewer municipalities, or combination of municipalities as provided in paragraph (3), of a State apply for approval by the Secretary to be participating municipalities under this subsection, and the applications meet the approval criteria in paragraph (4), the Secretary shall allocate Federal funds to each applicant municipality or combination of municipalities.

(6) APPORTIONMENT OF ALLOCATED AMOUNT AMONG PARTICIPATING MUNICIPALITIES.—If the Secretary approves municipalities to be participating municipalities under this subsection, the Secretary shall apportion the full amount of the Federal funds that are allocated to that State to municipalities that are approved under this subsection in amounts proportionate to the population of those municipalities, based on the most recent available decennial census.

(7) APPROVING STATE PROGRAMS FOR MUNICIPALITIES.—If the Secretary approves municipalities to be participating municipalities under this subsection, the Secretary shall take into account the additional considerations in section 206(d) in making the determination under section 205 or 206 that the State program or programs to be implemented by the participating municipalities, including a State capital access program, is eligible for Federal contributions to, or for the account of, the State program.

SEC. 205. APPROVING STATE CAPITAL ACCESS PROGRAMS.

(a) APPLICATION.—A participating State that establishes a new, or has an existing, State capital access program that meets the eligibility criteria in subsection (c) may apply to Secretary to have the State capital access program approved as eligible for Federal contributions to the reserve fund.

(b) APPROVAL.—The Secretary shall approve such State capital access program as eligible for Federal contributions to the reserve fund if—

(1) within 60 days after the date of enactment of this title, the State has filed with the Secretary a notice of intent to apply for approval by the Secretary of a State capital access program;

(2) within 9 months after the date of enactment of this title, the State has filed with the Secretary a complete application for approval by the Secretary of a capital access program;

(3) the State satisfies the requirements of subsections (a) and (b) of section 204; and

(4) the State capital access program meets the eligibility criteria in subsection (c).

(c) ELIGIBILITY CRITERIA FOR STATE CAPITAL ACCESS PROGRAMS.—For a State capital access program to be approved under this section, it must be a program of the State that—

(1) provides portfolio insurance for business loans based on a separate loan-loss reserve fund for each financial institution;

(2) requires insurance premiums to be paid by the financial institution lenders and by the business borrowers to the reserve fund to have their loans enrolled in the reserve fund;

(3) provides for contributions to be made by the State to the reserve fund in amounts at least equal to the sum of the amount of the insurance premium charges paid by the borrower and the financial institution to the reserve fund for any newly enrolled loan; and

(4) provides its portfolio insurance solely for loans that meet both the following requirements:

(A) The borrower has 500 employees or less at the time that the loan is enrolled in the Program.

(B) The loan amount does not exceed $5,000,000.

(d) FEDERAL CONTRIBUTIONS TO APPROVED STATE CAPITAL ACCESS PROGRAMS.—A State capital access program approved under this section will be eligible for receiving Federal contributions to the reserve fund in an amount equal to the sum of the amount of the insurance premium charges paid by the borrowers and by the financial institution to the reserve fund for loans that meet the requirements in subsection (c)(4). A participating State may use the Federal contribution to make its contribution to the reserve fund of an approved State capital access program.

(e) MINIMUM PROGRAM REQUIREMENTS FOR STATE CAPITAL ACCESS PROGRAMS.—The Secretary shall, by regulation or other guidance, prescribe Program requirements that meet the following minimum requirements:

(1) EXPERIENCE AND CAPACITY.—The participating State shall determine for each financial institution that participates in the State capital access program, after consultation with the appropriate Federal banking agency or, in the case of a financial institution that is a non depository community development financial institution, the Community Development Financial Institution Fund, that the financial institution has sufficient commercial lending experience and financial and managerial capacity to participate in the approved State capital access program. The determination by the State shall not be reviewable by the Secretary.

(2) INVESTMENT AUTHORITY.—Subject to applicable State law, the participating State may invest, or cause to be invested, funds held in a reserve fund by establishing a deposit account at the financial institution lender in the name of the participating State. In the event that funds in the reserve fund are not deposited in such an account, such funds shall be invested in a form that the participating State determines is safe and liquid.

(3) LOAN TERMS AND CONDITIONS TO BE DETERMINED BY AGREEMENT.—A loan to be filed for enrollment in an approved State capital access program may be made with such interest rate, fees, and other terms and conditions, and the loan may be enrolled in the approved State capital access program and claims may be filed and paid, as agreed upon by the financial institution lender and the borrower, consistent with applicable law.

(4) LENDER CAPITAL AT-RISK.—A loan to be filed for enrollment in the State capital access program must require the financial institution lender to have a meaningful amount of its own capital resources at risk in the loan.

(5) PREMIUM CHARGES MINIMUM AND MAXIMUM AMOUNTS.—The insurance premium charges payable to the reserve fund by the borrower and the financial institution lender shall be prescribed by the financial institution lender, within minimum and maximum limits that require that the sum of the insurance premium charges paid in connection with a loan by the borrower and the financial institution lender may not be less than 2 percent nor more than 7 percent of the amount of the loan enrolled in the approved State capital access program.

(6) STATE CONTRIBUTIONS.—In enrolling a loan in an approved State capital access program, the participating State may make a contribution to the reserve fund to supplement Federal contributions made under this Program.

(7) LOAN PURPOSE.—

(A) PARTICULAR LOAN PURPOSE REQUIREMENTS AND PROHIBITIONS.—In connection with the filing of a loan for enrollment in an approved State capital access program, the financial institution lender—

(i) shall obtain an assurance from each borrower that—

(I) the proceeds of the loan will be used for a business purpose;

(II) the loan will not be used to finance such business activities as the Secretary, by regulation, may proscribe as prohibited loan purposes for enrollment in an approved State capital access program; and

(III) the borrower is not—

(aa) an executive officer, director, or principal shareholder of the financial institution lender;

(bb) a member of the immediate family of an executive officer, director, or principal shareholder of the financial institution lender; or

(cc) a related interest of any such executive officer, director, principal shareholder, or member of the immediate family;

(ii) shall provide assurances to the participating State that the loan has not been made in order to place under the protection of the approved State capital access program prior debt that is not covered under the approved State capital access program and that is or was owed by the borrower to the financial institution lender or to an affiliate of the financial institution lender;

(iii) shall not allow the enrollment of a loan to a borrower that is a refinancing of a loan previously made to that borrower by the financial institution lender or an affiliate of the financial institution lender; and

(iv) may include additional restrictions on the eligibility of loans or borrowers that are not inconsistent with the provisions and purposes of this title, including compliance with all applicable Federal and State laws, regulations, ordinances, and Executive orders.

(B) DEFINITIONS.—For purposes of this subsection, the terms ''executive officer'', ''director'', ''principal shareholder'', ''immediate family'', and ''related interest'' refer to the same relationship to a financial institution lender as the relationship described in part 215 of title 12 of the Code of Federal Regulations, or any successor to such part.

(8) CAPITAL ACCESS FOR SMALL BUSINESSES IN UNDERSERVED COMMUNITIES.—At the time that a State applies to the Secretary to have the State capital axccess program approved as eligible for Federal contributions, the State shall deliver to the Secretary a report stating how the State plans to use the Federal contributions to the reserve fund to provide access to capital for small businesses in low- and moderate-income, minority, and other underserved communities, including women- and minority-owned small businesses.

SEC. 206. APPROVING COLLATERAL SUPPORT AND OTHER INNOVATIVE CREDIT ACCESS AND GUARANTEE INITIATIVES FOR SMALL BUSINESSES AND MANUFACTURERS.

(a) APPLICATION.—A participating State that establishes a new, or has an existing, credit support program that meets the eligibility criteria in subsection (c) may apply to the Secretary to have the State other credit support program approved as eligible for Federal contributions to, or for the account of, the State program.

(b) APPROVAL.—The Secretary shall approve such State other credit support program as eligible for Federal contributions to, or for the account of, the program if—

(1) the Secretary determines that the State satisfies the requirements of paragraphs (1) through (3) of section 205(b);

(2) the Secretary determines that the State other credit support program meets the eligibility criteria in subsection (c);

(3) the Secretary determines the State other credit support program to be eligible based on the additional considerations in subsection (d); and

(4) within 9 months after the date of enactment of this title, the State has filed with Treasury a complete application for Treasury approval.

(c) ELIGIBILITY CRITERIA FOR STATE OTHER CREDIT SUPPORT PROGRAMS.—For a State other credit support program to be approved under this section, it must be a program of the State that—

(1) can demonstrate that, at a minimum, 1 dollar of public investment by the State program will cause and result in 1 dollar of new private credit;

(2) can demonstrate a reasonable expectation that, when considered with all other State programs of the State, such State programs together have the ability to use amounts of new Federal contributions to, or for the account of, all such programs in the State to cause and result in amounts of new small business lending at least 10 times the new Federal contribution amount;

(3) for those State other credit support programs that provide their credit support through 1 or more financial institution lenders, requires the financial institution lenders to have a meaningful amount of their own capital resources at risk in their small business lending; and

(4) extends credit support that—

(A) targets an average borrower size of 500 employees or less;

(B) does not extend credit support to borrowers that have more than 750 employees;

(C) targets support towards loans with an average principal amount of $5,000,000 or less; and

(D) does not extend credit support to loans that exceed a principal amount of $20,000,000.

(d) ADDITIONAL CONSIDERATIONS.—In making a determination that a State other credit support program is eligible for Federal contributions to, or for the account of, the State program, the Secretary shall take into account the following additional considerations:

(1) The anticipated benefits to the State, its businesses, and its residents to be derived from the Federal contributions to, or for the account of, the approved State other credit support program, including the extent to which resulting small business lending will expand economic opportunities.

(2) The operational capacity, skills, and experience of the management team of the State other credit support program.

(3) The capacity of the State other credit support program to manage increases in the volume of its small business lending.

(4) The internal accounting and administrative controls systems of the State other credit support program, and the extent to which they can provide reasonable assurance that funds of the State program are safeguarded against waste, loss, unauthorized use, or misappropriation.

(5) The soundness of the program design and implementation plan of the State other credit support program.

(e) FEDERAL CONTRIBUTIONS TO APPROVED STATE OTHER CREDIT SUPPORT PROGRAMS.—A State other credit support program approved under this section will be eligible for receiving Federal contributions to, or for the account of, the State program in an amount consistent with the schedule describing the apportionment of allocated Federal funds among State programs delivered by the State to the Secretary under the allocation agreement.

(f) MINIMUM PROGRAM REQUIREMENTS FOR STATE OTHER CREDIT SUPPORT PROGRAMS.—

(1) FUND TO PRESCRIBE.—The Secretary shall, by regulation or other guidance, prescribe Program requirements for approved State other credit support programs.

(2) CONSIDERATIONS FOR FUND.—In prescribing minimum Program requirements for approved State other credit support programs, the Secretary shall take into consideration, to the extent the Secretary determines applicable and appropriate, the minimum Program requirements for approved State capital access programs in section 205(e).

SEC. 207. REPORTS.

(a) QUARTERLY USE-OF-FUNDS REPORT.—

(1) IN GENERAL.—Not later than 30 days after the beginning of each calendar quarter, beginning after the first full calendar quarter to occur after the date the Secretary approves a State for participation, the participating State shall submit to the Secretary a report on the use of Federal funding by the participating State during the previous calendar quarter.

(2) REPORT CONTENTS.—The report shall—

(A) indicate the total amount of Federal funding used by the participating State;

(B) include a certification by the participating State that—

(i) the information provided in accordance with subparagraph (A) is accurate;

(ii) funds continue to be available and legally committed to contributions by the State to, or for the account of, approved State programs, less any amount that has been contributed by the State to, or for the account of, approved State programs subsequent to the State being approved for participation in the Program; and

(iii) the participating State is implementing its approved State program or programs in accordance with this title and regulations issued pursuant to section 210.

(b) ANNUAL REPORT.—Not later than March 31 of each year, beginning March 31, 2011, each participating State shall submit to the Secretary an annual report that shall include the following information:

(1) The number of borrowers that received new loans originated under the approved State program or programs after the State program was approved as eligible for Federal contributions.

(2) The total amount of such new loans.

(3) Breakdowns by industry type, loan size, annual sales, and number of employees of the borrowers that received such new loans.

(4) The zip code of each borrower that received such a new loan.

(5) Such other data as the Secretary, in the Secretary's sole discretion, may require to carry out the purposes of the Program.

(c) FORM.—The reports and data filed pursuant to subsections (a) and (b) shall be in such form as the Secretary, in the Secretary's sole discretion, may require.

(d) TERMINATION OF REPORTING REQUIREMENTS.—The requirement to submit reports under subsections (a) and (b) shall terminate for a participating State with the submission of the completed reports due on the first March 31 to occur after 5 complete 12-month periods after the State is approved by the Secretary to be a participating State.

SEC. 208. REMEDIES FOR STATE PROGRAM TERMINATION OR FAILURES.

(a) REMEDIES.—

(1) IN GENERAL.—If any of the events listed in paragraph (2) occur, the Secretary, in the Secretary's discretion, may—

(A) reduce the amount of Federal funds allocated to the State under the Program; or

(B) terminate any further transfers of allocated amounts that have not yet been transferred to the State.

(2) CAUSAL EVENTS.—The events referred to in paragraph (1) are—

(A) termination by a participating State of its participation in the Program;

(B) failure on the part of a participating State to submit complete reports under section 207 on a timely basis; or

(C) noncompliance by the State with the terms of the allocation agreement between the Secretary and the State.

(b) DEALLOCATED AMOUNTS TO BE REALLOCATED.—If, after 13 months, any portion of the amount of Federal funds allocated to a participating State is deemed by the Secretary to be no longer allocated to the State after actions taken by the Secretary under subsection (a)(1), the Secretary shall reallocate that portion among the participating States, excluding the State whose allocated funds were deemed to be no longer allocated, as provided in section 203(b).

SEC. 209. IMPLEMENTATION AND ADMINISTRATION.

(a) GENERAL AUTHORITIES AND DUTIES.—The Secretary shall—

(1) consult with the Administrator of the Small Business Administration and the appropriate Federal banking agencies on the administration of the Program;

(2) establish minimum national standards for approved State programs;

(3) provide technical assistance to States for starting State programs and generally disseminate best practices;

(4) manage, administer, and perform necessary program integrity functions for the Program; and

(5) ensure adequate oversight of the approved State programs, including oversight of the cash flows, performance, and compliance of each approved State program.

(b) APPROPRIATIONS.—There is hereby appropriated to the Secretary, out of funds in the Treasury not otherwise appropriated, $2,000,000,000 to carry out the Program, including to pay reasonable costs of administering the Program.

(c) TERMINATION OF SECRETARY'S PROGRAM ADMINISTRATION FUNCTIONS.—The authorities and duties of the Secretary to implement and administer the Program shall terminate at the end of the 7-year period beginning on the date of enactment of this title.

SEC. 210. REGULATIONS.

The Secretary, in consultation with the Administrator of the Small Business Administration, shall issue such regulations and other guidance as the Secretary determines necessary or appropriate to implement this title including, but not limited to, to define terms, to establish compliance and reporting requirements, and such other terms and conditions necessary to carry out the purposes of this title.

SEC. 211. OVERSIGHT AND AUDITS.

(a) INSPECTOR GENERAL OVERSIGHT.—The Inspector General of the Department of the Treasury shall conduct, supervise, and coordinate audits and investigations of the use of funds made available under the Program.

(b) GAO AUDIT.—The Comptroller General of the United States shall perform an annual audit of the Program and issue a report to the appropriate committees of Congress, as such term is defined under section 3(1), containing the results of such audit.

(c) REQUIRED CERTIFICATION.—

(1) FINANCIAL INSTITUTIONS CERTIFICATION.—With respect to funds received by a participating State under the Program, any financial institution that receives a loan, a loan guarantee, or other financial assistance using such funds after the date of the enactment of this title must certify that such institution is in compliance with the requirements of section 103.121 of title 31, Code of Federal Regulations, a regulation that, at a minimum, requires financial institutions, as that term is defined in 31 U.S.C. 5312(a)(2) and (c)(1)(A), to implement reasonable procedures to verify the identity of any person seeking to open an account, to the extent reasonable and practicable, maintain records of the information used to verify the person's identity, and determine whether the person appears on any lists of known or suspected terrorists or terrorist organizations provided to the financial institution by any government agency.

(2) SEX OFFENSE CERTIFICATION.—With respect to funds received by a participating State under the Program, any private entity that receives a loan, a loan guarantee, or other financial assistance using such funds after the date of the enactment of this title shall certify to the participating State that the principals of such entity have not been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)).

(d) PROHIBITION ON PORNOGRAPHY.—None of the funds made available under this title may be used to pay the salary of any individual engaged in activities related to the Program who has been officially disciplined for violations of subpart G of the Standards of Ethical Conduct for Employees of the Executive Branch for viewing, downloading, or exchanging pornography, including child pornography, on a Federal Government computer or while performing official Federal Government duties.

TITLE III—SMALL BUSINESS EARLY-STAGE INVESTMENT PROGRAM

SEC. 301. SHORT TITLE.

This title may be cited as the ''Small Business Early-Stage Investment Program Act of 2010''.

SEC. 302. SMALL BUSINESS EARLY-STAGE INVESTMENT PROGRAM.

Title III of the Small Business Investment Act of 1958 (15 U.S.C. 681 et seq.) is amended by adding at the end the following:

''PART D—SMALL BUSINESS EARLY-STAGE INVESTMENT PROGRAM

''SEC. 399A. ESTABLISHMENT OF PROGRAM.

''The Administrator shall establish and carry out an early-stage investment program (hereinafter referred to in this part as the 'program') to provide equity investment financing to support early-stage small businesses in accordance with this part.

''SEC. 399B. ADMINISTRATION OF PROGRAM.

''The program shall be administered by the Administrator acting through the Associate Administrator described under section 201.

''SEC. 399C. APPLICATIONS.

''(a) IN GENERAL.—Any existing or newly formed incorporated body, limited liability company, or limited partnership organized and chartered or otherwise existing under Federal or State law for the purpose of performing the functions and conducting the activities contemplated under the program and any manager of any small business investment company may submit to the Administrator an application to participate in the program.

''(b) REQUIREMENTS FOR APPLICATION.—An application to participate in the program shall include the following:

''(1) A business plan describing how the applicant intends to make successful venture capital investments in early-stage small businesses and direct capital to small business concerns in targeted industries or other business sectors.

''(2) Information regarding the relevant venture capital investment qualifications and backgrounds of the individuals responsible for the management of the applicant.

''(3) A description of the extent to which the applicant meets the selection criteria under section 399D.

''(c) APPLICATIONS FROM MANAGERS OF SMALL BUSINESS INVESTMENT COMPANIES.—The Administrator shall establish an abbreviated application process for applicants that are managers of small business investment companies that are licensed under section 301 and that are applying to participate in the program. Such abbreviated process shall incorporate a presumption that such managers satisfactorily meet the selection criteria under paragraphs (3) and (5) of section 399D(b).

''SEC. 399D. SELECTION OF PARTICIPATING INVESTMENT COMPANIES.

''(a) IN GENERAL.—Not later than 90 days after the date on which the Administrator receives an application from an applicant under section 399C, the Administrator shall make a determination to conditionally approve or disapprove such applicant to participate in the program and shall transmit such determination to the applicant in writing. A determination to conditionally approve an applicant shall identify all conditions necessary for a final approval and shall provide a period of not less than one year for satisfying such conditions.

''(b) SELECTION CRITERIA.—In making a determination under subsection (a), the Administrator shall consider each of the following:

''(1) The likelihood that the applicant will meet the goals specified in the business plan of the applicant.

''(2) The likelihood that the investments of the applicant will create or preserve jobs, both directly and indirectly.

''(3) The character and fitness of the management of the applicant.

''(4) The experience and background of the management of the applicant.

''(5) The extent to which the applicant will concentrate investment activities on early-stage small businesses.

''(6) The likelihood that the applicant will achieve profitability.

''(7) The experience of the management of the applicant with respect to establishing a profitable investment track record.

''(c) FINAL APPROVAL.—For each applicant provided a conditional approval under subsection (a), the Administrator shall provide final approval to participate in the program not later than 90 days after the date the applicant satisfies the conditions specified by the Administrator under such subsection or, in the case of applicants whose partnership or management agreements conform to models approved by the Administrator, the Administrator shall provide final approval to participate in the program not later than 30 days after the date the applicant satisfies the conditions specified under such subsection. If an applicant provided conditional approval under subsection (a) fails to satisfy the conditions specified by the Administrator in the time period designated under such subsection, the Administrator shall revoke the conditional approval.

''SEC. 399E. EQUITY FINANCINGS.

''(a) IN GENERAL.—The Administrator may make one or more equity financings to a participating investment company.

''(b) EQUITY FINANCING AMOUNTS.—

''(1) NON-FEDERAL CAPITAL.—An equity financing made to a participating investment company under the program may not be in an amount that exceeds the amount of the capital of such company that is not from a Federal source and that is available for investment on or before the date on which an equity financing is drawn upon. Such capital may include legally binding commitments with respect to capital for investment.

''(2) LIMITATION ON AGGREGATE AMOUNT.—The aggregate amount of all equity financings made to a participating investment company under the program may not exceed $100,000,000.

''(c) EQUITY FINANCING PROCESS.—In making an equity financing under the program, the Administrator shall commit an equity financing amount to a participating investment company and the amount of each such commitment shall remain available to be drawn upon by such company—

''(1) for new-named investments during the 5-year period beginning on the date on which each such commitment is first drawn upon; and

''(2) for follow-on investments and management fees during the 10-year period beginning on the date on which each such commitment is first drawn upon, with not more than 2 additional 1-year periods available at the discretion of the Administrator.

''(d) COMMITMENT OF FUNDS.—The Administrator shall make commitments for equity financings not later than 2 years after the date funds are appropriated for the program.

''SEC. 399F. INVESTMENTS IN EARLY-STAGE SMALL BUSINESSES.

''(a) IN GENERAL.—As a condition of receiving an equity financing under the program, a participating investment company shall make all of the investments of such company in small business concerns, of which at least 50 percent shall be early-stage small businesses.

''(b) EVALUATION OF COMPLIANCE.—With respect to an equity financing amount committed to a participating investment company under section 399E, the Administrator shall evaluate the compliance of such company with the requirements under this section if such company has drawn upon 50 percent of such commitment.

''SEC. 399G. PRO RATA INVESTMENT SHARES.

''Each investment made by a participating investment company under the program shall be treated as comprised of capital from equity financings under the program according to the ratio that capital from equity financings under the program bears to all capital available to such company for investment.

''SEC. 399H. EQUITY FINANCING INTEREST.

''(a) EQUITY FINANCING INTEREST.—

''(1) IN GENERAL.—As a condition of receiving an equity financing under the program, a participating investment company shall convey an equity financing interest to the Administrator in accordance with paragraph (2).

''(2) EFFECT OF CONVEYANCE.—The equity financing interest conveyed under paragraph (1) shall have all the rights and attributes of other investors attributable to their interests in the participating investment company, but shall not denote control or voting rights to the Administrator. The equity financing interest shall entitle the Administrator to a pro rata portion of any distributions made by the participating investment company equal to the percentage of capital in the participating investment company that the equity financing comprises. The Administrator shall receive distributions from the participating investment company at the same times and in the same amounts as any other investor in the company with a similar interest. The investment company shall make allocations of income, gain, loss, deduction, and credit to the Administrator with respect to the equity financing interest as if the Administrator were an investor.

''(b) MANAGER PROFITS.—As a condition of receiving an equity financing under the program, the manager profits interest payable to the managers of a participating investment company under the program shall not exceed 20 percent of profits, exclusive of any profits that may accrue as a result of the capital contributions of any such managers with respect to such company. Any excess of this amount, less taxes payable thereon, shall be returned by the managers and paid to the investors and the Administrator in proportion to the capital contributions and equity financings paid in. No manager profits interest (other than a tax distribution) shall be paid prior to the repayment to the investors and the Administrator of all contributed capital and equity financings made.

''(c) DISTRIBUTION REQUIREMENTS.—As a condition of receiving an equity financing under the program, a participating investment company shall make all distributions to all investors in cash and shall make distributions within a reasonable time after exiting investments, including following a public offering or market sale of underlying investments.

''SEC. 399I. FUND.

''There is hereby created within the Treasury a separate fund for equity financings which shall be available to the Administrator subject to annual appropriations as a revolving fund to be used for the purposes of the program. All amounts received by the Administrator, including any moneys, property, or assets derived by the Administrator from operations in connection with the program, shall be deposited in the fund. All expenses and payments, excluding administrative expenses, pursuant to the operations of the Administrator under the program shall be paid from the fund.

''SEC. 399J. APPLICATION OF OTHER SECTIONS.

''To the extent not inconsistent with requirements under this part, the Administrator may apply sections 309, 311, 312, 313, and 314 to activities under this part and an officer, director, employee, agent, or other participant in a participating investment company shall be subject to the requirements under such sections.

''SEC. 399K. ANNUAL REPORTING.

''The Administrator shall report on the performance of the program in the annual performance report of the Administration.

''SEC. 399L. DEFINITIONS.

''In this part, the following definitions apply:

''(1) EARLY-STAGE SMALL BUSINESS.—The term 'early-stage small business' means a small business concern that—

''(A) is domiciled in a State; and

''(B) has not generated gross annual sales revenues exceeding $15,000,000 in any of the previous 3 years.

''(2) PARTICIPATING INVESTMENT COMPANY.—The term 'participating investment company' means an applicant approved under section 399D to participate in the program.

''(3) TARGETED INDUSTRIES.—The term 'targeted industries' means any of the following business sectors:

''(A) Agricultural technology.
''(B) Energy technology.
''(C) Environmental technology.
''(D) Life science.
''(E) Information technology.
''(F) Digital media.
''(G) Clean technology.
''(H) Defense technology.
''(I) Photonics technology.

''SEC. 399M. APPROPRIATION.

''From funds not otherwise appropriated, there is hereby appropriated $1,000,000,000 to carry out the program.

''SEC. 399N. CERTIFICATION.

''(a) IMMIGRATION CERTIFICATION.—

''(1) PARTICIPATING INVESTMENT COMPANIES.—Each participating investment company that receives an equity financing under this part after the date of the enactment of this part must, if applicable, certify that such company is in compliance with the requirements of section 103.121 of title 31, Code of Federal Regulations, a regulation that, at a minimum, requires financial institutions, as that term is defined in 31 U.S.C. 5312(a)(2) and (c)(1)(A), to implement reasonable procedures to verify the identity of any person seeking to open an account, to the extent reasonable and practicable, maintain records of the information used to verify the person's identity, and determine whether the person appears on any lists of known or suspected terrorists or terrorist organizations provided to the financial institution by any government agency.

''(2) EARLY-STAGE SMALL BUSINESSES.—Each early-stage small business that receives funds from a participating investment company that receives an equity financing under this part after the date of the enactment of this part must, if applicable, certify that such company is in compliance with the requiremetns of section 103.121 of title 31, Code of Federal Regulations, a regulation that, at a minimum, requires financial institutions, as that term is defined in 31 U.S.C. 5312(a)(2) and (c)(1)(A), to implement reasonable procedures to verify the identity of any person seeking to open an account, to the extent reasonable and practicable, maintain records of the information used to verify the person's identity, and determine whether the person appears on any lists of known or suspected terrorists or terrorist organizations provided to the financial institution by any government agency.

''(b) SEX OFFENDER CERTIFICATION.—

''(1) PARTICIPATING INVESTMENT COMPANIES.—Each participating investment company that receives an equity financing under this part after the date of the enactment of this part shall certify to the Administrator that the principals of such company have not been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)).

''(2) EARLY-STAGE SMALL BUSINESSES.—Each early-stage small business that receives funds from a participating investment company that receives an equity financing under this part after the date of the enactment of this part shall certify to the Administrator that the principals of such business have not been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)).

''(c) PORNOGRAPHY CERTIFICATION.—None of the funds made available under this part may be used to pay the salary of any individual engaged in activities related to the provisions of this part who has been officially disciplined for violations of supbart G of the Standards of Ethical Conduct for Employees of the Executive Branch for viewing, downloading, or exchanging pornography, including child pornography, on a Federal Government computer or while performing official Federal Government duties.''.

SEC. 303. REGULATIONS.

Not later than 180 days after the date of enactment of this Act, the Administrator shall issue regulations to carry out this title and the amendments made by this title.

SEC. 304. PROHIBITIONS ON EARMARKS.

None of the funds appropriated for the program established under part D of title III of the Small Business Investment Act of 1958, as added by this Act, may be used for a Congressional earmark as defined in clause 9(e) of rule XXI of the Rules of the House of Representatives.

TITLE __—MISCELLANEOUS

SEC. __. BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statment titled ''Budgetary Effects of PAYGO Legislation'' for this Act, submitted for printing in

the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

The CHAIR. No amendment to that amendment in the nature of a substitute is in order except those printed in part C of the report. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

□ 1130

AMENDMENT NO. 1 OFFERED BY MR. ISRAEL

The CHAIR. It is now in order to consider amendment No. 1 printed in part C of House Report 111–506.

Mr. ISRAEL. Mr. Chairman, I have an amendment at the desk made in order under the rule.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. ISRAEL:

Page 6, insert after line 25 the following:

(17) VETERAN-OWNED BUSINESS.—

(A) The term ''veteran-owned business'' means a business—

(i) more than 50 percent of the ownership or control of which is held by 1 or more veterans;

(ii) more than 50 percent of the net profit or loss of which accrues to 1 or more veterans; and

(iii) a significant percentage of senior management positions of which are held by veterans.

(B) For purposes of this paragraph, the term ''veteran'' has the meaning given such term in section 101(2) of title 38, United States Code.

Page 18, line 6, strike ''MINORITY OUTREACH'' and insert the following: ''OUTREACH TO MINORITIES, WOMEN, AND VETERANS''.

Page 18, strike lines 15–16 and insert the following:

tions, and individuals that—

(A) represent or work within or are members of minority communities;

(B) represent or work with or are women; and

(C) represent or work with or are veterans.

Page 21, line 14, insert after ''minority-'' the following: '', veteran-,''.

Page 25, line 10, insert after ''**WOMEN-OWNED**'' the following: ''**, VETERAN-OWNED,**''.

Page 25, line 12, insert after ''women-owned businesses'' the following: '', veteran-owned businesses,''.

Page 25, line 14, insert after ''Program'' the following: ''(including determining the percentage of the total number of all businesses that receive assistance that such number represents)''.

Page 25, line 17, insert after ''minority-'' the following: '', veteran-,''.

The CHAIR. Pursuant to House Resolution 1436, the gentleman from New York (Mr. ISRAEL) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New York.

Mr. ISRAEL. Mr. Chairman, I yield myself 2 minutes.

I rise in support of the Israel-Barrow amendment. In particular, I would like to thank the gentleman from Georgia (Mr. BARROW) for his leadership and his partnership on behalf of veterans.

This amendment is rather direct. The underlying bill creates a new community bank lending fund for small businesses. It is essential that as we continue our recovery, we expand the amount of credit to America's small businesses so they can buy products and hire people.

Our amendment does three things. One, it ensures that community banks participating in the lending fund prioritize veteran-owned businesses. Two, it requires aggressive outreach in advertising to veteran-owned small businesses. And, third, it requires the Secretary of Treasury, when designating lending institutions in the fund, to focus on veteran-owned businesses.

Mr. Chairman, last year there were 3.6 million veteran-owned businesses in the United States of America; 250,000 were owned by service-disabled veterans. They fought our battles, we should fight for their businesses, and that is precisely what our amendment does.

I again want to thank the gentleman from Georgia (Mr. BARROW) for working with me on this amendment. It is the Israel-Barrow amendment, but it might as well be called the Barrow-Israel amendment as a result of the partnership that we brought to this task on behalf of small businesses and veterans.

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

Mr. NEUGEBAUER. Mr. Chairman, I rise to claim the time in opposition, although I am not opposed to the amendment.

The CHAIR. Without objection, the gentleman from Texas is recognized for 5 minutes.

There was no objection.

Mr. NEUGEBAUER. The bill currently includes language regarding women and minority-owned business, and adding the veteran-owned businesses makes sense. And so with that, we support this amendment and we thank the gentleman for bringing it forward.

I yield back the balance of my time.

Mr. ISRAEL. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia (Mr. BARROW).

Mr. BARROW. Mr. Chairman, I thank the gentleman for yielding. I have spent a lot of time meeting with small business owners across my district because small businesses are the backbone of our economy and they hold the key to our recovery. In the last decade, 70 percent of all new jobs are created by small businesses. But many are now facing a credit squeeze which makes it hard to cover everyday expenses, including hiring and remaining workers. It is in the best interest of our country that our small businesses thrive. That is why the Small Business Lending Fund Act deserves our support.

I am pleased to offer an amendment with Congressman ISRAEL that I think makes this good bill just a little bit better. Our amendment simply asks banks receiving funds under this act to reach out to women, minority and veteran-owned businesses to make them aware of the availability of these funds. These businesses are a valuable but often disadvantaged part of our economy, and I think they deserve our special attention.

I want to thank Congressman ISRAEL for his collaboration on this amendment and his leadership, I want to thank the chairman for his support.

Mr. ISRAEL. Mr. Chairman, we have proven today to the American people that both sides of this aisle can agree on at least one thing, and that is supporting veterans and supporting small businesses. I am grateful for the bipartisan cooperation that we have received on this.

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

The CHAIR. The question is on the amendment offered by the gentleman from New York (Mr. ISRAEL).

The question was taken; and the Chair announced that the ayes appeared to have it.

Mr. ISRAEL. Mr. Chair, I demand a recorded vote.

The CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from New York will be postponed.

AMENDMENT NO. 3 OFFERED BY MR. NYE

The CHAIR. The Chair understands that amendment No. 2 will not be offered.

It is now in order to consider amendment No. 3 printed in part C of House Report 111–506.

Mr. NYE. Mr. Chairman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. NYE:

Page 3, line 5, strike ''and''.

Page 3, line 12, strike the period and insert ''; and''.

Page 3, after line 12, insert the following new subparagraph:

(D) with respect to an eligible institution for which no report exists that is described under subparagraph (A), (B), or (C), such other report or set of information as the Secretary, in consultation with the Administrator of the Small Business Administration, may prescribe.

Page 4, line 25, strike ''and''.

Page 5, line 3, strike the period and insert ''; and''.

Page 5, after line 3, insert the following new subparagraph:

(D) any small business lending company that has total assets of equal to or less than $10,000,000,000.

Page 6, line 1, after ''report,'' insert the following: ''where each loan comprising such lending is made to a small business and is one''.

Page 6, after line 25 insert the following new paragraphs:

(1) SMALL BUSINESS.—The term ''small business'' has the meaning given the term

''small business concern'' under section 3 of the Small Business Act (15 U.S.C. 632).

(2) SMALL BUSINESS LENDING COMPANY.—The term ''small business lending company'' has the meaning given such term under section 3(r)(1) of the Small Business Act (15 U.S.C. 632(r)(1)).

Page 12, beginning on line 19, strike ''the amount of small business lending reported by the eligible institution in its call report for the last quarter in calendar year 2009 or the average amount of small business lending reported by the eligible institution in all call reports for calendar year 2009, whichever is lower'' and insert ''the average amount of small business lending reported by the eligible institution in its call reports for the 4 full quarters immediately preceding the enactment of this title''.

Page 17, after line 9, insert the following new subparagraph:

(I) INCENTIVES CONTINGENT ON AN INCREASE IN THE NUMBER OF LOANS MADE.—For any quarter during the first 4½-year period following the date on which an eligible institution receives a capital investment under the Program, other than the first such quarter, in which the institution's change in the amount of small business lending relative to the baseline is positive, if the number of loans made by the institution does not increase by 2.5 percent for each 2.5 percent increase of small business lending, then the rate at which dividends and interest shall be payable during the following quarter on preferred stock or other financial instruments issued to the Treasury by the eligible institution shall be—

(i) 5 percent, if such quarter is within the 2-year period following the date on which the eligible institution receives the capital investment under the Program; or

(ii) 7 percent, if such quarter is after such 2-year period.

(J) ALTERNATIVE COMPUTATION.—An eligible institution may choose to compute their small business lending amount by computing the amount of small business lending, as if the definition of such term did not require that the loans comprising such lending be made to small business. Any eligible institution choosing to compute their small business lending in this manner shall certify that all lending included by the institution for purposes of computing the increase in lending under this paragraph was made to small businesses.

The CHAIR. Pursuant to House Resolution 1436, the gentleman from Virginia (Mr. NYE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Virginia.

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

Mr. Chairman, recent reports on U.S. economic growth are promising and suggest that recovery is taking hold. However, I continue to hear from small business owners in my district who are still having a tough time obtaining the business loans that they need today. They have weathered the worst of the storm and are ready to lead our economy to a strong recovery. However, in order to do this, they need capital; capital from loans that banks are unwilling to lend.

As chairman of the Small Business Subcommittee on Contracting and Technology, my subcommittee examines every day how the Federal Government can incentivize business innovation.

For example, last year, with my fellow Virginian MARK WARNER, I proposed the Small Business Administration take action on the ARC loan program, a vital loan program that had been delayed months until Congress authorized it. Because of our efforts, soon after the ARC loan program was implemented, and it is expected to create or retain 24,000 jobs and assist 4,900 businesses this year alone.

We must continue to implement these types of small business programs that will unfreeze the small business credit markets. However, as we create this program to increase lending capacity to small banks, we must ensure that it is not another bank bailout.

The amendment I offer today puts controls in place to guarantee the funds in this bill are in fact going to small businesses. First and foremost, we must define what a small business is. If the Small Business Lending Fund is created with the intention to spur small business lending, we must ensure that the funds are in fact lent to businesses that are properly defined as small business. In order to do this, we should use the definition already being used by Federal agencies to determine a business's size.

Second, we want to increase lending volume and open up the credit markets to every qualified small business. To do this effectively, we need to link lending incentives to volume, or in other words, to the number of loans that a bank makes and not just the amount of money lent. If we measure the lending of a bank merely by the amount of money lent, then a bank could make a few large loans and call it a day. Working capital for most small businesses requires small loans, and many times it takes more than one. Thus, to effectively measure if this program is truly supporting working capital efforts, we must certify that the volume of these small loans increases.

Third, in the same vein, a hardened baseline with real meaning must be set when measuring a bank's lending record. Currently, the bill only requires a bank to increase its lending according to its 2009 fourth quarter record. The fourth quarter of 2009 saw a historically low lending rate. Small financial institutions decreased their small business lending by an average of 12.8 percent, and small business lending by large banks dropped by more than 20 percent. To gather a more accurate measure of small business lending, this amendment requires a full year's worth of data to measure a bank's lending report.

Finally, small business lending companies exist only to lend to small businesses. It would be nearsighted not to make these institutions that already have a strong infrastructure and proven ability to lend to small businesses eligible in this bill. My amendment includes small business lending companies with less than $10 billion in assets as qualified financial institutions, alongside community banks and small credit unions.

If our economic recovery is going to translate into economic expansion, we must open up the credit markets to our small businesses who are proven job creators and we must ensure that programs created to provide capital to small businesses take the necessary measures to promote small business lending and not big business bailouts.

I urge my colleagues to support this amendment for our small businesses and for our economic future.

I reserve the balance of my time.

Mr. NEUGEBAUER. Mr. Chairman, I rise to claim the time in opposition.

The CHAIR. The gentleman from Texas is recognized for 5 minutes.

Mr. NEUGEBAUER. Mr. Chairman, I am opposed to this amendment because it removes some of the safeguards to ensure the banks use the money in the way that they are supposed to and not simply just building up their capital buffers. Allowing recipients to self-certify that they have increased small business lending guts all of the other protections in this bill.

If we are going to allow recipients to pay dividends as low as 1 percent, we need to make sure that the money is used the way the legislation is intended. We already have less oversight of this money than we did in the TARP program, and even though it is the same program, cutting back even further is the wrong approach.

Already under this bill, banks are getting a good deal on the cost of capital, thanks to the taxpayers. Community banks that issue preferred equity paid dividends of 9 percent or more in the private market, here we have the government giving them the capital for 5 percent, or as low as 1 percent.

This amendment changes the incentives in the wrong way, and we need more safeguards for the taxpayers, not fewer.

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

Mr. NYE. Mr. Chairman, I yield the balance of my time to Congresswoman VELÁZQUEZ, the chairwoman of the Small Business Committee.

Ms. VELAZQUEZ. I thank the gentleman for yielding.

Mr. Chairman, since the financial crisis struck in 2007, much has already been done to help banks and financial institutions stay solvent. Those steps were necessary. I firmly believe that without them, the financial crisis would deepened, unemployment would have been higher, more Americans would have suffered, and our economic recovery may have been delayed for many years.

Despite these efforts, our entrepreneurs are still struggling to tap into the credit they need. As we revisit this problem once more, it is vital that we ensure that the benefits of this bill reach small businesses. That is the intent of this legislation. But without the right safeguards, this will be another attempt that fails to address the underlying problem of small business access to capital.

If this measure is not crafted properly, loans which go to large businesses could qualify under the program. Mr. Chairman, I support this amendment.

Mr. NEUGEBAUER. Mr. Chairman, I just want to repeat that when we are going to give a dividend, a lesser dividend rate for the more performance that these banks have, letting themselves certify is not a good check and balance. Certainly we want them to increase their lending, but we need third-party validation to make sure that if they are going to get as low as a 1 percent capital dividend rate, that some third-party validation validates that because obviously that has impact on this program.

I reserve the balance of my time.

Mr. NYE. I ask unanimous consent that each side be allocated an additional 2 minutes.

The CHAIR. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. NYE. Mr. Chairman, I yield 2 minutes to the distinguished ranking member of the committee, Congressman GRAVES.

Mr. GRAVES of Missouri. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Virginia.

Under the program, the way it was reported out of the Financial Services Committee, the bill bases its lending on the size of loans, and assumes that loans of under $250,000 and $1 million will be made to small businesses. However, there is no such assurance in the bill, and loans of those sizes could be made to large businesses, but count as small business lending. If this is a small business lending program, then it should use the definition of small business used throughout the government, and that is the one in the Small Business Act. The approach offered by the gentleman from Virginia (Mr. NYE) does just that. It makes that sensible change.

The other change that the gentleman's amendment does is to include small business lending companies. These institutions are not overseen by the Federal financial regulators, but are authorized by the Small Business Administration to make guaranteed loans. If the idea of the program is to increase lending to small businesses, small business lending companies should not be excluded from this program.

For these reasons, I definitely support the gentleman's amendment, and I appreciate his offering it.

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

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

The CHAIR. The question is on the amendment offered by the gentleman from Virginia (Mr. NYE).

The amendment was agreed to.

AMENDMENT NO. 4 OFFERED BY MR. MINNICK, AS MODIFIED

The CHAIR. It is now in order to consider amendment No. 4 printed in part C of House Report 111–506.

Mr. MINNICK. Mr. Chair, I have an amendment at the desk designated under the rule.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. MINNICK:

Page 11, after line 3, insert the following new subparagraph:

(F) ELECTION TO INCLUDE OTHER NONFARM, NONRESIDENTIAL REAL ESTATE LOANS IN AMOUNT OF SMALL BUSINESS LENDING.—At the time that an applicant submits an application to the Secretary for a capital investment under the Program, the applicant may notify the Secretary that it elects to have included in the determination of the amount of its small business lending, for purposes of the computations made under paragraph (4), the amount of lending reported as other nonfarm, nonresidential real estate loans in its quarterly call report, but for purposes of this subparagraph, other nonfarm, nonresidential real estate loans shall not include a loan having an original amount greater than $10,000,000. If an applicant makes the election under this subparagraph, the amount of lending reported as other nonfarm, nonresidential real estate loans shall be included in the determination of the amount of its small business lending for purposes of the computations made under paragraph (4).

The CHAIR. Pursuant to House Resolution 1436, the gentleman from Idaho (Mr. MINNICK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Idaho.

□ 1145

Mr. MINNICK. Mr. Chairman, I ask unanimous consent to modify my amendment.

The CHAIR. The Clerk will report the modification.

The Clerk read as follows:

Amendment No. 4 offered by Mr. MINNICK, as modified:

Page 6, after line 9, insert the following:

(v) Nonowner-occupied commercial real estate loans.

The CHAIR. Is there objection to the request of the gentleman from Idaho?

Without objection, the amendment is modified.

There was no objection.

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

Mr. Chairman, this amendment, while short in length, is extremely important to the commercial banking industry and to small business in my State and all of the United States. What it does is adds commercial real estate to the category of assets that can be covered by small business loan guarantees and increases the amount of those assets up to $10 million.

This allows a category of assets that is now being held by small business men throughout the country, a category that is very large that needs to be refinanced because commercial real estate loans are short term and banks simply do not have the capacity in the current market to finance and process all of the commercial loans that need to be reprocessed over the next 3 to 5 years. By making these smaller loans that our community banks have made to strip shopping centers, to restaurants, to small business, making them more liquid by applying a Federal guarantee, they will be able to sell these loans in the market. The bank will get cash and be able to make another commercial loan.

So this is a very important piece of legislation, an important component of the Small Business Lending Act that will do more, I think, than any other single thing in terms of getting our banking system functioning again and providing credit to the entrepreneurs and small businesses across this country who will fuel the economic recovery and create the jobs that will bring us out of this recession.

I urge my colleagues to accept this amendment, and I reserve the balance of my time.

Mr. NEUGEBAUER. Mr. Chairman, I seek time in opposition, although I am not opposed to the amendment.

The CHAIR. Without objection, the gentleman from Texas is recognized for 5 minutes.

There was no objection.

Mr. NEUGEBAUER. I appreciate the gentleman's point here of trying to create a new source of capital in commercial real estate at a time when there is a significant amount of stress on our community banks. Financing for commercial real estate, particularly the smaller loan market that serves small businesses, has been limited. The commercial mortgage-backed securities market, the CMBS market, which accounted for nearly 50 percent of the commercial real estate lending in 2007, remains dormant.

So while I continue to believe the $30 billion lending fund will not improve lending for small businesses, I do not oppose the gentleman's amendment.

I yield back the balance of my time.

Mr. MINNICK. I thank the gentleman.

I would urge my colleagues to endorse this amendment and ask that it be added to the bill.

I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from Idaho (Mr. MINNICK), as modified.

The amendment was agreed to.

AMENDMENT NO. 5 OFFERED BY MR. PERLMUTTER

The CHAIR. It is now in order to consider amendment No. 5 printed in part C of House Report 111–506.

Mr. PERLMUTTER. Mr. Chairman, I have an amendment at the desk made in order under the rule.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. PERLMUTTER:

Add at the end of title I the following new section:

SEC. 14. TEMPORARY AMORTIZATION AUTHORITY.

(a) PURPOSE.—The purpose this section is to address the ongoing effects of the financial crisis on small businesses by providing temporary authority to amortize losses or

write-downs in order to increase the availability of credit for small businesses.

(b) IN GENERAL.—For purposes of capital calculation under the Financial Institutions Examination Council's Consolidated Reports of Condition, an eligible institution may choose to amortize any loss or write-down, on a quarterly straight line basis over a period determined under subsection (c), beginning with the month in which such loss or write-down occurs, resulting from the application of FASB Statement 114 or 144 to—

(1) other real estate owned (as defined under section 34.81 of title 12, Code of Federal Regulation), or

(2) an impared loan secured by real estate, provided that the institution discloses the difference in the amount of the institution's capital, when calculated taking into account the temporary amortization, from the amount of the institution's capital when calculated without taking into account the temporary amortization on the Financial Institutions Examination Council's Consolidated Reports of Condition.

(c) AMORTIZATION REQUIREMENTS.—During the initial 2-year period referred to in section 4(d)(4), an eligible institution's amortization period shall be adjusted to reflect the following schedule based on the institution's change in the amount of small business lending relative to the baseline:

(1) If the amount of small business lending has increased by less than 2.5 percent, the amortization period shall be 6 years.

(2) If the amount of small business lending has increased by 2.5 percent or greater, but by less than 5.0 percent, the amortization period shall be 7 years.

(3) If the amount of small business lending has increased by 5.0 percent or greater, but by less than 7.5 percent, the amortization period shall be 8 years.

(4) If the amount of small business lending has increased by 7.5 percent or greater, but by less than 10.0 percent, the amortization period shall be 9 years.

(5) If the amount of small business lending has increased by 10 percent or greater, the amortization period shall be 10 years.

(d) MINIMUM UNDERWRITING STANDARDS.—The appropriate Federal banking agency for an eligible institution that chooses to amortize any loss or write-down as permitted under subsection (b) shall, within 60 days of the date of the enactment of this title, issue regulations defining minimum underwriting standards that must be used for loans made by the eligible institution.

(e) EFFECTIVE DATE.—The provisions of this section shall apply to loan origination that occurred on or after January 1, 2003, and before January 1, 2008.

The CHAIR. Pursuant to House Resolution 1436, the gentleman from Colorado (Mr. PERLMUTTER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Colorado.

Mr. PERLMUTTER. Mr. Chairman, I yield myself such time as I might consume.

Mr. Chairman, the amendment I offer with my colleagues today would increase the availability of capital for small businesses. It temporarily allows banks to amortize real estate losses over 6 years. In addition, smaller community banks would be incentivized to increase small business lending through an extended amortization period of up to 10 years.

The impact of this amendment deals with regional and small banks. It will be immediate and is a necessary step in providing greater availability of credit, which will lead to job creation and economic growth.

We had an earthquake on Wall Street about a year-and-a-half ago. Those aftershocks are still being felt by small businesses and small banks all across the country. It is for that reason these banks, in an effort to help small businesses regain their footing, deserve this kind of amortization and flexibility with respect to their loan portfolios. They did not cause the trouble that they now find themselves in, and we believe that amortization is appropriate.

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

Mr. NEUGEBAUER. Mr. Chair, I am opposed to the amendment.

The CHAIR. The gentleman from Texas is recognized for 5 minutes.

Mr. NEUGEBAUER. Certainly I am sympathetic to the many community banks coping with real estate assets on their books that have lost their value; however, I am not sure this amendment is the best solution.

This amendment would essentially allow certain banks to hide losses for up to 10 years. The practice of legislative forbearance is a dangerous one and could result in problems that only get worse because they are not properly addressed. Accounting rules function to provide a clear record of the health of the institution. This amendment does just the opposite by hiding the losses.

The amortization provided by this amendment does not take effect for 2 years, when the increase in small business lending is measured; thus, it doesn't really address the current credit problems that this bill attempts to solve. This amendment creates the wrong incentive of allowing banks to hide losses for longer periods of time based on making even more loans. Instead of continuing to distort the market, the government should instead create an expansionary environment where we are lowering taxes and providing regulatory certainty and not hiding accounting losses.

I urge opposition to this amendment.

I yield back the balance of my time.

Mr. PERLMUTTER. Mr. Chairman, I would say the amendment provides that if there is a $250,000 loss, it is booked and it is open, but then is spread out for 6 up to 10 years. It's easily transparent and open.

I yield 1 minute to my friend from Florida (Mr. KLEIN).

Mr. KLEIN of Florida. I thank the gentleman from Colorado. All of us share a common goal: We are committed to an economic recovery. We also agree that small business lending is critical to achieving that recovery.

Small businesses in my district in south Florida and around the country are struggling to get access to credit so they can grow their businesses and create jobs. Even though bank regulators at the top are telling banks to lend, I have heard over and over again directly from dozens of businesses in my community and the banks locally that examiners on the ground are giving the exact opposite message.

It is essential that we do everything we can to increase small business lending. This amendment provides incentives for small business and real estate lending, exactly what south Florida and other communities need to continue on the road to recovery. The amendment provides a solution to a critical problem, and I am proud to have worked with community banks, our Realtors and real estate community on this issue.

I urge my colleagues to support this amendment.

Mr. PERLMUTTER. At this point, I would also say to my friend from Texas, the amendment takes place immediately, not after 2 years.

I yield 1 minute to my colleague from Colorado (Mr. COFFMAN).

Mr. COFFMAN of Colorado. I thank the gentleman from Colorado for yielding.

Mr. Chair, I rise today in strong support of this amendment to House Resolution 5297, the Small Business Lending Fund Act of 2010. The amendment offered by my friend from Colorado, Representative PERLMUTTER, would do a great deal to increase the availability of loans to our Nation's small businesses. Small businesses are the engine that drives our economy.

This amendment will allow Colorado banks to amortize, or write down, commercial real estate loan losses over a period of time to ensure an adequate amount of capital for continued lending. The amendment encourages continued lending to small businesses by establishing a graduated scale with a maximum 10-year period of amortization for increased small business lending of 10 percent or more.

Enacting commonsense measures such as this will do a great deal to help small businesses, while also protecting many community banks from the volatility that currently surrounds their commercial real estate portfolio.

I have run a small business, and access to capital was always a pressing concern. I am glad that Congress is addressing this important issue.

I urge my colleagues to vote in favor of this amendment.

Mr. PERLMUTTER. I yield 1 minute to my friend from Wisconsin (Mr. KAGEN).

Mr. KAGEN. I rise in strong support of the Perlmutter, Gutierrez, Klein, and Kagen amendment. Why? It's exactly the medicine we need in our economy right now. Small businesses in Wisconsin, small businesses in Colorado and across the country are looking for access to credit at a price they can afford to pay. And right now our community banks are unable to lend, not because of their own activity, but because of the bad judgment of big banks on Wall Street.

Main Street community banks and Main Street small businesses should

not have to continue to pay for the mistakes of Wall Street. The Perlmutter amendment would allow community banks under $10 billion of assets to amortize potential losses over 6 years and up to 10 years if they increase their lending to small businesses.

We get it. We understand that small businesses are the economic engines of this country. It's time to give small businesses the opportunity to grow our economy and the jobs we need to work our way back into prosperity.

I would urge a strong ''yes'' vote on this amendment.

Mr. PERLMUTTER. Mr. Chairman, how much time do I have left?

The CHAIR. The gentleman has 1 minute remaining.

Mr. PERLMUTTER. Thank you.

The point here is smaller banks, regional banks, unlike banks on Wall Street, did not create the credit and lending mess that exists today. Small businesses didn't create the mess that we see. And it is small business that employs so many people, and we have got to get folks back to work.

So the amendment allows for a bank to take a loss and then spread it over a period of time so that they can weather this storm until we get back to a good financial footing in this country. It is something that is necessary. It will assist with the availability of credit today and doesn't cost the taxpayer any money.

Something like this was used in the 1980s to assist the agricultural banks, and it worked at that time. It will work today.

I urge an ''aye'' vote on amendment No. 5, and I yield back the balance of my time.

The Acting CHAIR (Ms. NORTON). The question is on the amendment offered by the gentleman from Colorado (Mr. PERLMUTTER).

The amendment was agreed to.

AMENDMENT NO. 6 OFFERED BY MR. PRICE OF GEORGIA

The Acting CHAIR. It is now in order to consider amendment No. 6 printed in part C of House Report 111–506.

Mr. PRICE of Georgia. Madam Chair, I have an amendment at the desk made in order under the rule.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. PRICE of Georgia:

Page 26, after line 7, insert the following new section:

SEC. 14. SENSE OF CONGRESS.

It is the sense of Congress that the Federal Deposit Insurance Corporation and other bank regulators are sending mixed messages to banks regarding regulatory capital requirements and lending standards, which is a contributing cause of decreased small business lending and increased regulatory uncertainty at community banks.

The Acting CHAIR. Pursuant to House Resolution 1436, the gentleman from Georgia (Mr. PRICE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Georgia.

Mr. PRICE of Georgia. Madam Chair, I want to thank the chairman of the committee and the ranking member for working with me on this amendment. And although, as they know, I am opposed to the underlying bill, this amendment is extremely important to highlight the serious problem of mixed messages that financial regulators are sending to our community banks. And I appreciate the support of the chairman on this amendment.

Banks in Georgia employ almost 50,000 people and hold $276 billion in assets. Most of these banks are community institutions, which were mere bystanders to the financial and liquidity crisis of the last 2 years.

□ 1200

Late last week, the Treasury Department reported that TARP will cost less than they originally estimated. In fact, Treasury expects to spend less than the $550 billion of the $700 billion authorized. Regrettably, this figure does not factor in the bailouts for Fannie Mae, Freddie Mac, and AIG.

But even so, this is a revolving taxpayer bailout fund, meaning that there is $550 billion that the administration and leadership could put towards small business lending. However, the administration chose not to do this and, instead, wants Congress to appropriate another $33 billion of taxpayer money. That's right, another $33 billion.

Certainly, small business lending is a priority for banks and businesses. However, this bill doesn't address the underlying causes of contraction in lending but invests much more in a failed regulatory agency.

Unfortunately, the mixed messages being sent by failed bank regulators will not be fixed. Instead of making the FDIC and the other regulators send a clear, consistent message to our Nation's banks, this Congress feels that throwing more money at the problem will fix it.

In February, bank regulators, both State and Federal, issued a joint statement providing guidance to banks and to credit unions, encouraging them to make loans to credit-worthy small business borrowers. The regulators described the guidance as intended to ''emphasize that financial institutions engaging in prudent small business lending after performing a comprehensive review of a borrower's financial condition will not be subject to supervisory criticism for small business loans made on that basis.''

However, reports from the field show a much different picture. I hear from bankers in my district and across our State that there is capital to lend. However, I also hear from those same banks that they're nervous and anxious about the unpredictable regulators' response and scrutiny of their regulatory capital ratios and loan requirements. For many banks, it's easier and better just to ride out the storm by hoarding their cash than to justify every penny that they lend to the regulators, possibly risking their capitalized standing.

Banks cannot hold capital for regulatory compliance and comply with regulators' instructions to lend at the same time. They're mutually exclusive. My amendment states that these mixed messages sent by the regulators are a very serious problem and a cause of the contraction in small business lending and are destructive to communities.

In order to highlight this, I urge adoption of the amendment.

I reserve the balance of my time.

Ms. BEAN. I claim time in opposition, even though I'm not opposed.

The Acting CHAIR. Without objection, the gentlewoman from Illinois is recognized for 5 minutes.

There was no objection.

Ms. BEAN. I yield myself such time as I may consume.

I want to acknowledge Congressman PRICE's amendment and its recognition of the challenges facing not only community businesses seeking loans but the community bankers that are trying to provide them. His amendment recognizes mixed messages between legislators urging more lending while regulators and examiners are often urging less, particularly in the area of commercial real estate. That's why I have a bill that addresses both priorities by expanding the SBA 504 program to allow banks to lend to small businesses for owner-occupied properties, while easing the exposure on their bank's balance sheet with investments from the CDCs.

I also want to acknowledge that this amendment recognizes the credit crisis that's challenging our country and our small businesses particularly, which is the point of this underlying bill. And I hope my colleague will support the underlying bill as it addresses those credit challenges.

I yield back the balance of my time.

Mr. PRICE of Georgia. I thank the gentlelady for her support of the amendment and would just point out, once again, the mixed messages that are being received by our community banks.

I would also like to point out that the amount of money left available in TARP right now could easily cover the intent of this bill. However, this bill has in it an extra $33 billion, $33 billion, Madam Chair, that, frankly, we do not have as a Nation. We put it on backs of our kids and grandkids and borrow it from some other nation when we could be utilizing money that has already been appropriated for the same positive purpose.

I urge adoption of the amendment.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Georgia (Mr. PRICE).

The amendment was agreed to.

AMENDMENT NO. 7 OFFERED BY MR. AL GREEN OF TEXAS

The Acting CHAIR. It is now in order to consider amendment No. 7 printed in part C of House Report 111–506.

Mr. AL GREEN of Texas. Madam Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Mr. AL GREEN of Texas:

Page 19, after line 4, insert the following new subsection:

(e) NOTIFICATION TO CUSTOMERS.—Any eligible institution receiving funds under the Program shall—

(1) disclose on every applicable loan transaction that the loan is being made possible by the Program; and

(2) if such institution has an established internet website, such institution shall make available on its internet website—

(A) the written reports made by the Secretary pursuant to paragraphs (1) and (2) of section 7; and

(B) a statement that the institution, as a participant in the Program, is seeking to make small business loans to qualified borrowers and may not discriminate on the basis of any factor prohibited under the Equal Credit Opportunity Act, including the race, color, religion, national origin, sex, marital status, or age.

The Acting CHAIR. Pursuant to House Resolution 1436, the gentleman from Texas (Mr. AL GREEN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas.

Mr. AL GREEN of Texas. I yield myself 3 minutes at this time.

Madam Chair, this is an important amendment. This amendment will not be a perfect amendment with references to what it seeks to do, but it is a perfecting amendment. This amendment seeks to provide disclosure and enhance accountability, and I'd like to make it known that this amendment received a lot of help and input from the Office of Congressman HENSARLING, and I thank him for what he has done.

This amendment would provide that an institution engaged in the lending process with the funds from the program, that this institution will on applicable loan documents indicate that the funds being loaned are funds that are coming from the fund. This is important because the public desires to know where the money is going, how it is being utilized.

This amendment would also require, if the institution has a Web site, it will require that that Web site contain the written reports of the Treasury Secretary. These reports would indicate, to the extent that loans have been made, how the money has been utilized, and this, again, would provide additional transparency which will lead to accountability.

Finally, the amendment will require lending institutions to make known to the capable, competent, and qualified borrowers that they will have the opportunity to participate in the program by way of receiving loans and that these loans must be based upon the law as it is written and not allow any type of discrimination, invidious discrimination to infiltrate the program.

I think this is an amendment that goes a long way toward helping us improve our transparency and accountability. It is not a perfect amendment, but it is a perfecting amendment.

I reserve the balance of my time.

Mr. NEUGEBAUER. Madam Chair, I claim time in opposition, although I don't think I'm going to oppose the amendment.

The Acting CHAIR. Without objection, the gentleman from Texas is recognized for 5 minutes.

There was no objection.

Mr. NEUGEBAUER. I just wanted to clarify something that the gentleman said.

I understand that the bank will disclose to the borrower that they are loaning them funds because they are participating under this program, and then the gentleman went on to say that the Treasury would then post a report on their Web site. Now, would that list the names of the borrowers? Will the Treasury report list on their Web site the names of each borrower that borrowed money under this program?

Mr. AL GREEN of Texas. If the gentleman would yield to me?

Mr. NEUGEBAUER. I yield.

Mr. AL GREEN of Texas. It will indicate what transactions took place, and it will indicate who the banks, the lending institutions, that engaged in the transaction. The borrower's name would not be a part of the information.

Mr. NEUGEBAUER. I thank the gentleman because I was concerned about the privacy of those business owners, you know, letting the world know how much money they're borrowing. So I'm not opposed to the gentleman's amendment. I think disclosure is a good thing.

I just want to make a point that there have been several discussions up here today that this is not going to cost the taxpayers any money, and only in Washington, D.C., can you go spend $33 billion and say it's not going to cost anything. The problem is, if this program is participated up to $33 billion, we don't have $33 billion, and so we're going to go have to borrow $33 billion from the Chinese to loan banks to loan to small businesses in this country.

And a lot of folks I think understand that kind of how we got here was that the whole world, small businesses, individuals, and governments, have been on this borrowing and spending binge, borrow and spend, borrow and spend, and quite honestly, that's how we wove this web where we've got our financial markets in somewhat of a wrinkle right now.

So, while I applaud the gentleman's amendment, I still go back to the fundamental point here that, one, this bill will not help small businesses have any additional capital, but more importantly, we are going to go spend $33 billion that we don't have, and I don't think that's the right prescription for our country.

With that, I reserve the balance of my time.

Mr. AL GREEN of Texas. Let me simply say in response that the bill anticipates that loans will be repaid. It's not a circumstance where persons are going to receive or businesses will receive loans that are not going to be paid. And the bill causes banks or lending institutions to make the loans because they will receive a better interest rate upon making loans such that they are incentivized to make these loans.

So, while the bill will not cure all of the ails of society, all of the ills that we have, it certainly will go a long way towards stimulating small business lending, which is important to the economic recovery.

I believe in this bill. I believe that this amendment will help with transparency and accountability. And I also believe that it is time for us to do all that we can to help the small businesses in this country. I believe that this is something we can do, and I believe that it is the something that will make a difference.

I reserve the balance of my time.

Mr. NEUGEBAUER. I appreciate the gentleman.

I still go back to the point, and I think that's where we get kind of in a, we're living in Wally World here in Washington, D.C., where you still have to have $33 billion. If you're going to go invest in the preferred shares of these banks, you've still got to find the $33 billion. And the truth of the matter is for every dollar we're going to appropriate or allocate in this country this year, we're going to have to borrow 42 cents of it.

So I guess the question is, should we go out and hock another $33 billion for a program that many people think that there's adequate capital and liquidity already in the banking industry? Some people have been quoted as saying, well, 42 percent of the small businesses have been turned down for loans in this country. Well, you know, I was in the loan business, and everybody that came in to my borrow money from me when I was a loan officer wasn't creditworthy or it wasn't in their best interest to leverage their business further.

So I'm afraid that we're out here trying to encourage behavior that the marketplace may be already taking care of.

My good friend from Georgia did make a point that the regulatory folks are sending mixed messages. I think that's a bad policy. I think the regulators need to be more consistent with their policy, again bringing that certainty because what we've heard time and time again, whether it's from the business community or from the lending community, all of this uncertainty about what Congress is doing and the regulatory reforms that are going on, all of this is creating a huge amount of uncertainty. And so what happens when we have uncertainty in the marketplace, people just sit on the sidelines.

If you want to get businesses going again, if you want to get the economy going again, we've got to get the government out of the banking business. We've got to get the government out of all these huge regulations. We've got to bring economic certainty by not imposing more restrictions on companies on their health care; cap-and-trade affecting what they're potentially going to pay for energy in the future; uncertainty with our tax code, where we don't know what provisions are going to expire, what provisions aren't.

And you know, wouldn't it be nice for the American people to get to see a budget of how Congress is planning to spend their money, instead of going through a daily, monthly, weekly exercise of spending money without a budget? The American people don't do their business that way. They're a little bit concerned that the United States Congress just keeps on spending money but without a budget.

So, with that, I yield back the balance of my time.

Mr. AL GREEN of Texas. I yield myself such time as I may consume.

While I appreciate the gentleman from Texas' desire to make sure that budgets are balanced and to make sure that we have accountability and transparency, I do have to remind the gentleman that the desire and the need to balance the budget did not start this year, nor did it start last year. We should have had a balanced budget for the 8 years of the prior administration.

□ 1215

I think that you find this administration burdened with the problems that were created by the past administration. I believe that in an effort to correct these problems, we will have to take some necessary steps toward helping small business.

I hear my colleagues on the other side quite regularly contending that small businesses need help. This is help, and my trust and my hope and my belief is that the small business help will be supported by not only this side of the aisle, but by both sides of the aisle.

Madam Chair, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Texas (Mr. AL GREEN).

The amendment was agreed to.

AMENDMENT NO. 8 OFFERED BY MR. DRIEHAUS

The Acting CHAIR. It is now in order to consider amendment No. 8 printed in part C of House Report 111–506.

Mr. DRIEHAUS. Madam Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mr. DRIEHAUS:

Page 23, strike lines 7 through 9 and insert the following: ''of the Program through the Office of Small Business Lending Fund Program Oversight established under subsection (b)''.

Page 23, after line 9, insert the following new subsection:

(b) OFFICE OF SMALL BUSINESS LENDING FUND PROGRAM OVERSIGHT.—

(1) ESTABLISHMENT.—There is hereby established within the Office of the Inspector General of the Department of the Treasury a new office to be named the ''Office of Small Business Lending Fund Program Oversight'' to provide oversight of the Program.

(2) LEADERSHIP.—The Inspector General shall appoint a Special Deputy Inspector General for SBLF Program Oversight to lead the Office, with commensurate staff, who shall report directly to the Inspector General and who shall be responsible for the performance of all auditing and investigative activities relating to the Program.

(3) REPORTING.—

(A) IN GENERAL.—The Inspector General shall issue a report no less than two times a year to the Congress and the Secretary devoted to the oversight provided by the Office, including any recommendations for improvements to the Program.

(B) RECOMMENDATIONS.—With respect to any deficiencies identified in a report under subparagraph (A), the Secretary shall either—

(i) take actions to address such deficiencies; or

(ii) certify to the appropriate committees of Congress that no action is necessary or appropriate.

(4) COORDINATION.—The Inspector General, in maximizing the effectiveness of the Office, shall work with other Offices of Inspector General, as appropriate, to minimize duplication of effort and ensure comprehensive oversight of the Program.

(5) TERMINATION.—The Office shall terminate at the end of the 6-month period beginning on the date on which all capital investments are repaid under the Program or the date on which the Secretary determines that any remaining capital investments will not be repaid.

(6) DEFINITIONS.—For purposes of this subsection:

(A) OFFICE.—The term ''Office'' means the Office of Small Business Lending Fund Program Oversight established under paragraph (1).

(B) INSPECTOR GENERAL.—The term ''Inspector General'' means the Inspector General of the Department of the Treasury.

Page 23, line 10, strike ''(b)'' and insert ''(c)''.

The Acting CHAIR. Pursuant to House Resolution 1436, the gentleman from Ohio (Mr. DRIEHAUS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Ohio.

Mr. DRIEHAUS. Madam Chair, I yield myself such time as I may consume.

Madam Chair, we know that small businesses account for the majority of new jobs created in this country, and we know that making it easier for small businesses to borrow is essential to our continued economic recovery. This legislation will help small businesses access the credit they need to create the jobs that will move our economy forward, but we need to provide strong oversight to ensure that these loans are being put to use where they are most effective and put to use in a way that is responsible to the American taxpayer.

The amendment I have offered with my colleagues from Virginia and Kansas will establish the Office of Small Business Lending Fund Oversight under the authority of the Treasury Inspector General. The Special Deputy Inspector General of the oversight office will be required to monitor the Small Business Loan Fund and to report to Congress at least twice a year with recommendations for improving the program.

This amendment is about good government. It places no additional burdens on banks or small businesses. Instead, it makes a good bill better by ensuring accountability and transparency to the American people.

We've seen what happens when government fails to provide adequate protections when special interests are put ahead of the public good. Now we're taking steps to make up for the years of lax oversight and neglected responsibility.

Make no mistake, this bill is about creating jobs. Small business owners tell me constantly that they could begin hiring again if only they had access to credit and capital. This legislation will encourage banks to lend to small businesses, and my amendment will help protect taxpayers in the process.

This bill will strengthen our economic recovery without adding a dime to the deficit. I encourage my colleagues to support this amendment as well as the underlying legislation.

Madam Chair, I reserve the balance of my time.

Mr. NEUGEBAUER. Madam Chair, I rise to claim time in opposition to the bill.

The Acting CHAIR. The gentleman from Texas is recognized for 5 minutes.

Mr. NEUGEBAUER. This new capital injection program is designed to operate exactly like the TARP program but without any of the taxpayer protection or oversight bodies. Now, this amendment is intended to substitute for putting the experience of the Inspector General for this type of program in charge of this new fund.

Republicans had an amendment that put the Special Inspector General for TARP, or SIGTARP, in charge of the oversight of this new fund, but the Rules Committee blocked it. Really, this creates a new regulator where we had an existing regulator in place for TARP-like programs, which this is, and we think that that was a better alternative. And now we want to put someone that doesn't have as much experience with this type of program in charge of oversight, and we just don't think that's in the best interest of the taxpayers.

Republicans, as I want to remind the chairman, offered a number of amendments that would have given the taxpayers much more protection even than this amendment would. Unfortunately, again—and I don't want to be redundant here, but the Rules Committee, which is controlled by the majority, only allowed one Republican amendment to be heard while we've

had 16 amendments from the majority. Again, we wondered why Republican amendments to provide better protection and better oversight were blocked by the majority when I think the American people think that any kind of amendment that would have provided them more opportunity, more protection, and more oversight would have been in their best interest.

We don't think that this amendment does the job that it needs to do, and therefore we're opposed to it.

Madam Chair, I reserve the balance of my time.

Mr. DRIEHAUS. Madam Chair, I would just comment on the gentleman's comments.

Yes, those amendments were offered, but as you know, not a dime of TARP money is being used in this bill, so it's not appropriate for SIGTARP to have the oversight. In fact, Mr. Thorson, who will have the oversight, has incredible experience overseeing small business programs. Before becoming the Inspector General of the Treasury Department, Mr. Thorson served as the Inspector General for the Small Business Administration from 2006 to 2008. In that short time, his office uncovered what is believed to be the largest government-backed loan fraud scheme in history, roughly $75 million. As a result of that investigation, they arrested 15 people in one day. That's oversight.

And so while the gentleman is asking for SIGTARP to have oversight, despite the fact that not a dime of TARP is being spent on this bill, we have oversight that is adequate, that is strong, that is contained in Treasury, that should have the oversight within this bill.

Madam Chair, I yield 30 seconds to my colleague from Illinois (Ms. BEAN).

Ms. BEAN. I just want to applaud Congressmen DRIEHAUS, CONNOLLY, and MOORE's efforts to improve the oversight of the SBLF program. This amendment importantly expands oversight to ensure taxpayer dollars are protected. I urge my colleagues to adopt the amendment.

I would further rebut our colleague from Texas' inaccurate assertion that the program is not paid for. The gentleman knows full well that it is fully paid for and that, according to the CBO, the government will earn a profit.

Mr. NEUGEBAUER. I concede to the gentleman that none of this money is coming from the TARP program; it probably should have because it's a TARP program. I want to just remind the gentleman that Neil Barofsky, the Special Inspector General who oversees TARP, said, In terms of its basic design, its participants, its application process, from an oversight perspective the Small Business Lending Fund would essentially be an extension of TARP's capital purchase program.

From Elizabeth Warren, the SBLF's prospects are far from certain. The SBLF also raises the question whether, in light of the capital purchase program's poor performance in improving credit access, any capital infusion for the program can essentially jump-start small business lending. So everybody but the Democrats understands that this is a TARP program.

Now, why did we want SIGTARP to have oversight? Because this is a TARP-like program. And just today it was released that SIGTARP helped bring a new lawsuit today for $1.9 billion in fraud collection with the failure of Colonial Bank. Colonial Bank received $553 million in TARP funds. To say that you're going to go out and put $33 billion into the marketplace and not suffer any losses at a time when we have over 100 banks that have already missed one dividend payment—we've had one bank that has missed six dividend payments—and that several billion dollars have already been lost from some of these banks that were defaulted and were closed after the taxpayers had put money in there.

And I go back to you saying, well, it doesn't cost the taxpayers any money. I keep asking the majority, where is the $33 billion for this program coming from?

I yield to the gentleman.

Mr. DRIEHAUS. Well, I appreciate your yielding because I would like to rebut your first point about the TARP.

Mr. NEUGEBAUER. No. I would like the gentleman to answer the question——

Mr. DRIEHAUS. There is not a dime of TARP money going into this bill. You are undermining the authority—or attempting to undermine the authority of the Inspector General of Treasury.

Mr. NEUGEBAUER. I will reclaim my time if the gentleman is not going to answer my question. The question to the gentleman was, Where is the $33 billion coming from? If the gentleman wants to answer that question, I would love to yield him time. If he's not prepared to tell me where the $33 billion is coming from, then I would not yield the gentleman time.

Mr. DRIEHAUS. As the gentleman knows, we disposed of that issue yesterday and we paid for it.

Mr. NEUGEBAUER. No. The pay-for was to cover any potential losses, supposedly. But where is the $33 billion that you're going to invest in these banks coming from?

Mr. DRIEHAUS. With all due respect to the gentleman, I know that this doesn't fit into the political framework of the Republicans to suggest that this is not TARP, this is not another bailout, this is about helping small businesses.

Mr. NEUGEBAUER. I will reclaim my time because the gentleman obviously doesn't know where the $33 billion is coming from, which is part of the problem up here. People just think this money appears when you start saying I'm going to put $33 billion here or $100 billion here, $250 billion here; and nobody knows where the money is coming from. But the bottom line is we know where the money is coming from. We're going out and borrowing that money because the Treasury doesn't have $33 billion.

Mr. DRIEHAUS. Madam Chair, the political framework of the Republicans is that they want to call everything a bailout. And when it's not a bailout, they want to act like it is. They want to call this TARP even when it's not. So this doesn't fit into the definition that they want to use out there on Fox News and elsewhere, but the fact of the matter is it's coming out of Treasury. Treasury deserves the oversight.

Madam Chair, I yield 1½ minutes to the gentleman from Virginia (Mr. CONNOLLY).

Mr. CONNOLLY of Virginia. I thank my colleague from Ohio for his leadership and my friend from Illinois for her kind words.

The Small Business Lending Fund Act will expand opportunities for small businesses to access critically needed capital today. Our amendment ensures that the program works as intended, that America's small businesses receive access to that capital and that taxpayers' loans are repaid.

The lending facility encourages small business loans to credit-worthy companies, with the repaid funds and interest payments all going to reduce the deficit that our friends on the other side say they're concerned about.

Small businesses will lead private sector job growth if they can obtain the necessary capital. The Office of Small Business Lending Fund Program Oversight established by our amendment will provide accountability and enhance the effectiveness of the lending fund, helping to spur a more robust small business sector.

The current Treasury IG has a reputation for safeguarding taxpayer funds, as my friend from Ohio said. A review of the Office of Thrift Supervision uncovered six cases where it improperly allowed private thrifts to backdate capital deposits, allowing institutions like failed IndyMac to appear more solvent than they were. This amendment will correct that problem moving forward in the future. I urge its adoption.

The Acting CHAIR. The gentleman from Ohio has 15 seconds remaining.

Mr. DRIEHAUS. Madam Chair, I just want to remind the Members this amendment is about oversight; it's about doing our job to make government work properly. And while I realize it doesn't always fit into the political rhetoric of the other side, it is about good government. This isn't TARP; this isn't a bailout. This is about helping small businesses, moving the economy forward, and good government.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Ohio (Mr. DRIEHAUS).

The amendment was agreed to.

AMENDMENT NO. 11 OFFERED BY MR. MICHAUD

The Acting CHAIR. The Chair understands that amendment Nos. 9 and 10 will not be offered.

It is now in order to consider amendment No. 11 printed in part C of House Report 111–506.

Mr. MICHAUD. Madam Chair, I have an amendment at the desk made in order under the rule.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 11 offered by Mr. MICHAUD:

Page 30, line 14, after ''programs,'' insert the following: ''State-run venture capital fund programs,''.

Page 51, line 3, strike ''extends credit support that'' and insert ''uses Federal funds allocated under this title to extend credit support that''.

The Acting CHAIR. Pursuant to House Resolution 1436, the gentleman from Maine (Mr. MICHAUD) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Maine.

□ 1230

Mr. MICHAUD. I yield myself such time as I may consume.

Madam Chair, I rise today in support of my amendment to the Small Business Lending Fund Act.

The amendment I offer today does two things to improve the underlying bill's State Small Business Credit Initiative program.

First, it ensures that State-run venture capital programs are eligible to participate in the program. Second, it clarifies that State financing programs will be eligible for the program as long as their use of the new funds meets the business-sized requirements in the bill.

The programs created in the Small Business Lending Fund Act build on the proven potential of existing State lending programs. In Maine, these programs have been enormously effective at getting small businesses the access to capital and to the technical support they need.

My amendment ensures that States are able to maintain their existing initiatives while taking advantage of the new programs created in this bill.

I urge my colleagues to support this amendment and the underlying bill.

I reserve the balance of my time.

Mr. NEUGEBAUER. Madam Chair, we do not object to this amendment.

Mr. MICHAUD. Madam Chair, I would encourage my colleagues to adopt this amendment.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Maine (Mr. MICHAUD).

The amendment was agreed to.

AMENDMENT NO. 12 OFFERED BY MR. CAO

The Acting CHAIR. It is now in order to consider amendment No. 12 printed in part C of House Report 111–506.

Mr. CAO. As the designee of the gentlewoman from Texas, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 12 offered by Mr. CAO:

In section 6(6) of the bill, strike ''and'' at the end.

In section 6(7) of the bill, strike the period at the end and insert ''; and''.

In section 6 of the bill, add at the end the following:

(8) providing funding to eligible institutions that serve small businesses directly affected by the discharge of oil arising from the explosion on and sinking of the mobile offshore drilling unit *Deepwater Horizon* and small businesses in communities that have suffered negative economic effects as a result of that discharge with particular consideration to States along the coast of the Gulf of Mexico.

The Acting CHAIR. Pursuant to House Resolution 1436, the gentleman from Louisiana (Mr. CAO) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Louisiana.

Mr. CAO. I yield myself such time as I may consume.

Madam Chair, I rise today in support of amendment No. 12 to H.R. 5297, the Small Business Lending Fund Act of 2010, and I urge my colleagues to support this amendment.

This amendment requires the Secretary of the Treasury to provide consideration, in the allocation of funds, to gulf region States in the areas where businesses and the economy have been adversely affected by the Deepwater Horizon oil spill.

I thank the gentlewoman from Texas for her partnership in drafting this amendment and for her consideration for gulf coast communities during our time of crisis.

I would also like to thank the gentleman from Alabama, the ranking member of the Financial Services Committee, for his ongoing assistance and support.

The district that I represent includes Louisiana's Orleans and Jefferson Parishes. In my district and all across the gulf coast, we were still recovering from the devastating storms of 2005 when we were hit with the latest disaster.

The oil spill in the Gulf of Mexico in April presents us with economic, environmental, and health challenges of unprecedented proportions. The shutters have gone down on businesses throughout the gulf region because they simply do not have the short-term or long-term resources to operate. Industries such as fishing and seafood processing, recreational fishing, restaurants, and tourism are all suffering disproportionately.

I have spoken with hundreds of fishermen and oystermen from my district who are no longer able to fish the waters they and their families have fished for generations. Many have spoken of desperation in not knowing how they will provide for their families. Tens of thousands of claims have been filed through BP, and the SBA has made disaster loans available to businesses adversely affected by the oil spill, and they will defer loan payments for 1 year.

These provide only temporary relief, however, and a long-term solution for economic assistance to the gulf region is what is needed now because the last thing we need is more unemployment. Without immediate economic assistance, the very businesses that in 2005 returned to the Orleans and Jefferson Parishes, committed to our recovery, will be forced to leave.

This amendment is a strong step in the right direction to providing desperately needed economic assistance, because it will see that small businesses along the gulf coast receive the credit necessary to keep our businesses alive. At the same time, it will spur new business which will be able to absorb any unavoidable and unfortunate job losses caused by the oil spill.

Again, I urge my colleagues to pass this amendment, and I yield back the balance of my time.

Ms. JACKSON LEE of Texas. I rise to claim time in opposition, but I will not oppose the amendment.

The Acting CHAIR. Without objection, the gentlewoman from Texas is recognized for 5 minutes.

There was no objection.

Ms. JACKSON LEE of Texas. Madam Chair, I am delighted to have Mr. CAO join me in my amendment that I offered in the Rules Committee, and I am delighted that he was able to rise to claim the time for this amendment. This is an amendment that I have written, and I have asked Mr. CAO to join me, as he had a similar amendment. I appreciate very much the support that he has given, and I recognize the concerns that he has expressed.

I want to support the underlying bill as well and to make note of the fact that small businesses are now facing the most difficult time in the worst recession in our history.

According to a February 2010 report of the Federal Deposit Insurance Corporation, total bank loans and leases declined for the sixth straight quarter, with total loans to commercial and industrial borrowers declining by 4.3 percent and real estate construction development loans declining by 8.4 percent.

What that means is that small businesses are taking the strongest hit. This bill will focus, in particular, on the question of providing a lending scheme, a lending structure, which is paid for to provide the start-up credit for our small businesses.

Well, here we find ourselves addressing an enormous crisis that has occurred in the gulf. During the Memorial Day recess, I did a flyover of the gulf and of the Deepwater Horizon, and I saw the magnitude and the growth of this disaster. Somewhere between millions—or at least a million gallons—but somewhere between 20,000 and 40,000 barrels per day are gushing into the gulf. We don't know where this is going to stop.

Many small businesses are impacted in the Gulf States. That would include Florida. That would include Texas.

That would include Alabama, Mississippi, and Louisiana. This amendment, for which I am delighted to be joined by Mr. CAO, will, in fact, cause lending institutions to focus resources on the small business community.

Even Linda Smith, who owns the Alligator Cafe in Houston, Texas, is shut down because she cannot get product. When I visited New Orleans, there were restaurants that seemed to close early because they couldn't get product. What about the oystermen and shrimpers and fishermen who can't seem to get a lump sum payment from BP for which we've advocated?

In speaking just a few minutes ago to an oysterman in Pointe a la Hache, he indicated he had not gotten his money. So, therefore, I am asking my colleagues to support this amendment.

I reserve the balance of my time.

Mr. CAO. Madam Chair, again, I just want to express my gratitude and appreciation to the gentlewoman from Texas. She has been a very strong voice and has been very committed to the gulf coast region and has been committed to helping the many people who are in desperate need. Again, I would like to convey to her my thanks.

I yield back the balance of my time.

Ms. JACKSON LEE of Texas. I thank the gentleman from Louisiana and New Orleans, especially for his leadership. I look forward to working with him as we go forward on legislation that addresses some of the concerns I have heard him express so as we may establish a real national energy policy.

I would ask my colleagues to support this amendment. As I have indicated, I have obtained the time in opposition, but I will not oppose the amendment that we have both offered on the floor of the House. I will argue vigorously that this is an excellent opportunity to protect small businesses which are yet noted, which are yet listed, which are going to be impacted across that gulf from tourism in Florida, Alabama, Mississippi, on to the shrimpers, fishermen, oystermen, and to the restaurants that are now in conditions where they are shutting down and where they are letting go of their employees. They are pleading for assistance.

This is a good amendment, and it is a good amendment to this legislation. It focuses on our small businesses, so I would ask my colleagues to support this amendment.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Louisiana (Mr. CAO).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Ms. JACKSON LEE of Texas. Madam Chair, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Louisiana will be postponed.

AMENDMENT NO. 13 OFFERED BY MS. LORETTA SANCHEZ OF CALIFORNIA

The Acting CHAIR. It is now in order to consider amendment No. 13 printed in part C of House Report 111–506.

Ms. LORETTA SANCHEZ of California. Madam Chairwoman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 13 offered by Ms. LORETTA SANCHEZ of California:

Page 62, after line 15, insert the following:

''(8) The extent to which the applicant will concentrate investment activities on small business concerns in targeted industries.

The Acting CHAIR. Pursuant to House Resolution 1436, the gentlewoman from California (Ms. LORETTA SANCHEZ) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from California.

Ms. LORETTA SANCHEZ of California. I yield myself such time as I may consume.

Madam Chairwoman, I rise today in support of H.R. 5297, the Small Business Lending Fund Act.

It is crucial in today's world that we further expand the potential of small businesses and of key industries that have proven to create jobs and to increase our manufacturing base here in the United States.

As a former investor and financial analyst, I was particularly impressed with title III of this bill, the Small Business Early Stage Investment program. In recent years, we have seen a shift from the entrepreneur and small business start-up community, from the traditional loans and from leverage such as mortgaging our own homes, to using intellectual capital and innovation as our leverage.

As a Californian, I understand the importance of start-up businesses and the economy as California makes up a large percentage of start-ups and venture capital funders. Creating a public-private partnership designed to channel investment capital to them is increasingly important in order to get our economy on track, which is why I submitted an amendment that would include additional criteria during the selection process of these investment companies.

My amendment would ensure that, as part of the selection criteria, the small business administrator would examine the extent the investment company would concentrate its investment capital on our targeted industries. Such targeted industries have been historical in job and economic growth, such as the information technologies, life sciences, defense technologies, clean technology, and digital media.

The small business start-ups are the backbone of our economy, and they will contribute to all of the sectors so that we can get our economy going again.

I urge my colleagues to support this amendment and the underlying legislation.

I reserve the balance of my time.

□ 1245

Ms. VELÁZQUEZ. Madam Chair, while I am not opposed to the amendment, I rise to claim the time in opposition.

The Acting CHAIR. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. America's small businesses have always pioneered new economic fields and sectors. Today, small businesses continue to be some of our most creative innovators. As our Nation shifts away from the fossil fuels and seeks clean sources of energy, entrepreneurs are leading the way. Today, small businesses represent 90 percent of those companies operating in the renewable and energy efficiency industries.

Small firms are also making important contributions in the realm of life sciences and biomedicine, uncovering groundbreaking therapies and medicines. Technologies used in our national defense have also been advanced by small businesses. Components of the Predator drone, for instance, were developed by small firms. And small businesses are helping develop new information technology and digital media services that better connect our world.

The United States must continue to lead in all these areas if our economy is to remain strong in the long term. This type of innovation creates good-paying, highly skilled jobs. However, before these businesses can develop the next game-changing defense technology, unearth the next medical breakthrough, or discover a new source of clean energy, they need capital. The amendment before us simply ensures that the Small Business Early-Stage Investment program is targeted to fields like these, where there will be the biggest payoff for economic growth and job creation.

Madam Chair, this is a good amendment. It will ensure the industries of tomorrow and future companies can secure financing to get off the ground. I urge my colleagues to vote ''yes.''

I yield the balance of my time to the gentleman from Missouri (Mr. GRAVES).

Mr. GRAVES of Missouri. Thank you, Madam Chair.

Madam Chair, I rise in support of the amendment from the gentlewoman from California. If we're going to enact a program that's designed to target investment in certain industries, then selection of the applicants should be based on the likelihood that a venture capital company will make those amendments. As a result, I believe it provides a very important technical clarification to the bill, and I support it.

Ms. LORETTA SANCHEZ of California. Madam Chair, first, I would like to thank our great chairwoman of the Small Business Committee. I know that she's a little under the weather

today, so we really appreciate that she would come down and speak on our amendment.

As a Californian, I continue to go back every week to my district, and our small businesses are ailing. They're asking for help. They're holding on. A lot of them have not been able to make it through. Those who are still holding on are waiting for us to help them to do something.

About a month ago, I had Chairman Bernanke before us in the Joint Economic Committee. And we talked about the fact that we need—really—we need to help small business. Small business is really where the hiring of America happens. So if they're ailing, then there will be unemployment. So I really believe in this bill. I thank those who have worked on it. I urge a ''yes'' vote on the underlying bill and on this amendment.

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

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from California (Ms. LORETTA SANCHEZ).

The amendment was agreed to.

AMENDMENT NO. 14 OFFERED BY MR. CUELLAR

The Acting CHAIR. It is now in order to consider amendment No. 14 printed in part C of House Report 111–506.

Mr. CUELLAR. Madam Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 14 offered by Mr. CUELLAR:

Page 21, after line 18, insert the following new paragraph (and redesignate succeeding paragraphs accordingly):

(4) increasing the opportunity for small business development in areas with high unemployment rates that exceed the national average;

The Acting CHAIR. Pursuant to House Resolution 1436, the gentleman from Texas (Mr. CUELLAR) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas.

Mr. CUELLAR. Madam Chair, I yield myself such time as I may consume.

I rise today in support of my amendment to H.R. 5297, the Small Business Lending Act of 2010. The concept of this bill is simple: Create a lending fund to help small businesses get important capital. This bill will help stabilize our economy and create jobs. And certainly I want to thank the chairwoman from New York and the gentlewoman from Illinois also for the work that they all have been working on.

My particular commonsense amendment is straightforward. My amendment requires that the Secretary take into consideration those areas with high unemployment rates that exceed the national average. This consideration will increase opportunities for small business development in places where it's needed the most. The national unemployment rate is about 9.7, as of last month. There are certain communities suffering at rates severely above the State and national average for unemployment.

Like many counties across the Nation, counties in my congressional district are particularly higher than the national rate. One of my counties, Starr County in south Texas, has a high of 17.3 unemployment rate. Hidalgo County is another one, at an 11.1 unemployment rate. Again, this is not a partisan matter. Areas throughout the country have unemployment rates that exceed the national average.

This is a matter of importance to every worker and family and businessperson. And that's why this bill is good for the backbone of American small businesses, in many ways, the Nation's economic engine. I urge all of my colleagues to support this bill.

At this time I will yield 1½ minutes to the gentleman from North Carolina (Mr. ETHERIDGE).

Mr. ETHERIDGE. Madam Chair, I thank Mr. CUELLAR for offering this amendment to make sure that creating jobs where they are needed most is the focus of this piece of legislation.

As a former small businessman myself, I call on the House to pass this important piece of legislation. Small businesses form the backbone of our economy and create jobs that we need to continue our recovery. But far too many are having difficulty getting the credit they need to grow and expand.

Today we have the opportunity to do more than just praise small businesses and lament the credit crunch. We have a bill that frees up $30 billion directly for small businesses across our communities that are responsible for job growth in our country. Business leaders in Smithfield, community bankers in Dunn, and folks across my district in North Carolina have said that what they need most is to expand credit, and have shared their support of this initiative with me.

Today, we have an opportunity to provide real help for our Main Street businesses. Let us avoid partisan bickering, end the delay, and pass this piece of legislation now.

Mr. NEUGEBAUER. Madam Chair, I rise to claim time in opposition, although I am not opposed to the bill.

The Acting CHAIR. Without objection, the gentleman from Texas is recognized for 5 minutes.

There was no objection.

Mr. NEUGEBAUER. I thank my friend from Texas.

I think this is a commonsense amendment. I think if you're going to do this program—certainly, I don't support the underlying program, but if we are going to do it, we are going to put this capital into some of these banks for lending, it certainly ought to be in areas where they have the highest unemployment. That makes sense.

I still think we can do better for small businesses by providing an environment where there's less uncertainty; more certainty on what the tax situation is going to be, and less uncertainty about what the regulatory environment is going to be. But I think the gentleman's amendment makes the underlying bill better. So we would not object to it.

I yield back the balance of my time.

Mr. CUELLAR. Madam Chair, I thank my colleague from Texas, and thank him for the kind words. And I appreciate it. I thank him for the work that he's been doing.

At this time, Madam Chair, I'd certainly just want to ask my colleagues to support this. I'm also a former small businessperson, and I understand how hard capital can be to get to the small businesses. So I would ask Members to support my amendment.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Texas (Mr. CUELLAR).

The amendment was agreed to.

AMENDMENT NO. 15 OFFERED BY MR. BRALEY OF IOWA

The Acting CHAIR. It is now in order to consider amendment No. 15 printed in part C of House Report 111–506.

Mr. BRALEY of Iowa. Madam Chair, I have an amendment at the desk made in order under the rule.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 15 offered by Mr. BRALEY of Iowa:

Add at the end the following new title:

TITLE IV—PLAIN WRITING ACT

SECTION 401. SHORT TITLE.

This title may be cited as the ''Plain Writing Act of 2010''.

SEC. 402. PURPOSE.

The purpose of this title is to improve the effectiveness and accountability of Federal agencies to the public by promoting clear Government communication that the public can understand and use.

SEC. 403. DEFINITIONS.

In this title:

(1) AGENCY.—The term ''agency'' means the Department of the Treasury and the Small Business Administration.

(2) COVERED DOCUMENT.—The term ''covered document''—

(A) means any document that—

(i) is relevant to obtaining any Federal Government benefit or service provided under title I, II, or III;

(ii) provides information about any Federal Government benefit or service provided under title I, II, or III; or

(iii) explains to the public how to comply with a requirement the Federal Government administers or enforces under title I, II, or III;

(B) includes (whether in paper or electronic form) a letter, publication, form, notice, or instruction; and

(C) does not include a regulation.

(3) PLAIN WRITING.—The term ''plain writing'' means writing that the intended audience can readily understand and use because that writing is clear, concise, well-organized, and follows other best practices of plain writing.

SEC. 404. RESPONSIBILITIES OF FEDERAL AGENCIES.

(a) PREPARATION FOR IMPLEMENTATION OF PLAIN WRITING REQUIREMENTS.—

(1) IN GENERAL.—Not later than 9 months after the date of enactment of this title, the head of each agency shall—

(A) designate 1 or more senior officials within the agency to oversee the agency implementation of this title;

(B) communicate the requirements of this title to the employees of the agency;

(C) train employees of the agency in plain writing;

(D) establish a process for overseeing the ongoing compliance of the agency with the requirements of this title;

(E) create and maintain a plain writing section of the agency's website that is accessible from the homepage of the agency's website; and

(F) designate 1 or more agency points-of-contact to receive and respond to public input on—

(i) agency implementation of this title; and

(ii) the agency reports required under section 405.

(2) WEBSITE.—The plain writing section described under paragraph (1)(E) shall—

(A) inform the public of agency compliance with the requirements of this title; and

(B) provide a mechanism for the agency to receive and respond to public input on—

(i) agency implementation of this title; and

(ii) the agency reports required under section 405.

(b) REQUIREMENT TO USE PLAIN WRITING IN NEW DOCUMENTS.—Beginning not later than 1 year after the date of enactment of this title, each agency shall use plain writing in every covered document of the agency that the agency issues or substantially revises.

(c) GUIDANCE.—In carrying out the provisions of this title, agencies may follow the guidance of—

(1) the writing guidelines developed by the Plain Language Action and Information Network; or

(2) guidance provided by the head of the agency.

SEC. 405. REPORTS TO CONGRESS.

(a) INITIAL REPORT.—Not later than 9 months after the date of enactment of this title, the head of each agency shall publish on the plain writing section of the agency's website a report that describes the agency plan for compliance with the requirements of this title.

(b) ANNUAL COMPLIANCE REPORT.—Not later than 18 months after the date of enactment of this title, and annually thereafter, the head of each agency shall publish on the plain writing section of the agency's website a report on agency compliance with the requirements of this title.

The Acting CHAIR. Pursuant to House Resolution 1436, the gentleman from Iowa (Mr. BRALEY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Iowa.

Mr. BRALEY of Iowa. Madam Chair, I yield myself such time as I may consume.

My amendment to H.R. 5297 is a commonsense bill that is consistent with what we've already passed in the 111th Congress by a vote of 386–33 on March 17. It was my Plain Language in Government Communications Act.

Madam Chairwoman, when I go back and I talk to small business owners in my district, one of their biggest complaints is a Federal bureaucracy with too much red tape, written in language they can't understand, which forces them to go hire lawyers and accountants so that they can understand the requirements that we impose upon them.

My amendment would require plain language to be used for documents that go to the public related to this lending fund. It will improve the effectiveness and accountability of the Department of the Treasury and the Small Business Administration by promoting clear government communication that the public can understand and use.

Plain language is writing that the intended audience can clearly understand because it is concise, well-organized, and follows other practices of plain writing. The Department of the Treasury and Small Business Administration will be required to implement plain writing requirements by designating a senior official to oversee the implementation of the provision; communicate the requirements to employees; train employees in plain writing; establish a process to oversee compliance; create a plain language requirement on their agency's Web site; and designate one or more agency points of contact to receive and respond to public feedback.

Writing government documents in plain language will increase government accountability and save taxpayers, community banks, and small business owners time and money. Plain, straightforward language makes it easier to understand these loan documents. And my amendment will make it easier for small businesses and community banks to work with and understand the government. That is why it is so important that we move forward to implement plain writing requirements across the board, but particularly in these two agencies, as it relates to the loan programs that are under consideration.

I reserve the balance of my time.

Mr. NEUGEBAUER. Madam Chair, I claim opposition to the amendment, but I am not opposed to it.

The Acting CHAIR. Without objection, the gentleman is recognized for 5 minutes.

There was no objection.

Mr. NEUGEBAUER. Well, I thank the gentleman for this commonsense amendment. It's unfortunate that we have to bring an amendment to the floor of the House of Representatives to tell government agencies to write out the instructions in plain English. But I appreciate the gentleman's amendment. I think it makes the bill better.

I yield back the balance of my time.

Mr. BRALEY of Iowa. Madam Chair, I would yield 1 minute to the gentlewoman from Illinois (Ms. BEAN).

Ms. BEAN. Madam Chairwoman, I just want to acknowledge Congressman BRALEY's efforts recognizing the challenges Americans have reading many government documents, particularly lending disclosures, which are very difficult to understand. This amendment is a commonsense approach to making the program more accessible. And I commend his leadership to expand plain language to all government documents.

Mr. BRALEY of Iowa. Madam Chairwoman, I think that the comments that you've heard are indicative of what's wrong with the way the government agencies write their documents. I think it is deplorable that we have to take this action.

But the sad truth is, anybody who's looked at these loan documents knows how serious this problem is. I think this is a small step in the right direction. I call this ''the little engine that could.'' I think if we implement this across the board in federal agencies, American taxpayers and consumers of Federal information will be much better off. And I urge my colleagues to vote in support of the amendment.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Iowa (Mr. BRALEY).

The amendment was agreed to.

AMENDMENT NO. 16 OFFERED BY MR. LOEBSACK

The Acting CHAIR. It is now in order to consider amendment No. 16 printed in part C of House Report 111–506.

Mr. LOEBSACK. Madam Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 16 offered by Mr. LOEBSACK:

Add at the end the following new title:

TITLE IV—SENSE OF CONGRESS ON AGRICULTURE AND FARMING SMALL BUSINESS LOANS

SEC. 401. SENSE OF CONGRESS.

It is the sense of the Congress that—

(1) agriculture operations, farms, and rural communities should receive equal consideration through lending activities for small businesses in this Act, particularly small- and mid-size farms and agriculture operations; and

(2) attention should be given to ensuring there is adequate small business credit and financing availability under this Act in the agriculture and farming sectors.

The Acting CHAIR. Pursuant to House Resolution 1436, the gentleman from Iowa (Mr. LOEBSACK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Iowa.

Mr. LOEBSACK. Madam Chair, I yield myself such time as I may consume.

My amendment is simple. It states that farmers and rural communities should receive equal consideration through lending activities for small businesses, particularly our Nation's small- and mid-sized farms and agriculture operations, which make up the majority of our agriculture community.

It also states that we should give attention to ensuring that there is adequate credit and financing available in the agriculture and farming sectors.

While the amendment itself is simple, the issue is not. Throughout this

economic downtown, our rural communities and farmers have been struggling, just as our major metro areas have been. Many areas in my district in Iowa have unemployment rates above the national average. I have also seen examples of agriculture operations having a difficult time finding financing, and I have worked to try to assist such operations.

□ 1300

Unfortunately, our farmers and rural communities are often not discussed in the broader debate on how to encourage economic recovery. The persistence of rural poverty and hunger and the lack of rural development often go underreported as well. On a positive note, I was pleased to recently hold a series of rural development roundtables in my district with the under Secretary for Rural Development, Dallas Tonsager. I hope we can continue to build momentum nationally and ensure our farmers in rural communities can contribute to continued economic recovery.

Agriculture and our Nation's farmers are consistently strong contributors to the economy and are certainly vital for the survival of our rural communities and vice versa. Many of our rural areas were struggling even before the downturn, and we continue to see a decline in the number of farmers and rural businesses. Often the loss of one rural business can have a domino effect throughout the community and surrounding areas. I think we need to be vigilant in bringing rural and farming issues to the forefront of the debates we have on economic development and, additionally, look at policies to promote access to and the development of new food market and supply chain improvements and related rural businesses.

I hope my colleagues will agree on the need to bring attention to expanding the opportunities for agriculture and farming to contribute to the national and local economic recovery.

I reserve the balance of my time.

Mr. NEUGEBAUER. I rise to claim the time in opposition, although I am not opposed to the amendment.

The Acting CHAIR. Without objection, the gentleman from Texas is recognized for 5 minutes.

There was no objection.

Mr. NEUGEBAUER. As the provisions in the bill say, loans to farmers in rural areas count as small business lending under the provisions of this bill. But just like the sponsor of the bill, I represent an agricultural district and understand how important access to credit is for farmers. I think this sense of Congress emphasizes that farming and ranching and agriculture is an integral part of our economy. It is an integral part of our small business community, and I think it highlights that. So I appreciate the gentleman from Iowa bringing that forward. I support the amendment.

I yield back the balance of my time.

Mr. LOEBSACK. Madam Speaker, I want to thank my colleagues for their consideration of this amendment, and I want to urge its passage, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Iowa (Mr. LOEBSACK).

The amendment was agreed to.

AMENDMENT NO. 17 OFFERED BY MR. AL GREEN OF TEXAS

The Acting CHAIR. It is now in order to consider amendment No. 17 printed in part C of House Report 111–506.

Mr. AL GREEN of Texas. Madam Chair, as the designee of the gentlewoman from California, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 17 offered by Mr. AL GREEN of Texas:

Page 11, line 2, before the period insert the following: '', as well as a plan to provide linguistically and culturally appropriate outreach, where appropriate''.

Page 18, line 8, after ''provide'' insert the following: ''linguistically and culturally appropriate''.

Page 18, line 9, strike ''appropriate language of the''.

Page 21, line 13, after ''funding to'' insert the following: ''minority-owned eligible institutions and other''.

Page 26, line 2, insert after the period the following: ''To the extent possible, the Secretary shall disaggregate the results of such study by ethnic group and gender.''.

The Acting CHAIR. Pursuant to House Resolution 1436, the gentleman from Texas and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas.

Mr. AL GREEN of Texas. Madam Chair, this amendment is one that will add additional language to the requirement that there be minority outreach in this program. It's important for me to state that I have a district that I represent that is currently about 36 percent African American, 31 percent Latino, 21 percent Anglo, and 12 percent Asian. It's important to note that in my district the ballot is printed in three languages. It's printed in English, Spanish and Vietnamese.

This amendment furthers the notion that persons who speak languages other than English will have an opportunity to have materials that are linguistically and culturally sensitive. This amendment would require that appropriate materials, when published, be in languages that are culturally and linguistically sensitive. It also requires that advertising receive the same sort of consideration, given that we are trying to reach markets wherein we do have persons who can better understand what is being conveyed if they have the opportunity to do so in a language that they are comfortable with.

By the way, I would add that many people who speak English have difficulty with financial documents, as was indicated by a previous amendment. Imagine, if you will, speaking English, but it is not a language that you are as comfortable with as perhaps another language. This would assist persons with the understanding that they should have, so as to participate in the program.

The amendment also would have data disaggregated. We find that the information that we collect too often does not disaggregate as it relates to the Asian American community, and we would have this information disaggregated so that we might ascertain whether or not we have persons who are not only of wealth in the community but also find out about persons who may not be as wealthy as many others.

With this said, I will reserve the balance of my time.

Mr. NEUGEBAUER. I rise to claim the time in opposition, although I am not opposed to the bill.

The Acting CHAIR. Without objection, the gentleman from Texas is recognized for 5 minutes.

There was no objection.

Mr. NEUGEBAUER. I thank the gentleman for that. Basically, the amendment would require an applicant for the Small Business Lending Fund to plan for logistically and culturally appropriate outreach and require that such outreach is performed after receiving the funds. I think that could be appropriate there. And as I understand it, the requirements of this fall to the eligible institutions; and there's no additional money appropriated for that; but they would do that out of their own operating expenses. Is that correct?

Mr. AL GREEN of Texas. If the gentleman yields, I would add that your assumption is correct.

Mr. NEUGEBAUER. Thank you. I appreciate it.

I yield back the balance of my time.

Mr. AL GREEN of Texas. Madam Chair, at this time I yield as much time as she may consume to the gentlewoman from California (Ms. CHU).

Ms. CHU. Madam Chair, the Small Business Lending Fund Act is critical to helping small businesses across the country and is, therefore, critical to helping people because small businesses create more jobs than anyone else. Small businesses sustain their communities.

Our amendment ensures that we don't leave minority business owners behind. Minority businesses need every opportunity to grow, create jobs, and contribute to their community. But there are barriers. Our amendment makes sure that bank lending plans, outreach, and advertising are culturally and linguistically appropriate for diverse sets of businesses. This provision is essential for the Asian American and Pacific Islander communities because government programs can miss important details when they don't account for cultural and linguistic differences.

Take the Census Bureau, for instance, which provides so many funds

for our communities. Earlier this year, they mistranslated parts of the Vietnamese census forms. The forms used a phrase connected to the previous governmental regime which meant ''government investigation'' in place of the word ''census.'' Clearly this was no minor gaffe. The language in this amendment ensures that future outreach doesn't repeat these mistakes, that is, excluding deserving businesses from great opportunities.

But it's not just minority businesses that need access to this program. Minority-owned banks also deserve the right to compete. That's why our amendment makes sure such institutions receive consideration during the program's implementation. Minority-owned banks play a vital role in the Asian Pacific Islander and minority business development endeavor; and together they enhance the country's economic recovery and long-term growth. Minority firms currently provide nearly 5 million steady jobs but could potentially create over 11 million more. Our amendment helps them do so.

I ask my colleagues to support this amendment because it eliminates obstacles in the way of our Nation's minority businesses and facilitates their growth during these very tough economic times.

Mr. AL GREEN of Texas. I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Texas (Mr. AL GREEN).

The amendment was agreed to.

Ms. BEAN. Madam Chair, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Ms. CHU) having assumed the chair, Ms. NORTON, 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. 5297) to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, and for other purposes, had come to no resolution thereon.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

Record votes on postponed questions will be taken later.

COLLINSVILLE RENEWABLE ENERGY PROMOTION ACT

Mr. MURPHY of Connecticut. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 4451) to reinstate and transfer certain hydroelectric licenses and extend the deadline for commencement of construction of certain hydroelectric projects, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4451

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Collinsville Renewable Energy Promotion Act''.

SEC. 2. REINSTATEMENT OF EXPIRED LICENSES AND EXTENSION OF TIME TO COMMENCE CONSTRUCTION OF PROJECTS.

Subject to section 4 of this Act and notwithstanding the time period under section 13 of the Federal Power Act (16 U.S.C. 806) that would otherwise apply to Federal Energy Regulatory Commission projects numbered 10822 and 10823, the Federal Energy Regulatory Commission (referred to in this Act as the ''Commission'') may—

(1) reinstate the license for either or each of those projects; and

(2) extend for 2 years after the date on which either or each project is reinstated under paragraph (1) the time period during which the licensee is required to commence the construction of such projects.

Prior to reaching any final decision under this section, the Commission shall provide an opportunity for submission of comments by interested persons, municipalities, and States and shall consider any such comment that is timely submitted.

SEC. 3. TRANSFER OF LICENSES TO THE TOWN OF CANTON, CONNECTICUT.

Notwithstanding section 8 of the Federal Power Act (16 U.S.C. 801) or any other provision thereof, if the Commission reinstates the license for, and extends the time period during which the licensee is required to commence the construction of, a Federal Energy Regulatory Commission project under section 2, the Commission shall transfer such license to the town of Canton, Connecticut.

SEC. 4. ENVIRONMENTAL ASSESSMENT.

(a) DEFINITION.—For purposes of this section, the term ''environmental assessment'' shall have the same meaning as is given such term in regulations prescribed by the Council on Environmental Quality that implement the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(b) ENVIRONMENTAL ASSESSMENT.—Not later than 180 days after the date of enactment of this Act, the Commission shall complete an environmental assessment for Federal Energy Regulatory Commission projects numbered 10822 and 10823, updating, to the extent necessary, the environmental analysis performed during the process of licensing such projects.

(c) COMMENT PERIOD.—Upon issuance of the environmental assessment required under subsection (b), the Commission shall—

(1) initiate a 30-day public comment period; and

(2) before taking any action under section 2 or 3—

(A) consider any comments received during such 30-day period; and

(B) incorporate in the license for the projects involved, such terms and conditions as the Commission determines to be necessary, based on the environmental assessment performed and comments received under this section.

SEC. 5. DEADLINE.

Not later than 270 days after the date of enactment of this Act, the Commission shall—

(1) make a final decision pursuant to paragraph (1) of section 2; and

(2) if the Commission decides to reinstate 1 or both of the licenses under such paragraph and extend the corresponding deadline for commencement of construction under paragraph (2) of such section, complete the action required under section 3.

SEC. 6. PROTECTION OF EXISTING RIGHTS.

Nothing in this Act shall affect any valid license issued by the Commission under section 4 of the Federal Power Act (16 U.S.C. 797) on or before the date of enactment of this Act or diminish or extinguish any existing rights under any such license.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Connecticut (Mr. MURPHY) and the gentleman from Nebraska (Mr. TERRY) each will control 20 minutes.

The Chair recognizes the gentleman from Connecticut.

GENERAL LEAVE

Mr. MURPHY of Connecticut. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material in the RECORD.

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

There was no objection.

Mr. MURPHY of Connecticut. Madam Speaker, I yield myself such time as I may consume.

The legislation before the House today is pretty simple. It will permit several communities in my district, the Fifth Congressional District of Connecticut, to operate two now-defunct hydroelectric dams as municipal power sources. The dams, the Upper and Lower Collinsville dams, have lain dormant in Connecticut's Farmington River since the 1960s. The licenses previously issued by FERC to operate both these dams are currently inactive, and this legislation would allow FERC to reinstate them and transfer them to the town of Canton, Connecticut, for operation. The State legislature has already passed legislation to operate these two State-owned dams, but Federal legislation is also needed to restore their operation.

These small dams are already a beloved and longstanding symbol of the Farmington Valley's rich history. They used to power a very well-known and thriving axe factory on the site. This legislation would allow for additional comments and for environmental data to be considered by FERC prior to taking any action, ensuring that the river's health and the region's health is well protected.

This legislation has been drafted over the course of many months with the close cooperation of FERC, who's unopposed to the legislation, and we put together a bipartisan coalition of stakeholders, including all of the affected communities, the Governor of the State of Connecticut, and regional and national river protection organizations. Simply put, there is broad and deep consensus and agreement that these dams represent a valuable source of renewable energy right in the heart of suburban Connecticut.

And while we work here in the House and the Senate to enact much broader and sweeping policies to try to promote renewable energy development around this country, we need to also recognize that in some parts of this Nation there are some very locally produced, locally driven projects like this one in Canton and Avon, Connecticut, that can produce some pretty immediate effects for local rate payers, providing them with clean, renewable, locally produced and locally run energy.

I would like to thank Chairman WAXMAN and Chairman MARKEY and Ranking Members BARTON and UPTON for their help in bringing this legislation to the floor. And I urge passage today of H.R. 4451.

I reserve the balance of my time.

Mr. TERRY. Mr. Speaker, I yield myself as much time as I may consume.

I rise today on behalf of our side of the aisle of the Energy and Commerce Committee and report that we have absolutely no opposition and actually support this bill.

Mr. Speaker, today we are considering the Collinsville Renewable Energy Promotion Act. This bill was considered in a markup of the Energy and Commerce Subcommittee on Energy and Environment on March 24, and in a markup of the full committee on May 26, both times passing by a voice vote.

□ 1315

The purpose of this bill is to authorize the Federal Energy Regulatory Commission, also known as FERC, to reinstate the terminated licenses for the Upper and Lower Collinsville Dams hydroelectric projects, and to extend for 2 years after the date of any such reinstatement the date by which the licensee is required to commence construction, and, in the event that FERC reinstates the licenses, to require FERC to transfer such licenses to the town of Canton, Connecticut.

I commend Representative MURPHY for offering an amendment in the nature of a substitute at the full committee markup that made two important changes. The first is requiring FERC to provide an opportunity for the submission of comments by interested persons before reinstating one or both of the terminated licenses. Therefore, interested parties will have an opportunity to address any concerns with FERC. And the second is to include a new Section 6 which would clarify that nothing in H.R. 4451 would diminish or extinguish any existing rights under such license.

Mr. Speaker, this bill has no direct cost. We are in support of the bill.

I reserve the balance of my time.

Mr. MURPHY of Connecticut. Mr. Speaker, I thank the gentleman for his support of the bill and for working with us in providing the amendments that he referenced. I think it is important to underscore his point, that this is not a requirement that FERC reissue these licenses to the town of Canton, it is permissive language allowing them to do that given proper environmental review and proper availability of comment from other interested parties.

This really is an example of how local power production can be done right. This is a nonpartisan local issue, Democrats and Republicans at the local and State level, along with the administration in the State of Connecticut coming together, to try to promote a project to bring two long-dormant dams online.

I would note also that the reconstruction of the dams will allow for potential fish passage along a stream that has not allowed for that passage for a long time. There are multiple benefits to the community and to ratepayers. I thank the gentleman for his support of the bill.

I reserve the balance of my time.

Mr. BURGESS. Mr. Speaker, I rise today to discuss a bill that I believe has been given far too little attention by the Congress, especially considering the potential precedent that it may set.

H.R. 4451, the Collinsville Renewable Energy Promotion Act allows the Federal Energy Regulatory Commission (FERC) to transfer the permit for a hydro-electric power plant once held by a private company into the hands of a public municipality. This bill went through the Energy & Commerce Committee, although I could hardly say it received regular order consideration. When this legislation was first presented to us at the subcommittee level, Members were told it was a non-controversial bill, and that all the interested parties agreed with the actions being taken.

Members of the Energy & Commerce Committee subsequently learned otherwise when the company involved, Summit Hydro, LLC, told my office that not only were they opposed to the transfer of these permits, but that they were not even told our Committee was considering the legislation. I find it outrageous that this Congress would move ahead with transferring a privately-held permit to a public entity without so much as a legislative hearing.

Despite my objections at the Committee level, voicing concerns that no hearing had been held, the Majority pushed this legislation forward.

I am disheartened that this legislation was moved by the full House today, and hope that the Senate will provide Summit Hydro, LLC the proper deference in defending its actions and explaining its story before this bill becomes law and becomes yet another example of government taking over actions more properly suited for the private sector.

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

Mr. MURPHY of Connecticut. Mr. Speaker, I urge support of the bill, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MCGOVERN). The question is on the motion offered by the gentleman from Connecticut (Mr. MURPHY) that the House suspend the rules and pass the bill, H.R. 4451, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

HONORING THE NAACP ON ITS 101ST ANNIVERSARY

Mr. COHEN. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 242) honoring and praising the National Association for the Advancement of Colored People on the occasion of its 101st anniversary.

The Clerk read the title of the concurrent resolution.

The text of the concurrent resolution is as follows:

H. CON. RES. 242

Whereas the National Association for the Advancement of Colored People (referred to in this resolution as the ''NAACP''), originally known as the National Negro Committee, was founded in New York City on February 12, 1909, the centennial of Abraham Lincoln's birth, by a multiracial group of activists who met in a national conference to discuss the civil and political rights of African-Americans;

Whereas the NAACP was founded by a distinguished group of leaders in the struggle for civil and political liberty, including Ida Wells-Barnett, W.E.B. DuBois, Henry Moscowitz, Mary White Ovington, Oswald Garrison Villard, and William English Walling;

Whereas the NAACP is the oldest and largest civil rights organization in the United States;

Whereas the NAACP National Headquarters is located in Baltimore, Maryland;

Whereas the mission of the NAACP is to ensure the political, educational, social, and economic equality of rights of all persons and to eliminate racial hatred and racial discrimination;

Whereas the NAACP is committed to achieving its goals through nonviolence;

Whereas the NAACP advances its mission through reliance upon the press, the petition, the ballot, and the courts, and has been persistent in the use of legal and moral persuasion, even in the face of overt and violent racial hostility;

Whereas the NAACP has used political pressure, marches, demonstrations, and effective lobbying to serve as the voice, as well as the shield, for minority Americans;

Whereas after years of fighting segregation in public schools, the NAACP, under the leadership of Special Counsel Thurgood Marshall, won one of its greatest legal victories in the Supreme Court's decision in Brown v. Board of Education, 347 U.S. 483 (1954);

Whereas in 1955, NAACP member Rosa Parks was arrested and fined for refusing to give up her seat on a segregated bus in Montgomery, Alabama—an act of courage that would serve as the catalyst for the largest grassroots civil rights movement in the history of the United States;

Whereas the NAACP was prominent in lobbying for the passage of the Civil Rights Acts of 1957, 1960, and 1964, the Voting Rights Act of 1965, the Fannie Lou Hamer, Rosa Parks, Coretta Scott King, César E. Chávez, Barbara C. Jordan, William C. Velásquez, and Dr. Hector P. Garcia Voting Rights Act Reauthorization and Amendments Act of 2006, and the Fair Housing Act, laws that ensured Government protection for legal victories achieved;

Whereas in 2005, the NAACP launched the Disaster Relief Fund to help survivors in Louisiana, Mississippi, Texas, Florida, and Alabama to rebuild their lives;

Whereas in the 110th Congress, the NAACP was prominent in lobbying for the passage of H. Res. 826, whose resolved clause expresses that: (1) the hanging of nooses is a horrible

act when used for the purpose of intimidation and which under certain circumstances can be criminal; (2) this conduct should be investigated thoroughly by Federal authorities; and (3) any criminal violations should be vigorously prosecuted;

Whereas in 2008, the NAACP vigorously supported the passage of the Emmett Till Unsolved Civil Rights Crime Act of 2007, a law that puts additional Federal resources into solving the heinous crimes that occurred in the early days of the civil rights struggle that remain unsolved and bringing those who perpetrated such crimes to justice;

Whereas the NAACP has helped usher in the new millennium by charting a bold course, beginning with the appointment of the organization's youngest President and Chief Executive Officer, Benjamin Todd Jealous, and by outlining a strategic plan to confront 21st century challenges in the critical areas of health, education, housing, criminal justice, and environment; and

Whereas, on July 16, 2009, the NAACP celebrated its centennial anniversary in New York City, highlighting an extraordinary century of Bold Dreams, Big Victories with a historic address from the first African-American president of the United States, Barack Obama: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Congress—

(1) recognizes the 101st anniversary of the historic founding of the National Association for the Advancement of Colored People; and

(2) honors and praises the National Association for the Advancement of Colored People on the occasion of its anniversary for its work to ensure the political, educational, social, and economic equality of all persons.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Tennessee (Mr. COHEN) and the gentleman from Texas (Mr. SMITH) each will control 20 minutes.

The Chair recognizes the gentleman from Tennessee.

GENERAL LEAVE

Mr. COHEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material.

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

There was no objection.

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

Mr. Speaker, House Concurrent Resolution 242 honors one of our Nation's oldest and most esteemed civil rights organizations, the National Association for the Advancement of Colored People, known as the NAACP, also known as the conscience of the United States Congress.

This year, the NAACP celebrates its 101st anniversary, and its ongoing efforts to promote justice and equality for all Americans; not just Americans of color, but all Americans.

I salute the gentleman from Texas (Mr. AL GREEN) the sponsor of this resolution, and the former president of the Houston branch of the NAACP, for his continued commitment to recognizing the NAACP for its historical and contemporary civil rights contributions.

As we celebrate the Nation's preeminent civil rights organization on its 101st anniversary, I would like to reflect on a few bits of history concerning the NAACP.

First, I would like to acknowledge its history which began February 12, 1909, when the organization was formed by Ida Wells-Barnett, W.E.B. DuBois, Henry Moscowitz, Mary White Ovington, Oswald Garrison Villiard, and William English Walling, a biracial group that consisted of Christians and Jews.

It is a history that includes some of the most significant moments in our Nation's great story where we come to a more perfect union, like the 1954 case of Brown v. Board of Education of Topeka, the landmark Supreme Court case that ended the separate but equal fallacies that our government and laws labored under, and chief counsel was Thurgood Marshall, later one of the great justices of our Supreme Court.

The NAACP's contributions also have included support for and rallying and lobbying for the 1957, 1960, and 1964 Civil Rights Act, the 1965 Voting Rights Act and the 1968 Fair Housing Act where Clarence Mitchell led the way with the NAACP. And of course the court case that the NAACP was involved in, Loving v. Virginia, which turned over the miscegenation laws in this country in 1967, an aberrant set of laws that are precursors to other laws that still are in debate in this Nation today.

But the fight didn't end there; which brings me to my second point. Today, we are reminded of the NAACP's mission, to ensure equality of rights of all persons, and to eliminate racial hatred and racial discrimination. It is as important and relevant as it was decades ago. Just this year, a hate crimes law was passed that ensured that there was not discrimination based on race, religion, gender, sexual orientation, or other distinguishing characteristics, and the NAACP was there in great support.

The NAACP is engaged in battles on multiple fronts on its 101st anniversary. Its dedicated team is leading the charge in addressing issues that disproportionately impact communities of color. The NAACP advocates for equality in education, influences the debate on environmental justice, works to end disparities in the criminal justice system, racial profiling and other types of injustices.

In addition, the NAACP is working to prevent families from losing their piece of the American dream during this housing crisis, by working with financial institutions to change the mortgage lending practices that helped bring on this crisis. They are party to a lawsuit against Wells Fargo in Baltimore County, Maryland, and also in Memphis, Tennessee. Improving fair credit access, supporting sustainable home ownership, and promoting financial literacy for disadvantaged communities are among their other great priorities.

The NAACP was supportive of the resolution that the 110th Congress passed, for the first time in our Nation's history apologizing for slavery and Jim Crow laws, and to make clear that the vestiges of Jim Crow and slavery would be affected by the future Congresses.

Today's commemoration of the NAACP's 101st anniversary occurs as the organization prepares for its convention, ''One Nation, One Dream,'' in Kansas City, Missouri, on July 10–15. At that time, hundreds of NAACP members and leaders will consider bold and innovative approaches to tackling the challenges we face in the 21st century.

Among those leaders will be President Benjamin Todd Jealous, present Chairwoman Roslyn Brock, former Chairman Julian Bond, Washington Bureau Director Hilary Shelton, and Detroit Branch President Wendell Anthony, who have exhibited fearless dedication to build on the NAACP's great legacy. This legacy includes many great heroes, such as Dr. Martin Luther King, Jr., of whom a bust is in our Capitol Rotunda; Coretta Scott King, his widow; Rosa Parks; Medgar Evers; Benjamin Hooks; and many others. I must mention some great leaders from my hometown of Memphis: Vasoc and Maxine Smith; Jesse Turner, Sr.; Jesse Turner; Jr.; Russell Sugarman; A.W. Willis; Johnny Turner; and others.

Their unwavering commitment to protect and promote civil rights for all Americans is a proud tradition that the NAACP continues today. I am a life member of the NAACP, and proud of it. I encourage others to support the NAACP in their efforts to make the American dream true for all. I congratulate the NAACP on its 101st milestone, and I urge my colleagues to support this important resolution.

I reserve the balance of my time.

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

Mr. Speaker, this resolution recognizes the 101st anniversary of the founding of the National Association for the Advancement of Colored People. This resolution also praises the NAACP for its work to secure the political, educational, social and economic equality of all persons.

The NAACP was founded on February 12, 1909, in New York City. It was the centennial of Abraham Lincoln's birth. The NAACP is the oldest and largest civil rights organization in the United States today.

In 1913, the NAACP organized opposition to racial segregation in Federal Government offices. The NAACP also played a key role in securing the rights of African Americans to serve as officers in World War I. Throughout the past century, the NAACP has worked to achieve equality of rights for all persons through nonviolence. The NAACP's mission also includes the elimination of racial hatred and racial discrimination.

After World War I, for example, the NAACP expended significant resources

in an effort to combat the lynching of African Americans throughout the United States. The NAACP centered its efforts around education and lobbying for legislation.

In later years, the NAACP's leadership was instrumental in bringing about the passage of the Civil Rights Acts of 1957, 1960 and 1964; the Voting Rights Act of 1965; and the desegregation of public schools in Brown v. Board of Education in 1954.

The NAACP continues to work on behalf of this worthy mission for the rights of all people today.

Mr. Speaker, I urge my colleagues to support this resolution.

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

Mr. COHEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. AL GREEN), the sponsor of this resolution and the former president of the Houston branch of the NAACP.

Mr. AL GREEN of Texas. Mr. Speaker, I especially want to thank the gentleman from Tennessee (Mr. COHEN) for working with us on this resolution. I especially want to thank the ranking member, Mr. SMITH, for his working with us on the resolution, and I also want to give an extra special thanks to Mr. SENSENBRENNER because the first time we introduced this resolution he was the chairman of the Judiciary Committee, and he was very helpful not only up front in helping me with the resolution, but also behind the scenes making sure that we got the resolution through the House. Mr. SENSENBRENNER, I will be forever grateful to you.

Mr. Speaker, I am honored today to present this resolution because the NAACP stands for what America stands for, and that is liberty and justice for all.

The NAACP was founded in 1909, as was indicated, by a diverse group of Americans. It is important to note that the NAACP has always been an integrated organization. From its inception, it has been an integrated organization.

□ 1330

While I applaud all that has been done by the African Americans who have been a part of the NAACP, I have to also make mention of the many other persons who are not African Americans, because we simply did not get here by ourselves. There were persons of good will of all ethnicities who have been of benefit to us to help us have these opportunities that we have today. So today we want to thank persons who were members of the NAACP at its inception, but also persons who helped to bring the NAACP along the way.

James Weldon Johnson was the first African American executive secretary of the NAACP. But it's important to note that prior to his becoming the first, there were five other executive secretaries, none of whom were African American.

It's important to note that the NAACP accords an award annually. It is known as the Spingarn Medal. This is given to a person who has made great achievements in the area of helping the human rights and civil rights struggle. It is important to note that the Spingarn Medal is named after Joel Spingarn. The Spingarn family was a great contributor to the NAACP. In fact, Thurgood Marshall was a great litigator in part because of other persons who made contributions to the NAACP. They were great contributors, and as a result we had this litigation to go forward. The NAACP is an organization that welcomes anyone who desires to be a part of the fight for human dignity and human freedom.

I believe that the NAACP merits this special expression from the Congress of the United States of America, and I also believe that we should thank Senator DODD, because he has the Senate Concurrent Resolution No. 3 that has 15 Senators who have signed onto it, and that will hopefully pass the Senate.

I am asking all of my colleagues to please support this legislation because the NAACP made it possible for us to sleep where we sleep, because of Shelley v. Kraemer and Barrows v. Jackson. It allows us to eat where we eat because of Brown v. Board of Education and other cases associated with it. So, literally, we live where we live, we sleep where we sleep, and we eat where we eat because of the NAACP. It has earned the right to be recognized by the Congress of the United States of America, and I beg that my colleagues would support this resolution.

Mr. COHEN. Mr. Speaker, I appreciate the work of Congressman GREEN from Houston. And when I look at him and I look at Mr. SMITH, I think about my weekend trip this past weekend. I went to Austin, Texas. And when I was in Austin, I was at the Barbara Jordan Airport, and in the baggage area on the ground floor, there is a statue of Barbara Jordan in her regal splendor. And what a great member of the NAACP she was, and what a great American.

Ms. WATSON requests some time. I would be pleased if she would contribute. I yield such time as she may consume to the gentlewoman.

Ms. WATSON. Mr. Speaker, and to the authors and cosponsors of this resolution, I just want to add to the testimony that you have already heard in support of this resolution commending the NAACP, that many of us would not be here if not for the work and the support of others of the NAACP.

I am a case in point. I remember being elected as the first African American woman to the second largest school board in the United States, that's LA Unified School District, and in the California State Senate as the first ever. And I was so proud that members came to me to show me their membership in the NAACP.

I then knew that the work that was done over 100 years ago was of such vision for the future of this country, and particularly my State of California, the largest in the Union, and the first State to be a majority of minorities, that that vision, that hard work, that dedication brought about justice so that the State of California and the United States of America could be reflective of who we are as a people. The justice, the fairness, the freedom, the liberty all came about for people like me because of this organization and others who supported it.

So I am pleased, I am pleasured, and I do hope that all men and women of fair mindedness with division will support wholeheartedly this resolution.

Thank you, Congressman.

Mr. BISHOP of Georgia. Mr. Speaker, for over 100 years the mission of the National Association for the Advancement of Colored People (NAACP) has been to ensure the political, educational, social, and economic equality of rights for all people, as well as to eliminate racial hatred and racial discrimination. This organization has always envisioned a society where all barriers of racial discrimination are removed through the democratic processes, as well as to ensure equality for all Americans. Throughout the past 101 years, the NAACP has faithfully adhered to its mission.

Founded on February 12, 1909, President Lincoln's 100th birthday, the NAACP is the nation's oldest and most recognized grassroots-based civil rights organization. It was established in response to the lynchings that were committed against blacks throughout the country. Today, the NAACP's more than half-million members and supporters are still the premier advocates for civil rights and equality in their respective communities.

Over the last century, the talents of the NAACP's collective membership have enabled it to overcome numerous adversities and obstacles. After 101 years of setbacks and successes, this organization currently bears witness to numerous advancements that may not have been made possible if it were not for the collective voices and willpower of NAACP supporters past and present.

It is hard to imagine where our country would be today if it had not been for the courageous men and women in the NAACP who risked their lives and livelihoods in order to promote equality.

It is hard to imagine where this country would be if the NAACP had not tirelessly fought for improved equality for African-Americans.

It is hard to imagine where this great country would be if it were not for the courageous men and women who fought to promote the rights of everyone, regardless of the color of their skin.

Indeed, it is hard to imagine our country without the NAACP. My own life would not be the same if it were not for those individuals who stood up for equality and sought to form a more perfect union.

I want to congratulate the NAACP on its 101 years of service to our country and for all of its many accomplishments. I urge my colleagues to support this resolution.

Mr. FARR. Mr. Speaker, I'm a proud lifelong member of the NAACP, and today I join my colleagues in celebrating its 101st anniversary.

The Monterey County Branch of the NAACP was created in 1932. Our chapter now ranks as one of the largest per capita branches in the United States and has been active in education and law—and we're all better for it. In 1947, the Fort Ord Army training base in Seaside, CA—one of the largest bases in the U.S.—was the first military base in the United States to be integrated.

As we recognize the great achievements of one of America's finest organizations, let us not forget that the struggle continues. Our country was founded on the ideal of equality for all, with the self-evident right to life, liberty and the pursuit of happiness. The mission of the NAACP is to ensure the political, educational, social, and economic equality of rights of all persons and to eliminate racial hatred and racial discrimination.

I want to thank the NAACP for 101 years of hard work. You've made America a stronger and better nation. I especially want to thank my constituent, Ben Jealous, now the youngest national president of the NAACP. Your work continues, but we congratulate you on this historic day.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Tennessee (Mr. COHEN) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 242.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. COHEN. 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 and the Chair's prior announcement, further proceedings on this motion will be postponed.

HONORING THE DEPARTMENT OF JUSTICE ON ITS 140TH ANNIVERSARY

Mr. COHEN. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 1422) honoring the Department of Justice on the occasion of its 140th anniversary.

The Clerk read the title of the resolution.

The text of the resolution is as follows:

H. RES. 1422

Whereas the Department of Justice officially came into existence on July 1, 1870, through an Act of Congress establishing it as ''an executive department of the government of the United States'' with the Attorney General as its head;

Whereas pursuant to the Act, the Department was charged with providing the means for enforcing Federal laws, furnishing legal counsel in Federal cases, and construing the laws under which other Federal executive departments act;

Whereas there are currently 93 United States attorneys stationed throughout the United States, Puerto Rico, the Virgin Islands, Guam, and the Northern Mariana Islands, serving as the Nation's principal litigators and chief Federal law enforcement officials for their specific region, under the direction of the Attorney General;

Whereas the Department of Justice comprises 7 specialized divisions, including the Antitrust Division, Civil Division, Civil Rights Division, Criminal Division, Environment and Natural Resources Division, National Security Division and the Tax Division, also including the Federal Bureau of Investigation, the Bureau of Prisons, the United States Marshals Service, the U.S. Central Bureau-International Criminal Police Organization, the Drug Enforcement Administration, the Bureau of Alcohol, Tobacco, Firearms, and Explosives, and the Office of Justice Programs;

Whereas in 2006, the Department of Justice recognized the danger threatening the United States due to technology-assisted exploitation crimes targeting children, and responded by launching Project Safe Childhood, an effort which has resulted in record numbers of arrests and prosecutions of individuals who seek to commit sexual crimes against children;

Whereas in the past decade the Department of Justice has obtained approximately 1,300 convictions for financial crimes;

Whereas the Department of Justice responded to the significant increase in the number of firearms-related violent crimes in small geographic areas by creating the Violent Crime Impact Team (VCIT) initiative and since 2004 has arrested more than 14,100 gang members, drug dealers, felons in possession of firearms, and other violent criminals, including more than 2,800 identified as ''worst of the worst'' criminals;

Whereas the Department of Justice plays a key role in the fight against international drug trafficking;

Whereas in the past 8 years, the Department of Justice has disrupted 8, and dismantled 2, Priority Target Organizations (PTOs);

Whereas Operation FALCON (Federal and Local Cops Organized Nationally) is a series of nationwide fugitive apprehension operations coordinated by the Department of Justice, and has resulted in the collective capture of more than 55,896 dangerous fugitive felons since its inception in 2005;

Whereas since 2004, the Department of Justice has led the 2 largest multinational law enforcement efforts ever directed at online piracy, involving simultaneous efforts in 12 countries, more than 200 searches and arrests in more than 30 States, more than $100,000,000 in seized pirated works, and a total of 112 felony convictions to date; and

Whereas the Department of Justice's accomplishments are numerous and have played a significant part in securing the safety and security of the families and communities of the United States: Now, therefore, be it

Resolved, That the House of Representatives—

(1) honors the Department of Justice on the occasion of its 140th anniversary;

(2) commends the men and women of the Department of Justice for their tireless commitment to pursuing justice, combating major domestic and international crimes, ensuring civil liberties, and protecting the people of the United States; and

(3) encourages the Department of Justice to continue its mission of pursuing the administration of justice for all people in the United States.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Tennessee (Mr. COHEN) and the gentleman from Wisconsin (Mr. SENSENBRENNER) each will control 20 minutes.

The Chair recognizes the gentleman from Tennessee.

GENERAL LEAVE

Mr. COHEN. I ask unanimous consent all Members have 5 legislative days to revise and extend their remarks and add extraneous material.

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

There was no objection.

Mr. COHEN. I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1422 recognizes the 140th anniversary of the creation of the Department of Justice. Since 1870, the Department has been tasked with enforcing our laws, providing Federal leadership in securing the public safety, and ensuring the fair and impartial administration of justice for all Americans.

The Department has long been served with distinction and courage by attorneys, investigators, and prosecutors at Main Justice and in the field. Its divisions and components do important work for the American people in criminal law, civil litigation, environmental law, antitrust law, tax law, and administration of justice-related grants. We especially appreciate the efforts and sacrifices of the law enforcement officers serving in components such as the FBI, DEA, ATF, and the U.S. Marshals office.

I would like to highlight three important points today as we commemorate the 140th anniversary of the Department. First, the Department has played an integral part in promoting justice for all Americans. Since its creation, the Department has handled the legal business of the United States, with control over all criminal prosecutions and civil suits in which the United States has an interest.

Through the Civil Rights Division, the Department enforces Federal law, prohibiting discrimination on the basis of race, color, sex, disability, religion, familial status, and national origin. Following the landmark Civil Rights Acts of the 1960s, the Department of Justice used its newfound authority to initiate desegregation of school districts across this Nation. And through its enforcement of the Voting Rights Act of 1965, the Department helped curtail the injustice of African American voters being prevented from exercising what is an American right, the right to vote.

The Justice Department also continues to vigorously enforce the Americans with Disabilities Act, to ensure that people living with disabilities are not discriminated against in employment, by public entities and transportation, or in public accommodations.

The great strides we have made in securing rights for all Americans to attain an education, access the voting booth, and secure jobs and housing, regardless of race, gender, or national origin, are in no small part due to the thanks of the Department of Justice.

Second, the Department has played an important role in protecting Americans from acts of terrorism, whether

foreign or domestic. Since the terrorist attacks at the World Trade Center in 1993 and at the Federal Building in Oklahoma City in 1995 and the attacks on September 11, it's been the Department's highest priority to prosecute and bring to justice perpetrators of terrorism.

However, it is important that, in its effort to combat terrorism, the Department is equally vigilant in upholding justice and in observing the constitutional rights of Americans that it is responsible for enforcing. This means a commitment to due process and transparency, even in the most difficult situations. It also means Congress must be steadfast in its commitment to consistent and thorough oversight.

Third, the Department has taken on an increasingly active role in helping to secure public safety in its 140-year history. Notably, the Department's efforts to support community-based programs have seen dramatic success. For example, the Office of Violence Against Women is charged with providing national leadership in reducing domestic violence through the implementation of the Violence Against Women Act. Through 19 Violence Against Women Act grant programs, the Department is helping to develop the Nation's capacity to reduce domestic violence, dating violence, sexual assault, and stalking, strengthening services to victims and holding offenders accountable, most important work in preserving the integrity of women and our commitment to individual freedoms.

In fiscal year 2009, the Office of Violence Against Women made nearly 1,100 awards. These grants have helped enable communities to develop coordinated responses to domestic violence, sexual assault, and stalking—no trivial matters, Mr. Speaker. The grants have helped communities bring together dedicated individuals and advocates from diverse backgrounds to share information and to use their distinct roles to improve community responses to violence against women.

In addition, the Department's Office of Community Oriented Policing Services, also known as the COPS Office, has promoted public safety through local investments, where police are involved in the community and show that policemen are the friends, and get a hold in the community to bring about public safety. The COPS program promotes this community policing by funding efforts by State and local authorities intended to put law enforcement professionals where they are most needed—on the streets. That way they can build mutually beneficial relationships with the people they serve, have a rapport that's necessary.

In closing, I would like to thank my colleague, Mr. JAMES SENSENBRENNER, for introducing this resolution. I urge my colleagues to support this important resolution. I couldn't let this resolution go by without remembering former U.S. Attorney Robert F. Kennedy, one of my heroes, who headed the Department of Justice.

I reserve the balance of my time.

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

Mr. Speaker, I rise today to commemorate the 140th anniversary of the Department of Justice. The Judiciary Act of 1789, which was passed by the First Congress and signed into law by President George Washington, created the office of Attorney General, which eventually became the chief law enforcement officer of the Federal Government.

The Department of Justice began its work on July 1, 1870, through an act of Congress, with the Attorney General at its head. Since then, the Department has evolved into the world's largest law office and the central agency for the enforcement of Federal law.

Today, the Department strives to meet four goals in its pursuit of justice: First, protecting the public against foreign and domestic threats; second, ensuring the fair administration of justice in accordance with the provisions of the Constitution; third, assisting both State and local law enforcement agencies; and, fourth, defending the United States and its foreign interests.

Over the past decade, the Department has made significant efforts to protect the children of America. In 2006, through the Adam Walsh Child Protection and Safety Act, the Department of Justice created a national sex offender registry to better protect children by organizing sex offenders into three tiers. The act also created a nationwide DNA database and allows law enforcement to monitor dangerous sex offenders through the use of GPS technology.

Recognizing the dangers of technology-assisted exploitation crimes against children, the Department of Justice launched Project Safe Childhood, an effort that resulted in record numbers of arrests and prosecutions of individuals seeking to commit sexual crimes against children.

The AMBER Alert system, a Department of Justice directive, works to protect and save the lives of abducted children. Since the expansion of the system in 2003, more than 500 missing or exploited children have been safely recovered. Alerts are broadcast over the Internet, television and radio programming, electronic highway signs, lottery tickets, and text messaging.

Shortly after the September 11 attack, I introduced the USA PATRIOT Act, which afforded the Department of Justice new tools to detect and prevent terrorism, organized crime, and drug trafficking. The provisions of the act updated laws to reflect new threats and new technologies, facilitate better cooperation amongst government agencies, and updated and increased penalties for convicted terrorists. Since the act's passage in October 2001, the numbers of terrorist convictions and prosecutions by U.S. attorneys have soared. Make no mistake, the USA PATRIOT Act has contributed to the prevention of another large-scale terrorist attack on American soil.

The Justice Department has also made a commitment to protect Americans residing in areas riddled with gun and gang violence. It responded to the significant increase in the number of firearms-related crimes in small geographic areas by creating the Violent Crime Impact Team initiative.

□ 1345

Since 2004, it has arrested more than 14,000 gang members, drug dealers, felons in possession of firearms, and other violent criminals, including more than 2,800 who have been identified as the ''worst of the worst'' criminals.

I applaud the work of the Department of Justice in its efforts to defend the American people and to administer justice while respecting and ensuring the rights and dignity entitled to all.

I encourage my colleagues to support House Resolution 1422.

Mr. SMITH of Texas. Mr. Speaker, I support House Resolution 1422 to honor the Department of Justice on the occasion of its 140th anniversary.

In 1870 Congress passed the ''Act to Establish the Department of Justice.'' President Ulysses S. Grant signed the bill into law on June 22, 1870, and the Department of Justice officially began operations on July 1, 1870.

The Office of the Attorney General, created by the ''Judiciary Act of 1789,'' was in need of more attorneys after the Civil War.

The 1870 Act met this need by creating the Department of Justice to oversee federal law enforcement as well as criminal prosecutions and civil suits in which the United States has an interest. The Act also created the Office of the Solicitor General.

While the 1870 Act still remains the foundation on which the Department of Justice stands, the structure of the Department of Justice has changed over the past 140 years.

Today the Department of Justice comprises seven litigating divisions and 93 United States attorneys and thousands of assistant United States attorneys who enforce our civil and criminal laws, including tax, environmental, and immigration laws, and defend the United States from claims.

The Department also oversees a number of federal law enforcement agencies, including the Federal Bureau of Investigation, the Drug Enforcement Administration, the Marshals Service, the Bureau of Alcohol, Tobacco, Firearms, and Explosives, and the Federal Bureau of Prisons.

Among recent examples of the Department's work, we could look to the Bureau of Alcohol, Tobacco, Firearms, and Explosives' establishment of the Violent Crime Impact Team (VCIT) initiative in 2004. Since then, more than 14,000 violent criminals were arrested, including gang members, drug dealers, and felons in possession of firearms.

The Department is also combating gang and gun violence through programs like ''Project Safe Neighborhoods.'' Since its inception in 2001, $2 billion has been committed to ''Project Safe Neighborhoods.'' Funding has been used to hire new prosecutors, support investigators, and promote community outreach and education.

In another area of great interest, during the past decade the Department secured approximately 1,300 convictions for financial crimes.

The Department has also been successful in combating crimes against children, drug trafficking, and counterterrorism efforts.

In 2006 the Department introduced "Project Safe Childhood" to combat predators who use the Internet to sexually exploit our children. Along with the FBI's "Innocent Images National Initiative," programs like these help break up networks of online pedophiles and rescue children who are victims of sexual exploitation.

With regard to drug trafficking, just this month the Department's "Project Deliverance" resulted in more than 2,200 arrests and the seizure of approximately 74 tons of drugs and $154 million. This was the result of a 22-month operation. The Drug Enforcement Administration has been instrumental in bringing to justice those organizations and principal members responsible for the manufacture and distribution of illicit drugs throughout the United States.

Finally, the Department has played a key role in a number of operations to protect Americans from terrorist threats. The passage of the Patriot Act in 2001, its reauthorization in 2005, and various other counter-terrorism tools have proven helpful toward this end.

This resolution commends the work of the men and women in the Department of Justice who pursue and have pursued the administration of justice for the people of the United States. The essence of democracy is the rule of law. The Department of Justice hopefully stands as a defender of the rule of law.

I urge my colleagues to join me in supporting this resolution.

Mr. SENSENBRENNER. I yield back the balance of my time.

Mr. COHEN. I want to thank Mr. SENSENBRENNER for bringing this important resolution honoring the Department of Justice, and I should have earlier thanked Mr. SMITH and Mr. SENSENBRENNER each for their work on the NAACP resolution.

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

The SPEAKER pro tempore (Ms. RICHARDSON). The question is on the motion offered by the gentleman from Tennessee (Mr. COHEN) that the House suspend the rules and agree to the resolution, H. Res. 1422.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. COHEN. Madam 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 and the Chair's prior announcement, further proceedings on this motion will be postponed.

SUPPORTING AMERICAN EDUCATION WEEK

Ms. WATSON. Madam Speaker, I move to suspend the rules and agree to the resolution (H. Res. 879) supporting the goals and ideals of American Education Week, as amended.

The Clerk read the title of the resolution.

The text of the resolution is as follows:

H. RES. 879

Whereas the National Education Association has designated November 14 through November 20, 2010, as the 89th annual observance of American Education Week;

Whereas public schools are the backbone of the Nation's democracy, providing young people with the tools they need to maintain the Nation's precious values of freedom, civility, and equality;

Whereas by equipping young people in the United States with both practical skills and broader intellectual abilities, public schools give them hope for, and access to, a productive future;

Whereas people working in the field of public education, be they teachers, higher education faculty and staff, custodians, substitute educators, bus drivers, clerical workers, food service professionals, workers in skilled trades, health and student service workers, security guards, technical employees, or librarians, work tirelessly to serve children and communities throughout the Nation with care and professionalism; and

Whereas public schools are community linchpins, bringing together adults, children, educators, volunteers, business leaders, and elected officials in a common enterprise: Now, therefore, be it

Resolved, That the House of Representatives—

(1) supports the goals and ideals of American Education Week; and

(2) encourages the people of the United States to observe National Education Week by reflecting on the positive impact of all those who work together to educate children.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from California (Ms. WATSON) and the gentleman from Utah (Mr. CHAFFETZ) each will control 20 minutes.

The Chair recognizes the gentlewoman from California.

GENERAL LEAVE

Ms. WATSON. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks.

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

There was no objection.

Ms. WATSON. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, on behalf of the House Committee on Oversight and Government Reform, it is my great privilege to rise in support of H. Res. 879. This measure encourages the people of the United States to observe National Education Week by reflecting on the positive impact of all those who work together to educate America's children. American Education Week spotlights the importance of providing every child in America with a quality public education from kindergarten through college and the need for everyone to do his or her part in making public schools great.

Madam Speaker, America's success in the 21st century will be determined by our ability to innovate, foster entrepreneurship, and constantly improve the skill base of our workforce. We believe that the evolving demands of the global economy make education vital to sustainable social and economic success. We also believe that education is a fundamental human right and is the single most important investment in the future of individuals, communities, the Nation, and the world. We in Congress and we as a Nation must make it one of our highest priorities.

H. Res. 879 was introduced by our colleague, the gentleman from Idaho, Representative WALTER MINNICK, on October 29, 2009. The measure was referred to the Committee on Oversight and Government Reform, which ordered it reported by unanimous consent on May 6, 2010. The measure has the support of over 70 Members of the House.

I thank the gentleman from Idaho for introducing this measure.

And I'd also like to thank Chairman TOWNS and Ranking Member ISSA for their support for the bill.

I urge my colleagues to support this measure.

I reserve the balance of my time.

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

I rise in support of House Resolution 879, supporting the goals and ideals of American Education Week.

Thousands of teachers in our country inspire our young children to want to learn and to teach them the vital skills they need both to succeed in their future careers and in their lives. We also cannot forget about the librarians, the cafeteria staff, the coaches, the janitors, the bus drivers, the crossing guards, the administrators, all those employees who dedicate their time, effort and talents in order to make sure that our kids are enjoying a safe environment and that they're welcomed into the classrooms and that they truly learn.

Teachers simply do not receive the gratitude that they deserve. Most people can remember that one teacher who inspired them in some way and urged them to explore a subject further. Many of us simply would not have the same lives or careers without a special teacher to guide us.

For me, that was Mr. Kobiashi in the fifth grade, who really inspired me to have a true appreciation for the environment and a true understanding of our oceans and all the living creatures and just inspired me to be a better person. I still remember him to this day and can't thank him enough for the service and the thousands of untold lives that he had touched along the way.

Those are special people, and they ought to be recognized for their efforts, and while I know that this resolution is important, they truly get the satisfaction that they deserve and that they need by inspiring those young people throughout our country.

Yet for all the effort and tireless hours the teachers put in every single

day, we oftentimes forget to thank them formally as well. As a country, we need to do more to thank teachers and educators for their hard work and service to America's youth.

Madam Speaker, I urge my colleagues to support this resolution. American Education Week gives us the opportunity to take a week to think about and thank all the educators for their work. Hopefully this week will also inspire all Americans to think about the work that educators do, not just during American Education Week but every day, so that we begin to give teachers and educators the thanks and appreciation that they truly deserve; and that, in each individual community, those people, those parents and the others affected in the community, support their teachers, the educators and all the support staff, and all the moving parts that make these things happen so they can truly feel the love and support of a Nation and make that environment the very best environment it can be for our kids to learn.

Madam Speaker, I reserve the balance of my time.

Ms. WATSON. Madam Speaker, I yield 3 minutes to the gentleman from Texas, Representative RUBÉN HINOJOSA.

Mr. HINOJOSA. I rise today in support of H. Res. 879. I want to thank the National Education Association, NEA, and its 3.2 million members for designating November 15 through November 21 as American Education Week.

I also wish to acknowledge and thank Representative MINNICK from Idaho for introducing this important resolution, and I thank the gentlelady from California for giving me time to speak.

As subcommittee chairman for Higher Education, Lifelong Learning and Competitiveness, I congratulate all of our teachers, higher education faculty and staff, custodians, substitute educators, bus drivers, clerical workers, food service professionals, workers in skilled trades, health and student services workers, security guards, technical employees, and librarians for working tirelessly on behalf of our children, parents, and communities.

Our Nation's public schools and colleges and universities continue to be the great equalizer and the backbone of American democracy. They open the doors of opportunity to millions of graduates every year.

In order to access family-sustaining jobs in our economy, it is imperative that all children, all youth and adults receive a high quality education and are equipped with 21st century skills to thrive in our Nation's economy.

As our Nation strives to build a world-class educational system, increase graduation rates at all levels, and improve literacy for adult learners, we must recognize our teachers, our principals, our faculty, and school personnel for their professionalism and extraordinary commitment to care for and educate our children, youth, and adults for a 21st century workforce.

I commend President Obama, I commend Chairman MILLER and my colleagues for making historic investments in education and for ensuring accessibility and affordability in higher education with the enactment of the Health Care and Education Reconciliation Act of 2010.

I urge my colleagues and our Nation to observe American Education Week and the invaluable contributions of our Nation's educators. You all make a world of difference in the lives of our students and families. I thank you.

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

Ms. WATSON. I yield 2 minutes to the gentleman from Idaho (Mr. MINNICK).

Mr. MINNICK. Madam Speaker, I thank the gentlewoman from California and extend her an invitation to come to Idaho anytime.

Madam Chair, you'd be a good addition.

Madam Speaker, I rise in support of House Resolution 879, celebrating the goals and ideals of American Education Week. Public schools are the backbone of America's democracy and the key to our continuing competitiveness in a 21st century global economy.

In 2010, the 89th American Education Week will take place November 14 to November 20. Each day will spotlight the importance of providing every child in America with a quality public education from pre-K through college.

As Federal legislators, we must continue to support American public education and make it the very best in the world. Dedicated American educators, teachers, principals, administrators, and their trade organizations work tirelessly to serve students and communities throughout the Nation with care and professionalism.

American Education Week celebrates the effort and achievements of these dedicated professionals and encourages community, parental and elected government official involvement in our public schools.

□ 1400

As a parent of four children, all of whom benefited from an outstanding public school education, I have witnessed firsthand the extraordinary lengths to which our hardworking teachers go in helping American youth to learn. I applaud the nearly 15,000 teachers and thousands of support staff in Idaho and those throughout this great Nation who devote their professional lives to ensuring our children are equipped with the skills, knowledge and work ethic required to succeed in 21st century America.

Let's all enthusiastically endorse American Education Week. I urge my colleagues to support this resolution and recognize the efforts and sacrifices of America's educators.

Mr. JOHNSON of Georgia. Madam Speaker, I rise today to express my strong support for H. Res. 879 supporting the goals and ideals of American Education Week.

I would like to share a quote from Mr. William Arthur Ward who said "The mediocre teacher tells. The good teacher explains. The superior teacher demonstrates. The great teacher inspires." I agree with Mr. Ward about the incredible difference a great teacher can make in a child's life. It is in the classroom environment that an educator can best lay a solid foundation in children's lives by instilling the values of determination and diligence within them. Quality education is thus an essential element to opening the door to a bright future for our country.

Madam Speaker, in celebrating American Education Week, we stand to acknowledge and celebrate the true importance of a fine education. During the week of November 14–November 20, I encourage my colleagues in Congress and all Americans to please take the time to appreciate the people who have made a difference in educating children across the nation, especially the local educators in Georgia's 4th District. I would like to personally thank the school board members, administrators, teachers, librarians, counselors, parents, substitute teachers, custodians, bus drivers, cafeteria workers, and staff members who have devoted their lives to educating the youth of my district.

I truly appreciate the important difference that educators make in children's lives through their dedication and tireless effort. I encourage my colleagues to join me in expressing their appreciation for all educators in the nation during American Education Week by supporting this important resolution.

Ms. WATSON. Madam Speaker, I urge my colleagues to join me in supporting this measure, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California (Ms. WATSON) that the House suspend the rules and agree to the resolution, H. Res. 879, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

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

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

COMMENDING THE HOLLYWOOD WALK OF FAME ON ITS 50TH ANNIVERSARY

Ms. WATSON. Madam Speaker, I move to suspend the rules and agree to the resolution (H. Res. 1357) commending and congratulating the Hollywood Walk of Fame on the occasion of its 50th anniversary.

The Clerk read the title of the resolution.

The text of the resolution is as follows:

H. RES. 1357

Whereas the Hollywood Walk of Fame is a tribute to those who have significantly contributed to the entertainment industry;

Whereas E.M. Stuart, who served as the volunteer president of the Hollywood Chamber of Commerce in 1953, is credited with creating the idea of the Hollywood Walk of Fame;

Whereas the Hollywood Walk of Fame was established to maintain the glory of a community whose name means glamour and excitement in the four corners of the world;

Whereas in January 1956 the plans for the Hollywood Walk of Fame were submitted to the Los Angeles City Council;

Whereas the Los Angeles City Council embraced the idea of the Hollywood Walk of Fame, and subsequently instructed the Board of Public Works to prepare the engineering specifications for the Hollywood Walk of Fame and to create the necessary assessment district to pay for the improvements associated with the Hollywood Walk of Fame;

Whereas the Hollywood Chamber of Commerce established the Hollywood Improvement Association to work with the City of Los Angeles in creating the Hollywood Walk of Fame;

Whereas, while the City of Los Angeles worked on the creation of the assessment district between May 1956 and the fall of 1957, the Hollywood Improvement Association worked on selecting the individuals to be honored by placement of a star in the Hollywood Walk of Fame;

Whereas four categories of stars were established to represent four aspects of the entertainment industry: motion picture, television, recording, and radio;

Whereas, on August 15, 1958, the Hollywood Chamber of Commerce and the City of Los Angeles unveiled eight stars on Hollywood Boulevard at Highland Avenue to demonstrate what the Hollywood Walk of Fame would look like;

Whereas these eight stars honored Olive Borden, Ronald Colman, Louise Fazenda, Preston Foster, Burt Lancaster, Edward Sedgwick, Ernest Torrence, and Joanne Woodward;

Whereas, on February 8, 1960, construction began on the Hollywood Walk of Fame;

Whereas, on March 28, 1960, the first star, awarded to Stanley Kramer, was laid in the Hollywood Walk of Fame;

Whereas, on November 23, 1960, the Hollywood Walk of Fame was dedicated in conjunction with the Hollywood Christmas Parade;

Whereas the Hollywood Walk of Fame was not completed until the spring of 1961, at which time it was accepted by the Board of Public Works and contained 1,558 stars;

Whereas, on May 18, 1962, the Los Angeles City Council approved an ordinance that specified that the Hollywood Chamber of Commerce should advise the City of Los Angeles in all matters pertaining to the addition of stars to the Hollywood Walk of Fame;

Whereas, by May 21, 1975, the date on which Carol Burnett was awarded a star, a total of 99 stars had been added to the original Hollywood Walk of Fame;

Whereas in 1978 the Cultural Heritage Board of the City of Los Angeles designated the Hollywood Walk of Fame as Los Angeles Historic-Cultural Monument Number 194;

Whereas in 1980 entertainer Johnny Grant was awarded a star in the Hollywood Walk of Fame;

Whereas after being awarded the star, Johnny Grant was so enthused about the honor that he involved himself in creating a memorable star ceremony for subsequent star recipients;

Whereas Johnny Grant was the chairman of the Walk of Fame Committee from 1980 until his death in January 2008;

Whereas it was through Johnny Grant's work that the Hollywood Walk of Fame turned into an international icon;

Whereas in 1984, under Johnny Grant's leadership, a fifth category of star, live theater, was added to allow individuals who excelled in all types of live performance to be considered for stars in the Hollywood Walk of Fame;

Whereas when constructed the Hollywood Walk of Fame was designed to accommodate 2,518 stars and by the 1990s space in the most popular areas was difficult to find;

Whereas Johnny Grant approved the creation of a second row of stars in the Hollywood Walk of Fame that would alternate with existing stars;

Whereas, on February 1, 1994, the Hollywood Walk of Fame was extended one block to the west from Sycamore Avenue to La Brea Avenue on Hollywood Boulevard;

Whereas, on February 1, 1994, Sophia Loren was honored with the 2,000th star in the Hollywood Walk of Fame;

Whereas the Hollywood Walk of Fame is a top visitor attraction in the City of Los Angeles; and

Whereas today an average of two stars are added to the Hollywood Walk of Fame each month: Now, therefore, be it

Resolved, That the House of Representatives commends and congratulates the Hollywood Walk of Fame on the occasion of its 50th anniversary.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from California (Ms. WATSON) and the gentleman from Utah (Mr. CHAFFETZ) each will control 20 minutes.

The Chair recognizes the gentlewoman from California.

GENERAL LEAVE

Ms. WATSON. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on the resolution under consideration.

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

There was no objection.

Ms. WATSON. Madam Speaker, I rise in strong support of this resolution, and I yield myself such time as I may consume.

Madam Speaker, I am grateful for the opportunity to speak today and to vote for H. Res. 1357, a bill I introduced to honor one of the most well-known historical landmarks in the world, the Hollywood Walk of Fame.

For 50 years, the Hollywood Walk of Fame has existed as a tribute to those who have contributed to the unparalleled success of America's entertainment industry. As the chairwoman of the Congressional Entertainment Industries Caucus and a Representative from the City of Los Angeles, I am uniquely aware of the role Hollywood has played in presenting the values, the culture, and the creativity of the United States to audiences around the world. Across the globe, Hollywood means glamour and excitement, and in our district it also means solid jobs and revenue.

In 1953, E.M. Stuart, the president of the Hollywood Chamber of Commerce, came up with the idea of creating the Hollywood Walk of Fame as a tribute to the industry, and on March 28, 1960, filmmaker Stanley Kramer was awarded the first star. Fifty years later, an average of two stars are added each month, and the Walk of Fame has become one of the top visitor attractions in the City of Los Angeles and also a destination in the United States.

I was proud to submit H. Res. 1357 to recognize this important cultural landmark, and I urge my colleagues to vote in support of the resolution.

Madam Speaker, I reserve the balance of my time.

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

Madam Speaker, I need to stand in opposition to this. Certainly, the Hollywood Walk of Fame has provided enjoyment for untold numbers of people. It's a great destination. Hollywood is certainly a unique treasure that is unique to the United States of America and specifically southern California.

To my colleagues who wholeheartedly support and endorse and stand behind this resolution, maybe I'm a wet bucket of water on a parade; but I've got to tell you, I just don't feel like it's the proper role of the United States Congress to recognize the Hollywood Walk of Fame on its 50th anniversary.

There are plenty of ways to recognize and to thank and congratulate the stars of Hollywood and the impact that they've had on the American ideal and the American entertainment industry. I just don't feel like it's the proper role of the United States Congress to do this, with all due respect. Recognizing educators, absolutely. We're about to recognize Flag Day, of course. Hollywood Walk of Fame? Maybe not so much.

So with all due respect to the 50-plus colleagues on both sides of the aisle that have supported this resolution, I, for one, as a Representative of the United States Congress, simply cannot stand here and voice my support that this is a good use of the Congress' time.

I reserve the balance of my time.

Ms. WATSON. Madam Speaker, I am now proud to yield such time as he may consume to my good friend, my distinguished friend from the State of New York, Representative TOWNS.

Mr. TOWNS. I would like to thank the chair of the subcommittee for yielding time to me because I wanted to respond to a couple of things that my good friend on the other side of the aisle said. First of all, I know him. I know that he's a very dedicated and committed human being—and of course outstanding kicker in his day, and of course set records as a kicker. I think that he probably misunderstood what this bill is named. It's the Hollywood ''Walk'' of Fame. I want to make certain that he understands that. And many people who have walked there have contributed so much to society, contributed so much to organizations.

When you look back and you see in terms of the contributions that these people have made, then I think that my colleague would probably review it and probably would withdraw his objections. When you look at the amount of money they've given to breast cancer, when you look at the amount of money they've given to AIDS and all these diseases that we need to do extensive research on, that people that have walked these streets and walked the Hollywood Walk of Fame, when we think about the things that they've done, then I really feel that if he did, he would say wait a minute.

You know, every now and then we make a mistake or we say some things that we wish we had not said, and I think this is the situation now with my colleague because if you think about the Hollywood Walk of Fame and the contributions of the people that are listed on the Hollywood Walk of Fame, then I really feel that he would join us in supporting this legislation.

On that note, I ask my good friend on the other side of the aisle to reconsider.

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

Madam Speaker, Chairman TOWNS is one of my favorite people. I have really come to grow and appreciate him; I just happen to disagree with him on this.

There are a lot of people on the Hollywood Walk of Fame who have done some amazing and great things, and for that they should be congratulated, but not necessarily from the United States Congress. There are a whole lot of people on that Walk of Fame we probably shouldn't recognize in any way, shape or form.

The point I'm trying to make is there is a certain segment of our population, from the entertainment industry and those involved in sports, that gets more adulation from the public than they could possibly take, and yet we have true heroes, real heroes who don't get an ounce of appreciation from this body that really do deserve it.

The other day I was watching television—this was just recently—and there was a National Guardsman who pulled around a corner—and I can't remember what State it was, I want to say it was the State of Washington, but I could be wrong on that. All of a sudden, there was a truck that had overturned in a river, and suddenly this guy found himself in a situation where there is somebody who is struggling for his life. He and a few other people, just citizens who woke up that morning and had no idea that they were going to be the heroes that day, went down that river, they smashed open that window, they grabbed a rope and saved this person's life. Where are the recognitions for those true heroes?

I don't think Sophia Loren needs any more congratulations from the United States Congress. And as important as it is to the economy in southern California—I've got an amusement park in northern Utah called the Lagoon. I'm not coming to the United States Congress asking for recognition of it.

Mr. TOWNS. Will the gentleman yield?

Mr. CHAFFETZ. Sure, I would be happy to yield.

Mr. TOWNS. When I think about the Hollywood Walk of Fame, I think about the man who signed the Martin Luther King Holiday bill by the name of Ronald Reagan. He's on the Hollywood Walk of Fame. I just want the gentleman to know that.

Mr. CHAFFETZ. Reclaiming my time, good point. I'm happy to recognize Ronald Reagan, and I appreciate your support. I'll bring a resolution at some point recognizing Ronald Reagan. There's a corner worth standing on. Thank you, Mr. Chairman.

Look, these issues come before the United States Congress. I think there is a time and a place to recognize significant achievements within the United States of America. I am going to ask for a recorded vote on this. It will be an interesting question.

My point is, the economy is struggling; we've got real issues out there. Like I said, there is a time and a place to make these kinds of recognitions. I just don't know that this rises to the same level as recognizing teachers or nurses who hold people's hand as they are there in the final days of their lives.

There are a lot of things that I think we could unanimously look at and recognize. I, for one, don't think that Hollywood needs more recognition. And with all due respect, I, for one, at least will be voting against this resolution.

Madam Speaker, I reserve the balance of my time.

Ms. WATSON. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I proudly come before this body representing the United States members from all over this country because I think Hollywood reflects who we are as a people. And I heard and I am so pleased that my colleague, Representative TOWNS, mentioned that the legendary and iconic President, Ronald Reagan, has a star on the Walk of Fame. I also want everyone listening to know, Madam Speaker, that Senator Fred Thompson, who was a star of a crime series over a period of years, has a star on the Walk of Fame and even ran for President of the United States. And I want you to know, Madam Speaker and my colleagues, that Governor Arnold Schwarzenegger, The Terminator, has a star on the walk of fame. He is a Republican and proudly serves as a Republican. He represents the great State of California where Hollywood is.

I want you to know that I recently took down to South Africa, Madam Speaker, a project named after a gentleman who was the face of Hollywood, because I was told several years ago that they were getting ready to close the Rosa Parks Library and Information in Cape Town South Africa. That is the information center attached to our embassy, the U.S. Embassy. They were going to close it down because they said the Cold War was over.

□ 1415

So I took 100 of America's best and loved films, films which are loved all over the world, which show our principles, our values, our beliefs, and our humanity, because everyone is influenced by our movies.

I also want to say, Madam Speaker, that, as our image has been tarnished, I feel that our classic movies and the people who starred in those movies, who have stars on the Walk of Fame, could be recognized in other countries and could help improve our image.

So I would hope that all Members, Madam Speaker, recognize that they represent the people of America, and I would hope that the Members here will vote to support an industry that really speaks to the world about our mores, our principles, our great talents, and our arts. It is an industry that speaks proudly and distinctly to the rest of the world. So I would hope that we would have, really, a unanimous vote on celebrating, through this resolution, the Walk of Fame.

I have no further requests for time, and I reserve the balance of my time.

Mr. CHAFFETZ. I yield myself such time as I may consume.

Madam Speaker, look, there are lots of reasons America and the world like Hollywood. I just don't believe, in my heart of hearts, that the United States Congress, in a resolution by the House of Representatives, is the right way to recognize the Hollywood Walk of Fame.

From my vantage point, you certainly don't look to the Hollywood Walk of Fame or to Hollywood in general for the principles and values that are representative of the United States of America. That Paul Reubens' Pee-wee Herman has a star on the Hollywood Walk of Fame is a far cry from Ronald Reagan's having a star.

Again, I am just one voice here in this body, but I've got to tell you, as to the people I represent, I'll have a hard time going back to them, saying, You know what? I did the work of the people, and I'm back there, spending the people's money, and we recognized the Hollywood Walk of Fame. I just can't do it.

Again, with all due respect, there are a lot of good Members back there, and that might be an interesting debate to take the few thousand people and go back and forth. I'm going to start with Paul Reubens, and I appreciate your starting with Ronald Reagan. Somewhere in between is probably the right answer.

We need to get on with the Nation's business, with the debt and with the other crises that we are dealing with. That is my point with this, Madam Speaker. I won't take any more of the people's time.

I yield back the balance of my time.

Ms. WATSON. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California (Ms. WATSON) that the House suspend the rules and agree to the resolution, H. Res. 1357.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

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

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

SUPPORTING GOALS AND IDEALS OF FLAG DAY

Ms. WATSON. Madam Speaker, I move to suspend the rules and agree to the resolution (H. Res. 1429) celebrating the symbol of the United States flag and supporting the goals and ideals of Flag Day.

The Clerk read the title of the resolution.

The text of the resolution is as follows:

H. RES. 1429

Whereas Flag Day is celebrated annually on June 14, the anniversary of the official adoption of the American flag by the Continental Congress in 1777;

Whereas, on June 14, 1777, in order to establish an official flag for the new Nation, the Continental Congress passed the first Flag Act, which stated, ''Resolved, That the flag of the United States be made of thirteen stripes, alternate red and white; that the union be thirteen stars, white in a blue field, representing a new Constellation'';

Whereas the second Flag Act, signed January 13, 1794, provided for 15 stripes and 15 stars after May 1795;

Whereas the Act of April 4, 1818, which provided for 13 stripes and one star for each State, to be added to the flag on July 4 following the admission of each new State, was signed by President James Monroe;

Whereas in an Executive order dated June 24, 1912, President William Howard Taft established the proportions of the flag and provided for arrangement of the stars in 6 horizontal rows of 8 each, a single point of each star to be upward;

Whereas in an Executive order dated January 3, 1959, President Dwight D. Eisenhower provided for the arrangement of the stars in 9 rows staggered horizontally and 11 rows of stars staggered vertically;

Whereas the first celebration of the American flag is believed to have been introduced by Bernard Cigrand, a Wisconsin school teacher, who arranged for his pupils at Stony Hill School in Waubeka to celebrate June 14 as ''Flag Birthday'' in 1885;

Whereas, on June 14, 1894, the Governor of New York ordered that the American flag be displayed at all public buildings in the State, prompting many State and local governments to begin observing Flag Day;

Whereas President Woodrow Wilson proclaimed the first nationwide Flag Day in 1916;

Whereas in 1947, President Harry S. Truman signed legislation requesting National Flag Day be observed annually;

Whereas the United States flag is a symbol of our great Nation and its ideals;

Whereas in times of national crisis, Americans look to the United States flag as a symbol of hope, courage, and freedom;

Whereas the United States flag is universally honored;

Whereas the United States flag honors the men and women of the Armed Forces who have given their life in the defense of the United States;

Whereas the United States flag serves as a treasured symbol of the loss of loved ones to the countless families of those who died in defense of our Nation; and

Whereas June 14, 2010, is recognized as Flag Day: Now, therefore, be it

Resolved, That the House of Representatives celebrates the United States flag and supports the goals and ideals of Flag Day.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from California (Ms. WATSON) and the gentleman from Utah (Mr. CHAFFETZ) each will control 20 minutes.

The Chair recognizes the gentlewoman from California.

GENERAL LEAVE

Ms. WATSON. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks.

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

There was no objection.

Ms. WATSON. I yield myself such time as I may consume.

Madam Speaker, H. Res. 1429 celebrates our Nation's most enduring symbol: the American flag. With this resolution, this Chamber expresses its support for the annual recognition of Flag Day.

The gentleman from Ohio, Representative ROBERT LATTA, introduced H. Res. 420 on June 9, 2010. It was referred to the Committee on Oversight and Government Reform, which waived consideration of the bill to expedite its consideration on the floor today.

We celebrate Flag Day on June 14, the anniversary of the Continental Congress' passage of the first Flag Act in 1777. The flag is our symbol—a symbol of hope, courage, and freedom. All around the world, it represents the American people and our highest ideals. We, the people, have always looked to our flag as a symbol of hope, courage, and freedom, and for over 100 years, we have celebrated it each June.

As stated in this bill, the first celebration of the American flag is believed to have been introduced by Bernard Cigrand, a Wisconsin schoolteacher, who arranged for his pupils to celebrate June 14 as Flag Day in 1885. In 1947, President Truman signed legislation requesting that Flag Day be observed nationally each year, formalizing the tradition of annual Flag Day celebrations.

The flag honors the countless men and women of the Armed Forces who have died serving to defend the United States. It is a lasting symbol of their sacrifice. As public servants, we rightly pledge our allegiance to the flag each day as do millions of Americans.

As we remember who we serve here in this Chamber, the flag stands before the entire world as a symbol of our shared values, our hopes, our aspirations, and our ideals each day of the year, and I am glad that we take this time each June to celebrate that fact.

Madam Speaker, I reserve the balance of my time.

Mr. CHAFFETZ. Madam Speaker, I yield such time as he may consume to the sponsor of this legislation, the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. I thank the gentleman from Utah for yielding.

Madam Speaker, I am pleased to stand before you today in support of House Resolution 1429. This resolution celebrates the symbol of the United States, and it supports the goals and ideals of Flag Day.

Flag Day is celebrated on June 14, which was the anniversary of the official adoption of the American flag by the Continental Congress in 1777. This was done by the first Flag Act, which stated, ''Resolved, that the flag of the United States be made of 13 stripes, alternating red and white, that the Union be 13 stars, white in a blue field, representing a new constellation.''

Since 1777, our flag's design has been altered three times under Executive orders, rearranging the design of the stars and the stripes each time a State was added.

To reiterate what the gentlewoman has stated, the first celebration of Flag Day is believed to have been introduced by Bernard Cigrand, a Wisconsin schoolteacher, who arranged for his students at Stony Hill School to celebrate June 14 as Flag Birthday in 1885.

President Woodrow Wilson proclaimed the first nationwide Flag Day in 1916. In 1947, President Harry Truman signed legislation requesting National Flag Day be observed annually.

Flag Day is an important holiday as our flag is the official symbol for our great Nation and its ideals. Our flag serves as a beacon of hope, courage, and freedom during times of crisis and triumph alike.

The flag honors the men and women of the Armed Forces who have paid the ultimate sacrifice in defending the United States, and it serves as a symbol to those families who have lost loved ones while defending our Nation.

Madam Speaker, it is with great honor that I ask for unanimous consent on H. Res. 1429 as we celebrate our Nation's flag.

Ms. WATSON. I yield myself such time as I may consume.

Madam Speaker, each one of our States proudly flies its own flag, but the flag that reigns supreme flies above ours. In each one of our offices here in the Capitol, we have the flags from our States or from our territories and the flag of the United States.

I proudly say that the flag of California has a bear on it because we are the last frontier, and the strength of the bear represents the strength of our State. Also, current Governor Arnold Schwarzenegger is one of those who serves under the California flag, and he has his star on the Walk of Fame.

So I am so proud that the flag that the Speaker stands in front of in this Chamber and that adorns this Chamber is the flag that we celebrate. Every single American and every single person who lives in our country pays homage to our flag by flying it high.

I again urge all of my colleagues, Madam Speaker, to join me in supporting this measure.

I reserve the balance of my time.

Mr. CHAFFETZ. I yield myself such time as I may consume.

All right. Now, this bill is actually something I can get excited about and that I'm sure we can be in unison on. So I hope Chairman TOWNS, wherever he might be, hears that loud and clear.

Madam Speaker, I rise today in support of House Resolution 1429, celebrating the symbol of the United States flag and supporting the goals and ideals of Flag Day.

The American flag has been our national symbol for 233 years, and it remains a symbol of freedom wherever it is flown. Since 1777, when the Second Continental Congress adopted the Stars and Stripes, our flag has stood for liberty and justice.

Flag Day was first celebrated throughout the country in 1885, as one early supporter, Bernard Cigrand, a Wisconsin schoolteacher, wanted June 14 to be known as ''Flag Birthday.'' The idea quickly caught on, and many people wanted to participate. In 1894, the Governor of New York asked that all public buildings fly the flag on June 14 to begin observing Flag Day. In 1916, President Woodrow Wilson proclaimed Flag Day as a national celebration. However, the holiday was not officially recognized until 1949 when President Harry Truman signed the National Flag Day bill.

Since the beginning of our Republic, Americans have flown the flag to show their appreciation and pride for this great Nation. Every day, Americans pledge their allegiance to the flag, and our troops carry the flag as they defend the liberties for which it stands. On Flag Day, we remember the importance of our oldest national symbols, and we reflect on the loss of loved ones who died in defense of our Nation.

Let us pledge allegiance to this flag, to declare our patriotism and to raise its colors high to express our pride and respect for the American way of life and for the freedom that it represents.

Madam Speaker, I urge my colleagues to support this resolution, and I yield back the balance of my time.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California (Ms. WATSON) that the House suspend the rules and agree to the resolution, H. Res. 1429.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Ms. WATSON. Madam 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 and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1430

GOVERNMENT EFFICIENCY, EFFECTIVENESS, AND PERFORMANCE IMPROVEMENT ACT OF 2010

Ms. WATSON. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 2142) to require the review of Government programs at least once every 5 years for purposes of assessing their performance and improving their operations, and to establish the Performance Improvement Council, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2142

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Government Efficiency, Effectiveness, and Performance Improvement Act of 2010''.

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

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds the following:

(1) Weaknesses in established management processes pertaining to the use of information about the performance of Federal agencies undermine the confidence of the American people in the Government and reduce the Federal Government's ability to adequately address public needs.

(2) To restore the confidence of the American people in its Government and to increase the Federal Government's ability to adequately address vital public needs, the Federal Government must continually seek to improve the effectiveness, efficiency, and accountability of Federal programs.

(3) With the passage of the Government Performance and Results Act of 1993, Congress directed the executive branch to seek improvements in the performance and accountability of Federal programs by having agencies focus on strategic objectives and annual results.

(4) The requirements of the Government Performance and Results Act of 1993 have produced an infrastructure of outcome-oriented strategic plans, performance measures, and accountability reporting that serve as a solid foundation for agencies working with Congress to achieve long-term strategic goals and improve the performance of Federal programs; use of those plans and reports to improve outcomes has, however, been limited.

(5) Congressional policy making, spending decisions, and program oversight have been handicapped by insufficient attention to program performance and results.

(6) While improvements have been made in the development of outcome-oriented strategic plans, performance measures, and accountability reporting for individual programs, progress is still needed to ensure that agency leaders, employees, and delivery partners regularly use performance information to improve the effectiveness and efficiency of government operations and to communicate performance information coherently and candidly to inform congressional decision-making in conducting program authorization, appropriation, and oversight.

(7) Regular performance assessments, complemented by periodic assessments of Federal programs, provide critical information on whether programs are achieving specific performance objectives, help Congress and the executive branch identify the most pressing policy and program issues, and determine if specific legislative, operational, financial, or strategic reforms are needed to increase program effectiveness and efficiency.

(8) Programs performing similar or duplicative functions within a single agency or across multiple agencies should be identified and their performance and results shared among all such programs to improve coordination or possible consolidation and, ultimately, performance and results.

(9) The performance reporting requirements of the Government Performance and Results Act of 1993, along with individual performance and accountability reporting requirements contained in legislation, are in some cases redundant, and steps should be taken to eliminate duplicative performance policies and to streamline outdated and unused reports.

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To improve the Government Performance and Results Act of 1993 by implementing performance assessment processes that seek to assess Federal programs on a periodic basis with a particular focus on the following:

(A) Identification by agency leaders of clear priorities and setting of outcome-focused, measurable, ambitious targets for those priorities.

(B) Regular goal-focused, data driven performance assessments to measure progress and adjust strategies.

(C) Accountability expectations that encourage managers to innovate, informed by evidence and analysis of experience.

(D) Transparent, coherent, and candid communication of results.

(2) To use relevant performance and related information to help agencies make informed management decisions, improve the effectiveness of agency and program operations (particularly for those programs, projects, and activities that are deemed poorly performing), and submit funding requests based on evidence and other relevant information.

(3) To provide congressional policy makers with information needed to conduct more effective oversight and assist in the improvement of agency operations, and to make performance-informed and results-based authorization and appropriation decisions that improve the effectiveness of program operations.

(4) To establish the Performance Improvement Council as a body that will assist in the development of performance measurement and management standards and assessment methodologies, identify best practices in Federal performance management, facilitate the exchange of information among agencies on these practices, and collaborate on and strengthen the effectiveness of agency performance improvement efforts.

(5) To establish agency performance improvement officers to institutionalize and enhance the strategic and performance management activities of Federal agencies.

SEC. 3. AGENCY DEFINED.

In this Act, the term ''agency'' means an executive agency as defined in section 306 of title 5, United States Code.

SEC. 4. SENSE OF CONGRESS REGARDING THE NEED FOR INCREASED CONSULTATION BETWEEN CONGRESS AND FEDERAL AGENCIES ON PERFORMANCE MANAGEMENT ISSUES.

It is the sense of Congress that the head of each Federal agency should make every effort to consult with the committees with jurisdiction over the agency and other interested members of Congress each fiscal year regarding the performance plan and priorities of the agency (required by sections 1115 and 1120 of title 31, United States Code).

SEC. 5. PERFORMANCE ASSESSMENTS.

(a) REQUIREMENT FOR PERFORMANCE ASSESSMENTS.—Chapter 11 of title 31, United States Code, is amended by adding at the end the following new section:

''§ 1120. Performance assessments

''(a) IDENTIFICATION OF HIGH-PRIORITY PERFORMANCE GOALS.—For the purpose of improving agency performance, the head of each Federal agency, in consultation with the Director of the Office of Management and Budget, shall identify near-term and long-term high-priority goals for purposes of this section. In identifying such goals, the head of the agency shall—

''(1) rely on the agency's mission, strategic plan and objectives, and statutory directives;

''(2) consult with Congress, including each appropriate committee of Congress;

''(3) select goals that—

''(A) clearly identify agency priorities and have performance outcomes that can be clearly and objectively assessed and measured;

''(B) are ambitious targets that have high direct value to the public;

''(C) involve indicators for which the agency can collect reliable and timely data that may be used in performance assessments to measure progress and adjust strategies; and

''(D) involve multiple programs, including programs within and across multiple agencies that are performing similar functions, serve similar populations, have similar purposes, or share common objectives, for purposes of identifying common challenges, exemplary goals and practices, common measures of performance, and potential opportunities for more effective and efficient means of achieving goals, including through the integration and consolidation of Federal functions; and

''(4) with respect to a subcomponent of the agency, ensure the goals are consistent with the goals of the entire agency.

''(b) PERFORMANCE ASSESSMENTS.—The head of each Federal agency, in consultation with the Director of the Office of Management and Budget, shall, not less often than quarterly for high-priority goals identified in subsection (a), and on a semi-annual basis for performance goals established pursuant to section 1115(a)(1) of this title—

''(1) assess progress toward achieving the goals identified under subsection (a) and toward achieving the annual performance goals for each program activity established pursuant to section 1115(a)(1) of this title;

''(2) assess whether relevant agency programs and initiatives are contributing as expected toward the goals identified under subsection (a) and the annual performance goals for each program activity established pursuant to section 1115(a)(1) of this title; and

''(3) identify prospects and strategies for performance improvement, including any needed changes to agency programs or initiatives.

''(c) PERFORMANCE ASSESSMENT REQUIREMENTS.—In conducting an assessment of agency progress toward achieving the goals identified under subsection (a) and toward achieving the annual performance goals for each program activity established pursuant to section 1115(a)(1) of this title, the head of a Federal agency, in consultation with the Director of the Office of Management and Budget, shall—

''(1) coordinate with relevant personnel within and outside the agency who contribute to the accomplishment of the goals; and

''(2) encourage innovation and hold leaders and managers accountable for effective and efficient implementation based on evidence and continuing analysis of experience.

''(d) TRANSPARENCY OF GOALS AND PERFORMANCE ASSESSMENTS.—The Director of the Office of Management and Budget shall—

''(1) make available, as part of the President's budget submission and through the Office of Management and Budget website and other relevant websites, and provide to the congressional committees described in subsection (i)—

''(A) a list of goals identified under subsection (a) and reviewed by the Director;

''(B) consistent with section 1115 of this title, annual goals defined by objectively measurable outcomes for each program administered in whole or in part by the agency;

''(C) the methods that will be used to make progress toward achieving the goals identified under subparagraphs (A) and (B);

''(D) the expected contribution that different agency programs and initiatives will make toward achieving the goals identified under subparagraphs (A) and (B) and the expected timeline for achieving those goals; and

''(E) the approach that will be used by agencies to assess progress toward achieving the goals identified under subparagraphs (A) and (B);

''(2) provide a mechanism for interested persons, including the general public and members and committees of Congress, to submit comments on the goals being assessed under subsection (a) and the annual performance goals for each program activity established pursuant to section 1115(a)(1) of this title and the methods that will be used to make progress toward achieving those goals;

''(3) provide a mechanism for agency delivery to and consideration of comments provided under paragraph (2) by each relevant agency and adjustment of goals under subsection (a) and the annual performance goals for each program activity established pursuant to section 1115(a)(1) of this title based on the comments, with approval of the Director; and

''(4) make available through the Office of Management and Budget website a summary of comments received under paragraph (2), any adjustment of goals under paragraph (3), and any changes to goals required by the Office of Management and Budget.

''(e) TRANSPARENCY OF PERFORMANCE RESULTS.—(1) The head of an agency shall ensure that all results of the assessments conducted under this section by the agency during a fiscal year shall be readily accessible to and easily found on the Internet by the public and members and committees of Congress in a searchable, machine readable format, in accordance with guidance provided by the Director of the Office of Management and Budget that ensures such information is provided in a way that presents a coherent picture of the performance of Federal agencies. At a minimum, the results of the assessments conducted under this section shall be available on the website of the Office of Management and Budget and also may be made available on any other website considered appropriate by the agency or the Director. The Director shall also notify the appropriate committees of Congress when quarterly assessments become available on the Internet.

''(2) The performance information related to the assessments of goals in this section and section 1115 of this title shall—

''(A) include—

''(i) a brief summary of the problem or opportunity being addressed and reasons for identifying these agency goals as well as key findings of the assessments;

''(ii) a list of each program and agency contributing to achievement of the goal and the time frame for such contributions;

''(iii) an assessment of the quality of the performance measures, and the extent to which necessary performance data are collected;

''(iv) a description of how leaders and managers are held accountable for achieving program results, and the extent to which strong financial management tools are in place;

''(v) contextual indicators that provide a sense of external factors that can influence performance trends related to key outcomes;

''(vi) as appropriate, indicators that provide information about the population being served and to the extent possible, the impact on disadvantaged and minority communities and individuals;

''(vii) factors affecting the performance of programs, projects, and activities and how they are impeding or contributing to failures or successes of the programs, projects, and activities, and the reasons for any substantial variation from the targeted level of achievement of the goals;

''(viii) the process used by the agency to assess progress made toward achieving the goals; and

''(ix) such other items and adjustments as may be specified by the Director;

''(B) describe the extent to which any trends, developments, or emerging conditions affect the need to change the mission of programs being carried out to achieve the goal;

''(C) identify, as part of any performance assessment, practices that resulted in positive outcomes, and the key reasons why such practices resulted in positive outcomes; and

''(D) include recommendations for actions to improve results, including opportunities that might exist for the coordination, consolidation, or integration of programs to improve service or generate cost savings.

''(3) The head of each agency shall—

''(A) use, as necessary and appropriate, a variety of assessment methods to support performance assessments, including methods contained in reports from evaluation centers, in assessments by States, and in available Federal program assessments;

''(B) maintain an archive of information required to be disclosed under this section

that is, to the maximum extent practicable, readily available, accessible, and easily found by the public; and

''(C) consider the relevant comments submitted under subsection (d)(2).

''(f) CLASSIFIED INFORMATION.—(1) With respect to performance assessments conducted during a fiscal year that contain classified information, the President shall submit—

''(A) each quarterly performance assessment (including the classified information), to the appropriate committees of Congress; and

''(B) an appendix containing a list of each affected goal and the committees to which a copy of the performance assessment was submitted under subparagraph (A), to the congressional committees described in subsection (i).

''(2) Upon request from a congressional committee described in subsection (i), the Director of the Office of Management and Budget shall provide to the Committee a copy of—

''(A) any performance assessment described in subparagraph (A) of paragraph (1) (including any assessment not listed in any appendix submitted under subparagraph (B) of such paragraph); and

''(B) any appendix described in subparagraph (B) of paragraph (1).

''(3) In this subsection, the term 'classified information' refers to matters described in section 552(b)(1)(A) of title 5.

''(g) INHERENTLY GOVERNMENTAL FUNCTIONS.—The functions and activities authorized or required by this section shall be considered inherently governmental functions and shall be performed only by Federal employees.

''(h) REPORT STREAMLINING.—To eliminate redundancy, the head of an agency may determine each year, subject to the approval of the Director of the Office of Management and Budget and provided that it meets the requirements of this section and sections 1115, 1116, 1117, 1121, and the first 9703 of this title, that the performance information provided to the public on the Internet is sufficient to meet the planning and reporting requirements of such sections.

''(i) CONGRESSIONAL COMMITTEES.—The congressional committees described in this subsection are the following:

''(1) The Committee on Oversight and Government Reform of the House of Representatives.

''(2) The Committee on Homeland Security and Governmental Affairs of the Senate.

''(3) The Committees on Appropriations of the House of Representatives and the Senate.

''(4) The Committees on the Budget of the House of Representatives and the Senate.

''(j) DEFINITIONS.—In this section:

''(1) AGENCY PERFORMANCE IMPROVEMENT OFFICER.—The term 'agency performance improvement officer' means a senior executive of an agency who is designated by the head of the agency, and reports to the head of the agency, the agency Deputy Secretary, or such other agency official designated by the head of the agency, to carry out the requirements of this section.

''(2) PERFORMANCE INFORMATION.—The term 'performance information' means the results of assessments conducted under this section.

''(k) CONSTRUCTION.—Nothing in this section shall be construed as requiring the head of an agency to perform impact evaluations that estimate quantitatively, for one or more variables, the effect a program or policy had compared to what may have otherwise happened.''.

(b) PERFORMANCE ASSESSMENTS TO BE CONSIDERED IN EVALUATING SENIOR EXECUTIVES.—Section 4313 of title 5, United States Code, is amended (in the matter before paragraph (1)) by striking ''organizational performance,'' and inserting the following: ''organizational performance (including such reviews of agency performance, conducted under section 1120 of title 31, as are relevant),''.

(c) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 11 of title 31, United States Code, is amended by adding at the end the following:

''1120. Performance assessments.''.

SEC. 6. STRATEGIC PLANNING AMENDMENTS.

(a) CHANGE IN DEADLINE FOR STRATEGIC PLAN.—Subsection (a) of section 306 of title 5, United States Code, is amended by striking ''No later than September 30, 1997,'' and inserting ''Not later than September 30 of the second year following a year in which an election for President occurs, beginning with September 30, 2010,''.

(b) CHANGE IN PERIOD OF COVERAGE OF STRATEGIC PLAN.—Subsection (b) of section 306 of title 5, United States Code, is amended to read as follows:

''(b) Each strategic plan shall cover the four-year period beginning on October 1 of the second year following a year in which an election for President occurs.''.

SEC. 7. IMPROVING GOVERNMENT PERFORMANCE.

(a) IMPROVING GOVERNMENT PERFORMANCE.—Chapter 11 of title 31, United States Code, as amended by section 5, is further amended by adding at the end the following new section:

''§ 1121. Improving Government performance

''(a) DUTIES OF AGENCY PERFORMANCE IMPROVEMENT OFFICERS.—Subject to the direction of the head of the agency, each agency performance improvement officer shall—

''(1) advise and assist the head of the executive agency and other agency officials to ensure that the mission of the executive agency is achieved through performance planning, measurement, analysis, and regular assessment of progress, including the requirements of this section and sections 1115, 1116, 1117, 1120, and the first 9703 of this title and section 306 of title 5;

''(2) advise the head of the agency on the selection of agency goals, including opportunities to collaborate with other agencies on common goals, and on whether—

''(A) the performance targets required under section 1115 of this title and the strategic plans required under section 306 of title 5 are—

''(i) sufficiently aggressive toward full achievement of the purposes of the agency; and

''(ii) realistic in light of authority and resources provided for operations; and

''(B) means for measurement of progress toward achievement of the goals are sufficiently rigorous, aligned to outcomes, useful, and accurate as appropriate to the intended use of the measures;

''(3) support the head of the agency, agency Deputy Secretary, or such other agency senior official designated by the head of the agency in the conduct of at least quarterly performance assessments, while strengthening the performance management activities of the entire agency (including subcomponents) through at least quarterly performance assessments to—

''(A) assess progress toward achievement of the goals administered in whole or in part by the agency, as well as any goals common to that agency and other agencies;

''(B) identify factors affecting progress and benchmarking comparisons;

''(C) consider actions to improve the performance and efficiency of programs, projects, and activities; and

''(D) hold leaders and managers accountable for effective and efficient implementation and for adjusting agency actions based on evolving evidence;

''(4) assist the head of the agency in the development and use within the agency of performance measures in personnel performance appraisals, and, as appropriate, other agency personnel and planning processes and assessments;

''(5) assist the head of the agency in overseeing the implementation required under section 1120 of this title;

''(6) ensure that agency progress toward achievement of all goals is communicated to leaders, managers, and employees in the agency and Congress, and made public on the Internet; and

''(7) provide training for agency managers, program directors, supervisors, and employees on how to use performance targets, measure key performance indicators, assess programs, and analyze data to improve performance.

''(b) ESTABLISHMENT AND OPERATION OF PERFORMANCE IMPROVEMENT COUNCIL.—

''(1) There is established in the executive branch a Performance Improvement Council.

''(2) The Performance Improvement Council shall consist exclusively of—

''(A) the Deputy Director for Management of the Office of Management and Budget, who shall serve as Chair;

''(B) such agency performance improvement officers as determined appropriate by the Chair; and

''(C) such other permanent employees of an agency as determined appropriate by the Chair in consultation with the agency concerned.

''(3) The Chair or the Chair's designee shall convene and preside at the meetings of the Performance Improvement Council, determine its agenda, direct its work, and establish and direct subgroups of the Performance Improvement Council, as appropriate to deal with particular subject matters.

''(4) To assist in implementing the requirements of sections 1105, 1115, 1116, 1117, 1120, and the first 9703 of this title and section 306 of title 5, the Performance Improvement Council shall—

''(A) develop and submit to the Director of the Office of Management and Budget, or when appropriate to the President through the Director of the Office of Management and Budget, at times and in such formats as the Chair may specify, recommendations concerning—

''(i) performance management policies and requirements;

''(ii) criteria for assessment of program, project, and activity performance; and

''(iii) how the goals required by section 1120(a) of this title can inform the Federal Government performance plan required by section 1105(a)(28) of this title, and lead to improved results from and interagency coordination of programs that perform similar functions;

''(B) facilitate the exchange among agencies of information on performance management, including strategic and annual planning and reporting, to accelerate improvements in performance;

''(C) monitor the performance assessment process required under section 1120 of this title;

''(D) facilitate keeping members and committees of Congress and the public informed, and with such assistance of heads of agencies and agency performance improvement officers as the Director of the Office of Management and Budget may require, provide members and committees of Congress and the public with information on the Internet on how well each agency performs and that serves as a comprehensive source of information on—

''(i) agency strategic plans;

''(ii) annual performance plans and annual performance reports;

''(iii) performance information required under section 1120 (d) of this title;

''(iv) the status of the implementation of performance assessments required under section 1120 of this title;

''(v) relevant impact and process assessments; and

''(vi) consistent with the direction of the head of the agency concerned after consultation with the Director of the Office of Management and Budget, any publicly available reports by the agency's Inspector General concerning agency program performance;

''(E) monitor implementation by agencies of the policy set forth in sections 1115, 1116, 1117, 1120, and the first 9703 of this title and section 306 of title 5 and report thereon from time to time as appropriate to the Director of the Office of Management and Budget, or when appropriate to the President through the Director of the Office of Management and Budget, at such times and in such formats as the Chair may specify, together with any recommendations of the Council for more effective implementation of such policy;

''(F) obtain information and advice, as appropriate, in a manner that seeks individual advice and does not involve collective judgment or consensus advice or deliberation, from—

''(i) State, local, territorial, and tribal officials;

''(ii) representatives of entities or other individuals; and

''(iii) members and committees of Congress;

''(G) coordinate with other interagency management councils; and

''(H) make recommendations to Congress on duplicative, unused, or outdated performance policies or reporting requirements.

''(5)(A) The Administrator of General Services shall provide administrative and other support for the Council to implement this section.

''(B) The heads of agencies shall provide, as appropriate and to the extent permitted by law, such information and assistance as the Chair may request to implement this section.

''(c) ADDITIONAL DUTIES OF THE COUNCIL.—The Council—

''(1) shall develop a website for Federal agency performance information;

''(2) shall link program performance information to program spending information on the website www.USASpending.gov; and

''(3) shall submit a report to Congress on the feasibility of creating a single web-based platform for all Government spending information and all program performance information.''.

(b) GUIDANCE.—Not later than 6 months after the date of the enactment of this Act, the Director of the Office of Management and Budget shall prescribe guidance to implement the requirements of section 1120 and 1121 of title 31, United States Code, as added by subsection (a).

(c) CONFORMING AND CLERICAL AMENDMENTS.—

(1) Section 1115(g) of title 31, United States Code, is amended by striking ''1119'' and inserting ''1121''.

(2) The table of sections at the beginning of chapter 11 of title 31, United States Code, is amended by adding at the end the following:

''1121. Improving Government performance.''.

SEC. 8. ASSESSMENTS AND REPORTS.

(a) ASSESSMENTS.—

(1) IN GENERAL.—No less frequently than the first, third, and fifth year after the date of the enactment of this Act, and thereafter every three years and at such other times as may be requested by Congress, the Comptroller General of the United States shall assess the implementation of this Act by the Director of the Office of Management and Budget and the agencies described in section 901(b) of title 31, United States Code, with emphasis on the matters specified in paragraph (2).

(2) MATTERS TO BE ASSESSED.—The matters to be assessed under paragraph (1) shall include, with respect to the fiscal year covered by the assessment:

(A) Whether the selection of goals, identified pursuant to section 1120(a) of title 31, United States Code, as added by section 5, and established pursuant to section 1115 of such title, is tied to performance outcomes that can be objectively assessed and measured and have a high direct value to the public.

(B) The use of agency performance goals and measures and program assessments to improve performance and ensure taxpayer dollars are spent in an efficient and effective manner, including the need to streamline or enhance Federal programs or initiatives to maximize the likelihood of accomplishing such performance goals.

(C) The use of agency performance goals, identified pursuant to section 1120(a) of title 31, United States Code, as added by section 5, and established pursuant to section 1115 of such title, and measures to clearly communicate performance priorities and results to the public.

(D) How any revision of goals, identified pursuant to section 1120(a) of title 31, United States Code, as added by section 5, and established pursuant to section 1115 of such title, has contributed to the effectiveness of agency and program performance.

(E) The tracking of program performance toward achieving identified goals and the contribution of such tracking to agency performance improvement.

(F) The use of input from Congress and the public in the assessment of programs and in the identification and assessment of goals.

(G) The use of the archive of information referred to in section 1120(e)(3)(B) of title 31, United States Code, to create a coherent, longitudinal picture of the performance of agencies and programs over time.

(H) Best practices of agencies.

(I) Whether the annual performance plan established pursuant to section 1115 of title 31, United States Code, conforms with the requirements for such plans described in paragraphs (1) through (11) of section 1115(a) of such title.

(J) The progress each agency has made in achieving the goals identified pursuant to section 1120(a) of title 31, United States Code, as added by section 5, and established pursuant to section 1115 of such title.

(b) REPORTS.—The Comptroller General shall consult with the Inspectors General when evaluating program and agency performance and shall submit to Congress a report on the results of each assessment conducted under subsection (a). The report shall include a list of recommendations on ways to improve the performance assessment and communication process and the operations of agency performance improvement officers and the Performance Improvement Council.

(c) EFFECTIVENESS ASSESSMENT.—With respect to the assessment conducted under subsection (a) in the third year after the date of the enactment of this Act, the Comptroller General shall include in the report relating to such assessment submitted to Congress under this section the following:

(1) an assessment of the effectiveness of this Act, and the amendments made by this Act;

(2) the impact of this Act on sections 1115, 1116, 1117, and the first 9703 of title 31, United States Code, and section 306 of title 5, United States Code; and

(3) any recommendations for improving the effectiveness of sections 1115, 1116, 1117, and the first 9703 of title 31, United States Code, and section 306 of title 5, United States Code and reducing duplication.

SEC. 9. ADDITIONS TO PERFORMANCE PLAN.

Section 1115(a) of title 31, United States Code, is amended—

(1) in paragraph (5), by striking ''and'';

(2) in paragraph (6), by striking the period and inserting ''; and''; and

(3) by inserting after paragraph (6) the following new paragraphs:

''(7) describe the existence and current scope of the problem that the program is intended to address, defined as an outcome that addresses the needs of the American people, not an input (such as staffing or resources expended) or an intermediate goal (such as teachers or police hired);

''(8) to the extent practicable, take into account the other efforts (if any) being made in Federal, State or local governments or the private sector to address the problem described under paragraph (7) and the relative cost-effectiveness of such efforts;

''(9) if the program is not new, describe the amount of funds expended in the previous year and state the progress made in the previous year toward solving the problem described under paragraph (7), including evidence of whether the problem is increasing, decreasing, or staying the same;

''(10) describe the specific level of improvement expected to be made toward addressing the problem described under paragraph (7); and

''(11) state the long-term goal for the program and when that goal is expected to be achieved or the problem described under paragraph (7) reduced to an acceptable level.''.

SEC. 10. SAVINGS.

Any savings or reductions in expenditures generated by this Act shall be used to offset the costs of implementation of this Act and any additional savings shall be used to offset the deficit.

SEC. 11. FUNDING.

Agencies shall fund the reporting requirements of this Act out of existing budgets and are authorized to make necessary reprogramming of funds.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from California (Ms. WATSON) and the gentleman from Utah (Mr. CHAFFETZ) each will control 20 minutes.

The Chair recognizes the gentlewoman from California.

GENERAL LEAVE

Ms. WATSON. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks.

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

There was no objection.

Ms. WATSON. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise today in strong support of H.R. 2142, the Government Efficiency, Effectiveness, and Performance Improvement Act, by Congressman CUELLAR. In short, I believe the measure before us would strengthen the oversight and policy processes in place for evaluating the effectiveness of agency programs. The issue of performance-based budgeting has been long viewed as the next step

to pursuing a comprehensive framework for managing agency resources and justifying our program funding decisions.

These issues were discussed extensively during the Subcommittee on Government Management, Organization, and Procurement's hearings on H.R. 2142, this past April, as well as during our subcommittee markup on May 5. As a result of these efforts, I believe the bill before us is a more nimble and effective tool for agency performance measurement activity. Developing valuable performance and evaluation criteria is a difficult and time-consuming process, but I believe the bill before us will push our agencies to more ably identify pertinent goals for measuring a program's true value.

I want to thank all the relevant stakeholders who participated in the development of and the modifications to the bill that is before us today. I definitely want to thank Congressman CUELLAR and Chairman TOWNS for their hard work and diligence in the development of H.R. 2142, and I would ask my colleagues to support this measure. I also want to thank the staff for their hard work and the time they have spent trying to bring to the floor this particular very important measure.

With that, Madam Speaker, I reserve the balance of my time.

Mr. CHAFFETZ. Madam Speaker, I yield such time as he may consume to my distinguished colleague from Pennsylvania (Mr. PLATTS).

Mr. PLATTS. Madam Speaker, I rise in strong support of this legislation, which takes important steps to eliminate Federal Government waste and inefficiencies. I served as the chairman of the Oversight and Government Reform Subcommittee on Government Management, Finance, and Accountability for 4 years, where I focused my efforts on making the Federal Government more accountable. My subcommittee held numerous hearings in which, all too often, accounting errors such as overpayment for services or redundant payments were discovered or where programs were not effectively fulfilling their intended mission.

At a time when the national debt is over $13 trillion, it has never been more apparent that the Federal Government must spend tax dollars wisely. Federal programs must be monitored to ensure that our investments are presenting clear results and that those programs that are not performing effectively must be reformed or eliminated.

One of the reasons that we find ourselves in such a substantial debt today is that Federal programs never end. Both high-performing and low-performing programs continue on year after year after year, often with increasing funds. The Federal Government needs a clear evaluation process for each program, the results of which would be used to provide Members of this House with the information needed to determine which programs should continue and which should not.

The legislation we are considering here today, similar to legislation that I introduced in the 108th and 109th Sessions of Congress, would require that all Federal agencies work with the Office of Management and Budget, OMB, to clearly identify outcome-based goals and then submit an action plan to achieve these goals. Agencies would be required to conduct quarterly performance assessments outlining how effectively they are working to meet the stated goals, and all information would be available to Members of the House and Senate and the American people.

In addition the Government Accountability Office, GAO, would be tasked with performing frequent and detailed evaluations outlining how effective each agency has been in achieving their goals. GAO would also assess whether the goals are appropriate and determine if the program is providing direct value to the American people. This impartial review of Federal programs will assure that agencies are being good stewards of our Federal taxpayer dollars.

I strongly commend my colleague, Representative CUELLAR, for introducing this bill to ensure that Federal resources are spent efficiently and that waste is minimized. Now more than ever, while American families are cutting extraneous expenses from their budgets, the Federal Government must do the same. I hope that all of my colleagues will join me in supporting this important effort. I urge a ''yes'' vote.

Ms. WATSON. Madam Speaker, I would now like to yield 2 minutes to the gentleman from Texas (Mr. CUELLAR).

Mr. CUELLAR. Thank you very much, Madam Chair, for the leadership that both you and Chairman TOWNS have provided in the Committee on Oversight and Government Reform, and, of course, your staff that has worked so hard on making sure that we get this passed. My staff also has worked very, very hard on this.

On the committee, also, I certainly want to thank Ranking Member ISSA for his input and for his amendments also that we accepted and, of course, his staff also for getting this work done.

I certainly want to thank the other stakeholders—GAO, CRS, CAP, OMB, the Blue Dog Coalition, and other folks that have worked to make this into a bipartisan bill.

In particular, I want to point out my friend, TODD PLATTS, who has been working on this particular bill the last few sessions, building the foundation. And we went and looked at his bill, looked at some of the other things we were working on, and we put it together as a bipartisan bill.

H.R. 2142 creates a results-oriented government; a government that works with the people in a commonsense concept that emphasizes a couple of things: One, increases government accountability while Federal agencies must identify cost-cutting, outcome-based goals that have a direct impact on the American people; shines light on ineffective Federal programs to root out wasteful spending, where they're held accountable where they have to provide those goals every quarter; and more importantly, senior management will be held accountable for this work.

GAO oversight on the use of taxpayers' dollars to slash wasteful spending requires the GAO to perform frequent, detailed evaluations of the agency implementation of this legislation.

And, finally, if I can say this, it will not add to the Federal deficit. As you know, the CBO says that it does not affect the direct spending or revenues. Moreover, discretionary costs will be offset by saving from a ''more effective management of agency-lowered costs.''

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

Ms. WATSON. I yield the gentleman an additional 15 seconds.

Mr. CUELLAR. Just to conclude, we added some specific language that says, ''Agencies shall fund the reporting requirements of this Act out of the existing budgets and authorized to make any necessary reprogramming of funds.'' So this addresses the issues of Mr. CHAFFETZ and some other folks, and I think this will be a good bill that we can all support in a bipartisan way.

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

We're currently dealing with a stalled economy, high unemployment, record budget deficits, and a debt that seems insurmountable. The challenge this Congress faces cannot be more clear. We must cut wasteful spending. We have to do it. We have no other choice. The Federal Government's spending to reduce our Nation's debt is paramount to our successful future. If we want to be the world's economic and military super power, we're going to have to change the way we do business in Washington, D.C.

Now performance-based budgeting can be an effective tool to do just that. It can make clear what Federal programs are not performing and then spell out what Federal programs are duplicative in nature. But performance-based budgeting dictates that we identify the problem and enact a solution. It's not enough to just recognize there's a problem. Most all of us can step forward and say we're spending too much money. But the core question becomes, What are the changes that we're going to make?

One of the challenges that we see within the bill is that it's not necessarily performance-based budgeting because the question becomes, ultimately, What are you going to do about it? It sets out to diagnosis a problem that we already know exists but does not necessarily follow through and prescribe a cure. We know that there are duplicative and nonperforming Federal programs. We know this. We need to finish the job and actually cut those programs. To be complete, the bill must do just that. In its

current form, this bill does not necessarily help us rein in these programs.

For example, just last week, our Information Policy Subcommittee held a hearing on the National Historical Publications and Records Commission, a program which appears to give grants that are duplicative of grants in the National Archives and Records Administration. I questioned then, and I ask it again today, Why should we continue to fund this duplicative program? It costs the committee nothing to find this duplication, so why, if we cannot trim $10 million of Federal spending without a penny, then why should we authorize $150 million to be spent? What exactly do we expect for it to bring in return?

The Congressional Budget Office estimates that this bill will cause the Federal Government to spend $150 million to determine what many people already know. We have Federal Government programs which are nonperforming and duplicative, but the bill before us leaves wasteful programs intact.

As we came to the floor, one of the amendments that was offered, and I really, truly do appreciate, the sponsor of the bill, Mr. CUELLAR added some language that says, ''Agencies shall fund the reporting requirements of this act out of existing budgets and are authorized to make necessary reprogramming of funds.''

I sincerely appreciate it in every way, shape, or form. This goes a huge way to making this palatable to a lot of conservatives that are concerned about spending an additional $150 million. I still question why it takes so much money for people to just do the jobs that they're supposed to do. But please know the sincerity in which the sponsor is offering this is greatly appreciated in every way, shape, or form. It's done in the right spirit. I think it goes a huge way to causing a lot of people to support this, particularly from the Republican side of the aisle. I cannot thank you enough for the attitude and the approaching and the actual listening to that. For that, we're very thankful.

I do wish that this bill would come under a rule—an open rule. It's hard to believe, but as a freshman in this United States Congress, I will likely go through my entire freshman Congress, the 111th Congress, having never experienced even once an open rule on the floor of the House of Representatives. That's a shame. That's a shame. There should be a way for a mechanism where this bill is brought under a rule, an open rule, where Members on both sides of the aisle can offer amendments and we can vote on those amendments. Unfortunately, that's not going to happen.

We should not necessarily pass a bill that does not have tough enforcement mechanisms. We can and must do better than this. This body must make tough choices to eliminate wasteful government spending. It should not pass legislation with great titles—A-plus on the titles you're giving these bills. They're good. Who's going to vote against efficiency, effectiveness, and performance. But it doesn't necessarily reflect what's in the body of the bill.

□ 1445

My colleague Aaron Schock from Illinois offered a great amendment in the committee that was shot down which would put a sunsetting provision in programs that are not performing. In the previous administration, there was a Web site called expectmore.gov. It did an assessment of programs. It was pushed by the Office of Management and Budget. It had dashboard indicators as to how these programs that were instituted by Congress, how they were performing based on their own set of criteria that was set in advance. It allowed the American people to actually have exposure.

Unfortunately, expectmore.gov under the current administration is no longer maintained. The information is not up to date; and, consequently, the American people do not have access to the information that they do deserve. I would encourage the administration and supporters from both sides of the aisle to reinstitute this Web site.

I want to conclude by quoting Office of Management and Budget director Peter Orszag. On May 24 this year, Mr. Orszag said, ''We should never tolerate taxpayer dollars going to programs that are duplicative or ineffective. Because, especially in this current fiscal environment, we cannot afford this waste.'' He is right. He is absolutely right. We cannot afford to let these programs go on, and Congress needs to step to the plate and do something about it. So I do appreciate the amendment that was offered that will go a long way to getting a lot of different support. I do just wish this bill would come under a rule.

I reserve the balance of my time, Madam Speaker.

Ms. WATSON. Madam Speaker, I yield 3 minutes to the most distinguished chair of the Oversight Committee, the gentleman from New York, Representative EDOLPHUS TOWNS.

Mr. TOWNS. I would like to thank the gentlewoman from California, the subcommittee chair, for yielding time to me.

Madam Speaker, I rise in strong support of this bill, H.R. 2142, and I also would like to thank Congressman CUELLAR for his hard work in making this a reality today and Congressman PLATTS who has worked on this for many, many years. And of course I would like to thank Congressman ISSA who is the ranking member of the committee. We went through consultation, and of course we worked it out, and now we are able to come to this important part and to be able to move this legislation forward, which I think is an excellent bill. And of course the dialogue made it even stronger.

I appreciate the commitment and determination of the gentleman from Texas (Mr. CUELLAR) for advancing this bill and his willingness to work with me, the ranking member of the Oversight Committee, Mr. ISSA, and other members of the committee to make this bill stronger and to make certain that we are here today saying that this bill truly will make a difference. A number of changes were made to this bill during the committee process to address concerns raised by Republican and Democrat members on the committee as well as the Office of Management and Budget and the Government Accountability Office.

H.R. 2142 would improve the efficiency of the Federal Government by requiring each agency to identify ambitious goals and perform frequent performance evaluations. The bill improves the transparency of the performance management process by requiring the results of performance assessments to be made publicly available. The bill provides greater accountability by requiring agencies to consider input from Congress and members of the public and by requiring the Government Accountability Office to perform frequent and detailed evaluations of the agency implementation.

There are a few misconceptions about this bill. Let me just sort of talk to that for a moment. The first misconception is that this bill costs too much money. The truth is that the bill will save the government money. And I want to repeat that: it will save the government money, not cost more money. CBO says that implementing this legislation ''could lead to more effective management of agencies at lower cost.'' So we would be doing a lot for even other agencies.

This bill will make the government more cost effective because it requires agencies to evaluate their performance. This will allow agencies to identify waste and inefficiency and to change what isn't working. This is what successful corporations do regularly, and this is what the government should do as well. This bill requires agencies to create new positions. And on that note, being that I do not have time to yield back, I will say to the gentleman from Texas and the gentleman from Pennsylvania, thank you for this outstanding piece of legislation.

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

I simply just want to note for the record that, quoting from the CBO report of June 7, 2010, regarding H.R. 2142: ''Finally implementing H.R. 2142 could lead to more effective management of government agencies at a lower cost. Any such savings would depend on amounts provided in future appropriations acts.'' I just wanted to note that for the record.

The intention of this is good. I think in a bipartisan way, we want the government to become more efficient. How we do that—well, there are some disagreements, but the intention of this bill I think is a positive one.

With that, I yield back the balance of my time.

Ms. WATSON. Madam Speaker, I yield 2 minutes to the distinguished Member from Florida, Representative ALLEN BOYD.

Mr. BOYD. I thank the gentlelady from California for yielding.

Madam Speaker, as a long-time advocate of restoring fiscal responsibility in Washington, I rise in strong support of H.R. 2142. This is an issue, Madam Speaker, that I have worked on for many years, including my time in the Florida House of Representatives, at which time I personally authored a bill which does many of the same things. We affectionately came to know that bill as performance-based budgeting. Performance-based budgeting, that's a novel idea, isn't it? PB squared, we called it.

As many of you know, I am a member of the Blue Dog Coalition, which was created to focus on these issues. This bill is one step of many that will move us toward these goals of effective and efficient government. H.R. 2142 requires the people closest to the ground that are directly involved in government programs to assess those programs and live up to the goals and standards that have been set for their programs. This is helpful to the Federal agencies. It's helpful to the taxpayer, and it's certainly helpful to Congress in our oversight duty.

Given today's fiscal situation, it is more important now than ever for the Federal Government to be making tough decisions in order to make the most out of every single taxpayer dollar. Each of us, no matter what our political leaning is, should be confident that the programs we support and that serve our constituencies are resulting in the biggest bang for the buck. I want to personally thank Mr. CUELLAR from Texas, who is a fellow member of my Blue Dog task force for introducing this bill, and his partner Mr. TODD PLATTS. I also want to thank Chairman TOWNS, Ranking Member ISSA, and the House leadership for their support of this initiative.

The Congress has taken strides to instill a greater sense of fiscal responsibility over the last year, including enactment of the pay-as-you-go language and the establishment of a fiscal commission. This bill builds on that commitment and seeks to ensure that we are acting as responsibly as possible as stewards of our taxpayer dollars.

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

Ms. WATSON. I yield the gentleman an additional 15 seconds.

Mr. BOYD. Our efforts do not stop here, however. My Blue Dog colleagues and I have unveiled a 15-point blueprint for responsible fiscal reform, and we will continue working to curb spending, eliminate wasteful spending, and move towards a balanced budget. In the meantime, Madam Speaker, I urge a ''yes'' vote on H.R. 2142.

Mr. MATHESON. Madam Speaker, I rise today in support of Congressman CUELLAR's H.R. 2142, the "Government Efficiency, Effectiveness, and Performance Improvement Act of 2009," otherwise known as "Performance-Based Budgeting."

This simple legislation helps ensure the taxpayer is receiving efficient use of government funds by establishing a set of guidelines, tested at the State-level throughout our country, to determine how responsive government agencies are at their stated purposes. By holding agencies accountable, Congress and the American public can know what works, what does not, and what needs to be fixed.

Performance-based budgeting is designed to replicate tools utilized in the private sector to increase the taxpayer's return on investment. By increasing efficiency and cutting unneeded spending this legislation will reduce government waste while providing improved services for the taxpayer.

This system works by developing explicit performance targets, regularly evaluating the results, and developing mechanisms to improve performance. Enveloped within existing oversight mechanisms of the Government Accountability Office, GAO, reviewers will determine if stated goals match real outcomes, examine if taxpayer dollars are spent efficiently, and provide recommendations for improvement. This transparent and fact-based review of government will foster an open dialogue on how taxpayer funds are used.

Madam Speaker, I commend my fellow Blue Dog Coalition member, Representative CUELLAR, for his work on this legislation aimed at reducing government spending, and urge passage of H.R. 2142, the "Government Efficiency, Effectiveness, and Performance Improvement Act of 2009."

Ms. WATSON. Madam Speaker, again, I urge my colleagues to join me in supporting this measure, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California (Ms. WATSON) that the House suspend the rules and pass the bill, H.R. 2142, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: ''A bill to require quarterly performance assessments of Government programs for purposes of assessing agency performance and improvement, and to establish agency performance improvement officers and the Performance Improvement Council.''.

A motion to reconsider was laid on the table.

RECOGNIZING 60TH ANNIVERSARY OF KOREAN WAR

Mr. FALEOMAVAEGA. Madam Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 86) recognizing the 60th anniversary of the outbreak of the Korean War and reaffirming the United States-Korea alliance, as amended.

The Clerk read the title of the joint resolution.

The text of the joint resolution is as follows:

H.J. RES. 86

Whereas, on June 25, 1950, communist North Korea invaded the Republic of Korea with approximately 135,000 troops, thereby initiating the Korean War;

Whereas, on June 27, 1950, President Harry Truman ordered the United States Armed Forces to help the Republic of Korea defend itself against the North Korean invasion;

Whereas United States and Allied forces recaptured the capital city of Seoul on September 28, 1950, after a successful amphibious landing by the Marine Corps at Inchon on September 15, 1950;

Whereas the hostilities ended in a cease-fire marked by the signing of the armistice at Panmunjom on July 27, 1953, and the peninsula still technically remains in a state of war;

Whereas, during the Korean War, approximately 1,789,000 members of the United States Armed Forces served in-theater along with the forces of the Republic of Korea and 20 other members of the United Nations to defend freedom and democracy;

Whereas casualties of the United States during the Korean War included 54,246 dead (of whom 33,739 were battle deaths), more than 92,100 wounded, and approximately 8,176 listed as missing in action or prisoners of war;

Whereas approximately 6,800,000 American men and women served worldwide in the Armed Forces during the entire Korean War era of June 27, 1950, to January 31, 1955;

Whereas the Korean War Veterans Recognition Act (Public Law 111–41) was enacted on July 27, 2009, so that the honorable service and noble sacrifice by members of the United States Armed Forces in the Korean War will never be forgotten;

Whereas President Barack Obama issued a proclamation to designate July 27, 2009, as the National Korean War Veterans Armistice Day and called upon Americans to display flags at half-staff in memory of the Korean War veterans;

Whereas since 1975, the Republic of Korea has invited thousands of American Korean War veterans, including members of the Korean War Veterans Association, to revisit Korea in appreciation for their sacrifices;

Whereas in the 60 years since the outbreak of the Korean War, the Republic of Korea has emerged from a war-torn economy into one of the major economies in the world and one of the largest trading partners of the United States;

Whereas the Republic of Korea is among the closest allies of the United States, having contributed troops in support of United States operations during the Vietnam war, Gulf war, and operations in Iraq and Afghanistan, while also supporting numerous United Nations peacekeeping missions throughout the world;

Whereas since the end of the Korean War era, more than 28,500 members of the United States Armed Forces have served annually in the United States Forces Korea to defend the Republic of Korea against external aggression, and to promote regional peace;

Whereas North Korea's sinking of the South Korean naval ship, Cheonan, on March 26, 2010, which resulted in the killing of 46 sailors, necessitates a reaffirmation of the United States-Korea alliance in safeguarding the stability of the Korean Peninsula;

Whereas from the ashes of war and the sharing of spilled blood on the battlefield, the United States and the Republic of Korea have continuously stood shoulder-to-shoulder to promote and defend international peace and security, economic prosperity, human rights, and the rule of law both on the Korean Peninsula and beyond; and

Whereas beginning in June 2010, various ceremonies are being planned in the United

States and the Republic of Korea to commemorate the 60th anniversary of the outbreak of the Korean War and to honor all Korean War veterans: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress—

(1) recognizes the historical importance of the 60th anniversary of the outbreak of the Korean War, which began on June 25, 1950;

(2) honors the noble service and sacrifice of the United States Armed Forces and the armed forces of allied countries that served in Korea since 1950 to the present;

(3) encourages all Americans to participate in commemorative activities to pay solemn tribute to, and to never forget, the veterans of the Korean War; and

(4) reaffirms the commitment of the United States to its alliance with the Republic of Korea for the betterment of peace and prosperity on the Korean Peninsula.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from American Samoa (Mr. FALEOMAVAEGA) and the gentleman from Arkansas (Mr. BOOZMAN) each will control 20 minutes.

The Chair recognizes the gentleman from American Samoa.

GENERAL LEAVE

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

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

There was no objection.

Mr. FALEOMAVAEGA. Madam Speaker, I rise in strong support of this joint resolution, and I yield myself such time as I may consume.

This resolution before us today, House Joint Resolution 86, recognizes the 60th anniversary of the outbreak of the Korean War and reaffirms the strong United States-Republic of Korea alliance. This resolution will help ensure that the bonds we forged in blood during the Korean War will never be forgotten.

Today, the United States and Republic of Korea relationship is stronger than ever, encompassing social, cultural, economic, security and diplomatic relations. Last year's joint vision statement between our two nations provided an important reminder to the importance of the bilateral relationship between our two countries. Our two countries are working as closely as ever on the problems of North Korea, which is critically important since North Korea continues its provocations, including nuclear and missile tests and just recently the sinking of the South Korean ship, the Cheonan, which resulted in the deaths of some 46 sailors from this tragedy.

With President Lee chairing the G–20 meeting this year in South Korea, this is certainly indicative of South Korea's prominence in international trade and economic development. For our part, Madam Speaker, I have long supported the Korea-U.S. Free Trade Agreement to further such growth. I continue to hope that the Congress will also pass this free trade agreement as soon as possible because it will reinforce U.S.-Korean ties and create American jobs. And for the benefit of my colleagues, I want to note that this free trade agreement with South Korea will provide somewhere between $11 billion and $20 billion in export trade between our two countries which will be of tremendous benefit to both our countries.

I also want to thank my dear friend, the gentleman from New York, Congressman CHARLES RANGEL, for his service to our country during the Korean War, for his long and able service in the House of Representatives, and for his authorship of this important resolution. I also want to note our other colleagues who are also veterans of the Korean War, Congressman JOHN CONYERS of Michigan, Congressman SAMUEL JOHNSON of Texas, and Congressman HOWARD COBLE of North Carolina. My apologies if I may have left out other Members. It was certainly not intentional, Madam Speaker, but I also want to thank them as well.

Congressman RANGEL fought in the Korean War from 1950 to 1952 as a member of the 503rd Battalion, an all-black artillery unit, in the 2nd Infantry Division. In late November 1950, his unit was engaged in heavy fighting in North Korea; and at the Battle of Kunu-ri, Congressman RANGEL was part of a vehicle column that was trapped and attacked by the Chinese Army.

□ 1500

During that attack, he was injured in the back by shrapnel from a Chinese bomb shell. In subzero weather, members of the 503rd Battalion looked to RANGEL, then just a private first class, for his leadership. During 3 days of freezing weather, he led approximately 40 men from his unit out of the Chinese encirclement.

When asked about his experience in battle, Congressman RANGEL commented, ''That was the coldest place, ever, in the whole world. We lost a lot of guys who froze to death in their sleeping bags.'' Nearly half of the 503rd Battalion were killed in the overall battle. And might I mention, a battalion is composed of about 600 soldiers. So you can imagine if 50 percent of the 503rd Battalion were killed in the Korean War.

Congressman RANGEL was later recognized for his courage and awarded a Purple Heart for his wounds and the Bronze Star for Valor for his heroic efforts. In addition, he was awarded the Presidential Unit Citation, the Republic of Korea Presidential Unit Citation and three battle stars.

In summing up his experience, Congressman RANGEL once said, ''Since Kunu-Ri—and I mean it with all my heart—I have never, never had a bad day.''

I might also note, Congressman JOHN CONYERS from Michigan served for 2 years in the Michigan National Guard starting in 1950. With the onset of the Korean War, he joined the U.S. Army and fought for 1 year as a second lieutenant in the U.S. Army Corps of Engineers. For his service, he was awarded both combat and merit citations.

Congressman SAM JOHNSON began his 29-year career in the U.S. Air Force at the early age of 20. During the Korean War, he was stationed just 25 miles away from the front lines and flew 62 combat missions in his F–86 Saber jet fighter. In his plane, Shirley's Texas Tornado, named after his dear wife, Congressman JOHNSON scored one MiG fighter kill, one probable kill and one damaged. He flew on combat missions with Buzz Aldrin and John Glenn, and when he shot down the Russian MiG, he was so low on fuel that he actually had to glide back to Seoul. He went on to continue his outstanding military career through the Vietnam War as director of the Air Force Fighter Weapons School, known as Top Gun, and was one of the two authors of the air tactics manual revolutionizing military air dominance by incorporating three-dimensional flight.

Our good friend, Congressman HOWARD COBLE, meanwhile, served in the Coast Guard from September 1952 until September 1956, and was deployed to Korean waters during the war.

I ask all of my colleagues to join me in honoring the sacrifices of these gentlemen, our colleagues, Congressman RANGEL, Congressman CONYERS, Congressman JOHNSON, and Congressman COBLE, and the sacrifices of all of the other 1.8 million Americans who fought in the Korean War, as well as in recognizing the vital importance of the U.S.-Korean alliance by supporting this resolution; and also noting as a matter of history that over 30,000 of our soldiers died from that terrible conflict in South Korea.

COMMITTEE ON ARMED SERVICES,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, June 15, 2010.

Hon. HOWARD BERMAN,
Chairman, Committee on Foreign Affairs, House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN BERMAN: I am writing to you concerning H.J. Res. 86, recognizing the 60th anniversary of the outbreak of the Korean War and reaffirming the United States-Korea alliance. This measure was referred to the Committee on Foreign Affairs, and in addition to the Committee on Armed Services, and Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Our Committee recognizes the importance of H.J. Res 86, and the need for the legislation to move expeditiously. Therefore, while we have a valid claim to jurisdiction over this legislation, the Committee on Armed Services will waive further consideration of H.J. Res 86. I do so with the understanding that by waiving consideration of the resolution, the Committee on Armed Services does not waive any future jurisdictional claim over the subject matters contained in the resolution which fall within its Rule X jurisdiction.

Please place this letter and a copy of your response into the Congressional Record during consideration of the measure on the

House floor. Thank you for the cooperative spirit in which you have worked regarding this matter and others between our respective committees.

Very truly yours,

IKE SKELTON,
Chairman.

COMMITTEE ON FOREIGN AFFAIRS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, June 14, 2010.

Hon. IKE SKELTON,
Chairman, Committee on Armed Services, House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter regarding House Joint Resolution 86, recognizing the 60th Anniversary of the Korean War and affirming the United States-Korea alliance. This measure was referred to the Committee on Foreign Affairs, in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

I agree that the Committee on Armed Services has certain valid jurisdictional claims to this resolution, and I appreciate your decision to waive further consideration of H.J. Res. 86 in the interest of expediting consideration of this important measure. I understand that by agreeing to waive further consideration, the Committee on Armed Services is not waiving its jurisdictional claims over similar measures in the future.

During consideration of this measure on the House floor, I will ask that this exchange of letters be included in the Congressional Record.

Sincerely,

HOWARD L. BERMAN,
Chairman.

COMMITTEE ON VETERANS' AFFAIRS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, June 10, 2010.

Hon. HOWARD L. BERMAN,
Chairman, Committee on Foreign Affairs, House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN BERMAN: On May 25, 2010, H.J. Res. 86, recognizing the 60th anniversary of the Korean War and reaffirming the United States-Korea alliance, was introduced in the House of Representatives. This measure was sequentially referred to the Committee on Veterans' Affairs.

The Committee on Veterans' Affairs recognizes the importance of H.J. Res. 86 and the need to move this resolution expeditiously to recognize the 60th anniversary of the Korean War and to reaffirm our alliance with Korea. Therefore, while we have certain valid jurisdictional claims to this resolution, the Committee on Veterans' Affairs will waive further consideration of H.J. Res. 86. The Committee does so with the understanding that by waiving further consideration of this resolution, it does not waive any future jurisdictional claims over similar measures.

I would appreciate the inclusion of this letter and a copy of your response in the Congressional Record during consideration of H.J. Res. 86 on the House floor.

Sincerely,

BOB FILNER,
Chairman.

COMMITTEE ON FOREIGN AFFAIRS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, June 14, 2010.

Hon. BOB FILNER,
Chairman,
Committee on Veterans' Affairs, Cannon House Office Building, Washington, DC.

DEAR CHAIRMAN FILNER: Thank you for your letter concerning H.J. Res. 86, recognizing the 60th Anniversary of the Korean War and affirming the United States-Korea alliance. I acknowledge that the Committee on Veterans Affairs has a valid jurisdictional claim in this resolution, and I appreciate your willingness to waive jurisdiction so we may proceed to suspension.

I agree to submit this exchange of letters in the Congressional Record, and I thank you again for your expeditious review of this legislation.

Sincerely,

HOWARD L. BERMAN,
Chairman.

Madam Speaker, I reserve the balance of my time.

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

I rise in support of this measure and would like to thank the gentleman from New York (Mr. RANGEL), a distinguished veteran of the Korean War for introducing it. We truly do appreciate your service to our country.

Next week, on June 25, represents the 60th anniversary of the outbreak of the Korean War. The lesson of Korea is the need for constant vigilance in the face of external aggression.

Many link Kim Il Sung's decision to suddenly and deliberately attack the Republic of Korea in the early morning hours of a rainy Sunday morning to mixed signals coming from Washington, for then-Secretary of State Dean Acheson had declared only a few months before that South Korea lay outside the defense perimeter of the United States.

North Korean dictator Kim Il Sung reportedly took that as a green light to move forward with his invasion plans. This invasion resulted in between 1 and 2 million Korean dead, and over 50,000 dead and more than 90,000 wounded members of the U.S. military.

The lesson of June 25 is clear: do not equivocate with aggressors, do not pander to dictators.

Harry Truman, in notifying the American people of his decision to deploy U.S. forces to Korea, stated that North Korea, in solidarity with its Communist allies ''has passed beyond the use of subversion to conquer independent nations.''

Sixty years later, as North Korea engages in further armed aggression by deliberately torpedoing a South Korean naval vessel and murdering 46 South Korean sailors, it is clear that the United States and its allies must act with firm resolve to prevent an escalation of violence in and around the Korean peninsula.

As we honor the valiant dead who fell in Korea, let us resolve to preserve that peace and prosperity for which they gave the last full measure of devotion. The events of the last six decades remind us all that the sacrifices of our soldiers and our United Nations allies were worthwhile.

One only has to compare the thriving, democratic vitality of the Republic of Korea with the impoverished and repressed hell that is North Korea to recognize the value and the purpose of that valiant sacrifice.

I reserve the balance of my time.

Mr. FALEOMAVAEGA. Madam Speaker, as a veteran of the Vietnam War, I am deeply honored to yield all the time he needs to the gentleman from New York (Mr. RANGEL), the author of this resolution.

Mr. RANGEL. Madam Speaker, I thank the chairman for his gracious remarks and the work he has done to facilitate the bringing to this floor this resolution. I want to thank the other side of the aisle. I have never seen anything move so fast, and I am so deeply grateful that this happened.

Some of you don't know, but the Korean Government invited JOHN CONYERS, SAM JOHNSON, HOWARD COBLE and me to go to Korea on June 24 and 25, but the legislative calendar prevented this from happening. But because of their enthusiastic support, as well as mine, next week the Speaker and the minority leader have agreed not to forget those people who served our country; and, indeed, served the international freedom community.

I want to thank also from my office Emile Milne and Hannah Kim for working with all of the committees that had jurisdiction to expedite the fact that this will be done before June 25.

I am reminded when you gave the facts that led up to the North Koreans invading South Korea, I was a 20-year-old kid in the barracks in Fort Lewis, Washington, when a sergeant screamed that the North Koreans had invading South Korea and the Second Infantry Division was slated to go to defend them. I was so anxious to leave Fort Lewis, I said: Hurrah. Where the heck is Korea?

I had no idea that a police action involved putting yourself in harm's way. But away we did go. There was some question at that time whether we could even land in Pusan because the North Korean Communists had been so successful that they drove the 25th Division and Japan and the People's Republic of South Korea to the Pusan peninsula, but we were able to push them back. The marines landed in Inchon and the Chinese came, and you know the rest of that story.

But how grateful I am to be not just alive, but to know we all participated once again in defending a democracy even in countries where we don't know the people and don't know the country. And as a result of that, one of America's strongest allies is the government of Korea. The truth of the matter is with China there and North Korea there, and especially the threat of Iran, South Korea has represented a symbol not only of democratic principles but a symbol of what can happen economically when freedom and democracy is the atmosphere in which we are working.

Those of us who served, especially the 50,000 who did not come back home, the close to 100,000 that were wounded, the 8,000 that were prisoners of war, we had no idea that our sacrifice would rebuild a nation from ashes to the great

economic power it is today, and the great contributions Korean-Americans make each and every day in all parts of every town, city and every state that we have.

But I want to particularly thank JOHN CONYERS who is the next highest senior member here in the House of Representatives. I want to thank HOWARD COBLE. He is a veterans' veteran. There is not a day I see him that he does not remind me and others that we should never forget the sacrifices that are made for all of us and our children and our children's children. And, of course, SAM JOHNSON who I serve with on the Ways and Means Committee, is truly a hero. Very few Americans are living who have made the type of sacrifices that he has made for his country.

So collectively and on behalf of all of the veterans who have served, and particularly for this war that they call the Forgotten War, we were sandwiched between the World War II and the Vietnam War. So many people asked when we came back home: Where were you? They had no idea America had been involved. But we were involved.

The 21 nations will have representatives here next week to thank America, as we thank them, for allowing this great country to be involved in what appeared to be a very unimportant crisis. But at the end of the day, this country has risen to be one of our best trading partners, one of our best political partners, and certainly has made an outstanding contribution to the entire world of free countries and free people.

And so, Chairman FALEOMAVAEGa, I thank you for giving us the opportunity to celebrate this occasion and never to forget those who made it possible for us to be free men and free women.

Mr. BOOZMAN. Madam Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. COBLE), ranking member of the Judiciary Subcommittee on the Courts and a distinguished veteran of the Korean War.

Mr. COBLE. Madam Speaker, I too want to express thanks to the gentleman from American Samoa and the gentleman from Arkansas for having very ably managed this resolution, and I am pleased indeed today to be on the House floor with my friend from New York and my friend from Texas, Mr. RANGEL and Mr. JOHNSON.

I rise in support of H.J. Res. 86, and while there is little I can add to enhance the merit of this resolution, I want to remind everyone that technically speaking the Korean conflict has not ended. The recent actions by North Korea against South Korea and the Chinese should not be taken lightly. South Korea is our true ally on the Korean peninsula. Although I have no solution for the growing threat of North Korea, at this point it seems to me the immediate course of action should be for America to continue to embrace and support South Korea.

This resolution correctly states that we have successfully partnered with the Republic of Korea to promote international peace and security, economic prosperity, human rights, and the rule of law on the Korean peninsula and beyond.

To that end, I encourage my colleagues to support H.J. Res. 86.

□ 1515

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

Mr. BOOZMAN. Madam Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. SAM JOHNSON), ranking member of the Ways and Means Subcommittee on Social Security and a distinguished veteran of the Korean War.

Mr. SAM JOHNSON of Texas. Thank you, both of you over there on the Democrat side, for getting this bill out.

Today marks a new milestone for those who fought in the forgotten war, which was Korea. And today the United States Congress recognizes the importance of their service and reaffirms our longstanding commitment to freedom and the future of Korea.

As many know, it was June 25, 1950, when Communist North Korea invaded the Republic of Korea with 135,000 troops, and that sparked the start of the Korean War. And what people don't realize about CHARLIE RANGEL is he could be dead because he was up on the Yalu River when the Chinese decided to come across. So he saved a lot of lives and buried a lot of guys. I thank you, CHARLIE, for that service. And HOWARD, I thank you as well for serving over there.

On June 27, 1950, President Truman ordered the United States Armed Forces to help the Republic of Korea defend itself against the North Korean invasion. While it ended in an armistice, the bitter conflict between Korea and North Korea still lingers on. We all know that. Korea is a strong ally, and America remains committed to Korea's safety, survival, and success.

By commemorating the 60th anniversary of the start of the Korean War, the United States Congress and the country rededicate our promise to thank those who wore the uniform during that time. An estimated 5 million valiant men and women served in the Korean War.

As a Korean War veteran who flew 62 combat missions, it brings me great pleasure to remind Americans of the sacrifice and service of those who fought in Korea. To the esteemed Korean War veterans, you are not forgotten. We honor you, we appreciate you, God bless you. And I salute each and every one of you.

Mr. FALEOMAVAEGA. Madam Speaker, how much time do I have left on this side?

The SPEAKER pro tempore. The gentleman from American Samoa has 8 minutes, and the gentleman from Arkansas has 14 minutes.

Mr. FALEOMAVAEGA. Madam Speaker, I would like to certainly compliment and thank our distinguished veterans of the Korean War, now Members, our colleagues here in this institution, for not only sharing with us their experiences, but the fact that this close relationship that we have with the Republic of Korea should never be lessened in any way.

It's been my privilege over the years to have visited the Republic of Korea, visited with their leaders. And the outstanding results of now South Korea becoming one of the great economic powers of Southeast Asia, I might say, is mainly because of our close economic ties. I also want to note the fact that the number one electronic company in the world is in South Korea. Also, the number one shipbuilding company is in South Korea.

I sincerely hope that in the coming months we will be able to continue to negotiate successfully the proposed free trade agreement that was done previously by the previous administration and negotiators. It's my understanding that as a result of this proposed free trade agreement we stand to gain at least somewhere between $11 to $20 billion in exports of our products to South Korea if we get an approval of this proposed agreement.

I also want to note, as a matter of a little history, and complement what my friend from New York has stated about the people and the good leaders of South Korea. My own personal experience while serving in Vietnam, I tell you, you really know who your real friends are. The fact that there were 50,000 South Korean soldiers fighting alongside American soldiers in Vietnam, now that is where you really know who your real friends are. The leaders and the people of South Korea came and joined us in that terrible conflict that our Nation was confronted with in fighting communism.

It's also my understanding that in the coming months, the President of Korea will be presiding over the G–20 meeting of 20 of the most prominent countries economically, and hopefully there will be better solutions given to the economic demise that not only the world is faced with now, especially the contributions that the 20 countries can offer in solving some of the serious economic problems that we are confronted with today.

Mr. RANGEL. Would the gentleman yield?

Mr. FALEOMAVAEGA. I gladly yield to the gentleman from New York.

Mr. RANGEL. And I want you to know this is just the beginning of the United States of America's involvement. In September of this year, in commemoration of the lives that were lost by Koreans and Americans and the other 20 countries that fought against communism, there will be a commemorative ceremony in Seoul, which our State Department will be participating in. And again, my colleagues have been invited to join, but the situation here in Congress didn't allow us to accept.

But Mr. BOEHNER, the minority leader, as well as our distinguished Speaker had thought that since we could not be represented over in Seoul next week, that a reception will be held right here and a ceremony in Statuary Hall, where the participants from the free countries that joined with us will be there with their representatives. And we have invited veterans that have served in Korea to come join us.

The reason I constantly say I haven't had a bad day since, and to say how good God is, is because it's been 60 years ago. And recently, that is last week at the Kennedy Center, the Korean Angels, a young group that's trained to go around the world talking about peace and harmony to the world, celebrated and they lauded the Korean veterans. And my colleagues here on the House floor would know they came with crutches and wheelchairs and canes, but they did come.

And what this House and Senate will be doing for them, even if they are not able to come to Washington, they will be able to tell their kids and their grandkids and their neighbors and friends that their sacrifice has not been forgotten. And I do hope that you and the chairman and subcommittee chairman that expedited this, and the Members that hopefully will be supporting this in the House and Senate, would realize how many lives they are making more bright by reminding their loved ones of those that were left behind, that what they lost, the pain that they felt is not forgotten by the United States.

And it gives us a time once again to talk about the brave men and women that are in the Middle East, that are in Afghanistan. Each and every day that we are allowed to breathe the breath of democracy, to get up and to do and say what we want is only because they are willing to put their lives in harm's way for our flag and for our country and for the freedom that's here.

So all of us, in a sense, whether it was in World War II, whether it was Korea, whether it was the Persian Gulf where my son served as a Marine, or whether or not it's the present crisis that we face in the Middle East, we have so much to be fortunate that in this country there is a spirit that we defend what is right, what is moral, and at the end of the day we are better people, we are better legislators, and we are a better country for it. And so everyone who votes today, I think it's our way of saying ''thank you'' for those who made the sacrifice and also ''thank you'' for those who continue to do it as we speak today.

Mr. FALEOMAVAEGA. I thank the gentleman for his comments.

I might also note, Madam Speaker, that out of some 15 million Asian Pacific Americans, we have well over 2 million Korean Americans as part of the fiber of our great democracy that have made tremendous contributions to our country. I wanted to just note that for the record.

I reserve the balance of my time.

Mr. BOOZMAN. Madam Speaker, again I want to thank Mr. RANGEL for bringing this forward. He and Mr. JOHNSON, Mr. COBLE being here, make it very, very special. We certainly appreciate all of your all service to our country; Mr. RANGEL stating that he went off at age 20; Mr. JOHNSON, I think, at the same age, around 20; and then HOWARD, Mr. COBLE, in his early twenties, going off to war.

It is so fitting that we take a little bit of time, that the House just pauses to remember the sacrifice that was incurred, again, for those that were so willing to go over for the rest of us. We look forward to the celebrations that are going to occur later in the year. And then again, at that time, the whole Nation will pause and remember the sacrifice that you all so willingly did for the rest of us.

With that, I yield back the balance of my time.

Mr. FALEOMAVAEGA. Madam Speaker, I have no further speakers, but I do want to say for the record again, on behalf of a grateful Nation, to extend our heartfelt gratitude and thanks to the gentleman from New York, Mr. RANGEL, Mr. JOHNSON, Mr. COBLE, and Mr. CONYERS for their contributions, and especially as veterans of the Korean War.

Mr. ROYCE. Madam Speaker, I rise in support of H.J. Res. 86, Recognizing the 60th anniversary of the outbreak of the Korean War and reaffirming the United States-Korea alliance.

On June 25, 1950, the Korean War started and was halted three years later by an armistice that is still in place today. It involved 22 nations fighting together in defense of the Republic of Korea.

More than 5.7 million Americans served during the conflict. Some 33,600 were killed in action, including about 8,200 listed as missing and presumed dead. Another 21,400 died of non-battle causes and more than 103,000 Americans were wounded during the three years of war. Some have called this the Forgotten War, but were here today remembering.

I should point out that this resolution was introduced by Mr. RANGEL, Mr. JOHNSON, Mr. CONYERS, and Mr. COBLE—men who were there 60 years ago. We honor their service here today, as well.

Nearly 140,000 South Koreans were killed on the battle field, many of whom fought side-by-side with American forces for the cause of preserving freedom. The heroic deeds of these servicemen laid the foundation for an alliance between the U.S. and South Korea that has lasted over 60 years, bringing stability to Northeast Asia.

As this resolution rightly notes, the ''Republic of Korea is among the closest allies of the United States.'' In no small part this is because of the sacrifices made by the brave Korean and American soldiers that fought valiantly together.

We've worked hard over the years to keep this relationship on solid footing. I've chaired several exchange meetings with our counterparts in the National Assembly. A few years ago (2008), legislation I authored was signed into law to treat South Korea just the same as NATO and other top allies when it comes to defense sales.

Unfortunately, we have been reminded of the importance of this relationship by the sinking of the Cheonan and by the loss of the 46 South Korean sailors who were killed by a North Korean torpedo attack. Our sympathies and condolences are with their families and the South Korean people. The House passed a resolution to this effect the other week.

Last month, South Korea unveiled the results of a methodical international investigation into the cause of the sinking of a South Korean naval vessel. The evidence—overwhelming—showed what many were all but certain occurred on March 26th—the ship was sunk by a North Korean torpedo attack, in clear violation of the Korean War Armistice.

This is the same regime that caused so much death and suffering in the early 1950s—the regime brave American servicemen defended against back then, and continue to defend against today.

Mr. MCMAHON. Madam Speaker, this year marks the beginning of the war that established 60 years of peace in the Korean peninsula.

The United States suffered the loss of over 33,000 of its countrymen during the Korean War and almost 5,000 remain missing in action.

I whole-heartedly support the establishment of a commission to look into these disappearances and will soon send a letter to President Obama asking him to issue an order to fly the flag at half mast on June 25th.

The Korean War defined our country's role in the international community.

As our own POWs returned back into South Korea over the Bridge of No Return, North Korean soldiers overwhelmingly decided to stay in the free world with their supposed ''captors.''

This is the model of U.S. leadership and freedom that we must uphold in the world today.

As a Member of the House Foreign Affairs Committee, it astonishes me to see how thankful and how proud the South Koreans still are for the sacrifices of the US troops on their soil.

It is a rare heart-warming message that makes me that much more proud to represent The Korean War Veterans of Staten Island and Commander Joseph Calabria in Congress.

That being said, I cannot go on without mentioning the tragic sinking of *Cheonan,* killing 46 South Korean Navy men on board.

These men were the sons and grandsons of those who served alongside U.S. Forces in Korea, 60 years ago.

North Korea's hostility cannot go ignored and the reckless rhetoric following the incident is a far cry from what is expected of a member of the international community.

Unfortunately, most would be hard-pressed to find a time when North Korea was a productive, accountable member of the international community.

In fact, over a year ago, I introduced a bipartisan bill to further sanction North Korea. The North Korea Sanctions Act of 2009 calls on the Administration to impose hard-hitting sanctions on North Korea, as a result of their detonation of a nuclear explosive device on May 25, 2009, under the Arms Export Control Act.

Furthermore, I will continue to be an active voice in ensuring the safety of the over 28,000 American troops currently stationed in the Korean Peninsula and will remain an outspoken member of the House Foreign Affairs Committee when it comes to the US response towards North Korean hostility.

No one wants to see a second Korean War or a third world war for that matter.

Our veterans have sacrificed too much for that to happen.

I encourage my colleagues to support H. Res. 86 and congratulate the author of this resolution, Congressman RANGEL for introducing this bill and for his service in Korea.

Mr. FALEOMAVAEGA. I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from American Samoa (Mr. FALEOMAVAEGA) that the House suspend the rules and pass the joint resolution, H.J. Res. 86, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

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

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

RECOGNIZING 235TH BIRTHDAY OF U.S. ARMY

Mr. ORTIZ. Madam Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 286) recognizing the 235th birthday of the United States Army.

The Clerk read the title of the concurrent resolution.

The text of the concurrent resolution is as follows:

H. CON. RES. 286

Whereas, on June 14, 1775, the Second Continental Congress, representing the citizens of 13 American colonies, authorized the establishment of the Continental Army;

Whereas the collective expression of the pursuit of personal freedom caused the authorization and organization of the United States Army, led to the adoption of the Declaration of Independence, and prompted the codification of the new Nation's basic principles and values in the Constitution;

Whereas for the past 235 years, the United States Army's central mission has been to fight and win wars;

Whereas the 183 campaign streamers from Lexington to Iraqi Surge carried on the Army flag are a testament to the valor, commitment, and sacrifice of the brave members of the United States Army;

Whereas members of the United States Army have won extraordinary distinction and respect for the Nation and its Army stemming from engagement around the globe;

Whereas in 2010, the United States will reflect on the contributions of members of the United States Army on the Korean peninsula in commemoration of the 60th anniversary of the Korean War;

Whereas the motto on the United States Army seal, ''This We'll Defend'', is the creed by which the members of the Army live and serve;

Whereas the United States Army is an all-volunteer force that is trained and ready to conduct full spectrum operations in an era of persistent conflict; and

Whereas no matter what the cause, location, or magnitude of future conflicts, the United States can rely on its well-trained, well-led, and highly motivated members of the United States Army to successfully carry out the missions entrusted to them: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Congress—

(1) expresses its appreciation to the members of the United States Army for 235 years of dedicated service;

(2) honors the valor, commitment, and sacrifice that members of the United States Army, their families, and Army civilians have displayed throughout the history of the Army; and

(3) calls upon the President to issue a proclamation—

(A) recognizing the 235th birthday of the United States Army and the dedicated service of its members; and

(B) calling upon the people of the United States to observe the anniversary with appropriate ceremonies and activities.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. ORTIZ) and the gentleman from Hawaii (Mr. DJOU) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. ORTIZ. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the resolution under consideration.

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

There was no objection.

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

I rise in support of House Concurrent Resolution 286, and it is my honor to stand here today and recognize the Army for its 235th birthday.

Since 1775, the United States Army has stood prepared to fight and win our Nation's wars and has provided us with some of the greatest moments in our history.

You know, as a poor child growing up in south Texas, I never knew what existed outside my neighborhood. However, when I joined the Army and left south Texas, the world soon opened to me. When I arrived in Paris, France, as a military policeman fresh out of basic training and advanced military training, I knew that my life had changed forever.

Shortly after arriving in Paris, a friend of mine from West Virginia, who had just finished basic and military police school training, we headed down to see the Eiffel Tower. While walking around the city, a limousine pulled over to our side of the road and a young woman stepped out of the biggest car I had ever seen in my life and approached my friend and me. She wanted to take a picture with us, two young soldiers fresh out of basic training. But it was not until about 6 months later that we discovered that this woman was one of the most popular movie stars in France.

□ 1530

But all she wanted was to have a picture with two young soldiers wearing the American uniform.

While in France, I became interested in learning more about police duties and investigations. The Army saw that maybe I could learn some of the stuff that they were teaching, and I was reassigned to the Army Criminal Investigation Division. I took the lessons and skills I learned back to South Texas where I became constable later after my return from the military, and later I became sheriff in Wasis County, which is my county.

The Army experience shaped my life like nothing else has ever done. It sent me on the pathway to become a better human being, a better elected official, a better constable, a better county commissioner, a better sheriff, and a better Congressman. The training was hard and work was even harder, but the lessons were never lost.

Just as was true in the early 1960s, when a French movie star stopped to take a picture with a poor boy from South Texas, our soldiers are respected and admired around the world for their professionalism and dedication to each other.

I am proud of my service and my Army experience. I am also proud of today's soldiers as they continue to fight and win our Nation's wars as they have done for the last 235 years. From the private in Washington's Continental Army facing a mighty adversary to the sergeant leading a patrol through the mountainous terrain of Afghanistan, the strength of our Nation is our Army, and I am proud to be part of that legacy. I am proud to wish the Army happy birthday.

But you know, time has really changed. When I served back then in the 1960s, I went to the draft board, and I volunteered to the draft because my father had passed away, and I had four siblings, two brothers and two sister. Jobs were scarce, and I volunteered to go and serve the Army.

Today is a different story. Today, we have all-volunteer services. You can join the Army, the Navy, the Air Force, the Coast Guard, the National Guard, the Reserves. They serve and they volunteer because they love our country, and this is why we're so proud of the young men and women who sacrifice so that you and I can enjoy the freedoms that we have in this country. And the day when we fail to recognize the sacrifices of these young men and women who serve, this is when the fibers of this country start to begin to deteriorate.

I am so proud to say that I served in the Army, and I wish everybody who is either serving now or have served in the past a happy birthday.

I reserve the balance of my time.

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

Madam Speaker, I rise in support of H. Con. Res. 286, which was introduced by my friends from Texas, Mr. EDWARDS and Mr. CARTER. This resolution recognizes the 235th birthday of the United States Army and honors the valor, commitment, and sacrifice that members of the United States Army, their families, and Army civilians have displayed throughout the history of the United States Army.

I personally also want to note what the recognition of the Army birthday means to myself and my district. Three things I want to point out to the floor: First off, of course, it is my honor to represent Hawaii's First Congressional District, which is home to the 25th Infantry Division of the United States Army. It is also home of U.S. Army Pacific, Tripler Army Medical Center, Fort Shafter and of course my Army Reserve unit. All of which I take great pride in representing here in the Congress.

Second, I think it speaks to the strength and vitality and greatness of our Nation and our Nation's Army that I, for myself, a child of immigrants from Thailand and China, had the privilege of calling myself an officer in the United States Army Reserve. It is a true testimony of the greatness of our Nation and the greatness of our Armed Forces that the child of immigrants would be allowed to serve as an officer in the most powerful fighting force the world has ever known.

Third and finally, of course, I am enormously humbled to call myself a Member of the House of Representatives, and I think it is also testimony of the greatness of our military, Armed Forces, and for the United States Army that I had the privilege earlier today of sitting in a hearing with General Petraeus discussing current actions and operations going on in Afghanistan.

I think one of the beauties of our Army today is the fact that our Army is professional; it is well-trained; and it also is under civilian control; and that even four-star generals have to answer to the elected officials of our Nation's people.

As a Member of the House Armed Services Committee and as a captain in the Reserve, I'm proud to speak in very strong support of this resolution.

On June 14, 1775, in Philadelphia, a weary group of Continental Congressmen worked by candlelight to lay out the provisions to form an Army. The result was a simple paragraph order for the colonial States to provide men and arms to continue an uphill fight against England. That simple paragraph order or resolution authorized the formation of 10 rifle companies, and thus began the formation and the beginnings of our United States Army.

Today, 235 years later, we continue to honor the commitment and duty of the Army soldiers who have risked their lives to preserve our freedom. They have left a lasting mark on this Nation. During the Army's 235-year history, tens of thousands of these brave young men and women have selflessly served on distant battlefields to keep our Nation safe.

I am particularly proud of the residents of Hawaii who have served and continue to serve in the Army on behalf of our Nation, as well as the many Reservists and Guardsmen, many of whom are my personal friends with whom I have served with honor and distinction. I salute them for their service to our great Nation.

Today, as our Nation continues to fight the global war on terror, the Army has been key to providing the military capabilities it needs to persist in the struggle for liberty and democracy. Through the efforts of the U.S. Army, the world has been made a more secure, prosperous, and better place for all of mankind. The courage and dedication of those soldiers and their families are an inspiration to us all, and may the rest of us endeavor to be ''Army Strong'' in our own lives.

I am honored to speak in favor of this resolution and urge my colleagues to join me in support of H. Con. Res. 286 and recognize the 235th birthday of the United States Army.

Madam Speaker, I reserve the balance of my time.

Mr. ORTIZ. I yield such time as my good friend from Texas (Mr. EDWARDS) may consume, my friend and colleague and member of the Appropriations Committee.

Mr. EDWARDS of Texas. I want to thank Chairman ORTIZ for the time today and, most importantly, not only for his service in the U.S. Army as a soldier but for his leadership as a key subcommittee chairman on the House Armed Services Committee. The gentleman from Texas works every day to support our soldiers, not just with his words but with his deeds, and I'm deeply grateful for that.

Madam Speaker, this resolution honors the 235th anniversary of the United States Army, and I rise today on behalf of a grateful Nation to say thank you to every Army soldier, past and present, for their service to our Nation. We express our gratitude with the humility of knowing that we could never fully repay the debt of gratitude we owe our soldiers and their families for the sacrifices they have made to protect our Nation.

When I drive past Arlington Cemetery each morning on my way to the U.S. Capitol, I'm always reminded of that sacrifice, sacrifice of those who, in the words of Lincoln, gave their last full measure of devotion to country.

When I met with several young amputees and double amputees earlier this week at a charity event for wounded warriors, I was reminded that the personal sacrifices of war do not end with the signing of a ceasefire agreement. When I visit the Waco VA hospital in my district, I'm reminded that the mental wounds of war can sometimes be as serious and as long-lasting as the physical wounds of combat.

One of the greatest privileges of my life was to represent for 14 years Fort Hood, Texas, which is now so ably represented by my colleague and friend, Congressman CARTER. Fort Hood is the Army's largest installation, and I had the privilege of representing it through three combat deployments.

When I think about our Army soldiers and their sacrifices, I cannot help but think about the young soldier, probably no older than 20 years old, I met in December of 1995. My wife was just three days away from giving birth to our first son J.T., and as an expectant first-time father, I could not help but be excited as I talked to this young soldier sitting next to his young, pregnant wife, talking about how excited I was to become a father.

This soldier, who was about to deploy for Bosnia, said without an air of complaint in his voice: Sir, I missed the birth of my first son because I was serving in Iraq, and I will miss the birth of my second child because I will be serving in Bosnia. He said, Sir, I'm proud to serve my country.

Madam Speaker, one cannot put a price on the sacrifice of a young father missing the birth of his two children. There are no makeup days for missed births, birthdays, anniversaries, and graduations. That is why we are so deeply grateful to our soldiers and their families.

To the spouses, children, parents, and loved ones of our Army soldiers, I say, you are the unsung heroes of our Nation's defense. Whether you have worn our Nation's uniform or not, you have truly served our country. For those family members who have lost loved ones in combat, we know you continue to sacrifice each and every day of your life.

Were it not for the U.S. Army and the magnificent men and women who have served in it and are serving in it today, the world would be a much different place, a less stable, a less free place.

Just a few weeks ago, I had the honor of meeting Len Lomell. Most Americans have not heard the name of Len Lomell. He lives in Toms River, New Jersey, with his wife. My wife and I took our two young sons, J.T. and Garrison, to meet with Mr. Lomell because in my book, he is a true American hero. As an Army soldier on D-day in 1944, Len Lomell joined with Earl Rudder and the Second Battalion Army Rangers and climbed up that difficult, life-threatening cliff in the face of German gunfire and grenades to try to knock out the five massive German guns that could have put at risk the entire Allied invasion of D-day.

Len Lomell, along with one other soldier, went out scouring for the guns because they had been moved, unknown

to Army intelligence, been moved away from that cliff that we know as Pointe du Hoc. It was Len Lomell who found those guns, and while nearly 100 Germans were standing just a few yards away, took thermite grenades and put those grenades in two different trips back to those guns, put thermite grenades in those gear mechanisms of those guns and, in doing so, decommissioned all of them.

The great historian Steven Ambrose said that, next to Eisenhower, Len Lomell had more to do with the victory of D-day than any living person in this world.

I have to wonder would the world be different today had it not been for that great Army soldier Len Lomell and all the soldiers who served with him and all the soldiers who served before him and those great ones who have served after him.

Madam Speaker, we can never repay our soldiers such as Len Lomell, or the young soldier I met at Fort Hood, or Robert L. Howard, who died in my hometown of Waco this past December and was buried just 4 months ago in Arlington Cemetery after earning the Congressional Medal of Honor, the Distinguished Service Cross, the Silver Star and eight Purple Hearts in his five tours of duty in Vietnam.

□ 1545

We cannot repay the 82,000 U.S. Army soldiers serving in Iraq today or the 57,000 soldiers serving in Afghanistan, but let us always honor them, not just with our words and resolutions such as this one today, but with our deeds and our budgets every day.

Our Nation has a moral obligation to provide quality housing and health care for our troops and their families and first-class education for their children. Our Nation has a moral obligation to stand up for America's veterans because they have stood up for us.

A grateful Nation wishes our Army a happy 235th birthday. May God bless all our soldiers—past, present and future—for risking their lives to protect our divine gift of freedom.

Mr. DJOU. Madam Speaker, I yield such time as he may consume to my colleague from Texas (Mr. CARTER).

Mr. CARTER. I thank my friend from Hawaii for yielding, and I thank him for the opportunity to speak on behalf of this important honor we are bestowing upon the Army by congratulating them on their 235th birthday.

The first time that I ever realized I was going to be given the honor to represent the United States Army was when they had a redistricting in Texas and I realized that my new district was going to have Fort Hood in it. To be quite honest, it was an overpowering challenge to be called upon to represent over 50,000 American soldiers and all those who work with those soldiers. I was a little bit taken aback, quite frankly. Mr. EDWARDS, as he pointed out, who has been so helpful to me in the transition of Fort Hood, Mr. EDWARDS had represented them for many years and had done an outstanding job, and I was going to be the new kid on the block going to Fort Hood. And so I went to my office and I said, the districts are changing, we've got to go visit soldiers, we've got to be with soldiers.

I got the opportunity through the Speaker's Office before I had hardly spent any time at all in Fort Hood to go to Korea to visit soldiers who were stationed in Korea, many of whom were part of the soldiers contingency that would return to Fort Hood. I grew up as a small child with what was earlier today commemorated as the Korean War. To me it was just a map of the peninsula of Korea that I watched lines move up and down, but I know from people who came back what a terrible fight that was. And I know that that is still, to this day, to this very moment we stand in history, a dangerous place on the Earth.

When we got there, we were given the opportunity, my wife and I, to go up on the demilitarized zone, the DMZ, where ultimately, as a result of the cease fire that took place in Korea, they have set up—both sides, you're kind of across a line looking at each other. In fact, as recently as 4 or 5 years ago, there have been fatalities on that line. There is the opportunity for another war to break out, theoretically, any minute of any day, 24 hours a day and has been since the end of the Korean War back in the fifties. So it was kind of a challenge just to go up there.

Then when I got there, there were all these young-faced American soldiers. My oldest son is a football coach and a baseball coach, and as I looked at these young men and women that I was being introduced to; they looked just like the kids that were at the graduation ceremony just a few months earlier that my son coached and taught.

When it came time for lunch, they gave me an opportunity to sit down at this table with this bunch of young men and women. I tell you this because it was kind of unusual, my first time to ever sit down with just ordinary soldiers and talk to them. And you don't really know what they're going to say; you're kind of curious. Well, the first thing I found out was there was one kid there from Killeen Ellison; he played football for my son when my son coached at Killeen Ellison. There was another kid there that played baseball for my son when he coached at Round Rock High School. So I realized that these were just like those kids that had just graduated.

I went around the table, and this was all a bunch of 18- and 19-year-old soldiers. They came from small-town and big-town America. They could have been your friend, your neighbor, your cousin, could have been your brother or your sister. And there they were, standing up there, potentially in harm's way on our behalf, where it's cold and windy and kind of scary.

So that was my first contact. And I asked the question, kind of naively, Okay, so when are you guys going to be through over here in Korea? Most of them were going to be out within the next 8 months. And I said, Where do you want to go when you get out, expecting all kinds of exotic places. No, sir, we want to go to either Afghanistan or Iraq. My wife and I both were a little taken aback by that. And so my wife asked the question, Why would you want to go there? And they gave an answer that is one of the definitions I think of the United States Army, they said, Sir, we're warfighters; that's where the war is. That's what we do for a living. We are the Army.

Now, you hear that from a 19-year-old kid that probably a year and a half ago had been playing on some practice field someplace in central Texas and you say to yourself, what magic is it that we get people like this to come out and do this job and do it willingly and with such patriotism and such fervor for doing the job they're trained for?

Just recently, less than a few weeks ago—and I shared this at the birthday party for the Army last night—my wife and I got a very nice honor of being part of a small delegation of Members of Congress who were invited to go to the Memorial Day ceremony at Normandy Beach where our soldiers came ashore and accomplished the impossible. In fact, we stood on Pointe du Hoc, as Mr. EDWARDS was describing to you, and we looked at those cliffs and we looked at the repair being done to preserve that national treasure of our heroic effort.

We got to see that beach both at high and low tide, and we got to see the distance those soldiers had to run under heavy, heavy, heavy automatic weapon fire and artillery fire just to get to that bluff that they had to climb to get to the fight. You looked at it and you said, I don't think I could have done it. That is what I thought: I don't think I could have done it. And then you realize that that's the same kids, like the same kids I talked to in Korea. They were young people who were members of the United States Army; they had a job to do and they did it.

They told us a story about a soldier who landed there, fought his way across the beach to the bluff, fought his way up the bluff to get off of that deadly beach only to be wounded in the face—took off the right side of his face with a machine gun bullet. They wrapped him up on the top of the bluff and said you need to go back down on the beach for an aid station. And his comment was, I just fought my way off of that beach. And they said, no, you've got to be evacuated. Going back down to be evacuated he was shot four more times, the last of which took off the left side of his face. And his comment that he made when he came back to Normandy as a 90-year-old man—and they said he looked fine, he said they did a fine job on me and I looked good. I have children, I have grandchildren and I have great grandchildren, and I

did what I did for them. And I can say that I always wondered if I really ought to come to this beach because I was only here for 9 hours. True, I did get five Purple Hearts while I was here, but I wondered if I was worthy to come back and say I landed here, because I had to be evacuated.

That special something that makes up the United States Army can't be described to us in detail. But when you walk among those 10,000 crosses and stars of David in that cemetery and you realize that those heroes laying beneath that ground are exactly like those heroes who stand on the wall in the defense of liberty in Iraq and Afghanistan today, our soldiers today are exactly like those of the Greatest Generation: they sacrifice everything.

I'm proud to represent the 31st Congressional District, which is the home of Fort Hood. Every soldier at Fort Hood has been deployed multiple times, and they never complain; they just do the job. We Americans, wherever we are, in this House that we are so blessed to be able to serve or around the world, should stop every day, when we have the opportunity, and say thank you to the United States Army for the quality of human beings they have produced to defend our Nation and for the patriotic spirit that is part of what makes up the psyche of America.

Nothing is more precious to us than the United States Army. Nothing is more honorable to me than being given the opportunity to represent over 50,000 American soldiers. And so this day I am very happy to say to our United States Army, happy birthday, U.S. Army. We are proud of you. God bless you and keep you safe.

Mr. ORTIZ. Madam Speaker, I yield 3 minutes to my good friend and colleague from New York (Mr. HALL), a member of the Energy and Global Warming Subcommittee. And as always, he does a great job.

Mr. HALL of New York. I thank the chairman for yielding.

I rise in support of House Concurrent Resolution 286, introduced by my colleagues from Texas, and also the co-chairs of the Army Caucus, Mr. EDWARDS and Mr. CARTER.

I would just like to follow on Mr. CARTER's remarks about the modesty of the veteran who, upon returning to the Normandy beaches, wondered whether he was worthy after only spending 9 hours there on D-day, whether he deserved to come back there again.

I have spoken to Army veterans who were wounded and needed help but say I don't want to go to the VA and ask for help because maybe there's somebody wounded worse than I was and they need the help more, they need the money more than I need it. That modesty and sense of self-sufficiency is admirable, but something that we on the Veterans Services Committee try to get past and try to convince all veterans that they have earned the assistance that this country should give them.

I am somebody who was turned away on induction day when I went for my physical on Holabird Avenue in Baltimore for various physical reasons; but as fate would have it, I am now chairing the Veterans' Affairs Subcommittee on Disability Assistance and Memorial Affairs.

□ 1600

We were in the middle of a hearing yesterday on the state of the Veterans Benefits Administration when I had the honor of welcoming General David Huntoon, who is, this July, taking over the position of superintendent at West Point, which is in my district, New York's 19th Congressional District, in the Hudson Valley. He is replacing General Hagenbeck, who has served there for longer than I've been in this Congress.

It is a very proud tradition at the Army's academy. It was founded shortly after the Revolutionary War at the point of the Hudson River called World's End. It's where the Hudson takes a 90-degree bend to the west and then, once again, 90 degrees straight to the north. It is the point where the Revolutionary Army stretched a chain across the river to stop the British fleet from sailing up and influencing the battles that were taking place further north in the Hudson Valley.

To this day, West Point produces our officer corps, including my nephew, who graduated a couple of weeks ago from West Point. The corps is shortly going to be leading troops in battle—some older than they, some younger than they—but the enlisted corps will be looking to our new officers in the Army for leadership.

I was honored to be at a gathering of appointees who I had helped to gain admission. Of course, they had to pass the admissions standards to West Point and to the other service academies as well. I heard a colonel from the admissions office at West Point say that the best thing that they could do as officers in the Army is to listen. They listen to their soldiers whom they lead, and they lead through service.

So, once again, I would like to congratulate and to honor the Army on this 235th birthday. I urge support of the resolution by all of my colleagues, and I offer my hopes and prayers that all of our young officers and enlisted people—and the more senior ones and the more experienced ones as well—will come back home safely.

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

Mr. ORTIZ. Madam Speaker, I yield 3 minutes to the chairman of the Subcommittee on Asia and the Pacific of the Foreign Affairs Committee, my good friend and colleague from American Samoa (Mr. FALEOMAVAEGA), my good friend with whom I have had the privilege of working for many years.

Mr. FALEOMAVAEGA. I do want to thank my good friend and colleague from Texas as well as our friend from the State of Hawaii for managing this important resolution.

Madam Speaker, it is ironic that we just got through considering a resolution which commemorated the 60th anniversary of the Korean War. Four of our colleagues were veterans of that terrible conflict: Congressman RANGEL, Congressman SAM JOHNSON of Texas, Congressman JOHN CONYERS of Michigan, and Congressman Howard COBLE of North Carolina. The Korean War took 30,000 of our soldiers' lives. Let us not forget their sacrifice as we honor the celebration of the 235th birthday of the U.S. Army.

It was my honor to have served as a member of the U.S. Army during the Vietnam conflict, Madam Speaker. I recall the time of the Revolutionary War and of George Washington, with some 12,000 soldiers who were not very well trained. They had to go up against some 30,000 British Redcoats, which was the most powerful military organization at that time, but we had to fight it. We won the war, giving credit to General George Washington and to those who were able to assist him.

Madam Speaker, as a matter of history of the U.S. Army, during World War II, some 100,000 Japanese Americans were incarcerated in concentration camps. Despite all the discrimination, all the hatred, and all the racism that was heaped upon the Japanese Americans, they volunteered and organized the 100th Battalion, 442nd Infantry brigade, which was sent to Europe. These two military organizations became among the most decorated ever in the history of the U.S. Army.

As I recall distinctly of the 100th Battalion, 442nd Infantry, some 18,000 individual decorations were given to the men who served, these Japanese Americans. Some 9,000 Purple Hearts were awarded, some 560 Silver Stars and 52 Distinguished Service Crosses—and ironically, only one Medal of Honor. Well, we corrected that. As a result of again reviewing the value and the courage of these Japanese American soldiers who fought during that time, 19 additional Medals of Honor were awarded because of what they had done during the war. I just wanted to note that as a matter of history.

I want to commend the gentleman from Texas (Mr. EDWARDS) for his authorship of this resolution. I sincerely thank my good friend, Congressman ORTIZ, for allowing me to say a few words in celebrating the 235th birthday of the U.S. Army.

Mr. ORTIZ. Madam Speaker, at the same time we are honoring these soldiers, we cannot forget their families, because they have sacrificed as well.

I have known 29 soldiers who have been killed in the Afghanistan and Iraq wars. At one of these funerals that I attended, I met a young soldier who was escorting a body to my district, and he gave me this poem that I will always carry with me and that I will never forget. These are the people whose birthday we are celebrating today.

It is entitled, ''Soldier.''

''I was that which others did not want to be.

''I went where others feared to go and did what others failed to do.

''I asked nothing from those who gave nothing, and reluctantly accepted the thought of eternal loneliness should I fail.

''I have seen the face of terror, felt the stinging cold of fear, and enjoyed the sweet taste of a moment's love.

''I have cried, pained, and hoped; but most of all, I have lived times others would say were best forgotten.

''At least someday I will be able to say that I was proud of what I was, a soldier.''

This is their birthday, the United States Army.

Mr. FALEOMAVAEGA. Mr. Speaker, I rise today in strong support of H. Con. Res. 286, celebrating the 235th birthday of the United States Army.

First, I would like to thank Chairman SKELTON and Ranking Member MCKEON of the Committee on Armed Services for bringing the resolution to the floor today. I also want to commend my good friend, Congressman CHET EDWARDS of Texas, for introducing this resolution as well as all of the other cosponsors for their rapid and strong support.

The freedoms that this great country was built on were not formed out of peace and diplomacy, but out of necessity for war. The United States Army has ensured the safety and continuance of the freedoms won since the Revolutionary War that declared our independence from Great Britain. In 1775, the Continental Army was formed representing the thirteen American colonies consisting of a few thousand soldiers. Today, according to the Department of Defense, there are over 2 million personnel serving in our Armed Forces while 675,000 are either active duty or reserve in the U.S. Army.

I would like to take this opportunity to sincerely give my thanks to all the men and women who have served and are serving in the U.S. Army. As a Vietnam veteran, I appreciate the dedication and service of all those who have volunteered. The United States military is an essential component of our country's success and we owe them a debt of gratitude. Given that the average age of a soldier in the U.S. Army today is 22 years old, I would like to recognize the young men and women of this country for devoting themselves to maintaining the freedoms and rights enumerated by our founding fathers since 1776.

The United States Army personnel, as well as all branches of the military, deserve not only our respect, but our recognition. Our United States military today is the strongest and fiercest volunteer force dedicated to protecting and defending our great nation. For this reason I would like to recognize all U.S. military personnel serving in our homeland and throughout the world.

For their service, valor and commitment, we must honor the United States Army. I urge my colleagues to pass H. Con. Res. 286.

Mr. ORTIZ. I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GARAMENDI). The question is on the motion offered by the gentleman from Texas (Mr. ORTIZ) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 286.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

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

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on motions to suspend the rules previously postponed.

Votes will be taken in the following order:

House Concurrent Resolution 242, by the yeas and nays;

House Resolution 1422, by the yeas and nays; and

House Resolution 1414, de novo.

Remaining postponed votes will be taken later in the week.

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

HONORING THE NAACP ON ITS 101ST ANNIVERSARY

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and agree to the concurrent resolution (H. Con. Res. 242) honoring and praising the National Association for the Advancement of Colored People on the occasion of its 101st anniversary, on which the yeas and nays were ordered.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Tennessee (Mr. COHEN) that the House suspend the rules and agree to the concurrent resolution.

The vote was taken by electronic device, and there were—yeas 421, nays 0, not voting 11, as follows:

[Roll No. 365]

YEAS—421

Ackerman
Aderholt
Adler (NJ)
Akin
Alexander
Altmire
Andrews
Arcuri
Austria
Baca
Bachmann
Bachus
Baird
Baldwin
Barrow
Bartlett
Barton (TX)
Bean
Becerra
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (NY)
Blackburn
Blumenauer
Blunt
Boccieri
Boehner
Bonner
Bono Mack
Boozman
Boren
Boswell
Boucher
Boustany
Boyd
Brady (PA)
Brady (TX)
Braley (IA)
Bright
Broun (GA)
Brown, Corrine
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Butterfield
Buyer
Calvert
Camp
Campbell
Cantor
Cao
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Carter
Cassidy
Castle
Castor (FL)
Chaffetz
Chandler
Childers
Chu
Clarke
Clay
Cleaver
Clyburn
Coble
Coffman (CO)
Cohen
Cole
Conaway
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crenshaw
Critz
Crowley
Cuellar
Culberson
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (KY)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dent
Deutch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Djou
Doggett
Donnelly (IN)
Doyle
Dreier
Driehaus
Duncan
Edwards (MD)
Edwards (TX)
Ehlers
Ellison
Ellsworth
Emerson
Engel
Eshoo
Etheridge
Fallin
Farr
Fattah
Filner
Flake
Fleming
Forbes
Fortenberry
Foster
Foxx
Frank (MA)
Franks (AZ)
Frelinghuysen
Fudge
Gallegly
Garamendi
Garrett (NJ)
Gerlach
Giffords
Gingrey (GA)
Gohmert
Gonzalez
Goodlatte
Gordon (TN)
Granger
Graves (GA)
Graves (MO)
Grayson
Green, Al
Green, Gene
Griffith
Grijalva
Guthrie
Gutierrez
Hall (NY)
Hall (TX)
Halvorson
Hare
Harman
Harper
Hastings (FL)
Hastings (WA)
Heinrich
Heller
Hensarling
Herger
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hoyer
Hunter
Inslee
Israel
Issa
Jackson (IL)
Jenkins
Johnson (IL)
Johnson, E. B.
Johnson, Sam
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
LaTourette
Latta
Lee (CA)
Lee (NY)
Levin
Lewis (CA)
Lewis (GA)
Linder
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lucas
Luetkemeyer
Luján
Lummis
Lungren, Daniel E.
Lynch
Mack
Maffei
Maloney
Manzullo
Marchant
Markey (CO)
Markey (MA)
Marshall
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCaul
McClintock
McCollum
McCotter
McDermott
McGovern
McHenry
McIntyre
McKeon
McMahon
McMorris Rodgers
McNerney
Meek (FL)
Meeks (NY)
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Minnick
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Murphy, Tim
Myrick
Nadler (NY)
Napolitano
Neal (MA)
Neugebauer
Nunes
Nye
Oberstar
Obey
Olson
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor (AZ)
Paul
Paulsen
Payne
Pence
Perlmutter
Perriello
Peters
Peterson
Petri
Pingree (ME)
Pitts
Platts
Poe (TX)
Polis (CO)
Pomeroy
Posey
Price (GA)
Price (NC)
Putnam
Quigley
Radanovich
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.
Sanchez, Loretta
Sarbanes
Scalise
Schakowsky
Schauer
Schiff
Schmidt
Schock
Schrader
Schwartz
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Sestak
Shadegg
Shea-Porter
Sherman
Shimkus
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Space
Speier
Spratt
Stark
Stearns
Stupak
Sullivan
Sutton
Tanner
Taylor
Teague
Terry
Thompson (CA)
Thompson (MS)
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Tierney
Titus
Tonko
Towns
Tsongas
Turner
Upton
Van Hollen
Velázquez
Visclosky
Walden
Walz
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Westmoreland
Whitfield
Wilson (OH)
Wilson (SC)
Wittman
Wolf
Woolsey
Wu
Yarmuth
Young (AK)
Young (FL)

NOT VOTING—11

Barrett (SC)
Bishop (UT)
Brown (SC)
Davis (IL)
Himes
Hoekstra
Inglis
Jackson Lee (TX)
Johnson (GA)
Melancon
Wamp

□ 1636

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

So (two-thirds being in the affirmative) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

HONORING THE DEPARTMENT OF JUSTICE ON ITS 140TH ANNIVERSARY

The SPEAKER pro tempore (Ms. LEE of California). The unfinished business is the vote on the motion to suspend the rules and agree to the resolution (H. Res. 1422) honoring the Department of Justice on the occasion of its 140th anniversary, on which the yeas and nays were ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Tennessee (Mr. COHEN) that the House suspend the rules and agree to the resolution.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 416, nays 3, not voting 13, as follows:

[Roll No. 366]

YEAS—416

Ackerman
Aderholt
Adler (NJ)
Akin
Alexander
Altmire
Andrews
Arcuri
Austria
Baca
Bachmann
Bachus
Baird
Baldwin
Barrow
Bartlett
Barton (TX)
Bean
Becerra
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (NY)
Blackburn
Blumenauer
Blunt
Boccieri
Boehner
Bonner
Bono Mack
Boozman
Boren
Boswell
Boucher
Boustany
Boyd
Brady (PA)
Brady (TX)
Braley (IA)
Bright
Broun (GA)
Brown, Corrine
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Butterfield
Buyer
Calvert
Camp
Campbell
Cantor
Cao
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Carter
Cassidy
Castle
Castor (FL)
Chaffetz
Chandler
Childers
Chu
Clarke
Clay
Clyburn
Coble
Coffman (CO)
Cohen
Cole
Conaway
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crenshaw
Critz
Crowley
Cuellar
Culberson
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (KY)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dent
Deutch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Djou
Doggett
Donnelly (IN)
Doyle
Dreier
Driehaus
Duncan
Edwards (MD)
Edwards (TX)
Ehlers
Ellison
Emerson
Engel
Eshoo
Etheridge
Fallin
Farr
Fattah
Filner
Flake
Fleming
Forbes
Fortenberry
Foster
Foxx
Frank (MA)
Franks (AZ)
Frelinghuysen
Fudge
Gallegly
Garamendi
Garrett (NJ)
Gerlach
Giffords
Gingrey (GA)
Gohmert
Gonzalez
Goodlatte
Gordon (TN)
Granger
Graves (GA)
Graves (MO)
Grayson
Green, Al
Green, Gene
Griffith
Grijalva
Guthrie
Gutierrez
Hall (NY)
Hall (TX)
Halvorson
Hare
Harman
Harper
Hastings (FL)
Hastings (WA)
Heinrich
Heller
Hensarling
Herger
Herseth Sandlin
Higgins
Hill
Himes
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hoyer
Hunter
Inslee
Israel
Issa
Jackson (IL)
Jackson Lee (TX)
Jenkins
Johnson (GA)
Johnson, E. B.
Johnson, Sam
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
LaTourette
Latta
Lee (CA)
Lee (NY)
Levin
Lewis (CA)
Lewis (GA)
Linder
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lucas
Luetkemeyer
Luján
Lummis
Lungren, Daniel E.
Lynch
Mack
Maffei
Maloney
Manzullo
Marchant
Markey (CO)
Markey (MA)
Marshall
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCaul
McClintock
McCollum
McCotter
McDermott
McGovern
McHenry
McIntyre
McKeon
McMahon
McMorris Rodgers
McNerney
Meek (FL)
Meeks (NY)
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Minnick
Mitchell
Mollohan
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Murphy, Tim
Myrick
Nadler (NY)
Napolitano
Neal (MA)
Neugebauer
Nunes
Nye
Oberstar
Obey
Olson
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor (AZ)
Paulsen
Payne
Pence
Perlmutter
Perriello
Peters
Peterson
Petri
Pingree (ME)
Pitts
Platts
Poe (TX)
Polis (CO)
Pomeroy
Posey
Price (GA)
Price (NC)
Putnam
Quigley
Radanovich
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.
Sanchez, Loretta
Sarbanes
Scalise
Schakowsky
Schauer
Schiff
Schmidt
Schock
Schrader
Schwartz
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Sestak
Shadegg
Shea-Porter
Sherman
Shimkus
Shuler
Shuster
Sires
Skelton
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Space
Speier
Spratt
Stark
Stearns
Stupak
Sullivan
Sutton
Tanner
Taylor
Teague
Terry
Thompson (CA)
Thompson (MS)
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Tierney
Titus
Tonko
Towns
Tsongas
Turner
Upton
Van Hollen
Visclosky
Walden
Walz
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Westmoreland
Whitfield
Wilson (OH)
Wilson (SC)
Wittman
Wolf
Woolsey
Wu
Yarmuth
Young (FL)

NAYS—3

Johnson (IL)
Paul
Young (AK)

NOT VOTING—13

Barrett (SC)
Bishop (UT)
Brown (SC)
Cleaver
Davis (IL)
Ellsworth
Hoekstra
Inglis
Melancon
Moore (KS)
Simpson
Velázquez
Wamp

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Less than 2 minutes remain in this vote.

□ 1645

So (two-thirds being in the affirmative) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONGRATULATING URBAN PREP CHARTER ACADEMY—ENGLEWOOD CAMPUS

The SPEAKER pro tempore. The unfinished business is the question on suspending the rules and agreeing to the resolution (H. Res. 1414) congratulating Urban Prep Charter Academy for Young Men—Englewood Campus, the Nation's first all-male charter high school, for achieving a 100 percent college acceptance rate for all 107 members of its first graduating class of 2010, as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California (Ms. WOOLSEY) that the House suspend the rules and agree to the resolution, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

RECORDED VOTE

Mr. ANDREWS. Madam 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 420, noes 0, not voting 12, as follows:

[Roll No. 367]

AYES—420

Ackerman
Aderholt
Adler (NJ)
Akin
Alexander
Altmire
Andrews
Arcuri
Austria
Baca
Bachmann
Bachus
Baird
Baldwin
Barrow
Bartlett
Barton (TX)
Bean
Becerra
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (NY)
Blackburn
Blumenauer
Blunt
Boccieri
Boehner
Bonner
Bono Mack
Boozman
Boren
Boswell
Boucher
Boustany
Boyd
Brady (PA)
Brady (TX)
Braley (IA)
Bright
Broun (GA)
Brown, Corrine
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Butterfield
Buyer
Calvert
Camp
Campbell
Cantor
Cao
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Carter
Castle
Castor (FL)
Chaffetz
Chandler
Childers
Chu
Clarke
Clay
Cleaver
Clyburn
Coble
Coffman (CO)
Cohen
Cole
Conaway
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crenshaw
Critz
Crowley
Cuellar
Culberson
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (KY)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dent
Deutch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Djou
Doggett
Donnelly (IN)
Doyle
Dreier
Driehaus
Duncan
Edwards (MD)
Edwards (TX)
Ehlers
Ellison
Emerson
Engel
Eshoo
Etheridge
Fallin
Farr
Fattah
Filner
Flake
Fleming
Forbes
Fortenberry
Foster
Foxx
Frank (MA)
Franks (AZ)
Frelinghuysen
Fudge
Gallegly
Garamendi
Garrett (NJ)
Gerlach
Giffords
Gingrey (GA)
Gohmert
Gonzalez
Goodlatte
Gordon (TN)
Granger
Graves (GA)
Graves (MO)
Grayson
Green, Al
Green, Gene
Griffith
Grijalva
Guthrie
Gutierrez
Hall (NY)
Hall (TX)
Halvorson
Hare
Harman
Harper
Hastings (FL)
Hastings (WA)
Heinrich
Heller
Hensarling
Herger
Herseth Sandlin
Higgins
Hill
Himes
Hinchey
Hinojosa
Hodes
Holden
Holt
Honda
Hoyer
Hunter
Inslee
Israel
Issa
Jackson (IL)
Jackson Lee (TX)
Jenkins
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
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
LaTourette
Latta
Lee (CA)
Lee (NY)
Levin
Lewis (CA)
Lewis (GA)
Linder
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lucas
Luetkemeyer
Luján
Lummis
Lungren, Daniel E.
Lynch
Mack
Maffei
Maloney
Manzullo
Marchant
Markey (CO)
Markey (MA)
Marshall
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCaul
McClintock
McCollum
McCotter
McDermott
McGovern
McHenry
McIntyre
McKeon
McMahon
McMorris Rodgers
McNerney
Meek (FL)
Meeks (NY)
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Minnick
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Murphy, Tim
Myrick
Nadler (NY)
Napolitano
Neal (MA)
Neugebauer
Nunes
Nye
Oberstar
Obey
Olson
Ortiz
Owens
Pallone
Pascrell
Pastor (AZ)
Paul
Paulsen
Payne
Pence
Perlmutter
Perriello
Peters
Peterson
Petri
Pingree (ME)
Pitts
Platts
Poe (TX)
Polis (CO)
Pomeroy
Posey
Price (GA)
Price (NC)
Putnam
Quigley
Radanovich
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.
Sanchez, Loretta
Sarbanes
Scalise
Schakowsky
Schauer
Schiff
Schmidt
Schock
Schrader
Schwartz
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Sestak
Shadegg
Shea-Porter
Sherman
Shimkus
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Space
Speier
Spratt
Stark
Stearns
Stupak
Sullivan
Sutton
Tanner
Taylor
Teague
Terry
Thompson (CA)
Thompson (MS)
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Tierney
Titus
Tonko
Towns
Tsongas
Turner
Upton
Van Hollen
Velázquez
Visclosky
Walden
Walz
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Westmoreland
Whitfield
Wilson (OH)
Wilson (SC)
Wittman
Wolf
Woolsey
Wu
Yarmuth
Young (AK)
Young (FL)

NOT VOTING—12

Barrett (SC)
Bishop (UT)
Brown (SC)
Cassidy
Davis (IL)
Ellsworth
Hirono
Hoekstra
Inglis
Melancon
Olver
Wamp

□ 1654

So (two-thirds being in the affirmative) the rules were suspended and the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ELECTING CERTAIN MINORITY MEMBERS TO CERTAIN STANDING COMMITTEES

Mr. PENCE. Madam Speaker, by direction of the House Republican Conference, I send to the desk a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1447

Resolved, That the following named members be, and they are hereby, elected to the following standing committees:

COMMITTEE ON AGRICULTURE—Mr. Rooney.

COMMITTEE ON HOMELAND SECURITY—Mr. Graves of Georgia.

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE—Mr. Graves of Georgia.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Ms. JACKSON LEE of Texas. Madam Speaker, because I was chairing the committee addressing the question of the United-Continental merger, I was unavoidably detained and I missed the vote of H. Con. Res. 242, honoring and praising the National Association for the Advancement of Colored People on the occasion of its 101st anniversary. If I had been present, I would have voted an enthusiastic ''aye.''

TRIBUTE TO MANUEL SEMAN AND LUISE PANGELINAN VILLAGOMEZ

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

Mr. SABLAN. Madam Speaker, some families have an out-size influence in their community. With 12 children, 40 grandchildren, 30 great grandchildren and 2 great-great grandchildren, Manuel Seman and Luise Pangelinan Villagomez have clearly had an impact. But their influence was more than numerical. The Villagomezes were among the first great entrepreneurs to emerge from the ashes of World War II in the Northern Mariana Islands.

Manny's family had farmed and fished, selling their produce to Japanese retail stores before the war. But afterwards Manny and Luise became business people themselves. They began with a small grocery store in Chalan Kanoa, then added a second in Garapan. They invested in real estate, went into construction, sold scrap and grew their fortunes. They invested, too, in their children's education, though they had only a sixth grade and third grade education between them. And they taught their children business, bringing them into the stores at an early age.

Luise passed away, surrounded by loved ones, at the Kiyu compound in Fina Sisu a few years ago. But Manny Villagomez lives on, farming as he did as a child, still traveling occasionally, satisfied with the fruits of a life of hard work and devotion to family and faith.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. All Members are reminded not to traffic the well while another Member is under recognition.

□ 1700

ISRAEL UNDER SIEGE

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

Mr. POE of Texas. Madam Speaker, Israel has the absolute right to defend itself. It is under siege. In the north, it has the terrorist group Hezbollah; in the south, it has the terrorist group Hamas, both firing missiles into that Nation. Recently, six ships tried to break a blockade going into Gaza. Israel defends its borders and searches ships to make sure that aid going to Gaza is not from Iran and it is not weapons.

But this was not humanitarian aid workers that assaulted the Israeli commandos, where 10 of them were hurt. It turns out that their goal was, of course, to have an international incident. The reason being, after these ships were stopped and then allowed to proceed into Gaza, the humanitarian aid was denied and refused by Hamas. Obviously, an international incident that had gone bad for Hamas.

Recently, myself and the gentleman from Michigan (Mr. PETERS), along with 128 Members of Congress have tried to make it clear to the White House that the United States should stand with our ally Israel, that we should make it clear to Israel, to America, and the rest of the world that Israel has the absolute right to defend itself in this situation and support the blockade and support their actions of the flotilla. This should be clear to all concerned throughout the world, especially Hamas and Hezbollah.

And that's just the way it is.

DISCLOSE ACT EXEMPTIONS

(Mr. DANIEL E. LUNGREN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIEL E. LUNGREN of California. Madam Speaker, there is uncertainty on this floor as I speak as to whether or not we are going to bring up the DISCLOSE Act this day in the Rules Committee or on this floor this week. The reason appears to be that a special exemption has been given to just a select number of groups, starting with the National Rifle Association, but also not including the Gun Owners of America; including the Humane Society, but not including other agricultural groups in America.

In other words, we are saying that free speech is free for some but not all. And as I looked at this exemption that's been given, you have to have over a million members. You have to have members in all 50 States. You have to have existed for more than 10 years. It is obvious we have now gone from too big to fail to too big to file. In other words, if you have got enough juice here, you are not going to be included. But if you do, you are going to be excluded, and you are going to be allowed in this election period to fully use your First Amendment rights. That's not what the Constitution's all about.

TRIBUTE TO THE VICTIMS OF THE NORTHWESTERN OHIO TORNADOES

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

Ms. KAPTUR. Madam Speaker, I rise to recognize and pay tribute to the men and women and children who lost their lives and were wounded in the tornadoes that ravaged northwestern Ohio on June 5 and 6. And that disaster prematurely took the lives of six people. We are talking about Wood County, Fulton County, Ottawa County, across Sandusky County, and adjacent counties.

Madison Walters has been tragically orphaned while her family, Mary and Ryan Walters and their 4-year-old son, Hayden, were all killed. We also remember Ted Kranz, Kathy Hammitt, and Bailey Bowman. Over $100 million of estimated damage occurred. Lake High School was leveled. So many businesses, homes, farms affected.

While this is a story of pain, it is also a story of hope and human goodness, as waves of thousands of volunteers have come to try to help and assist those facing such destruction. I would like to submit two articles for the record that detail examples of this compassion. And it shows to us again the signs of a great Nation that binds together, and neighbor helping neighbor.

I urge the administration, in the strongest manner possible, to declare our region a Federal disaster area so necessary aid can flow to those whose lives have been so dramatically affected in a region already suffering from economic recession.

[From toledoblade.com, June 11, 2010]

HELP, HOPE FROM VOLUNTEERS LIFT SPIRITS IN TORNADO-WRECKED TOWNS; MORE THAN 1,600 PEOPLE TURN OUT TO LEND A HAND

(By Claudia Boyd-Barrett)

Millbury resident Tim Miller has lost his house, and he wants to say thank you.

Not to the tornado which left him and his family homeless last weekend, but to the hundreds of people—most of whom he doesn't know—who have come to help pick up the pieces.

Thursday, on what remained of his back deck and next to a hole in the ground that was once his house, Mr. Miller perched a handwritten sign addressed to the volunteers. It read ''Thank You Everyone.''

''I have to,'' Mr. Miller said. ''All these people come out and help you out, you've gotta thank them somehow.''

With volunteers and emergency crews continuing to pour into Wood, Fulton, and Ottawa counties Thursday, recovery and cleanup efforts were moving full-speed.

In Lake Township, site of some of the worst devastation, Police Chief Mark Hummer said he expected the bulk of the cleanup to be done by Saturday. After that, there will be small debris to pick up and rebuilding efforts will begin, he said.

Volunteers included schoolchildren, adults taking time off work, retirees, nonprofit groups, and businesspeople.

Among them, a dozen employees from the Shelly Co. in Findlay and children from a little league baseball team ferried hundreds of hamburgers, hotdogs, and refreshments to residents and other volunteers in the Lake Township area.

Nine-year-old Ryan Kerr was one of the volunteers. He said he wanted to help ''because I feel really bad about all the people losing their homes.'' And, he added, ''it's fun.'' Recruitment of volunteers has been so successful that the United Way announced it would close two of its volunteer reception centers today. With so much of the general cleanup work done, there is only need for specialized volunteers, the agency said.

''The community's response has been absolutely tremendous,'' Bill Kitson, United Way of Greater Toledo president and chief executive officer, said in a statement. ''In the past three days, we have deployed more than 1,600 volunteers to help with clean-up efforts. I'm truly at a loss for words.''

The closed centers were at Grace United Methodist Church at 601 East Boundary St. in Perrysburg and at the Mainstreet Church at 705 North Main St. in Walbridge.

United Way officials said that if people still wish to volunteer and think their specialized skills can be used in restoration efforts, they should call 2–1–1 and give their personal information for reference.

General volunteers are needed in Ottawa and Fulton counties, however. In Fulton County, volunteers can go to Shiloh Christian Union Church, 2100 County Road 5, between 9 a.m. and 6 p.m. today while the location will change to the Swancreek Township Hall, 5565 County Road D for the weekend. Ottawa County has a volunteer reception center at Genoa High School.

Bill Walker, the emergency management director for Erie County who has been helping out in Ottawa County, said the cleanup there would likely continue into next week.

''There's still a lot of work to do,'' he said. ''But it's way better than what it was.''

Amid the cleanup efforts, emergency officials also worked to ensure the area is prepared for future storms. They tested sirens yesterday across Wood County and one siren in Lake Township failed to sound. The siren, outside the fire station on Ayers Road, was fixed within a few hours.

Police Chief Mark Hummer said the siren had electrical problems and may have been struck by lightning.

It was not known whether any other sirens failed to work during the testing that lasted about three minutes and started at noon.

The Lake Township site where the siren wasn't working is the closest location to an area of Millbury that was among the hardest hit in the township.

Lake Township fire Chief Todd Walters said the siren was tested a week ago and was working when the tornado hit on Saturday night. Other sirens that were activated Thursday in Lake Township were at the Municipal Building in Millbury, Walbridge behind the police department, and on East Broadway in news conference yesterday morning, the township's police and fire chiefs encouraged people to prepare for future storms by having a battery-operated radio, as well as food and water in a safe area of the house, on hand at all times.

According to the National Weather Service, there is a chance of showers and thunderstorms today and through the weekend, but severe weather conditions have not been predicted.

Also yesterday, Ohio Department of Transportation Director Jolene Molitoris toured the storm-ravaged areas and spoke with officials involved in the recovery efforts. She pledged continued help by ODOT crews in clearing roads and making them safe for emergency personnel and the public.

Ms. Molitoris said she was inspired to see the progress made by the various government agencies on the ground and by volunteers.

''Everybody is a team and there's a power in working together,'' Ms. Molitoris said. ''It reminds us of what it means to be Ohioans.''

In another sign that things are slowly recovering, the Lake Township Police Department moved to a former Ohio Highway Patrol substation on Lemoyne Road. Emergency dispatchers for the Lake Township Fire Department and EMS will continue to work out of the Northwood police dispatch center, however.

Meanwhile, others were recovering on a more personal level. After losing the house they had moved into just three weeks ago to

the tornado, Melody Kisseberth and her fiancee, Steve Avers, said they are gradually coming to terms with their ordeal.

''I was devastated for days, but now I'm trying to see the bright side,'' Ms. Kisseberth said, as she picked up the debris along with dozens of volunteers. ''I realized we need to be thankful because there's a lot of people worse off than us.''

[From toledoblade.com, June 15, 2010]

RELATIVES PULL TOGETHER FOR GIRL ORPHANED AFTER TORNADO

(By the Blade staff)

The extended family of a 7-year-old left orphaned and homeless by the June 5 tornadoes said Monday they are ''pulling together'' to protect the little girl.

Madison Walters' mother, Mary Walters, 36, and her 4-year-old brother, Hayden, were killed shortly after a powerful tornado struck the family home in Millbury, Ohio, ripping off the second story.

Her father, Ryan Walters, 37, who was critically injured, died Sunday at Mercy St. Vincent Medical Center in Toledo.

Madison was released Sunday from the same hospital after days of treatment for broken bones. Her aunt, Amy Sigler, said the child is being cared for by family members.

''She is doing well and is surrounded by her loving family,'' Mrs. Sigler said.

Barbara Walters, Mr. Walters' mother, said she was not surprised at her son's passing, but the family had hoped for a better outcome. She said the couple left a will ''with specific instructions'' for Madison.

The family declined to give specifics about which family members she will live with, citing a desire for privacy.

Mr. Walters will be buried Friday with his wife and son in Lake Township cemetery, Barbara Walters said.

Mrs. Sigler described her brother-in-law, a long-distance runner, as an ''exemplary'' father and husband who dedicated many volunteer hours to help manage the computer systems at Mainstreet Church in Walbridge.

She said faith in God is helping the family cope with their grief.

''God's grace is amazing,'' she said. ''We know we're going to see him again.''

Mr. and Mrs. Walters apparently were asleep in an upstairs bedroom of their Main Street house when the tornado struck. Their children were asleep in the same part of the house, family members said.

The house appears to have been in the direct path of at least one tornado, and was flattened to the foundation.

Mrs. Sigler, who lives in nearby Northwood, said she tried to call her sister to warn her about the approaching storm. She had watched news reports of violent thunderstorms moving across northwest Ohio, and knew the family was asleep. ''The phone just rang and rang,'' she said the day after the storm hit. ''I knew as soon as it hit and she didn't call that something was wrong.''

The storm was one of northwest Ohio's worst.

The others killed include Ted Kranz, 46, who died after part of his Case Road home fell on him after he left his basement to check on a generator; Wauseon resident Kathy Hammitt, 56, who was en route for home along State Rt. 795 after visiting her husband at a nearby hospital, and Bailey Bowman, a 20-year-old mother of a 2-year-old boy, who was killed as she tried to seek shelter at the Lake Township police building.

DEAL WITH THE GULF

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

Mr. BURTON of Indiana. Madam Speaker, last night I watched the President on television, and I was really disappointed because, instead of really addressing the problem of the gulf spill, he was once again talking about a government move to take over part of our country.

We have seen the government move to take over or control the auto industry, the financial industry. We have seen the government or the administration force through the health care bill which the vast majority of Americans don't want. And last night, instead of really focusing on dealing with the problem in the gulf that's going to cost maybe 150,000 jobs and make us more dependent on foreign oil, what the President did, he started talking about the cap-and-trade bill, which will raise taxes on energy production, and every family in America will suffer to the tune of about $3,000 or $4,000 a year.

This is a time, Mr. President, if I were talking to him, I would say to deal with the problem in the gulf instead of talking about taking over more of the private sector and raising our taxes.

COMMENDING THE PRESIDENT'S OVAL OFFICE ADDRESS

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

Mr. RANGEL. I really didn't intend to talk, but I just wonder whether my colleague was listening to the same President, a President who I thought was responding to all Americans when he said that the government has a responsibility to make certain that the private sector upholds their commitment to people, to make certain that they do what I would hope that you would want.

We have to get away from this whole idea that government's bad. Ask anybody that has Medicaid and Medicare. And this President was an exciting, fresh air for all Americans to know that we will never forget those people in Louisiana.

The whole idea of cleaning the atmosphere and making this planet a better place to live, maybe that's repugnant to your way of thinking, but believe me, it's not for Democrats. It's for Democrats, Republicans, and for the civilized world to understand that we are prepared to make this a better planet than the one in which people have destroyed it.

So I just hope that we check and see who you were listening to last night, because I really thought it was exciting, invigorating, and gave us a lot of comfort that the President really cared.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

THE NEW NATIONAL SECURITY STRATEGY: JUST WORDS?

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

Ms. WOOLSEY. Madam Speaker, the National Security Strategy released by the White House late last month has plenty to recommend. This administration, on paper and in its rhetoric and proclamations, clearly has a broader view, beyond the use of military force, of how to keep Americans safe.

The strategy puts a premium on diplomacy and multilateral cooperation as key tools of advancing our security interests. It discusses clean energy and a reduced dependence on foreign oil. It recognizes the threat, within a national security context, of global climate change. It expresses a commitment to nuclear nonproliferation and pledges support for fledgling democracies. It includes, under the rubric of national security, human rights, global health, and development aid. Madam Speaker, it even emphasizes the important national security implications of investing in education and human capital right here at home.

Frankly, it sounds a lot like the smart security platform that I have been advocating for the last several years. I'm glad the folks at the other end of Pennsylvania Avenue are getting there, also.

And yet, Madam Speaker, I can't reconcile all of those promising ideas with the ongoing prosecution of two wars, which are bankrupting our country morally and fiscally, without reducing terrorism threats or contributing to our national security.

The situation on the ground in Afghanistan remains very tenuous. While Americans, other NATO forces, and civilians continue to shed blood, insurgents and militants continue to thrive. As we prepare to move in on the Taliban's home base of Kandahar, all evidence indicates that we weren't successful at the more modest task of driving them out of Marja this very winter. Besides, according to General McChrystal, the Kandahar offensive isn't even ready to start on time.

At the same moment, we have an unreliable partner in President Karzai, a partner who has now dismissed two of his top aides who had the best working relationship with the United States. And General Petraeus is on Capitol Hill this week to tell the Armed Services Committees that the last 15 to 18 months have been about installing the ''inputs'' in Afghanistan, and that now, finally, we are ready to reap some ''outputs.''

Well, with all due respect, Madam Speaker, and respect to the General, we are all pleased that he is fine after briefly passing out in the Senate hearing room earlier this week, but in all due respect, I think the American people feel as though they have been providing inputs for more than 8½ years now. It's particularly difficult to accept this explanation when we've seen

$275 billion fly out of the Federal Treasury to pay for inputs in Afghanistan. It's long past time when we can expect to see results, or outputs.

But, tragically, there will be no meaningful outputs until we make a U-turn and reverse the strategy 180 degrees. The outputs will come when, and only when, our Afghanistan policy actually adheres to the core principles offered in the administration's National Security Strategy.

So my urgent plea to the White House is to embrace its own advice. If they are serious about a new approach to defending and protecting America, let's not wait until July 2011. Bring our troops home now.

REPORT ON RESOLUTION PROVIDING FOR FURTHER CONSIDERATION OF H.R. 5297, SMALL BUSINESS JOBS AND CREDIT ACT OF 2010

Mr. ARCURI, from the Committee on Rules, submitted a privileged report (Rept. No. 111–508) on the resolution (H. Res. 1448) providing for further consideration of the bill (H.R. 5297) to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, and for other purposes, which was referred to the House Calendar and ordered to be printed.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. MORAN) is recognized for 5 minutes.

(Mr. MORAN of Kansas addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

SECOND DISASTER IN THE GULF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. POE) is recognized for 5 minutes.

Mr. POE of Texas. Madam Speaker, when the Deepwater Horizon oil rig exploded in the Gulf of Mexico, there was no plan to handle that disaster. The Federal Government was missing in action. Now the Feds have a moratorium on deepwater offshore drilling.

The administration plan, based upon President Obama's speech last night, can be summed up quite well in the Los Angeles Times, and I quote, ''Obama's speech: There is a pipe spewing a gazillion gobs of oil into the gulf, so let's build more windmills.'' Yes, Madam Speaker, that seems to be the plan of the administration: Close down deepwater drilling and maybe build windmills.

Why would we shut down this industry in the Gulf of Mexico? And what is the purpose of this plan? The moratorium is preventing drilling in the Gulf of Mexico for the next 6 months or even longer. When we have a plane crash, Madam Speaker, when people die, and that's a horrible thing, we don't close down the entire airline industry for 6 months. That wouldn't make sense.

But shutting down the offshore drilling for 6 months or more is going to be the second disaster in the Gulf of Mexico. And it's expanding the economic destruction caused by this explosion and this oil spill. It will put 50,000 people or more out of work in the entire gulf region. It affects my State of Texas and Louisiana and Mississippi the most.

□ 1715

It's interesting. Although the oil spill affects Louisiana and Mississippi, Alabama, these are the States, along with Texas, who want to continue deepwater drilling because they know it's necessary for jobs, the economy, and making sure that America is independent of foreign oil.

What is the reason for putting these workers out of business? Why has the Federal Government seen fit to eliminate these jobs? Actions have consequences, and in this case, inaction also has its consequences.

Seventeen percent of the Nation's domestic crude oil comes from deepwater drilling in the Gulf of Mexico. Now where is the country to obtain energy for the loss of this oil? There is no plan, no answer from the administration about this question. A 6-month moratorium will in effect send these expensive rigs to Brazil and Indonesia. It costs about $500,000 a day to operate one of these deepwater offshore drilling rigs.

These rigs are not going to sit there and wait for the Federal Government to make a decision, and just like what happened in the 1970s and 1980s with the American manufacturing industry, when it left America, it has never returned. And these oil rigs in the deepwater, when they leave American waters, they will not return ever. They will find some other safe haven to drill for crude oil.

The loss of our domestic source of oil in the Gulf of Mexico will make us further dependent on foreign oil. It means the United States will now have to import more oil from countries that don't like us, like the Middle East, like those good friends in Venezuela. It will increase the cost to all Americans, and that will increase tanker traffic bringing oil through the Gulf of Mexico. There is a greater risk from leakage of oil tankers than there is from any leakage from an offshore rig, but we will have to bring in at least 300 more tankers just to make up the 17 percent difference, and those tankers, of course, will bring foreign oil, not American oil, to the United States. We need to tap our own domestic sources of oil.

It took 37 days for there to be an attempt to have the top-kill procedure. Why did it take so long to make this decision? We're still looking for the answer to that question.

The majority of the pollution, Madam Speaker, is not the result of the explosion itself but the delay in handling the explosion and the containment thereof. In other words, there was no plan to contain the oil for at least 37 days, and then it was too late to try to contain the oil near the rig.

Now the government is overreacting by saying our solution to the explosion, to the containment, to the pollution is: stop deepwater drilling, kill American jobs, kill the American energy industry. And that will have a disastrous effect on our country.

We do need a plan for future disasters to include, who is in charge of this leak? Who is in charge of the containment? Who is in charge of the cleanup? And the only plan we have today is to shut down deepwater drilling, and now the administration is using this as a political ploy to implement more taxes on the American energy industry which will be called the cap-and-trade national energy tax. Of course, that is passed on to the American citizens.

So a new crippling natural energy tax will result in regulations on carbon dioxide emissions, the very substance we as humans exhale, and it's unfortunate that the moratorium on the drilling has already caused devastating economy losses in the Gulf of Mexico, especially in my State.

So we would ask that the Federal Government rescind its ban and allow deepwater drilling in a safe manner.

And that's just the way it is.

UPDATE ON GOLDMAN SACHS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Madam Speaker, please allow me to update my colleagues and citizens across the country on some recent news about Goldman Sachs, one of the white shoe Wall Street outfits that got bailed out by the American taxpayer 2 years ago. We've learned that the Securities and Exchange Commission and Department of Justice are looking into Goldman Sachs, but there is more you should know.

Today, it was revealed that this privileged firm also wholly owned a mortgage servicing company back from 2007. So it claims it had no knowledge of the housing meltdown, but in fact, it owned a loan servicing company.

Back in 2007, Goldman Sachs scooped up Litton Loan Servicing in Houston, Texas. Litton specialized in collecting money from borrowers in California and Florida. Goldman now services around 320,000 loans worth around $50 billion according to the Financial Times.

Litton does not seem to be quite on the up-and-up. In fact, it was just recently forced to settle a class-action lawsuit in Los Angeles for over half a million dollars, and the Financial Times reports that the Better Business

Bureau has listed almost 800 complaints on Litton. Worse, Litton has only put up about 29 percent of their loans into permanent modifications, leaving the rest of the consumers who tried to get one trying to find money to make up the difference they immediately owe Litton, and oh, of course, then they will owe the accrued late fees.

Goldman Sachs says little about this, of course. This is business as usual for them, but bad business as usual it appears.

However, the customers of Litton are not the only ones receiving poor services from Goldman Sachs. The Financial Crisis Inquiry Commission created by Congress is getting similar treatment. Despite saying that they will cooperate fully, Goldman Sachs is not cooperating fully with the Financial Crisis Inquiry Commission. In fact, a subpoena had to be issued last week to get documents from Goldman Sachs.

The New York Times quotes the chairman of the commission, Mr. Phil Angelides of California, as saying the following: ''Goldman Sachs has not, in our view, been cooperative with our requests for information or forthcoming with respect to documents, information, or interviews.''

Should that surprise any of us? It certainly shows that Goldman Sachs does not respect the law, nor the Congress, nor the executive branch, nor the American citizens, whose hard-earned dollars have poured into Goldman leading it to record profits, huge bonuses, and no results for ordinary people.

Worse, it makes one wonder what Goldman Sachs has to hide. Otherwise, why send irrelevant information to the commission and withhold other information? Yet Goldman continues to drag its feet in responding, and the commission had to subpoena.

Goldman Sachs could and should do better. They could lead Wall Street in corporate citizenship. We now know that Goldman Sachs could easily reduce the principal on every loan at Litton, write off all the late fees, and give 320,000 citizens some relief from the housing crisis that Goldman, along with the rest of Wall Street's biggest investment banks—or I should say speculators—had in creating.

How much do you want to bet that they won't? Anyone want to hedge a bet with a credit default swap or a synthetic collateralized debt obligation? I bet Goldman would be willing to sell you one, but you know, what they're really doing is they're trying to send their lobbyists to try to meet with members of the commission that Mr. Angelides heads.

The New York Times reports that, ''Lobbyists representing Goldman in Washington tried to arrange one-on-one meetings with a handful of those commissioners, including Mr. Angelides, but he declined to meet with them.''

Congratulations, Mr. Angelides. Guess what, they do the same thing to the Members of Congress. They wait for us in the hallways. They get on the elevators with us if we refuse to meet with them. They pay their lobbyists here lots of money.

So you keep doing what you're doing, Mr. Angelides. You keep digging. I'm glad you declined to meet with them.

And you know, according to the people who spoke with the New York Times, many of them said they spoke on the condition of anonymity because they were not authorized to discuss the commission's inner workings. So I'm glad to see that there are some Americans out there who are trying to get to the truth, trying to get to the heart of the matter, trying to get justice for the American people in the housing market where the deck is so strongly stacked against ordinary citizens who should hold one piece of paper they call their mortgage, and yet the note for that is locked up somewhere upstream, held on Wall Street or one of its subsidiaries. And most Americans who are getting thrown out of their houses across this country and being forcibly removed don't even have enough legal advice to know that they should be asking the judge to produce the original note in those proceedings, not a Xeroxed copy.

The American people: get yourself legal assistance back home from your fair housing agencies, your counseling agencies. You have a right to your own mortgage, and no one should take it away from you if you have a leg to stand on. And the judge should be on your side if you ask for that original note.

[From FT.com, June 16, 2010]

U.S CONSUMERS RAGE AGAINST GOLDMAN UNIT

(By Suzanne Kapner and Francesco Guerrera)

As ever-darker clouds have gathered over Goldman Sachs in recent months, its executives have relied on a consistent line of defence.

As regulators, congressional investigators and activist shareholders have accused Wall Street's most successful investment bank of putting its interests ahead of those of its clients, Goldman's response has been: we deal with sophisticated investors who ought to know how to look after themselves, not powerless individuals.

''We don't have banking branches . . . we provide very few mortgages and don't issue credit cards or loans to consumers,'' is how Lloyd Blankfein, Goldman's chief executive, summarised the bank's modus operandi in a recent appearance before a U.S. Senate subcommittee.

Yet, in one small corner of its domain, Goldman interacts directly with ordinary Americans. Through its wholly owned subsidiary Litton Loan Servicing, which is facing a wave of complaints from consumers, Goldman collects payments on 320,000 loans, mainly in California and Florida, with an unpaid principal balance of $50bn.

When Goldman acquired Litton in December 2007 for $430m, the deal attracted little attention. Compared with Goldman's $45bn in annual revenue, Litton is tiny. Goldman says Litton services half of 1 per cent of U.S. mortgages.

The high-risk mortgages serviced by Litton were like the many loans Goldman—and its rivals—packaged into complex securities that plunged in value once the housing bubble burst, leading to huge losses among investors.

Goldman's knowledge of the perilous state of the U.S. property market, and its alleged reluctance to share it with investors, is at the centre of civil fraud charges filed by the Securities and Exchange Commission—which the bank denies—and were the focus of an 11-hour grilling of Goldman executives by Senate investigators in April.

Founded in 1988 by Larry Litton Sr in Houston after the Texas real estate bust, Litton developed expertise in collecting payments on high-risk mortgages that were near default. The company was purchased in 1996 by Credit-Based Asset Servicing and Securitization (C-Bass), which bought troubled loans from banks and used Litton to restructure them.

Because of its focus on distressed borrowers, Litton was one of the first companies to experiment with reducing interest payments for customers who had fallen behind to keep them from losing their homes. Such ''loan modifications'' have become common practice.

Litton's focus on modifying loans, coupled with its relationship with C-Bass, gave it an edge over rival servicers.

Because C-Bass bought bonds that were backed by pools of mortgages, Litton had the right to modify those loans once they soured.

According to Moody's Investors Service, Litton has retained the right to modify loans in 95 percent of the securities backed by loans it services. In contrast, other servicers have been blocked and even sued by investors, who claim loan modifications violate the original contract terms.

''Litton has been more aggressive than some of the other servicers,'' said Alan White, an assistant professor at the Valparaiso University School of Law. ''It's part of their culture.''

That approach has at times incurred the wrath of consumers. Concerned about rising complaints against the company, the Houston chapter of the Better Business Bureau conducted an investigation in 2005. ''They were arrogant,'' said Dan Parsons, president of the Houston chapter. ''It was all about how much money they could make.''

The bureau voted to revoke the company's membership but Litton resigned before it could act.

Larry Litton Jr, current chief executive of the servicer, told the Financial Times the resignation was prompted by a failure of the bureau to fully grasp its business strategy.

He added that Litton had long been an advocate of restructuring consumer debt.

''We do it because it's a good financial decision for investors, but also because it's a good outcome for consumers,'' Mr Litton said.

When C-Bass ran into financial trouble in 2007, Goldman snapped up Litton. Goldman said it has extensive procedures in place to ensure that information from Litton is not used inappropriately.

A person familiar with the situation said Mr Litton did not report directly to Mr Blankfein or Goldman's senior management, but interacted with lower-level mortgage executives.

After buying Litton, Goldman took pains to operate the company separately from its trading and advisory business and does not use Goldman branding on Litton's marketing materials. Such distance is in keeping with Goldman's desire to be seen as a Wall Street firm that deals with high finance only.

Many Litton customers did not realise the mortgage servicer was owned by Goldman. Marla Vasquez, a disgruntled customer in

California, said she learnt about the SEC investigation from a radio broadcast. ''It surprised me Goldman owns a company like this,'' she said.

[From FT.com, June 16, 2010]

SUBPRIME CONSUMERS HIT AT GOLDMAN

(By Suzanne Kapner)

Goldman Sachs is facing a wave of complaints from consumers over the business practices of its mortgage servicing unit, a subsidiary that collects payments on hundreds of thousands of loans worth tens of billions of dollars.

Goldman bought Litton Loan Servicing—a Houston, Texas, specialist in collecting money from high-risk borrowers—in December 2007, a year after the bank decided to reduce its exposure to the U.S. housing market.

The deal gave Goldman a new way to earn fees from subprime borrowers and provided it with a street-level view of conditions in the U.S. housing market as the financial crisis deepened.

It also put the Wall Street bank in the unusual position of facing hundreds of complaints from mainstream consumers, who allege that Litton unfairly charged them money. Without admitting wrongdoing, Litton agreed last year to pay $532,000 to settle a class-action lawsuit in Los Angeles, accusing it of charging late fees during a 60-day grace period on loans it acquired from other servicers.

''Litton saw a great opportunity to make a lot of money by collecting servicing fees on troubled loans,'' said Dan Parsons, president of the Houston chapter of the Better Business Bureau, a non-profit group that promotes responsible business practices. ''But when Litton takes over a loan, the borrower tends to be worse off.''

Larry Litton Jr, chief executive of the Goldman unit, declined to comment on specific complaints and said any fees resulted from normal procedures. He added that it was ''inevitable'' Litton would face complaints as it deals mainly with distressed borrowers. ''Do I wish complaint levels were lower?'' he said. ''Absolutely, we take complaints very seriously.''

The Better Business Bureau lists nearly 800 complaints in the U.S. against Litton during the past three years, more than have been filed against most similar-sized servicers. In Houston, only three companies—Comcast, Telecheck and Continental Airlines—received more complaints Mr Parsons said.

Consumer Affairs, a website that tracks consumer problems, said it had received 390 complaints against Litton in the past year, a 60 percent rise over the prior 12 months, and more than triple the number logged against some similar-sized competitors. Many complaints against Litton come from consumers who say they entered into ''trial'' mortgage modification programmes that reduced their payments, only to find out later that they had been denied a permanent modification and owed more money than they would have if they had not entered the programme.

Litton's loan modification application states borrowers are liable for past due amounts, including unpaid interest, if they are denied a permanent modification. Late fees are supposed to be waived if permanent modifications are granted. According to government data through April, Litton's rate for converting loans from trial to permanent modifications was 29 percent, compared with rates of more than 80 percent for some competitors.

[From the New York Times, June 7, 2010]

FINANCIAL PANEL ISSUES A SUBPOENA TO GOLDMAN SACHS

(By Sewell Chan and Gretchen Morgenson)

Washington.—The commission investigating the causes of the financial crisis said on Monday that it had subpoenaed Goldman Sachs and harshly accused the investment bank of trying to delay and disrupt its inquiry.

''Goldman Sachs has not, in our view, been cooperative with our requests for information, or forthcoming with respect to documents, information or interviews,'' Phil Angelides, the chairman of the Financial Crisis Inquiry Commission, told reporters on a conference call.

The deputy chairman, Bill Thomas, accused Goldman of stonewalling, and said, ''They may have more to cover up than either we thought or than they told us.''

But even as Goldman appeared to be uncooperative, it tried over the last month to set up personal meetings with members of the commission, two people briefed on the discussions said.

Lobbyists representing Goldman in Washington tried to arrange one-on-one meetings with a handful of commissioners, including Mr. Angelides, but he declined to meet with them, according to the people, who spoke on the condition of anonymity because they were not authorized to discuss the commission's inner workings.

Mr. Angelides and Mr. Thomas both said that Goldman had inundated the panel with data—about five terabytes, equivalent to several billion printed pages—and dragged its feet on answering detailed questions about derivatives, securitization and other business activities.

In particular, the commission sought records on collateralized debt obligations based on mortgage-backed securities, and the names of Goldman's customers in transactions of derivatives. In a chronology it provided, the commission also indicated that it was interested in Goldman's dealings with the American International Group, the insurance giant that collapsed in 2008, and in the bank's so-called Abacus transactions, which are at the heart of a civil fraud suit brought by the Securities and Exchange Commission.

The commission's unusual public criticism—it has issued 12 subpoenas, none accompanied by stinging accusations of obstruction—underscored the anger in Washington at the outsize profits and influence of Goldman, which had emerged nearly unscathed from the financial crisis. It also reflected the fallout from Goldman's unyielding strategy of standing its ground in the face of inquiries and attacks.

A spokesman for Goldman, Michael DuVally, said, ''We have been and continue to be committed to providing the F.C.I.C. with the information they have requested.''

The lashing by the commission further complicated Goldman's public image. In April, the bank was accused of securities fraud in a civil suit filed by the S.E.C., which contended that it created and sold a mortgage investment that was secretly devised to fail.

That investment and others like it were the subject of a Senate investigation that also exposed Goldman to withering criticism. And federal prosecutors in Manhattan have begun looking into the mortgage practices of banks, including Goldman.

The commission, created by Congress, is required to deliver a report by December, but with only $8 million and some 50 employees to draw on, it has at times seemed outmatched by the targets of its inquiries.

''I suspect they're spending more on their lawyers than our whole budget,'' Mr. Thomas conceded.

Lloyd C. Blankfein, Goldman's chairman and chief executive, testified at the commission's first public hearing in January, with the top bankers Jamie Dimon of JPMorgan Chase, John J. Mack of Morgan Stanley and Brian T. Moynihan of Bank of America.

After the hearing, the commission sent written questions for Mr. Blankfein and made requests for records in April and May.

Mr. Thomas, a California Republican who served 28 years in the House, said the requests to Goldman were ''not inordinate'' compared with similar queries sent to a half-dozen other banks. All of the other institutions complied, he said.

In contrast, Mr. Thomas said, Goldman gave a ''basically incomplete'' response, even as it deluged the commission with so much irrelevant information that it amounted to ''mischief-making'' that was both ''deliberate and disruptive.''

Mr. Angelides, a former California treasurer and candidate for governor, said, ''We did not ask them to pull up a dump truck to our offices and dump a bunch of rubbish.'' He added, ''This has been a very deliberate effort over time to run out the clock.''

The two men also seemed to acknowledge that the sheer volume of data was beyond the commission's capacity to analyze. ''We should not be forced to play Where's Waldo? on behalf of the American people,'' Mr. Angelides said. ''This is not right.''

Mr. Thomas, turning to the proverb about looking for a needle in a haystack, said, ''We expect them to provide us with the needle.''

The two men said that after the subpoena was issued on Friday, Goldman had moved to schedule interviews with several executives, including Mr. Blankfein; David A. Viniar, the chief financial officer; Gary D. Cohn, the president and chief operating officer; and Craig W. Broderick, the chief risk officer.

The 10-member commission was slow to get started. It recently replaced its executive director, B. Thomas Greene, with Wendy M. Edelberg, an economist on loan from the Federal Reserve, who had been the research director. Mr. Greene, a former chief assistant attorney general for California, remains on the commission's staff as senior counsel.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

(Mr. JONES addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

THE OIL SPILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

Mr. BURTON of Indiana. Madam Speaker, my good friend Congressman POE of Texas just a few minutes ago talked about the oil spill down in the Gulf and referred to the action or inaction of the administration in dealing with it. He quoted something from the L.A. Times that I thought was kind of interesting and a little humorous that my colleagues might like to hear again, and it quotes the LA Times as saying: ''Obama's speech: There's a pipe spewing a gazillion gobs of oil into the Gulf, so let's build more windmills.''

Now, I know that sounds a little humorous, Madam Speaker, but that

sounded like what the President's speech was all about last night. There was no real solutions in dealing with the problem. Everybody's concerned about it. Everybody feels empathy and sympathy for the people in the Gulf, the thousands of people who have lost their jobs and who are out of work, the environmental problem that's been created. But what people want is they want a solution to the problem.

It has now been 57 days, 57 days since this tragedy occurred. And what did the President do? He has suspended oil drilling in the Gulf for 6 months. Now, that's going to result in as many as 150,000 people losing their jobs, and for the oil people that work on those derricks out there in the Gulf, that's 150,000 jobs that it not only affects them, it affects almost six times that number of people who have ancillary jobs that work in the restaurants, that work on the beaches down there, all the things that are going on down in the Gulf. So you're looking at the potential of half a million to a million jobs being affected adversely because we haven't dealt with the problem.

There have been other countries right after the spill took place that offered to send skimmers, ships over here to help skim up the oil on the surface of the ocean. We have had other countries that offered other help, and it's all been turned down. The Jones Act should have been suspended, but it was not suspended, and as a result, the oil crisis, the spill goes on and on and on.

It is extremely important that we address the problem as quickly as possible. I'm not an engineer. I don't know what the answer is. But today we had a meeting with people who had talked to the BP oil company and had talked to other oil engineers, and there are things that are going on right now that they believe will address the problem, hopefully in the next 2 or 3 or 4 weeks or at least another month or month-and-a-half, but at least they're moving on the problem now with auxiliary wells being drilled down into the bottom of the Gulf to choke off the spill.

All I'd like to say tonight, in addition to what's already been said, is that we have a tragedy down there that should not be compounded by what the problem has advocated, and that was he advocated last night that we come up with an energy bill, i.e., the cap-and-trade bill. And the cap-and-trade tax bill will tax all energy producers that emit CO_2 emissions into the atmosphere. And if translated, that means that companies around this country will have to pay hundreds of thousands and maybe millions of dollars more for their utility bills which will be passed on to the consumer in the form of higher prices, and the average family is going to be affected to the tune of about $3,000 to $4,000 a year if cap-and-tax is passed.

This is a time to deal with the crisis in the Gulf, not a time to start talking about the cap-and-tax bill which is going to cost jobs at a time when we need to create jobs. The unemployment rate in this country is at 10 percent or very close to it, and if you include the people who are unemployed and looking for work who are no longer counted, we're looking at 13, 14, 15 percent that are unemployed.

So we need to address the economic problems, and we need to be dealing with that in a positive way and not going on with more taxes and more spending as the administration has talked about.

What I'd love to see if I had my druthers right now, Madam Speaker, is somebody like Ronald Reagan who could come in and cut taxes and cut spending and stimulate economic growth like he did, and as a result, we had 20 years of economic growth.

Right now what we're looking at is more unemployment, and now they're talking about, because of the way the Gulf is being handled, the possibility of more double-digit unemployment.

□ 1730

This is something that we can't tolerate right now. We need to be positive, we need to move ahead, and the President is not moving in that direction. And a perfect commentary is what was in the Los Angeles Times, not a conservative newspaper. And you heard liberal commentators all across the country last night saying the President is not addressing the problem, and he is way late in the first place, and in the second place, and in the third place.

So I would like to end by saying once again, I think the Los Angeles Times was right on the money when they said of Obama's speech, There's a pipe spewing a gazillion gallons of oil in the gulf, and what's he talking about? More taxes, more spending, and more windmills.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

OIL SPILL UPDATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. KLEIN) is recognized for 5 minutes.

Mr. KLEIN of Florida. Madam Speaker, I rise today to continue my regular real-time updates to my south Florida constituents on the BP oil spill in the Gulf of Mexico. I believe it's my responsibility to keep the families, homeowners, and businesses along the 75 miles of my coastline in my district fully informed so they can be prepared for all possibilities.

First things first. Obviously, the spill itself has to be capped. I certainly call on BP to deploy every possible resource, every expert, every technology, every available opportunity to plug this hole. This is not about a question of whether the Federal Government is going to step in and come on with some magic silver bullet. This is an all-hands-on-deck approach. Everyone should be involved. And it will require scientists and geologists and people from other oil companies from around the world to help figure this thing out. The permits should have probably never been issued in the first place without having the necessary cleanup plans in place, but it is here and it is now and we need to get it done.

I had the opportunity a week or so ago to join some NOAA researchers, those are oceanographic experts, on a 9-hour mission in a P–3 plane over the gulf to really understand what was going on, what the currents were doing. Obviously, from the southeast Florida side, we're concerned about the current which may bring it through the Florida Straits and up through the Gulf Stream. We saw through the research that was done. There is this possibility of course, and the sooner we can cap the oil, the better.

We all know that if this oil does come to the east side of Florida, as it has to the panhandle, it will impact Florida homeowners and businesses—not to mention the environment—for generations to come. We need to do it now, and we need to take whatever action is necessary to finish that job.

The other thing I would like to say to my constituents—and obviously this is a national issue—but no one should have to suffer because of BP's recklessness, and taxpayers cannot and will not be stuck with footing even a dime of the bill for this debacle. BP has to be fully responsible for the full cost of plugging the leak, cleaning up the spill, and making every person, every business who is harmed whole again. I appreciate the fact that today there was discussion about $20 billion being put in escrow that can be drawn down for businesses and local groups that have to clean up this mess to pay for it, but this may play out for a generation. Let me repeat myself: BP is responsible for the full cost down to the last dime.

In Florida, we have always been concerned about offshore drilling because we have a multibillion-dollar tourism industry that depends on our pristine waters, beautiful beaches, and coral reefs. Right now, every restaurant owner in places like Deerfield Beach, which is part of my district, every hotel worker in West Palm Beach, every entrepreneur with a small souvenir shop or a fishing charter is concerned and they're holding their breath as to whether this water spill will affect them, affect their businesses, their jobs, and their livelihood. I have seen the fear on their faces, and meeting with them has only strengthened my resolve to make sure we do not leave our children with this terrible fate.

We cannot let another generation pass without making a serious move to not only clean up this mess, but to

make sure that we have a plan in place for other types of energy. The issue with deepwater drilling is not just a question of—of course we need more energy and we need more oil, but to do it in places where there is no plan in place to clean it up for BP or anyone else is unacceptable.

So I think this is also an opportunity to not only clean this up and deal with this issue, but also to recognize this is a moment in time that should be our put-a-man-on-the-Moon moment, or the Manhattan Project, where every American says, you know something? Yes, we're going to have oil and, yes, there are others—there is a lot of natural gas and a lot of opportunities out there, but why not more solar? I live in a State, we call it the Sunshine State. Why aren't we building the jobs and having the types of technology which we're not only creating for Florida, but for the United States and the rest of the world? Whether it's hydrogen or nuclear or any other possibilities, there are lots of opportunities, and we should use this moment as a time to also recognize we shouldn't be dependent on fossil fuels.

So as we look at this historic disaster, we should also look at this as an opportunity for the future. And I believe that now is the time to not only bring the best and the brightest to clean up this mess. It is also an opportunity to bring our best and brightest minds together to end our dependence on foreign oil over the next 10 years and become a world leader in the kind of clean, affordable alternative energy that will create good jobs right here in the United States.

ON THE REPATRIATION OF AMERICAN MANUFACTURING JOBS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. WOLF) is recognized for 5 minutes.

Mr. WOLF. Madam Speaker, I rise to discuss a critical issue for American families: job creation.

With unemployment still hovering around 10 percent, this country must focus on new and innovative ways to create jobs in America. I believe that we must be aggressive and creative in our approach to job creation. That's why I've been urging both the Federal Government and my home State of Virginia to work to repatriate jobs that are going overseas, to bring them back to America. We must launch a systematic program, led by all the Governors of each State, to identify American companies that are doing business abroad and incentivize the repatriation of jobs back to America. This is necessary and feasible.

Earlier this year, The Wall Street Journal reported that a major American manufacturer, Caterpillar, was considering expanding its manufacturing inside the U.S. rather than overseas. According to the article, repatriation is gaining momentum; and after a decade of rapid globalization, economists say companies are seeing disadvantages of offshore production, including shipping costs, complicated logistics, and quality issues. Political unrest and theft of intellectual property pose additional risk. I applaud Caterpillar's effort and call on every other American company to follow its lead.

I believe that every American company has a moral obligation to try to create jobs in America. American companies with overseas factories take ample advantage of American law enforcement, the American justice system, and countless other resources provided by the American taxpayer. In doing so, they have an obligation—a burden—to contribute and to support American job creation.

When an American company operating factories overseas needs law enforcement help, they turn to the FBI, not the Chinese secret police. When an American company is the victim of cyberattack or intellectual property theft, they turn to the American Government for support and assistance, not to the Chinese Government, which is spying and stealing from them and arresting Catholic bishops and Protestant pastors. That's why I believe that, if asked, American companies will support their home country in creating new jobs.

Many of the world's largest companies are American, but much of this manufacturing and call-center work has shifted overseas over the last two decades. This trend is fueled primarily by the opening of international markets, cheap labor, and affordable shipping.

Although free trade has yielded significant benefits to our economy and consumers, the U.S. has done a poor job of encouraging domestic manufacturing investment. Now is the time for American companies to reevaluate their business models and return home. Our competitive dollar makes the U.S. an excellent location to export to international markets. Rising oil and gas prices have added to the cost of international air and shipping, which has helped level the playing field for U.S. domestic producers. More importantly, we have a highly skilled and efficient workforce in the U.S. that is ready to help companies start producing at home.

Finally, I believe that a repatriation initiative is important because it focuses the U.S. on competing internationally for these jobs rather than States competing with other States for existing American jobs. Instead, this will lead to net job growth throughout the United States.

Over the last 4 months, I've been urging Secretary of Commerce Locke and other officials in the Department to launch a national repatriation initiative in conjunction with its export initiative. As a result, I will be urging the Appropriations Committee to include language in this year's bill, the 2011 Commerce-Justice-Science bill, to direct the Department to launch such an initiative working with the Governors of this country. I hope the administration and my colleagues in the Congress will embrace this initiative and reach out to large American companies about bringing the jobs home to America. A major repatriation program will allow us to create new jobs, promote U.S. exports, and demonstrate that America can still be a highly competitive manufacturer in a global market.

CALLING ON PRESIDENT OBAMA TO STAND UNEQUIVOCALLY WITH ISRAEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. SMITH) is recognized for 5 minutes.

Mr. SMITH of New Jersey. Madam Speaker, I rise today to call on the President to give Israel the unequivocal, robust, and vigorous support it deserves.

Since the May 31 Gaza flotilla incident, Israel has been under media attack, and even in the past few days many articles and international newspapers take a grossly anti-Israel slant. Make no mistake about it, the purpose of the flotilla was to provoke an incident, thereby to set up an international media campaign against Israel. The flotilla was an aggressive and hypocritical attempt to manipulate world public opinion and to isolate Israel. Thankfully, it has not worked in the United States, where Rasmussen polling shows that despite the anti-Israel bias of so much media coverage, less than 20 percent of Americans think that the Israeli Government is to blame for the deaths that resulted from the incident.

Madam Speaker, the facts of the incident were clear within 48 hours, and it's high time our government sent a much more powerful and unambiguous message, that the United States fully supports Israel's action to intercept the flotilla. The administration should emphasize that Israel's action was legal, that it was right, and that the U.S. stands with Israel without any ifs, ands, or buts, or so long as, or any other qualifiers.

It's a matter of record that on May 25 the Israeli Government offered to offload at its port of Ashdod the humanitarian aid the flotilla carried and to have the U.N. personnel deliver it to Gaza. On that same day, the Israeli Government also stated it would not permit the flotilla to break its blockade of Gaza, which is not only legal under international law; but I believe it's also just, given the rampant maritime arms smuggling, the 7,000 rocket attacks Hamas has launched on Israel from Gaza since 2005, and the unlimited aid that can flow to Gaza through proper checkpoints.

Madam Speaker, the Turkish group that organized the flotilla has documented ties to Hamas, which is recognized by the U.S. Department of State

as a foreign terrorist organization. Radicals with ties to other terrorist groups were aboard the ships. The flotilla launch was marked by violent, anti-Semitic rallies. Flotilla participants spoke to al Jazeera of martyrdom and sang intifada songs. All this shows the grotesque hypocrisy of those who would portray the flotilla participants as somehow being harmless peace activists. Nothing could be further from the truth.

Madam Speaker, the response of the Israeli Government was extraordinarily restrained and responsible. Israeli troops boarded the ships in the flotilla carrying paint ball guns, but when the crew beat them with iron rods, stabbed and lynched them and threw one of them off the deck, they got the order to defend themselves with their side arms. This, too, was right. Every government permits its troops to defend themselves when they are attacked.

I call on President Obama to give Israel our government's full support and to make unmistakably clear our government's position that Israel, in its response to the Gaza flotilla, was fully in the right. Whether or not the Israeli Government decides to adjust the blockade, our government must make it perfectly clear to all that we will never permit an anti-Israel media campaign to isolate America's most faithful and trusted friend in the Middle East.

□ 1745

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. ROS-LEHTINEN) is recognized for 5 minutes.

(Ms. ROS-LEHTINEN addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

THE FIRST AMENDMENT OF THE UNITED STATES CONSTITUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIEL E. LUNGREN) is recognized for 5 minutes.

Mr. DANIEL E. LUNGREN of California. Madam Speaker, I take these 5 minutes to speak on a subject that is of utmost importance but that does not regularly get discussed here on the floor, which is the First Amendment to the Constitution, that part of it which deals with freedom of speech—that is, with freedom of political speech.

Now, obviously, the First Amendment of the Constitution does not merely protect political speech, but in the decision by the U.S. Supreme Court, known as Citizens United vs. Federal Election Commission, the Supreme Court noted that the First Amendment has its fullest and most urgent application to speech uttered during a campaign for political office.

In other words, they said, if you look at the essence of the First Amendment protection, it goes, first and foremost, to political speech. They had this in laying the premise for the decision that they came to because the Supreme Court realized that the First Amendment's protection for political speech had been under assault by various pieces of legislation passed by this body, not that it was done for evil purposes or intentionally to undercut the Constitution of the United States; rather, it was done in a good-faith effort to try and deal with political campaigns and with the position of money in political campaigns.

The Supreme Court decided back in the 1970s, in Buckley vs. Valeo, that money is speech, meaning that the money you have you can use as you see fit to further your speech. You can print pamphlets; you can buy a megaphone; you can buy a radio ad; you can buy a television ad; you can hire somebody to represent your interest to appear in an ad for you. In other words, the Supreme Court recognized that, in the way that we communicate, oftentimes, it takes the use of money to further that communication.

So they made a decision at that point in time that, by terms of the First Amendment, you could not stop one from using one's money to express one's point of view. Then they went to the point of asking, But how does that apply when you are giving money to a candidate?

In those instances, the Court said that the government might be able to put some restrictions on speech—that is the use of money—but only if it is for the purpose of avoiding the corruption of the process. That is the only basis upon which the government can put some limitations, or parameters, around political speech.

In the Citizens United case, they had to decide: As people individually and as associated with others—and the First Amendment talks about freedom of association—what are they allowed to do, permitted to do, protected under the First Amendment, when they expend funds to express a point of view during a period of time that is close to an election?

That is why the Court said that First Amendment freedoms are at their height when the speaker is addressing matters of public policy, politics and governance and has its fullest and most urgent application to speech uttered during a campaign for political office, because that is the point in time when you might have the most influence on your fellow citizens.

Now, what does this have to do with what we are doing here on the floor?

Well, there is a bill that has been introduced, called the DISCLOSE Act—Democracy is Strengthened by Casting Light on Spending in Elections Act. We are led to believe by the majority that all this does is promote disclosure. Yet, in fact, what it does under its very terms is chill political speech, so much so that the National Rifle Association came out with a large complaint about the bill, saying that it would have an undue burden on its operations in expressing itself and would intimidate membership. Now, some people scoffed at it and said, Well, it's the National Rifle Association talking again.

But what happened?

We have found that the majority listening to the National Rifle Association has created a specific exemption for that group and for others similarly situated, but not for others. That is the crux of the question: Do we have a situation in which now we say not only too big to fail but, for some, too big to file?

It is an affront to the First Amendment, and my hope is that we will not bring this bill to the floor, because, of all things, we should be most protective of the speech of our fellow citizens when they engage in political debate.

NATIONAL SECURITY AND DEPENDENCE ON OIL

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from California (Mr. GARAMENDI) is recognized for 60 minutes as the designee of the majority leader.

DISCLOSURE

Mr. GARAMENDI. Madam Speaker, I rise today to engage in a colloquy with my colleagues on the Democratic side of the aisle, who will be along shortly, but before I launch into the issue of national security and of our dependence on oil, I would like to just address what my colleague from California was talking about, give an example of why disclosure is important, and would like to recognize the fact that it was the Republican Party mantra for nearly 20 years that the solution to campaign finance reform was disclosure. Now, apparently, they want to stand up and say they don't want disclosure after having, for 20 years, said they want disclosure.

Go figure.

The fact of the matter is, in California, in an election held just 2 weeks ago, disclosure under the State law has played a critical role in stopping Pacific Gas & Electric from ripping off the ratepayers of California and has played a critical role in stopping Mercury Insurance Company from doing the same to their customers.

The California law required disclosure. PG&E spent over $40 million in, what I think, was blatant, false advertising, and at the bottom of each one of those ads, they had to read, ''Paid for by Pacific Gas & Electric.'' Similarly, with Mercury Insurance Company, the public took one look at those ads, which they saw repeatedly, and said, Oh, that's who's behind it. Well, I'm a ''no'' vote.

Disclosure works, my Republican colleagues. It's what you wanted for more than 20 years, and now that you're about to get it, you don't want it. Well, I think not.

NATIONAL SECURITY AND DEPENDENCE ON OIL

Let me go to the subject at hand that we are to talk about this evening,

which is really the issue of national security.

For more than 40 years now, America has talked about energy independence, about literally breaking our addiction to oil. America is addicted to oil. We consume more than 25 percent of all the world's oil supply. Yet we have a very small portion of the reserves. We are literally sending overseas $1 billion a day, with much of it going to countries that are actively supporting people who don't agree with us and people who are actually—well, perhaps—supporting terrorist organizations. Certainly, our national security is dependent upon going after the terrorists, and no one is going to do it more aggressively than the Obama administration, which has increased the antiterrorist activities of this Nation far more than during the Bush period—but back to oil.

If we doubt for a moment that our Nation's security is at risk with the current way in which we produce oil, you only need to take a look at the Gulf of Mexico. In the last 20 years, there have been more than 38 blowouts, none of them as large as what we now see with the Deepwater Horizon situation. Nonetheless, it is, in fact, a common occurrence, which has averaged more than one and a half per year over the last 20 years.

So is it safe?

Well, not so much. We just heard that saying from our Republican colleagues that the moratorium imposed by the President is somehow wrong. Hello? When two Air Force jets crashed within a month several years ago, the United States Air Force did what it calls a ''stand-down.'' They grounded the entire fleet until they found out what was wrong. They corrected the problem and went on their way. That is exactly what President Obama has done. He did a stand-down of additional drilling in the Gulf of Mexico because, hey, there is a problem. This is an extraordinary blowout, one that is now exceeding everybody's estimate. The result: Oil on the beaches, dead birds and, according to The Wall Street Journal today, hmm, ''Oil Spill Delivers Recovery Setback.'' This is specifically looking at the real estate industry along the gulf coast. They cite five or six projects here that may be jeopardized because of the oil spill.

This is a national security issue in the sense of how we get our oil, in the sense of our addiction to oil. It is time for us to recognize that. Because we have, in the past, consumed all of the easy oil, we are now going to the most difficult, the most dangerous, and the most risky places in the world, certainly to the deep waters. The Deepwater Horizon blowout is, perhaps, as much as 60,000 barrels a day. This is a very serious problem, and it deserves our attention.

Last night, the President spoke to the problem and committed his administration and this Nation to everything necessary to clean up and to plug the well. My colleagues on the Republican side mentioned that, just 37 days ago, they started the relief. That's not true. They actually started the relief program on the very day of the blowout. It took a while to get it going, and it is going to take even longer to get it done.

So where are we going to go with this?

I've been joined by a couple of my colleagues today, and I would like to ask my colleague from California, Congresswoman JUDY CHU, to give us her thoughts on this situation.

Ms. CHU. Thank you, Congressman GARAMENDI, and thank you for bringing this very, very important order to the floor tonight.

I would like to focus for a moment on the oil spill and its impact on the victims.

Kim Tran doesn't know how he will pay this month's car insurance, and he has got no idea how he will take care of his mortgage, but what he is most in the dark about is when he will be able to get back in the water and start working again.

Kim is a deckhand on a commercial fishing boat which is stationed near Buras, Louisiana, in Plaquemines Parish. He is part of a close-knit community of Vietnamese and Cambodian shrimpers whom the gulf oil spill has hit particularly hard. Many of them came to the gulf coast in the 1980s as war refugees from Vietnam. They did well. It is estimated that the Vietnamese Americans own between one-third and one-half of all of the fishing vessels on the gulf coast.

After Katrina, they were one of the first groups to rebuild, but figuring out how to recover from the recent man-made disaster has been difficult. You see, for many of these fishermen, language is a barrier as bottomless as the Deepwater Horizon's well. Because English isn't essential for fishing, many have never learned it, so they rely on interpreters to help them cross the language barrier. It takes 14 words to translate the word ''dispersant'' into Vietnamese—and don't even get me started on what to do with acronyms like ''EPA.''

So not only have these fishermen lost their normal sources of work, but they have been locked out of the cleanup effort, too. Many have even had problems filing basic claims for lost income. These Vietnamese fishermen are just one group affected by the tragic gulf oil spill. Indeed, this spill has devastated lives up and down the gulf coast. It is the biggest environmental disaster in our Nation's history.

Yet Congress is working hard to repair the damage that has been done. I've joined in the effort to secure $85 million in emergency funding to assess and respond to damages from the oil spill. This money improves the Federal response and guarantees compensation to out-of-work fishermen, but we know that is not enough.

I am proud also to sponsor a very, very important bill on the Judiciary Committee. This bill is called the SPILL Act. It fixes our outdated liability laws, and it ensures that we can hold those who caused this spill accountable for the damage that they have done, but we know that's not enough either.

□ 1800

So I've cosponsored the bill to impose a moratorium on new drilling off the western coast of our country. The suspension is a great step forward to ensuring that a disaster like this never happens again. And even then, it's still not enough. Indeed, the only solution to this disaster, the only thing that truly makes sense, is to finally end this country's addiction to oil.

For decades, oil companies and lobbyists killed energy reform to keep their profits. For decades, our dependence on oil has hurt our economy and put the security of our country and our environment at risk. For decades, we knew that offshore drilling was just a disaster waiting to happen. Well, the news is that it has happened. And the Gulf oil spill shows that it's time to take back control of our energy policies—with clean power made right here in America.

We will never be able to undue this spill. As much as we wish it didn't happen, we can't pretend it never did. If we do, Kim Tran's worries about his car and house payments will only be afterthoughts because his town of Buras, and countless others like it along the Gulf Coast, will just disappear. But we will not let that happen.

Join me and make sure that these fishermen, these people, these families haven't suffered in vain. And let's make sure we clean up this spill, hold those who caused it accountable, and make sure it never happens again. Together, we will end our addiction to oil and create a better, cleaner future for our country.

Mr. GARAMENDI. Representative CHU, thank you very much for your statement and also mentioning the end of new oil leases off the West Coast. We call it the West Coast Ocean Protection Act. And it would prohibit new leases off the West Coast of the United States. This is a $32 billion a year industry along the West Coast—California, Oregon, and Washington—that is dependent upon the pristine nature of that coast. In addition to that, the West Coast has a much different environment than the Gulf of Mexico. It's downright dangerous out there. High waves, high wind, and earthquakes, and a lot of other things that we'd say, Oh, that's not a good place to be drilling.

It's not enough to talk about the West Coast. I see my colleague from New York here, and I know that he, too, along with the residents of New York, are terribly interested in what is happening and in our natural energy policies and our move away from oil.

Congressman TONKO, if you would, please join us.

Mr. TONKO. Representative GARAMENDI, thank you for bringing us

together in this very thoughtful way. It's great to join you and Representative CHU and others who will be participating in this hour of dialogue where we really look in a very laser-sharp, focused way at this very tragic occurrence in the Gulf. Obviously, I think it's important to recognize the commitment made by the President and his administration to make certain that we do everything we can possible to make certain that we stay on this case of cleanup and capping.

Certainly, shutting off that leak of that oil well is incredibly important and the cleanup in that Gulf area that impacts the Gulf States is absolutely essential. And to have the President recognize that we have deployed some 30,000 workers that will be in the midst of that activity, helping, is important; to know that over 5,000 vessels have been solicited and that our National Guard numbers—over 17,500 forces—out there making a difference is important. But let's really look at the some of the situation here.

I really get concerned and joined with some Members in this House to advance correspondence to the BP CEO, stating very clearly with my colleagues that their priorities spoke volumes as to where they rest as a corporation. To have suggested that payments be made to investors as a high priority, be established as a high priority; to suggest that dollars going to marketing go to revamping their image, enhance their image, while we sit there and look for ways to cap this leak, while we continue to make certain that we need resources to clean up the Gulf, that didn't seem to be a very high priority with this company. And so it was, I think, very appropriate for us to respond in very forceful measure to address this strong language in a letter to the organization, to BP management, and state that what you really need to do is re-prioritize to make certain that what comes as the most important, essential bit of work here as you invest dollars—and they best ought to—as you do that, the priority has got to be to cap that leak, to clean up the Gulf, to make certain that we make whole the individuals, the States, the communities that surround that given region; to make certain that businesses are allowed to function again. When we think of the impact on agriculture, on tourism, on the seafood industry, to name a few, the impact on our ecosystem, on the environment, on the wildlife, it is painful to watch the news accounts of this continuing saga of a tragedy. And so their priorities were misplaced and totally insensitive to the needs of people and industries and certainly the wildlife in this given region.

I had stated clearly at a press conference where we aired this letter that it was important for them to not be so concerned about their image but rather deal with the basics. And I said, Before you shore up your image, clean up our shores. I think it's straightforward and easily understood. That's where I would like to see the priorities. And today, after pressure from the President and many of us in Congress, I think the company has heard the message. They have been given this forceful statement, and they are now responding to the pressure by suggesting they are setting up an account that will respond to some of these needs. They are setting up an account that will deal with the compensation fund for oil workers who are out of work because of the catastrophe.

Now, one can only imagine what would have been the outcome, how much less impacting the outcome would have been, if they had embraced the same order of integrity when it came to the technology they should have utilized with the drilling operation. You know, they asked to go 5,000 feet deeper. They want to drill a mile deeper. But the impact of the damage, without the right technology and discipline and regulation, meant hundreds of miles of spread. From that 1 mile deeper, hundreds of miles of impact because of that lack of integrity.

And so I am here with you this evening in spirit and in voice to say that we need to stay on this dilemma, we need to stay on this catastrophe, until all of the essentials are done—the clean up, the capping, the reforms that are essential—and making certain that the dollars, the resources are coming from the source—the source of the pollution here—in this case, BP.

So, thank you, Representative GARAMENDI, for bringing us together, and it's great to join you and our colleagues here this evening.

Mr. GARAMENDI. Representative TONKO, thank you once again for being both eloquent and right on the target of the issue that's out before us. When you talk about the nature of the spill, this map is a recent one from the US Geological Survey and NOAA—actually, NOAA. And if you look at the size of that spill, it looks like it's getting about the same size as Louisiana itself, and of course, the Gulf Coast along here is seriously threatened and the extraordinary wildlife and habitat of the Mississippi Delta is at risk and already seriously hurt by it.

You mentioned BP—and maybe, maybe, but I'm not convinced that BP has actually gotten the message that their first task is to clean up. Their $50 million PR campaign, I've seen some of the ads. If they had spent that $50 million on the proper blowout protector and actually had put in the most modern protection at the well head and not cut the corners, as is becoming increasingly obvious, in the drilling techniques and in securing the well itself, they wouldn't have to be spending multiple billions of dollars cleaning up.

They absolutely must put that money into a trust fund. BP is not to be trusted to adequately distribute that money to the people that have been harmed. So the President is right. Create the trust fund. Put an independent party in charge of it and let the money go to those that have been seriously harmed by this, as well as the wildlife and the damages there.

By the way, we really ought to pass a bill to increase the liability limit. And I know that bill will be moving through here.

Joining us from—well, my neighbor in California, Congresswoman BARBARA LEE, who about 2 years ago, you experienced an oil spill on the shores of your district.

Representative LEE, thank you for joining us.

Ms. LEE of California. Yes, Congressman GARAMENDI, we did experience a devastating oil spill 3 years ago, and that's why many of us know from personal experience and from a history of trying to find a way to help our country become energy independent and end this addiction of oil. We have worked on this issue for many, many years. So I am very pleased that you've taken the lead in sponsoring a bill, which I am proud to cosponsor, H.R. 5213, which would really create a ban, mind you. We need more than moratorium. We need a ban on offshore oil and natural gas drilling from platforms in Federal waters, particularly near California, Oregon, and Washington, which your bill addresses. I think what we have seen in the Gulf really explains why we're doing this, first of all, on the West Coast, but this needs to be done nationwide.

The fact is, offshore drilling poses too great a risk to our coastal communities, economies, and our ecosytem. This has been made painfully clear by the recent British Petroleum oil spill disaster in the Gulf of Mexico. Every day, we have seen more and more damage to our Gulf Coast, with really no end in sight. Over the course of weeks, estimates of the damages have risen from, I think it was $14 billion, now to $34 billion. Who knows how many billion this is going to end up being. As millions of gallons of oil flow into the Gulf each day, I can't imagine what this will be like in a few months, let alone in the years to come.

Over 50,000 claims have been filed by small businesses for economic losses and thousands more workers have lost their jobs. Every day, new fishing areas are closed off, new coastline is contaminated, and more communities are affected. BP must be held accountable, and they must pay for this tragedy. The fragile ecosytem, which once sustained over 400 species of wildlife, are so ravaged that experts cannot even begin to assess the damage. However, they all agree on this—that the long-term health and environmental effects of this spill will plague the region for generations to come. We cannot continue to put our economy and our environment and the health of our children on the line. We must stop the drilling.

Just a few decades ago, California experienced a similar spill. That oil spill was so toxic and ruinous that it led to the creation of the Environmental Protection Agency and the declaration of

the first Earth day by the Santa Barbara City Council. We understand just how devastating these chemicals can be both to our Nation's ecosytem and to our economy. It's time we start making decisions for our future. This is a terrible, tragic wake-up call. We cannot continue to endanger our natural treasures or economic prosperity for a paltry reward in the form of a decade or so of oil and natural gas protection.

The Deepwater Horizon explosion was really not an isolated incident. According to the Minerals Management Service, there were 38 blowouts, mind you—38—in the Gulf of Mexico between 1992 and 2006. Just yesterday, the CEO of ExxonMobil admitted that when spills happen, we are, ''not well-equipped to handle them.'' I don't know what they do with the billions of profits that they make. But if we aren't prepared, then we really shouldn't be drilling.

Perhaps the greatest tragedy behind the BP oil spill disaster is that it really did not need to happen. Today, we have the power to learn from history and to chart a new path. In order to safeguard the natural beauty, wildlife, and ocean-based economies of California, Oregon, and Washington, Congressman GARAMENDI's bill really does set the standard. We've got to move forward with a permanent moratorium or permanent ban on offshore oil drilling in Federal waters off the West Coast.

The environmental disaster that we're witnessing in the Gulf is a symptom of a much larger problem; that is our perilous dependency, as I said earlier, on, really, dirty fossil fuels. We must work to end that addiction today or really risk sacrificing our environment for the future. The best and most responsible way forward is one in which our coastlines remain free of offshore oil and gas drilling and our demand for fossil fuels is diminished through the use of renewable energy sources and the deployment of energy-efficient technologies.

It's time to take a stand, and it's time to declare that enough is enough. We must be committed to a cleaner, greener future—and that future starts with putting and end to offshore drilling. I think the President is right on point. I think we need to move forward and support Congressman GARAMENDI's bill. And we need to really recognize that the horrific tragedy that we're seeing today is really a sign of what could happen tomorrow, and use this as a defining moment to regroup and to become clearer about our future in terms of our energy independence.

Thank you, again, Congressman GARAMENDI, for your leadership.

□ 1815

Mr. GARAMENDI. Thank you very much, Representative LEE. And thank you for all the work you did dealing with that problem in the San Francisco Bay when the ship hit the bridge. We had our own little spill over there.

I had pulled this placard up with the pictures of the oil and the birds. And I didn't realize until you started talking about the escalation and the estimate of the amount of oil that spilled—my staff put this together actually about 4 weeks ago—and they said by Father's Day it would be the worst spill ever. At 60,000 barrels, it was actually the worst spill after about the first 3 weeks. So in any case, we have got a real serious problem there.

I notice that I have fortunately been joined by three Representatives from a wide, diverse part of America. From the west coast, in the great metropolitan area of Los Angeles, Congresswoman WATSON, if you would care to join us.

Ms. WATSON. Yes. I want to thank you, Congressman GARAMENDI, for your leadership. As a Californian, I am so proud of the leadership you are taking here. Former Lieutenant Governor, you know our State so well, and your charts are depicting the problems that not only the gulf coast has, but we've had our disasters as well. And I just want the public to understand our commitment.

From day one, the Obama administration has been committed to containing the damage from the BP oil spill and extending to the people of the gulf the help they need to confront what is the worst environmental disaster America has ever faced, and we will continue to fight this spill with everything we have for as long as it takes. That is a commitment that is made from the top and all the way through every level of government. We will make BP pay for the damage that their company has caused our country, and we will do whatever is necessary to help the gulf coast and its people recover from this massive tragedy.

This has already been the largest environmental cleanup effort in our country's history. We now have nearly 30,000 personnel who are working across four States to contain and clean up the oil, thousands of ships and other vessels are responding in the gulf, and the President has authorized a deployment of over 17,000 National Guard members along the coast. And because of these response efforts, millions of gallons of oil have already been removed from the water through burning, skimming and other collection methods. Over 5.5 million feet of boom have been laid across the water to block and absorb the approaching oil. We have approved the construction of new barrier islands in Louisiana to try to stop the oil before it reaches the shore. We're working with the affected States to implement creative approaches to their unique coastlines, and we will offer whatever additional resources and assistance they may need.

Now the President is meeting and has met with the chairman of BP and will inform him—and has—that he is to set aside whatever resources are required to compensate the workers and business owners who have been harmed as a result of his company's recklessness. This fund will not be controlled by BP, but instead by an independent third party in order to ensure all legitimate claims are paid out in a fair and timely manner.

But we also need to be committed to a long-term plan for restoration that goes beyond responding to the crisis of the moment. So the President has asked the Secretary of the Navy and former Mississippi Governor Ray Mabus to develop a long-term gulf coast restoration plan as soon as possible. And the plan will be designed by States, local communities, tribes, fishermen, businesses, conversationalists, and other gulf residents. And BP will pay for the impact this spill has had on the region.

We also are taking steps to ensure a disaster like this does not happen again, and that's why the President has established a national commission to understand the causes of this disaster and offer recommendations on what additional safety and environmental standards need to be put in place. The President has issued a 6-month moratorium on the deepwater drilling. He is mindful that this creates difficulty for the people who work on these rigs, but for the sake of their safety and for the sake of the entire region, we need to know the facts before we allow deepwater drilling to continue.

And while the President urges the commission to complete its work as quickly as possible, he expects them to do that work thoroughly and impartially. We have already begun to take action at the Minerals Management Service to ensure more effective oversight and end the close relationship between oil companies and the agency that regulates them. The President has asked Michael Bromwich, a former Federal prosecutor and inspector general, to lead this effort and to build an organization that acts as the oil industry's watchdog, not its partner.

So we must look towards the future, Mr. GARAMENDI. We must look at our energy future, and we must get off this addiction to oil. You know, the globe is speaking to us. We've gone too deep this time. And at the core of this Earth there is a lot of static and volatile motion, and we're seeing it bubble up. And when we look around this globe, and we see the volcano explosion in Iceland that grounded planes for weeks, when we look at the earthquake down in Haiti, and we see other effects on the globe natural, we're getting the message.

So we must take action to look at our planet, to notice the environmental tragedies that really underscore the need for this Nation to embrace a clean-energy future. I look forward to having conversations on this floor with all of my colleagues. And with you leading those conversations, we will make plans that will sustain a future for those yet unborn, and that is the purpose of looking towards new energy sources that don't violate the surface of our planet or go down so deep

they disturb the powers underground. I thank you so very much.

Mr. GARAMENDI. Thank you so very much for your eloquent comments on what has happened, what we must do.

I notice that sitting next to you is a Representative from the other side of the American continent, Representative MORAN from the Commonwealth of Virginia.

Mr. MORAN of Virginia. Mr. GARAMENDI, thank you for having this Special Order. We in Virginia—not all of us, but many of us—watch with sadness at what happened to the California shores, and we don't want it repeated in Virginia. Even though the Governor and the Republican Party have pushed and pushed with these silly mantras, Drill, baby, drill, and Drill here, and drill everywhere, we're not going to let it happen. If we had not been diligent, we might have some drilling rigs off the shore of Virginia today, but we don't. And they're not going to go there until there is substantial modification of the industry practices with regard to offshore drilling.

Let's bear in mind that what we are talking about is our Nation's oil. It's not oil that's owned by these oil companies or by the private sector. It's owned by us, the taxpayer. It's public land. It's owned by our children and our grandchildren. And instead of being put to our benefit and their benefit, because of neglect, carelessness, irresponsible decisions, it is destroying the ecology of the gulf and could well destroy the ecology of the Everglades along the Florida shore, and could even go up the east coast. We have no idea how extensive this damage is going to be, nor how expensive it will be to clean it up. But we're now getting an idea of why it happened.

And I would say to the gentleman and to the Speaker that we ought to be mindful, first of all, that this was not under President Obama's watch. It was not under any kind of Democratic policy. It was under the administration of a President who owned an oil drilling company, an oil exploration company, a Vice President who was the CEO of Halliburton, who made money from manufacturing and installing drilling rigs—in fact, continued to own thousands of shares of Halliburton while they made enormous profits not only from drilling rigs but from the wars in Iraq and Afghanistan. So while these two folks sit back, the damage is being inflicted upon people who bore no fault but, in fact, became dependent upon this industry. And our hearts go out not just to those who lost their lives but to those who have lost their livelihoods.

Now, when we trace back how this particular drilling rig exploded, we find that there were a number of points along the way where it could have been avoided. Back in 2003, the Interior Department—the Bush administration's Interior Department—agreed with BP and other oil companies that installing a $500,000 acoustical shutoff switch on every offshore rig would be unreasonably expensive, even though such a shutoff switch would have prevented all of this oil from spewing out. Now it's costing BP billions of dollars. It's costing our country billions of dollars in tourism, to the fishing industry, and it's costing the lives of thousands and thousands of people because they cut corners. They weren't even willing to spend $500,000—a half million dollars on a shutoff switch.

And then they feel badly. They think they are being beaten up on by the Congress. Well, let me share some of the reasons why they've lost their credibility. For one, they started out telling us that it was about 1,000 barrels a day that were leaking. I think the gentleman will remember that. Of course there are 42 gallons in a barrel, which would mean that every day, about 200,000 gallons of oil were being emitted. Well, it wasn't 1,000. Then they went up to 5,000, which means that—well, with 5,000 instead of 42,000 gallons of oil a day, it was 210,000. But the 5,000, even though the scientists at the Minerals Management Service say, We think it's much larger than this, the scientists continued to be ignored. And now we find that every second, 18 gallons of oil is being emitted from this spill.

Now, think about that. Most of us, to fill our tank, the gas tank in our car, it takes about 18 gallons. All of that is going out into the gulf every second, which means that we've got more than 1,000 a minute. We've got 65,000 gallons an hour, and we have 1.6 million gallons every day. It's hard for the mind to comprehend that, but 1.6 million gallons of oil is coming out into the gulf every day. And this has gone on for, what, 50 days.

Now, what has to happen in the future is there needs to be a time-out. No more deepwater drilling until, number one, we have the technology on hand. The Minerals Management Service has been assured that this cannot happen again.

□ 1830

We had a 30-day open window when they had the ability to determine whether permits should be issued. Under the Bush administration, it was automatic. They didn't take any of that time.

But in the future, we need trained personnel. We need tested equipment. We need all of the technology to be on hand. And all of that research that should have been done, it needs to be paid for by the oil companies. The taxpayers shouldn't have to pay for that research. The taxpayers shouldn't have to pay for the training. And the taxpayers, obviously, shouldn't pay for the equipment. All of it needs to be tested because it is the taxpayers' oil. It is the taxpayers' land, and it has been exploited and a lot of people have made billions of dollars by drilling off our land, drilling the oil that really belongs to our children and grandchildren.

Well, it is time to put a stop to this. As far as I am concerned, there should be a moratorium until we can assure the American public and our children and grandchildren that this can't happen again because the government is going to be the sheriff in the future. The Obama administration is going to put in the people that care about our environment that are going to regulate this oil drilling and are going to ensure that this kind of catastrophe never happens again because we are not going to show the kind of negligence and greed that drove this situation to occur.

So I thank you, Mr. GARAMENDI. Again, let me conclude by ending where I started, that we feel bad for what happened to California. We feel worse for what is now the worst ecological disaster in the gulf, but we have to make sure that we learn from this and we never, ever let something like this happen again.

Mr. GARAMENDI. Mr. MORAN, how correct you are: never let this happen again. It is not just drill, baby, drill. What we have seen is spill, baby, spill. There have been 38 blowouts in the gulf between 1992 until 2009. You used the words irresponsible actions, corners being cut, and decisions being made that led to this blowout. You mentioned the $500,000 that could have been spent and should have been spent on an acoustical switch.

I was talking to one of our colleagues here who was a former Federal prosecutor, and the colleague said to me, if there is evidence that two of the BP executives worked together to circumvent a law or regulation, it may very well be criminal conspiracy. To that end, the Obama Justice Department has initiated a criminal probe of BP's actions with regard to this spill. We know that this is not the first time BP has been involved in a serious accident that has cost lives: 11 at this drilling rig; at their refinery in Texas, another large number of employees were both injured and killed. It is time for this industry to get its act together.

I know that the gentleman from New York (Mr. TONKO) has been involved in this for very long. If you would pick this up and carry us for a little while.

Mr. TONKO. Representative GARAMENDI, listening to Representative MORAN from Virginia reminds us of the investment in technology that should accompany this situation. There should have been the checks and balances, and there should have been the investment; as he suggested, a drop-in-the-bucket investment compared to the damages now associated with this catastrophe. I know the people I represent in the 21st Congressional District watch with sadness as they see the news accounts that show us the day-to-day responses with regard to this disaster.

We have heard a lot of talk about alternatives and technology that needs

to be embraced to carry us into a clean energy economy. My region in the capital region of New York State is ripe with that sort of opportunity. It is investing in high-tech opportunities for clean energy jobs, in innovation, energy intellect, energy ideas, energy technology that will enable us to move forward with a progressive agenda.

The fact that we have been held back by slogans and mantras such as ''drill, baby, drill'' have held back the progress. Even the likes of T. Boone Pickens has said we can't drill our way out of the energy crises of this country or the world. We need to embrace that new technology. We need to bring about the type of jobs that will allow for a clean energy economy to take hold, and to make certain that we invest in those subsidies that will take us into renewables like utilizing our sun and our wind and our soil and our water to create and respond to the energy generation that we require. I think that is so very important.

Mr. GARAMENDI. If I might interrupt you for a second, well, maybe more than a second.

We prepared a little diagram here, and let's consider this a quiz for the American public.

Which of these energy sources gets the most Federal subsidies? Would it be solar, maybe the algae, the new technologies of algae-producing fuel? How about wave action? Or maybe it is wind? Or maybe it is the oil industry? Which ones?

Mr. TONKO. I think we are going to have a sad answer there.

Mr. GARAMENDI. I am going to let people ponder that for a few minutes while I turn to the gentleman from California (Mr. FARR) who has been a champion of protecting the ocean for many, many years.

Mr. FARR. Thank you, Congressman GARAMENDI. It was such a pleasure serving with you in the California legislature when we adopted a lot of legislation dealing with handling oil.

Tonight I would like to share with you essentially a tale of two States, States that are both oil-producing States, States that both have offshore oil drilling, and those two States are California and Louisiana.

Mr. Speaker, the comparison here is one that essentially I really want to ask Governor Jindal: Ask not what the Federal Government can do for Louisiana, but what Louisiana should be doing for its own constituency, as California has done for its constituency, knowing that we have an oil economy, somewhat of an oil economy in the State, and certainly an offshore oil economy.

The comparison is this. Both States have an oil response. California has a strong law on oil response. Louisiana has a very weak law on oil response. Why? That is something that Louisiana ought to correct. The California statute has stations throughout California, places to clean up wildlife. It is paid for, it is implemented. It is essentially large, wildlife veterinary hospitals. The one in my district, you could even bring a small whale in there and operate on it. Louisiana has no such network, no such program, and no such allocation of resources.

Another big disability, big difference between the two, liability caps. Louisiana has a cap on liability. California has no cap on damages. Louisiana has a cap on damages. When you and I and our colleague, JACKIE SPEIER, who has joined us here, were all members of the State legislature, I authored legislation that you sponsored to put a strict liability on oil spills in California, a remarkable law. There is strict liability that has no cap on damages under State law.

Louisiana, being a friend of the oil companies, puts caps on damages. They are not asking for that cap right now, they are asking it to be raised.

The big difference number three between California and Louisiana, both offshore oil drilling States, is civil and criminal penalties. California sets up involved civil and criminal penalties, a whole section of law. Louisiana has no civil or criminal penalties.

Louisiana, come on. If you are going to cry now where is the Federal Government when you have a problem, why haven't you risen to the occasion? California has had that law in place since 1990. Your law was enacted in 1991 with no teeth. It is about time you took responsibility for putting some teeth into your State law.

Lastly, what both States have is a Coastal Zone Management Act created by the Federal Government. There is a nifty provision in that act. It is called consistency provision. What that means is the State can review any proposal to do offshore oil drilling, whether it is in Federal waters or State waters. And as long as you have an adopted plan and that plan can explain why you should condition that oil drilling, or even deny that oil drilling in Federal waters, you have the power at the State level to do that. We in California have used that power and prevented the Federal Government from expanding its offshore oil drilling.

We are going further now with the bill that Mr. GARAMENDI has because we realize that drilling for oil off coast is high risk and low gain. You really don't get a lot out of it. And the risk we can see in spades from what is happening in the gulf right now.

So Louisiana, don't cry for what the Federal Government is not doing, cry for yourself as to what you are not doing to help your own constituency, put teeth in the laws that would allow you to deny those offshore oil drilling rigs, to put conditions on those offshore oil drilling rigs, to allow you to have the money to clean up the mess and help the wildlife, to put teeth in the penalties and to raise those caps. So we want to see our coastal States have a strong law. And most of all, we think if you really look at it, we shouldn't be drilling offshore at all.

Lastly, I want to change the issue because one of it is about money. There is money that comes into the Federal Treasury from offshore oil drilling. It produces $23.2 billion; $23.2 billion. Out of that, Congress has authorized the expenditure of about $5 billion in five programs: American Indian tribes get some of that money; historic preservation gets some of that money; lands and water conservation fund which is essentially land more than water, it is on land not offshore, get some of that money; the reclamation fund gets some of the money; and there are two funds that go back to the States.

But out of the $23 billion fund, $5 billion, less than 20 percent, is spent. Where does the rest of it go, into the United States Treasury. And guess what, all of that money made from offshore oil drilling and not a penny spent on the ocean. We have a big source of income that the United States Government can use to start with renewable resources, start investing in the oceans, and create an ocean fund and ocean governance plan so it isn't chaos at sea, it is a planned, organized, smart way to use the ocean, just like we have learned smart ways to use the land.

I commend you on your bill and on your work, and thank you for inviting me to be here tonight.

Mr. GARAMENDI. Congressman FARR, thank you very much.

I am going to go back and answer the question about where did the Federal subsidies go in just a moment, but I see our colleague, Representative JACKIE SPEIER, arrived with the next generation that is going to have to live with our decisions that we are making right now with regard to climate change and the extraordinary consumption of carbon-based fuels.

Ms. SPEIER. Thank you, Congressman GARAMENDI, and thank you for your leadership in this area and for recognizing the next generation. Marianne Larson will be part of that next generation that is going to be asking the question: Did we do enough?

The question I have tonight that I would like to pose is when will we see enough damage to say enough is enough. How many oil spills do we need before we take decisive action to end our dependence on fossil fuels?

Just last week, probably not heard because we have been focused on the BP oil spill, but last week we saw yet another spill in Salt Lake City, Utah. Any oil spill is one too many, and the era of our planet being constantly contaminated by crude oil must come to an end.

The preventable accident in the gulf claimed 11 lives, tragically, and is now the worst environmental disaster in this country's history, and the biggest environmental cleanup that we have ever undertaken. It serves as a terrible reminder of our country's dangerous dependence on foreign oil. As long as we remain addicted to that oil, foreign and domestic, spills are inevitable. The question we have to ask ourselves: How

many more do we want to somehow live with? Live with the damage to our ecosystem, live with the damage to the people that are afflicted by it, the jobs that are lost, the tourism that is lost. They have been with us for over a century, these oil spills, and they will be with us for centuries more unless we break that addiction to oil.

□ 1845

We must replace oil in our energy supply with clean fuel. And it's right here. We have it. We know what it is. You pointed to some of them in that chart. And the stunning figure that I just heard that I would like to share with you tonight, Mr. GARAMENDI, is that, by just retrofitting 75,000 homes in this country, we would save the equivalent of all the oil that has spewed into the gulf by BP. Just retrofitting 75,000 homes.

Now, we have passed in this House legislation, the Home Star bill, which will spur the retrofitting of 3.3 million homes and create over 600,000 jobs. The energy saved from these retrofits, if the Senate passes that measure, would save more than 44 times the wasted energy floating in the gulf and would do so at one-fortieth of the cost.

Mr. GARAMENDI. You know, that's really, really interesting. And if I recall the vote, when that was on the floor, the Republicans voted against that. They didn't vote for one of the most important conservation programs we have that not only would save all that energy, but help each homeowner's utility bill. Go figure.

You mentioned this. We've got to go back here because I've got to answer this question. Please help me with this. Who gets the most subsidies; solar, algae, wave, wind, or oil?

Ms. SPEIER. The answer is?

Mr. GARAMENDI. The answer is oil. If you take a look, 2002 to 2008, where did the subsidies go? Well, the oil industry got over $70 billion of taxpayer money in direct tax subsidies, $72 billion. The green renewable energy got $12.2 billion over that same period of time, 2002 to 2008. And in addition to that, the ethanol industry got $16.8 billion.

So we really, if we took this money, this subsidy, $70 billion over a 6-year period and shifted it over to this side, particularly up here to the renewable energy—this is solar, wind, advanced biofuels like algae and the rest—where would we be? Where would that young lady's future be? Renewable energy of all kinds. You shift the subsidies around.

Is that possible? Can we do that? What do you think?

Ms. SPEIER. Of course we can do it. It's all about whether we have the will. We can even allow Big Oil to continue to have some little subsidies, or equalize the subsidies that we are providing there and take that other money, take $6 billion, retrofit 3.3 million homes in this country, create hundreds upon hundreds of thousands of jobs, and we would be better off.

Mr. GARAMENDI. Duh. Why didn't the Republicans vote for that? It makes eminent sense.

Ms. SPEIER. Well, it's the same reason that they sat in this Chamber a year-and-a-half ago and chanted over and over again, ''Drill, baby, drill.'' It was like a high school football field. And they couldn't say it loud enough or long enough or repeat it often enough.

Mr. GARAMENDI. I wasn't here at that time. I got a special election last November. You are telling me that it was just less than a year ago?

Ms. SPEIER. About 18 months ago.

Mr. GARAMENDI. About 18 months ago they sat here and they said, ''Drill, baby, drill''? I heard the same thing tonight. They said, End the moratorium on deepwater drilling. Drill. And I am going, You want another oil spill? Thirty-eight in the last 18 years in the gulf plus this big one. That's not the solution.

The solution lies in moving to a new energy source, the green technologies, the renewable energy, so that it is the sun that gives us the power in the future so that that young lady doesn't have to face the extraordinary impact that climate change will bring. We have to move away from carbon-based fuels.

Would you agree with that?

Ms. SPEIER. Oh, I absolutely agree with that. And I think that we have got to just face some very fundamental facts. If you continue to drill at 18,000 feet, you are asking for trouble.

Mr. GARAMENDI. Let's see, that fellow Murphy was right. Everything that can go wrong will go wrong. And BP didn't plan for what could go wrong. In fact, they ignored it. They put together an application that just ignored the possibility of the worst case. In situations like this, we must force the industry to assume the worst case will happen. We have seen it. No more.

Mr. Speaker, thank you so much for the time. I yield back.

CONGRESS MUST ACT TO DEFEND THE GULF

The SPEAKER pro tempore (Mr. BRIGHT). Under the Speaker's announced policy of January 6, 2009, the gentleman from Texas (Mr. CARTER) is recognized for 60 minutes as the designee of the minority leader.

Mr. CARTER. Mr. Speaker, I thank you for this hour. It's going to be an interesting couple of weeks on this issue of this oil spill, because we are going to get two conflicting points of view. I actually heard, I believe, that somehow this oil spill is now George W. Bush's fault. It reminds me of the game, the Kevin Bacon game that your job is no matter what actor or movie you lay out before the public, you have got to bring it back in seven cycles to Kevin Bacon. And it seems that everything that goes on in the United States, that the majority party seems to somehow think whatever goes on in the United States they can somehow track it back to George W. Bush.

And what I heard was that Mr. Bush had used a drilling rig at some point in his life, and therefore it's Bush's fault that there was a failure, or something to that extent, a failure on this BP drilling rig. It's time to really stop. It's getting a little old for the American public, for them to hear constantly that no matter what goes wrong in the Obama administration it's George W. Bush's fault. I think this is getting a little old and getting a little bit, it seems to be sort of a fantasy that seems to be prevailing.

We have got a great disaster in the gulf, and nobody's denying we have a great disaster in the gulf. Today I heard a man who actually knows something about drilling in the gulf. I haven't heard anyone stand up that has talked on the majority side tonight and said, By the way, I have drilled these, and let me tell you what has happened in the gulf.

But TRENT FRANKS came before us today and showed us what has happened in the gulf—it is very interesting—and why the cap failed that they first started, and why the wells that are being drilled to intersect this well, the relief wells should be successful. And, you know, if you want to know how you do something, you ought to talk to somebody that's actually done it. And TRENT, a Member of this body, has actually done it.

So we will find out, whenever we get this spill stopped, we will find out what happened in the gulf to cause this thing to blow out. And it may be human error. It may be the company's error. It may be shortcuts they took. It may be the inspector's error. It could be just about anybody's error. We don't know.

Now, the truth is we don't have to know yet because the presumption is overwhelming that it's BP's responsibility, and they admit it. It's their responsibility. But blame-gaming is not going to stop the oil from flowing into the gulf. Putting our resources together at every level from every source is part of what you do when you have a national emergency. I don't care whether that national emergency has the name Katrina or Rita or Ike or any of the other names, or Carla or any of the other names of hurricanes that have swept across our gulf and attacked all Gulf States at some point in time, or it has the name—what's the name of this well? I can't even remember anymore. Anyway, just call it the BP well in the Gulf of Mexico that blew out. Blame game's not solving the problem.

What's the problem? When it's the hurricane, the wind's blowing and things are getting torn down, and we need to put our resources together to help the people and the industries that are attacked by that hurricane. Today we have animals, we have sea life, we have wildlife, sea life, human life that is threatened by this BP oil spill.

And our first job, and the job not only of British Petroleum but of those of us who have the responsibility of protecting this country, which would be the President of the United States, the executive department, this Congress, and everybody involved, should have immediately poured massive, massive support into doing something about this oil well and stopping this spill. And we should have done it through the people who have the intelligence and the technology to tell us just exactly what we are dealing with.

I wouldn't recommend you call a great white hunter in Africa to tell him how to put down this oil spill. I wouldn't recommend that you call a surgeon in Brooklyn, New York, and ask him to put down this oil spill. And I wouldn't recommend you talk to a community organizer and ask him how to put down this oil spill. I would recommend that you immediately, when this happened, approach those people who have the expertise to deal with this oil spill and do it. And quite honestly, I think we have to say that the President of the United States told us the buck stops with him, so he's the person who should have started this ball rolling when this whole thing started coming down on us.

I have got a little chart up here, the gulf spill timeline. And we are going to look at that for just a minute to see how well we did in deciding that we were, as a government, going to join the oil and gas industry in coming up with a solution to British Petroleum's disaster that they had created in our blessed Gulf of Mexico. In fact, I think I have the State with the largest amount of Gulf of Mexico coastline of any State in this Union. And it would be close, Florida would be a close second. And they may have more. I don't know. But certainly the State of Texas has a lot. So let's look at this thing for just a second.

April 20, 2010, and today is June 16. So looking back to April 20, the explosion occurred. Eleven people were killed. Right there we knew we had a problem. The first oil leak was officially recognized and revealed by the administration in Washington on April 24. So 4 days later, the administration acknowledged and revealed to us that there was an oil leak.

On April 28, the Secretary of the Interior, Mr. Salazar, traveled down to the BP command center in Houston. April 29, the Homeland Security Secretary Napolitano announced a spill of national significance, and President Obama made his first public remarks about the disaster. That's 9 days after it occurred. April 30, the President deployed his senior administration officials to the gulf region and makes a request for remarks about what's going on, and the Louisiana National Guard was activated to assist. That's a start. That's a first start.

The President visits the gulf on May 2. It looks like 13 days after the event. Cabinet officers briefed the Members of Congress on May 4 about the seriousness of this event.

□ 1900

May 11, Louisiana requests emergency permission from the Federal Government to dredge barriers to construct berms. Now, when I was about 18 years old, I worked in south Louisiana, and the whole ecology and economy of Louisiana is directly affected by what they call the marshlands. There are literally thousands of people who make their living because the marshlands in Louisiana thrive to be breeding grounds and producing grounds for numerous amounts of seafood products. And in fact, I would venture to say that there's not anybody who eats seafood in the United States, and have done so for any length of time at all in their life, has eaten seafood that was produced as a result of the overall environment of the Louisiana coastal region, which is 99 percent marsh.

Now, marsh is different from the beach. The beach is bad. If you've got a beautiful beach like they had at Pensacola, that gorgeous white sand, or anywhere in Alabama or Mississippi or anywhere in Florida, tar balls on the beach and this nasty sludge coming into the beach is going to be icky and yucky and nasty. And if you get it all over your feet, you have to clean it off with alcohol, and it can burn you and tear you up.

But if that stuff comes into the marsh, it can kill and will kill plant life, animal life, and ocean life.

So when the Governor of Louisiana, who was so unfairly criticized here tonight by the opposition, when the Governor said, look, guys, at least authorize some dredging to put some sand barriers between us, between our marsh and that terrible spill that's headed our direction, and yet it wasn't until the 27th of May that the Federal Government granted Louisiana a partial permission to dredge sand up to build sort of an island-like barrier so maybe that oil will hit the sand and not come in where all the plants and the wildlife and the sea life lives and thrives and functions.

But that was only 27 days too late, and the 28th of May, the President went down on a second visit to the Gulf States, and this is what he told us: The buck stops with me.

I agree with him. The buck stops with the President of the United States, and now we are hearing people scream about a national disaster, which it is, and the President of the United States' job was to lead, and lead means go out and if you have to, roll up your sleeves and suck oil out of the water. You certainly need to get people out there that are taking it seriously enough to follow the instructions of the man on the ground, Governor Jindal, who said it's not a solution, but it sure would help if there's a barrier between us and that oil. And he shouldn't have had to wait for the Federal Government to hem and haw and say, well, we don't know what that sand island you're going to build is going to do to the overall environment of south Louisiana. What does it matter? The oil is going to come in there and wreck it. So let's just dig up the sand. No, we had to wait.

On the 29th of May, British Petroleum did its top-kill plan to try to stop the oil, and it failed. The 2nd of June, the Obama administration finally approved Louisiana's plan to dredge and tells BP to pay $360 million for five new berms. The Justice Department announced a criminal investigation into the explosion and the spill. Let's see, that's all of May and 11 days in April when nothing of significance took place.

June 14, the Senate Democrats write BP calling on the company to set up a $20 billion independent administrative escrow fund to compensate victims of the spill.

June 15, that was yesterday, President Obama makes the Oval Office speech on the oil spill and uses the crisis to push climate change legislation.

And if you heard what our colleagues were talking about in the previous 1 hour before this Congress, they were talking about that we need to have these alternative fuels to replace oil and replace petroleum products, in fact, all carbon products, coal, oil, natural gas. They talked to you about subsidies and other things, but they show you on their chart, and you see this one right here, it is algae, and next year we're going to replace all the energy produced by oil with algae if you will put the resources in algae. No, because it won't.

If you say, look at these wind farms, this is going to replace all the energy we needed to charge our electric cars so we don't even have to run on any kind of petroleum product. And that's all we need is to subsidize that and pour money into it, and it will replace it in the next 2 years. So why am I using the term the next 2 years? Because the President of the United States has put a moratorium on drilling in the gulf, and 17 percent of our consumption on oil and oil products, which includes plastic and other by-products of oil and natural gas, 17 percent of that a year comes from deepwater drilling in the Gulf of Mexico. So, in 2 years, that's 34 percent of our fuel consumption nationwide that's going to have to be accounted for by somebody in some alternative form if we're going to give up on oil and gas.

Are any of the alternatives that are even close to replacing 34 percent of our energy consumption in this country? No. Will there be? Maybe. But the reality is, we get up in the morning, and we start our cars, and we drive to work. And generally we're burning gasoline or diesel, all of which are products of the petroleum industry. And if you're not going to use gas or diesel, then you better hook a sail up to your car and hope the wind is blowing towards work or you're not going to work.

So the reality is, to just cave in on an industry because of a terrible disaster is like saying, oh, my God, a 747 went down with 600 passengers, shut down the air industry for the next 6 months. But here's the reality: The reality is this 6-month shutdown of the Gulf is actually going to be a 5-year shutdown of the Gulf because once they pull those rigs out of the Gulf, we're not going to get them back it's estimated for 3 to 5 years. So the 6-month moratorium in effect shuts down 17 percent of our energy production in this country for 5 years, potentially for 5 years.

It is time to be realistic and say, what's the big problem right now? And it's the oil spill. Why is it a problem? Because oil is floating around on our pristine Gulf of Mexico. It is moving from State to State. It is eventually going to come ashore in someplace, and why aren't we doing everything we can to bring people over here from anywhere that will help and say we'll help?

I'm going to add one more thing. On June 16, President Obama met with BP executives in the White House—that's today—and he got his $20 billion to go into escrow. But the reality is where have we been, where has our leadership been of this country, the President of the United States and the administration, when this oil was spilling out of that well? Why didn't we answer the phone when the Dutch said 3 days after the spill started, we've got a fleet of skimmers that will come over to help you skim oil? Why didn't we respond? In fact, why didn't we say, world, we help you every chance you ask us to help you, give us a hand; anybody who's got resources that can soak up oil, please bring them to the United States and help us out?

That kind of leadership had to come from the President of the United States, and the waiving of the antique act called the Jones Act had to be done by the President of the United States.

So as we talk about this disaster, let's start by saying what's our real problem? And our real problem is this leaking oil, and we've got to clean it up. Before anything else, we've got to clean it up, but instead, we act to attack the drilling industry and shut down 17 percent of our energy resources a year at a minimum because it's very, very good and popular to attack the oil industry. But in reality, tomorrow morning, when you crank up your engine, say to yourself, what kind of fuel is driving me to work today and where does it come from?

I am very pleased to see that I'm joined by two of my colleagues, and I'm going to call on Mr. MICA from Florida to talk about this very, very disastrous situation and a bill that he has that offers some solutions.

Mr. MICA. Thank you so much. We affectionately refer to the gentleman from Texas as Judge CARTER, but a distinguished Member of Congress, a part of the leadership of the Republican team, and thank you also for coming tonight before the Congress and the American people, House of Representatives, to review probably what is one of the worst ecological disasters, natural disasters our country has ever experienced, and actually to come here and to review some of the timeline of what has taken place. You've touched on a number of important issues.

First of all, as someone who comes from the State of Florida—we're part of the Gulf Coast—I have to extend our deepest, heartfelt sympathies to those that lost lives, both on the rig, and now we heard today from some of our colleagues, in an extensive review that we participated in on our side of the aisle, from some of those from the adjoining States, how their economy is suffering and how the proposed moratorium that's being arbitrarily imposed may make this disaster even worse. It's hard to imagine it being worse, but again, we empathize with those who have lost lives, who have been injured, and now have seen their livelihood dramatically impaired by this natural disaster.

What we've got to do, though, is we've got to step back. We've got to look at what took place, and then we've got to look at some remedial action. Judge CARTER, gentleman from Texas, raised some excellent points. This is now 60 days, almost two full months, into this disaster that took place on April 20. We have not had the proper response. That's evident.

The gentleman talked about the need to bring skimmers and other craft in. He spoke about waiving the Jones Act, which President Bush did I think in 4 days afterwards. We haven't really called for a waiving of the Jones Act, but we would support it. It probably should have been done. There have been offers of foreign vessels.

I was absolutely dumbfounded; on Saturday, I received an urgent e-mail from those who are involved with American-flagged vessels, one of the leading maritime ship owners, domestically flagged, U.S. flag, who contacted me on Saturday. The message just floored me. Mr. MICA, our industry, American flag industry, doesn't mind waiving the Jones Act. The Jones Act does protect American jobs and American labor. Again it's great to have those flagged vessels. Waiving it is done on rare occasions and in emergencies, as President Bush did.

□ 1915

I was informed that we have flagged Jones Act-compliant vessels, American flag vessels waiting—this particular company, one of the largest maritime companies in the United States, American flag, has been waiting for a call. They've been waiting for a call from the Department of Homeland Security, from the Coast Guard, any Federal agency, or BP, to come in and provide—they have vessels that can help and could be helping in the cleanup even before we exempted vessels, foreign vessels to come in on this, and we've had an offer of that for some time. So I was shocked.

I sent to Secretary Napolitano yesterday a letter and I outlined the information I got. I lead the Transportation Committee in the House on the Republican side, but I said, Madam Secretary, this is unbelievable that no one has even availed themselves of the American flag vessels who are ready, who have equipment. We should not be endangered in Florida or in other States in having that oil up on our shores. We have the capability that has not even been utilized to date. So this was my letter, my plea to the Secretary, and I'm shocked and disappointed.

The other thing, too, is there seems to be a conflict. Last night, we heard the President say that we have been in charge, he's in charge as the Commander in Chief. Under the Oil Spill Recovery Act that we passed in 1990 after Exxon Valdez, it's pretty clear the chain of command, but Thad Allen, who is in charge of this, former Coast Guard commandant now in charge of the spill cleanup, he said, but we do not have the capability, the United States Government does not have the capability—he said that over and over again, that the private sector has this capability. Here again we have U.S. flag vessels that can do the cleanup haven't gotten a call, still waiting. The Jones Act they could have waived and allowed those who volunteered assistance with skimmers and other equipment, that has not come in.

So while there are folks in this administration who say they're in charge, there is some disconnect here in getting the equipment, getting the resources out there. In fact, the private sector has been in charge, and this is the first time the President has met with these folks. I was dumbfounded, too, today—and I think Judge CARTER was in that meeting and other Members on our side of the aisle—when we heard the gulf coast delegation say they have requested but not yet met with the President of the United States. It's hard to believe the President would not meet with the elected Representatives of the gulf coast States to sit down.

And then time and again we heard in the review that took place today of requests, simple requests for berms to stop the oil coming into the marshes, simple requests to act now, sooner rather than later. And we've seen the results of now that oil is making its way towards the Florida shores and doing even more damage. So if in fact the President is in charge, we need to free these vessels, employ every means possible to keep this disaster from going further.

One other thing I disagree with the President on. I know it's important to act, and he did act in imposing a moratorium, but I think what they've got to do—and I believe he revised that moratorium to not affect the 3,500 shallow water drilling sites, but it is closing

down the deepwater drilling sites. Some of those are exploration sites. In fact, they probably should be closed until we have assurances that future deepwater drilling can be done. My point here is that by closing all of them down with a blanket moratorium, we are putting more people out of work, taking a horrible situation and making it worse. We will have even more people unemployed.

So I think the logical, reasonable approach would be to send inspectors in, hire, retain whatever we need, or if they have government officials to go in and see that the deepwater drilling that is taking place where they actually have the well in production—which I think is about half of the approximately 30 deepwater wells that are out there. We don't want to make the situation worse economically for those that have lost their job, seeing their business close down or, again, see thousands of people put out of work by the wrong approach.

So a reasonable approach. First, we get every piece of equipment, whether it's U.S. or foreign flag, there. This can be cleaned up. This is a doable job with U.S. vessels that have been waiting to hear that call from the administration. And then secondly, let's also be reasonable in the moratorium. I have been a strong advocate of keeping the U.S. independent and free as much as we could, drill where it's safe. My State of Florida I helped on a 100-mile setoff years and years ago. I thought that was reasonable. But you know, it may or may not make a difference because this was only 45 miles off the coast of Louisiana, as we see.

The other thing we need to do is have a good backup system. We shouldn't be rubber-stamping approvals of any company, whether it's BP or anyone else. BP, in February of 2009, gave this—and this is a copy of it—this is the plan for their exploring that site and their doing an exploration well, a development well. This plan was submitted in March of 2009, over a year ago, and this is the one-page approval. I got a copy of this before our Transportation Committee hearing just before it took place. This is the one-page, carte blanche approval. I don't think some of the people in the Minerals Management Service even read this 59-page request. And we've heard hearings lately as to the failures of BP to outline a good, solid proposal.

This proposal is the basic plan for drilling that BP submitted. It also refers to a much bigger document, and that's the actual 500-plus-page document that details all of the spill cleanup procedures that BP would employ. That was also rubber-stamped with this approval, this one-page approval. So this was done by the Obama administration with people sleeping at the switch or not paying attention.

What's shocking, and I heard former-Governor Palin telling the country this—and people should listen to Governor Palin on this—Sarah Palin, when she was the Governor, she was tough on the oil companies. No one passed anything by her. She cracked down on them, made sure they towed the line. And what was interesting is Governor Palin told what they did is, she said this never would have happened, this kind of approval, in her State because there would have been more scrutiny.

The plan that BP offered, in addition to this 59 pages of the 500 cleanup plan, it looks like BP merely mirrored the Alaska plan; in fact, it told how they were going to deal with cleaning up walruses, seals and polar bears, none of which I've seen in the Gulf of Mexico. So, again, the Minerals Management Service was asleep at the switch.

What's finally startling is two things: one, I had our Transportation Infrastructure Committee get a copy of the President's budget. This is the Obama budget—not doctored or anything. I have the exact pages and cover copy of the budget. And in February of this year, before this oil spill, the President submitted a budget to our T&I Committee, Transportation and Infrastructure, that oversees the Coast Guard to slash the Coast Guard, our first responders, by 1,100 positions. In addition, he wanted to decommission and take out of service ships, helicopters, aircraft, all which are necessary for our first responders.

I remember when FRANK LOBIONDO, who is my ranking member on the Coast Guard Committee within our Transportation Committee, when we heard about this, we sent out this press release—this was in February, after the President had recommended cutting our first responders. We said—well, we said it's outrageous, but we said this is a recipe for disaster. This is dated February 25, after we got this. Then startling in this also, if you look a little bit further in the budget—not under our purview, but our staff found this—that the Minerals Management Service that the President talked about last night and how we need to clean that up and everything, in his budget that he proposed to Congress, he proposed slashing the Environmental Review Agency within that, or activities within that, agency by $2 million; pretty dramatic cut for someone who has to review, again, what the private sector submits, their plan, slashing that plan. I thought this was just unbelievable.

And finally—this is in February. In March, the President came out—and this is the story in The New York Times—and said that we have to increase drilling in the gulf. This is it. I didn't make it up. It's The New York Times: ''Obama to open offshore areas to oil drilling''—and it says right here, the gulf. So first he's slashing first responders, then he's next proposing slashing the agency that does the environmental reviews. The review, again, the oil companies present that to the Minerals Management Service, they review it—I showed you the rubber stamp, April 6, that they approved it.

And then finally, again, the main thing now is cleaning this mess up. And we've got to employ everyone we can, every piece of equipment, be it domestic or foreign, keep that from coming in.

This is a doable job. When Governors ask to take steps, the solution doesn't need to be caught up for weeks in approvals from agencies. It shouldn't be why we can't do something. It should be, how can we get this accomplished? We've got people around the coast whose livelihood now depends on this. We can't let this disaster that's already done great damage to our economy—we have incredible loss of life that we've seen, and, again, we empathize with those who have lost loved ones in this tragedy, but we can't make a horrible tragedy even worse. So reasonableness on this approach.

I thank Judge CARTER, my colleague, the gentleman from Texas. I see we also have another outstanding member of our Transportation and Infrastructure Committee, Mr. OLSON, also a gentleman from Texas. I thank you for coming out tonight, sharing with the Congress, the House of Representatives and our colleagues, some of the facts and information that need to get out to the public so that we can get this mess behind us. Thank you so much, and I yield back.

□ 1930

Mr. CARTER. Before you yield back, would you tell us a little bit about your Oil Spill Liability Trust Fund Improvement Act that you have proposed.

Mr. MICA. Well, I will tell you right now that we are open to suggestions. We are looking at trying to be reasonable in whatever we do. To just impose unlimited caps on liability could be a very serious and damaging measure.

First of all, let me say I believe that BP must be held accountable, fully accountable. Certainly, that company has the resources. They must be responsible for the cleanup. Even though there is a limit under the current 1990 statute of $75 million, they must be held accountable, far beyond that, for economic damages.

What we don't want to see is that we make the terms for liability so high that only a few multinational corporations will ever be in the oil business. Small producers in Texas and throughout the gulf—there are thousands of people in business—do a good job day in and day out. 3,500 of 3,600, I believe, active rigs in the gulf are in shallow water, but they shouldn't be penalized by the failure of government or by the failure of a big corporation. Let's hold their feet to the fire.

So we are going to work with the Democrats. We are going to work with the administration. We are going to try to craft something that is fair and reasonable, that holds people accountable and that holds their feet to the fire.

The current fund that we have shouldn't be just a slush fund or front financing of the cleanup for BP or for any big company. That was actually set up for orphan spills or for a company that may not have the assets but

that was responsible for a spill. We want that fund to continue to work, and we may need to put more funds in it to make certain that we have coverage for the future. Again, what we don't want to do is put in place insurance and liability limits that are so high that very few people can meet those requirements.

So we are crafting that legislation. We want to do it in a bipartisan manner. The law does need to be altered. We should learn, and we should benefit by this horrible experience, and we should make it better and make certain that it doesn't happen again.

Again, thank you for your leadership and for asking me to participate tonight.

Mr. CARTER. I thank the gentleman for what he has had to say.

I want to tell you that my wife is Dutch, so I took a little offense at the fact that we had an offer of help of a fleet of skimmers from the Dutch. It is my understanding we gave no response. Maybe that's different. I don't know. All I know is that I'm like Will Rogers. All I know is what I read in the newspapers. Now I'm even more upset since I've found out we have American-flagged ships waiting in the harbor ready to help, and nobody has asked for their help. The leadership that runs this country, the executive branch of the government, ought to be ashamed of themselves.

Mr. MICA. Will the gentleman yield?

Mr. CARTER. I yield back.

Mr. MICA. In conclusion, I do want to say that I work very closely with Mr. OBERSTAR, the Democrat chair of the T&I Committee. When we found out that the $1.6 billion fund has a $150 million cap for emergency use, we came together last week. I offered legislation specifically to deal with that. Again, we have to act in a responsible manner for the country. We passed that. The House concurred with us. We have provided some temporary relief.

Again, I'm not going to let the $1.6 billion or the $150 million be a piggy bank for BP or for any responsible parties, but we want to make certain that all of the resources are there on an emergency basis to the administration, to the Coast Guard, to whomever, so no one can say that Congress didn't act in a timely fashion. We were alerted that some of the funds were running low in that emergency portion of the $1.6 billion, which is put out in advance.

So I talked a little bit before about the legislation we are looking at on liability caps, and that is what we have done in a bipartisan fashion today. We did that, and we are prepared to do even more on the caps, whatever it takes and whatever resources and assets of the government and of the private sector we can bring to bear to bring this horrible disaster under control.

Thank you again for your leadership, both of our Texas Members—Mr. CARTER and Mr. OLSON.

Mr. CARTER. In reclaiming my time, let me say right off that I am very, very proud to be part of a Congress that instantly reacts to a crisis situation. Mr. OBERSTAR should be commended for that reaction. That is what we are asking for the entire government to do. Let's react positively. Let's work as a team. Let's quit blaming previous administrations. Let's do the job to clean this mess up.

I thank you very much.

My good friend from Texas lives in the heart of All Country USA. Houston, Texas, is, to my way of thinking, the center of the universe for the oil industry, and my good friend PETE OLSON is one of the members of our Houston delegation who is very knowledgeable in this area. He has some legislation, and there may be other things that he wishes to talk about, so I yield to my friend PETE OLSON, the Member from Sugar Land and all points south, to talk to us about how he feels about what is going on today.

Mr. OLSON. Well, thank you for hosting this Special Order tonight on such a critically important issue for the American people.

I would like to thank my colleague from Florida for coming by and for giving his perspectives on how this disaster is affecting Florida.

I'm going to have a theme tonight, Judge. I was in the Navy for 10 years—a naval officer. We're trained to lead. I mean, in my aircraft, I was a crew of 12—five officers, seven enlisted folks. I was the patrol plane commander, so those 11 individuals depended upon me to take them out, to do the mission, and to come back home safely. To sum it up in two words, the philosophy is ''leaders lead.'' Well, guess what? We are not seeing leadership out of Washington.

We've had a very difficult situation. We've had the largest oil spill in American history, and there are thousands of jobs affected by it already: the food processing industry; the fishing industry across the coasts of Louisiana, Mississippi, and Alabama; the tourist industry. We're hitting the summer season. This is when people go on vacations. We're past Memorial Day. From what I hear, the hotels are about half full. It has had a significant impact on the people of the gulf coast.

Yet what does the administration do? Do they lead? No. Again, in a knee-jerk reaction to this terrible tragedy, they imposed a 6-month moratorium on deepwater drilling—all of it stopped. Again, it's a disaster for our economy and for our Nation. Let me go over some of the specifics with you as I know my good friend knows.

There are 150,000 jobs that are going to be lost because of this moratorium. That's 1½ times my hometown of Sugar Land, which the judge mentioned. That's like wiping out Sugar Land and going down to Rosenberg or Richmond and taking them off the map. This is 150,000 jobs.

There are 33 rigs currently out there. I've talked to a constituent in my district who has an ownership interest in two of those rigs.

I asked him last week, How long can you hang out?

He said, Three weeks max.

How much is it costing you?

Well, the rigs are a little different. One's down around $500,000 a day. The other one is at $1 million a day. $1 million.

If this baby goes on, if this moratorium goes on for 6 months, that is going to be $180 million that that company is going to just have to absorb. Yet you know what they're going to do. Guess what? They're going. They're going overseas. He has been talked to. My constituent has been talked to, and he has had interest from Australia, from Brazil, from western Africa, and from eastern Africa already. He is considering their options very seriously because he can't afford to be paying $500,000 or $1 million per day as long as this moratorium goes on. This is going to have a devastating effect on our domestic production of energy.

One of the great problems we have in America—and it is something we should have fixed years ago—is our dependence on foreign oil. We all remember 1979 when the Shah fell, when Iran was taken over by the Ayatollah Khomeini and when the Arab world cut off our fuel supply. I was a 16-year-old in Houston, Texas, and I had just gotten my driver's license. So my job was to take the car up when it got down to about a quarter of a tank of gas. I'd take it up and get in that gas line depending on what the last number of my license plate was—odd or even on an odd or even day—and I loved it. I was standing there with my radio and with my window rolled down. Now that I'm an adult, I realize what a disaster that was. It's not gone. I mean it's still out there today.

As the judge knows, we've got serious challenges in the Middle East. I mean Mr. Ahmadinejad in Iran is scary. I mean he is trying to get a nuclear weapon. He was here in our country a couple of weeks ago at the United Nations. He sat down with George Stephanopoulos and literally—this is the leader of Iran—told him that Osama bin Laden is here in Washington, D.C. Let me say that again. Judge, I think Osama bin Laden is here in Washington, D.C. This guy is trying to get some nuclear weapons. He certainly has some oil, and he has friends out there—the Saudis and others—who would cut him off if something happens.

What has happened, as you know, too, Judge, just as well, is that this administration has hurt our relationship with our great ally Israel. In 18 months, our relationship with Israel has gone from being one of our strongest allies to someone the world looks at and asks, Is the United States really with them? That has created another dangerous situation where countries out there are going to start taking chances and taking shots at our best friend. Again, what happens at the end of the day if we stand up for Israel?

Maybe we get another oil embargo. We can't afford that. Yet this administration's actions by imposing this 6-month moratorium on deepwater drilling in the gulf are going to help that cause.

I don't know where to start sometimes. As my colleagues have mentioned, we introduced a bill yesterday, a very simple bill. It's one page—half a page. It basically says, Let's end the moratorium, Mr. President. We had a meeting today with Mr. Salazar. The Secretary of the Interior came over today.

I asked him, Do you believe that you were given all of the accurate analysis on the economic impact of this moratorium on deepwater drilling? Did you know all of the facts? Did you know that 150,000 Americans are going to lose their jobs and that those rigs in the gulf are most likely going to go overseas and start developing oil in foreign nations? They're not coming back any time soon.

It's a minimum—a minimum from what I've heard from the people in my district—of 5 years before those rigs will even consider coming back because they will have paid all that money to go over there. They're going to sit there. They're going to make money. They're going to decrease our national reserves here in America, and they're going to increase our dependence on foreign oil.

Again, Judge, leaders lead. What has the administration done?

Well, you know, as you talked about earlier, Governor Jindal asked for some sand, for about 24 miles of sand to place in between some of the marshlands that were going to be impacted by the oil spill. It took our government 3 weeks to approve that.

Why? Why? he asked.

Well, we had to do some studies. You know, the Environmental Protection Agency had to look and make sure that, if we put that sand in front of the berms, we weren't going to do some things to hurt the birds and the wildlife behind that.

You're going to hurt the wildlife behind that, and you're going to damage those birds when that oil gets in there. Put the sand up. Prevent that from happening. Let's deal with that problem. Amazing.

The Jones Act. You talked about that. We've got great allies out there who want to help us, who have come to us and who have said, Please, we can help you. What did we do? No thanks. We've got this law that requires American unions, our unions, to man the ships. We don't need your help.

Katrina, 2005. President Bush was asked, you know, to waive the Jones Act. He stepped up and did it. Why? Because it was right for America. He was focused on the problem, which was help Louisiana and New Orleans recover from that hurricane.

The problem here is real simple, Judge. We've got oil spewing out of a hole in the Gulf of Mexico. We need to focus on that. That's the problem, and the administration is not focused on that. Again, leaders lead.

What do we see out of the White House today? Coerced British Petroleum to a $20 billion slush fund, a privately funded slush fund for government to use and spend as they see fit. Now, BP has made some mistakes, and the investigation is not complete, but there is a lot of evidence and indication that they have made some mistakes, have cut some corners and have done things that haven't been consistent with standard operating procedure.

□ 1945

And they should agree to reimburse the Americans who have been affected by that.

But for the government to force upon them a $20 million concession that the government's going to handle and dole out as they see fit is just not what's in our country's interest. We see what this administration has done if we give them large amounts of money. The first big vote I had as a Member of Congress, almost $900 billion in economic stimulus package. Guess what? Has it stimulated the economy like the administration, like the President, said it would? Has it kept our job rate below 8 percent; our unemployment rate? No. We're hovering about 10 percent. What do we spend it on? You know the answer to that, Judge. Two-thirds of the money has been spent on public sector jobs and one-third on private sector jobs. I'd submit—and this isn't taking much of a chance—that's not how you grow an economy. And yet the administration has now coerced British Petroleum to give them $20 billion as they see fit.

Finally, and I've got the President's speech here, about the last third of it didn't have anything to do with the Gulf of Mexico. It had something to do with a much bigger agenda. He was talking about why this substantiated and justified the administration's pursuit of a hydrocarbon emission law—a cap-and-tax, as we call it up here in the House. I mean, again, why are we talking about this when we've got oil spilling out of the Gulf right now. And the answer is: because the administration has an agenda that doesn't have anything to do with the oil coming out. It has everything to do with changing America, making us uncompetitive in a global market, increasing our costs of energy for every American consumer, and getting a big tax increase with all these payments, allotments that the corporations, companies, small businesses across America have to pay. And it's quite frustrating.

I mean, when I go back home, Judge, and I am sure you get this, What's going on in D.C.? And, Who's leading? An the answer is, Nobody is leading right now. Again, leaders lead. And that's why I introduced that law that you mentioned earlier to just repeal the moratorium. Get the American people back working on those wells.

The President, as you recall, met this past week with the families, the families of the 11 rig workers that were killed in the explosion. Many of them, from the press reports, told him, Please, Mr. President, don't do this moratorium. Don't do this to my husband, who most of these people were born and raised in small towns in Louisiana, like Homer, and they planned on living their lives there, raising their children there, raising grandchildren there. And they see what's at stake here. They don't want a moratorium, even though their family members have made the ultimate sacrifice.

It's my hope that the administration listens to the American people, looks at the numbers of 150,000 jobs that are going to be lost. Just the fact that we're going to lose all of our—most of our domestic offshore production of oil, and we're going to take that overseas to foreign nations. And one other thing is the second largest income tax source for the Federal Government is offshore drilling. About $6 billion a year, bye-bye. It's just incredibly frustrating as a freshman Member of Congress that we're going through this, Judge. We need to fight to make sure that this moratorium is repealed, because it's in America's best interest.

Mr. CARTER. Reclaiming my time for a moment, I asked TRENT FRANK, who is an experienced offshore driller, as we all know. I said, TRENT, what kind of salaries do these guys make? He said, The ordinary laborer—which in my day, at least, we used to call those guys roughnecks or roustabouts—$60 an hour. And the high-tech guys, the guys that can drive a drill bit down 5,000 feet under the water and another multithousands of feet and hit a 12-inch hole where this oil is coming out of, with that kind of skill, they're paid a lot more.

Now the question I would have for the administration, if you take the drilling away and all those people are looking for a job to replace that income, where is the guy who developed his skills through experience at the low-paying job on a well? So maybe he's got a high school education, and he learned his job on the job. Where is he going to find $60 an hour to support his family on? It doesn't exist.

Mr. OLSON. Will the gentleman yield?

Mr. CARTER. I yield.

Mr. OLSON. Judge, I think the President gave us the answer to your question there. In his speech yesterday, this is what he said. ''Already, I have issued a 6-month moratorium on deepwater drilling. I know this creates difficulty for the people who work on these rigs, but for the sake of safety and for the sake of the entire region, we need to know the facts before we allow deepwater drilling to continue.''

Mr. CARTER. Reclaiming my time, in wrapping this up, there's a lot of things that the Republicans—we get accused of an awful lot of things around here. We're going to ignore

those accusations. Mr. BLUNT has a bill. The Oil Spill Response and Assistance Act, by Mr. ROY BLUNT from Missouri, H.R. 5336, requires the Secretary of Energy to develop and deploy technology for the use in the event of breach or explosion at or at a significant discharge of oil from a deepwater port, offshore facility, or tank vessel, including caps, fireproof booms, remote-operated submersibles, 24-hour response time, double liability limits for oil companies.

Mr. BLUNT is addressing the issue. Mr. SCHOCK has an Offshore Safety and Response. We have legislation. Let's do our job. And let's continue. Let's end that moratorium and continue to drill. And be safe.

FEDERAL GOVERNMENT'S RESPONSE TO THE OIL SPILL

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from Texas (Mr. GOHMERT) is recognized for 60 minutes.

Mr. GOHMERT. Thank you, Mr. Speaker. I want to follow up on what my friends were discussing because this oil spill is so important. And when our colleagues across the aisle control the White House, the Senate, the House of Representatives, the most we can do is use this honored place here to bring out some points so that, hopefully, America will respond, let their Members of Congress know what can be done, what should be done, and why. And then perhaps we will get the appropriate action from the majority.

But I know there have been a lot of people that have been perplexed over the President waiting for so long to sit down with the chairman of British Petroleum. I know our President has said he has been involved and been in control and been in charge since day one. We have heard that over and over. And I know my colleague, former Judge CARTER, like me—maybe it's the judge in us—but even though the President has said he wasn't going to believe—something like he wasn't going to be able to believe whatever he said, so he didn't even meet with him. Well, as my fellow former judge knows, the best way to find out if you can believe them is bring them. Look them in the eye. Ask them questions. Find out if their answers are credible. Find out by the questions you ask whether they make sense, whether they're conflicting. And you find out whether you can trust somebody just by getting them in and talking to them. To make the statement that, for whatever reason, but if it was you can't trust what he says, then get him in and talk to him, for heaven's sake. I guess if you're used to condemning police officers before you know the facts, then, as we know from court cases, the best indication of future activity is often past history. It needs to rise to the level of being habit. But we're beginning to see a pattern developed here.

But many have wondered, Why was the President easy on British Petroleum for so long? Lately, he talked about kicking rear ends and all this stuff, but this is over a month and a half later. So I was very interested in this article, apparently from the Washington Examiner. And the K Street Column appears on Wednesday by Timothy Carney. I'm just going to read the article because I found this very interesting and helped give me some insight into this relationship with British Petroleum.

But the article says, ''As British Petroleum's Deepwater Horizon oil rig was sinking on April 22, Senator John Kerry, Democrat of Massachusetts, was on the phone with allies in his push for climate legislation, telling them he would soon roll out the Senate climate bill with the support of the utility industry and three oil companies, including BP, according to the Washington Post.''

Let me explain here why this is called climate legislation. In the last couple of years, it became clear that there was significant evidence to indicate that global warming was not occurring. We've had indication one of the heads of the movement that is claiming it was, actually admits there has been no evidence that the planet has been warming since 1995. And the evidence has been the last few years it is probably cooling. I read an article in the wee hours this morning that South Africa is getting the first snow in decades.

So, anyway, but apparently, the global warming movement realized this was a problem. And I read another article sometime back around this time that indicated, you know what? We've been saying carbon dioxide trapped the warmth in, but it may be, since the planet may be cooling, maybe it makes the Sun's rays bounce off the carbon dioxide. And so maybe CO_2 is to blame for the cooling. So they realize if the planet is cooling, and you want to blame CO_2, you're going to have to change the name, because global warming doesn't work if the climate is actually getting cooler. So they have started calling it climate legislation rather than global warming legislation. So that's why it's referred to this way, and that's why senators like Senator KERRY down the hall are referring to it as climate legislation.

But, anyway, going back to the article, it says, ''Kerry never got to have his photo op with BP Chief Executive Tony Hayward and other regulation-friendly corporate chieftains. Within days, Republican cosponsor Lindsey Graham, Republican from South Carolina, repudiated the bill following a spat about immigration, and Democrats went back to the drawing board. But the Kerry-British Petroleum alliance for an energy bill that included a cap-and-trade scheme for greenhouse gasses pokes a hole in a favorite claim of President Obama and his allies in the media that BP's lobbyists have fought fiercely to be left alone. Lobbying records show that BP is no free-market crusader but instead a close friend of Big Government whenever it serves the company's bottom line. While BP has resisted some government intervention, it has lobbied for tax hikes, greenhouse gas restraints, the stimulus bill, the Wall Street bailout, the subsidies for oil pipelines, solar panels, natural gas and biofuels.''

The article continues on, ''Now that BP's oil rig has caused the biggest environmental disaster in American history, the left is pulling the same bogus trick it did with Enron and AIG. Whenever a company earns universal ire, declare it the poster boy for the free market. As Democrats fight to advance climate change policies,'' AKA global warming when it's not warming. Back to the article, ''they are resorting to the misleading tactics they used in their health care and finance report: posing as the scourges of the special interest and tarring reform opponents as the stooges of big business. Expect BP to be public enemy number one in the climate debate. There's a problem. BP was a founding member of the U.S. Climate Action Partnership, a lobby dedicated to passing a cap-and-trade bill. As the Nation's largest producer of natural gas, BP saw many ways to profit from climate legislation, notably by persuading Congress to provide subsidies to coal-fired power plants that switch to gas. In February, BP quit the United States Climate Action Partnership without giving much of a reason beyond saying the company could lobby more effectively on its own than in a coalition that is increasingly dominated by power companies. They made out particularly well in the House climate bill, while natural gas producers suffer.''

□ 2000

And I am still reading from the article: ''But 2 months later, BP signed off on Kerry's Senate climate bill, which was hardly a capitalist concoction. One provision BP explicitly backed, according to Congressional Quarterly and other media reports: a higher gas tax. The money would be earmarked for building more highways, thus inducing more driving and more gasoline consumption.

''Elsewhere in the green arena, BP has lobbied for and profited from subsidies for biofuels and solar energy, two products that cannot break even without government support. Lobbying records show the company backing solar subsidies including Federal funding for solar research. The U.S. Export-Import Bank, a Federal agency, is currently financing a BP solar energy project in Argentina.

''Export-Import has also put up taxpayer cash to finance construction of the 1,094-mile Baku-Tbilisi-Ceyhan pipeline carrying oil from the Caspian Sea to Ceyhan, Turkey—again, profiting BP. Lobbying records also show BP lobbying on Obama's stimulus bill

and Bush's Wall Street bailout. You can guess the oil giant wasn't in league with the Cato Institute or Ron Paul on those.''

Continuing to read from the article, the last couple of paragraphs: ''BP has more Democratic lobbyists than Republicans. It employs the Podesta Group, cofounded by John Podesta, Obama's transition director and confidant. Other BP troops on K Street include Michael Berman, a former top aide to Vice President Walter Mondale; Steven Champlin, former executive director of the House Democratic Caucus; and Matthew LaRocco, who worked in Bill Clinton's Interior Department and whose father was a Democratic Congressman. Former Republican staffers, such as Reagan alumnus Ken Duberstein, also lobby for BP, but there's no truth to Democratic portrayals of the oil company as an arm of the GOP.''

Reading the last paragraph: ''Two patterns have emerged during Obama's Presidency: 1) Big business increasingly seeks profits through more government, and 2) Obama nonetheless paints opponents of his intervention as industry shills. BP is just the latest example of this tawdry sleight of hand. Once a government pet, BP now a capitalist tool.''

So I would like to yield time to my friend from Round Rock, the Georgetown area, and ask if that makes sense now that you know the full story and perhaps explains why the President was so slow to get after British Petroleum. I yield.

Mr. CARTER. I thank my friend from Texas for yielding. And let me say, that was a real eye-opener. I knew from having read some of the things previously that BP certainly was claiming big green activities both in their ads on television and in other places, and I do remember reading, I believe in the National Journal, some articles about their activities on behalf of climate change. But it didn't really sink in until this very minute when you read this to me. And I am going to bring something up that's a little tongue-in-cheek humor. But I have a question I wanted to ask because now you have talked about the difference between what we talked about, which was global warming and climate change.

When I went to school in Lubbock, Texas, back in the sixties, I remember specifically a day when a bunch of buddies and I went out to play a round of golf. It was 89 or 90 degrees. We were in a pair of golf shirts and Bermuda shorts, and we started out playing a round of golf. Before we got through with nine holes, a dust storm came up, and we could hardly see the ball, and we could hardly hit it. Then it began to rain, and it rained mud for about an hour through the dust storm. Then as the dust seemed to calm and go away, the temperature began to drop, and by the time we got to the club house, the temperature was 20 degrees.

So we had had a climate change from 90 to 20 in a 10-hour period, including a dust storm and rain. And we know that climate change is George W. Bush's fault. Now did he do that? Because that certainly was the most spectacular climate change I have ever seen in my entire life. But, unfortunately, we all know in Texas, we have those climate changes all year long. Is that the Republicans' fault and the Bush administration's fault? Good Lord, where were they in 1964? I think he was probably in junior high school or something. I don't know. What do you think, Mr. GOHMERT?

Mr. GOHMERT. Well, reclaiming my time, it appears that apparently former President George W. Bush must have had an awful lot of activity to have that kind of effect on global warming even back then. But then I find it interesting, because I know my friend recalls seeing the articles as I did. In fact, I recall in college being told that we were probably at the very beginning—some said we absolutely were at the very early stages of a new ice age that would end the world, end all people on the world with ice.

Well, I just didn't believe it because as a Christian, you know, the Bible doesn't teach that the world ends with an ice age, and so I just knew that couldn't be right. But the people all around me were saying, Oh, yeah, we're at the beginning of a new ice age. It's the global cooling. It's going to ultimately have the whole planet frozen solid, and then who knows what life forms will emerge, if any, after the big ice age. Now I remember that, and I remember the discussions and discussing it with classmates and things, and I just could not buy back in the seventies that we were at the beginning of a new ice age.

So I come into this thing a bit skeptical. And as I have said many times, there is an adage here in Washington that no matter how cynical you get, it's never enough to catch up. And this is exactly the kind of thing that makes you see that. It just creates too much cynicism.

Mr. CARTER. If the gentleman will yield for a moment, I would argue that we enhance our cynicism quite a bit by the article that you just read concerning the relationship between the Obama administration, the Democratic Party, and British Petroleum prior to the leak, the massive disaster in the gulf. So you have to be a cynic when you see the kind of ''whose blank am I going to kick'' attitude out there. And of course everybody knew who we were talking about's blank that was going to get kicked, and that was going to be British Petroleum, as if they were the evil empire, you know, the black knights or whatever you want to call them. When you realize that they were partners on the same piece of legislation that he talked about for at least one-third to almost one-half of the speech that the President made last night to the American people because the solution to the oil flowing into the gulf is not bringing in the Dutch ships and other ships that have volunteered to come help by awaiting the Jones Act. It's not even releasing American flagships to go out there, which is no violation of the Jones Act.

No. The solution to the oil spill is cap-and-trade, cap-and-tax. Let's see if we can't come up with a whole new tax scheme for the American people. Let's see if we can't drive up the cost of the energy for their homes and for their businesses. Let's see if we can't put the American farmer out of business. Because you talk to a farmer about cap-and-tax, and he will tell you, his food and fertilizer—or the food and fiber he produces and the energy it takes to run his farm equipment is all going to be destroyed by this scheme to make money another way with cap-and-tax programs.

Well, I mean, look at how much money the former Vice President of the United States, Al Gore, has made in participating in cap-and-tax issues in foreign areas, like the European Union. So get back to the oil spill, Mr. President. I yield back.

Mr. GOHMERT. Well, I was just going to mention, former Vice President Gore. He has got a global warming problem of his own now, so I will probably just leave reference to him out entirely. Apparently his planet is warming right now.

But it is interesting, too, when I heard the President talking previously about this cozy relationship between regulators and the Big Oil—here it is back again to the cynicism, and part of it I think is all those days as a judge—you know, it hit me. And I asked my office to check. And sure enough, they found a press release from the Department of Interior dated June 18, 2009, and I'm glad my friend was enlightened, as I was, to find out just how cozy British Petroleum and the White House and the global warming advocates here on Capitol Hill and the White House have been. There is apparently a very cozy relationship, which obviously made it difficult for him to want to condemn BP because they were the oil company that was jumping out there and saying, We support all this global warming stuff.

Well, let me read you this press release. It's from the Department of the Interior. It says, Department of the Interior press release. Date, June 18, 2009. And the headline is, Secretary Salazar Names Sylvia V. Baca Deputy Assistant Secretary for Land and Minerals Management. Minerals Management should ring a bell with what's going on today. And then it has the city, ''Washington, D.C.—Secretary of the Interior Ken Salazar today named Sylvia V. Baca, a senior public and private sector manager in energy and environmental policy and programs, as Deputy Assistant Secretary for Land and Minerals Management. The appointment does not require Senate confirmation.'' Because see, if it required Senate confirmation, as my friend knows, then

they would have been really digging into what she had been doing before.

But anyway, back to the press release from the Department of Interior: ''Sylvia brings more than two decades of management experience dealing with natural resource and environmental stewardship issues in both the public and private sectors and at all levels of government, Secretary Salazar said. Sylvia understands the value of partnerships and the dynamics of consensus building on difficult issues, and her professionalism and detailed knowledge of Interior's land and energy responsibilities will make her a valuable member of our leadership team.

''Baca, who currently is general manager for Social Investment Programs and Strategic Partnerships at BP America Inc. in Houston, has held several senior management positions with the company since 2001, focusing on environmental initiatives, overseeing cooperative projects with private and public organizations, developing health, safety, and emergency response programs, and working on climate change, biodiversity, and sustainability objectives.

''As Director of Global Health, Safety, Environment, & Emergency Response for BP Shipping Ltd. in London, Baca led a worldwide team to develop innovative and proactive energy and the environment initiatives. Among her accomplishments, she oversaw health, safety and environmental outcomes for an $8 billion shipbuilding program, resulting in the youngest, greenest and most technically advanced fleet in the world. The project has received numerous awards for its safety and environmental advancements.

□ 2015

''As vice president for Health, Safety and Environment, BP North America in Los Angeles, Baca served as policy adviser on environmental initiatives, such as climate change, biodiversity, sustainable development, land restoration, and air and water programs. Baca presented BP's Climate Change Program before congressional committees and served as a board member on the California Climate Action Registry, National Resources Council of America, NatureServe, and the University of Colorado Natural Resources School of Law. She developed collaborative partnerships with key constituents, trade associations, regulators, and other stakeholders on environmental legislative and regulatory issues.''

It gets better.

''From 1995 to 2001, Baca served as the Assistant Secretary for Land and Minerals Management at the Department of the Interior, where she was the principal policy adviser to the Secretary of the Interior for environmentally responsible stewardship of public lands and resources. She was responsible for the development of national policy and management direction of the Bureau of Land Management, Minerals Management Service, and Office of Surface Mining Reclamation and Enforcement.

''Among her achievements, Baca formulated consensus-based Federal land and resource management policies and facilitated policy resolution for public land and mineral disputes with competing interest groups. She earlier served as the Deputy Assistant Secretary for Land and Minerals Management, and was the Acting Director of the Bureau of Land Management.''

I'm going to stop reading here because what brought her to my attention for the first time I ever heard her name was when the inspector general, who had investigated a few years ago how in the world we ended up on our offshore leases having the price control adjustment language pulled out in 1998 and 1999, he mentioned that Ms. Baca was probably principally in the best position to talk about why it was pulled out.

From the hearing, it certainly appeared that they were informed: We always put this price adjustment language in there. For some reason there were two people, Ms. Baca and another, who were involved apparently in seeing it was pulled out. And it has cost this country's Federal Treasury billions of dollars now that has gone to those who signed those leases in which she or somebody she knew about was pulling the language out regarding the price adjustment.

When I asked the inspector general what Ms. Baca said about this when he questioned her, he said he had never questioned her because she left government service at the end of the Clinton administration and he couldn't talk to her now that she was in private business and in the private sector. I couldn't believe he wouldn't at least give her a call.

Anyway, it turns out that cozy relationship that the President talked about is very real. It was present in the Clinton administration. It left during the Bush administration, but came back in June of 2009 as their own press release from the Department of the Interior indicates.

I yield to my friend.

Mr. CARTER. I want to congratulate my colleague for doing some mighty interesting research. It is good that we laid this kind of research out before this House and before the American public.

One of the things that people get concerned about up here is who is shooting straight. As far as Ms. Baca is concerned, it looks right now like this administration decided to put their money on the wrong horse. When we start talking about Minerals Management, that is starting to ring a bell with the American people because our interesting father and son inspection team that you have talked about on the floor of the House, isn't that part of Minerals Management?

Mr. GOHMERT. It certainly is part of Minerals Management Service. I have to say, it was a hunch when I heard President Obama talking about the cozy relationship between Big Oil and the regulators. It just hit me, and I sent a message to my staff and said find out where those two people are who the inspector general said were largely responsible or likely responsible for the price adjustment language being pulled out that cost our country billions of dollars while they were there in 1998 and 1999. They came back and said we have a press release that is talking about one of them, and this is the press release that I just have read from.

So it is interesting. There is a cozy relationship between this administration, and it goes beyond this, and I am deeply troubled. I know whether you are in Congress, but especially President of the United States, we rely so much on our staff and those people around us to help us get information, and we often depend on what they give us. That is why I like to see it in print, verified.

But the President said in his speech last night, We are running out of places to drill. Well, yes, because if you go back a year and a half ago you will find this same Secretary Salazar took checks that the government had already received at the end of 2008 for leases in the middle of the United States area and returned the checks and said it was his decision and this administration's decision that they were not going to allow those leases to go forward that were let at the midnight hour as the Bush administration was leaving. That was grossly unfair to what occurred, because the information that some of our folks in natural resources had found was that actually that was a 7-year process. He called it a midnight hour, that is when the checks came in, but no company is just going to rush in and say, Here is a check; I don't know what the land looks like. They have to do some testing, see what they think they might want to offer in the way of a bid. So that was a long 7-year process. And it was terminated.

So when the President says we are running out of places to drill, yeah, I guess so, when you keep declaring all of these areas off limits, on shore, in the shallow gulf, all of these shallow and inland areas. People are not aware, but every time they declare a wilderness area, they put that land off limits to drilling. When they declare a wilderness area like this body has, and it is on the Mexico-Arizona border, that means there is no Border Patrol cars or helicopters or anything that can be on the ground in that area in the wilderness area. So there is probably not a month goes by that we don't declare more and more land unavailable for any mineral production.

Mr. CARTER. That comment about the no vehicles also prevents those who are in charge of enforcing our border from following the drug dealers as they take their caravans of bad product

across the border and into our wilderness area, and that is a serious situation.

Mr. GOHMERT. The people who are coming into the country illegally, obviously they are not worrying about what the laws in the wilderness area are. They can bring mechanical things and let them work there, but the Border Patrol cannot pursue them. Those areas look like roadways, and it is from the illegals coming through the wilderness areas.

I want to mention one other thing. I know our President has said he has been doing everything from day one. He has been in control. He has been in charge, and we are doing absolutely everything we can. But then we find out many weeks after this explosion that actually the Netherlands and other countries have offered their ships, their expertise to come help us. The Netherlands, probably the best nation in the world for building dikes and building sand barriers and things, they volunteered to come over here. The problem is that would violate a union-pushed law back in the 1920s. I believe it was in the 1920s when it came. It says, if it is not an American ship, it can't operate and do the things that the Dutch were willing to do for us.

I am sure the President is just a victim of whoever put that information in his teleprompter, but the fact is that everything has not been done. We had a hearing where we had Coast Guard people, and the people from Louisiana have made clear, they have been trying to do things since it started and they keep being hampered by this administration giving BP the responsibility to make all decisions. That didn't make a lot of sense until you read this article and find out just how cozy that relationship has been between BP and the majority leaders in the Senate and in the Congress and at the White House.

But since I know the President believed, I am sure he wouldn't have said it, believed he is doing everything—actually, Presidents can suspend the Jones Act on their own. I know it was mentioned by my friend from the Houston area, but just to bring the fact home and give some specific information, Hurricane Katrina hit the coast of mainly Louisiana on August 29, 2005. Two days later, on September 1 of 2005, President Bush suspended the Jones Act so foreign ships could come in and assist in the hurricane cleanup. As I understand it, I heard that they were a very good help. They came in immediately, and so we have a track record of foreign countries that can come in and help us. President Bush continued the suspension until September 19, 2005. So 19 days was enough to allow those ships to come in and the foreign equipment to come in and help us clean up the disaster areas there on the coast in 2005.

Now, the process requires signoff from Customs and Border Protection, from Department of Energy, and the Maritime Administration, but that can be done on an expedited basis and can be done all within 1 day. You could, in fact, give a call if you are President of the United States, you could give a call to Customs and Border Protection, DOE, and Maritime Administration and say, I want this done. If you are not going to do it, I am going to get somebody in your job that will get it done. Do it. Then get it for final signature to me. I will be finishing the 9th hole on the golf course such and such time; get it to me before I start the 10th tee. He could jump out of the cart and sign that Jones Act suspension and not even be interrupted from a round of golf. It could easily have been done all these days ago.

Just like Hurricane Katrina hit on August 29, and just think about this. As incompetent as this administration has repeatedly said the Bush administration was, just think about if an incompetent administration as totally worthless and incompetent as the Bush administration was, could get the Jones Act suspended within 3 days after Hurricane Katrina hitting, just think what these guys could have done. Since they are so much more competent and qualified, think how much quicker they could have done it since it took the Bush administration nearly 3 days.

Mr. CARTER. JOHN MICA from Florida was with us earlier tonight, and he gave us an interesting revelation. There is an American flagship firm with cleanup capabilities that has informed our government they stand ready and willing, if they are asked, to start helping clean up.

□ 2030

The Jones Act has nothing to do with this. These are American-flagged ships, and they are still waiting for a response from the White House, and you don't have to waive any Jones Act. All you've got to do is say, come on, boys, get in there and start cleaning up. My Lord, if they know how and they've got the equipment, why don't we have anybody on the face of this globe that's willing to do it out there in the Gulf cleaning that water up?

So it really is almost comical. With all the criticism of the Bush administration over Katrina and Rita and some of the hurricanes, natural disasters that occurred, this man-made disaster has had this administration's hands hog-tied for 2 months, and it's a hog tying of their own doing.

Mr. GOHMERT. Well, it makes most of us just furious that BP appears to have gotten in such a hurry that with all the talk and all the help that Senator KERRY and the global warming bill and this administration on global warming and all the bills they were trying to get done, it makes it so outrageous when it appears they got in a hurry, they got sloppy, lots of safety problems. And this thing happens because it devastates not just—the worst tragedy is the loss of life, and then there are at least 17 others that were severely hurt, and our thoughts and prayers go out to them.

And I know my friend says it's basically almost comical. I know he knows what it is to have personal loss in your life, and I do, including just in the last couple of months losing a brother and a cousin, funeral attended yesterday, and there's nothing like that kind of heartache.

But then the next tragedy is what's being done to this country, what's being done to our ability to be energy independent and to force us to be more dependent on countries that don't like us, that help our enemies. There's tragedies in line behind those, most tragic the loss of life and the injuries and the hurt, but what they have done to our future is also really devastating. And we have got to take a step forward.

And our friend from the Navy, PETE OLSON, made it clear, when you're the leader, you've got to lead; it's not something you can vote ''present'' on. You've got to take charge. People are looking at you, and I know when I was in the Army, it certainly made an impression on me when a superior commissioned officer got in my face and said, Captain, no decision is a decision, and that's exactly right. No decision for day after day after day after day was a decision not to move forward, not to embarrass British Petroleum because they were being so helpful on the global warming bills, not to embarrass British Petroleum because we've got people in this administration that came straight from BP and helped the Clinton administration, made billions of dollars for the oil companies at the cost of the Federal Treasury back during the Clinton administration. All that coziness that President Obama talked about, we're seeing it here, and it's understandable. He wouldn't want to be too harsh until the country didn't give him any choice on such a close ally on these global warming bills like BP.

I appreciate so much my friend's assistance, but I did want to kind of change gears here and talk a little bit for a few minutes about something very close to my heart, and I know, my friend's heart. He mentioned the words ''my Lord'' and I know he and I believe in the same Lord, but the book that we're pointed to discusses Israel, our friend and our ally Israel, and it continues to grieve me much to see the way this administration continues to snub Israel.

This episode with the flotilla that was obviously an effort to force Israel's hand because they knew, Israel had made clear, we're going to have to defend ourselves, and that means checking any shipment to see if you're bringing in anything that can be used to blow up more Israelis, into the Gaza Strip. They made it very clear. That was very predictable, because when you study the course of human history and government's history, you know that when the strongest ally of a small country shows the world that there is

space between us and our smaller ally, it is going to induce, many times, their enemies to make a move. This was entirely predictable. You didn't see a flotilla move toward Israel during the Bush administration. They knew there was no space between Israel and this country under President Bush. They see a lot of space, and it is dangerous, and I would just, Mr. Speaker, hope and pray and plead that this would stop.

I have a letter that we're circulating getting signatures on asking the Speaker and Majority Leader REID to please invite Prime Minister Netanyahu to come stand right there at that podium and speak to a Joint Session of Congress so that Iran and all of Israel's enemies will see both sides of the aisle standing and applauding the Prime Minister, the leader of our close ally Israel; so they will know there may be games being played some places around here in Washington, but when push comes to shove, we're going to defend our friend, our ally in Israel.

We have shared belief systems in the value of human life. Both Israel and the United States believe women, for example, are not property, that they're not someone to have honor killings of if you think they've embarrassed your family. They're a country that does not believe that because you practice some other religion, it's okay to kill you. It is a country that believes, as Voltaire and Cicero said, apparently, that I may disagree with what you say, but I will defend to the death your right to say it.

Now I know we're moving away from that, and there are maybe some people in this country, not maybe, there are people in this country that say basically, you disagree with me, I'm not only not going to defend your right to say it, I'm going to get your job taken away from you; I want to take all your assets; I want to kill any chance you will ever have of making a living; I want to embarrass your family. That's some of the stuff we've had, but that's a minority in this country.

Israel has the same belief system in the value of human life that we do, and we should embrace that relationship and make sure that the world knows that that relationship is intact and that, if necessary to defend itself—I have this resolution, and we're circulating that. We're getting lots of signatures on that from Members of Congress. I'm hoping more and more Members of Congress will be signing on so that we can get this bill to the floor and the Speaker will feel pressured by people's reactions, pushing on their Representatives and their Senators to get them to come on board and sign, so we can let the world know, these are our friends, and we're not going to forsake them.

And like a big strong brother would tell the enemy of his little brother, if you're going to attack my little brother, you're going to have to go through me because I'm going to make sure you have to pay if you hurt my little brother. That's the kind of friend we need to be to Israel so that Iran knows and Ahmadinejad knows, and it sounds like he honestly does believe that he could use nuclear weapons to hasten the end, to hasten the return of the mighty to rule and apparently even believes Jesus would come and help fight to put the mighty in charge of the whole caliphate. But he needs to find out that if he hurts our friend, that not only is there not going to be a caliphate, there will not be an Iran.

We need to make this clear: You don't go start anything with Israel.

But in the meantime, while Israel's leaders are being snubbed by an administration here, the centrifuges are just spinning, and the IAEA says they have enough nuclear material for two nukes. You read Ahmadinejad's quotes, he makes it very clear: It's not just Israel. Israel apparently in his mind is the little Satan, and we're the big Satan.

And some of his quotes, he said here at the conference in Tehran, called ''The World without Zionism,'' Ahmadinejad stated, quote, God willing, with the force of God behind it, we will soon experience a world without the United States and without Zionism.

Well, as the New York Times, they also quoted him as saying, This occupying regime Israel is to be wiped off the map.

It is one thing when some little pee wee punk with no weaponry says I'm going to kick your rear-end or something like that. It's another when a Nation has enough enriched uranium to make two nuclear weapons, says I'm going to wipe you off the face of the earth, you will no longer exist when we're done, and he continues to make material for a nuclear weapon to do that.

I really thought that this Nation would be a bit like the Roman empire, not that we're an empire; we are not imperial. That's why they still speak French in France and German in Germany and Japanese in Japan, because we're not imperialists. We fight for liberty wherever it needs to be fought for. But this is a Nation that all of the sudden after 9/11, we realized we may not take decades and decades and decades to meet our end because we know every Nation eventually ends, and I would not stay in Congress if I didn't believe we could turn things around and this country could go for a couple hundred more years.

But the problem is, after 9/11, we saw we're very vulnerable, and if he gets a nuclear weapon—and this is common knowledge, otherwise I wouldn't be out there saying it—but he takes a nuclear weapon on a boat into New York Harbor, Houston, New Orleans, and it takes out a tremendous amount of our energy capabilities; Chicago and New York, big financial hubs; LA, Washington, wouldn't take but a handful of nukes and we're in big trouble. We may not be able to respond. We've got to take this stuff seriously.

Some have referred to Israel as the miner's canary for the world, that when they're under assault, that the world is going to be next. That may be true, but we have got to take it seriously, and we have got to support our friend Israel, and I yield to my friend for comment.

Mr. CARTER. And the first thing I should say is, Amen to everything you've had to say, and I want to thank you for saying it.

You know, it's become a strange world when our closest ally in the Middle East, Israel, sends its Prime Minister over here and he's taken in through the back door, the service entrance, to the White House. He's told no photo ops, and he is basically slighted by the person we have elected to be the leader of the free world.

And then fast forward to just a couple of weeks ago, when the leader of the Palestinian movement comes in here, and we see photo ops, living room meetings, and a big chunk of money headed to the Palestinians promised by the President of the United States.

□ 2045

It's embarrassing how much of a change of policy we have towards our only—or at least our longest surviving ally in the Middle East. I was in New York the day before yesterday, and one of the people I met with said, Have you ever thought about the fact that if Israel didn't exist, how many Americans would have to be stationed somewhere in the Middle East to try to keep that cauldron from exploding all over the entire world? Remember what the Prime Minister of England told us right here before this House, the reason you have to respond is because it's your turn, you're the only real superpower left in the world.

That responsibility we're taking and we know about it, but when we have those who have stood by our side and worked with us to try to make things go—like Israel, like great Britain—why would a change of administration be so insulting to an ally like Israel? I was struck dumb by the whole thing; I think you were too. And I think you've done an excellent job of describing the possible consequences of the position we seem to be taking in this administration against Israel. I think all Americans of whatever heritage should be seriously concerned about what's going on.

I thank you for allowing me to participate in this evening, and I yield back my time to you, Mr. GOHMERT.

Mr. GOHMERT. I appreciate my friend, Judge CARTER, and I appreciate your insights in this discussion.

I would like to finish tonight by reading a couple of things of historical nature because I know our President has said we're not a Christian Nation. I understand that; I'm not going to debate that. But I know our history, I know where we came from, and I know that people in the United States are really victims of who it was that

taught them and, therefore, only know so much as what they're taught.

So I'd like to read this proclamation from George Washington, October 3, 1789. This was during his first year as President of the new United States. He said—and these are Washington's words, his proclamation, ''Whereas it is the duty of all nations to acknowledge the providence of Almighty God, to obey His will, to be grateful for His benefits, and humbly to implore His protection and favor.'' ''And also that we may then unite in most humbly offering our prayers and supplications to the great Lord and Ruler of nations and beseech Him to pardon our national and other transgressions, to enable us all to render our national government a blessing to all the people, to promote the knowledge and practice of true religion and virtue.''

In fact, he mentioned in 1790, in his letter to the Hebrew congregation in Newport, Rhode Island, that, ''may the children of the stock of Abraham who dwell in this land continue to merit and enjoy the good will of the other inhabitants; while everyone shall sit in safety under his own vine and fig tree and there shall be none to make him afraid. May the Father of all mercies scatter light, not darkness, upon our paths and make us all in our civil vocations useful here and in His own due time and way everlastingly happy.''

This is a book that was put together by William Federer, ''Prayers and Presidents: Inspiring Faith From Leaders of the Past.'' So these are direct quotes. I will just finish with a couple things from Lincoln.

This is from August 12, 1861, the first year that Abraham Lincoln was President. This is his own words: ''Whereas, when our own beloved country, once, by the blessings of God, united, prosperous and happy, is now afflicted with faction and civil war, it is peculiarly fit for us to recognize the hand of God in this terrible visitation, and in sorrowful remembrance of our own faults and crimes as a nation and as individuals, to humble ourselves before Him and to pray for His mercy, to pray that we may be spared further punishment, though most justly deserved; that the inestimable boon of civil and religious liberty may be restored.''

And this in closing, Abraham Lincoln's own words, his first inaugural, March 4, 1861: ''Intelligence, patriotism, Christianity, and a firm reliance on Him who has never yet forsaken this favored land, are still competent to adjust in the best way all our present difficulties.''

It was true then, it's true now.

I yield back.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DAVIS of Illinois (at the request of Mr. HOYER) for today.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Ms. WOOLSEY) to revise and extend their remarks and include extraneous material:)

Ms. WOOLSEY, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. KLEIN of Florida, for 5 minutes, today.

(The following Members (at the request of Mr. POE of Texas) to revise and extend their remarks and include extraneous material:)

Mr. POE of Texas, for 5 minutes, June 23.

Mr. JONES, for 5 minutes, June 23.

Mr. WOLF, for 5 minutes, today and June 17.

Mr. SMITH of New Jersey, for 5 minutes, today.

Ms. ROS-LEHTINEN, for 5 minutes, today.

Mr. MORAN of Kansas, for 5 minutes, June 21, 22, and 23.

Mr. DANIEL E. LUNGREN of California, for 5 minutes, today.

ENROLLED BILL SIGNED

Lorraine C. Miller, Clerk of the House, reported and found truly an enrolled bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3951. An act to designate the facility of the United States Postal Service located at 2000 Louisiana Avenue in New Orleans, Louisiana, as the ''Roy Rondeno, Sr., Post Office Building.''

ADJOURNMENT

Mr. GOHMERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 50 minutes p.m.), the House adjourned until tomorrow, Thursday, June 17, 2010, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XIV, executive communications were taken from the Speaker's table and referred as follows:

7912. A letter from the Secretary, American Battle Monuments Commission, transmitting report of a violation of the Antideficiency Act, as required by section 1341(a) of Title 31, United States Code in the Commission's Salaries and Expenses account and Trust Fund Account; to the Committee on Appropriations.

7913. A letter from the Chief Counsel, Department of Homeland Security, transmitting the Department's final rule — Final Flood Elevation Determinations [Docket ID: FEMA-2010-0003] received June 3, 2010, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

7914. A letter from the Chief Counsel, Department of Homeland Security, transmitting the Department's final rule — Final Flood Elevation Determinations [Docket ID: FEMA-2010-0003] received June 3, 2010, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

7915. A letter from the Chief Counsel, Department of Homeland Security, transmitting the Department's final rule — Changes in Flood Elevation Determinations [Docket ID: FEMA-2010-0003; Internal Agency Docket No. FEMA-B-1096] received June 3, 2010, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

7916. A letter from the Chief Counsel, Department of Homeland Security, transmitting the Department's final rule — Suspension of Community Eligibility [Docket ID: FEMA-2010-0003; Internal Agency Docket No. FEMA-8129] received June 3, 2010, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

7917. A letter from the Secretary, Department of Health and Human Services, transmitting the thirtieth annual report on the implementation of the Age Discrimination Act of 1975 by departments and agencies which administer programs of Federal financial assistance, pursuant to 42 U.S.C. 6106a(b); to the Committee on Education and Labor.

7918. A letter from the Office Manager, Department of Health and Human Services, transmitting the Department's ''Major'' final rule — Medicaid Program; Final FY 2008, Revised Preliminary FY 2009, and Preliminary FY 2010 Disproportionate Share Hospital Allotments and Final FY 2008, Revised Preliminary FY 2009, and Preliminary FY 2010 Disproportionate Share Hospital Institutions for Mental Disease Limits [CMS-2300-N] (RIN: 0938-AP66) received June 10, 2010, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7919. A letter from the General Counsel, Federal Energy Regulatory Commission, transmitting the Commission's final rule — Standards for Business Practices and Communication Protocols for Public Utilities [Docket No.: RM05-5-017; Order No. 676-F] received June 3, 2010, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7920. A letter from the Principal Deputy Assistant Secretary, Legislative Affairs, Department of State, transmitting Transmittal No. DDTC 10-051, certification of a proposed technical assistance agreement to include the export of technical data, and defense services, pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

7921. A letter from the Principal Deputy Assistant Secretary, Legislative Affairs, Department of State, transmitting Transmittal No. DDTC 10-050, certification of a proposed technical assistance agreement to include the export of technical data, and defense services, pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

7922. A communication from the President of the United States, transmitting a supplemental consolidated report, consistent with the War Powers Resolution, to keep Congress informed about deployments of U.S. Armed Forces equipped for combat, pursuant to Public Law 93–148; (H. Doc. No. 111–122); to the Committee on Foreign Affairs and ordered to be printed.

7923. A letter from the Administrator, Agency for International Development, transmitting the Agency's semiannual report from the office of the Inspector General for the period ending March 31, 2010, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Oversight and Government Reform.

7924. A letter from the Assistant Secretary for Civil Rights, Department of Agriculture,

transmitting the Department's fiscal year 2009 annual report prepared in accordance with Section 203 of the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (No FEAR Act), Public Law 107-174; to the Committee on Oversight and Government Reform.

7925. A letter from the Assistant Attorney General, Department of Justice, transmitting the Semiannual Management Report to Congress for October 1, 2009 through March 31, 2010, and the Inspector General's Semiannual Report for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act), section 5(b); to the Committee on Oversight and Government Reform.

7926. A letter from the Director, Environmental Protection Agency, transmitting the Agency's annual report for FY 2009 prepared in accordance with Section 203 of the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (No FEAR Act), Public Law 107-174; to the Committee on Oversight and Government Reform.

7927. A letter from the Director, Congressional Affairs, Federal Election Commission, transmitting the Commission's semiannual report from the office of the Inspector General for the period October 1, 2009 through March 31, 2010, pursuant to 5 U.S.C. app. (Insp. Gen. Act), section 5(b); to the Committee on Oversight and Government Reform.

7928. A letter from the Director, Office of Personnel Management, transmitting the Office's semiannual report from the office of the Inspector General for the period October 1, 2010 through March 31, 2010, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Oversight and Government Reform.

7929. A letter from the Chairman, Railroad Retirement Board, transmitting the semiannual report on activities of the Office of Inspector General for the period October 1, 2009 through March 31, 2010, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(d); to the Committee on Oversight and Government Reform.

7930. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 610 in the Gulf of Alaska [Docket No.: 0910131362-0087-02] (RIN: 0648-XV80) received June 3, 2010, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Natural Resources.

7931. A letter from the Acting Assistant Administrator for Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Antarctic Marine Living Resources; Use of Centralized-Vessel Monitoring System and Importation of Toothfish; Re-export and Export of Toothfish; Applications for Krill Fishing; Regulatory Framework for Annual Conservation Measures [Docket No.: 0907141130-0112-02] (RIN: 0648-AX80) received June 3, 2010, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Natural Resources.

7932. A letter from the Section Chief, NNCP, RMD, FBI, Department of Justice, transmitting the Department's final rule — FBI Records Management Division National Name Check Program Section User Fees [Docket No: FBI 118] (RIN: 1110-AA29) received June 3, 2010, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

7933. A letter from the Administrator, FEMA, Department of Homeland Security, transmitting notification that funding under Title V, subsection 503(b)(3) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, has exceeded $5 million for the cost of response and recovery efforts for FEMA-3300-EM in the District of Columbia, pursuant to 42 U.S.C. 5193; to the Committee on Transportation and Infrastructure.

7934. A letter from the Administrator, FEMA, Department of Homeland Security, transmitting notification that funding under Title V, subsection 503(b)(3) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, has exceeded $5 million for the cost of response and recovery efforts for FEMA-3299-EM in the State of Colorado, pursuant to 42 U.S.C. 5193; to the Committee on Transportation and Infrastructure.

7935. A letter from the Secretary, Department of Transportation, transmitting the regulatory status of each recommendation made by the NTSB to the Secretary that is on the Board's ''most wanted list'', pursuant to 49 U.S.C. 1135(d) Public Law 108-168, section 6; to the Committee on Transportation and Infrastructure.

7936. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Amendment of Area Navigation Route Q-15; California [Docket No.: FAA-2010-0028; Airspace Docket No. 10-AWP-1] received June 3, 2010, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7937. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Amendment of Class E Airspace; Manila, AR [Docket No.: FAA-2009-1184; Airspace Docket No. 09-ASW-39] received June 3, 2010, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7938. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Amendment of Class E Airspace; Mountain View, AR [Docket No.: FAA-2009-1181; Airspace Docket No. 09-ASW-36] received June 3, 2010, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7939. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Amendment of Class E Airspace; Batesville, AR [Docket No.: FAA-2009-1177; Airspace Docket No. 09-ASW-34] received June 3, 2010, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7940. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Establishment of Class E Airspace; Marianna, AR [Docket No.: FAA-2009-1167; Airspace Docket No. 09-ASW-33] received June 3, 2010, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7941. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Amendment of Class E Airspace; Beatrice, NE [Docket No.: FAA-2009-0697; Airspace Docket No. 09-ACE-10] received June 3, 2010, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7942. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Amendment and Establishment of Restricted Areas and Other Special Use Airspace, Avon Park Air Force Range; FL [Docket No.: FAA-2008-1261; Airspace Docket No. 09-ASO-18] received June 3, 2010, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7943. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Amendment of Restricted Area R-2502A; Fort Irwin, CA [Docket No.: FAA-2010-0471; Airspace Docket No. 10-AWP-7] (RIN: 2120-AA66) received June 3, 2010, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7944. A letter from the Chief Counsel, Department of the Treasury, transmitting the Department's final rule — Securities Held in TreasuryDirect received June 3, 2010, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7945. A letter from the Chief, Publications and Regulations, Internal Revenue Service, transmitting the Service's final rule — Diversification Requirements for Certain Defined Contribution Plans [TD 9484] (RIN: 1545–BH04) received May 21, 2010, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7946. A letter from the Chairman, Defense Nuclear Facilities Safety Board, transmitting the Board's Twentieth Annual Report to Congress on health and safety activities; jointly to the Committees on Armed Services and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PERLMUTTER: Committee on Rules. House Resolution 1448. Resolution providing for further consideration of the bill (H.R. 5297) to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, and for other purposes (Rept. 111–508). 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. CHAFFETZ:

H.R. 5535. A bill to establish a pilot program for the expedited disposal of Federal real property; to the Committee on Oversight and Government Reform.

By Mr. FLAKE:

H.R. 5536. A bill to amend the Internal Revenue Code of 1986 to allow individuals to designate that up to 10 percent of their income tax liability be used to reduce the national debt, and to require spending reductions equal to the amounts so designated; to the Committee on Ways and Means, and in addition to the Committee on the Budget, 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. WU:

H.R. 5537. A bill to amend the Internal Revenue Code of 1986 to clarify the treatment of emergency service volunteers as independent contractors; to the Committee on Ways and Means.

By Mr. LAMBORN (for himself, Mr. AKIN, Mrs. BACHMANN, Mr. BARTLETT, Mrs. BLACKBURN, Mr. BROUN of Georgia, Mr. CONAWAY, Mr. FLEMING, Mr. GOHMERT, Mr. JORDAN of Ohio, Mr. MANZULLO, Mr. NEUGEBAUER, and Mr. LINDER):

H.R. 5538. A bill to amend the Communications Act of 1934 to prohibit Federal funding for the Corporation for Public Broadcasting after fiscal year 2012; to the Committee on Energy and Commerce.

By Mr. CHAFFETZ (for himself, Mr. CONYERS, Mr. SMITH of Texas, Mr.

ISSA, Mr. BACHUS, Mr. HENSARLING, Mr. ROYCE, Mr. GOODLATTE, Mrs. BIGGERT, Mr. ROONEY, and Mrs. LUMMIS):

H.R. 5539. A bill to apply the Freedom of Information Act to the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation during any period that such entities are in conservatorship or receivership; to the Committee on Financial Services.

By Mrs. BLACKBURN:

H.R. 5540. A bill to make 2 percent across-the-board rescissions in non-defense, non-homeland-security, and non-veterans-affairs discretionary spending for each of the fiscal years 2010 and 2011; to the Committee on Appropriations.

By Mrs. BLACKBURN:

H.R. 5541. A bill to make 1 percent across-the-board rescissions in non-defense, non-homeland-security, and non-veterans-affairs discretionary spending for each of the fiscal years 2010 and 2011; to the Committee on Appropriations.

By Mrs. BLACKBURN:

H.R. 5542. A bill to make 5 percent across-the-board rescissions in non-defense, non-homeland-security, and non-veterans-affairs discretionary spending for each of the fiscal years 2010 and 2011; to the Committee on Appropriations.

By Mr. FILNER:

H.R. 5543. A bill to amend title 38, United States Code, to repeal the prohibition on collective bargaining with respect to matters and questions regarding compensation of employees of the Department of Veterans Affairs other than rates of basic pay, and for other purposes; to the Committee on Veterans' Affairs.

By Ms. NORTON:

H.R. 5544. A bill to promote the development of the Southwest waterfront in the District of Columbia; to the Committee on Oversight and Government Reform.

By Ms. NORTON:

H.R. 5545. A bill to deauthorize a portion of the project for navigation, Potomac River, Washington Channel, District of Columbia, under the jurisdiction of the Corps of Engineers; to the Committee on Transportation and Infrastructure.

By Mr. ROSKAM:

H.R. 5546. A bill to provide for the establishment of a fraud, waste, and abuse detection and mitigation program for the Medicare Program under title XVIII of the Social Security Act; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ROYCE:

H.R. 5547. A bill to terminate the authorities of the Trade and Development Agency; to the Committee on Foreign Affairs.

By Ms. HARMAN (for herself and Mr. KING of New York):

H.R. 5548. A bill to amend the Homeland Security Act of 2002 and other laws to enhance the security and resiliency of the cyber and communications infrastructure of the United States; to the Committee on Oversight and Government Reform, and in addition to the Committees on Homeland Security, and Science and Technology, 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. TERRY:

H.J. Res. 89. A joint resolution proposing a balanced budget amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MCNERNEY:

H. Res. 1446. A resolution recognizing the residents of the City of Tracy, California, on the occasion of the 100th anniversary of the city's incorporation, for their century of dedicated service to the United States; to the Committee on Veterans' Affairs.

By Mr. PENCE:

H. Res. 1447. A resolution electing certain minority members to certain standing committees; considered and agreed to. considered and agreed to.

By Mrs. MYRICK (for herself and Mrs. CAPPS):

H. Res. 1449. A resolution supporting the observance of Thyroid Cancer Awareness Month and recognizing and applauding the work of national and community thyroid cancer organizations; 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. GRAVES of Georgia.

H.R. 43: Ms. RICHARDSON and Mr. ALEXANDER.

H.R. 482: Mrs. DAHLKEMPER.

H.R. 571: Mr. MURPHY of Connecticut.

H.R. 613: Mr. ROSS.

H.R. 673: Ms. HERSETH SANDLIN, Mr. COSTELLO, and Mr. HOLDEN.

H.R. 678: Ms. MOORE of Wisconsin, Mr. THOMPSON of Pennsylvania, and Mr. FRELINGHUYSEN.

H.R. 855: Mr. CAPUANO and Mr. CARSON of Indiana.

H.R. 949: Mr. MCNERNEY and Mr. MATHESON.

H.R. 950: Mr. MICHAUD.

H.R. 1021: Mr. HELLER.

H.R. 1023: Mr. HERGER.

H.R. 1032: Mr. WITTMAN and Mr. MELANCON.

H.R. 1079: Mr. OLVER.

H.R. 1392: Mr. WALDEN.

H.R. 1428: Mr. ARCURI.

H.R. 1657: Mr. DEFAZIO.

H.R. 1691: Mr. HEINRICH.

H.R. 1708: Ms. CHU.

H.R. 1751: Ms. EDWARDS of Maryland and Mr. SABLAN.

H.R. 1925: Mr. GARAMENDI, Mr. CROWLEY, and Mr. BISHOP of New York.

H.R. 2024: Mr. LEE of New York.

H.R. 2049: Mr. PITTS.

H.R. 2104: Ms. MATSUI.

H.R. 2112: Mr. CARSON of Indiana and Mr. YARMUTH.

H.R. 2138: Mr. PALLONE.

H.R. 2149: Mr. FILNER.

H.R. 2349: Mrs. DAHLKEMPER.

H.R. 2381: Mr. TONKO.

H.R. 2408: Mr. SIRES.

H.R. 2480: Mr. TIM MURPHY of Pennsylvania.

H.R. 2575: Mr. MURPHY of Connecticut.

H.R. 2866: Mr. CAPUANO.

H.R. 2906: Mr. MAFFEI and Mr. TIM MURPHY of Pennsylvania.

H.R. 2941: Mr. CHANDLER.

H.R. 3025: Mr. BISHOP of New York and Mr. HOLDEN.

H.R. 3174: Ms. FOXX.

H.R. 3564: Mr. FRANK of Massachusetts.

H.R. 3683: Mr. DJOU.

H.R. 3721: Mr. HINCHEY.

H.R. 3734: Mrs. CAPPS.

H.R. 3813: Mr. HOLDEN and Mr. CRITZ.

H.R. 3974: Mrs. MALONEY and Mr. CARNAHAN.

H.R. 4269: Mrs. MALONEY and Mr. CONNOLLY of Virginia.

H.R. 4278: Mr. BOOZMAN.

H.R. 4371: Mr. SCHRADER.

H.R. 4402: Mr. LUJAN.

H.R. 4514: Mr. CONNOLLY of Virginia, Ms. WATSON, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. EDWARDS of Maryland, Mr. ELLISON, Mr. BISHOP of Georgia, Mr. SCOTT of Virginia, Mr. THOMPSON of Mississippi, Mr. LEWIS of Georgia, Ms. MOORE of Wisconsin, Mr. WATT, Mr. SCOTT of Georgia, Mr. RUSH, Mr. HASTINGS of Florida, Mr. CLYBURN, Mr. CLEAVER, Ms. RICHARDSON, and Ms. CLARKE.

H.R. 4524: Mr. MILLER of North Carolina.

H.R. 4534: Mr. MOORE of Kansas.

H.R. 4599: Mr. HIGGINS.

H.R. 4645: Mr. TAYLOR and Mrs. MALONEY.

H.R. 4662: Mr. MILLER of North Carolina.

H.R. 4684: Mr. LOEBSACK, Mr. WALDEN, Mr. SCHAUER, Ms. ZOE LOFGREN of California, Mr. HUNTER, Mr. ROONEY, Mr. PITTS, Mrs. BONO MACK, and Mr. CARNAHAN.

H.R. 4693: Mr. SNYDER.

H.R. 4737: Mr. HIMES.

H.R. 4890: Mr. ENGEL.

H.R. 4914: Mr. GARAMENDI, Mr. DEFAZIO, and Mr. HALL of New York.

H.R. 4925: Mr. HONDA.

H.R. 4962: Mr. BISHOP of New York.

H.R. 4999: Mr. COFFMAN of Colorado, Mr. FLAKE, Mr. BILIRAKIS, Mr. CRENSHAW, Mr. MCCARTHY of California, Mr. DENT, Mr. CULBERSON, Mr. REHBERG, Mr. ALEXANDER, Mr. GRIFFITH, Mr. BOUSTANY, Mr. FLEMING, Mr. PETRI, Mr. POE of Texas, Mr. BRADY of Texas, Mr. MACK, Mrs. BONO MACK, Mr. SIMPSON, and Mr. DANIEL E. LUNGREN of California.

H.R. 5044: Mr. DOGGETT.

H.R. 5113: Ms. BERKLEY.

H.R. 5115: Mr. KILDEE.

H.R. 5124: Mr. MORAN of Virginia.

H.R. 5126: Mr. DUNCAN, Mr. GOHMERT, Mr. BOOZMAN, Mr. PUTNAM, Mr. BOSWELL, Mr. GRAYSON, and Mr. REHBERG.

H.R. 5141: Mr. WESTMORELAND and Mr. LEE of New York.

H.R. 5143: Mr. DEFAZIO.

H.R. 5162: Mr. PUTNAM, Mr. BOSWELL, Mr. GRAYSON, and Mr. REHBERG.

H.R. 5174: Mr. DOYLE and Mr. HIGGINS.

H.R. 5208: Mr. KING of Iowa.

H.R. 5210: Ms. NORTON.

H.R. 5214: Mr. ENGEL and Ms. TSONGAS.

H.R. 5234: Mr. COURTNEY.

H.R. 5244: Mr. HARE.

H.R. 5268: Mr. MCGOVERN and Mr. GUTIERREZ.

H.R. 5307: Mr. TANNER and Mr. VAN HOLLEN.

H.R. 5337: Mr. DEUTCH.

H.R. 5377: Mr. MARCHANT, Mr. MCCLINTOCK, Mrs. BACHMANN, Mr. HALL of Texas, and Mr. KINGSTON.

H.R. 5404: Mr. SABLAN.

H.R. 5423: Mr. GORDON of Tennessee.

H.R. 5425: Mr. GOODLATTE.

H.R. 5428: Mr. MCINTYRE.

H.R. 5429: Mr. GARAMENDI and Mr. STARK.

H.R. 5434: Mr. FILNER, Ms. LEE of California, Mr. HINCHEY, Mr. GALLEGLY, and Mr. HOLT.

H.R. 5475: Mr. REHBERG.

H.R. 5477: Mr. BRALEY of Iowa.

H.R. 5479: Mr. SABLAN.

H.R. 5501: Mr. GINGREY of Georgia, Mr. GRAVES of Georgia, Mr. CANTOR, and Mr. WOLF.

H.R. 5503: Mr. GUTIERREZ.

H.R. 5506: Mr. GRIJALVA and Mr. HOLT.

H.R. 5520: Mr. MICHAUD, Mrs. CAPPS, and Mr. KUCINICH.

H.R. 5523: Mr. LEWIS of California, Mr. ALEXANDER, Mr. DUNCAN, Mr. BOOZMAN, Mr. SHUSTER, and Mr. SHADEGG.

H.R. 5525: Mr. HENSARLING, Mr. HALL of Texas, Mr. PITTS, Mrs. BACHMANN, Mr. DANIEL E. LUNGREN of California, Mr. BURTON of Indiana, Mr. MARCHANT, Mr. SHIMKUS, Mr. MCCLINTOCK, Mr. BISHOP of Utah, Ms. FALLIN, and Mrs. BLACKBURN.

H. Con. Res. 16: Mr. PETRI.

H. Con. Res. 226: Ms. NORTON, Mr. RODRIGUEZ, and Mr. BLUNT.

H. Con. Res. 284: Mr. BURGESS, Mr. COURTNEY, Mr. GALLEGLY, Ms. MOORE of Wisconsin, Mr. CLAY, Mr. BISHOP of Utah, Mrs. BLACKBURN, Mr. BURTON of Indiana, Mr. CHAFFETZ, Ms. FALLIN, Mr. HALL of Texas, Mr. KINGSTON, Mr. DANIEL E. LUNGREN of California, Mr. MCCLINTOCK, Mr. MARCHANT, Mr. PITTS, Mr. POSEY, Mrs. SCHMIDT, and Mr. SHIMKUS.

H. Con. Res. 286: Mr. BOSWELL, Mr. SMITH of Nebraska, Mr. TURNER, and Ms. HARMAN.

H. Con. Res. 287: Mr. NEUGEBAUER, Mr. BROUN of Georgia, Mr. HARPER, Mr. SESSIONS, and Mr. PENCE.

H. Con. Res. 288: Mr. BERRY.

H. Res. 308: Mr. MORAN of Virginia and Ms. NORTON.

H. Res. 762: Mr. NADLER of New York.

H. Res. 771: Mr. DONNELLY of Indiana and Ms. KILROY.

H. Res. 803: Mr. ELLSWORTH.

H. Res. 1110: Mr. HUNTER.

H. Res. 1207: Mr. CARNEY.

H. Res. 1219: Mr. ROYCE and Mrs. BONO MACK.

H. Res. 1226: Mr. WALDEN, Mr. ROGERS of Michigan, and Mrs. BLACKBURN.

H. Res. 1264: Mr. ROTHMAN of New Jersey.

H. Res. 1326: Ms. LORETTA SANCHEZ of California.

H. Res. 1350: Mr. FORTENBERRY.

H. Res. 1355: Mr. DOGGETT.

H. Res. 1379: Ms. BORDALLO.

H. Res. 1384: Mr. MARCHANT.

H. Res. 1398: Ms. NORTON.

H. Res. 1401: Mr. SCHAUER, Mr. ENGEL, Mrs. MALONEY, Ms. LEE of California, and Mr. GEORGE MILLER of California.

H. Res. 1402: Ms. SLAUGHTER.

H. Res. 1426: Mr. STARK.

H. Res. 1431: Ms. CHU, Mr. LATHAM, Mr. MCKEON, Mr. CLAY, and Mr. ISSA.

H. Res. 1433: Ms. SPEIER, Mr. FRANK of Massachusetts, and Ms. MOORE of Wisconsin.

H. Res. 1439: Mr. KIND, Mr. MORAN of Virginia, Ms. PINGREE of Maine, and Mr. CAPUANO.

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PROCEEDINGS AND DEBATES OF THE 111th CONGRESS, SECOND SESSION

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Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable TOM UDALL, a Senator from the State of New Mexico.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

O God of infinite goodness, today empower our Senators to use their time, understanding, and talents to do what You desire. May this passion to serve You guide their thoughts, words, and work. Grant that they may not be too much lost in regret for the past but instead inspire them to do with their might the task which lies in their hands. Lord, strengthen them to fight the good fight, to finish the race, and to keep the faith. At the end of their journey, reward their faithfulness with a crown of righteousness and the harvest of work well done.

We pray in Your sacred Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable TOM UDALL 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.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 16, 2010.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable TOM UDALL, a Senator from the State of New Mexico, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. UDALL of New Mexico thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Mr. President, following leader remarks, there will be a period of morning business for 1 hour. Senators will be permitted to speak for up to 10 minutes each at that time. Republicans will control the first 30 minutes and the majority will control the second 30 minutes.

Upon the conclusion of morning business, the Senate will resume consideration of the House message on H.R. 4213, the tax extenders legislation. There will be up to 5 minutes for debate on the Baucus amendment, with the time equally divided and controlled between Senators BAUCUS and GRASSLEY or their designees. The Senate will then proceed to vote on the motion to waive the Budget Act with respect to the Baucus amendment. Senators should expect additional votes this afternoon in relation to amendments to the tax extenders bill. Senators will be notified when any additional votes are scheduled.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

NEEDING PRACTICAL SOLUTIONS

Mr. MCCONNELL. Mr. President, last night the President provided more detail on his administration's efforts to stop the oilspill in the gulf. If implemented successfully, some of what he said was encouraging. However, I wish the President would have used this opportunity to focus entirely on stopping the spill and to cleaning it up instead of using this crisis as an opportunity to push for a new national energy tax.

The immediate issue here is a broken pipe that has been spewing hundreds of thousands of gallons of oil a day into the ocean for more than 8 weeks. The fact that the White House wants to use this crisis as an excuse to push more of its legislative agenda on the American people—with the same kinds of arguments it used to push health care—is really nothing short of startling.

During the health care debate, Americans were told we couldn't afford to put off the administration's vision of government-driven reform. Health care costs were rising so quickly, the President said, that inaction was not an option. We heard the same thing last night. It is a recurring theme out of this White House.

In the middle of a jobs crisis, Americans were told they needed to spend nearly $1 trillion on longstanding Democratic priorities that Democrats called a stimulus bill. They passed it, and we lost another 3 million jobs.

Out-of-control health care costs are pricing people out of the market and threatening to bankrupt government, so they passed a massive government-driven health care bill that promises to send health care costs even higher than they already are.

Our financial crisis was caused in large part by recklessness at government-sponsored entities such as Fannie Mae and Freddie Mac, and their solution to that crisis was to pass a massive government intrusion into Main Street without even addressing Fannie or Freddie.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Now, in the midst of the worst environmental catastrophe in American history, they are talking about a new national energy task to achieve their ideological goal of passing global warming legislation. Americans are pleading with the administration to fix the immediate problem in the gulf and the White House wants to give us a new national energy tax instead.

Every time we face a crisis, it seems this administration takes us on another ideological tour of the far left's to-do list, when all the American people want from it are some straightforward, practical solutions.

So the White House may view the oilspill as an opportunity to push its agenda here in Washington, but Americans are more concerned about what it plans to do to solve the crisis down in the gulf. Americans have had enough of this crisis rhetoric coming out of this White House. They want real answers to real problems. And it doesn't get more real than the problem in the gulf.

Mr. President, I yield the floor.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will be a period of morning business for 1 hour, with Senators permitted to speak for up to 10 minutes each and with the time equally divided and controlled between the two leaders or their designees, with the Republicans controlling the first half and the majority controlling the final half.

The Senator from Illinois.

ORDER OF PROCEDURE

Mr. DURBIN. Mr. President, I see no one on the floor on the Republican side. If there is no objection, I would like to speak as in morning business, and I will yield as soon as a Republican Senator comes to the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

GULF OILSPILL

Mr. DURBIN. Mr. President, last night the President of the United States addressed one of the toughest issues any President has ever had to face. This is an environmental disaster of historic magnitude. It is one that could not have been anticipated. We have never had anything quite like it—at least near the United States. It is certainly one the President and our government did everything they could do to respond, but this frustrating situation continues.

What the President reminded us of last night is that we need to coordinate every effort, but understand that, in the end, there is no U.S. department of deep sea drilling. What it comes down to is that we need to turn to the private sector, which has the resources, the expertise, and the capability of not only dealing with the continuing oilspill in the Gulf of Mexico but the aftermath as well.

It has been clear from the outset that this President has been very firm and resolute that British Petroleum, this oil company, is going to be held responsible for the damage that has been done. It will be at their expense, and not at the expense of American taxpayers, that we will help the businesses affected and do anything within our power to restore the devastation which has occurred to the environment.

It was interesting yesterday that in testimony before the House of Representatives, many of the leaders of the major oil companies that compete with BP were as forthright publicly as they have been privately in other conversations. They made it clear that many of the activities engaged in by BP were inconsistent with the highest standards of their industry. They made it clear that when it came to this blowout preventer, which should have stopped the flow of oil, it was inadequate. It hasn't been tested. It was not the kind of technology that had redundancy built in so that there would be some peace of mind and understanding that in the event of a rig disaster, it would work. It failed, and it failed in a situation which has caused more environmental damage in our country than we have ever seen from one occurrence.

I saw 21 years ago what happened in the Prince William Sound of Alaska, and I can tell you that more than two decades later, they are still suffering—suffering from lawsuits against the Exxon oil company, which unfortunately were ruled against the plaintiffs; suffering from environmental damage which will continue at least indefinitely.

What we have in the situation in the gulf is different. We have an admission by BP that they are at fault and an acceptance of responsibility for what they characterize as legitimate claims. I think it is proper—and many of us in the Senate joined majority leader HARRY REID in making the request—that BP set aside some $20 billion in an escrow fund, a trust fund that will be available to pay for these damages. It troubles me that this company is talking about declaring a dividend and paying out billions of dollars to its shareholders when, frankly, we don't know what the ultimate cost is going to be of the cleanup in the Gulf of Mexico. I want to be certain BP continues in business and meets its responsibility, that it sets aside the funds necessary to protect our Nation from the damage it has caused.

I also believe we need to increase the responsibility of oil companies when it comes to future drilling. Right now, there is a tax on each barrel of oil of 8 cents—8 cents. A barrel of oil is now selling for about $75. So 8 cents on each barrel is paid by an oil company into an oilspill liability fund. That has generated a little over $1 billion in the event that we run into a disaster which needs to be taken care of. In the BP circumstance, the company is assuming liability. But tomorrow, God forbid, if another tragedy occurs with a company that doesn't have BP's resources, it will be this oilspill liability fund that will be called on to repair the damage, and $1 billion is not enough. Eight cents a barrel is not enough.

Before the Senate today is an extenders bill which will increase the amount per barrel to 41 cents. This will be gathered together over time from the oil producers and the oil industry into an insurance fund, a basic oilspill insurance fund. I think that is only reasonable. The bill also increases the liability cap of companies under this oilspill liability to $5 billion. Currently, it is $1 billion. So both of these items are in our bill in an effort to hold the major oil companies accountable for any future disasters and to protect the taxpayers from paying out-of-pocket or paying out of the Treasury for any of these costs.

What is interesting is that the Republicans are going to come forward with a substitute brought on by JOHN THUNE, who is a Senator from South Dakota. The Republican substitute eliminates the increase in the tax on a barrel of oil for the oilspill liability fund. Of course, the big oil companies don't want to pay it, and this elimination of the tax is certainly on their agenda. It is unfortunate that Republican Senators are going to come forward and propose this. We need this money in the oilspill liability fund. To have a situation where this money is not being collected leaves us vulnerable in terms of future disasters where the taxpayers will be picking up the bill.

There is a provision in the Thune amendment, the Republican substitute, which eliminates the provision in our bill relating to the Tax Code when it comes to American companies shipping jobs overseas. Most of us believe that if we are going to get out of this recession, we need to strengthen American businesses and certainly hire more people in the United States, pay them a decent wage, and bring them back to work and out of the ranks of the unemployed.

At this point in time, many American companies are locating production facilities overseas because of perverse incentives which we have created in our Tax Code. The bill brought to the floor eliminates many of these incentives—eliminates the tax loopholes companies are using to be more profitable by locating overseas. So the Thune amendment, the Republican substitute amendment, comes forward and says: We don't want to do that. We

want to leave in the Tax Code—according to the Republicans—those provisions which create incentives to ship American jobs overseas. That makes no sense to me.

Last night I attended a meeting of the deficit commission, to which I was appointed by Senator REID. There was an economist there who tried to make the argument that allowing businesses in the United States—and giving them incentives, incidentally—to locate and produce overseas was good for the American economy. He argued if they could produce more overseas, it would ultimately mean they would be more profitable and produce more jobs in the United States.

I told him if that logic applied, then we ought to have a record number of manufacturing jobs because, over the last 20 years, more and more American businesses have moved production facilities offshore, overseas.

Instead, the opposite is true. In my State and in Michigan, all across the United States we have seen manufacturing jobs declining dramatically while production facilities have been sent overseas. This theory that is obviously behind the Republican Thune substitute is that we ought to reward American companies for locating and producing overseas. I do not agree with that. I hope we will oppose the Thune substitute and we will move as soon as we can to deal with the situation where we have increased jobs here in the United States to deal with this recession.

I understand we are going to have speakers later on in the Democratic side and I want to reserve time for those speakers. I reserve the remainder of time on the Democratic side, and if there is no one here to speak on the Republican side, I will yield the floor and suggest the absence of a quorum.

Is it my understanding that the time will be taken from the Republican side at this point?

The ACTING PRESIDENT pro tempore. Without objection.

Mr. DURBIN. I believe the Republicans, if I am not mistaken, under the unanimous consent were first in morning business.

I yield the floor and suggest the absence of a quorum, with the understanding the time that runs now will come from the time previously allotted to the Republican side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALEXANDER. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ALEXANDER. Mr. President, could you please let me know when I have consumed 10 minutes.

The ACTING PRESIDENT pro tempore. The Chair will do so.

MISSED OPPORTUNITY

Mr. ALEXANDER. Mr. President, all of us watched the President's remarks last night. It is rare for a President to make a speech from the Oval Office. President Reagan did it with the Challenger tragedy. President George W. Bush, spoke about 9/11. I thought the President was right to focus on what the government is doing to clean up the oil spill, and what we are doing to help those who are hurt. I think he missed an opportunity, though, in terms of looking to the energy future.

He mentioned the climate bill. Of course that is House passed cap-and-trade bill which doesn't have enough support to pass the Senate. He mentioned windmills and solar panels, which have nothing to do with reducing our dependence on foreign oil. I thought the missed opportunity was the President could have announced a mini-Manhattan Project to reduce our dependence on foreign oil by electrifying half our cars and trucks, which we could do without building any new powerplants by plugging them in at night. The President is in favor of that. Secretary Chu is a leader in it. In a bipartisan way we support that goal. All 41 Republican Senators support electrifying our cars and trucks. Senator DORGAN, Senator MERKLEY, and I support legislation for that. He could have talked about that.

A second part of the clean energy future could have been creating the environment to build 100 new nuclear power plants. The President has taken some impressive steps to create a better environment for nuclear power. All 41 Republican Senators support that. That would be for clean electricity, not for fuel, but it would be a clean energy future.

Third, the President could have focused on mini-Manhattan Projects for energy research and development, such as reducing the cost of solar power by a factor of 4; recapturing carbon from coal plants; trying to invent a 500-mile battery, which would have made sure that we electrify a significant part of our cars and trucks in America; recycling used nuclear fuel; and biofuels—all 41 Republican Senators support the goal of doubling energy research and development. So does the President. So those are three steps toward clean energy independence that we agree on.

He mentioned windmills and solar panels, which have nothing to do with reducing our dependence on foreign oil—those are for electricity, not fuel. They are puny amounts of electricity, in any event. If he would stick with the things that we and he agree on, he could have used that speech for an important step forward for our country. In that sense, I think it was a missed opportunity.

This past weekend the President sent a letter to Congress urging us to approve $50 billion in emergency aid to State and local governments. I want to speak about that today from the vantage point I have as a former Governor and former U.S. Secretary of Education. According to the Wall Street Journal on Monday, the letter said budget cuts at State and local levels were leading to massive layoffs of teachers, policemen, and firefighters.

The two points I want to make are that, No. 1, we here in Washington—I tried not to, but the majority did—created this financial cliff over which the States are about to run. And, No. 2, when it comes to the question of $23 billion for teachers, I think we need to ask, where is the money going to go? And from whose schoolchildren are we going to borrow it? Because right now we do not have extra money lying around in Washington, DC. We have a great big problem with spending and debt.

Let me start with what I said first, which is that we in Washington have created this financial cliff over which State Governors are running. As we were debating the health care bill I said, not really in jest, that everybody who votes for it ought to be forced to go home and serve as Governor of their State under the new rules.

Take Tennessee, for example. We were very fortunate that our State was one of the two winners in the Race to the Top education plan. Give credit to the Governor and teachers in the State. Tennessee will get a half billion dollars as a result of it. Yet, according to our Governor, the health care bill will take away more than twice as much during the same period of time by imposing $1.1 billion in new Medicaid costs on the State between 2014 and 2019. So we are causing problems for the State that caused the layoffs.

Let me not ask you to take my word for it. Here is a January op-ed from the Wall Street Journal by the Democratic Lieutenant Governor of New York, Mr. Ravitch, who says the Federal stimulus, which Congress passed at the beginning of 2009:

. . . has provided significant budget relief to the states. . . .

He approved of that.

but this relief is temporary and makes it harder for States to cut expenditures. In major areas such as transportation, education and health care, stimulus funds come with strings attached. These strings prevent States from substituting federal money for state funds, require states to spend minimum amounts of their own funds, and prevent states from tightening eligibility standards for benefits.

Lieutenant Governor Ravitch goes on to say:

Because of these requirements, states, instead of cutting spending in transportation, education and health care, have been forced to keep most of their expenditures at previous levels. . . .

We did that. Congress did that.

. . . and use federal funds only as supplements. The net result is this: The federal stimulus has led States to increase overall spending in these core areas, which in effect has only raised the height of the cliff from which state spending will fall if stimulus funds evaporate.

That is the Lieutenant Governor of New York talking about the evaporation of stimulus funds which comes

at the end of this year and he is saying we made it harder for States to pay their bills. At the time the stimulus package was passed, everyone said it was one-time funding. All of us knew that Medicaid costs were overwhelming the States. Still, Congress went ahead—the majority, in any event—and increased the federal match for Medicaid, and required States not to change eligibility requirements. Thus they created this financial cliff at the end of the year which will cause the States' share for Medicaid spending to increase from an average of 34 percent to 43 percent, a net increase of $39 billion in costs for 2011. We are getting close to the $50 billion we are being asked to bail States out for.

Let me say a word about teacher salaries. The first question is, where is the rest of the money going to go? The request, as it has been talked about, says this will save 100,000, maybe 300,000 teacher jobs. We are supposed to appropriate $23 billion for that purpose.

At $100,000 that works out to about $230,000 per teacher job saved. If we are saving 300,000 teacher jobs with that $23 billion, that works out to $76,667 per teacher job saved. The average national teacher's salary is $46,752. Where does the rest of the money go?

At the beginning of this administration there was a huge increase in education funds; $97 billion over 2 years for elementary and secondary education and $53.6 billion for the State Fiscal Stabilization fund. We were assured this was one-time funding. In April 2009, the Department of Education itself said in its guidance to the States on how to spend the money:

> The [funds are] expected to be a one-time infusion of substantial new resources. These funds should be invested in ways that do not result in unsustainable continuing commitments after the funding expires.

What we could have said is, we don't have any more money either, States. We just print it up here. So don't expect us to send you anymore.

The U.S. Department of Education helpfully suggested what some of those one-time expenditures might be—making improvements in teacher effectiveness; establishing pre-K-to-college-and-career data systems; making progress toward rigorous college- and career-ready standards; providing targeted, selective support; and effective interventions for the lowest performing schools. In other words, the States and schools were told: Don't spend this money on continuing programs. Spend it once.

Our Governor, a Democratic Governor in Tennessee, got the message. Governor Bredesen said in his State of the Union Address in 2009:

> Please let me make it clear that no proposed version of the stimulus is any panacea or silver bullet; substantial cuts are still needed under any circumstances. Furthermore, it is vital to remember that this stimulus money is one-time funding.

The ACTING PRESIDENT pro tempore. The 10 minutes of the Senator has expired.

Mr. ALEXANDER. I thank the Chair. I see none of my colleagues here.

The ACTING PRESIDENT pro tempore. Senator BARRASSO from Wyoming is waiting.

Mr. ALEXANDER. I ask for another 60 seconds to conclude my remarks. I thank the Chair.

When we think about the funding, we need to remember the best things for us to do. They are to stop imposing health care mandates on States, which make it impossible for them to pay their bills; and to properly support public education, especially public higher education, which is going to take a terrible blow because of the passage of the health care bill. Thanks to the health care bill, tuition payments for students are going to rise.

Second, we should recognize that the stimulus money passed last year was one-time funding. We created this financial cliff and now we have an unprecedented level of debt in the Federal Government. We do not have $23 billion lying around to send to the States.

Whether we are sending $230,000 per teaching job, $76,000 per teaching job, or scaling it back and saying we are only going to send the national average, which is $46,000, the question still remains: From whose grandchildren will we borrow the money?

We need to reduce the growth of the Federal debt. We should not be bailing out States with another $50 billion.

I thank the Senator from Wyoming and I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming is recognized.

Mr. BARRASSO. Mr. President, could you please inform me how much time is remaining in morning business?

The ACTING PRESIDENT pro tempore. There is 17 minutes on the Republican side.

HEALTH CARE

Mr. BARRASSO. Mr. President, I come to the floor today as someone who has practiced medicine in the State of Wyoming since 1983, taking care of families across the great State of Wyoming as an orthopedic surgeon and also as a medical director of the Wyoming Health Care, which is a program to offer low-cost medical screenings, health screenings to help people; early detection, because we know that is a way to keep down the cost of care—to help them find problems before they get too far progressed so we can get effective treatments.

This is a very successful program. Often doctors are asked for their opinions on issues. Then, if a patient has a question, they ask for a second opinion from a second physician.

Well, I come to the floor today to offer my second opinion on this health care bill. I have been doing this week after week, as we have had a year-long debate and discussion about the health care bill that has now been signed into law. I come to the floor because it seems that every week, every week since the bill became law, there has been a new revelation, a new unintended consequence that the people of America look at and say: This is a bill, now a law, that was not passed for me. It is to help someone else.

The promises the American people heard when the bill was being debated and discussed, we are now finding that those promises have been broken. Again this week one of those major promises, fundamental behind the health care law, has been broken. The American people are concerned and distressed because it affects them personally. They believe they were misled.

The goal of the health care legislation last year was to lower the cost of health care. There is agreement all across the country we need to do that; we need to lower the cost of care, to improve quality of care. Absolutely. It is in the best interest of all Americans if we can improve the quality of care; then, of course, to increase access to care. The more we can do to allow more people in this country to have access to care, the better it is.

Lower cost, improved quality, improved access. Well, that is not what this Senate Chamber passed because I believe the bill that was passed is clearly not going to lower cost, and the Congressional Budget Office agrees. It is not going to improve quality, and it is not going to improve access, as we see from statements from the Secretary of Health and Human Services about the shortage of primary care providers, the shortage of physicians and nurse practitioners and others to help. So I continue to believe the law we now have passed is bad for patients, bad for payers, the people who are going to pay the health care bill of this country, and bad for providers, the nurses and doctors who take care of those patients.

I believe the bill fundamentally is going to result in higher costs for patients, less access for care, and unsustainable spending. The Speaker of the House, NANCY PELOSI, said: You are going to have to first pass the bill to find out what is in it. Once again, this past week, we have learned about something new that is in the health care law that many Americans have found surprising.

I would like to contrast a speech President Obama gave 1 year ago this week, 1 year ago yesterday, at the American Medical Association meeting in Chicago. I would like to quote from the speech given by the President, and then contrast it to regulations that have been sent out earlier this week. What a difference a year makes. President Obama said:

> So let me begin by saying this—

This was a year ago—

> I know that there are millions of Americans who are content with their health care coverage. They like their plan and they value their relationship with their doctor.

He went on to say:

> And that means that no matter how we reform health care we will keep this promise.

If you like your doctor, you will be able to keep your doctor. Period.

He went on to say:

If you like your health care plan, you will be able to keep your health care plan. Period. No one will take it away no matter what.

Well, those are very reassuring words to the 170 million people in this country who get their health insurance coverage through their employer at work. There were 170 million people reassured 1 year ago by the words of the President of the United States that if they like what they have, they can keep it.

This is the line that the President has continued to repeat. Most recently he gave the same reassurance to the senior citizens of this country in a townhall meeting he had just a little over a week ago. But what we are seeing now, instead of allowing Americans to keep their doctors and their health care plans, is another broken promise, a broken promise to the American people.

On Friday of last week, the Associated Press reported that 51 percent, over half of all Americans, a majority of those 170 million who get their health insurance through work, will no longer necessarily be able to keep the health insurance they have.

In the 25 years or so that I have practiced medicine, I know how important it is, having worked with patients, worked with people, what happens when they lose the coverage or have to change their coverage. It is very distressing. Sometimes it can be disorienting to them as they learn what new coverage they have, what they lost. So people who felt reassured last year by the President's comments are now in a situation where 51 percent of them are going to lose the coverage they have.

The Washington Post this week, Tuesday, June 15: The administration estimated that by 2013, health plans covering as many as 69 percent of employees could lose protected status. For small employers, the small businesses of this country, the total could be as high as 80 percent.

I mean, could that really be true? I find it astonishing. We have had calls to our office: Is that really true? We have talked to patients and people that I have taken care of because I have been back in Wyoming this past weekend and ran into a number of former patients of mine. They said: Is that really going to happen?

Let's see what the rules are that came out. These are the rules that came out on Monday. I mean, it is interesting to get rules on health care, and what are the first two lines? Department of the Treasury. Internal Revenue Service.

The Internal Revenue Service is writing the rules and regulations dealing with the health care bill. It goes on with the Department of Labor, the Department of Health and Human Services. This is titled, ''Interim Final Rules For Group Health Plans And Health Insurance Coverage.''

This is 121 pages. I am not going to go through all of it, but I would like to call your attention to page 54. On page 54 there is a table, and the table is called ''Estimates of the Cumulative Percentage of Employer Plans Relinquishing,'' having to give up, ''Their Grandfathered Status.''

What it means is the percentage of employer plans of people who have the insurance they like they are not going to be able to keep.

They have a low-end estimate, a mid-range estimate and a high-end estimate of all of the employer plans in the country. It covers 170 million Americans. It says by the year 2013, just a few years from now, 51 percent, 51 percent of Americans will lose what they have now. It talks about the high estimate for the small employer plans, 80 percent.

So how can that be true? So 80 percent of small employers—that is the lifeblood of our economy, and we are at a point in this country where we have unemployment at 9.7 percent, and small business is the engine, the engine that grows the economy. Seventy percent of all new jobs in this country are created by small businesses. Yet for people who work in small businesses, it looks like up to 80 percent of them, over the next couple of years, are not going to be able to keep the health insurance they have now.

Why? Because the rules and regulations that have come out related to the law that has now been passed, in spite of the President's promise right here behind us—you will be able to keep your doctor, period; you will be able to keep your health care plan, period—the American people are finding that those words, those words, are not being held out in what was passed into law and the regulations that have now been written.

Headline, Wednesday, June 16, today, national newspaper: ''So much for 'Keeping Your Plan.' ''

Now, actually there are some people who can keep their plans—very few.

Headline, ''Union Contract Can Exempt Plans From ObamaCare.'' So you do not get to necessarily keep your plan, it says, unless a union negotiated your coverage. The administration has granted a special exemption to those, and apparently only those, health care plans, a special exemption offered by the administration, according to this article, for those whose plans have been negotiated by the unions.

You do not have to go very far. All you need to do is open a newspaper. This is on Capitol Hill just the other day, Tuesday, June 8. It says, talking about health care, there is a picture of a doctor with an eye chart: ''Comprehensive, but Not for All.''

''Health reform ban on annual limits may end up hurting lower wage workers.'' Well, I thought that the whole idea behind this was to help additional workers, to help additional workers get coverage, get care. First paragraph:

Part of the health care overhaul due to kick in this September, could end up stripping more than a million people of their insurance coverage, violating a key goal of President Barack Obama's reforms.

There it is in black and white: ''Violating a key goal of President Barack Obama's reforms.'' These are identifiable victims of ObamaCare, losers under ObamaCare. Promises made and promises broken.

What about the President's promise on the cost of care, bending the cost curve down? Well, yesterday, in The Hill:

Report projects a rise of 9 percent in employers' health costs in 2011.

But was it not Obama who said his legislation was going to actually allow Americans to have a lowering of their premiums by $2,500 per year per family? Well, how does that work with the projected rise in cost? So, once again, the American people heard one thing and now they are being delivered something very different.

That is why I come to the Senate floor today—to say it is time to repeal this legislation and replace it, replace this legislation with legislation that delivers more personal responsibility and more opportunities for individual patients, a patient-centered health care bill, a bill that allows Americans to buy insurance across State lines. We need a bill that will give more competition and will allow the costs to come down, that gives people who own their own health insurance an opportunity to get the same tax relief big companies get. That is important. That will help people.

How about a bill that includes a provision to give individual incentives to people who take responsibility for their own health care and their own health, do things like the people who come to the Wyoming Health Fairs, early detection, early treatment.

We know, and I have seen this in my years of practicing medicine, about half of all of the money we spend in this country on health care is on just 5 percent of the people. If we can focus on those 5 percent and help them with healthy lifestyles and good choices, we can get down the cost of their care.

Then we need a bill that deals with lawsuit abuse. That will help lower the amount of defensive medicine practiced and help lower the cost of care, plus one that allows small businesses to join together and then shop much more effectually to buy a lower cost health insurance plan.

Well, you can imagine what is happening right now in small businesses across America, as I have just brought to the attention of the Senate. When 80 percent, up to 80 percent of people with small business health plans who are getting their insurance that way, according to the new regulations put out by the Internal Revenue Service, as well as the Department of Health and Human Services, up to 80 percent are not going to be able to keep the coverage they now have and now enjoy under their current plans come the year 2013.

Those are the things that will make a difference. That is why I come to the floor today. I offer my second opinion about health care law, and now it is the law that I think is going to end up—and the American people understand this, and they see through it—is going to end up being bad for patients who need care, bad for payers, people paying for their health care costs, and the taxpayers of this country, as well as bad for providers, the nurses and the doctors and the hospitals who take care of those patients.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Minnesota.

NOMINATION OF ELENA KAGAN

Ms. KLOBUCHAR. Mr. President, I am pleased to come to the floor today with a few of my women colleagues to discuss the President's nomination of Solicitor General Elena Kagan to be an Associate Justice of the Supreme Court. I am a member of the Judiciary Committee. We are looking forward to the hearings coming up in a few weeks. We hope the country is watching because this is a very important job and Ms. Kagan is a very impressive person.

With that, I turn to the Senator from Michigan, Ms. STABENOW.

The ACTING PRESIDENT pro tempore. The Senator from Michigan is recognized.

Ms. STABENOW. Mr. President, I thank the Senator from Minnesota.

We are here to talk about President Obama's nomination of Elena Kagan. I will come to the floor at a later point to respond to my friend from Wyoming with a different view about health care reform. We have a vote in just a few moments, a very important vote as to whether to support the ability of States, in these difficult times, to be able to continue health care for people who are out of work and for seniors who are in nursing homes, low-income seniors who find themselves caught in the economic crunch. In Michigan, there are 6 individuals out of every 100 who are on Medicaid now or who need to be on Medicaid. The upcoming vote will determine whether we place a value on health care, place a value on seniors in nursing homes and people who, because they have lost a job or because of some other situation in this economy, find themselves without health care. I hope colleagues who express concern about people having access to health care will join us in voting yes.

I thank the Senator from Minnesota for organizing and bringing us to the floor. I join her in speaking in favor of the President's nomination of Elena Kagan to be the next Justice of the U.S. Supreme Court.

She grew up in a family like so many in Michigan, with parents who worked hard for a living so they could provide for their children. Her mom was a teacher. Her dad was a tenants lawyer in New York City. She saw firsthand the effects of laws and court decisions on the everyday lives of Americans. Throughout her distinguished career, she has brought the lessons she learned from her parents—in her words, ''service, character and integrity''—to every role she has had.

She took those lessons with her to the White House, where she worked with Democrats and Republicans to forge commonsense solutions to issues such as restricting tobacco companies from targeting ads to children.

She took those lessons with her to Harvard, where she became a successful and beloved professor. As dean, she worked to engage her students in service and to honor those who have served. Every year, she invited all of the military veterans on campus to her home for a Veterans Day dinner. She reached out to students from all across the political spectrum and proved to them one-on-one that she was a smart and pragmatic leader. Very conservative law students at Harvard tend to join the Federalist Society, while progressive law students are more likely to join the American Constitution Society. The two groups disagree on almost everything. Yet both groups sent letters to the Judiciary Committee supporting Elena Kagan's nomination as Solicitor General. That is rare in politics and is proof that Elena Kagan is respected for her fairness and impartiality.

Besides her parents, perhaps the biggest influence in her life was her one-time boss and mentor Justice Thurgood Marshall, who was also the Solicitor General before becoming a Supreme Court Justice. She admired his ability, in her words, to understand the way law works ''in practice, as well as in the books—of the way in which law acted on people's lives.''

In private practice, Elena Kagan represented clients in litigation. Today, she represents all of us as the people's lawyer, the Solicitor General of the United States. Her job every day is to represent her clients, the people of our great country, before the U.S. Supreme Court. As a Justice, she will continue to represent the people. That is why I urge my colleagues today to join with us in confirming her nomination without delay.

I thank the Chair.

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire is recognized.

Mrs. SHAHEEN. Mr. President, I am pleased to join my colleagues, Senators STABENOW and KLOBUCHAR, in supporting the nomination of Elena Kagan to be an Associate Justice of the Supreme Court. However, before addressing the nomination of Elena Kagan, I wish to echo the remarks of Senator STABENOW about the need to look at the legislation that is going to come before us in a few minutes.

My colleague, Senator BARRASSO, talked about wanting to help those people who are most in need of health care. One of the best ways we can do that is to pass the legislation pending before this body which includes an extension of Medicaid benefits, which is so important to States and to the people who are most in need, who have the least ability to get health care. I hope that as our colleagues are thinking about how they can support health care for Americans, they will support this legislation and make sure we extend Medicaid benefits for people throughout the States.

Turning to the Elena Kagan nomination, I am extremely pleased that President Obama has selected a woman with such impressive and unique credentials to serve on the Nation's highest Court. I had the good fortune to meet Solicitor General Kagan a number of years ago when both of us were at Harvard. I was at the Kennedy School as the director of its Institute of Politics, and she had just become dean of the Harvard Law School. It didn't take her very long to get a reputation there as someone who was loved by the students and the faculty, who was able to get everyone to work together. It comes as no surprise to me that she has continued her impressive accomplishments.

My favorable impression of Elena Kagan was confirmed after a recent meeting with her in my Senate office, spending more time really looking at what her record has been with the law. I wish to focus my remarks this morning on Elena Kagan's record that has prepared her to be a Justice.

A number of my colleagues from across the aisle have implied or stated directly that the Solicitor General lacks sufficient range of professional experience. A number of Senators are concerned that Elena Kagan does not have judicial experience. To address this point, it is worth noting that 41 of the Court's 111 Justices have joined the Court without any previous experience as a judge. Among these 41 are some of the most notable jurists of the last century: Justices Louis Brandeis, Felix Frankfurter, William Douglas, Byron White, and Lewis Powell. Chief Justices Harlan Stone, Earl Warren, and William Rehnquist were also chosen for the Court without prior judicial experience. The Presidents who nominated these Justices and the Senators who confirmed them were right to recognize that experiences other than being a judge can prepare one to serve on the Supreme Court with distinction. Elena Kagan certainly has had that experience. She has traveled a path of extraordinary accomplishment. I am confident she will continue that trend once she is elevated to the bench.

With more than 24 years of legal experience in a range of settings, she will bring a distinct perspective to judging that will serve both the Court and Americans well. Without a doubt, Ms. Kagan has been a lifelong student of the Supreme Court. As we heard from Senator STABENOW, she began her career as a clerk in the chambers of two highly regarded jurists, including the

legendary Thurgood Marshall. These formative years early in Ms. Kagan's career instilled in her an appreciation of the impact of judicial decisions on people and gave her an ability to zero in on critical facts and issues in cases.

After 3 years in private practice in Washington, Ms. Kagan became a professor of law at the University of Chicago. She focused there on scholarship and constitutional law, particularly the first amendment. She quickly became known as a powerful advocate for individual constitutional rights.

She served as an Associate White House Counsel and later Deputy Director of the Domestic Policy Council during the Clinton White House. These positions forced Elena Kagan to tackle difficult public policy matters while analyzing the limits of executive branch power.

Later, as dean of the Harvard Law School, Ms. Kagan is credited with making immense progress toward uniting a fractious faculty of very powerful opinions and intellects. She built bridges across academic and political groups.

A recent letter from the deans of law schools across the country describes Ms. Kagan as ''a superb and successful dean'' who ''revealed a strong and consistent aptitude for forging coalitions that achieved smart and sensible solutions, often in the face of insoluble conflict.''

Harvard professor Charles Fried captured the thoughts of many of Ms. Kagan's Harvard colleagues when he described her as someone who had a ''masterful'' ability to work well with diverse faculty.

Ms. Kagan's intellect and work ethic caught the attention of President Obama when she was tapped to serve as Solicitor General. She is the first woman to hold this position which is often referred to as the 10th Justice of the Court. During her tenure, Solicitor General Kagan has filed 66 briefs and has argued numerous times before the Court. I can't imagine better training for a position on the Court than the experience gained by a Solicitor General. Elena Kagan has publicly demonstrated her ability to critically analyze the law and advocate forcefully at the level demanded by our Nation's highest Court.

Elena Kagan has dedicated her life to legal study. She has excelled as a clerk, a teacher, administrator, counsel, and advocate. I know these experiences have given her a full understanding and appreciation of the Supreme Court's role in our democracy. Elena Kagan has built a career that shows she has the technical skills, the intellectual aptitude, and the personal judgment to be an extremely effective Justice. I look forward to the swift confirmation of a very impressive individual and urge all of my colleagues on both sides of the aisle to support her nomination.

The ACTING PRESIDENT pro tempore. The Senator from Minnesota.

Ms. KLOBUCHAR. Mr. President, I thank my two colleagues, Senators SHAHEEN and STABENOW, for joining me in making open arguments in favor of Solicitor General Kagan to be the next Associate Justice of the Supreme Court. If Members listened to Senator SHAHEEN's discussion of the experience of Elena Kagan, something quickly emerged: she has always been on the front line and has not been afraid to get into battle. She is the one who had to go before the Supreme Court and argue the Citizens United case that basically came up with a ruling from the current Supreme Court with which I don't agree. The Supreme Court went beyond their bounds in how they interpreted election law, reversing decades of precedent. Yet it was Elena Kagan who was the one willing to stand there as Solicitor General and basically say corporations are not people; people are people.

I like the thought of someone of her experience—such an intellectual heavyweight—getting on the Court to basically match Justice Roberts.

As Senator SHAHEEN has pointed out, she has consensus-building skills in addition to that. She is someone who has been able to bring together people of diverse views. With such a divided Court, as we see right now, I think it is going to be very helpful—if she gets through our process, which I believe she will—to have her on that Court. She also is a trailblazer.

She was the first woman dean at Harvard Law School in their 186-year history. In 2009 she became the first woman to serve as Solicitor General. As has been pointed out, she has also been a law professor, a member of the White House Counsel's Office, and a domestic policy adviser to President Clinton.

When I look at her resume, I notice two things: The first is that she has practical experience thinking about the impact of laws and policies on the lives of ordinary Americans. When you are involved in considering the nitty-gritty details of policies—as has emerged, as we look at all the thousands and thousands of documents she has given to the Judiciary Committee—she is someone who has been actually involved in crafting those ideas, those policies. When you have to figure out, as she has, whether to compromise or hold firm on a piece of legislation, you have to know exactly what the consequences of your recommendations will be. You have to think about the lives that will be impacted.

The second thing I notice about her resume is that she has a track record of listening to different viewpoints and bringing people together—whether it is her legacy of helping to recruit talented academics to Harvard from across the political spectrum or working with Senators from both parties on antitobacco legislation.

It is worth noting this is a nominee who once got a standing ovation from the Federalist Society when she spoke to them—that is a conservative legal society—during her time as a law school dean. It was not because she agreed with them on every substantive matter. In fact, she noted that at the beginning. It was because they respected her because she was willing to listen to other viewpoints and bring in other viewpoints. We need that kind of consensus builder on the Supreme Court of the United States.

Finally, we have to add to her list of achievements that she managed to calm the factionalism and frustration for which the law school faculty had previously been known. I can tell you after managing 167 lawyers it is not easy, but it is even harder to manage a number of law professors.

What you come up with, when you look at her whole career, is she has the practical experience of reaching out to and working with people who have different beliefs. I think that is exactly what we need on the Supreme Court.

Some of my colleagues, as has been pointed out, question whether she is fit to be a Supreme Court Justice because she has never before been a judge. Well, right now every single Justice on that Supreme Court has been a judge. While they may have different backgrounds, they have come up through what is called the ''judicial monastery.'' I think the fact that the President has nominated someone who has been on the front line, deciding policies but also arguing intricate legal cases, is a good thing.

As has been pointed out by Senator SHAHEEN, I do wonder whether these same colleagues who are objecting on the judicial experience issue would have objected to putting Chief Justice Rehnquist on the Supreme Court or Justice Brandeis or Justice Frankfurter. They did not have any judicial experience either.

It is worth noting this opinion on the importance of judicial experience is not shared by at least one member of the Supreme Court who believes that may not quite be necessary. In a speech he gave at the end of May, Justice Scalia said he was ''happy to see that this latest nominee is not a federal judge—and not a judge at all.''

For historical context, Justice Scalia noted when he first arrived at the Supreme Court in 1986, three of his colleagues had never been a Federal judge. Chief Justice Rehnquist came to the bench from the Office of Legal Counsel. Justice Byron White was Deputy Attorney General. Justice Lewis Powell was a private lawyer in Richmond. Beyond that, her current job—Solicitor General—as Senator SHAHEEN noted, is actually referred to as ''the tenth Justice'' because it is such an important position. She represents the people before the Supreme Court. That is incredibly important training for an individual nominated to serve on the Supreme Court.

It is worth noting that the last Solicitor General who subsequently became a Supreme Court Justice was none other than Thurgood Marshall—Elena Kagan's mentor and former boss.

So I hope we can put to rest this idea that only judges are qualified to be Justices. That is not a standard that we have applied throughout history, and it is not one we should start applying today.

Just think—and I will end with this, Mr. President—how far we have come. When Sandra Day O'Connor graduated from law school 50 years ago, the only offer she got from a law firm was for a position as a legal secretary. Justice Ginsburg faced similar obstacles. When she entered Harvard in the 1950s, she was only one of nine women in a class of more than 500, and one professor actually asked her to justify taking a place in that class that could have gone to a man. Later, she was passed over for a prestigious clerkship despite her impressive credentials.

In the course of the more than two centuries of this great country, 111 Justices have served on the Supreme Court. Only three have been women. If confirmed, Ms. Kagan would be the fourth, and for the first time in the history of our country three women would take their places on the bench when arguments are heard in the fall.

I look forward to our Judiciary Committee hearing. I have to tell you, I hope my colleagues listen to what Elena Kagan has to say. When she came before our Judiciary Committee as a nominee for Solicitor General, she was very impressive. She got bipartisan support. I would like to see that again.

Our job is to look at the qualifications of this nominee. Our job is to decide if she is competent. As Senator GRAHAM said during the confirmation hearing for Justice Sotomayor, he may not have picked a particular nominee, he may have supported someone else for President, but in the end, our job is to look at their qualifications and whether they will serve our country well on the Supreme Court.

I believe the answer for Elena Kagan will be yes. We are all looking forward to the hearings, and I urge my colleagues to come to the hearings with an open mind.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

AMERICAN JOBS AND CLOSING TAX LOOPHOLES ACT OF 2010

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the House message to accompany H.R. 4213, which the clerk will report.

The legislative clerk read as follows:

Motion to concur in the House amendment to the Senate amendment to H.R. 4213, an act to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

Pending:

Baucus motion to concur in the amendment of the House to the amendment of the Senate to the bill, with Baucus amendment No. 4301 (to the amendment of the House to the amendment of the Senate to the bill), in the nature of a substitute.

Reid amendment No. 4344 (to amendment No. 4301), to amend the Internal Revenue Code of 1986 to extend the time for closing on a principal residence eligible for the first-time homebuyer credit.

Thune/McConnell amendment No. 4333 (to amendment No. 4301), of a perfecting nature.

The ACTING PRESIDENT pro tempore. Under the previous order, there will be 5 minutes of debate equally divided between the Senator from Montana and the Senator from Iowa or their designees.

The Senator from Montana is recognized.

AMENDMENT NO. 4301

Mr. BAUCUS. Mr. President, this vote is about jobs—plainly and simply about jobs. Fifteen million Americans are out of work. Fifteen million Americans need our help.

We need to continue our efforts to get Americans back to work. Creating jobs has been a top priority. The pending substitute amendment to the American Jobs and Closing Tax Loopholes Act would help achieve that goal.

The amendment would cut taxes for American workers and families by more than $4 billion. The amendment would cut taxes for businesses by $18 billion to help them expand and create jobs.

The amendment would extend Small Business Administration loan programs to help restore the flow of credit. These programs will help small businesses to grow and hire new workers. This extension eliminates fees for certain SBA loans and increases government loan guarantees.

Since their creation in the Recovery Act, these provisions have supported more than $26 billion in small business lending. They have helped to create or retain more than 650,000 jobs.

The amendment would expand community college and career training grants offered through the Trade Adjustment Assistance Program. These grants provide Americans who have lost their jobs through no fault of their own the opportunity to learn new skills to find good jobs.

The amendment would support more than 350,000 jobs for youth ages 14 to 24 by expanding successful summer jobs programs created in the Recovery Act. This age group has some of the highest unemployment levels. Fully one-quarter of those aged 16 to 19 are unemployed—one-quarter.

The amendment would extend funding for States to provide wage assistance to employers who hire new workers. Wage assistance helps companies that might not otherwise be able to afford the cost of hiring new workers to create jobs.

The amendment would provide targeted, temporary pension relief to help employers who are struggling in this tough economy to continue to fund employee pensions without cutting jobs or restricting new hiring.

This amendment is about creating good jobs.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. BAUCUS. Mr. President, I thank the Chair, and I urge my colleagues to support the amendment. Let's advance this effort to create jobs.

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, this bill, as it comes forward, spends more money than we budgeted for and, as a result, it violates the budget. We are trying to get some fiscal discipline around here. This would be one of the places we should start.

So I raise a point of order that the pending amendment offered by the Senator from Montana would cause the aggregate level of budget authority and outlays for fiscal year 2010, as set out in the most recently agreed to concurrent resolution on the budget, S. Con. Res. 13, to be exceeded. Therefore, I raise a point of order under section 311(a)(2) of the Congressional Budget Act of 1974.

The ACTING PRESIDENT pro tempore. The Senator from Montana.

Mr. BAUCUS. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974 and section 4(g)(3) of the Statutory Pay-As-You-Go Act of 2010, I move to waive all applicable sections of those acts and applicable budget resolutions for purposes of the pending amendment, and I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from West Virginia (Mr. BYRD) and the Senator from Arkansas (Mrs. LINCOLN), are necessarily absent.

Mr. KYL. The following Senator is necessarily absent: the Senator from Kansas (Mr. ROBERTS).

The PRESIDING OFFICER (Mr. BURRIS). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 45, nays 52, as follows:

[Rollcall Vote No. 190 Leg.]

YEAS—45

Akaka	Brown (OH)	Casey
Baucus	Burris	Conrad
Bennet	Cantwell	Dodd
Bingaman	Cardin	Dorgan
Boxer	Carper	Durbin

Feinstein	Lautenberg	Schumer
Franken	Leahy	Shaheen
Gillibrand	Levin	Specter
Hagan	Merkley	Stabenow
Harkin	Mikulski	Tester
Inouye	Murray	Udall (CO)
Johnson	Reed	Udall (NM)
Kaufman	Reid	Warner
Kerry	Rockefeller	Whitehouse
Klobuchar	Sanders	Wyden

NAYS—52

Alexander	Ensign	McCaskill
Barrasso	Enzi	McConnell
Bayh	Feingold	Menendez
Begich	Graham	Murkowski
Bennett	Grassley	Nelson (NE)
Bond	Gregg	Nelson (FL)
Brown (MA)	Hatch	Pryor
Brownback	Hutchison	Risch
Bunning	Inhofe	Sessions
Burr	Isakson	Shelby
Chambliss	Johanns	Snowe
Coburn	Kohl	Thune
Cochran	Kyl	Vitter
Collins	Landrieu	Voinovich
Corker	LeMieux	Webb
Cornyn	Lieberman	Wicker
Crapo	Lugar	
DeMint	McCain	

NOT VOTING—3

Byrd	Lincoln	Roberts

The PRESIDING OFFICER. On this vote, the yeas are 45, the nays are 52. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Under the previous order, the motion to concur with amendment No. 4301 to the House amendment to the Senate amendment to H.R. 4213 is withdrawn.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Senate proceed to a period of debate only until 12:30 p.m., with no amendments or motions in order during this period; that the time be equally divided and controlled between the leaders or their designees, with Senators permitted to speak therein for up to 10 minutes each; and that the order for the recognition of Senator BAUCUS still be in effect.

The PRESIDING OFFICER. Is there objection?

The majority leader is recognized.

Mr. REID. Mr. President, I ask my friend to modify the consent agreement to have the Senate be in recess from 1 p.m. until 2 p.m. today. We will have a caucus going on at that time.

Mr. BAUCUS. Mr. President, I so make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Dakota is recognized.

COBELL SETTLEMENT

Mr. DORGAN. Mr. President, the legislation that is pending and on which we now have general debate is legislation that is important. I know there has been plenty of discussion about it. I want to discuss one element of it. The legislation includes provisions to approve the Cobell settlement. The Cobell settlement is perhaps something which people do not know much about. It is a settlement of a longstanding lawsuit that has been winding its way through the Federal courts for 14 years. It is about things that have been done to American Indians that are almost unthinkable and for which they have sought redress in the Federal courts.

Let me describe this, if I may, by using a photograph of a woman. This is a photograph of Mary Fish. By telling you a little about Ms. Fish, I can describe the problem that the Cobell settlement, which is in this underlying legislation, attempts to address.

Mary Fish died a few years ago. Mary Fish was an Oklahoma Indian. She lived in a very small, humble house with 40 acres. There were six oil wells on her land that had been pumping Oklahoma sweet crude for years. Even with all of these oil wells pumping on Mary's land, she made only a few dollars a year from those wells.

Why would it be the case that this woman had oil wells on her land, lived in a small, little house, had virtually nothing, and got only a few dollars from the oil wells? The problem dates back over 100 years when the Federal Government divided up Indian tribal lands, and distributed the land in trust to individual Indians, saying: We will take care of your land for you. We will manage it. We will handle it. And, by the way, we will provide you with the proceeds from leasing on the lands.

Almost as soon as this system was set up, the Indian people found that the Federal Government, and all kinds of other manipulators involved, stole from them, cheated, and looted their lands and trust accounts from those lands. The fact is, if you go back 100 years and try to reconnect the trust accounts the Federal Government said they were holding for these Indians—for grazing fees that were paid on the Indian lands, for oil that was pumped from Indian lands, for minerals, for agriculture—what you will find is this Federal Government going back all those years does not have any records, cannot reconnect, does not have the foggiest idea what happened. In addition, there were a lot of unscrupulous people who were stealing, cheating, and looting. That is why these American Indians, the first Americans—those who were here first—14 years ago filed a case in Federal court now called Cobell v. Salazar, a case against the Secretary of the Interior.

Cobell v. Salazar has languished for 14 years in the Federal court system. At long last, there has been a negotiated settlement to settle these claims that have existed for a long time. Claims of Indians being cheated by a government that, in some cases, was corrupt for over 100 years.

That settlement is in the underlying legislation. The settlement was not something the Congress did. The settlement was a settlement between the Department of the Interior, led by Secretary Salazar, and the plaintiffs, led by a woman named Elouise Cobell. Recently, the plaintiffs and the Department of the Interior reached an agreement—finally reached an agreement—to address this unbelievable set of terrible events over the last century that cheated American Indians out of what they were owed.

My colleague from Wyoming has offered an amendment to change the settlement. My colleague, Senator BARRASSO, is someone with whom I work on the Indian Affairs Committee. I am Chair; he is Vice Chair of the Committee. I have great respect for him. I do not take issue with the fact he thinks this settlement, perhaps, could be better. I don't know that. He has some ideas on how it can be changed.

The dilemma is that we are not a party to the negotiations to reach that settlement. Perhaps if the Senator would send his recommendations to the Secretary of the Interior and the plaintiffs and they sit down at a table and decide if they want to renegotiate this or decide that. Whether there are other ideas that could or should be added, perhaps that might be beneficial. But if the Congress now decides that this settlement, which is to be paid out of the United States Judgement Fund, is not something that Congress supports, that it needs to be changed, then I think this settlement will be scuttled, and we will be back in the same position we were in.

The Federal judge who watched over the negotiations that reached a settlement in the Cobell case set a deadline of 30 days and then a second deadline and then a third deadline. The Congress missed all of those deadlines—every single one. The Federal judge a few weeks ago said: I would like to call Members of Congress down to my court to find out what on Earth they are doing, what is going on. Why can this settlement not get approved by Congress, because after 14 years, I think the Federal court believed a settlement agreed to by both parties was the appropriate thing to do. Despite this, Congress has missed all the deadlines.

In these proceedings we have been considering the Cobell settlement which is a part of the underlying legislation. I support that settlement. Is it perfect? I don't know. I was not a part of the negotiating team. That was the Interior Department and the plaintiffs, the Native Americans on behalf of the plaintiffs who have been cheated over all these years.

My colleague Senator BARRASSO says the parties themselves made changes to the settlement and so they should not mind a few more changes by the Congress. The difference is who makes the changes. The party to a settlement can make changes by agreement of the parties. But if Congress makes changes unilaterally, of course, then Congress risks voiding the entire settlement, which I fear would be the case.

Senator BARRASSO's amendment would change the settlement and I think risk sending these parties back into endless litigation that has gone on now for 14 years. I do not think anybody wants that.

Senator BARRASSO has said his proposed changes are within the framework of the settlement. But the administration, Secretary Salazar, and others have already sent a letter to the

Congress saying it believes these changes are material and would, therefore, void the settlement. I do not think any of us would want that to happen.

My colleague Senator BARRASSO has not said the settlement is unreasonable or unjust, only that he wants to improve the settlement. With great respect to my colleague—and I do like him, and we work together well on a lot of issues—I believe now is not the time to decide after 14 years that this settlement needs improvement.

If the changes are within the framework of the settlement, my recommendation is that he meet with the parties who were at the table and reached this settlement. If they believe his ideas have some merit, maybe some of them will find their way into the settlement. The Congress was not a party to that settlement and should not make unilateral changes.

I hope very much we can finally resolve more than a century of theft and mismanagement through this settlement. When I talked about looting, stealing, cheating, and theft, I understand that. I said that deliberately. That is exactly what has happened. Even worse has been the unbelievable mismanagement of those funds that cheated a whole lot of people.

This is a photograph, as I indicated, of Mary Fish. I said she had six oil wells on her land. She lived in a humble little house and got a couple dollars from them. Somebody else got the money. Who got the money? What happened to the money from the oil wells on this woman's land that led her to die before she had a chance to lead a good life, to have the resources that should have been hers?

I have another photograph, this woman's name is Susan White Calf. She is from the Blackfeet tribe. She is a Blackfeet Indian. She passed away in November of 2007. This picture was in 2001. She took this picture with her grandchildren.

Mr. President, 2001, by the way, was the same year that the Federal courts found that the Federal Government had broken its trust responsibility to the American Indians by this unbelievable mismanagement of Indian trust funds. The Federal Government said: Trust us. We will take care of your funds. We will take care of your assets. Trust us. The fact is, unbelievable mismanagement, some theft, and some looting occurred.

Six years later after 2001, 6 years after the courts found that the Federal Government had broken its trust responsibility to American Indians, Susie died, still waiting to get the money that was owed her for grazing leases on land she owned. This is money that Susie White Calf should have had during her life but did not because the Federal Government dropped the ball, was guilty of unbelievable mismanagement. This problem of mismanagement goes back well into the 1800s.

When you read the stories of how the Indians were cheated and the federal mismanagement, and then take a look at where the records were being stored. It is unbelievable. You cannot even reconstruct the records that were stored in rat-infested warehouses. You cannot find some records, and you find others in rat-infested warehouses.

I ask unanimous consent to proceed for as much time as I may consume.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I will not speak long. Let me continue and finish.

When the historic accomplishment occurred of settling this lawsuit after 14 years between the Federal Government and the plaintiffs, when that historic agreement was reached, I was hopeful the Congress would move very quickly and provide the resources, from the Settlement Fund, that are available to make this settlement work.

I hope very much, if there is a vote—I don't know there will be a vote on the Barrasso amendment—if there is a vote on the Barrasso amendment, I hope very much my colleagues will oppose it.

I say to Senator BARRASSO that the ideas, recommendations, and thoughts he has about this settlement should be presented to both sides who negotiated the settlement. In fact, if Congress were to unilaterally make changes, I think it would void the settlement. Void it after 14 long years and a lot of important work that would culminate in a settlement that plaintiffs have been waiting for and plaintiffs well deserve.

I urge my colleagues, as the Administration has urged, let us not unilaterally go outside the settlement that has been structured and negotiated. Let's decide to do what I believe Congress has a responsibility to do.

The longer this drags out, the more the American people see what was done to American Indians, the more people see how badly some of these people were cheated. Yes, this woman, who never got her money and died long before that money was ever available. Yes, this woman, who lived humbly all her life with six oil wells on her land and got virtually nothing from it. Do we have to continue to talk about these issues, or should we settle this and do what the Federal Government should do: own up to its responsibility, say we have done wrong here, say we will fix it now, say the trust accounts are going to work the way they should work. But to recompense for past mistakes and for money that was not given to the first Americans that the Federal Government promised would be theirs, that belonged to them, came from their lands, let's not interrupt that with an amendment on the floor of the Senate on this legislation. Let us instead decide we will ratify this agreement and put this behind us.

It is a very sad, sorry chapter in the history of this government in the way they have treated American Indians.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. KAUFMAN. Mr. President, I ask unanimous consent that the previous order regarding debate be extended to 1 p.m. under the same conditions, and limited.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. KAUFMAN. Mr. President, I ask unanimous consent to speak as in morning business for up to 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESTORING MARKET CREDIBILITY

Mr. KAUFMAN. Mr. President, I have always believed—and I have spoken many times on the Senate floor—that the two most important things that make America great are democracy and free capital markets.

But over the last year, as many of my colleagues are aware, I have become deeply concerned that the credibility of our stock markets—one of our Nation's most precious national treasures—can no longer be taken for granted.

On May 6, when the markets yo-yoed up and down, plunging 573 points in a mere 5 minutes before recovering 543 points in the next 90 seconds—it was nothing less than an embarrassment.

The strength of our stock market depends on its ability to establish an accurate price for a company's fundamental value that reflects a consensus among buyers and sellers at any given moment.

In that capacity, the markets failed, in fact they spectacularly failed, for a harrowing 20-minute time period.

In the aftermath of May 6, the integrity of our markets has been questioned, and investor confidence has been shaken.

In order to restore market credibility and instill confidence among the investing public, regulators and lawmakers alike must act wisely but urgently to fix the structural schisms that plague today's capital markets.

That is why I am encouraged, and relieved, that Mary Schapiro, the Chairman of the Securities and Exchange Commission, clearly understands what is at stake.

Testifying before the Senate Subcommittee for Securities, Insurance, and Investment on May 20, she said:

> I believe the markets exist for public companies to raise capital, to build businesses, and create jobs, and they exist for investors to support that activity. And those are the number one and number two purposes of markets. And everything else from my perspective has to be put into the context of those two goals.

At a panel last week in Montreal at the International Organization of Securities Commissions, Chairman Schapiro reiterated that point, saying the SEC needs to . . .

> [E]xplore whether bids and orders should be regulated on speed so there is less incentive to engage in this microsecond arms race

that might undermine long-term investors and the market's capital-formation function. The markets have to serve that function for companies to raise money, create jobs and allow the economy to grow . . . We are also looking at whether and to what extent pre-trade price discovery is impaired by the diversion of desirable, marketable order flow from public markets to dark pools.

I couldn't agree more with Chairman Schapiro.

May 6 made clear what many have long claimed: today's overly-fragmented marketplace, which seems to favor speed over substance, and trading over investing, may be inhibiting the capital-formation process and failing to protect the interests of long-term investors.

If that is the case, then regulatory action is needed urgently.

Simply put, do stock prices adequately reflect the economics of the companies they represent?

On May 6, when liquidity vanished and established companies like Accenture traded briefly for a penny a share, the answer to the question of whether our markets are performing their central function was clearly no.

But rather than an aberration, it appears that the May 6 flash crash was no isolated event.

On June 2, we saw yet another ''mini-flash crash'' in the stock of Diebold, a technological services company.

Prior to 12:22 p.m. that day, Diebold had traded at around $28 per share and within a range of roughly 80 cents.

In the next minute, the rug was swept out from under Diebold as 399,000 shares were traded and Diebold's stock price plunged 35 percent to $18.

By 12:40, Diebold was once again trading at $28 per share.

The sudden decline in price appeared to be in response to news of Diebold's settlement with the SEC over fraudulent accounting practices, which Bloomberg began reporting at 12:25 and Diebold confirmed with a press release a little more than an hour later.

The SEC should investigate both the manner in which the news broke and the trading activity that followed it.

In the aftermath of the extreme plunge, questions have been raised concerning the manner in which the SEC filed the complaint, which data feeds first reported it, and the electronic overreaction to the news—all of which suggest that the severe volatility in Diebold could have been largely avoided altogether.

The SEC was actually resolving an old investigation with Diebold, the settlement of which had been previously disclosed, and not making any new accusations against the company.

But when word of the complaint reached Bloomberg or other sources, it led to a ''trigger'' that potentially activated algorithms programmed to react immediately to breaking news. This may explain why trading activity in Diebold exploded shortly before the story broke publicly.

Notably, the SEC filed the complaint manually at the U.S. Federal District Court in DC during market hours rather than using the Public Access to Court Electronic Records—PACER—filing system.

Mr. President, regulators should add to their list the need to examine whether the precipitous drop in Diebold stock was the result of high frequency traders who can subscribe directly to market data and news feeds and perhaps had programmed faulty correlations into their algorithms to react to breaking news events.

Indeed, with so much of the marketplace dominated by high frequency traders employing similar strategies, an overreaction by a few algorithms looking to trade instantaneously on the basis of imprecise correlations could trigger a dramatic plunge.

While the algorithms' calculations may be accurate ''most of the time,'' the chaos that ensues when they are not inexcusably undermines investor confidence.

In the Diebold case, once the algorithmic overreaction became clear, humans with actual knowledge of Diebold's true fundamentals quickly intervened. It is no surprise, then, that the stock price rebounded so quickly.

Though volatility has always been present in the markets, we see that without human judgment the speed of trading can indeed lead to very brief ''bungee jumps'' for individual stocks whenever there is a significant news event.

At the same time, regulators should also consider whether the extreme volatility in Diebold's stock is yet another example of sell orders breaking through a ''razor-thin crust'' of liquidity provided by high-frequency traders.

As we saw on May 6, the high-frequency traders who fill the order books on many market centers provide only ''fleeting'' liquidity, particularly in periods of market stress or uncertainty.

This is because many high frequency traders prefer to continuously place and cancel small, rapid-fire orders rather than risk letting their orders sit on public venues where they would increase order book depth and promote orderly markets.

Regardless of what caused Diebold's ''bungee jump'' or the May 6 market meltdown, we should all agree that such unusual market activity strikes at the very heart of our market's credibility.

Even if the SEC's circuit breaker pilot program—which would halt trading for 5 minutes in any S&P 500 stock that experiences a 10 percent price change in the previous 5 minutes—were in place, market and stop-loss orders would still remain vulnerable to a 10 percent insta-drop.

This situation undermines the confidence of long-term investors.

Mr. President, the Diebold incident and other factors from May 6 make me concerned about what our markets have become.

According to a research group survey of 145 market participants conducted in the weeks following May 6, I am not alone.

The Executive Summary of the survey results states overall investor confidence in the existing market structure is waning.

The summary says:

Barely half of all participants have at least a high degree of confidence in U.S. equity market structure; The buy side has the least confidence in U.S. equity market structure. This is particularly demoralizing given they are the guardians over much of our nation's equity investments; Participants no longer believe market structure strongly supports an orderly market; Increasingly, market participants believe that the U.S. equity market structure is not a level playing field.

These results underscore how critical it is for regulators to address problems with the current market structure in order to restore investor confidence and protect the strength and credibility of our capital markets.

Sadly, Mr. President, the fact is that we simply do not have the data we need to assess fully the impact of market structure changes on long-term investors.

Indeed, regulators currently lack sufficient information on the routing history of orders—including those that may go through broker-dealer internalization venues, other dark pools, and multiple exchanges and ECNs before being executed.

The SEC also acknowledges it does not have: ''important information on the time of the trade or the identity of the customer.''

As Kevin Cronin, the director of Global Equity Trading at Invesco, a retail and institutional investment fund, said at a June 2 SEC Roundtable:

There are dimensions of cost that today we do not have the ability to really understand.

Accordingly, I have pushed for the SEC to quickly implement tagging for large traders and a consolidated audit trail in order to gain a more granular view of the marketplace.

Once the Commission has collected the data, it should improve its internal analytical capabilities while also making the data available in masked form to the public, or at least academics and independent analysts, so that objective experts can study market performance comprehensively.

I admit there are no easy solutions, Mr. President, but we need to strive to answer the difficult questions or millions of Americans will eventually lose confidence in our markets and leave what is already starting to look like a ''casino.''

In that regard, Chairman Schapiro again appears to be on the right track. Regulators must consider, as she said, whether high frequency traders should be subject to speed limits and whether deep and valuable liquidity is being shielded from the public marketplace.

Our markets should not be reduced to a battle of algorithms in which capital formation is an afterthought and long-term investors are relegated to second-tier status, nor should the public ''lit'' markets house only ''exhaust'' order

flow that is passed over by those who trade in dark pools.

Perhaps high-frequency traders who claim to be ''modern-day market-makers'' should be subject to some quoting obligations like their traditional market-maker predecessors.

Setting reasonable speed limits on how quickly such traders can withdraw their bids and offers, as Chairman Schapiro alluded to last week, could help level the playing field and make the markets safer and more stable for all investors.

I have also proposed requiring exchanges and market centers to allocate costs at least partially based on message traffic share.

Cancellations, of course, are not inherently bad—they can enhance liquidity by affording automated traders greater flexibility when posting quotes.

But with as many as 98 percent of orders placed on Nasdaq cancelled or otherwise unexecuted on a given trading day, their use is clearly excessive.

Those who choke the system with cancellations make the markets less efficient for investors. And they should pay the price for the inefficiencies they create.

Exchanges cater to high frequency traders in a variety of ways, by electing not to charge them for high cancellation rates, and providing co-location services for their computers right next to the exchanges' own servers.

Fortunately, co-location and direct market data feeds appear to be on the regulatory radar—the CFTC proposed a rule last week to ensure exchanges provide ''fair access'' for, and increased transparency of, co-location services.

But new practices that further threaten market integrity have recently come to light.

Several market participants, including institutional investment adviser Southeastern Asset Management, have said exchanges are releasing private information on investor orders, including details on the total shares an investor has accumulated and other data that could be used by high-frequency traders to trade ahead of investor orders.

It is important to remember that these potentially disadvantaged institutional orders represent the tens of millions of Americans who invest in mutual, pension, and retirement funds.

These market practices, among many others, underscore how critical it is for regulators to keep pace with market developments. The May 6 flash crash and the miniflash crash in Diebold a month later have sounded the alarm that the very credibility of our market is at stake. While regulators must continue to rely on data to drive the rulemaking process and be mindful of unintended consequences, they cannot delay in tackling the problems that leave us vulnerable to another flash crash today.

As an engineer and a graduate of Wharton Business School, I understand and appreciate as much as anyone the importance of innovation and technological development. I want to make it clear I am not interested in banning high frequency trading or dark pools, nor am I advocating a return to the horse-and-buggy system. But new technologies must operate in a regulatory framework that considers both positive and negative consequences. If the public marketplace has been reduced to a battle of algorithms in which liquidity is fleeting and inaccessible when investors need it the most, and if the deep liquidity that is so critical to establishing accurate prices—particularly during times of market stress—is largely traded in dark pools, that must be carefully but urgently remedied.

As John Wooden, the legendary UCLA basketball coach who passed away 2 weeks ago, used to say, ''Be quick, but don't hurry.''

Be quick, don't hurry.

The SEC and CFTC must adopt the same philosophy as they confront the great challenges before them.

''Be quick, but don't hurry.''

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KAUFMAN. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KAUFMAN. Mr. President, I ask unanimous consent that the time used during the quorum call be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KAUFMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I understand the time has been divided during this debate until 1 o'clock. Can I learn how much time is available on our side?

The PRESIDING OFFICER. The majority has 15 minutes remaining.

GULF OILSPILL

Mr. DORGAN. Mr. President, I want to discuss briefly the President's remarks last evening to the Nation about the oil spill in the Gulf of Mexico and the actions that this administration has been doing to address that. I would also like to discuss issues related to BP, the company that leased the area offshore and drilled the exploratory well which exploded in the gulf.

First of all, I know there is a great deal of anxiety, nervousness and anger about all this. I understand all that because all of us are frustrated that the oil continues to flow. It is a mile down beneath the surface of the water, which is known as a deepwater well. All of us are frustrated that this spill has not been contained. But the President did not cause that spill, and the President himself cannot fix it.

I do know this though. The Secretary of the Interior, the Secretary of Energy, and many other senior administration officials have brought together the best minds in the world as a team to try to evaluate what kinds of technologies and actions that can be used to fix that leak and stop that gusher. They have consulted many experts. They have consulted the Norwegians who drill in the North Sea in deepwater drilling. They have consulted with many interests. While it is not a case where they have not done everything conceivable to shut down that spill, and I think, as the President suggested last evening, we are beginning to make some good progress.

Then the next issue is how do you deal with the impact on the coastal regions in the Gulf of Mexico. This is unbelievably devastating to these States. How do you deal with that? As I have indicated, what about the guy who has a fishing boat on the pier. The pier is deserted. The boat sits at the end of the pier. There is no opportunity to fish.

And that person has to make a payment on the boat each month. What about that person and what about the tens of thousands of others like him? What about the ecological and environmental damage that has been caused as well? All of those issues are critically important.

I appreciate the fact that the President gave a speech to the Nation. I think it was important to do that. I also appreciate the fact that this administration was on this very quickly. But it is frustrating for them and for all of us that the leak from that well has not been stopped.

I do want to mention the issue of BP because the President mentioned it last night, and we have talked about it before. BP has said they will stand behind all legitimate claims and reimburse people for those impacts. I said last week—and I know the President has also now said it as well. It is one thing to make a pledge but another to follow through on a commitment. We have heard about pledges before. In the Exxon Valdez disaster, Exxon made a pledge to pay for the economic and other damages but then fought it for 20 years. A whole lot of folks died before they saw the result of what they were promised. So pledges are one thing. I want a binding commitment from the responsible party. If BP says they are going to stand behind this—if they do not stand behind this, the taxpayers will eventually end up picking up the tab. So the issue is, if BP says: We pledge this, I say that is fine, let's make it a binding commitment. Put the money in a recovery fund. You can call it what you want—a trust fund, an escrow account, a recovery fund. Put the money in there so we know it will

be available for use to those who have been impacted. I also think that there needs to be some sort of special master work to find a mechanism by which you begin to get the money out to the people who are hurting. That is what needs to be done.

There is debate about whether BP should pay a dividend to its shareholders that it announced several weeks ago. Of course they should not pay a dividend. There ought to be no dividend at this point. They need to have the money available to recompense all of the damages for all of the people and all the natural resource damages that have occurred as a result of this devastating gusher a mile under the ocean. So I don't want them to pay a dividend. They shouldn't be talking about a dividend. All of the discussion ought to be about how much money you put in this recovery fund.

Thad Allen has written to BP saying: How about some more transparency in how your are making decisions to compensate communities and individuals? I know BP has paid some funding to people, but Thad Allen has said: How about some increasing transparency? Let's find out what you are paying, whom you are paying, how you are paying. What is the criteria? How about some transparency here? We shouldn't have to be asking those questions. The money ought to be put in a fund, and that fund ought to be administered by people who are putting together the criteria by which we address the problems that are being confronted by people all up and down the Gulf Coast. That is what ought to happen.

Another company that is responsible here is Transocean. By the way, Transocean was the company who BP leased the mobile offshore drilling unit from, and they were drilling under contract for BP. They are going to have some responsibility as well, I expect.

Let me give you a description here because it is so symbolic of what is happening too often in this country. Transocean was an American headquartered company, but they moved to Switzerland not too long ago. Why did they move to Switzerland? I assume so they do not have to pay American taxes. Go find a tax haven so you do not have pay taxes to the United States. So they have, as I understand it, about 1,200 employees working in Houston, TX, and about 12 employees in Switzerland. Yet they declare Switzerland their headquarters.

They had a meeting in Switzerland some weeks ago and decided they were going to pay a $1 billion dividend to their shareholders. They ought not be paying dividends either. They, too, ought to keep this funding available in case it is needed—when it is needed—to be helpful to the people on the Gulf Coast who are seeing these unbelievable impacts. So they ought not be paying dividends at all.

Again, we should be asking questions about Transocean. Is it a big company that should have some liability here? I guess so. It operates 140 mobile offshore drilling units. It is the world's largest offshore drilling contractor. But again I say, as I have said before, why is it that when you pull the pages back and unearth the story, you discover, that this is a company that moved its headquarters for tax purposes? They first went to the Cayman Islands and then went to Switzerland. Yet, hey have a handful of people in Switzerland and most of the people in Texas. Why does it not want to be an American company? I guess to avoid paying U.S. taxes. Why is it that all these companies want the opportunity to utilize all that our country has to offer but none of the obligations to the country? It is unbelievable, to me.

But with respect to dividends, I say to BP and Transocean: Don't be doing that. You are going to need that money.

Let's make a binding commitment—no more pledges. That old movie, ''Jerry McGuire,'' where Cuba Gooding, Jr., says, ''Show me the money''—show me the money. Let's have that money go from a pledge to a binding commitment in a recovery fund, and that will give a whole lot of folks who are hurting today some feeling that maybe, just maybe, they are going to get helped.

I also wanted to make a couple of other points about how the Senate addresses energy and climate change legislation.

Last evening, the President talked about the need for Congress to take up energy legislation. I agree with that. The fact is, we passed an energy bill out of the Energy Committee last June. I want to debate and vote on it on the floor of the Senate.

There are all of these questions about energy versus climate change. Look, the Energy bill we passed will maximize the production of renewable energy. It will help build the transmission lines, the interstate highway of transmission capability, around our country that is necessary so that you can produce energy where the Sun shines and the wind blows and move it to the load centers where it is needed. It can help do all of these things. It includes provisions for building efficiency and retrofits. It does a lot of things to reduce carbon.

I guess my approach to energy is best described—and I didn't take Latin in a high school of nine students in my senior class. But I call my approach ''totus porkus,'' which probably in Latin would mean something like ''whole hog.'' I think we ought to do everything. Let's do everything and do it well. Let's responsibly produce more oil and gas here and do it the right way. Let's maximize wind, solar and other renewable resources. Let's have the first ever renewable energy standard that says we anticipate that 20 percent. We need to get 20 percent of all of the electricity produced from renewable sources. Let's support biomass and more biofuels. Let's do all of those things and do them well, even as we do them differently, including using coal by capturing the carbon.

By the way, there are a lot of ways to do that. Sandia National Laboratories is working on ways to change the way we think about CO_2. Yes, CO_2 is a major problem, but it can also be a product. Why don't you think of this not just as a problem but a product? What kind of beneficial use can you develop with CO_2 that turns a problem into an asset?

I chair the subcommittee on appropriations that funds the energy research and development for the Department of Energy. We are doing a lot of unbelievable things that take a look at beneficial use of CO_2. Even as we reduce the emissions into the atmosphere to try to protect this planet, we can find ways to use CO_2 in a beneficial way and protect our planet.

My point is this about taking up legislation: Some say, well, you have to bring climate change to the floor of the Senate right now. Look, I don't think there are 60 votes for a climate change bill. But if that is the case, we will see. But at this point, we do know we have a bipartisan bill on energy legislation from the Senate Energy Committee does all of the right things. We ought to try to reduce our dependency on foreign oil and do that soon. We can do that by bringing the Energy bill we have already passed on a bipartisan basis to the floor of the Senate—the sooner the better, in my judgment.

I know we are short of time. I know Senator REID and others—

The PRESIDING OFFICER. The Senator has used 10 minutes.

Mr. DORGAN. We have all talked about the prospects of debating energy legislation and want to do the right thing. I hope, as the President indicated last night, the right thing is to pass good, comprehensive energy legislation that will make us less dependant on foreign oil and begin to address climate change at the same time.

I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I ask unanimous consent to speak for up to 15 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

GULF OILSPILL

Ms. LANDRIEU. I rise today for the purposes of giving some context and commenting in response to the President's speech last night as well as to some of my colleagues who have spoken on the need for a comprehensive energy policy as we move forward. But I would like to begin by just reminding us all that today is the 57th day of what may prove to be one of the most damaging environmental accidents in our Nation's history.

Fifty-seven days ago, the tragic explosion of the Deepwater Horizon took the lives of 11 men and unleashed an uncontrolled and uncontrollable, to date, torrent of oil and gas into the

Gulf of Mexico. It threatens our environment, and it threatens our economy and the wetlands that underpin a way of life, a precious way of life in the gulf region.

I have had the—I guess unfortunate opportunity to spend some time with the widows. And I say ''unfortunate'' because I wish I could have met them under different circumstances. But to hear their remembrances of their husbands, to hear the way they expressed to me the heartfelt commitment their spouses had to this industry and to their work and their call for this work to be more safe, for companies to be held accountable, but also their call—which I think serves as real testimony on their behalf to the American people—their call for this deepwater industry to continue, was very moving to me and to all people who I think have had the opportunity to meet these young and very impressive women. I was proud to introduce the Senate resolution honoring these men and their families. I wish to thank my colleagues for agreeing to this resolution unanimously.

But today I wanted to speak on three important issues relative to this general situation: one, the need for better safety regulations and improvements at MMS; the other, the impacts of this moratoria; and the call for accelerated revenue sharing and an accelerated claims process. First, let me begin with the need for better safety regulations.

There are more than 300,000 men and women who work in the oil and gas industry in Louisiana alone. There are a significant number of them who work offshore and directly support both the offshore and onshore industry. The offshore crewmen know this work can be dangerous. They go through a variety of safety drills and regulations routinely. And we owe it to them to make sure these activities are safer in the future. For this reason, I have fully supported a thorough review of offshore drilling safety standards and have applauded the Department, and particularly Secretary Ken Salazar, for his willingness to clean house at the Minerals Management Service.

This tragedy brought to light an unhealthy relationship that has existed, unfortunately for many years, between the oil industry and the Federal regulators who are called to regulate them, to make sure this industry is safe. That must be changed. The regulators did not have the resources to push back. They did not have the expertise.

We in Congress bear some responsibility for that. And that did not start under President Obama's administration, but it should end under President Obama's administration. This Congress systematically undermanned and underfunded this important agency by not giving it the appropriate attention it needs, and it is our responsibility to fix it.

I look forward to meeting with the man whom the President has appointed or nominated to head MMS. I will be making my own independent decision of whether he is the right person for this position. Until I meet him and talk with him and understand a little bit more about him, I will reserve my judgment.

We need a Minerals Management Service that is to be a proud, competent, and respected industry watchdog. We need the watchdog back. We need the cop back on the beat if we are to ensure that an accident of this magnitude never happens again off our shores. As I have said, Minerals Management—many of these employees are my constituents. One of their main offices is in Metairie, LA. I have been there. I have met many of them, and they are some very good people. But they need to be well managed. They need to be well led. They need to be given the resources they need to do the job they can do if that happens.

The Coast Guard also has a role to play. We should strengthen the Coast Guard's role and make sure that between Interior and the Coast Guard, they are getting the job done for the American people.

Nobody in the country wants this job done better, nobody wants this industry more safe than the people from Louisiana and Mississippi and Alabama and Texas who man these rigs, although, as you know, when you were with me, Mr. President, some of our people said to you in the meeting just last week: We were grateful for the men from Illinois who came down to work on these rigs. So we want people to know we have people from all over the country, from Illinois and Maine who come and do shifts 2 weeks offshore, make a good living for their family, support their families for years. We want it to be safe for everyone.

So I applaud the President and Secretary Salazar for getting MMS back on the right track. That work needs to be done. As I said, the cop needs to be put back on the beat.

Let me speak for a few minutes, though, about this ill-conceived and arbitrary 6-month moratorium. The effort the President is making to ensure this terrible tragedy never happens again is commendable. It is beyond aggravating. It is disgusting. It angers us so much to see the terrible tragedy unfolding on our televisions and to open newspapers across the land and see the most horrific pictures of wildlife being affected, of dolphins and pelicans and birds, precious places to us that we not only work but vacation with our families for many years.

It is very hard to look at those pictures. Americans are suffering through this as we watch this horror movie unfold. But what the President has done could cause even more economic damage than the spill itself, by putting a 6-month moratorium on all rigs drilling below 500 feet.

I know we have to make sure these 33 floating rigs that drill in deep water and the other standard platforms that drill between 500 and 1,000 feet are safe. But I wish to say unequivocally and with the support of the vast majority of the people of my State and throughout the gulf, 6 months is too long. The deepwater industry cannot survive in the gulf with a 6-month pause. This work has to be done more quickly. The commission was announced last month. It was just seated a few days ago. The work is just beginning. There doesn't seem to be a sense of urgency. We need a greater sense of urgency to get this work done.

I was pleased to hear the President say he has urged them to get their work done before the 6-month timeframe. That was a slight step in the right direction. But this work has to be done in a much shorter period than 6 months. These rigs will not stay in the gulf for 6 months idling at a cost of $500,000 a day. They can't be fiduciarily responsible to their investors and do that. They have to move to where they can drill. So they will. We have already received signals they will simply pick up and move off the coast of Africa or Brazil or Cuba or other places—Venezuela—to drill. They can't sit idly in the gulf. We have to figure out a way to make sure they are safe, that this never happens again, and make sure they don't leave. That is the challenge before this administration in the next couple of days and weeks, starting with a meeting I will have with Secretary Salazar this afternoon with a broad coalition of leaders, both from the private sector and the public sector, who are committed to keeping the economy of the gulf coast strong. We have to find a way forward that is somewhere between doing nothing and having all of these rigs leave and not come back for several years. That is one of the points on the moratorium.

Second, I wish to ask the President for his personal support and the support of this body to accelerate revenue sharing, or to accelerate revenue sharing to accelerate a large stream of revenue that is reliable for the Gulf Coast States to be able to rebuild our barrier islands, to rebuild our coast, to sustain this economy and this ecology and this environment over the long run so we can produce the oil and gas this country desperately needs.

Even though this Horizon accident happened 57 days ago, 57 days ago this country was using 20 billion barrels of oil a day. Today, 57 days later, 11 lives lost, the rig at the bottom of the ocean, we are still using 20 billion barrels a day. The President did not say to people last night to park their cars and walk to work. He didn't say that. I didn't hear him say that.

We have to understand we have to continue to drill for oil and gas. But when we drill for oil and gas, the taxes that are paid to the Federal Government and have been paid over the years to the tune of $165 billion to the Federal Government from severances and royalties, that some of that money

come back to the States of Louisiana, Mississippi, Alabama, Texas, and, yes, even Florida, in my view, even if they decide not to drill. They are at risk. They are at the front line. We are not the only coastal States, but we are the frontline coastal States. Those revenues need to come back to us.

We passed a bill some years ago, a bill I worked on for 15 years, called the Landrieu-Domenici Gulf of Mexico Energy Security Act. That bill is in effect. But because of concerns about the deficit, because of a lack of understanding of the urgency by this Congress and past Congresses, that money doesn't come to us until 2017. We can see that is too late. We can see it with our own eyes. We can feel it with our own heart. We can see it is too late now. We needed that money 20 years ago. We needed it 5 years ago. We need it today.

For any energy bill to pass, with all due respect to my good friend, BYRON DORGAN; with all due respect to Senators who have been leading this energy effort, there will be no energy bill. The gulf coast Senators will not allow it. There will be no energy bill of any magnitude without recognizing the vital need for these Gulf Coast States to share appropriately, as interior States share the revenues for drilling. Interior States such as New Mexico, Wyoming, Utah keep 50 percent of the taxes. So the State of Wyoming last year got $1 billion. We could clean up a lot of pelicans with $1 billion. Louisiana got virtually nothing.

Our people are on the front line with oil washing up to their knees, and this Congress basically keeps 100 percent of the money. Those days are over. We are going to have some kind of accelerated revenue sharing in any energy bill. Gulf coast Senators will not allow a bill to pass this floor without something we believe is fair to our people.

The third issue I wish to speak to the President about and to the Congress—and the President mentioned it last night, and I am grateful—is an accelerated claims process. These claims are going to be different than any kind of claim process that has been paid, maybe similar to what happened after Katrina and Rita, as Mississippi and Louisiana and Alabama struggled with how to make people whole. This is going to be a complicated and difficult situation. We have workers who can't work, who were used to making $500 to $1,000 a week, pretty fairly decent wages, not great but decent. They have not been able to work for a long time.

The PRESIDING OFFICER. The time of the Senator has expired.

Ms. LANDRIEU. I ask unanimous consent for 5 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. LANDRIEU. Mr. President, that is a modest wage and a decent wage. But it gets a lot more complicated than that. There are boat captains who were getting their business back after Katrina and Rita, recreational boat captains, fishing captains. Unlike Florida where people will come to the beach and then they will see a boat charter and they will wander onto the wharf and charter the boat, that does not happen in Louisiana because we don't have many beaches. People call from Mexico and Canada and all over the country months in advance and charter a specific boat with a specific captain because we have some of the best fishing in the world. They come with their sons and daughters and their grandsons and granddaughters. They come down with major corporate groups and do this chartering. These companies make millions of dollars a year. They can't work either.

This claims process is going to be difficult. We have restaurants in New Orleans that are 70 miles from the gulf. They have had to either shut their doors or turn down their number of hours of operating or take things off their menus. I don't know how we will calculate the economic damage to them. This is going to be complicated.

We have hotels. We have retirees who own three or four condos. A woman came up to me and said: MARY, my mother is not a business person. She is a retiree. She owns a couple of condos in Florida. That is her retirement income. She rents out these condos. She has had all cancellations this summer. What am I going to do for her?

That is a good question. She will file a claim.

From retirees with condos they rent out to supplement their incomes to fishing boat captains to hotels to restaurants and to the workers themselves, I am glad the President is taking the bull by the horns with this claims process. I hope he is having a frank discussion with Tony Hayward at his office today about that to make sure we don't have one bankruptcy, that we don't have one business, a small business or a medium-size business or a large business that goes bankrupt because of BP's gross negligence in the Gulf of Mexico. They have put the industry at risk. They have put the gulf coast at risk. That claims process needs to work. We have a great job to do ahead of us.

Those are the three points I wished to make. One, we most certainly need to move forward on a balanced energy bill. There will be no energy bill; gulf coast Senators will block anything that does not have immediate help for Gulf Coast States. Let my colleagues be on notice. We can debate the rest of the bill, how we move forward, whether we do nuclear or a portion of drilling or wind or solar. These Gulf Coast States are on the front lines, and we are going to get justice for them in the near future. We are going to accelerate and make the claims process more robust, and we are going to continue to put pressure on the White House and Secretary Salazar, respectfully, but appropriately, to say: Let's get our safety work done in the gulf. We cannot lose this industry. We cannot lose these jobs. Our economy depends on it.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BINGAMAN). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BURRIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BURRIS. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. The Senator may proceed.

Mr. BURRIS. Mr. President, I recognize this is Republican time, and should a Republican come, I will then yield the floor to that colleague of mine.

(The remarks of Mr. BURRIS pertaining to the submission of S. Res. 559 are printed in today's RECORD under ''Morning Business.'')

GULF OILSPILL

Mr. BURRIS. Mr. President, very briefly, in terms of President Obama's speech last night on the crisis in the gulf, I just want to let it be known for the record that I support our President in that speech and every effort he has made in trying to get direction and a solution to the problems we are experiencing down on our gulf coast.

I find it disheartening and disappointing all these commentators who want to attack our President, want him to be angry, want him to act. I have no idea what they want this man to do. But I know this man is doing all he can for the people of America. I ask those commentators to get off of his back, stop attacking the President, who had nothing to do with that problem and is putting everything he has with the resources America has to solve this problem.

This has never happened before in our history. It is a problem beyond comprehension. Yet, still, these Monday morning quarterbacks sit back and criticize and bring out their undocumented types of statements about our President that I just feel emotionally disturbed about.

So I say to all Americans, this President is doing all he can to support this issue we are facing, and you have to deal with BP, you have to deal with Transocean, and you have to deal with Halliburton. Those are the ones who are responsible for this problem. Let's go after them. Make them pay. Make them deal with this and get the solution and, therefore, Americans can move forward.

Thank you, Mr. President.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BURRIS). Without objection, it is so ordered.

The Senator from Florida is recognized.

Mr. LEMIEUX. Mr. President, I come to the floor today to talk about the crisis we are having in the Gulf of Mexico and how it is impacting Florida, with the worst economic and environmental disaster in our Nation's history.

Yesterday, I had the opportunity to be with the President of the United States, along with our Governor, Congressman JEFF MILLER, and other State and local leaders, and we talked to the President about the oilspill and what needs to be done in order to mitigate the damage that is happening to Florida and the other Gulf States.

The most important thing I wanted to stress with the President of the United States is that after capping the well, which is job 1—and we have some confidence and the President reported he hopes by the end of this month at least 90 percent of the oil will be captured from the wellhead—but the next most important priority is keeping that oil from coming on shore.

Right now, there is a slick of oil that is 2 miles wide and 40 miles long. It is oil that has come up, apparently, off the bottom of the ocean. There is this ''lava lamp'' effect that is happening now, where the oil, depending upon the heat of the day, is sinking and rising in the ocean. This is part of that plume that British Petroleum said did not exist, and it is a darker and heavier oil than what we have seen before. This is not merely the sheen that is on the top. That oil is right off the shore of Pensacola.

We need to make sure that oil does not come ashore, does not come on our beaches, does not get into Pensacola Bay, does not go through the Perdido Pass, does not get into those wetlands and marshes. The best way we can do that is to get more skimmers off the coast of Florida.

As of yesterday, there were 32 skimmers off the coast of Florida. That is simply unacceptable. We know from Admiral Allen that there are 2,000 skimmers in the United States. I brought this point up to the President of the United States.

Maybe all of them are not available to come to Florida. But if 500 of them were available to come to the Gulf of Mexico, that would be a huge improvement. There should not be 32 skimmers off the coast of Florida; there should be hundreds of skimmers, especially with this looming threat of this oil coming ashore.

I have asked for weeks that every skimmer that is available in this country and every skimmer that is available around the world be on its way to Florida. I brought up this issue with the President and Admiral Allen. Why aren't there more skimmers? I was told that Admiral Allen is trying to get as many as possible.

We need a sense of urgency to get those skimmers off our shores.

I asked specifically about foreign countries offering aid to bring their skimmers to Florida and the other Gulf States and I was told that we have help from foreign countries, but yesterday the State Department says that 21 offers from 17 countries to bring help to Florida and the other Gulf States have been refused. Which is it? Are they helping or are we refusing them? We have to get that communications mishap, that misunderstanding, under control. If the foreign countries want to bring their skimmers here, we should welcome them, and the other equipment they can bring to help us ameliorate this oil as it comes ashore.

I am going to stay laser focused on this. We are going to do a skimmer watch. Every day I am here, I am going to come to the floor and report to this Senate, this Congress, and the people of the United States how many skimmers are off the coast of Florida. This is something the Federal Government should do. Thirty-two skimmers sounds as though my buddies and I got some boats out there and did it. It doesn't sound like the Federal Government. The lives of the people of Florida are at stake. Their businesses, their livelihoods are at stake.

I was told by the owner of the pier in Pensacola and a lady who worked for him that people are coming to the beach in Pensacola to see the beach one last time, as if they were visiting a friend on his or her deathbed, because they don't think the beach is ever going to look the same. So they are coming with their cameras and they are bringing their children and showing them what a snow-white beach looks like because they don't think they are going to see it again.

I have had grown men—men I have known 10, 20 years of my life, professionals—come up to me with tears in their eyes worrying about what this is going to mean for Florida. Ninety percent of Floridians live within 10 miles of the coast. People move to Florida because they love the water. We have more recreational boaters and fishermen than any other State. We have more coastline than any State in the continental United States. Only Alaska surpasses us in coastline. We have more beaches than any State in the United States. Water is part of our way of life, and we need to see a more robust effort.

I am appreciative of the President on this escrow fund he has set up, and we have just gotten a report that BP is going to put $20 billion into this escrow account. We have been asking for this since the beginning of May. I am glad the President got it done. While I don't always agree with the President, where credit is due, credit should be given, and he should be given credit for this and getting it done. We need those dollars to pay claims. We need those dollars because Floridians are getting mixed results from BP about paying those claims. So I am appreciative of the President for taking the idea, executing it, and getting it done. Now we need to see the same attention to detail and urgency in trying to keep that oil from coming to shore, and I look forward to that.

We have failed from the beginning to understand the scope of this spill. On April 23 we thought there were 200 barrels a day leaking. On April 28 it was moved up to 5,000; May 27, 19,000; June 10, 40,000; today, 60,000 barrels a day. Sixty thousand barrels a day leaking into the Gulf of Mexico. That is 2½ million gallons per day; to date an estimated 146 million gallons. We are eclipsing the Exxon Valdez each week that goes by.

We have to stay vigilant. The President must stay involved. I hope he will come back to Florida. We are going to look for him to lead us through this. No one wants the President to succeed more than I do in this particular matter because it is the livelihood of Floridians. It is our economy and it is our environment that is at stake.

Thank you, Mr. President.

The PRESIDING OFFICER (Mr. BINGAMAN). The Senator from Missouri.

Mr. BOND. Mr. President, I rise today to speak about the Thune amendment.

In a few weeks we will celebrate our Nation's birthday. I find it ironic that 234 years after our forefathers first led the fight for independence with the battle cry of ''no taxation without representation,'' I am hearing similar protests from Missourians today. Their frustration is not only understandable, it is warranted.

Missourians and, I believe, Americans in every State across our Nation have said: No more. They have said no to runaway spending. They have said no to more big government policies. Failing to represent these views, the majority in Congress has fallen down on the job.

It is no wonder that Americans feel as though Washington is not listening since my friends on the other side of the aisle are asking us to ignore our Nation's $13 trillion debt, the largest in our Nation's history, and pass a bill that would add nearly another $79 billion to the deficit.

But there is a better way. There is a more responsible way. My colleague from South Dakota, Senator THUNE, has offered a substitute amendment that is paid for—paid for—cuts the deficit by $68 billion, and includes all the major priorities agreed to on a bipartisan basis by Democrats and Republicans.

In the Thune substitute, of which I am a proud cosponsor, we have a real opportunity to show the American people that we in Washington are listening. We have an opportunity to show the American people we are serious about addressing the most severe financial crisis this country has ever faced, and we have an opportunity for a rare moment of bipartisanship which, in recent years, has become all too uncommon in this body.

As does the proposal from Senator BAUCUS, the Republican alternative extends expiring unemployment benefits

for struggling families until November; and as does the Baucus bill, the Republican alternative extends tax breaks to small businesses which they so desperately need to get back on their feet and start creating jobs. We need to assure them the longstanding tax benefits they depend on will continue.

However, unlike the Baucus bill which the majority is using as a vehicle to increase taxes permanently, increase spending and increase the deficit, the Republican alternative cuts taxes even more by an additional $26 billion, cuts spending by over $100 billion and, according to the Congressional Budget Office, reduces—reduces—the deficit by $68 billion, instead of increasing it.

The Thune amendment also stops the cuts to doctors and provides a 2-percent increase in Medicare reimbursement payments that go to doctors this year, and an additional 2 percent in 2011 and 2012. That is one more year than the doc fix in the Baucus bill, and it is actually paid for, not put on our children's credit cards.

I have heard from doctors across Missouri and they can no longer face the devastating cuts that threaten their livelihood and threaten our seniors' access to care. They are telling me they are going to have to stop taking Medicare patients, because the way Medicare is implemented now, they only get 80 percent of what it costs them to provide the service and they are saying, We just can't cut any more—we can't take any more Medicare patients. Hospitals are saying the same thing. That is before the half trillion dollar cut in Medicare reimbursement comes in. It perplexes me that the majority has not addressed that problem in what they told us was a comprehensive health care law.

Something else that was largely left out of the new health care bill was malpractice reform. The Thune amendment corrects this oversight and enacts comprehensive medical malpractice reform that will save up to $49 billion over 10 years.

My friend from Montana, Senator BAUCUS, takes the opposite approach. The bill he and the majority leader are asking us to support increases spending by $126 billion, including over $70 billion in new and permanent tax increases, and will increase the deficit by $79 billion over the next 10 years. The Baucus-Reid bill is exactly the kind of approach that history has shown us won't work and the American people have told us they don't want.

The American people have had it with Washington-gone-wild policies. They have had enough of the spending, the tax increases, the debt, the bailouts, the big government job-killing policies that have been pushed through Congress and have been supported by the administration. Today, the Republican alternative offers the majority an opportunity to reverse course, to end the out-of-control spending and get serious about fiscal responsibility.

When facing a crisis, words mean very little. To say you are concerned about the debt while voting to increase it means very little to our children and grandchildren who will have that bill on their credit cards and will have to foot the bill in the future. As the old country and western song goes: We need a little less talk and a lot more action. The Thune amendment offers us a real chance to bring sanity back to Washington policies and for Members of this body to show the American people they are serious about meeting needs while also addressing our growing deficit.

I urge my colleagues to join me in supporting the Thune amendment and, after months of ignoring them, finally demonstrate to the American people that, yes, we are listening to them, we are concerned, we are going to do something about the debt, the deficit, and the other problems this country faces.

Mr. President, I yield the floor.

RECESS

Mr. BOND. Mr. President, I ask unanimous consent that the Senate stand in recess.

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2 p.m.

Thereupon, the Senate, at 12:56 p.m., recessed, and reassembled when called to order by the Acting President pro tempore.

AMERICAN JOBS AND CLOSING TAX LOOPHOLES ACT OF 2010—Continued

The ACTING PRESIDENT pro tempore. The Senator from Maryland is recognized.

Mr. CARDIN. Mr. President, I ask unanimous consent that the Senate proceed to a period of debate only until 3:30 p.m., with no amendments or motions in order during this time, and that the time be equally divided and controlled between the leaders or their designees, with Senators permitted to speak therein for up to 10 minutes each, and that the order for recognition for Senator BAUCUS remain in effect.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. CARDIN. Mr. President, before I suggest the absence of a quorum, I ask that the time be equally divided between the majority and the minority.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CARDIN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BROWN of Ohio. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BROWN of Ohio. Mr. President, the Senate will soon vote on the American Jobs Act—a critical bill that would create jobs and help expand small businesses. It would close the tax loopholes that allow far too many large corporations to move jobs overseas. In doing so, it would establish, conversely, tax incentives for American small businesses so they can create jobs in America. We have seen for too many years—and the Presiding Officer, in New Mexico, has seen too many jobs in Albuquerque, Santa Fe, as I have in Cleveland and other cities, move overseas because of trade agreements and bad tax law.

The Senate, we hope, is close to voting on extending unemployment insurance and COBRA subsidies through the extenders bill. Far too many Republicans seem to look at unemployment insurance as welfare. Unemployment insurance is what it is called—insurance. When you have a job, you pay into the unemployment fund. When you are laid off through no fault of your own, you can receive help from that insurance fund. It is as simple as that.

We cannot forget why we are in this untenable position of needing to help small businesses and workers and strengthen the public programs that help Americans find new jobs. We are here because of reckless Wall Street practices brought on by unprecedented greed that has created a crippling recession.

I rise to discuss the Wall Street reform bill, as it is now being negotiated in the conference committee, for a few moments.

Last week, David Wessel noted in the Wall Street Journal—the paper of record for finance, if you will—that when surveyed by the newspaper, leading economists suggested the prevailing belief that the Senate bill didn't go far enough to address the issue of banks being too big to fail.

During the Senate debate, I put forward a proposal with Senator KAUFMAN, of Delaware, that would have addressed the problem by capping the size of megabanks.

Evidence backs up what has been abundantly clear in the last 2 years: Megabanks pose a greater risk and threat to our economy than smaller ones because of the heightened volatility of their assets and activities. Only 15 years ago, the largest six banks in the United States—their total assets were added up to be about 17 percent of GDP. Fifteen years ago, the combined assets of the six largest banks made up 17 percent of gross domestic product. Today, their combined assets make up about 63 percent of the GDP.

Our proposal would have limited the size of bank holding companies at $1 trillion and investment banks at $400 billion. Mr. President, $1 trillion is $1,000 billion. I can't believe people in

this institution would defend, as so many did, that that is not a bank that is too big. Too big to fail, as people as conservative as Alan Greenspan, who is as much to blame for all of this—for the government's total failure during the Bush years to regulate Wall Street—even he said too big to fail is simply too big. Only from the rarefied heights of a glass or ivory tower does $½ trillion appear too limited. Remember, Lehman Brothers had more than $600 billion in assets and liabilities when it failed and sent the markets into a tailspin.

We can all agree that our financial system should never again be on the brink of total collapse and that taxpayers should never have to foot the bill for the mess created by Wall Street. If we want to prevent bailouts, we have to prevent banks from becoming so big that bailouts are necessary. Why wouldn't big banks behave in a risky way when they suspect a bailout will be given? That is why we must not rely on a reactive approach to risks that can undermine our economy. Instead, we must be much more proactive to prevent those risks from ever recurring.

On June 3, Richard Fisher, the president of the Dallas Fed, explained in an important speech why we need to address the size of the megabanks. He said:

> Ending the existence of ''too big to fail'' institutions is certainly a necessary part of any regulatory reform effort that could succeed in creating a stable financial system. It is the most sound response of all. If we are to neutralize the problem, we must force these institutions to reduce their size.

This isn't some far-left or far-right economist; this isn't some bomb thrower; this is Richard Fisher, the president of the Dallas Fed, emphasizing that too big to fail is, in fact, too big.

The Brown-Kaufman amendment wasn't adopted into the Wall Street reform bill that passed this body. Yet I continue to believe that it is essential if we want to prevent giant institutions from driving down the economy. But it is not the only proposal that would address the instability created by the megabanks.

There are several other amendments and issues in the House or Senate bills that I would briefly like to address.

First, the Merkley-Levin amendment ending proprietary trading. Because of Republican obstruction, we were denied the opportunity to vote on that proposal to end the reckless Wall Street gambling called proprietary trading. Opponents of this, particularly from across the aisle, went to such great pains to avoid a vote because I think they knew it had strong support.

The Merkley-Levin amendment would strengthen the Volcker rule in Senator DODD's Wall Street reform bill. It would have barred banks and their affiliates from engaging in proprietary trading, which, in layman's language, is the ''casino gambling'' that has banks selling products to clients with one hand, while betting against the products and their clients with the other hand. That can happen only on Wall Street.

Too many Wall Street banks used their proprietary trading operations to get rich at the expense of their own clients. When those risky bets go bad, American taxpayers are footing the bill. Lehman Brothers' risky bets led to the largest bankruptcy in our Nation's history. Soon thereafter, other Wall Street banks, which also engaged in reckless proprietary trading, brought our economy to the brink of collapse. It is time for Congress to end this self-serving practice where the conflicts of interest are obvious—and dangerous.

Second, Senator LINCOLN's amendment on derivatives. Remember that the five biggest banks control 97 percent of the banking industry's derivatives holdings—five banks, 97 percent. I support Agriculture Committee Chairwoman LINCOLN's proposal, which would separate derivatives dealing from lending at commercial banks.

This provision is important for the same reason as the Merkley-Levin amendment. Sprawling financial institutions increase their lucrative operations at the expense of other more fundamental and traditional banking activities.

Right now, megabank speculation is detracting from their primary job: consumer and small business lending. The fact is, too many banks in New Mexico, Ohio, and all over are simply refusing to lend now. They are not lending the way our economy needs them to do it. This is part of the reason.

The latest report by the Congressional Oversight Panel of TARP, chaired by Elizabeth Warren, looked at how TARP recipients are lending to small businesses. It found that between 2008 and 2009, Wall Street lending portfolios have shrunk by 4 percent, with their small business loan portfolios shrinking by 9 percent. Over the same period, banks' securities holdings increased by almost 23 percent. Traditional lending by the biggest banks, which received 81 percent of government bailout funds, has declined. At the same time, lending to small businesses from medium-size banks, which received 11 percent of the bailout, increased.

Taxpayer-funded assistance, in other words, should not support a bank's gambling, but it should support sound economic growth.

Third, Senator COLLINS' amendment on capital standards was adopted in the Senate bill. It would require the Nation's largest banks to meet, at a minimum, the same capital standards imposed on smaller banks.

Under current law, regulators can often permit large financial institutions to follow more permissive capital standards, while smaller banks are held to a different standard. Capital standards applied equally to all banks would help reduce the risk presented by financial institutions as they grow in size or engage in reckless banking behavior. The principle behind this amendment is sound. Regulators should be empowered to apply and enforce capital standards equally and responsibly—regardless of a bank's size.

Fourth, the amendment Representative PAUL KANJORSKI offered is a provision in the House bill that directs regulators to take action against any financial company that ''poses a grave threat to the financial stability or economy of the United States.'' The grave threat of a large financial institution results from excessive leverage, exposure to other risky institutions, or unstable sources of credit. Because of this provision, Federal regulators could apply stricter prudential standards, limit mergers and acquisitions, and force the selloff of business units and assets.

Finally, there is a provision offered by JACKIE SPEIER in the House which would impose a statutory 15-to-1 leverage ratio on systemically risky banks. Combining this with Senator COLLINS' new capital rule is essential. We tried something like this amendment as part of our larger amendment, with Senator KAUFMAN, in the breaking up of the largest five or six or seven banks.

Placing limits on these banks' leverage—meaning their assets relative to their debt—is critical to ending taxpayer bailouts. They cannot just leverage and leverage, in ratios like Lehman Brothers did, at 30 and 40 to 1. Four of the five largest investment banks were leveraged 30, 35, or 40 to 1 at the time of the financial crisis. That means their assets far outbalanced their ability to cover the debt.

According to the Kansas City Fed, the 20 biggest banks are more highly leveraged than community banks. Because the megabanks are bigger than ever before, bailing them out would cost taxpayers even more than they paid this time.

It is unfair. More important, it is dangerous. The current distortions in the market give privileged, large banks a clear funding advantage. Their implicit government backing is worth up to $34 billion annually. That is Wall Street welfare where large financial institutions continue to receive cheaper rates—maybe 75 basis points is what most economists say—compared to smaller banks.

As the Wall Street reform bill heads into conference, we should not dilute it to appease Wall Street. Wall Street lobbyists are all over this institution—all over the House, all over the Senate. They have already had too much impact on this bill. They have had almost total influence with Republicans. Frankly, they have had too much influence with my political party, too—the Democrats.

We should keep our eye on the ball by stopping financial crises before they start.

I yield the floor. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant editor of the Daily Digest proceeded to call the roll.

Mr. SESSIONS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ELENA KAGAN NOMINATION

Mr. SESSIONS. Mr. President, I want to speak briefly on the President's nomination of Elena Kagan to the Supreme Court. The more we examine her record, the more concerns there are that her legal judgments might be infected by her very liberal political views.

We see strong evidence of that in Ms. Kagan's memos as a clerk on the Supreme Court. In her work as Domestic Policy Adviser in the White House for President Clinton, we see those strong political views. We see strong evidence of this during her time as dean of Harvard Law School.

Perhaps to some in the elite progressive circles of academia it is acceptable to discriminate against the patriots who fight and die for our freedoms, but the vast majority of Americans, I think, correctly know that such behavior is wrong. It has an arrogance about it and, really, it is not ethical.

When Dean Kagan became dean in 2003, she inherited a policy of full, equal access for the military. But she reversed that policy in clear open defiance of Federal law. She kicked the military out of the campus recruitment office as our troops, at that very moment, risked their lives in two wars overseas.

Some have recently attempted to defend this conduct by arguing that she deigned to speak with the student veterans to discuss whether they would coordinate a sort of second-class system for the recruiters who would come on campus to seek young men and women to serve as JAG officers. This all happened after she had defied the law and had shut down those official channels of recruitment at the official recruiting office. But the Harvard Student Veterans Association plainly expressed to Ms. Kagan in a letter to the entire law school that they lacked the resources to take the place of the campus office now closed to the military.

The letter reads in part:

> Given our tiny membership, meager budget, and lack of any office space, we possess neither the time nor the resources to routinely schedule campus rooms or advertise extensively for outside organizations, as is the norm for most recruiting events.

But Ms. Kagan was unmoved. Instead of welcoming the military recruiters on campus, she punished them, relegating them to second-class status, even leading student veterans to arrange recruiter meetings off campus. In fact, Dean Kagan's public comments contributed to a hostile on-campus environment for both recruiters and student veterans alike. In fact, she said she ''abhorred'' the military's recruitment policy—blaming soldiers for the decisions of lawmakers—the Congress—and the President. She called it a ''moral injustice of the first order,'' and participated in a student protest opposing military recruiting on campus.

Stunningly, she expressed sympathy for students and faculty for whom she said ''the military's presence on campus feels alienating.'' Those alienated by the military's presence were not the ones who needed the sympathy, they needed a history lesson. They had the freedom to complain and protest from the safety of Harvard's campus because of the blood and sacrifice of the men and women who wear our uniform.

If you talk to student veterans who were on campus during 2004 and 2005, you will learn many of them felt exploited. Here were people who had just returned from battles in Iraq, dodging enemy gunfire, and they were supposed to quietly hustle the military recruiters through the back door and provide political cover for Dean Kagan.

In a report for NPR, one student veteran who was there summed it up this way:

> Getting us to carry her water on military recruitment through the back door was a bridge too far. I came to view her as a very smooth political person.

Ms. Kagan said her mistreatment of the military was justified by her view that don't ask, don't tell was a ''moral injustice of the first order.'' But don't ask, don't tell was created and implemented by President Clinton. Where was her outrage during the 5 years she served in the Clinton White House? Why would she blame the military? They didn't pass the rule. It was Congress and the President.

So Ms. Kagan didn't take a stand in Washington when she was here, where the policy was adopted, but waited until she got to Harvard and then stood in the way of hard-working military recruiters who had nothing to do with establishing the policy.

Now information has come to light suggesting that Ms. Kagan may even have been less morally principled in her approach than has been portrayed. Around the same time that Dean Kagan was campaigning to exclude military recruiters—citing what she saw as the evils of don't ask, don't tell—Harvard University accepted $20 million from a member of the Saudi Royal family to establish a center for ''Islamic Studies'' and Sharia law. An Obama State Department report concerning Saudi Arabia and the Sharia law concept noted:

> Under Shari'a as interpreted in [Saudi Arabia] sexual activity between two persons of the same gender is punishable by death or flogging.

Ms. Kagan was perfectly willing to obstruct the military, which has liberated countless Muslims from the hate and tyranny of Saddam Hussein and the Taliban, but it seems she was willing to sit on the sidelines as Harvard created a center funded by—and dedicated to—foreign leaders presiding over a legal system that would violate what would appear to be her position. She fought the ability of our own soldiers to access campus resources but not those who spread the oppressive tenets of Sharia-type law.

Perhaps her response was guided by campus politics, but certainly Ms. Kagan lacks any experience as a judge or as a lawyer, and not much as a scholar of law. She hasn't written much. Much of her career has been spent actively engaged in liberal politics not legal practice, and there are serious questions as to whether she would be able to set aside that political agenda that has defined so much of her career. I think that is the test we try to give a fair evaluation of this nominee.

So these are important issues, and she will have an opportunity to discuss her views. I expect many Americans will be listening closely, but it will be important that any nominee to the Supreme Court be able to assure with great confidence the American people—and this Senate—that if confirmed, he or she would be faithful to the law, to serve under the Constitution, and not above it, and not have their political agenda infect their rulings, which must be nonpolitical.

I thank the Chair, and I yield the floor.

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

Mr. REID. Mr. President, I appreciate my friend from Alabama wrapping up his speech.

AMENDMENTS NOS. 4344 AND 4351

Mr. President, notwithstanding the pendency of a motion to concur, I ask unanimous consent that it be in order for the Senate to now consider the Reid amendment No. 4344 in its current form and the Isakson amendment No. 4351; that the amendments be debated concurrently until 2:45 p.m.; that at 2:45 p.m., the Senate proceed to vote in relation to the Reid amendment, to be followed by a vote in relation to the Isakson amendment; that each amendment be subject to an affirmative 60-vote threshold; that if the amendment achieves that threshold, then it be agreed to and the motion to reconsider be laid upon the table; that if they do not achieve the threshold, then they be withdrawn; that no amendment be in order to either amendment; that if either amendment is agreed to, then once the Baucus motion to concur has been made, the amendment be considered incorporated in the motion to concur.

I further ask there be 4 minutes between the two votes equally divided.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Amendments Nos. 4344 and 4351 are as follows:

AMENDMENT NO. 4344

(Purpose: To amend the Internal Revenue Code of 1986 to extend the time for closing on a principal residence eligible for the first-time homebuyer credit)

At the appropriate place, insert the following:

SEC. —. FIRST-TIME HOMEBUYER CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 36(h) is amended by striking ''paragraph (1) shall be applied by substituting 'July 1, 2010' '' and inserting ''and who purchases such residence before October 1, 2010, paragraph (1) shall be applied by substituting 'October 1, 2010' ''.

(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 36(h)(3) is amended by inserting ''and for 'October 1, 2010' '' after ''for 'July 1, 2010' ''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to residences purchased after June 30, 2010.

(d) OFFSET.—

(1) DISALLOWANCE OF DEDUCTION FOR PUNITIVE DAMAGES.—

(A) IN GENERAL.—Section 162(g) (relating to treble damage payments under the antitrust laws) is amended—

(i) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(ii) by striking ''If'' and inserting:

''(1) TREBLE DAMAGES.—If'', and

(iii) by adding at the end the following new paragraph:

''(2) PUNITIVE DAMAGES.—No deduction shall be allowed under this chapter for any amount paid or incurred for punitive damages in connection with any judgment in, or settlement of, any action. This paragraph shall not apply to punitive damages described in section 104(c).''.

(B) CONFORMING AMENDMENT.—The heading for section 162(g) is amended by inserting ''OR PUNITIVE DAMAGES'' after ''LAWS''.

(2) INCLUSION IN INCOME OF PUNITIVE DAMAGES PAID BY INSURER OR OTHERWISE.—

(A) IN GENERAL.—Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end the following new section:

''SEC. 91. PUNITIVE DAMAGES COMPENSATED BY INSURANCE OR OTHERWISE.

''Gross income shall include any amount paid to or on behalf of a taxpayer as insurance or otherwise by reason of the taxpayer's liability (or agreement) to pay punitive damages.''.

(B) REPORTING REQUIREMENTS.—Section 6041 (relating to information at source) is amended by adding at the end the following new subsection:

''(h) SECTION TO APPLY TO PUNITIVE DAMAGES COMPENSATION.—This section shall apply to payments by a person to or on behalf of another person as insurance or otherwise by reason of the other person's liability (or agreement) to pay punitive damages.''.

(C) CONFORMING AMENDMENT.—The table of sections for part II of subchapter B of chapter 1 is amended by adding at the end the following new item:

''Sec. 91. Punitive damages compensated by insurance or otherwise.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to damages paid or incurred after December 31, 2011.

AMENDMENT NO. 4351

(Purpose: To amend the Internal Revenue Code of 1986 to extend the time for closing on a principal residence eligible for the first-time homebuyer credit)

At the appropriate place, insert the following:

SEC. —. FIRST-TIME HOMEBUYER CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 36(h) is amended by striking ''paragraph (1) shall be applied by substituting 'July 1, 2010' '' and inserting ''and who purchases such residence before October 1, 2010, paragraph (1) shall be applied by substituting 'October 1, 2010' ''.

(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 36(h)(3) is amended by inserting ''and for 'October 1, 2010' '' after ''for 'July 1, 2010' ''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to residences purchased after June 30, 2010.

(d) TRANSFER OF STIMULUS FUNDS.—Notwithstanding section 5 of the American Recovery and Reinvestment Act of 2009, from the amounts appropriated or made available and remaining unobligated under division A of such Act (other than under title X of such division A), the Director of the Office of Management and Budget shall transfer from time to time to the general fund of the Treasury an amount equal to the net decrease in revenues resulting from the enactment of subsections (a) and (b).

Mr. REID. Mr. President, my friend from Georgia is here, so I will be very quick. In fact, he can take 3 of the 4 minutes between the votes.

The home buyer credit has been wildly successful in stimulating home purchases. I have heard from a number of Nevadans who have met the April 30 deadline for having a binding contract for a home—and not only Nevadans but all over the country—but are very concerned they will not be able to close their transaction by the end of this month.

The failure to meet the June 30 deadline is not the fault of the home purchaser. Banks, title companies, and closing agents are swamped as a result of the success of this program. Many home buyers are stuck waiting for banks to make decisions on short sales. Unfortunately, the banks making these decisions feel no sense of urgency, leaving home buyers powerless to meet the current deadlines. They simply don't care, as has been shown during this entire period of time. The banks don't care about the home buyers or the homeowners.

My amendment extends the deadline for 3 months. This will give the homeowners time and the home buyers time to close their home purchases. My amendment is fully offset by disallowing a tax deduction for punitive damages paid in connection with a judgment or settlement.

Mr. DODD. Mr. President, I wanted to take a few minutes today to speak in support of the amendment offered by my dear friend and colleague from Nevada, HARRY REID. I am proud to be cosponsoring this important amendment. Last November we passed, with bipartisan support, an amendment that extended the very successful first time homebuyer tax credit and expanded it to the ''move up buyer.'' My good friend from Georgia, Senator ISAKSON was instrumental in crafting this extended and expanded tax credit and I want to commend him for all the work he has done on this issue. Under that legislation, which we worked on together, homebuyers who were eligible for the credit had to sign a binding contract for their new home by April 30 and close by June 30 to receive the credit.

As of April, the Internal Revenue Service estimates that 2.6 million Americans have used the credit. The National Realtors Association reported that home sales rose by 6 percent between March and April this year as Americans clamored to qualify for the credit. That increase marked the third consecutive month that home sales grew. And that is exactly what this legislation was intended to do—spur home sales and bring the housing market back to life.

There are between 55,000 and 75,000 eligible homebuyers who entered into contracts to purchase a principal residence by April 30, but who will not get the benefit of the homebuyer tax credit because they do not close by June 30. There are a variety of reasons this might occur: the seller is unable to secure a timely approval from their lender for sales related to distressed properties; recent natural disasters have damaged the property; or the homebuyer has experienced delays in the processing of their Federal mortgage program application.

This amendment would extend the closing date deadline from June 30 to September 30 so that these eligible homebuyers can still claim the credit. I want to make very clear that this amendment does not extend the credit to new applicants—they must still meet all the eligibility requirements and be under contract by April 30. This amendment just gives them more time to close the deal.

At the end of the day, this amendment is really about fairness for the thousands of homebuyers who might be ineligible for the credit simply because it is taking longer than usual to complete their paperwork. It is simply unfair to allow homeowners who played by the rules to lose this credit due to administrative challenges beyond their control. I also want to note that this provision is fully paid for by denying corporations the ability to deduct punitive damages from their taxable income. Once again, I thank the majority leader and his staff for crafting this fiscally responsible amendment to help homebuyers. I urge all my colleagues to vote for this amendment.

The ACTING PRESIDENT pro tempore. The Senator from Georgia.

Mr. ISAKSON. Mr. President, I will be brief. This deals with two amendments, and both do the same thing, except for the way in which they are paid for.

I appreciate very much Senator REID's interest in this as the leader. I have worked on this issue, as everybody knows, for a long time. We passed unanimously in the Senate last year a home buyer tax credit which ended on April 30 for contract date. Unfortunately, because of the backlog of appraisals and the current FDIC regulation, a lot of people who qualified for the credit are not going to be able to

close by the end of June, and they will lose the credit because we put a June 30 closing date as the deadline for closing the credit earned by the contract of April 30.

Both amendments merely move that June 30 date to the end of September, which gives another 90 days to close the transaction that has already been under contract for 60 days. It ensures Americans they will get what the Senate promised them in terms of the tax credit, if they in fact performed and qualified prior to April 30.

The difference in the two amendments is the pay-for. One is doing away with the deductibility of punitive damages, which is Senator REID's. The other is mine, which takes it from the unspent $50 billion in stimulus money. And the pay-for, by the way, in both cases, is not a lot of money in the scheme of things. It is a lot of money to me and you, but it is $140 million and not $50 billion.

So I would certainly appreciate support for the Isakson amendment, and I appreciate the support of Senators DODD and REID. I yield back the remainder of my time, and I ask for the yeas and nays on the Reid amendment.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There appears to be a sufficient second.

The question is on agreeing to amendment No. 4344.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from West Virginia (Mr. BYRD) and the Senator from Virginia (Mr. WARNER) are necessarily absent.

Mr. KYL. The following Senator is necessarily absent: the Senator from Kansas (Mr. ROBERTS).

The PRESIDING OFFICER. (Mr. MERKLEY). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 60, nays 37, as follows:

[Rollcall Vote No. 191 Leg.]

YEAS—60

Akaka	Feinstein	Menendez
Baucus	Franken	Merkley
Bayh	Gillibrand	Mikulski
Begich	Gregg	Murray
Bennet	Hagan	Nelson (FL)
Bingaman	Harkin	Pryor
Boxer	Inouye	Reed
Brown (OH)	Johnson	Reid
Burris	Kaufman	Rockefeller
Cantwell	Kerry	Sanders
Cardin	Klobuchar	Schumer
Carper	Kohl	Shaheen
Casey	Landrieu	Specter
Collins	Lautenberg	Stabenow
Conrad	Leahy	Tester
Dodd	LeMieux	Udall (CO)
Dorgan	Levin	Udall (NM)
Durbin	Lieberman	Webb
Ensign	Lincoln	Whitehouse
Feingold	McCaskill	Wyden

NAYS—37

Alexander	Cochran	Inhofe
Barrasso	Corker	Isakson
Bennett	Cornyn	Johanns
Bond	Crapo	Kyl
Brown (MA)	DeMint	Lugar
Brownback	Enzi	McCain
Bunning	Graham	McConnell
Burr	Grassley	Murkowski
Chambliss	Hatch	Nelson (NE)
Coburn	Hutchison	Risch
Sessions	Thune	Wicker
Shelby	Vitter	
Snowe	Voinovich	

NOT VOTING—3

Byrd	Roberts	Warner

The PRESIDING OFFICER. On this vote, the yeas are 60, the nays are 37. Under the previous order requiring 60 votes for the adoption of the amendment, the amendment is agreed to.

Mr. DURBIN. I move to reconsider the vote and to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4351

The PRESIDING OFFICER. Under the previous order, there is 4 minutes equally divided on the Isakson amendment No. 4351.

The Senator from Georgia.

Mr. ISAKSON. Mr. President, this is a tax credit extension, as with the previous amendment, but with a different pay-for. The previous was deductibility of punitive damages. This one is from the stimulus money. Both accomplish the same thing, which is allowing Americans who qualified for the tax credit by contracting by April 30 to close by September 30 rather than by June 30. The reason we are pushing it forward is because FDIC rules, regulatory rules and appraisal rules, are forcing closings taking as long as 120 days. This doesn't give anybody a credit who hasn't already earned it. It just allows them to take advantage of it by protracting the closing date so they would have enough time to close. I urge a positive vote on the Isakson amendment.

The PRESIDING OFFICER. Who yields time in opposition?

The Senator from Montana.

Mr. BAUCUS. Mr. President, I oppose this amendment. Recovery act money works. It adds to reducing unemployment. It adds to the economy. It is very productive. It is helpful. It makes no sense to cut back recovery dollars that work, that help our economy. I, therefore, strongly oppose the amendment.

Mr. ISAKSON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

All time is yielded back. The question is on agreeing to the amendment.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from West Virginia (Mr. BYRD) and the Senator from Virginia (Mr. WARNER) are necessarily absent.

Mr. KYL. The following Senator is necessarily absent: the Senator from Kansas (Mr. ROBERTS).

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 45, nays 52, as follows:

[Rollcall Vote No. 192 Leg.]

YEAS—45

Alexander	Crapo	Lugar
Barrasso	Dorgan	McCain
Bayh	Ensign	McConnell
Bennett	Enzi	Murkowski
Bond	Graham	Nelson (NE)
Brown (MA)	Grassley	Nelson (FL)
Brownback	Gregg	Risch
Burr	Hatch	Sessions
Chambliss	Hutchison	Shelby
Coburn	Inhofe	Snowe
Cochran	Isakson	Thune
Collins	Johanns	Vitter
Conrad	Klobuchar	Voinovich
Corker	LeMieux	Webb
Cornyn	Lincoln	Wicker

NAYS—52

Akaka	Franken	Mikulski
Baucus	Gillibrand	Murray
Begich	Hagan	Pryor
Bennet	Harkin	Reed
Bingaman	Inouye	Reid
Boxer	Johnson	Rockefeller
Brown (OH)	Kaufman	Sanders
Bunning	Kerry	Schumer
Burris	Kohl	Shaheen
Cantwell	Kyl	Specter
Cardin	Landrieu	Stabenow
Carper	Lautenberg	Tester
Casey	Leahy	Udall (CO)
DeMint	Levin	Udall (NM)
Dodd	Lieberman	Whitehouse
Durbin	McCaskill	Wyden
Feingold	Menendez	
Feinstein	Merkley	

NOT VOTING—3

Byrd	Roberts	Warner

The PRESIDING OFFICER. On this vote, the yeas are 45, the nays are 52.

Under the previous order requiring 60 votes for adoption of this amendment, the amendment is withdrawn.

Mr. REID. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. REID. Mr. President, I ask unanimous consent that debate be extended until 4:30 under the same conditions and limitations of the previous order; further, that during this period, any quorum calls be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I suggest the absence of a quorum, and I ask that the time during this quorum call be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FRANKEN). Without objection, it is so ordered.

AMENDMENT NO. 4333

Mrs. HUTCHISON. Mr. President, I rise today to speak on the Thune amendment. This is the Republican alternative. Of course, we now know the Baucus package did not get the 60 votes required to go forward and, therefore, we are now looking at the Republican substitute and waiting for a new bill to come from Senator BAUCUS.

I think it is so important that our Senate say to the American people

that we know the debt being created in this country is unsupportable. Our bailouts have skyrocketed, our spending, our borrowing, now taxing—it is more than the American people can stand.

Our national debt now tops $13 trillion. Since President Obama took office 18 months ago the debt has grown by over $2.4 trillion. The President's budget shows there is no end in sight. It doubles the national debt in 5 years and triples it in 10.

In order to sustain this current spending level, the Federal Government is being forced to borrow 40 cents for every dollar it spends this year. The Federal Government is spending 67 percent more than it is earning. This is similar to a household that earns $62,000 but spends $105,000.

From whom are we borrowing that money? We owe China over $900 billion, Japan nearly $800 billion. Every household in America knows what it is like to set a budget. They know what the income is, and they know how to stick with it. It involves setting priorities, making tough decisions, and discipline.

The bill we are debating on the Senate floor today includes important policies that are national priorities, and I support many of them. However, it is time that the Federal Government does what every other household does; that is, pay for our priorities.

Here is what the Thune amendment does. It extends the expiring unemployment provisions until November, the expired tax provisions, including the local and State sales tax deduction through the end of the year. So we know that any of the expired tax cuts that people have been counting on that have been in place for several years would go through the end of this year so people would know that is at least one stabilizing force on which they can count.

It drops the job-killing tax increases in the Baucus substitute. The Thune amendment proves that government can make the tough choices. The Thune amendment is paid for. According to CBO, it cuts taxes by $26 billion, it cuts spending by over $100 billion, and it reduces the deficit by $68 billion over the next 10 years. It shows the American people that this Senate is serious about stopping the deficit spending we have seen in the last 18 months.

Spending cuts in the Thune amendment: one, it rescinds the unobligated stimulus funds; two, it imposes a 5-percent, across-the-board cut in government spending for all Federal agencies except the Veterans' Administration and the Department of Defense; three, it freezes for 1 year Federal employee salaries, including, of course, Congress. It is very important that our Federal employees have the same kinds of restrictions that most Americans are feeling right now. It is a freeze, not a cut, in Federal employee salaries. It requires the selling of $15 billion of unneeded and unused government property.

I believe the doctor fix that we have done in a patchwork way year after year since the balanced budget amendment is now another patch.

Medicare pays doctors in a fundamentally broken way. It has become an access-to-care crisis for our seniors. Too many seniors are unable to find a doctor who takes Medicare because the Federal Government has proven time and again that it is an unreliable business partner. We need a long-term solution so that the best and brightest in our country will choose medicine for their career and will choose to serve Medicare patients. Medicare is supposed to make seniors comfortable that they will be able to get medical care, but so many Medicare patients cannot find good doctors; they can't go to the doctors they want to see because the doctors have just said: I have had enough.

In Texas, over 60 percent of our counties are considered health professional shortage areas. The number of medical school graduates choosing primary care has dropped 50 percent since 1997. Fifteen medical specialties have reported physician workforce shortages, and we could face a physician shortage of more than 150,000 physicians in the next 15 years.

The Thune amendment provides over 2 years of a positive update for our Medicare physicians paid for by the kind of tort reform that has saved Texas doctors so much. The tort reform has brought down insurance premiums in Texas and we have increased our number of doctors since tort reform was enacted.

We could do the same thing at the Federal level, and then the many counties I hear about from my colleagues all over our country that don't have a primary care physician or don't have an OB–GYN physician would be able to start seeing an influx of medical personnel back into the practice of medicine.

We can do something good for America. We can show America that Congress understands that this debt is unsustainable, if we pass the Thune amendment. It is essential that we pass an amendment that will pay for the extension of unemployment insurance, that will not have any more deficit spending and not increase taxes.

We need to continue the cutting of taxes so that our businesses will feel they can hire people, so that we will have an economy that can be sustained without sending more and more money to the Federal Government, which is growing bigger and bigger. We need business to grow, to hire people, to get our economy going again so that all of the sectors, including retail as well as manufacturing, will survive in our country.

It is my hope we can pass the Thune amendment. It is fully paid for, it will not have deficit spending, and it will cut taxes rather than increase taxes on businesses. That is the alternative that we think is important for America to see.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant editor of the Daily Digest called the roll.

Mr. BAUCUS. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MOTION TO CONCUR WITH AMENDMENT NO. 4369

(Purpose: In the nature of a substitute)

Mr. BAUCUS. Mr. President, pursuant to the previous order, I move to concur in the House amendment to the Senate amendment to the bill with an amendment I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS] proposes an amendment numbered 4369 to the House amendment to the Senate amendment to H.R. 4213.

Mr. BAUCUS. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. BAUCUS. Mr. President, this is a new substitute amendment. We voted on an earlier version today. This is a new one. It still addresses many of the same issues as the last substitute, but it is smaller. It has fewer dollars involved and it is more paid for. The majority of this amendment is now offset. Most of the dollars spent in this amendment are offset, not by a lot but still the majority—more than half. All of the amendment is offset except for two matters: the unemployment insurance and the aid to the States under Medicaid; that is, the safety net provisions are not offset—those two. Everything else is offset. That means we do pay for changes to how doctors are compensated under Medicare. That is paid for. We do pay for all the changes to the tax laws. They are paid for as well.

We also made changes to the provisions regarding S corporations and carried interest. I will have more to say about those tomorrow, but suffice it to say that the S corp changes address some of the administrative concerns and burdens some Senators had as we were attempting to stop the abuses of some professional S corps, the abuses they have been conducting. Frankly, they have been paying themselves a very small salary. These are professional corporations primarily. Then they pay themselves dividends. Because dividends are not wages, they avoid payroll taxes. They avoid the FICA tax and avoid paying the Medicare tax. That is something we are trying to stop. The substitute still addresses that abuse but in a way that is less burdensome to bona fide S corporations. The carried interest provisions generally soften some of the provisions that were contained in the substitute.

The bottom line is that we listened. Several Senators had some concerns about the earlier substitute. We heard those Senators, and we have adjusted the amendment accordingly.

We believe this amendment can provide a path forward. We believe this amendment can complete our work on this bill. We believe this amendment can help to enact into law help to people who need help, the unemployed, and States under Medicaid and also help create jobs our constituents are demanding. The tax provisions will have that effect.

I very much hope that when we get to the substitute amendment vote, we will get the necessary votes to pass it. I am looking for something above 60, north of 60, so we can move forward to other measures.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

Mr. KAUFMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BEGICH). Without objection, it is so ordered.

Mr. KAUFMAN. Mr. President, I ask unanimous consent to speak as in morning business for up to 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

FINANCIAL REFORM

Mr. KAUFMAN. Mr. President, it has only been 2 years since we had an extremely painful financial crisis that almost brought down our entire economy.

To try to address the root cause of the crisis, we are currently nearing completion of a long and arduous process to develop a comprehensive financial reform bill.

The world is watching to see how strong a bill this Congress will produce, and we need to show leadership. Yet I fear that instead of putting in place strong structural reforms as a model for other nations, we are deferring too much to the discretion of regulators who have failed in the past, and to international negotiations—currently underway in Basel, Switzerland—that have all too often resulted in global standards that were the lowest common denominators.

Capital flows easily across borders, and so the United States needs to provide leadership and then produce harmonized global standards. Instead, I fear we are doing the opposite. We have hollowed out our national response so that we can negotiate with a free hand on the global stage—after Congress showed the world that we lack the political resolve to impose hard measures.

This is why we have heard a common refrain that statutory requirements on capital or other prudential standards will tie regulators' hands during these international negotiations. We heard it before on the Brown-Kaufman amendment to restrict the size, leverage, and risk of our megabanks. Now we hear it on the Collins amendment.

Senator COLLINS's commonsense provision would ensure that bank holding companies and systemically significant nonbank financial institutions are subject to capital and leverage requirements as stringent as those that insured depository institutions face under existing prompt corrective action regulations. This provision would raise the capital bar for our largest financial institutions, requiring them to hold more committed and reliable forms of capital; namely, common equity and retained earnings. As my colleagues will recall, it passed by a voice vote during the Senate debate.

Now there is the threat that the Collins amendment might be eliminated for the sake of ''international negotiations.'' Mr. President, I fear this is a recipe for a global race to the bottom for two reasons: First, a tepid response by the United States may also undermine other countries' consideration of tough reform measures. For example, the U.K. is studying whether to break up their megabanks. But some in the U.K. have suggested that since the United States isn't taking this preemptive action, the U.K. would not do it either.

Second, some countries' regulators appear to be wedded to the status quo, and we are only reinforcing the impression that tough measures are not needed. Remarkably, only weeks before the European Government and the IMF cobbled together an almost $1 trillion bailout of European megabanks, one French Government official stated:

> The situation is completely different here, and the system that was in place has not worked badly and does not need to be overhauled.

Regulators from Germany, France, and Japan, among others, are opposed to having a leverage requirement and a more strict definition of what constitutes capital.

Leaving aside the opposition of many countries to the very concept of a leverage capital requirement, there are those who still indicate that the quantitative requirement must be set through the Basel negotiations. In fact, Treasury Secretary Geithner said:

> By the end of this year, we will negotiate an international consensus on the new ratios.

Why does it strengthen our negotiating hand for the Congress to have failed to enact hard rules? Moreover, it is tougher to imagine how we can set a number on leverage when we don't even have an agreement on how to measure leverage, since the United States follows GAAP accounting standards while the rest of the world follows IFRS. It is unlikely we will have uniformity, or even harmonization of those rules, for many years—if we ever will at all. While the accounting standard issue is often overlooked, it should go without saying that it is a more basic and first-order problem.

Most important, for what are we negotiating? The history of international capital standards is that of colossal failures—Basel I, Basel II, and now Basel III. Instead, we have a sovereign banking failure and should be establishing a sovereign solution.

If other countries want to permit banks to become risky and fail—such as what Europe may be facing due to the European debt crisis—let them learn the hard lessons America has already learned.

Let me briefly review the history of the Basel accords, which should stiffen the resolve of the conference negotiators to include measures that will prevent another financial crisis caused by U.S. megabanks.

The Basel I Accord was a crude apparatus that established numerical requirements for the amount of capital that banks need to set aside based upon how risky the assets on their balance sheets were perceived to be. Different types of loans and assets were lumped into risk buckets. Some received lower risk weights, while others received higher risk weights. However, those weightings were arbitrary determinations that did not even take into account basic risks—most notably credit risk—associated with loans and other financial assets that banks hold.

Under the Basel I system, a bond issued by a blue chip AAA company such as Johnson & Johnson would have had a much higher risk weight than a subprime stated-income loan, a loan to Greece, or a loan to Lehman Brothers. Not surprisingly, banks were able to easily game—or arbitrage—these capital requirements in a way that generally increased their risk profile. Banks were able to cherry-pick high-risk, and therefore, high-return assets that had low capital requirements because of the risk bucket in which they were placed. Banks also got around the Basel I requirements by shifting more assets off their balance sheets.

The Basel II Accord, which was agreed to in 2004, was the culmination of several years of negotiations. While it was intended to address the flaws of Basel I by making capital requirements more risk sensitive, it actually created bigger problems.

Most notably, the accord's complexity and sophistication masked a deregulatory philosophy that sought to make determinations on capital adequacy dependent on the judgments of rating agencies and, increasingly, the banks' own internal models. By outsourcing their regulatory responsibilities to the banks that they were supposed to regulate, bank regulators were making an implicit admission that the size and complexity of the megabanks had exceeded their comprehension.

Unfortunately, complex capital standards that rely upon banks' own internal models pose serious problems for any democratic nation that prizes accountability and transparency, such as the United States. In his book ''Banking on Basel,'' Federal Reserve

Governor Daniel Tarullo provides an exhaustive account of the Basel II capital accord that specifically questions the accord's decision to base capital standards on the internal ratings of banks. Tarullo indicates that the ''very complexity of the [accord's] approach gives banks more opportunities to manipulate, or make mistakes during, calculation of their capital ratios.''

Even more troubling, Governor Tarullo noted it would also be nearly impossible for any independent auditor or examiner to identify failures and forbearance on the part of regulators. To that point, he states ''it may be extremely difficult for an independent entity such as the Government Accountability Office to reconstruct the series of decisions and judgments that went into the creation and supervisory assessment of the credit risk model.'' Given that, how will we in Congress be able to hold either the megabanks or their regulators accountable?

By virtually all accounts, the Basel II Accord was a complete failure. The Basel Committee itself estimated that it reduced capital for some banks by as much as 29 percent, at a time in which regulators should have been ramping up capital and other prudential requirements upon banks.

By trying to tie capital requirements to so-called risked-based measurements, the Federal Reserve—the main driver of the Basel process—apparently hoped to eliminate the basic leverage requirement. In fact, former Fed Governor Susan Bies told banks that ''the leverage ratio down the road has got to disappear.'' Fortunately, despite the Fed's objections, Basel II has not been implemented in the United States, in large part due to concerns that it would disadvantage smaller community banks that did not have the resources and wherewithal to make investments in supposedly advanced risk models.

It was, however, applied to European banks. Unconstrained by a basic leverage capital ratio, many of these banks went on to arbitrage the Basel requirements by gorging on AAA-rated bonds backed by subprime mortgages, not to mention the sovereign debt of highly indebted Eurozone countries such as Greece and Spain. The result has been hundreds of billions of dollars of losses followed by both explicit and implicit bailouts by EU governments.

The accord was also effectively applied to investment banks such as Lehman Brothers and Goldman Sachs, which had precarious and explosive business models that utilized overnight funding to finance illiquid inventories of assets. These institutions were nominally regulated by the SEC, which had no track record to speak of with respect to ensuring the safety and soundness of financial institutions. The Commission allowed these investment banks to leverage a small base of capital over 40 times—I repeat, over 40 times—into asset holdings that, in some cases, exceeded $1 trillion.

Of course, in the wake of the most recent crisis, the same failed regulators now tell us that, this time, they have learned their lesson and will develop a new agreement that will address the deficiencies of the last one. But what reasons do we have for thinking that will be true?

Assistant Treasury Secretary Michael Barr notes that regulators are now pushing for new global capital standards that will be ''more robust, higher and better quality, less pro-cyclical, and include global agreement on a leverage ratio.'' But the megabanks are already developing new ways to arbitrage as well as weaken the global capital standards to which Secretary Barr refers. In other words, they are finding ways to gut and go around the rules before they are even finalized.

What is more, many of the regulators involved in the discussions inspire little confidence. Christian Noyer, the governor of the Bank of France and the new chairman of the Bank of International Settlements, the entity that oversees the Basel rulemaking process, indicated, that the new rules ''shouldn't undermine the business model of banks which have perfectly withstood the crisis.'' Given that the same Bank of International Settlements estimates that eurozone banks have two-thirds of the exposures to the most fiscally imperiled European countries—Greece, Ireland, Portugal and Spain—it is not clear to which banks Governor Noyer is referring.

As the Financial Times notes, France, Germany and Japan are ''more attached to the preeminence of the current risk-based approach and wants the leverage ratio to have a much less important role in governing banks' balance sheets.'' In effect, they are pushing for the status quo of Basel II, which has been an unmitigated disaster. After the multiple trillions of dollars worth of public funds expended on megabank bailouts, it seems amazing that many regulators would like to maintain a system where the largest banks effectively regulate themselves.

But U.S. regulators are not immune to the defense of the existing regime. As the Wall Street Journal reports, ''some U.S. government officials are fighting what they view as an anti-American proposal that would prevent banks from counting as part of their capital cushion a specific type of security favored by U.S. banks known as a trust-preferred security.'' In other words, we have unnamed U.S. regulators that are fighting against Senator COLLINS' amendment in international negotiations.

The current state of international capital negotiations gives little comfort to those who would like to see fundamental structural reforms to address the problem of too big to fail.

I am in favor of international negotiations to harmonize financial regulatory standards. However, these negotiations should not preclude the Congress from setting statutory floors. They should never result in the abdication of our sovereign powers and responsibilities.

I, therefore, agree with the sage thoughts of former Federal Reserve Chairman Paul Volcker when he said that while ''good things may come out of the Basel process, ''it is not structural change.'' In his view, and in mine, we need to do both.

Instead of trusting our financial stability solely to unelected financial guardians, in this country and abroad, Congress should legislate structural and fundamental reforms that preemptively address the persistent problem of too big to fail. Senator COLLINS' provision is but one example of that. There is also Senator LINCOLN's proposal to require swap dealers to be spun off and separately capitalized from insured depository institutions; a strong Volcker Rule ban on proprietary trading at banks, as proposed by Senators MERKLEY and LEVIN.

Without transparency and accountability, a democracy cannot function. That is why we still need the statutory standards on the leverage as well as the size of these megabanks. While some technocrats may say that they are blunt tools, I say that that is precisely the point. They will not only provide a sorely needed gut check that ensures that regulators do not miss the forest for the trees when assessing the capital adequacy of a financial institution, they will also provide a basic means to ensure accountability in the performance of government officials.

We cannot—we cannot—afford another meltdown and the American people—and, indeed, the rest of the world—are looking to Congress to take steps to ensure that that does not happen. By adopting these fundamental reforms and preemptive measures, Congress will go a long way towards protecting the American people from future bailouts. It will also be providing global leadership, demonstrating to the rest of the world that fundamental reform of our financial system does not rest upon the decisions of unelected technocrats whose grand designs brought our financial system to the brink.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. CHAMBLISS. Mr. President, I rise tonight to express my concern with how Congress continues to address this package of so-called extenders. This is a debate we have had on multiple occasions this year, and once again we find ourselves discussing how to enact a short-term extension of items such as emergency unemployment benefits, reauthorization of the National Flood Insurance Program, the Federal Medicaid matching rate, FMAP, and the Medicare doc fix.

This is a difficult debate for many of us. Times are tough across the country, as well as in my home State of Georgia where the unemployment rate is 10.4 percent. During a time of economic hardship, I do not believe we

should allow provisions, such as the extension of emergency unemployment benefits, to expire. But I do believe that when we extend these programs, we should do so in a responsible fashion. Congress should find a way to pay for those extensions.

That is where there is disagreement on this issue—not whether Congress should pass an extenders package but whether it should be paid for.

Even though the need for these extensions comes as no surprise, we again find ourselves in a position where the majority has proposed extending these programs without finding the money to fund them.

Just 2 weeks after our Federal debt topped $13 trillion—let me say that one more time; $13 trillion is owed by the United States of America today—we are now poised to vote on another proposal that would spend money this country simply does not have.

That number, $13 trillion, is so big that it is difficult to comprehend. But what it boils down to is $42,000 of debt for every single citizen of the United States of America.

The public debt has risen by $2.4 trillion in the 500 days since the current administration took office. That is an average of $4.9 billion per day. We are now borrowing 43 cents of every dollar we spend. But still we are continuing to spend.

Estimates show that $4.8 trillion of the $9 trillion in debt that America will accrue over the next decade will be from interest. That is $4.8 trillion that could be better used on national defense or returned to taxpayers to pay for other necessities. Instead, future generations will be forced to pay higher taxes to foot the bill for Congress's out-of-control spending.

With much of our national debt being held by other nations, such as China, this is also an issue of national security. Just as with our energy and food supply, we put our Nation in a more vulnerable position when we disproportionately rely on other countries.

It is a matter of great concern that our Nation is in deep debt to foreign countries that often do not share our positions on domestic or international policy matters. While our global economy ensures that there will be foreign investment in our debt, this sustained, exploding debt guarantees that we provide leverage to our creditors. At some point, we have to say enough is enough and make some tough decisions about spending beyond our means. Again, we can pass an extenders package without recklessly adding to the cost of our Federal debt.

Earlier this year, this body voted to give the rule known as pay-go the force of law. And yet virtually every piece of legislation that we have considered between then and now has fallen short of this standard. Talking about fiscal responsibility and restraint while spending recklessly is hypocrisy of which the American people will surely take notice, and they have taken notice. States as well are being left in the fiscal lurch.

By not shoring up the Federal Medicaid matching rate, my State of Georgia will have a $370.5 million hole in its budget. We have had to make sacrifices at home. My legislature has had to make very difficult, hard, and tough decisions with respect to trying to find reductions in spending at the State level to come up with a fiscally responsible, and balanced budget that they are required to have under our State constitution.

We know States are facing huge challenges, relying as they do on money promised from the Federal Government. But we all need to keep in mind that we are borrowing virtually every cent of that money. It is time we get serious about this Nation's precarious fiscal situation. We can no longer afford to burden our grandchildren with insurmountable debt.

Recently, we witnessed what happens when a nation does not live within its means. The economic crisis in Greece was caused by years of unbridled spending and failure to implement fiscal reforms. This recklessness left Greece badly exposed when the global economic downturn appeared. This pattern should serve as a wake-up call to every one of us that spending must be controlled.

Retirement programs such as Medicare and Social Security are on the verge of bankruptcy. In March of this year, reports emerged that Social Security is set to pay out more in benefits than it receives in payroll taxes this year—a threshold the program was not expected to cross until at least 2016. By some estimates, the program will no longer be able to pay retirees full benefits by the year 2037.

Instead of trying to place programs such as Social Security on more stable footing, we spent more than a year debating a health care bill that will create even more costly entitlement programs, the true price tag of which is yet to be seen.

The original proposal that was debated and voted on earlier today, advanced by the majority, increased spending by $126 billion, which included more than $70 billion in new taxes and increased the deficit by $79 billion over the next 10 years. Thank goodness the votes were not there to proceed with that underlying bill.

Now, according to the chairman of the Finance Committee, we have a new bill. While it is smaller in dollars, according to the comments made by the chairman of the Finance Committee earlier tonight—he says also that the majority of the amendment is offset, which means it is still not paid for.

We have an opportunity tomorrow to take a step toward responsibility and restraint by paying for this extenders package. I am a cosponsor of the amendment introduced by the Senator from South Dakota, Mr. THUNE, which would extend the same programs as the House-passed version of this legislation. But unlike that version, the Thune amendment pays for those programs instead of adding their cost to the Federal debt. It also cuts taxes by $26 billion, cuts spending by more than $100 billion, and, according to the CBO, reduces the deficit by $55 billion. It does this through spending cuts and the use of unobligated stimulus funds.

The Thune amendment does away with the harmful tax increases on long-term investment that are part of the underlying bill. These taxes on carried interest would almost certainly serve to discourage capital investment, increase borrowing costs associated with starting or growing businesses, and hurt real estate and stock prices, all at a time when our economy is extremely vulnerable. The real estate and venture capital arena—two segments of our economy that are vital to sustained job growth—would be especially hard hit by these taxes on long-term investments.

Many Americans need the programs in this bill to be extended, but we must be sure we extend them in a responsible way, and that is why I urge my colleagues to strongly consider the Thune amendment as we debate it tomorrow and vote in favor of the Thune amendment.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant editor of the Daily Digest proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE MOTION

Mr. REID. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The Cloture motion having been presented under rule XXII, the clerk will report the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to concur in the House amendment to the Senate amendment to H.R. 4213, the American Workers, State, and Business Relief Act of 2010, with the Baucus amendment No. 4369.

Harry Reid, Max Baucus, Patrick J. Leahy, Jeanne Shaheen, Byron L. Dorgan, Sherrod Brown, Edward E. Kaufman, Daniel K. Akaka, Christopher J. Dodd, Jeff Bingaman, Robert P. Casey, Jr., Jack Reed, Barbara A. Mikulski, Roland W. Burris, Jon Tester, Daniel K. Inouye, Tom Harkin.

Mr. REID. I ask unanimous consent that the mandatory quorum be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed

to a period of morning business, with Senators allowed to speak for up to 10 minutes each, with the exception of the Senator from Illinois.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURBIN. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHILD SOLDIERS

Mr. DURBIN. Mr. President, in December of 2008, the Trafficking Victims Protection Reauthorization Act became law. The act includes a provision that I put in the bill with Senator SAM BROWNBACK, Republican of Kansas, to address the problem of child soldiers, specifically the Child Soldier Prevention Act.

The goal of this language was simple and straightforward: U.S. military assistance should not go to finance the use and exploitation of children in armed conflict. The law not only expresses American values by rejecting any use of child soldiers by foreign governments, but also provides leverage through our Foreign Military Assistance Program to encourage governments to address this heinous practice.

Moreover, under the Child Soldiers Accountability Act and Human Rights Enforcement Act, it is unlawful to knowingly provide material support to the use of child soldiers. Tragically, according to Amnesty International, hundreds of thousands of children around the world are still being used as child soldiers. These boys and girls wield automatic weapons on the front lines of combat. They serve as human mine detectors. They participate in suicide missions. They carry supplies, they act as spies, messengers, lookouts, and sex slaves. They endanger their own health and the lives of others and sacrifice their childhood in the process.

As chairman of the Judiciary Committee's Human Rights and the Laws Subcommittee, one of the first hearings we held was focused on the scourge of child soldiers. We heard moving testimony from a remarkable young man named Ishmael Beah. Mr. Beah is a former child soldier from Sierra Leone and author of the best selling book, ''A Long Way Gone: Memoirs of a Boy Soldier.''

Some Americans may recall this book because it was featured at Starbucks for a long period of time. You find it at bookstores as well. I will never forget what Mr. Beah told the Human Rights Subcommittee, and I want to quote him. Here is what he said:

> When you go home tonight to your children, your cousins, and your grandchildren, and watch them carrying out their various childhood activities, I want you to remember that at that same moment, there are countless children elsewhere who are being killed, injured; exposed to extreme violence and forced to serve in armed groups, including girls who are raped . . . As you watch your loved ones, those children you adore most, ask yourselves whether you would want these kinds of suffering for them. If you don't, then you must stop this from happening to other children around the world whose lives and humanity are as important and of the same value as all children everywhere.

We have a moral obligation to respond to Mr. Beah's challenge. Children suffer high mortality, disease, and injury rates that are higher in combat situations than adults. The lasting effects of war and abuse remain with them long after the shooting stops. Both girls and boys are stigmatized and traumatized by their experience, and left with neither family connections nor skills to allow them to transition successfully to productive adult life.

Over the last decade, 2 million children have died in armed conflict—10 years, 2 million children died in armed conflict, 6 million injured.

Further troubling is that children have served as soldiers for governments that have in the past received the assistance of the U.S. Government. With the passage of the Child Soldier Prevention Act, my hope was that this practice would come to an end.

Imagine my surprise when I saw on the front page of the New York Times this week that Somalia's transitional federal government, which the U.S. supports financially as part of its larger counterterrorism strategy, is brazenly using child soldiers. Mr. President, I know you have a young son and you probably saw this photograph. But imagine, if you will, two young boys, identified in this photograph in Somalia, 12-year-old Adan Ugas, and 15-year-old Ahmed Hassan, holding automatic military weapons and working for the transitional Federal Government of Somalia.

When I was a little boy, 12, 10, we used to play with guns, but they were all toys. This is the real thing. These are children. As Ishmael Beah said: Try to picture your son or daughter in that situation, their childhood robbed and scarred for life from being drawn into horrific violence.

The fact that they are working for a military financed by the United States is appalling. In fact, according to human rights groups and the United Nations, the Somali Government is fielding hundreds of children on the front lines, some as young as 9 years old. A Somali Government official quoted in the Times article said: We were trying to find anyone who could carry a gun.

I read that article. It talked about these little boys who, the guns were so heavy, they were switching the strap from one shoulder to the next. They were talking about these little boys with these automatic weapons challenging people in vehicles to stop or they would shoot them.

They asked one of these little boys: What do you really love in life? He said: I love my gun. A Somali Government official acknowledged the fact that this is happening, an official of a government which we are supporting.

I understand Somalia is in a difficult neighborhood in the world, and one of the most dangerous places. It is trying to emerge from years of lawlessness, and the fledgling government does need support. I have met with refugees who have fled the chaos of Somalia in hopes of a better life.

In fact, this last Saturday I met with refugees in Chicago from Somalia. But the law is clear. American tax dollars must not be used to fund the use of child soldiers. Period. I urge the Department of State and the Department of Defense to immediately halt the U.S. support for any such activities and to work with the Somali Government to terminate the use of child soldiers, and reintegrate these children back into a normal, peaceful family life.

I have written our Secretary of State, Hillary Clinton, and urged her to recognize that though the Somali transitional government is trying to bring some measure of stability to their war-torn country, it should not do so on the backs of its most precious commodity, its children, and certainly not with the help of American taxpayers.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter to Secretary Clinton on this topic.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JUNE 16, 2010.

Secretary of State HILLARY CLINTON,
Department of State, Washington, DC.

DEAR SECRETARY CLINTON: I write with great concern over a June 14 report in the New York Times that U.S. military financing to the Somali Transitional Federal Government is being used to pay for the use of child soldiers. Such assistance would appear to be in violation of the Child Soldier Prevention provision of the Trafficking Victims Protection Reauthorization Act of 2008 which prohibits U.S. military assistance to governments of a country that use child soldiers. Moreover, under the Durbin-Coburn Child Soldiers Accountability Act and the Durbin-Coburn Human Rights Enforcement Act, it is unlawful to knowingly provide material support to the use of child soldiers.

As you know, the tragic use of child soldiers continues to a problem around the world. Amnesty International estimates that globally more than 250,000 children are fighting in active conflicts. These young boys and girls fight on front lines of combat, serve as human mine detectors, participate in suicide missions, carry supplies, and act as spies, messengers, lookouts, and sex slaves—endangering their health and lives. Quite simply, they are robbed of their childhoods.

Furthermore, the lasting effects of war and abuse remain with them for years—too often for a lifetime. Former child soldiers are stigmatized and traumatized by their experience and left with neither family connections nor skills to allow them to transition successfully into productive adult lives. We should be doing everything we can to not only end military support for governments that engage in this troubling practice, but to also

help such children reintegrate into their families and society.

I recognize that the Somali Transitional Federal Government is trying to bring some measure of stability to that war torn country. However, it should not do so on the backs of its precious children, and certainly not with the help of the American taxpayer.

Thank you for looking into this matter.

Sincerely,

RICHARD J. DURBIN,
U.S. Senator.

INTERCHANGE FEES

Mr. DURBIN. Mr. President, I will be brief because I see my friend from Iowa is on the floor here. I want to give him a chance to speak.

The Federal Government pays interchange fees when people use credit and debit cards to pay for things such as admission to national parks, groceries, at military commissaries, tickets on Amtrak, and copays for VA medical services. In fiscal year 2007, our Federal Government paid $433 million in credit card fees. The vast majority were interchange fees.

Last year, the Appropriations Subcommittee on Financial Services and General Government, which I chair, asked the Treasury Department to look into how much money taxpayers are paying to credit card companies for the use of credit cards. We got the report this week. It concludes that Treasury could save at least $36 to $39 million a year if it did several things, such as negotiating the actual interchange rates charged to the Federal Government.

We had a hearing today, and an employee of the Department of the Treasury came and testified and said the Federal Government of the United States was unable to negotiate an interchange fee with either Visa or MasterCard. The card companies refuse to negotiate. There is $8 billion in economic activity with the Treasury through the credit and debit cards of these two companies. But they refuse to negotiate with the Federal Government.

We also learned that one major company, MasterCard, charges an interchange fee of 1.55 percent on every government transaction, plus 10 cents, while the going rate on an interchange fee for supermarkets across America is 1.27. It turns out that our Federal Government is paying more to the credit card companies than supermarkets are paying in Illinois, Iowa, or Alaska.

You ask yourself: Well, why is that? Is there a high default rate from the Federal Government? The answer is no. The Federal Government pays. And yet we are being charged a higher rate. But let me say for a moment, it is not ''we'' who are being charged a higher rate, it is the taxpayers. The taxpayers of this country are subsidizing credit card companies by paying higher fees than commercial businesses for the use of credit cards.

It is inexcusable, it is indefensible. You know the debate we had—I know, Mr. President, you recall it personally, a few weeks ago—about whether these credit card companies are going to be held to charging reasonable and proportional amounts for the use of debit cards.

What we are finding at Amtrak, at the VA, and at commissaries across America, is our Federal taxpayers are underwriting these credit card companies.

I tried, when I brought this amendment to the floor of the Senate relative to interchange fees, to do everything in my power to preserve the ability of small banks and credit unions to compete with big banks in issuing debit cards. My amendment does nothing to disadvantage those small financial institutions. We specifically exempted any financial institution with a value of less than $10 billion. As a result, only 3 credit unions out of 1,000 in America were covered by my amendment, and about 80 or 90 banks out of the 8- or 9,000 in this country.

I heard from one of my colleagues on the Senate floor today from the Midwest, who said: The credit unions were in last week. They are frightened by your amendment.

I said: Are they over $10 billion in value?

No, not even close.

Well, the amendment doesn't apply to them.

They are afraid the big credit card companies, Visa and MasterCard, will reduce their interchange fees on small banks and credit unions if the Durbin amendment passes in the Wall Street reform bill.

It is an indication to all of us of the power of these credit card companies to terrorize credit unions and community banks. They have become the messengers of the big banks and credit cards to kill the amendment we passed in the Senate.

By exempting 99 percent of banks from debit and interchange regulation, my amendment would actually enable these banks to receive more interchange revenue than their big bank competitors. Yet the so-called Independent Community Bankers of America and the Credit Union National Association oppose the amendment. Why? An article out of Reuters came out yesterday that makes it plain.

The article is titled ''Small Banks Fight Card Fee Limits Despite Exemption.'' The article says:

> Small banks believe they have no choice but to support Visa and Mastercard in a battle against lawmakers over fees for processing debit card transactions.

Why do the small banks believe this? The article continues:

> The Durbin amendment explicitly exempts banks with less than $10 billion of assets, so smaller banks in theory should not oppose the law. But the exemption is cold comfort to small banks, which say that whatever the law stipulates, Visa and Mastercard will force them to accept the same fees as larger banks.

I want to make it clear what I have said before, last week in a meeting of the Senate Judiciary Committee, the Antitrust Division of the Department of Justice testified that they are investigating Visa and MasterCard now. Nothing more was said, but they confirmed press accounts that that is being done.

I think it is long overdue. This duopoly, this power in the market, this ability to terrorize credit unions and small banks is an indication of too much power and too little competition. If we truly believe in a free market and an entrepreneurial society, we have to support competition. In this case, merchants, businessmen, small banks, and small credit unions are being terrorized by these powerful interests.

The article quotes Jason Kratovil, vice president of congressional relations for the Independent Community Bankers of America, saying that ''Visa and MasterCard have 'probably not directly' told small banks that they will receive lower fees,'' but that it is ''pretty clear, at least for our guys, that it's going to end up with one rate for all issuers.''

So Visa and MasterCard are arguing: If we have to lower the interchange fees for the biggest banks in America, then we will lower them for the smallest banks in America—even though they are exempt under the Durbin amendment. Visa has 122 different interchange fees and MasterCard well over 100. To argue they can't come up with two different interchange fees, that it is impossible, is ridiculous.

It is the kind of thing where these credit unions and small banks have been terrorized by Visa and MasterCard. The Independent Community Bankers say Visa and MasterCard have ''probably not directly'' threatened to voluntarily lower small bank interchange rates, but the message received was ''pretty clear.'' It is obvious what is going on: Visa and MasterCard are making threats if this amendment becomes law, they will use their market power against small banks by voluntarily lowering their interchange rates.

It is a great tactic that scares the small banks and credit unions into lobbying against the amendment which passed in the Senate. I am sure the big banks couldn't have more fun than to watch the smaller banks, exempt under our amendment, do their bidding. The big banks hate the thought of my amendment passing, giving small banks an advantage in the debit card market. The small banks are just being played like marionettes when it comes to their role in this lobbying efforts.

I sent the CEOs of Visa and MasterCard a letter and told them this: My amendment protects small banks, but you are threatening to take steps on your own to disadvantage them. If you collude with each other or with the big banks to disadvantage small banks, you could run afoul of the antitrust laws.

Visa and MasterCard wrote back yesterday and said: No, Senator, we

wouldn't want to do anything to hurt small banks, but the market may just force us if your amendment becomes law.

This is ridiculous. With Visa and MasterCard having 100 percent of the market for signature debit cards, they are the market. The market is going to force them? Guess what. They are the market. They set the rules. They fix all the fees now. Small banks and credit unions are so afraid of Visa and MasterCard—they are quivering—and their big bank allies, they do not believe they can support any regulation of the interchange system no matter how reasonable. Small banks are afraid to take the risk that these giant corporations might decide to wield their enormous market power against them.

Ironically, that is the world in which small businesses, merchants, and other acceptors of payment cards live today. Small businesses have no choice today but to accept Visa and MasterCard and the fees and rules they establish.

Today at my hearing, Wendy Chronister of Springfield, IL, my hometown, who is CEO of the Qik-n-EZ convenience stores, about 11 of them in central Illinois, came and testified. I know her family well. They live a few doors away from me. I know her dad who started the company 40 years ago. She is a spectacular young woman who is the CEO of this small company that has these convenience stores.

The No. 1 cost in her business is labor, the No. 3 cost is utility bills, and the No. 2 cost is interchange fees to Visa and MasterCard. They represent about half of the charges they pay for labor and represent about twice as much as they pay for utility bills. That is how big a factor this is in a small business. She has no power to negotiate, no power to compete. She is at a loss.

She was sitting at the table with a representative of the Federal Government who said we are in the same boat. We do $8 billion a year accepting cards from Visa and MasterCard and cannot get them to negotiate with us a lower interchange fee for the sake of taxpayers and reducing the deficit. That is the kind of power they have.

I am going to wrap up because I see Senator GRASSLEY is anxious.

When I heard this argument today that the Federal Government was unable to get Visa and MasterCard to negotiate an interchange fee, they are so powerful, these private companies, I had a flashback—a flashback to one of my favorite movies of all time. It was released in about 1963 or 1964. It is entitled ''Dr. Strangelove.'' In this movie, Peter Sellers played three different roles, and one of the roles was as a British military officer named Lionel Mandrake. He was at a base where they thought another world war was about to break out, a nuclear conflict. He was trying to find a telephone to call someone in Washington to bring an end to this nuclear war. At that point actor Keenan Wynn came in playing the role of COL Bat Guano. Sellers said to Colonel Guano: I need change to make a phone call to Washington to stop this world war.

Colonel Guano said: I don't have any change.

Peter Sellers said: You shoot up with your gun the Coca-Cola machine, and I will take the money out and make the phone call.

He said: You want me to shoot up the Coca-Cola machine. I will do it, but you are going to have to answer to Coca-Cola for this.

That is what I was reminded of today when I heard that our Federal Government, with $8 billion in business with Visa and MasterCard, can't get them to sit down at the table. That shows the power of these private companies.

What is going on here? This isn't competition. They are not some sainted entity. They represent a business, and they are supposed to be a competitive business with the other credit card companies. But they are not. They are dictating fees to small businesses that are hurting, reducing their profitability and their employment at a time when we desperately need jobs.

Small banks should come to understand the predicament that their colleagues in the small business community face, as both live in a world that is too often run by card networks and big banks. It is time for the interchange system to change. We need to end this system where Visa and MasterCard have the market power to set fees and establish rules however they want.

I extend my apologies to Senator GRASSLEY. If I had known he had to leave, I would have wrapped up a lot earlier and saved my comments about ''Dr. Strangelove'' for a later time. I thank him very much. He has been a good friend and patient.

AGGRESSIVE OILSPILL RESPONSE

Ms. MIKULSKI. Mr. President, America is facing a catastrophe in the gulf. I rise today to speak about the President's address to our Nation last night and my recent trip to the gulf.

I agree with the President that BP must stop the leak, clean up the oil, and end the economic hurricane they have caused on the gulf coast. I agree that BP—not the taxpayers—must be liable for costs of cleaning up the mess, for compensating businesses, fisherman and families, and for their economic losses. BP must set aside a fund of $20 billion or more today that they don't control to pay all economic claims in a fair and timely way.

I like that the President focused on the Nation's long range energy needs. We do need to move our energy policy forward. And I am so pleased the President picked Dr. Don Boesch for the new National Commission to prevent and respond to future spills like this one. Dr. Boesch has strong ties to Maryland. He has been president of UMD Center for Environmental Science since 1990 and serves as Governor O'Malley's science adviser. He's also a man of Louisiana, born in New Orleans and a graduate of Tulane. He knows the issues of Louisiana and he's got a special place in his heart in looking out for Maryland.

I also agree with Billy Nungesser, president of Plaquemines Parish, LA. He believes we should bring every asset we have to fight this thing. The people of Louisiana need to see more action on the ground and we can't just rely on BP's word to get the job done.

We need to organize and mobilize our own government. Right now we are acting like a bureaucracy rather than a fighting force to protect the beaches and the people from the consequences of the oilspill. I hope in the coming days, the President will insist on defining what success is.

This administration needs goals and metrics for shore clean up that will be adequate. They must establish a mechanism for monitoring, oversight and relentless follow-through. Right now, no one but BP knows what is going on. There has been a lot of reporting on inputs—but not enough on outcomes. We need structure for oversight and we need to know the outcomes of our actions.

The President also needs to insist on expediting permits. When I was on the gulf coast last week, I heard from locals that their ideas on how to protect coasts are stuck in bureaucracy. We need to unstick the bureaucracy. This is a national emergency that needs an aggressive national response. We are all in this together.

I went to the gulf coast as chair of the Commerce, Justice, Science Appropriations Subcommittee, which funds the National Oceanic and Atmospheric Administration, NOAA. NOAA is in the gulf right now telling us where this oil is going, helping to cleanup the shores and marshes and assisting fishermen who are hurting.

I also went as the Senator from Maryland. I wanted to talk to scientists first hand to find out how the spill could impact Maryland. Will it affect our beaches and treasured Chesapeake Bay?

Last week, I saw the catastrophe in the gulf. We met the people, we saw the beaches, and we saw the impact on the wildlife. And everywhere we went, we saw oil and the consequences of oil. I spoke to people whose livelihoods depend on the gulf. When we talk about what we saw—words like ''Louisiana,'' ''Grand Isle'' and ''Pelican Island''—I also think of words like ''Ocean City'' and ''Assateague,'' Maryland's own barrier island. What we saw was the good, the bad, and the ugly.

First, we met with the people, and I saw just how resilient they are. They have real grit and are determined to do something to save their communities. We coastal people need to be on their side. We saw communities where they would ordinarily have thousands of visitors with busy fishing charters.

Now, it's like a ghost land. The beach looked more like a military base than an ocean resort, with trucks going up and down, carrying booms and all kinds of response equipment. And when you go out to sea, on a boat or in a helicopter, you see this oil creeping closer and closer to the shoreline. We are concerned about the environmental impact, but we are also concerned about the human impact on lives, livelihoods, and safety.

Next, we asked—is the oil going to come up the east coast in this so-called ''loop current or loop stream?'' We were told the beaches of Ocean City will be safe. Even in the worst case scenario, the oil won't get beyond the Carolinas. Second, we were told that the seafood is safe. It is being inspected locally by NOAA and the FDA, so what is coming to the American marketplace is safe. That's what we were told, but I believe what Ronald Reagan said: ''Trust, but verify.''

Maryland's economy is tied to the Louisiana economy. Our seafood restaurants and markets rely on what's caught in the gulf. I am holding a Maryland delegation meeting to make sure that we bring in ocean scientists and seafood inspectors to verify that our Atlantic coast beaches and our Chesapeake Bay will stay oil free and our seafood will be safe to eat.

That was the good news. The bad news is BP. The BP people have to fix this. BP is cutting corners, minimizing the situation, and now here we are. The oil will continue to gush, and it will gush until August. But the oil coming out of the well will take 6 weeks to get to shore, so we are going to feel all of this well into September. And that is the best case scenario.

I support our President in calling for an escrow account for BP to put $20 billion aside for economic damages. I fear the hoarders will take charge. I fear BP will file for bankruptcy and will want the taxpayers to bail them out. The American taxpayer will not bail out the oil companies. The oil companies must put aside the money to pay damages and cleanup costs.

Our own bureaucracy needs reform. We saw the can-do spirit there among the people, but the permit process is slow—whether it is the EPA, Corps of Engineers or NOAA. This needs to be reformed. And this stuff, called dispersant sounds like if you pour chemicals on the oil the oil will disburse and everything's fine. I am concerned that dispersants could be causing more problems than they are solving. I am concerned about the toxic impact on human beings and marine life creating dead zones off the coast of Louisiana.

That is why I plan to hold a hearing. To learn more about the effects of these dispersants—what do we already know, what do we need to know, and what research needs to be done—because I don't want dispersants to turn out to be the DDT or Agent Orange of the oilspill. It is our job in Congress to push the bureaucracy, to push BP to get the job done and protect the American people.

Then, we saw the ugly. The so-called protective booms were dysfunctional and in disarray, saturated with sticky smelly oil that had been there for days and no one had come to pick them up or clean them up. They were breaking loose and some washed up in marshes, causing far more damage than the oil. If they couldn't protect the few miles around the pelicans areas, how can they protect the beaches? They have got to do a lot better job. It took four Senators going to Louisiana to get the booms cleaned up near Grand Isle.

There are no performance standards to make sure BP or the government are doing what they say they are doing and that it is working. There must be relentless follow-through by the government. The Coast Guard is treating BP as if it were another government agency, when the Coast Guard needs to take BP to task. They need to make sure that they have performance standards and they need to make sure that there is follow-through.

After witnessing the catastrophe in the gulf and seeing the way the oil is impacting the people, the communities, and the environment, I am so glad that we in Maryland opposed offshore drilling. No matter what is the energy policy I will always oppose offshore drilling off of the Mid-Atlantic coast. We can never let what's happening in the gulf happen to any other communities.

Our first responsibility will be to the Nation's taxpayers, not to the oil companies. Our second responsibility is to the people of the gulf, to do all we can to protect them. We need to make sure that we contain the oil and can clean it up so they can get on with their lives and their livelihoods.

I was honored to be able to go and represent Marylanders there because we are coastal people too. When I talked to the people down there who fish and crab, we talked about how we use the same kind of bait, we use the same kind of line, the same kind of ways. We cook them a little bit different—but we eat them all the same. And when they held our hands, they said when you go back to Maryland and Washington, don't ever forget us. And we won't. We are all Americans, we are all coastal people, and we are all in this together.

58TH ANNUAL NATIONAL PRAYER BREAKFAST

Mr. ISAKSON. Mr. President, I had the privilege of co-chairing the 58th Annual National Prayer Breakfast with Senator KLOBUCHAR. I ask unanimous consent that a copy of the transcript of the 2010 National Prayer Breakfast proceedings be printed in the CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

58TH NATIONAL PRAYER BREAKFAST

Senator Amy Klobuchar: Good morning, everyone. I am Amy Klobuchar, the Senator from Minnesota. Welcome to the 58th annual National Prayer Breakfast. For anyone from warmer climates, we know it is a little snowy, but in Minnesota we would call this, ''fair to partly cloudy.'' What a gathering. This is a very different scene from the first National Prayer Breakfast all the way back in 1952—that was attended only by a couple hundred people and they were all men. And now what we have today is over 3,000 people from all 50 states and over 140 countries. Although the National Prayer Breakfast may look a lot different than it did in 1952, one of the great traditions of this event is that it is bipartisan, as you can see from our head table up here, as well as the fact that we have a Democratic and a Republican co-chair. In that tradition, I am very proud to introduce to you my Republican co-chair and good friend, the Senator from Georgia, Johnny Isakson.

Senator Johnny Isakson: Thank you. We do welcome you because what began as a very small group in 1952 has become a group that has influence around the world in countries all over this world. We are so delighted that you traveled near and you travelled far to be a part of the National Prayer Breakfast here in the United States of America. Amy and I are both members of the Senate but one important thing to know is that we alternate years—this happened to be the Senate's year to chair the National Prayer Breakfast. But next year, the House will as well. We do so in partnership, we do so in brotherhood, and we do so in love, and we do so in faith. I now want to begin by introducing my side of the head table, and then Amy will introduce her side of the head table. First, the Vice President of the United States of America, Joe Biden; the Secretary of State of the United States of America, Hillary Rodham Clinton; the distinguished Senator from the state of Utah, Orrin Hatch; the luckiest thing that ever happened to me 41 years ago, my wife, Dianne; the distinguished senior Senator from the state of Oregon, Ron Wyden; the co-chair of the House prayer breakfast, from Missouri, Representative Todd Akin; a lady who has the voice of an angel and later you will hear her sing, God Bless America, Sergeant First Class MaryKay Messenger, the lead vocalist of the United States Military Academy Band; and my, friend and the artist who will sing the closing hymn, Ralph Freeman.

Senator Klobuchar: Johnny put the music together this morning and you are going to love it. President Obama and the First Lady will be joining us shortly; His Excellency Jose Luis Rodriguez Zapatero, the Prime Minister of Spain is with us; my husband, John Bessler who made our daughter's lunch at 5:30 this morning while I was getting ready for this; Admiral Mike Mullen, the Chairman of the Joint Chiefs of Staff; 2007 Heisman Trophy winner, Tim Tebow; the co-chair of the House prayer breakfast, Representative Charlie Wilson of Ohio; and the Heisman Trophy winner of Senate chaplains, Rear Admiral Barry Black.

Johnny and I wanted you all to hear this morning from our friend, Senate Chaplain, Barry Black, who like all Senate chaplains since 1789 opens each session of the Senate with a prayer. To me and Johnny, Barry is a friend and a spiritual adviser but he is also an embodiment of the power of faith and discipline and hard work. From his impoverished childhood in Baltimore to his distinguished 27-year career in the U.S. Navy, to his service in the Senate, Chaplain Black's ''only in America'' story, a story he has detailed so eloquently in his book, From the

Hood to the Hill, shows us that God has great plans for our lives. It is my pleasure to introduce to you our friend, Chaplain Barry Black, who will lead us in the opening prayer.

Rear Admiral Barry Black: Let us lift our hearts in prayer. Lord of life, the giver of every good and perfect gift. You have been our help in ages past and our hope for years to come. Lord, forgive us when we forget that more things are wrought by prayer than this world dreams of. We thank you for this nation conceived in liberty and dedicated to the proposition that people possess basic rights that they receive from you. Make us good global neighbors as we remember that righteousness exalts a nation but sin is a reproach to any people. Hear our petitions and use our supplications to change and shape our times according to your plan. May our prayers empower us to trust you more fully, live for you more completely and serve you more willingly. In a special way, smile upon our international guests who have travelled great distances to be with us, give them traveling mercies as they return home. And Lord, shower your favor upon the program participants, especially our primary presenter. May the words of their mouths and the meditations of their hearts bring honor to you. Bless this morning, our food and fellowship. We pray this in the matchless name of Jesus. Amen.

Senator Isakson: Would you please welcome to your right, Mr. Robert Fraumann, the most gifted musician the United Methodist Church has ever known and enjoy his mix of Beethoven's ''Fifth Symphony'' and ''How Great Thou Art'' and ''The Warsaw Concerto'' and ''To God Be the Glory.'' Robert Fraumann.

Mr. Robert Fraumann: (piano music)

Narrator: Ladies and Gentlemen, the President of the United States Barack Obama and the First Lady Michelle Obama.

Senator Klobuchar: Welcome, Mr. President, Mrs. Obama. We are so pleased to have you here. I also know there are many members from the House of Representatives. I see Speaker Pelosi. And from the United States Senate and the President's Cabinet—if they could all stand so we could acknowledge you. Thank you. Mr. President, you should know that Johnny, being from Georgia, is really adjusting to the fact that this breakfast had quiche instead of grits. So I really don't know how he is going to explain that when he gets home. And actually, Johnny has been a great pal for me this year as a co-chair of the Senate prayer breakfast and I can tell you that to show his support for his co-chair, he actually supported the Vikings over the Saints in the playoff game. That was a tough game. My fourth quarter prayers made no difference but not even God can overrule a ref's calls.

Senator Isakson: You know I ain't real sure it was the refs. It might have been Brett Farve's interception.

Senator Klobuchar: Very good.

Senator Isakson: We are honored to be here today and I am honored to share with Amy, the co-chairmanship of the Senate prayer breakfast. She thinks getting me to pull for the Vikings was the ultimate reconciliation, not true. Ultimate reconciliation is when Senator Bill Nelson convinced me to invite the quarterback of the Florida Gators, who beat us four successive years at the University of Georgia. Tim, welcome, we are glad to have you. This is a great occasion and we are so delighted and honored that all of you are here today. And I am going to turn it back over to our leader, Amy Klobuchar.

Senator Klobuchar: Thank you. Each week Johnny and I and our fellow senators get together for a weekly Senate prayer breakfast. I always come away from it a better person. At our breakfasts, a senator always speaks, sometimes about his or her faith, sometimes about a personal struggle, sometimes about the challenges of forgiveness after a tough political fight. Our prayer breakfasts are always real and refreshingly honest. And just when I am ready to give up on working with maybe a few of my colleagues, it reminds me that we all share a common purpose and a common humanity, and that with faith and forgiveness, we can start anew. Now it is my honor today to introduce Sergeant First Class MaryKay Messenger, the lead vocalist with the United States Military Academy Band. MaryKay first sang with the band in 1980 at the age of twelve. She continued throughout the years as a guest vocalist until she joined the Army in 1996. She has performed throughout the world—everywhere from Beijing to the opening bell of the New York Stock Exchange, from Yankee Stadium to Carnegie Hall. This morning she will be singing ''God Bless America,'' a song composed by Irving Berlin during the First World War while he was serving in a United States Army camp. MaryKay Messenger.

Sgt. MaryKay Messenger: [Singing]

While the storm clouds gather far across the sea,
Let us swear allegiance to a land that's free,
Let us all be grateful for a land so fair,
As we raise our voices in a solemn prayer.
God Bless America,
Land that I love.
Stand beside her, and guide her
Through the night with a light from above.
From the mountains, to the prairies,
To the oceans, white with foam
God bless America, My home sweet home.
God bless America, My home sweet home.

Senator Ron Wyden: Good morning, Mr. President, Mrs. Obama, honored guests. It is my privilege to offer a reading from the second book of the Torah, the Book of Exodus. Exodus deals with the formation of the Jewish people into a nation as they make their way from slavery to the Promised Land. There are very important lessons in the passage where Moses' father in law, Jethro, a Midianite priest, guides Moses on the correct way to govern his people.

''Jethro, the priest of Midian, Moses' father-in-law, heard all that God had done for Moses and for Israel His people, how the Lord had brought Israel out from Egypt.'' Then, later in the passage, ''the next day Moses sat as magistrate among the people while the people stood about Moses from morning until evening. But when Moses' father-in-law saw how much he had to do for the people, he said 'What is this thing you are doing to the people? Why do you act alone while all the people stand about you from morning until evening?' Moses replied to his father-in-law, 'it is because the people come to me to inquire of God; when they have a dispute, it comes before me and I decide between one person and another and I make known the law and the teachings of God.' But Moses' father-in-law said to him, 'the thing you are doing is not right. You will surely wear yourself out and these people as well. For the task is too heavy for you. You cannot do it alone. Now listen to me, I will give you council and God be with you. You represent the people before God. You bring the disputed before God and enjoin upon them before the laws and the teachings and make it known to them, the way they are to go and the practices they are to follow. You shall also seek out from among all of the people capable men who fear God, trustworthy men who spurn ill-gotten gain, set these over them as chiefs of thousands, hundreds, fifties and tens and let them judge the people at all times. Have them bring every major dispute to you but let them decide every minor dispute for themselves. Make it easier for yourself by letting them share the burden with you. If you do this and God commands you, you will be able to bear up and all these people too will go home unwary.' Now Moses heeded his father-in-law and did just as he had said. Moses chose capable men out of all of Israel and appointed them heads over all the people, chiefs of thousands, hundreds, fifties and tens and they judged the people at all times. The difficult matters they would bring to Moses and all the minor matters they would decide themselves. Then Moses bade his father-in-law farewell and he went his way to his own land.''

May we all show similar wisdom and be open, open to advice and guidance from any source. Not just within our own group, our own faction, our own tribe, and it is only with that wisdom can we hope to provide just and true leadership.

Congressman Charlie Wilson: Good morning Mr. President, Madam Secretary, honored guests. I am Congressman Charlie Wilson from Ohio's sixth district and my co-chair is Congressman Todd Akin of Missouri's second district. We would like to thank the Senate for putting this program together this morning. We know the House is looking forward to putting it together again next year. Todd and I are here together this morning because we are the co-chairs of the House prayer breakfast. Members of Congress from both parties have been meeting for prayer on a weekly basis for more than five decades in the House. We come together in the Capitol dining room every Thursday morning at eight a.m., with no staff, we read a verse of scripture, we pray for the sick and wounded and we offer up a prayer of thanksgiving for our country. We also have a different guest speaker each week who shares their testimony. One week it's a Democrat, the next week it's a Republican. Finally, we close in prayer and we make sure to share that too—one week a Democrat leads the closing prayer, the next a Republican. We never know how many are going to be at our prayer breakfast to attend our weekly gathering. I am happy though to let you know that it has increased considerably this year. Our meeting lasts about an hour and many of us refer to it as the best hour of the week. We hope that you will consider our example and set aside time each week with your colleagues to deepen your relationships and open your mind to God. And now, my co-chair, Todd Akin.

Congressman Todd Akin: Good morning, I am Todd Akin from Missouri. The tradition of the Prayer Breakfast goes back to the days of President Eisenhower. Because of the tremendous importance that we place on a personal relationship with God, a personal relationship with Jesus Christ, it is a Christian prayer breakfast. And yet we welcome happily people of all different faiths to join us. Along these lines when we arrive on a Thursday morning and hear a personal testimony, we hear a tremendous diversity in the kinds of stories. For example, we heard this story of a little boy who grows up penniless and orphaned on the streets wondering where the next meal will come from, and how he is led on a journey to the U.S. Congress. We hear another story of a pilot of a small airplane in the fog over the mountains of Germany with little instrumentation and how in answer to prayer, a hole is opened up in the fog showing a landing strip way below—how he dives his airplane through the hole in the fog, lands on the landing strip and the fog closes in around the aircraft. It is from these and other testimonies that Congressmen develop a mutual respect and affection for each other. The statesman William Wilberforce from England had two great aims in his life.

The first was to get rid of slavery. The second one was to build civility—that is, a respectful and loving treatment of the different legislators in England. This prayer breakfast that we enjoy every week inspires that civility in an otherwise polarizing political environment, that is why it is the best hour of the week. God bless you.

Senator Orrin Hatch: [alarm going off on cell phone] Woops, oh dear.

Senator Klobuchar: It's time for your prayer. Is that the alarm for your prayer?

Senator Hatch: I never learned how to turn that alarm off. I apologize. Let us pray. Our dear Father in Heaven, as we bow our heads this morning before Thee, we are so grateful for this great nation and for the nations of the world, but especially for the opportunities we have as a nation to bring peace and contentment and tranquility throughout this world. We are grateful for our great leaders and we pray that Thou wilt bless them. We pray that Thou wilt bless our President and our Vice President and their cabinet and all of the leaders throughout the federal government that they might be inspired to lead us to do the things that are righteous in Thy sight that we might be able to be good followers and that we might be able to combine together to do what is right. As Moses' father in law told him, let's share the responsibility and let's work together in the best interest of our country. Let's have bipartisanship reborn again in this great nation. We are so grateful for those who serve in the military who are represented here today and throughout this country. We are grateful for the sacrifices that they undertake on our behalf. We are grateful for those who are in harm's way and pray that Thou wilt pour special blessings upon them, that they might be blessed and protected. And we pray that we might be a nation that will help to bring peace and tranquility throughout the world. We are grateful for all of the food, clothing and shelter that Thou has provided for us. We are grateful for those who serve in governments throughout the states, for the respective state legislatures. And last but not least, we are grateful for the Congress of the United States and we will pray that the Congress might be able to work together as Democrats and Republicans and Independents to serve Thee, to serve our country, to serve our fellow men and women, and to bring peace and contentment to this great nation and throughout the world. We pray at this time for those who are suffering in Haiti and elsewhere throughout the world. We ask you to bless them and help them and help us to do our share in helping throughout this world. We are grateful for the leaders from other countries who are here and we pray Thy blessings upon them. Once again, we ask that you bless our President, Vice President and the leaders of this country. In the name of Jesus Christ, Amen.

Senator Klobuchar: Thank you very much Senator Hatch. Now to read our next scripture today we are honored to be joined by Jose Luis Rodriguez Zapatero, who is currently serving his second four year term as the Prime Minister of Spain. Prime Minister Zapatero however, is not just the leader of one very important country, he is also the current Chairman of the European Union. And if that isn't enough, he made a claim to fame as Prime Minister with a cabinet where a majority of his cabinet members are women. I decided to add that. The Prime Minister has also made invaluable contributions to interfaith dialogue and reconciliation in his country, both as an individual and as an elected leader. His personal quest has been to promote peaceful coexistence and tolerance among the religious faiths in his own country and throughout the world. Please join me in welcoming the Prime Minister of Spain, the Chairman of the European Union, His Excellency Jose Luis Rodriguez Zapatero.

The Prime Minister of Spain: [Speaking in Spanish]

Translator: Mr. President, Members of Congress, ladies and gentlemen, thank you. Thank you for inviting me to participate—on behalf of my country, on behalf of Spain—in one of the American people's most symbolic traditions. And thank you to Senators Klobuchar and Isakson. And please do allow me now to speak to you in Spanish, the language in which people first prayed to the God of the Gospels in this land.

No one knows the value of religious freedom better than all of you. Your forbearers fled oppression and so as to never be deprived of their freedom, they founded this country. A nation, the United States of America, born out of democracy; a nation that has never stopped thriving thanks to the strength of that democracy, which abolished slavery, recognized equal voting rights and outlawed discrimination; a nation that has expanded pluralism, tolerance and respect for all choices and beliefs. Admirable feats, admirable in the eyes of a firm believer in democracy, living in one of the oldest nations in the world, Spain. Our nation is also diverse, forged out of diversity and renewed in its diversity. Our nation is as diverse as America. It is the most multi-cultural of the lands of Europe, a Spain that is Celtic, Iberian, Phoenician, Greek, Roman, Jewish, Arab and Christian, especially Christian as defined by the Latin American Author Carlos Fuentes. Our two countries owe much to us that have come to us from abroad. Our countries cannot be understood without them. Without those who throughout history have come to our land and living in our midst have become us, have become what we are.

Allow me to read you a Bible passage from Deuteronomy, Chapter 24, ''You should not withhold the wages of poor and needy laborers whether other Israelites or aliens who reside in your land or in one of your towns. You shall pay them their wages daily before sunset because they are poor and their livelihood depends on them.''

Let us be concerned with integrating those who have come to work and live in our countries in our midst. Let us also be concerned with all of those whom we cannot welcome amongst us and who are suffering from hunger and extreme poverty in so many places around the world, such as those living in Haiti and whose misfortune has moved us to offer up all our efforts of solidarity; a solidarity which reconciles us with our human condition, with our vulnerability and our fraternity and which should never wane. Furthermore, I would like to proclaim my deep commitment to those men and women who in our societies in these difficult times are suffering the scarcity of jobs. They should all know that as government leaders, this task is our paramount concern. No other task is more binding to us than that of fostering job creation. Today, it is my plea that we also advocate the right of all persons anywhere in the world to moral autonomy, to their quest for that which is good. Today, it is my plea that we advocate the freedom of all to live their own lives, to live with their loved one and to build and nurture their family environment. This is worthy of respect.

Freedom, civic truth, the truth common to us all, it is what makes us true, genuine, authentic human beings, because freedom enables each of us to look destiny in the eye and seek our own truth. But tolerance is so much more than accepting the other. It is discovering, knowing, acknowledging the other. Ignorance of the other is at the root of all conflicts that threaten human kind and endanger our future. Ignorance breeds hate. Harmony is founded on knowledge—so is peace. Even in the past, Spain was a model of peaceful coexistence among the three religions of the Book—Judaism, Christianity and Islam. And today in the world, Spain defends religious tolerance and respect for difference, dialogue, peaceful coexistence of cultures, the alliance of civilizations. We do so with as much conviction as we reject excluding statements of moral superiority, absolutism, and uncompromising fundamentalism. The United States knows, as does Spain, that the spurious use of religious faith to justify violence can be hugely destructive. And what better occasion than this prayer breakfast to commemorate together, to honor together, our victims of terrorism. Because it also together that we defend freedom wherever it is threatened.

Mr. President, members of Congress, ladies and gentlemen, be it with a lofty dimension or a civic one, freedom is always the foundation of hope, of hope in the future, for liberty as for honor says Don Quixote in the masterpiece written in Spanish, ''One can rightfully risk one's life, yet captivity is the worst evil that can befall men.'' Liberty is one of the most precious gifts heaven has bestowed upon man that this gift may continue blessing America and all people's on earth. Thank you very much. [Applause]

Senator Isakson: Prime Minister Zapatero, thank you for those meaningful and inspirational words. We are delighted to have you in America today and we appreciate your friendship very much. You know every day when I find those special few moments to pause and meditate and pray for the things I am thankful for, the very first prayer is for the men and women who serve us in harm's way in our armed forces around the world. For I know they not only serve the United States, but they serve peace, freedom and democracy of all nations around the world. And it is my pleasure now to introduce the leader of the United States' military, the Chairman of the Joint Chiefs of Staff, Admiral Michael Mullen.

Admiral Michael Mullen: Thank you. Good morning Mr. President, Mrs. Obama, Vice President Biden, Secretary Clinton, other distinguished heads of state and distinguished visitors, ladies and gentlemen. I am deeply honored to be here and to have this opportunity. I have been asked this morning to offer a prayer for world leaders. When my wife, Deborah, informed me that one of the leaders I would be praying for was probably me, something I hadn't really considered, I actually started taking this very serious. I am also mindful that there is more than one higher power in the room today, no offense, Mr. Vice President. Now, before I ask you all to join me in prayer I would like to tell a little story. It is about an Army platoon leader in the Korean War. He and his men fell into an ambush one day out on patrol and found themselves surrounded by enemy soldiers. They hunkered down in a small clearing, making the best of what little cover they could find and tried desperately to hold on against what seemed to be terrible odds. Every now and then, the platoon sergeant noticed that his young lieutenant would dash behind a big rock and sit for a minute or two and then dash back out and start issuing new commands: ''move here, move there, shift your fire high, shift it low.'' The barrage of orders seemed to come almost as fast as the enemy bullets themselves. After an hour or so, while suffering only a few casualties, the platoon had chased off their attackers and began to safely make their way back to base. On the walk back, the sergeant approached the lieutenant and asked him: ''Exactly what were you doing behind that rock, sir?'' The officer grinned a little, sighed, his shoulders sank, he said ''I needed

time to think, to adjust so I kept asking myself three questions: What am I doing? What am I not doing? And how can I make up the difference?'' Now, I do not know if that story is really true or not—I am told that it is. I really like it, because it illustrates perfectly the deepest challenge of leadership during difficult times—that of self reflection and sober analysis. Even in the heat of battle, perhaps especially in the heat of battle, we must find the time to think, to adjust, and to improve our situation. After more than four decades in uniform in peace and in war, it has been my experience that people are guided best not by their instincts but by their reason. That leaders are most effective not when they rule passionately but when they decide dispassionately. As St. Thomas Aquinas once said, ''A man has free choice only to the extent that he is rational.'' And so in these dangerous, difficult and immensely challenging times, when our young troops fight two wars overseas while their loved ones back home fight to keep their families together, when everything from the economy to the environment instills fear and uncertainty, let us exercise our own free choice. Let us lead rationally and calmly. Let us take the time to ask ourselves: What are we doing? What are we not doing? And how can we make up the difference? We may not always like the answers—I know I seldom do—but we can always learn from having posed the questions.

And now, please bow your heads and join me in prayer. Father in Heaven, we gather today to ask your blessing over the lives and decisions of those who lead us around the world. Theirs is a mighty task and a noble calling, for upon their shoulders rest the hopes and dreams of billions of people, not only of this generation but of future generations who know us not. May you guide them in that pursuit, oh Lord, give them the faith to seek your guidance, the wisdom to make the right decisions and the character to see those decisions through. Help them choose love over hate, courage over fear, principle over expediency. Let them always seek concord and peace and to remember that the best leader is a good and humble servant. Encourage them, Father, to seek your council as Solomon himself did in 1 Kings, chapter 3, saying to you: ''but I am only a little child and do not know how to carry out my duties. So give me a discerning heart to govern your people and to distinguish between right and wrong.'' May you bless us all Lord, your children, and give our leaders that same discerning heart. Help us always to distinguish between right and wrong and to serve others before ourselves. This we pray, in Thy name, Amen.

Senator Klobuchar: Thank you very much, Admiral Mullen. It is now my great honor to introduce our keynote speaker, Secretary of State, Hillary Rodham Clinton. She is an incredibly accomplished woman whose life has been shaped by the deep and abiding faith she was blessed to receive during her childhood in suburban Chicago. Faith was always central to Hillary Clinton's family. Her mother taught Sunday school and made sure that her daughter and sons were there the moment the church doors opened. In high school, she was deeply influenced by her youth minister who taught her about faith in action. On one memorable evening at age fourteen, her church youth group went to hear a speech by Reverend Martin Luther King, a transformative experience that inspires her today. As a successful attorney and the First Lady of Arkansas, her faith inspired her to be a forceful advocate for disadvantaged children and families. As our nation's First Lady, her faith led her to be a champion for health care reform and for human rights, especially for women around the world. As I have learned from people who were here at this prayer breakfast long before me, Hillary Clinton and her husband, President Bill Clinton, were always generous with their time at this prayer breakfast. As a Senator from New York, Senator Clinton's faith sustained as she became a highly respected legislator who always did her homework. And after a long and bruising presidential campaign in which she shattered the glass ceiling for national women candidates forever, she was asked by President Obama to serve as Secretary of State. She could have so easily said ''no'' and stayed as the powerhouse she was in the Senate, instead, she once again answered the call to serve. She didn't flinch, she didn't hesitate. And in the words of Isaiah, she said, ''Send me.'' From the sands of the Mideast, to the capitals of Europe, to the devastation in Haiti, she has shown America's strength and commitment to the world. Please join me in welcoming, Secretary of State Hillary Clinton.

Secretary of State Hillary Clinton: Thank you. Thank you. Thank you very much. I have to begin by saying that I am not Bono. Those of you who were here when he was, I apologize beforehand. But it is a great pleasure to be with you and to be here with President and Mrs. Obama, to be with Vice President Biden, with Chairman Mullen, with certainly our hosts today, my former colleagues and friends, Senators Johnny Isakson and Amy Klobuchar. And to be with so many distinguished guests and visitors who have come from all over our country and indeed from all over the world.

I have attended this prayer breakfast every year since 1993, and I have always found it to be a gathering that inspires and motivates me. Now today, our minds are still filled with the images of the tragedy of Haiti where faith is being tested daily in food lines and makeshift hospitals, in tent cities where there are not only so many suffering people but so many vanished dreams.

When I think about the horrible catastrophe that has struck Haiti, I am both saddened but also spurred. This is a moment that has already been embraced by people of faith from everywhere. I thank Prime Minister Zapatero for his country's response and commitment. Because in the days since the earthquake, we have seen the world and the world's faithful spring into action on behalf of those suffering. President Obama has put our country on the leading edge of making sure that we do all we can to help alleviate not only the immediate suffering, but to assist in the rebuilding and recovery. So many countries have answered the call, and so many churches, synagogues, mosques and temples have brought their own people together. And even with modern technology through Facebook and telethons and text messages and Twitter, there has been an overwhelming global response. But of course, there is so much more to be done.

When I think about being here with all of you today, there are so many subjects to talk about. You have already heard, both in prayer and in Scripture reading and in Prime Minister Zapatero's remarks, a number of messages. But let me be both personal and speak from my unique perspective now as Secretary of State. I have been here as a First Lady. I have been here as a senator, and now I am here as a Secretary of State. I have heard heartfelt descriptions of personal faith journeys. I have heard impassioned pleas for feeding the hungry and helping the poor, caring for the sick. I have heard speeches about promoting understanding among people of different faiths. I have met hundreds of visitors from countries across the globe. I have seen the leaders of my own country come here amidst the crises of the time and, for at least a morning, put away political and ideological differences. And I have watched and I have listened to three presidents, each a man of faith, speak from their hearts, both sharing their own feelings about being in a position that has almost intolerably impossible burdens to bear, and appealing often, either explicitly or implicitly, for an end to the increasing smallness, irrelevancy, even meanness, of our own political culture. My own heart has been touched and occasionally pierced by the words I have heard and often my spirit has been lifted by the musicians and the singers who have shared their gifts in praising the Lord with us. And during difficult and painful times, my faith has been strengthened by the personal connections that I have experienced with people who, by the calculus of politics, were on the opposite side of me on the basis of issues or partisanship.

After my very first prayer breakfast, a bipartisan group of women asked me to join them for lunch and told me that they were forming a prayer group. And these prayer partners prayed for me. They prayed for me during some very challenging times. They came to see me in the White House. They kept in touch with me and some still do today. And they gave me a handmade book with messages, quotes, and Scripture to sustain me. And of all the thousands of gifts that I have received in the White House, I have a special affection for this one. Because in addition to the tangible gift of the book, it contained 12 intangible gifts, 12 gifts of discernment, peace, compassion, faith, fellowship, vision, forgiveness, grace, wisdom, love, joy, and courage. And I have had many occasions to pull out that book and to look at it and to try, Chairman Mullen, to figure out how to close the gap of what I am feeling and doing with what I know I should be feeling and doing. As a person of faith, it is a constant struggle, particularly in the political arena, to close that gap that each of us faces.

In February of 1994, the speaker here was Mother Theresa. She gave, as everyone who remembers that occasion will certainly recall, a strong address against abortion. And then she asked to see me. And I thought, ''Oh, dear.'' And after the breakfast we went behind that curtain and we sat on folding chairs, and I remember being struck by how small she was and how powerful her hands were, despite her size, and that she was wearing sandals in February in Washington.

We began to talk and she told me that she knew that we had a shared conviction about adoption being vastly better as a choice for unplanned or unwanted babies. And she asked me—or more properly, she directed me—to work with her to create a home for such babies here in Washington. I know that we often picture, as we are growing up, God as a man with a white beard. But that day, I felt like I had been ordered, and that the message was coming not just through this diminutive woman but from some place far beyond.

So, I started to work. And it took a while because we had to cut through all the red tape. We had to get all of the approvals. I thought it would be easier than it turned out to be. She proved herself to be the most relentless lobbyist I have ever encountered. She could not get a job in your White House, Mr. President. She never let up. She called me from India, she called me from Vietnam, she wrote me letters and it was always: ''When is the house going to open? How much more can be done—quickly?''

Finally, the moment came: June 1995 and the Mother Theresa Home for Infant Children opened. She flew in from Kolkata to attend the opening and, like a happy child, she gripped my arm and led me around, looking

at the bassinets and the pretty painted colors on the wall, and just beaming about what this meant for children and their futures.

A few years later, I attended her funeral in Kolkata, where I saw presidents and prime ministers, royalty and street beggars pay her homage. And after the service, her successor, Sister Nirmala, the leader of the Missionary of Charity, invited me to come to the Mother House. I was deeply touched. When I arrived, I realized I was one of only a very few outsiders. And I was directed into a whitewashed room where the casket had already arrived. And we stood around with the nuns, with the candles on the walls flickering, and prayed for this extraordinary woman. And then Sister Nirmala asked me to offer a prayer. I felt both inadequate and deeply honored, just as I do today.

And in the tradition of prayer breakfast speakers, let me share a few matters that reflect how I came on my own faith journey, and how I think about the responsibilities that President Obama and his administration and our government face today. As Amy said, I grew up in the Methodist Church. On both sides of my father's family, the Rodhams and the Joneses; they came from mining towns. And they claimed, going back many years, to have actually been converted by John and Charles Wesley. And, of course, Methodists—we are methodical. It was a particularly good religion for me. And part of it is a commitment to living out your faith. We believe that faith without works may not be dead, but it is hard to discern from time to time. John Wesley had this simple rule which I carry around with me as I travel: ''Do all the good you can by all the means you can and by all the ways you can and all the places you can at all the times you can to all the people you can, as long as ever you can.'' That is a tall order. And of course, one of the interpretive problems with it is, who defines good? What are we actually called to do, and how do we stay humble enough, obedient enough, to ask ourselves, ''Am I really doing what I am called to do?'' It was a good rule to be raised by and it was certainly a good rule for my mother and father to discipline us by. And I think it is a good rule to live by, with the appropriate dose of humility. Our world is an imperfect one filled with imperfect people, so we constantly struggle to meet our own spiritual goals. But John Wesley's teachings, and the teachings of my church, particularly during my childhood and teenage years, gave me the impetus to believe that I did have a responsibility. It meant not sitting on the sidelines, but being in the arena. And it meant constantly working to try to fulfill the lessons that I absorbed as a child. It is not easy. We are here today because we are all seekers, and we can all look around our own lives and the lives of those whom we know and see everyone falling so short.

As we look around the world, there are so many problems and challenges that people of faith are attempting to address—or should be. We can recite those places where human beings are mired in the past—their hatreds, their differences—where governments refuse to speak to other governments, where the progress of entire nations is undermined because isolation and insularity seem less risky than cooperation and collaboration, where all too often it is religion that is the force that drives and sustains division rather than being the healing balm. These patterns persist despite the overwhelming evidence that more good will comes from suspending old animosities and preconceptions, from engaging others in dialogue, from remembering the cardinal rules found in all of the world's major religions.

Last October, I visited Belfast once again, 11 years after the signing of the Good Friday agreement, a place where being a Protestant or a Catholic determined where you lived, often where you worked, whether you were a friend or an enemy, a threat or a target. Yet over time, as the body count grew, the bonds of common humanity became more powerful than the differences fueled by ancient wrongs. So bullets have been traded for ballots—as we meet this morning, both communities are attempting to hammer out a final agreement on the yet unresolved issues between them. And they are discovering anew what the Scripture urges us: ''Let us not become weary in doing good, for at the proper time we will reap a harvest if we do not give up.'' Even in places where God's presence and promise seems fleeting and unfulfilled or completely absent, the power of one person's faith and the determination to act can help lead a nation out of darkness.

Some of you may have seen the film, ''Pray the Devil Back to Hell.'' It is the story of a Liberian woman who was tired of the conflict and the killing and the fear that had gripped her country for years. So she went to her church and she prayed for an end to the civil war. And she organized other women at her church, and then at other churches, then at the mosques. Soon thousands of women became a mass movement, rising up and praying for a peace, and working to bring it about that finally, finally ended the conflict.

And yet, the devil must have left Liberia and taken up residence in Congo. When I was in the Democratic Republic of Congo this summer, the contrasts were so overwhelmingly tragic—a country the size of Western Europe, rich in minerals and natural resources, where 5.4 million people have been killed in the most deadly conflict since World War II; where 1,100 women and girls are raped every month; where the life expectancy is 46 and dropping; where poverty, starvation and all of the ills that stalk the human race are in abundance. When I traveled to Goma, I saw in a single day the best and the worst of humanity. I met with women who had been savaged and brutalized physically and emotionally, victims of gender and sexual-based violence in a place where law, custom and even faith did little to protect them. But I also saw courageous women who, by faith, went back in to the bush to find those who, like them, had been violently attacked. I saw the doctors and the nurses who were helping to heal the wounds, and I saw so many who were there because their faith led them to it.

As we look at the world today and we reflect on the overwhelming response—of the outpouring of generosity—to what happened in Haiti, I am reminded of a story of Elijah. After he goes to Mount Horeb, we read that he faced ''a great wind, so strong that it was splitting mountains and breaking rocks in pieces before the Lord, but the Lord was not in the wind; and after the wind, an earthquake, but the Lord was not in the earthquake; and after the earthquake, a fire, but the Lord was not in the fire; and after the fire, a sound of sheer silence—a still small voice.'' It was then that Elijah heard the voice of the Lord. It is often when we are only quiet enough to listen, that we do as well. It is something we can do at any time, without a disaster or a catastrophe provoking it. It shouldn't take that.

But the teachings of every religion call us to care for the poor, tell us to visit the orphans and widows, to be generous and charitable, to alleviate suffering. All religions have their version of the Golden Rule and direct us to love our neighbor and welcome the stranger and visit the prisoner. But how often in the midst of our own lives do we respond to that? All of these holy texts, all of this religious wisdom from these very different faiths, call on us to act out of love. In politics, we sometimes talk about message discipline—making sure everyone uses the same set of talking points. Well, whoever was in charge of message discipline on these issues for every religion certainly knew what they were doing. Regardless of our differences, we all got the same talking points and the same marching orders. So the charge is a personal one. Yet across the world, we see organized religion standing in the way of faith, perverting love, undermining that message. Sometimes it is easier to see the far away than the here at home. But religion, cloaked in naked power lust, is used to justify horrific violence, attacks on homes, markets, schools, volleyball games, churches, mosques, synagogues, temples. From Iraq to Pakistan and Afghanistan to Nigeria and the Middle East, religion is used as a club to deny the human rights of girls and women, from the Gulf to Africa to Asia, and to discriminate, even advocating the execution of gays and lesbians. Religion is used to enshrine in law intolerance of free expression and peaceful protest. Iran is now detaining people and executing people under a new crime—waging war against God. That seems to be a rather dramatic identity crisis.

So in the Obama Administration, we are working to bridge religious divides. We are taking on violations of human rights perpetrated in the name of religion. And we invite members of Congress and clergy and active citizens like all of you here to join us. Of course, we are supporting the peace processes from Northern Ireland to the Middle East, and of course we are following up on the President's historic speech at Cairo with outreach efforts to Muslims and promoting interfaith dialogue, and of course we are condemning the repression in Iran. But we are also standing up for girls and for women, who too often in the name of religion, are denied their basic human rights. And we are standing up for gays and lesbians who deserve to be treated as full human beings. And we are also making it clear to countries and leaders that these are priorities of the United States. Every time I travel, I raise the plight of girls and women, and make it clear that we expect to see changes. And I recently called President Museveni, whom I have known through the prayer breakfast, and expressed the strongest concerns about a law being considered in the parliament of Uganda.

We are committed, not only to reaching out and speaking up about the perversion of religion, and in particularly the use of it to promote and justify terrorism, but also seeking to find common ground. We are working with Muslim nations to come up with an appropriate way of demonstrating criticism of religious intolerance without stepping over into the area of freedom of religion, or nonreligion, and expression. So there is much to be done, and there are a lot of challenging opportunities for each of us as we leave this prayer breakfast, this 58th prayer breakfast.

In 1975, my husband and I, who had gotten married in October, and we were both teaching at the University of Arkansas Law School in beautiful Fayetteville, Arkansas—we got married on a Saturday and went back to work on a Monday. So around Christmastime, we decided that we should go somewhere and celebrate, take a honeymoon. And my late father said, ''Well, that's a great idea, we'll come too.'' And indeed Bill and I and my entire family went to Acapulco. We had a great time, but it wasn't exactly a honeymoon. So when we got back, Bill was talking to one of his friends who was then working in Haiti, and his friend said, ''Well, why don't you come see me? This is the most interesting country. Come and take some time.'' So indeed, we did. So we were there

over the New Year's holidays. And I remember visiting the cathedral in Port-au-Prince, in the midst of, at that time, so much fear from the regime of the Duvaliers, and so much poverty, there was this cathedral that had stood there and served as a beacon of hope and faith. After the earthquake, I was looking at some of our pictures from the disaster, and I saw the total destruction of the cathedral. It was just a heart rending moment. And yet, I also saw men and women helping one another, digging through the rubble, dancing and singing in the makeshift communities that they were building up. And I thought again that as the Scripture reminds us, ''Though the mountains be shaken and the hills be removed, yet my unfailing love for you will not be shaken nor my covenant of peace be removed.''

As the memory of this crisis fades, as the news cameras move on to the next very dramatic incident, let us pray that we can sustain the force and the feeling that we find in our hearts and in our faith in the aftermath of such tragedies. Let us pray that we will all continue to be our brothers' and sisters' keepers. Let us pray that amid our differences we can continue to see the power of faith not only to make us whole as individuals, to provide personal salvation, but to make us a greater whole and a greater force for good on behalf of all creation. So let us do all the good that we can, by all the means we can, in all the ways we can, in all the places we can, to all the people we can, as long as ever we can. God Bless you.

Senator Isakson: Thank you, Secretary Clinton, for your words of inspiration and for the magnificent job you do as the Secretary of State for our nation. I now have the high honor and distinct privilege of introducing the President of the United States—that is no easy task. Have you ever tried introducing somebody that is known to everybody on the planet? It is hard to find something unique and inspirational. Everyone knows of the historic impact of Barack Obama's election to the Presidency of the United States. We all marvel at his oratory skills and his ability to communicate, and we all know his energy is boundless. We also know that his audacity of hope has given hope to millions of people around the world, to aspire to the highest of achievement in their life. But it was his State of the Union that inspired me as to what I would say, because I listened when he asked us to seek those things that we have in common, not those things that divide us. And then I realized it, Mr. President, you and I share one unique characteristic in common—we married way over our heads. With a magnificent First Lady like Michelle Obama, I felt it only appropriate that I would introduce you today, sir, as the husband of the dynamic First Lady of the United States of America, President Barack Obama.

The President: Thank you. Thank you very much. Please be seated.

Thank you so much. Heads of State, Cabinet members, my outstanding Vice President, members of Congress, religious leaders, distinguished guests, Admiral Mullen—it's good to see all of you. Let me begin by acknowledging the co-chairs of this breakfast, Senators Isakson and Klobuchar, who embody the sense of fellowship at the heart of this gathering. They are two of my favorite senators. Let me also acknowledge the director of my Faith-based Office, Joshua DuBois, who is here. He's doing great work.

I want to commend Secretary Hillary Clinton on her outstanding remarks and her outstanding leadership at the State Department. She is doing good every day. I am especially pleased to see my dear friend, Prime Minister Zapatero, and I want him to relay America's greetings to the people of Spain. And Johnny, you are right, I am deeply blessed, and I thank God every day for being married to Michelle Obama.

I am privileged to join you once again as my predecessors have for over half a century. Like them, I come here to speak about the ways my faith informs who I am—as a President and as a person. But I am also here for the same reason that all of you are, for we all share recognition—one as old as time—that a willingness to believe, an openness to grace, a commitment to prayer can bring sustenance to our lives.

There is, of course, a need for prayer even in times of joy and peace and prosperity. Perhaps especially in such times prayer is needed—to guard against pride and to guard against complacency. But rightly or wrongly, most of us are inclined to seek out the divine not in the moment when the Lord makes his face shine upon us but in the moment when God's grace can seem farthest away.

Last month, God's grace, God's mercy, seemed far away from our neighbors in Haiti. And yet I believe that grace was not absent in the midst of tragedy. It was heard in prayers and hymns that broke the silence of an earthquake's wake. It was witnessed among parishioners of churches that stood no more, a road side congregation holding bibles in their laps. It was felt in the presence of relief workers and medics, translators, service men and women bringing food and water and aid to the injured.

One such translator was an American of Haitian decent, representative of the extraordinary work that our men and women in uniform do all around the world—Navy Corpsman Christopher Brossard. And lying on a gurney aboard the USNS Comfort, a woman asked Christopher: ''Where do you come from? What country? After my operation,'' she said, ''I will pray for that country.'' And in Creole, Corpsman Brossard responded, ''Etazini.'' The United States of America.

God's grace, and the compassion and decency of the American people is expressed through the men and women like Corpsman Brossard. It is expressed through the efforts of our Armed Forces; through the efforts of our entire government; through similar efforts from Spain and other countries around the world. It is also, as Secretary Clinton said, expressed through multiple faith-based efforts. By Evangelicals at World Relief. By the American Jewish World Service. By Hindu temples, and mainline Protestants, Catholic Relief Services, African-American churches, the United Sikhs. By Americans of every faith, and no faith, uniting around a common purpose, a higher purpose.

It's inspiring. This is what we do, as Americans, in times of trouble. We unite, recognizing that such crises call on all of us to act, recognizing that there but for the grace of God go I, recognizing that life's most sacred responsibility—one affirmed, as Hillary said, by all of the world's great religions—is to sacrifice something of ourselves for a person in need.

Sadly, though, that spirit is too often absent when tackling the long-term, but no less profound issues facing our country and the world. Too often, that spirit is missing without the spectacular tragedy—the 9/11 or the Katrina, the earthquake or the tsunami—that can shake us out of complacency. We become numb to the day-to-day crises, the slow-moving tragedies of children without food and men without shelter and families without health care. We become absorbed with our abstract arguments, our ideological disputes, our contests for power. And in this Tower of Babel, we lose the sound of God's voice.

Now, for those of us here in Washington, let's acknowledge that democracy has always been messy. Let's not be overly nostalgic. Divisions are hardly new in this country. Arguments about the proper role of government, the relationship between liberty and equality, our obligations to our fellow citizens—these things have been with us since our founding. And I am profoundly mindful that a loyal opposition, a vigorous back and forth, a skepticism of power, all of that is what makes our democracy work.

And we have seen actually some improvement in some circumstances. We haven't seen any canings on the floor of the Senate any time recently. So we shouldn't over-romanticize the past. But there is a sense that something is different now; that something is broken; that those of us in Washington are not serving the people as well as we should. At times, it seems like we are unable to listen to one another; to have at once a serious and civil debate. And this erosion of civility in the public square sows division and distrust among our citizens. It poisons the well of public opinion. It leaves each side little room to negotiate with the other. It makes politics an all-or-nothing sport, where one side is either always right or always wrong when, in reality, neither side has a monopoly on truth. And then we lose sight of the children without food and the men without shelter and the families without health care.

Empowered by faith, consistently, prayerfully, we need to find our way back to civility. That begins with stepping out of our comfort zones in an effort to bridge divisions. We see that in many conservative pastors who are helping lead the way to fix our broken immigration system. It's not what would be expected from them, and yet they recognize, in those immigrant families, the face of God. We see that in the Evangelical leaders who are rallying their congregations to protect our planet. We see it in the increasing recognition among progressives that government cannot solve all of our problems, and that talking about values like responsible fatherhood and healthy marriage are integral to any anti-poverty agenda. Stretching out of our dogmas, our prescribed roles along the political spectrum, that can help us regain a sense of civility.

Civility also requires relearning how to disagree without being disagreeable; understanding as President Kennedy said, that ''civility is not a sign of weakness.'' Now, I am the first to confess that I am not always right. Michelle will testify to that. But surely you can question my policies without questioning my faith, or, for that matter, my citizenship.

Challenging each other's ideas can renew our democracy. But when we challenge each other's motives, it becomes harder to see what we hold in common. We forget that we share in some deep level the same dreams—even when we don't share the same plans on how to fulfill them.

We may disagree about the best way to reform our health care system, but surely we can agree that no one ought to go broke when they get sick in the richest nation on Earth. We can take different approaches to ending inequality, but surely we can agree on the need to lift our children out of ignorance; to lift our neighbors from poverty. We may disagree about gay marriage, but surely we can agree that it is unconscionable to target gays and lesbians for who they are—whether it is here in the United States or, as Hillary mentioned, more extremely in odious laws that are being proposed most recently in Uganda.

Surely, we can agree to find common ground when possible, parting ways when necessary. But in doing so, let us be guided by our faith, and by prayer. For while prayer can buck us up when we are down, keep us calm in a storm; while prayer can stiffen our

spines to surmount an obstacle—and I assure you I'm praying a lot these days—prayer can also do something else. It can touch our hearts with humility. It can fill us with a spirit of brotherhood. It can remind us that each of us are children of an awesome and loving God.

Through faith, but not through faith alone, we can unite people to serve the common good. And that's why my Office of Faith-Based and Neighborhood Partnerships has been working so hard since I announced it here last year. We have slashed red tape and built effective partnerships on a range of uses, from promoting fatherhood here at home, to spearheading inter-faith cooperation abroad. And through that office, we have turned the faith based initiative around to find common ground among people of all beliefs, allowing them to make an impact that is civil and respectful of difference and focused on what matters most.

It is this spirit of civility that we are called to take up when we leave here today. That is what I am praying for. I know in difficult times like these—when people are frustrated, when pundits start shouting and politicians start calling each other names—it can seem like a return to civility is not possible, like the very idea is a relic of some bygone era. The word itself seems quaint—civility.

But let us remember those who came before; those who believed in the brotherhood of man even when such a faith was tested. Remember Dr. Martin Luther King. Not long after an explosion ripped through his front porch, his wife and infant daughter inside, he rose to that pulpit in Montgomery and said, ''Love is the only force capable of transforming an enemy into a friend.''

In the eyes of those who denied his humanity, he saw the face of God.

Remember Abraham Lincoln. On the eve of the Civil War, with states seceding and forces gathering, with a nation divided half slave half free, he rose to deliver his first inaugural and said, ''We are not enemies but friends . . . Though passion may have strained, it must not break our bonds of affection.''

Even in the eyes of Confederate soldiers, he saw the face of God.

Remember William Wilberforce, whose Christian faith led him to seek slavery's abolition in Britain. He was vilified, derided, attacked; but he called for ''lessening prejudices and conciliating good-will, and thereby making way for the less obstructed progress of truth.''

In the eyes of those who sought to silence a nation's conscience, he saw the face of God.

Yes, there are crimes of conscience that call us to action. Yes, there are causes that move our hearts and offenses that stir our souls. But progress does not come when we demonize opponents. It is not born in righteous spite. Progress comes when we open our hearts, when we extend our hands, when we recognize our common humanity. Progress comes when we look into the eyes of another and see the face of God. That we might do so—that we will do so all the time, not just some of the time—is my fervent prayer for the nation and the world.

Thank you, God bless you, and God bless the United States of America.

Senator Isakson: Thank you so much, Mr. President, for your leadership and your words of faith. We are now in for a magnificent treat. Ralph Freeman founded Song Sermon Ministries years ago, has sung on continents around the world and throughout the United States. Ladies and gentlemen, Mr. Ralph Freeman.

Mr. Ralph Freeman: [Singing]

We believe in the Father who created all that is
And we believe the universe and all there is His
As a loving Heavenly Father he yearned to save us all
To lift us from the fall—we believe
We believe in Jesus, the Father's only son
Existing uncreated before time had begun
A sacrifice for sin, he died then he rose again
To ransom sinful man—we believe.
We believe in the Spirit who makes believers one
Our hearts are filled with His presence
The Comforter has come
The kingdom unfolds in His plan
Unhindered by quarrels of man
His church upheld by his hands—we believe
Though the Earth be removed
And time be no more
These truths are secure God's words shall endure
Whatever may change, these things for sure—we believe.
So if the mountains are cast down into the plains
When the kingdoms all crumble, this one remains
Our faith is not subject to seasons of man
With our fathers we proclaim
We believe our Lord will come as He said
The land and the sea will give up their dead
His children will reign with Him as their head
We believe
We believe

Senator Klobuchar: What an amazing song. Thank you so much and the President wanted me to let you know he only had to leave early so it makes it easier for you all to get out of here. But we want to thank you for such a beautiful morning, something we will never forget and we have one last prayer, a closing prayer and Johnny will introduce our speaker.

Senator Isakson: My favorite verse in the Bible is in the first book of Thessalonians, the 5th chapter, the 16th and 17th verses—''Rejoice evermore.'' And certainly after this morning's message from Secretary of State Clinton and the gifted musicians that we heard from, Ralph Freeman, Bob Fraumann and MaryKay Messenger, we have had a reason to rejoice this morning. But in addition, the second verse says ''Pray without ceasing,'' and I can not think of a more appropriate person to close today than the young man of great gift and talent on the gridiron, who lives his faith and ministers around the world sharing with others. A role model for the youth of America, the University of Florida quarterback, the Heisman Trophy Winner, Mr. Tim Tebow.

Mr. Tim Tebow: It is actually rather incredible that a Georgia Bulldog would invite a Florida Gator. So you can actually see the hand of God here today already. Madam Secretary, Senators, distinguished guests, thank you so much for this opportunity. Now if you would, please bow your heads and pray with me right now.

Dear Jesus, thank you for this day. Thank you for bringing together so many people that have a platform to influence people for you. Lord, as we disperse today let us be united in love, hope and peace. Lord, let us come together as one and break down all the barriers in between us that separate us. Lord, you came to seek and save those who were lost and we thank you for that. Lord, we don't know what the future holds but we know who holds the future and in that there is peace and in that there is comfort and in that there is hope. Lord, we pray for the people all over the world who are hurting right now, Lord. And the first thing that comes to mind is James 1, verses 2 through 4, ''Consider all joy my brethren when you encounter various trials, knowing that the testing of your faith produces endurance and let endurance have its perfect result, that you may be perfect and complete, lacking in nothing.'' And we pray for the people in Haiti right now, Lord, that you make them perfect and complete because you love them and you have a plan for their lives, just like you do with our lives right now. So my prayer is as we leave today, we are united as one because of you. We love you and thank you. In Jesus' name, Amen.

Senator Isakson: Thank you for attending. We look forward to seeing you at the 59th Prayer Breakfast next year.

Senator Klobuchar: Thank you.

HONORING OUR ARMED FORCES

SPECIALIST WILLIAM C. YAUCH

Mrs. LINCOLN. Mr. President, today I honor SPC William C. Yauch, 23, of Batesville who died in Jalula, Iraq, in support of Operation Iraqi Freedom. According to initial reports, Specialist Yauch died of injuries sustained when a vehicle-borne improvised explosive device detonated near his patrol. He is survived by his wife of Batesville, his mother of Cave City, and his father of Saint Charles, MO.

My heart goes out to the family of Specialist Yauch who made the ultimate sacrifice on behalf of our Nation. Along with all Arkansans, I am grateful for his service and for the service and sacrifice of all of our military servicemembers and their families. I am committed to ensuring they have the full support that they need and deserve. Our grateful Nation will not forget them when their military service is complete.

More than 11,000 Arkansans on active duty and more than 10,000 Arkansas reservists have served in Iraq or Afghanistan since September 11, 2001. These men and women have shown tremendous courage and perseverance through the most difficult of times. As neighbors, as Arkansans, and as Americans, it is incumbent upon us to do everything we can to honor their service and to provide for them and their families, not only when they are in harm's way but also when they return home. It is the least we can do for those whom we owe so much.

Specialist Yauch was assigned to B Company, 5th Battalion, 20th Infantry Regiment, 2nd Infantry Division, Joint Base Lewis-McChord, WA.

REMEMBERING COLONEL WILLIAM H. MASON AND CHIEF MASTER SERGEANT THOMAS E. KNEBEL

Mrs. LINCOLN. Mr. President, today I pay tribute to two airmen from Arkansas, Air Force COL William H. Mason of Camden and CMSGT. Thomas E. Knebel of Midway, who bravely gave their lives during the Vietnam War, but whose ultimate fate had remained unknown. During a recent ceremony at Arlington National Cemetery, Colonel Mason and Chief Master Sergeant Knebel along with their crew members were given full military honors for their sacrifice.

On May 22, 1968, these men were aboard a C–130A Hercules on an evening flare mission over northern Salavan Province, Laos. Fifteen minutes after the aircraft made a radio call, the crew of another U.S. aircraft observed a large ground fire near the last known location of the aircraft. Search and rescue could not be attempted due to heavy antiaircraft fire in the area.

The fate of the plane and its crew was a mystery for decades. Military investigators pursued numerous leads before locating the crash site just inside Vietnam in 2000, then spent several more years trying to identify human remains at the site.

After years of uncertainty, the families of Colonel Mason and Chief Master Sergeant Knebel can now be at peace knowing the remains of their loved ones have been found.

My heart goes out to the families of these airmen, who made the ultimate sacrifice on behalf of our Nation. Along with all Arkansans, I am grateful for the service and sacrifice of all of our military servicemembers and their families. I am committed to ensuring they have the full support that they need and deserve. As Arkansans, and as Americans, it is incumbent upon us to do everything we can to honor their service. It is the least we can do for those whom we owe so much.

ADDITIONAL STATEMENTS

WYNDMERE, NORTH DAKOTA

● Mr. CONRAD. Mr. President, I wish to recognize a community in North Dakota celebrating its 125th anniversary. On June 25 through 27, the residents of Wyndmere will gather to celebrate their community's history and founding.

In 1883, when North Dakota was just part of the Dakota territories, the city of Wyndmere was founded. It was named after Windermere Lake in Westmorelandshire, England, which derived from the combination of ''wynd,'' meaning a narrow lane, and ''mere,'' a pool or lake. The post office was established in 1884, and the Soo Line railroad crossed through town in 1888. The town flourished and became known as the Corn Capital of North Dakota.

The city was named a boom town in 1903 with multiple banks, physicians, blacksmith shops, jewelry stores, newspapers, and other businesses signaling its prosperity. Today, the city of Wyndmere and its residents are lucky to live with America's countryside in their backyard. With Sheyenne National Grasslands to enjoy, it is no surprise to find such a happy community. Wyndmere will celebrate its quasquicentennial with activities including an all school reunion and a parade.

I ask the Senate to join me in congratulating Wyndmere, ND, and its residents on their first 125 years and in wishing them well in the future. By honoring Wyndmere and all the other historic small towns of North Dakota, we keep the great tradition of the pioneering frontier spirit alive for future generations. It is places such as Wyndmere that have helped to shape this country into what it is today, which is why the community of Wyndmere is deserving of our recognition.

Wyndmere has a proud past and a bright future.●

REMEMBERING JOHN W. DOUGLAS

● Mr. DODD. Mr. President, today I wish to honor the life and career of John Woolman Douglas, who passed away on June 6, 2010, at the age of 88.

We are all familiar with the images of the 1963 civil rights march, which took place here in Washington, DC, and is still one of the largest demonstrations of its kind in the Nation's history. It was during this march, in front of the Lincoln Memorial, with the National Mall flooded with demonstrators, that Dr. Martin Luther King, Jr. delivered his iconic ''I Have a Dream'' speech.

The images of that day, and of Dr. King's speech, have left an indelible mark on U.S. history. These events are remembered as some of the most important moments in the struggle against racial discrimination. They are also remembered as a nonviolent and hopeful affair—a stark contrast to the violence which characterized earlier demonstrations in the deep south.

Much of the credit for the success of this historic event goes to the tireless work of an Assistant Attorney General at the Justice Department. His name was John Douglas. As the head of the Justice Department's Civil Rights Division, Douglas was charged by President Kennedy with the responsibility for the logistics and security of the march. For five weeks in the summer of 1963, he worked tirelessly with local law enforcement, the march's organizers, and the city of Washington to ensure a peaceful, effective demonstration.

Though his efforts went largely unnoticed to most Americans, it was vital to the success of this iconic event. It was also a testament to Mr. Douglas's personal belief in ensuring that the laws of our nation protect and promote the civil rights of all citizens.

His commitment to the rule of law, and to the advancement of basic human and civil rights in the United States and across the globe, helped John Douglas find himself at the forefront of some of the most significant moments of the 20th century—events that helped shape that century into one of progress and promise.

The son of the late U.S. Senator Paul Douglas, John was a 1943 graduate of Princeton University. After serving in the Navy during World War II as an officer on a PT boat in the Pacific, he enrolled at Yale Law School, in my home State of Connecticut. In 1948, he went on to London as a Rhodes Scholar and returned to clerk for Supreme Court Justice Harold Burton. He then embarked upon a career in private law practice and in government, during which he sought to advance the cause of justice both at home and abroad.

In 1962, Douglas was one of four men who negotiated the release of more than 1,000 anti-communist prisoners, captured and held by Cuban leader Fidel Castro after the Bay of Pigs invasion. He then served in the Kennedy Justice Department, where he was Assistant Attorney General until leaving to help his father run his final campaign for U.S. Senate in 1966.

Upon returning to private practice, he served as cochairman of the Lawyer's Committee for Civil Rights Under Law. In 1970, he learned that schools in the South were still placing black students in separate classes and preventing them from participating in after school activities. Under his direction dozens of volunteers travelled to the South to assist in taking legal action to stop these injustices. Throughout the 1970s and 80s, he continued working actively on civil rights issues, serving as the cochairman of the Washington Lawyers' Committee for Civil Rights and Urban Affairs, and also as president of the National Legal Aid and Defender Association.

Internationally, Mr. Douglas worked to advance human rights through the development of democracy across the globe. In 1985, he traveled to South Africa, where he demonstrated against apartheid. He then returned to that nation as an official election observer in 1994—the year that Nelson Mandela was elected as President of South Africa in the first multi-racial election in that nation's history. He also served as an election monitor in the African nation of Namibia on three occasions in the 1980s and 1990s.

When he saw the rule of law warped into the tool of oppressive regimes, John Douglas stood courageously on the side of justice and human rights. As chairman of the Carnegie Endowment for International Peace from 1978 to 1986, he advocated for international arms controls. He also travelled to Chile in 1986 to protest the violent, oppressive regime of General Augusto Pinochet.

Clearly, he knew, just as my father Thomas Dodd, one of the lead prosecutors of the Nuremberg trials did, that the law is humanity's strongest and noblest weapon against tyranny and oppression. This is a fundamental value that John Douglas truly took to heart, and throughout his career he fought for the rule of law over the rule of the mob both at home and abroad.

His contributions to the advancement of these principles shall never be forgotten, and I extend my deepest condolences to his family for their loss.●

TRIBUTE TO DR. JEFF KIMPEL

● Mr. INHOFE. Mr. President, when a tornado or severe weather event

threatens the lives and property of our citizens across the country, few know that a hard-working, unsung hero is directing the National Severe Storms Laboratory in Norman, OK, to provide advanced weather forecasting on these threats. Our friend and colleague, Dr. Jeff Kimpel, Director of the NSSL, is retiring after 13 years of Federal service as the Director of the National Severe Storms Laboratory in Norman, OK. He will be sorely missed.

As my colleagues in the Senate know, the NSSL is best known for developing Doppler weather radar technology that led to the establishment of the national NEXRAD network consisting of more than 150 radar systems. During Dr. Kimpel's watch, NSSL performed the scientific and technological research that upgraded the NEXRADs from proprietary to open systems, added superresolution capability and designed dual-polarization upgrades. Dual-polarization will significantly increase the accuracy of rainfall estimates, delineate rain from snow, and provide an estimate of hail size. Since its installation, the NEXRAD program has reduced tornado-related deaths by 45 percent and personal injuries by 40 percent.

Under Dr. Kimpel's leadership, NSSL established strong programs in short-term cloud-resolving, numerical forecast models that are designed to yield estimates of hazardous weather events including tornadoes, windstorms, lightning, hail, and heavy precipitation. He championed radar-based rainfall analyses for flash flood and river forecasting. He was instrumental in establishing support for new facilities for NSSL that led to the eventual construction of the magnificent National Weather Center building shared with the National Weather Service and the University of Oklahoma Meteorology Program. He supported NSSL scientists and equipment to participate in 17 national and international field studies including the high profile Verification of the Origin of Tornadoes Experiment.

While Dr. Kimpel served as Director, NSSL scientists published over 600 archival, refereed journal articles, obtained 3 patents, and participated in 4 Cooperative Research and Development Agreements with private companies. NSSL employees achieved many honors and recognitions during his tenure including a NSSL affiliate being elected to the National Academy of Sciences, a senior researcher being elected to the National Academy of Engineering, and two junior colleagues being invited to the White House as winners of the Presidential Early Career Award for Scientists and Engineers.

Dr. Kimpel's legacy at NSSL will be his establishment of far-reaching research programs designed to vastly improve weather and water warnings and forecasts. He worked tirelessly to launch the Multifunction Phased Array Radar initiative as a possible eventual replacement for NEXRAD. He worked with the NWS Storm Prediction Center and the Norman Weather Forecast Office to establish the Hazardous Weather Testbed to accelerate the transition of new science into operational warning and forecasting decision processes. He worked with others to support the Warn-on-Forecast initiative that envisions a time when severe weather warnings will be issued using numerical guidance in addition to the present method of detecting precursors or the event itself. Dr. Kimpel expanded NSSL's radar-based flash flood forecasting and water management programs into coastal areas where inundation from land-falling tropical storms and hurricanes is possible.

Prior to becoming the Director of NSSL, Dr. Kimpel served in the U.S. Air Force, including a tour in Vietnam for which he was awarded the Bronze Star. He earned his graduate degrees at the University of Wisconsin before joining the meteorology faculty at the University of Oklahoma. He achieved the rank of full professor and held a number of administrative positions including dean of the College of Geosciences and provost and senior vice president of the Norman Campus. He was named a Fellow of the American Meteorological Society, is a certified, consulting meteorologist, and was elected president of the AMS in 2000. He chaired both the National Science Foundation's Advisory Committee for Atmospheric Sciences and the Board of Trustees of the University Corporation for the Atmospheric Sciences. Dr. Kimpel plans on remaining in Norman and spending more time with his five children and two grandchildren.

Is there an unsung hero protecting Americans? Yes—that hero to all of us is Dr. Jeff Kimpel. We wish him well in his future pursuits, and all of us continue to support those research and day-to-day operations he has championed at the NSSL in severe weather detection, research, and forecasting.●

TRIBUTE TO BOBBY SOUTHARD

● Mrs. LINCOLN. Mr. President, today I recognize Police Chief Bobby Southard of Hot Springs, AR. After a 22-year law enforcement career, Chief Southard will retire at the end of June.

Hired as a police officer in 1988, Chief Southard has enjoyed a successful career, serving as sergeant, lieutenant, captain, acting chief of police, and in February 2007 was selected as chief of the 129-person department.

Along with all Arkansans, I recognize the courage, bravery, and dedication of our Arkansas law enforcement, who risk their lives each day to keep our citizens safe. I thank these public servants for their service and sacrifice.●

TRIBUTE TO DR. FAUST ALVAREZ

● Mr. TESTER. Mr. President, today I announce to the Senate that after 24 years as chief of staff for the VA Montana Health Care System, Dr. Faust M. Alvarez, MD, has decided to retire. Dr. Alvarez was appointed chief of staff in August 1986 and continued in that position until April 30, 2010. He began his career as a staff physician at Fort Harrison Medical Center in 1984. Prior to joining the VA system he was engaged in private practice in the city of Helena for 12 years. During this time he founded and directed the first Montana hemodialysis unit and renal program at St. Peter's Hospital.

When Dr. Alvarez became the chief of staff at the VA, he sought to provide Montana's veterans with a high quality standard of care, and to provide easier access to medical services. These were challenging goals given that the VA Montana Health Care System has only one hospital and Montana is the fourth largest State geographically. Furthermore Montana has the second largest per capita veteran populations in the country. Through hard work and dedication, he and his staff have achieved these goals and have made the VA Montana Health Care System what it is today.

In 1988 Dr. Alvarez began expanding services for veterans by creating satellite clinics. The first clinics were opened in Anaconda and Kalispell. Today the VA Montana Health Care System has a presence in every major city in the state through 12 satellite outpatient facilities. Three of these facilities have telemedicine access and more are to be activated.

Through Dr. Alvarez's leadership and the hard working personnel of VA Montana, the VA Montana Medical System has been recognized on numerous occasions for its quality medical services. In 2005 the VA Montana was selected as the Nation's VA hospital of the year. Dr. Alvarez believes that Montana's veterans should expect and receive the highest quality medical care and services, and he has strived to ensure this expectation is met. By hiring board certified medical personnel, acquiring new state of the art equipment and incorporating current medical trends into the provision of healthcare services at VA Montana, Dr. Alvarez, and his staff, have made the VA Montana Health Care System the facility of choice for veterans across the State.

I thank Dr. Alvarez for his dedicated years of service. We are all proud of his accomplishments at VA Montana and the positive affect that the VA has had across the State during his tenure. I appreciate his initiative and hard work to continually improve medical services for Montana's veterans and to ensure our veterans receive appropriate care. I am certain that those who come after will maintain the same level of commitment and leadership.

Dr. Alvarez is a fellow of the American College of Physicians, an honorary designation recognizing scholarly and professional achievements in internal medicine. Dr. Alvarez was appointed by various Governors of the State of Montana to the State Board of Medical Examiners where he served for a total of 18 years.

Dr. Alvarez is retired from the U.S. Army Reserve where he served as a colonel and regional flight surgeon. He was also State medical commander for the Montana National Guard as well as flight surgeon to the 189th Aviation Battalion. During his service he received multiple decorations, including five Commendation Medals and five Meritorious Service Medals. Upon retirement, he received the Legion of Merit for exceptional meritorious conduct in the performance of outstanding services and achievements.

Dr. Alvarez and his wife of 43 years, Marie, have been dedicated to and are actively involved in the Helena community. They created the Dr. Faust M. & Marie Alvarez Scholarship in 1975. It is awarded annually to a deserving Carroll College student demonstrating academic integrity and financial need majoring in biology or a health-field program. Dr. Alvarez has also served as a member of the Regional Airport Board and as a senior FAA medical examiner. Both he and Marie are pilots. He also enjoys restoring classic automobiles and building fine wood furniture. He has five daughters and four grandchildren.

Dr. Alvarez has been an outstanding civil servant. I thank him for his service and what he has done for Montana's veterans. I wish him and his wife the best in their future endeavors.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mrs. Neiman, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Foreign Relations.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

ENROLLED BILL SIGNED

At 7:57 p.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 3951. An act to designate the facility of the United States Postal Service located at 2000 Louisiana Avenue in New Orleans, Louisiana, as the ''Roy Rondeno, Sr. Post Office Building''.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–6234. A communication from the Executive Director, Commodity Futures Trading Commission, transmitting, pursuant to law, the report of a rule entitled ''17 CFR Part 190 (75 FR 17297, April 6, 2010), Account Class'' (RIN3038–AC94) received in the Office of the President of the Senate on June 10, 2010; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6235. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Bacillus thuringiensis eCry3.1Ab Protein in Corn; Temporary Exemption from the Requirement of a Tolerance'' (FRL No. 8829–9) received in the Office of the President of the Senate on June 15, 2010; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6236. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Pesticide Management and Disposal; Standards for Pesticide Containers and Containment; Change to Labeling Compliance Date'' (FRL No. 8830–7) received in the Office of the President of the Senate on June 15, 2010; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6237. A communication from the Assistant Secretary of Defense (Reserve Affairs), transmitting, pursuant to law, a quarterly report relative to withdrawals or diversions of equipment from Reserve component units from January 1, 2010 to March 31, 2010; to the Committee on Armed Services.

EC–6238. A communication from the Secretary of Defense, transmitting a report on the approved retirement of Vice Admiral Robert T. Moeller, United States Navy, and his advancement to the grade of vice admiral on the retired list; to the Committee on Armed Services.

EC–6239. A communication from the Acting Director of the Acquisition Policy and Legislation Branch, Office of the Chief Procurement Officer, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Revision of Department of Homeland Security Acquisition Regulations; Restrictions on Foreign Acquisition'' (RIN1601–AA57) received in the Office of the President of the Senate on June 10, 2010; to the Committee on Armed Services.

EC–6240. A communication from the Associate Director, Office of Foreign Assets Control, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Final Rule Amending Appendix A to the Iranian Transactions Regulations'' (31 CFR Part 560) received in the Office of the President of the Senate on June 15, 2010; to the Committee on Banking, Housing, and Urban Affairs.

EC–6241. A communication from the Division Chief, Wireline Competition Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Local Number Portability Porting Interval and Validation Requirements; Telephone Number Portability'' (FCC 10–85) received in the Office of the President of the Senate on June 16, 2010; to the Committee on Commerce, Science, and Transportation.

EC–6242. A communication from the Deputy Chief, Wireless Telecommunications Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Facilitating the Provision of Fixed and Mobile Broadband Access, Educational and Other Advanced Services in the 2150–2162 and 2500–2690 MHz Bands'' (FCC 10–107) received in the Office of the President of the Senate on June 16, 2010; to the Committee on Commerce, Science, and Transportation.

EC–6243. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report relative to obligations and unobligated balances of funds provided for Federal-aid highway and safety construction programs during fiscal year 2008; to the Committee on Commerce, Science, and Transportation.

EC–6244. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval of the Clean Air Act, Section 112(I), Authority for Hazardous Air Pollutants: Air Emission Standards for Halogenated Solvent Cleaning Machines: State of Rhode Island Department of Environmental Management'' (FRL No. 9163–2) received in the Office of the President of the Senate on June 15, 2010; to the Committee on Environment and Public Works.

EC–6245. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; Maryland; Transportation Conformity Regulations'' (FRL No. 9164–5) received in the Office of the President of the Senate on June 15, 2010; to the Committee on Environment and Public Works.

EC–6246. A communication from the Director, Office of Regulations, Social Security Administration, transmitting, pursuant to law, the report of a rule entitled ''Extension of Expiration Dates for Several Body System Listings'' (RIN0960–AH20) received in the Office of the President of the Senate on June 15, 2010; to the Committee on Finance.

EC–6247. A communication from the Deputy Associate Commissioner, Office of Regulations, Social Security Administration, transmitting, pursuant to law, the report of a rule entitled ''Technical Amendment Language Change from 'Wholly' to 'Fully''' (RIN0960–AH16) received in the Office of the President of the Senate on June 11, 2010; to the Committee on Finance.

EC–6248. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Section 41 Research Credit—Intra-Group Receipts from Foreign Affiliates'' (UIL No. 41.51–11) received in the Office of the President of the Senate on June 16, 2010; to the Committee on Finance.

EC–6249. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Built-in Gains and Losses under Section 382(h)'' ((TD9487) (RIN1545–BG03)) received in the Office of the President of the Senate on June 16, 2010; to the Committee on Finance.

EC–6250. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Section 382 Segregation Rules'' (Notice No. 2010–49) received in the Office of the President of the Senate on June 16, 2010; to the Committee on Finance.

EC–6251. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Section 382(I)(3)(C) Fluctuations in Values'' (Notice No. 2010–50) received in the Office of the President of the

Senate on June 16, 2010; to the Committee on Finance.

EC–6252. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Indoor Tanning Services; Cosmetic Services; Excise Taxes'' (RIN1545–BJ41) received in the Office of the President of the Senate on June 16, 2010; to the Committee on Finance.

EC–6253. A communication from the Assistant Secretary, Office of Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to U.S. military personnel and U.S. civilian contractors involved in the anti-narcotics campaign in Colombia; to the Committee on Foreign Relations.

EC–6254. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to provisions of Section 7072 of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2010, as they relate to restrictions on assistance to the central government of Serbia; to the Committee on Foreign Relations.

EC–6255. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a notification of the Department's intent to obligate Fiscal Year 2010 Nonproliferation, Antiterrorism, Demining and Related Programs funds to be used for the Export Control and Related Border Security Program; to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

The following petition or memorial was laid before the Senate and was referred or ordered to lie on the table as indicated:

POM–123. A resolution adopted by the Senate of the State of Alaska relative to the mining and processing of rare earth elements in Alaska and to the stockpiling of rare earth elements; and urging Congress to pass H.R. 4866; to the Committee on Energy and Natural Resources.

SENATE RESOLVE NO. 8

Whereas the United States once was largely self-sufficient in rare earth elements; and

Whereas mineable concentrations of rare earth elements are not commonly found; and

Whereas rare earth elements are exceptionally valuable because of their unique chemical, electrical, and physical properties; and

Whereas the unique chemical, electrical, and physical properties of rare earth elements make them indispensable for a wide variety of emerging critical technologies, and, in particular, technologies needed for defense and clean energy applications; and

Whereas the United States has become almost entirely dependent on foreign sources of yttrium, niobium, and rare earth elements, as well as associated elements of tantalum and zirconium; and

Whereas dysprosium and terbium are among the scarcest, most valuable, and most sought after rare earth metals needed for green technology and military applications; and

Whereas the value-added technology and skill to allow both the recovery of rare earth elements from mineral forms in ore and the manufacture of finished products, such as magnets, from rare earth elements has almost entirely migrated to China, as has the actual mining of rare earth ores; and

Whereas China currently accounts for 97 percent of the world's production of rare earth elements; and

Whereas China has reduced its exports of rare earth elements; and

Whereas a future in which manufacturing of wind turbines, solar panels, advanced batteries, and geothermal steam turbines are produced only outside of the United States poses a risk to the country; and

Whereas, after extraction of rare earth ores, processing, refining, and production are needed to provide the United States with self-reliance in these technologies; and

Whereas, in contrast to rare earth element deposits found elsewhere in the United States, Bokan Mountain discoveries on the southern end of Prince of Wales Island are rich in the heavy rare earth elements of europium, gadolinium, terbium, dysprosium, thulium, holmium, erbium, ytterbium, lutetium, and yttrium; and

Whereas continued exploration, together with the establishment of secondary processing and research facilities in Alaska, would result in new career opportunities for Alaskans; and

Whereas current economic opportunities on Prince of Wales Island and throughout Alaska have significantly decreased; and

Whereas the federal Tongass National Forest Land and Resource Management Plan has been completed and the Bokan Mountain area zoned for mineral development; and

Whereas the state's Prince of Wales Island Area Plan has been completed and the Kendrick Bay area classified for mineral and forestry access and development; and

Whereas overland access and transport requirements in the Tongass National Forest are mitigated by immediate access to the mining property by ocean transport; and

Whereas H.R. 4866 has been introduced in the United States Congress to reestablish a competitive domestic rare earth elements production industry, a domestic rare earth processing, refining, purification, and metals production industry, a domestic rare earth metals alloying industry, and a domestic rare earth-based magnet production industry and supply chain in the United States; Be it

Resolved, That the Senate urges the United States Congress expeditiously to pass H.R. 4866; and be it further

Resolved, That the Senate recommends continued exploration of rare earth deposits in Alaska, the issuance of permits, as promptly as allowed by law, for extraction, processing, and production of rare earth materials on the Bokan Mountain properties, and commencement of planning for extraction, processing, and production of rare earth materials by industry.

Copies of this resolution shall be sent to the Honorable Ike Skelton, Chair of the Armed Services Committee of the U.S. House of Representatives; the Honorable Sander M. Levin, Acting Chair of the Ways and Means Committee of the U.S. House of Representatives; the Honorable Barney Frank, Chair of the Financial Services Committee of the U.S. House of Representatives; the Honorable Lisa Murkowski and the Honorable Mark Begich, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress; and all other members of the 111th United States Congress.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. McCAIN:

S. 3496. A bill to amend the Internal Revenue Code of 1986 to allow individuals to designate that up to 10 percent of their income tax liability be used to reduce the national debt, and to require spending reductions equal to the amounts so designated; to the Committee on Finance.

By Mr. BROWN of Massachusetts (for himself and Mrs. FEINSTEIN):

S. 3497. A bill to amend the Outer Continental Shelf Lands Act to require leases entered into under that Act to include a plan that describes the means and timeline for containment and termination of an ongoing discharge of oil, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. LIEBERMAN (for himself and Mr. DODD):

S. 3498. A bill to support the establishment and operation of Teachers Professional Development Institutes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. AKAKA:

S. 3499. A bill to amend title 38, United States Code, to require fiduciaries of individuals receiving benefits under laws administered by the Secretary of Veterans Affairs to authorize the Secretary to obtain financial records with respect to such individuals for purposes of administering such laws, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BROWN of Ohio (for himself, Mr. FRANKEN, and Mr. BEGICH):

S. 3500. A bill to provide funds to States, units of general local government, and community-based organizations to save and create local jobs through the retention, restoration, or expansion of services needed by local communities, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. BURR (for himself, Mr. KERRY, Mr. LUGAR, Mr. BROWN of Massachusetts, Mr. BEGICH, Mr. ROBERTS, Mr. BOND, Mr. AKAKA, Mr. SPECTER, Mrs. MCCASKILL, and Mr. DURBIN):

S.J. Res. 32. A joint resolution recognizing the 60th anniversary of the outbreak of the Korean War and reaffirming the United States-Korea alliance; considered and passed.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. ENZI (for himself, Mr. BARRASSO, Mr. BAUCUS, Mr. BINGAMAN, Mr. CONRAD, Mr. CRAPO, Mr. JOHANNS, Mr. JOHNSON, Mr. REID, and Mr. ROBERTS):

S. Res. 554. A resolution designating July 24, 2010, as ''National Day of the American Cowboy''; to the Committee on the Judiciary.

By Ms. STABENOW (for herself, Mr. VOINOVICH, Mr. SPECTER, Mrs. MURRAY, Mr. BAYH, Mrs. FEINSTEIN, Mr. COCHRAN, Mrs. BOXER, Mr. CARDIN, Mr. MENENDEZ, and Ms. KLOBUCHAR):

S. Res. 555. A resolution supporting the goals and ideals of National Ovarian Cancer Awareness Month; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. MURRAY (for herself, Mr. BOND, and Ms. CANTWELL):

S. Res. 556. A resolution recognizing the important role that fathers play in the lives of their children and families and designating 2010 as ''The Year of the Father''; to the Committee on the Judiciary.

By Mr. NELSON of Nebraska (for himself and Mr. ISAKSON):

S. Res. 557. A resolution commending EyeCare America for its volunteerism and

efforts to preserve eyesight throughout the previous 25 years; considered and agreed to.

By Mr. NELSON of Nebraska (for himself, Mr. KERRY, Mr. BROWNBACK, Mr. DODD, Mr. BINGAMAN, Mr. JOHANNS, Ms. COLLINS, Mr. BUNNING, Mr. CARPER, Mr. BROWN of Ohio, and Mr. UDALL of Colorado):

S. Res. 558. A resolution designating the week beginning September 12, 2010, as ''National Direct Support Professionals Recognition Week''; considered and agreed to.

By Mr. BURRIS (for himself, Mr. DURBIN, Mrs. GILLIBRAND, Mr. LEVIN, Mr. LUGAR, Mr. HARKIN, Ms. MIKULSKI, Mrs. LINCOLN, Ms. LANDRIEU, and Mr. CARDIN):

S. Res. 559. A resolution observing the historical significance of Juneteenth Independence Day; considered and agreed to.

ADDITIONAL COSPONSORS

S. 353

At the request of Mr. BROWN of Ohio, the names of the Senator from Washington (Ms. CANTWELL) and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of S. 353, a bill to amend title IV of the Public Health Service Act to provide for the establishment of pediatric research consortia.

S. 510

At the request of Mr. DURBIN, the name of the Senator from Nebraska (Mr. NELSON) was added as a cosponsor of S. 510, a bill to amend the Federal Food, Drug, and Cosmetic Act with respect to the safety of the food supply.

S. 535

At the request of Mr. NELSON of Florida, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 535, a bill to amend title 10, United States Code, to repeal requirement for reduction of survivor annuities under the Survivor Benefit Plan by veterans' dependency and indemnity compensation, and for other purposes.

S. 649

At the request of Mr. GRASSLEY, his name was added as a cosponsor of S. 649, a bill to require an inventory of radio spectrum bands managed by the National Telecommunications and Information Administration and the Federal Communications Commission.

S. 678

At the request of Mr. LEAHY, the name of the Senator from Ohio (Mr. BROWN) was added as a cosponsor of S. 678, a bill to reauthorize and improve the Juvenile Justice and Delinquency Prevention Act of 1974, and for other purposes.

S. 866

At the request of Mr. REED, the name of the Senator from Delaware (Mr. KAUFMAN) was added as a cosponsor of S. 866, a bill to amend the Elementary and Secondary Education Act of 1965 regarding environmental education, and for other purposes.

S. 941

At the request of Mr. CRAPO, the names of the Senator from Tennessee (Mr. ALEXANDER) and the Senator from Tennessee (Mr. CORKER) were added as cosponsors of S. 941, a bill to reform the Bureau of Alcohol, Tobacco, Firearms, and Explosives, modernize firearm laws and regulations, protect the community from criminals, and for other purposes.

S. 1055

At the request of Mrs. BOXER, the names of the Senator from Kansas (Mr. ROBERTS) and the Senator from Iowa (Mr. HARKIN) were added as cosponsors of S. 1055, a bill to grant the congressional gold medal, collectively, to the 100th Infantry Battalion and the 442nd Regimental Combat Team, United States Army, in recognition of their dedicated service during World War II.

S. 1072

At the request of Mrs. LINCOLN, the name of the Senator from Minnesota (Ms. KLOBUCHAR) was added as a cosponsor of S. 1072, a bill to amend chapter 1606 of title 10, United States Code, to modify the basis utilized for annual adjustments in amounts of educational assistance for members of the Selected Reserve.

S. 1445

At the request of Mr. LAUTENBERG, the name of the Senator from Ohio (Mr. BROWN) was added as a cosponsor of S. 1445, a bill to amend the Public Health Service Act to improve the health of children and reduce the occurrence of sudden unexpected infant death and to enhance public health activities related to stillbirth.

S. 1674

At the request of Mr. WYDEN, the name of the Senator from Kansas (Mr. BROWNBACK) was added as a cosponsor of S. 1674, a bill to provide for an exclusion under the Supplemental Security Income program and the Medicaid program for compensation provided to individuals who participate in clinical trials for rare diseases or conditions.

S. 3036

At the request of Mr. BAYH, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 3036, a bill to establish the Office of the National Alzheimer's Project.

S. 3084

At the request of Ms. KLOBUCHAR, the name of the Senator from Florida (Mr. NELSON) was added as a cosponsor of S. 3084, a bill to increase the competitiveness of United States businesses, particularly small and medium-sized manufacturing firms, in interstate and global commerce, foster job creation in the United States, and assist United States businesses in developing or expanding commercial activities in interstate and global commerce by expanding the ambit of the Hollings Manufacturing Extension Partnership program and the Technology Innovation Program to include projects that have potential for commercial exploitation in nondomestic markets, providing for an increase in related resources of the Department of Commerce, and for other purposes.

S. 3141

At the request of Mr. BINGAMAN, the name of the Senator from Maryland (Mr. CARDIN) was added as a cosponsor of S. 3141, a bill to amend the Internal Revenue Code of 1986 to provide special rules for treatment of low-income housing credits, and for other purposes.

S. 3211

At the request of Mrs. SHAHEEN, the name of the Senator from Alaska (Mr. BEGICH) was added as a cosponsor of S. 3211, a bill to amend title XVIII of the Social Security Act to improve access to diabetes self-management training by designating certain certified diabetes educators as certified providers for purposes of outpatient diabetes self-management training services under part B of the Medicare Prorgram.

S. 3238

At the request of Mr. SCHUMER, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 3238, a bill to provide for a medal of appropriate design to be awarded by the President to the next of kin or other representative of those individuals killed as a result of the terrorist attacks of September 11, 2001, and to the memorials established at the 3 sites that were attacked on that day.

S. 3320

At the request of Mr. WHITEHOUSE, the names of the Senator from Ohio (Mr. BROWN) and the Senator from Oklahoma (Mr. INHOFE) were added as cosponsors of S. 3320, a bill to amend the Public Health Service Act to provide for a Pancreatic Cancer Initiative, and for other purposes.

S. 3363

At the request of Mr. CARDIN, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 3363, a bill to amend the Water Resources Research Act of 1984 to reauthorize grants for and require applied water supply research regarding the water resources research and technology institutes established under that Act.

S. 3405

At the request of Mr. MENENDEZ, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 3405, a bill to amend the Internal Revenue Code of 1986 to eliminate oil and gas company preferences.

S. 3447

At the request of Mr. AKAKA, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 3447, a bill to amend title 38, United States Code, to improve educational assistance for veterans who served in the Armed Forces after September 11, 2001, and for other purposes.

S. 3466

At the request of Mr. LEAHY, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 3466, a bill to require restitution for victims of criminal violations of the Federal Water Pollution Control Act, and for other purposes.

S. 3472

At the request of Mr. MENENDEZ, the name of the Senator from Colorado (Mr. BENNET) was added as a cosponsor of S. 3472, a bill to amend the Oil Pollution Act of 1990 to require oil polluters to pay the full costs of oil spills, and for other purposes.

S. 3479

At the request of Mrs. HAGAN, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 3479, a bill to authorize the Secretary of Health and Human Services, acting through the Director of the Centers for Disease Control and Prevention, to establish and implement a birth defects prevention, risk reduction, and public awareness program.

S. 3481

At the request of Mr. CARDIN, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 3481, a bill to amend the Federal Water Pollution Control Act to clarify Federal responsibility for stormwater pollution.

S. 3486

At the request of Mr. BROWN of Ohio, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 3486, a bill to amend title 38, United States Code, to repeal the prohibition on collective bargaining with respect to matters and questions regarding compensation of employees of the Department of Veterans Affairs other than rates of basic pay, and for other purposes.

S.J. RES. 30

At the request of Mr. ISAKSON, the name of the Senator from South Carolina (Mr. GRAHAM) was added as a cosponsor of S.J. Res. 30, a joint resolution providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the National Mediation Board relating to representation election procedures.

S. RES. 546

At the request of Mr. SPECTER, the names of the Senator from New York (Mr. SCHUMER), the Senator from New Jersey (Mr. MENENDEZ) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. Res. 546, a resolution recognizing the National Museum of American Jewish History, an affiliate of the Smithsonian Institution, as the only museum in the United States dedicated exclusively to exploring and preserving the American Jewish experience.

S. RES. 548

At the request of Mr. CORNYN, the names of the Senator from Nevada (Mr. ENSIGN), the Senator from South Carolina (Mr. DEMINT), the Senator from Mississippi (Mr. WICKER), the Senator from Texas (Mrs. HUTCHISON), the Senator from Missouri (Mr. BOND), the Senator from Idaho (Mr. RISCH), the Senator from Arizona (Mr. MCCAIN), the Senator from Florida (Mr. LEMIEUX) and the Senator from North Carolina (Mr. BURR) were added as cosponsors of S. Res. 548, a resolution to express the sense of the Senate that Israel has an undeniable right to self-defense, and to condemn the recent destabilizing actions by extremists aboard the ship Mavi Marmara.

S. RES. 552

At the request of Mr. BENNET, the names of the Senator from Ohio (Mr. BROWN) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. Res. 552, a resolution designating June 23, 2010, as ''Olympic Day''.

S. RES. 553

At the request of Ms. STABENOW, the names of the Senator from Pennsylvania (Mr. CASEY) and the Senator from Oregon (Mr. MERKLEY) were added as cosponsors of S. Res. 553, a resolution expressing the sense of the Senate that Congress should unwaveringly uphold the dignity and independence of older Americans.

AMENDMENT NO. 4333

At the request of Mr. THUNE, the name of the Senator from Wyoming (Mr. BARRASSO) was added as a cosponsor of amendment No. 4333 proposed to H.R. 4213, a bill to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

AMENDMENT NO. 4346

At the request of Mr. COBURN, the name of the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of amendment No. 4346 intended to be proposed to H.R. 4213, a bill to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

AMENDMENT NO. 4348

At the request of Mrs. MURRAY, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of amendment No. 4348 intended to be proposed to H.R. 4213, a bill to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

AMENDMENT NO. 4351

At the request of Mr. ISAKSON, the name of the Senator from Tennessee (Mr. CORKER) was added as a cosponsor of amendment No. 4351 proposed to H.R. 4213, a bill to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

AMENDMENT NO. 4363

At the request of Ms. CANTWELL, the names of the Senator from Maryland (Mr. CARDIN) and the Senator from Oregon (Mr. WYDEN) were added as cosponsors of amendment No. 4363 intended to be proposed to H.R. 4213, a bill to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LIEBERMAN (for himself and Mr. DODD):

S. 3498. A bill to support the establishmeht and operation of Teachers Professional Development Institutes; to the Committee on Health, Education, Labor, and Pensions.

Mr. LIEBERMAN. Mr. President, today I am introducing legislation, along with my friend and colleague, the senior Senator from Connecticut, Mr. DODD, that will strengthen the content knowledge and instructional skills of our present K–12 teacher workforce and thus ultimately raise student achievement.

The Teachers Professional Development Institutes Act would establish eight new Teachers Professional Development Institutes throughout the nation each year over the next 5 years based on the model which has been operating at Yale University for over 30 years. Every Teachers Institute would consist of a partnership between an institution of higher education and the local public school system in which a significant proportion of the students come from low-income households. These Institutes will strengthen the present teacher workforce by giving each participant an opportunity to gain more sophisticated content knowledge and a chance to develop curriculum units with other colleagues that can be directly applied in their classrooms. We know that teachers gain confidence and enthusiasm when they have a deeper understanding of the subject matter that they teach and this translates into higher expectations for their students and an increase in student achievement.

The Teachers Professional Development Institutes are based on the Yale-New Haven Teachers Institute model that has been in existence since 1978. For over 30 years, the Institute has offered, 5 or 6 13-session seminars each year, led by Yale faculty, on topics that teachers have selected to enhance their mastery of the specific subject area that they teach. The subject selection process begins with representatives from the Institutes soliciting ideas from teachers throughout the school district for topics on which teachers feel they need to have additional preparation, topics that will assist them in preparing materials they need for their students, and topics that will assist them in addressing the standards that the school district requires. As a consensus emerges about desired seminar subjects, the Institute director identifies university faculty members with the appropriate expertise, interest and desire to lead the seminar. University faculty members, especially those who have led Institute seminars before, may sometimes suggest seminars they would like to lead, and these ideas are circulated by the representatives as well. The final decisions on which seminar topics are offered are ultimately made by the teachers who participate. In this way, the offerings are designed to respond to what teachers believe is needed and useful for both themselves and their students.

The cooperative nature of the Institute seminar planning process ensures

its success. Institutes offer seminars and relevant materials on topics teachers have identified and feel are needed for their own preparation, as well as what they know will motivate and engage their students. Teachers enthusiastically take part in rigorous seminars they have requested, and practice using the materials they have obtained and developed. This helps ensure that the experience not only increases their preparation in the subjects they are assigned to teach, but also their participation in an Institute seminar gives them immediate hands-on active learning materials that can be used in the classroom. In short, by allowing teachers to determine the seminar subjects and providing them the resources to develop relevant curricula for their classroom and their students, the Institutes empower teachers.

The Yale-New Haven Teachers Institute conducted a National Demonstration Project from 1999–2002 that showed that similar Institutes could be created rapidly at diverse sites with large concentrations of disadvantaged students. After 2 years of research and planning, and based on the success of that Project, the Institute in 2005 launched the Yale National Initiative to strengthen teaching in public schools, a long-term endeavor to assist with the establishment of Teachers Institutes of this specific type in most states. As a result, new Institutes already have been established in Philadelphia, Pennsylvania, and Charlotte, North Carolina; and Institutes are currently being planned for New Castle County, Delaware, and San Francisco, California.

The teachers surveyed for the National Demonstration Project reported that student motivation, student interest, and student mastery were higher during the Institute-developed unit than during other work. Subsequently, the findings of a 2009 Report on Teachers Institute Experiences found that teachers participated out of desires to obtain curricula which suited their needs, increased subject mastery, and motivated students. Mr. President, 96 percent of the teachers rated the Institute seminars as useful, partly due to the reported increase in knowledge and in raising expectations of their students.

A retrospective study showed that over a 5-year period Teachers Institute participants were almost twice as likely as non-participants to remain teaching in the district five years later. Research has shown that longevity in a district is associated with teaching effectiveness.

Many agree that teacher quality is the single most important school-related factor in determining student achievement. High-quality teacher professional development programs that focus on subject and pedagogy knowledge are a proven method for enhancing the effectiveness of a teacher in the classroom. A recent review of professional development studies by the Department of Education's Institute of Education Sciences found that ''teachers who receive substantial professional development—an average of 49 hours in the nine studies—can boost their students' achievement by about 21 percentile points.''

The Yale-New Haven Teachers Institute model enhances teachers' basic writing, math, and presentation skills. It increases expectations of student achievement and enthusiasm for teaching while developing skills for motivating students. These are key features that research suggests are effective in producing gains in both teacher knowledge and practice and student achievement. The Teachers Institutes accomplish student achievement gains through a proven approach distinguished from both conventional professional development offerings of school districts and from traditional continuing education and outreach programs of colleges and universities.

Education Secretary Arne Duncan said recently, ''The more we can provide high-quality professional development, so that teachers have deep content knowledge, there are huge benefits. . . . So whether it's partnerships with universities and higher ed institutions, to create those meaningful professional development opportunities and really create those content-rich environments that students desperately need, that is absolutely critically important.''

This is precisely what the Teachers Professional Development Institutes Act strives to accomplish. The need for effective teachers with deep content knowledge is most apparent and urgent in schools and school districts that enroll a high proportion of students from low-income families, exactly the schools and school districts that Teachers Institutes serve.

The Yale-New Haven Teachers Institute has already proven to be a successful model for teacher professional development as demonstrated by the high caliber curriculum unit plans that teacher participants have developed and placed on the web, and by the evaluations that support the conclusion that virtually all the teacher participants felt substantially strengthened in their mastery of content knowledge and their teaching skills. The finding that Institute participants were almost twice as likely as non-participants to remain in teaching in high-need schools is especially encouraging. Our proposal would open this opportunity to many more teachers in high-need schools throughout the Nation.

I urge my colleagues to act favorably on this measure.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3498

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

SECTION 1. TEACHERS PROFESSIONAL DEVELOPMENT INSTITUTES.

(a) IN GENERAL.—Part A of title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.) is amended by adding at the end the following:

''Subpart 6—Teachers Professional Development Institutes

''SEC. 2161. SHORT TITLE.

''This subpart may be cited as the 'Teachers Professional Development Institutes Act'.

''SEC. 2162. FINDINGS AND PURPOSE.

''(a) FINDINGS.—Congress makes the following findings:

''(1) Teaching is central to the educational process and the ongoing professional development of teachers in the subjects they teach is essential for improved student learning.

''(2) Attaining the goal of the No Child Left Behind Act of 2001 (Public Law 107–110)—having a classroom teacher who is highly effective in every academic subject the teacher teaches—will require innovative approaches to improve the effectiveness of teachers in the classroom.

''(3) The Teachers Institute Model focuses on the continuing academic preparation of schoolteachers and the application of what the teachers study to their classrooms and potentially to the classrooms of other teachers.

''(4) The Teachers Institute Model was developed initially by the Yale-New Haven Teachers Institute and has successfully operated in New Haven, Connecticut, for more than 30 years.

''(5) The Teachers Institute Model has also been successfully implemented in cities larger than New Haven.

''(6) In the spring of 2009, a report entitled 'An Evaluation of Teachers Institute Experiences' concluded that—

''(A) Teachers Institutes enhance precisely those teacher qualities known to improve student achievement;

''(B) Teachers Institutes exemplify the crucial characteristics of high-quality teacher professional development; and

''(C) Teachers Institute participation is strongly related to teacher retention in high-poverty schools.

''(b) PURPOSE.—The purpose of this subpart is to provide Federal assistance to support the establishment and operation of Teachers Institutes for local educational agencies that serve significant low-income student populations in States throughout the Nation, in order to—

''(1) improve student learning; and

''(2) enhance the quality and effectiveness of teaching and strengthen the subject matter mastery and the pedagogical skills of current teachers through continuing teacher preparation.

''SEC. 2163. DEFINITIONS.

''In this subpart:

''(1) SIGNIFICANT LOW-INCOME STUDENT POPULATION.—The term 'significant low-income student population' means a student population of which not less than 40 percent of the students included are eligible for free or reduced-price lunches under the Richard B. Russell National School Lunch Act.

''(2) TEACHERS INSTITUTE.—The term 'Teachers Institute' means a partnership or joint venture—

''(A) between or among—

''(i) 1 or more institutions of higher education; and

''(ii) 1 or more local educational agencies that serve 1 or more schools with significant low-income student populations; and

''(B) that improves the effectiveness of teachers in the classroom, and the quality of teaching and learning, through collaborative

seminars designed to enhance both the subject matter and the pedagogical resources of the seminar participants.

"SEC. 2164. PROGRAM AUTHORIZED.

''(a) IN GENERAL.—The Secretary is authorized to award grants under this subpart in order to encourage the establishment and operation of Teachers Institutes.

''(b) TECHNICAL ASSISTANCE.—The Secretary may reserve not more than 50 percent of the funds appropriated to carry out this subpart to provide technical assistance to facilitate the establishment and operation of Teachers Institutes. The Secretary may contract with the Yale-New Haven Teachers Institute to provide all or part of the technical assistance under this subsection.

''(c) SELECTION CRITERIA.—In selecting Teachers Institutes to support through grants under this subpart, the Secretary shall consider—

''(1) the extent to which a proposed Teachers Institute will serve schools that have significant low-income student populations;

''(2) the extent to which a proposed Teachers Institute will follow the understandings and necessary procedures described in section 2166;

''(3) the extent to which each local educational agency participating in the Teachers Institute has a high percentage of teachers who are unprepared or underprepared to teach the core academic subjects the teachers are assigned to teach; and

''(4) the extent to which a proposed Teachers Institute will receive a level of support from the community and other sources that will ensure the requisite long-term commitment for the success of a Teachers Institute.

''(d) CONSULTATION.—

''(1) IN GENERAL.—In evaluating applications using the criteria under subsection (c), the Secretary may request the advice and assistance of the Yale-New Haven Teachers Institute or other Teachers Institutes.

''(2) STATE AGENCIES.—If the Secretary receives 2 or more applications for grants under this subpart from local educational agencies within the same State, the Secretary shall consult with the State educational agency regarding the applications.

''(e) FISCAL AGENT.—The fiscal agent for the receipt of grant funds under this subpart shall be an institution of higher education participating in the partnership or joint venture, as described in section 2163(2)(A), that is establishing or operating the Teachers Institute.

''(f) LIMITATIONS.—A grant under this subpart—

''(1) shall provide grant funds for a period of not more than 5 years; and

''(2) shall be in an amount that is not more than 50 percent of the total costs of the eligible activities supported under the grant, as determined by the Secretary.

"SEC. 2165. ELIGIBLE ACTIVITIES.

''Grant funds under this subpart may be used—

''(1) for the planning, development, establishment, and operation of a Teachers Institute;

''(2) for additional assistance to an established Teachers Institute for its further development and for its support of the planning, development, establishment, and operation of a Teachers Institute under paragraph (1);

''(3) for the salary and necessary expenses of a full-time director for a Teachers Institute to plan and manage the Teachers Institute and to act as a liaison between all local educational agencies and institutions of higher education participating in the Teachers Institute;

''(4) to provide suitable office space, staff, equipment, and supplies, and to pay other operating expenses, for the Teachers Institute;

''(5) to provide a stipend for teachers participating in the collaborative seminars conducted by the Institute in the sciences and humanities and to provide remuneration for members of the faculty of the participating institution of higher education leading the seminars; and

''(6) to provide for the dissemination, through print and electronic means, of curriculum units prepared in the seminars conducted by the Teachers Institute.

"SEC. 2166. UNDERSTANDINGS AND PROCEDURES.

''A grantee receiving a grant under this subpart shall abide by the following understandings and procedures:

''(1) PARTNERSHIP.—The essential relationship of a Teachers Institute is a partnership between a local educational agency and an institution of higher education. A grantee shall demonstrate a long-term commitment on behalf of the participating local educational agency and institution of higher education to the support, including the financial support, of the work of the Teachers Institute.

''(2) SEMINARS.—A Teachers Institute sponsors seminars led by faculty of the institution of higher education partner and attended by teachers from the local educational agency partner. A grantee shall provide participating teachers the ability to play an essential role in planning, organizing, conducting, and evaluating the seminars and in encouraging the future participation of other teachers.

''(3) CURRICULUM UNIT.—A seminar described in paragraph (2) uses a collaborative process, in a collegial environment, to develop a curriculum unit for use by participating teachers that sets forth the subject matter to be presented and the pedagogical strategies to be employed. A grantee shall enable participating teachers to develop a curriculum unit, based on the subject matter presented, for use in the teachers' classrooms.

''(4) ELIGIBILITY AND REMUNERATION.—Seminars are open to all partnership teachers with teaching assignments relevant to the seminar topics. Seminar leaders receive remuneration for their work and participating teachers receive an honorarium or stipend upon the successful completion of the seminar. A grantee shall provide seminar leaders and participating teachers with remuneration to allow them to participate in the Teachers Institute.

''(5) DIRECTION.—The operations of a Teachers Institute are managed by a full-time director who reports to both partners but is accountable to the institution of higher education partner. A grantee shall appoint a director to manage and coordinate the work of the Teachers Institute.

''(6) EVALUATION.—A grantee shall annually review the activities of the Teachers Institute and disseminate the results to members of the Teachers Institute's partnership community.

"SEC. 2167. APPLICATION, APPROVAL, AND AGREEMENT.

''(a) IN GENERAL.—To receive a grant under this subpart, a Teachers Institute, or a partnership or joint venture described in section 2163(2)(A) that is proposing to establish a Teachers Institute, shall submit an application to the Secretary that—

''(1) meets the requirement of this subpart and any regulations under this subpart;

''(2) includes a description of how the applicant intends to use funds provided under the grant;

''(3) includes such information as the Secretary may require to apply the criteria described in section 2164(c);

''(4) includes measurable objectives for the use of the funds provided under the grant; and

''(5) contains such other information and assurances as the Secretary may require.

''(b) APPROVAL.—The Secretary shall—

''(1) promptly evaluate an application received for a grant under this subpart; and

''(2) notify the applicant, within 90 days of the receipt of a completed application, of the Secretary's determination.

''(c) AGREEMENT.—Upon approval of an application, the Secretary and the applicant shall enter into a comprehensive agreement covering the entire period of the grant.

"SEC. 2168. REPORTS AND EVALUATIONS.

''(a) REPORT.—Each grantee under this subpart shall report annually to the Secretary on the progress of the Teachers Institute in achieving the purpose of this subpart.

''(b) EVALUATION AND DISSEMINATION.—The Secretary shall evaluate the activities funded under this subpart and submit an annual report regarding the activities assisted under this subpart to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and Labor of the House of Representatives. The Secretary shall broadly disseminate successful practices developed by Teachers Institutes.

''(c) REVOCATION.—If the Secretary determines that a grantee is not making substantial progress in meeting the purposes of the grant by the end of the second year of the grant under this subpart, the Secretary may take appropriate action, including revocation of further payments under the grant, to ensure that the funds available under this subpart are used in the most effective manner.

"SEC. 2169. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated for grants (including planning grants) and technical assistance under this subpart—

''(1) $4,000,000 for fiscal year 2011;

''(2) $5,000,000 for fiscal year 2012;

''(3) $6,000,000 for fiscal year 2013;

''(4) $7,000,000 for fiscal year 2014; and

''(5) $8,000,000 for fiscal year 2015.''.

(b) TABLE OF CONTENTS.—The table of contents of the Elementary and Secondary Education Act of 1965 is amended by inserting after the item relating to section 2151 the following:

''SUBPART 6—TEACHERS PROFESSIONAL DEVELOPMENT INSTITUTES

''Sec. 2161. Short title.
''Sec. 2162. Findings and purpose.
''Sec. 2163. Definitions.
''Sec. 2164. Program authorized.
''Sec. 2165. Eligible activities.
''Sec. 2166. Understandings and procedures.
''Sec. 2167. Application, approval, and agreement.
''Sec. 2168. Reports and evaluations.''.

By Mr. AKAKA:

S. 3499. A bill to amend title 38, United States Code, to require fiduciaries of individuals receiving benefits under laws administered by the Secretary of Veterans Affairs to authorize the Secretary to obtain financial records with respect to such individuals for purposes of administering such laws, and for other purposes; to the Committee on Veterans' Affairs.

Mr. AKAKA. Mr. President, as Chairman of the Senate Committee on Veterans' Affairs, I introduce legislation that would provide VA with the means to better protect those VA beneficiaries who have fiduciaries appointed to look after their affairs. This

bill would improve oversight of fiduciaries by authorizing VA to access records at financial institutions for up to 3 years.

Under current law, VA has a 3-month time limit on the authorization to view financial records maintained by a fiduciary, a time period which has proven to be inadequate. In addition, VA lacks the authority to compel a fiduciary to provide a Social Security number or other identifying information needed to track financial records.

The legislation I am introducing today is modeled on Social Security laws and procedures. It will help VA ensure that veterans' monies are not being misused. It would allow VA to require that any person appointed or recognized by VA as a fiduciary be required to sign an authorization for release of records which would be in effect for up to 3 years. If a fiduciary refuses to sign or revokes an authorization, VA would be authorized to remove the fiduciary.

The Committee held a hearing on pending legislation on May 19, 2010, and witnesses from The American Legion and the Veterans of Foreign Wars spoke on the need to strengthen VA's oversight of fiduciaries.

I urge our colleagues to support this bill to protect VA beneficiaries who need assistance with financial management.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3499

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Fiduciary Benefits Oversight Act of 2010''.

SEC. 2. ACCESS BY SECRETARY OF VETERANS AFFAIRS TO FINANCIAL RECORDS OF INDIVIDUALS REPRESENTED BY FIDUCIARIES AND RECEIVING BENEFITS UNDER LAWS ADMINISTERED BY SECRETARY.

Section 5502 of title 38, United States Code, is amended by adding at the end the following new subsection:

''(f)(1) The Secretary may require any person appointed or recognized as a fiduciary for a Department beneficiary under this section to provide authorization for the Secretary to obtain (subject to the cost reimbursement requirements of section 1115(a) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3415)) from any financial institution any financial record held by the institution with respect to the fiduciary or the beneficiary whenever the Secretary determines that the financial record is necessary—

''(A) for the administration of a program administered by the Secretary; or

''(B) in order to safeguard the beneficiary's benefits against neglect, misappropriation, misuse, embezzlement, or fraud.

''(2) Notwithstanding section 1104(a)(1) of such Act (12 U.S.C. 3404(a)(1)), an authorization provided by a fiduciary under paragraph (1) with respect to a beneficiary shall remain effective until the earliest of—

''(A) the approval by a court or the Secretary of a final accounting of payment of benefits under any law administered by the Secretary to a fiduciary on behalf of such beneficiary;

''(B) in the absence of any evidence of neglect, misappropriation, misuse, embezzlement, or fraud, the express revocation by the fiduciary of the authorization in a written notification to the Secretary; or

''(C) the date that is three years after the date of the authorization.

''(3)(A) An authorization obtained by the Secretary pursuant to this subsection shall be considered to meet the requirements of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401 et seq.) for purposes of section 1103(a) of such Act (12 U.S.C. 3403(a)), and need not be furnished to the financial institution, notwithstanding section 1104(a) of such Act (12 U.S.C. 3404(a)), if the Secretary provides a copy of the authorization to the financial institution.

''(B) The certification requirements of section 1103(b) of such Act (12 U.S.C. 3403(b)) shall not apply to requests by the Secretary pursuant to an authorization provided under this subsection.

''(C) A request for a financial record by the Secretary pursuant to an authorization provided by a fiduciary under this subsection is deemed to meet the requirements of section 1104(a)(3) of such Act (12 U.S.C. 3404(a)(3)) and the matter in section 1102 of such Act (12 U.S.C. 3402) that precedes paragraph (1) of such section if such request identifies the fiduciary and the beneficiary concerned.

''(D) The Secretary shall inform any person who provides authorization under this subsection of the duration and scope of the authorization.

''(E) If a fiduciary of a Department beneficiary refuses to provide, or revokes, any authorization to permit the Secretary to obtain from any financial institution any financial record concerning benefits paid by the Secretary for such beneficiary, the Secretary may, on that basis, revoke the appointment or the recognition of the fiduciary for such beneficiary and for any other Department beneficiary for whom such fiduciary has been appointed or recognized. If the appointment or recognition of a fiduciary is revoked, benefits may be paid as provided in subsection (d).

''(4) For purposes of section 1113(d) of such Act (12 U.S.C. 3413(d)), a disclosure pursuant to this subsection shall be considered a disclosure pursuant to a Federal statute.

''(5) In this subsection:

''(A) The term 'fiduciary' includes any person appointed or recognized to receive payment of benefits under any law administered by the Secretary on behalf of a Department beneficiary.

''(B) The term 'financial institution' has the meaning given such term in section 1101 of such Act (12 U.S.C. 3401), except that such term shall also include any benefit association, insurance company, safe deposit company, money-market mutual fund, or similar entity authorized to do business in any State.

''(C) The term 'financial record' has the meaning given such term in such section.''.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 554—DESIGNATING JULY 24, 2010, AS ''NATIONAL DAY OF THE AMERICAN COWBOY''

Mr. ENZI (for himself, Mr. BARRASSO, Mr. BAUCUS, Mr. BINGAMAN, Mr. CONRAD, Mr. CRAPO, Mr. JOHANNS, Mr. JOHNSON, Mr. REID, and Mr. ROBERTS) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 554

Whereas pioneering men and women, recognized as ''cowboys'', helped establish the American West;

Whereas the cowboy embodies honesty, integrity, courage, compassion, respect, a strong work ethic, and patriotism;

Whereas the cowboy spirit exemplifies strength of character, sound family values, and good common sense;

Whereas the cowboy archetype transcends ethnicity, gender, geographic boundaries, and political affiliations;

Whereas the cowboy is an excellent steward of the land and its creatures, who lives off the land and works to protect and enhance the environment;

Whereas cowboy traditions have been a part of American culture for generations;

Whereas the cowboy continues to be an important part of the economy through the work of many thousands of ranchers across the Nation who contribute to the economic well-being of every State;

Whereas millions of fans watch professional and working ranch rodeo events annually, and rodeo is one of the most-watched sports in the Nation;

Whereas membership and participation in rodeo and other organizations that promote and encompass the livelihood of cowboys span every generation and transcend race and gender;

Whereas the cowboy is a central figure in literature, film, and music and occupies a central place in the public imagination;

Whereas the cowboy is an American icon; and

Whereas the ongoing contributions made by cowboys and cowgirls to their communities should be recognized and encouraged: Now, therefore, be it

Resolved, That the Senate—

(1) designates July 24, 2010, as ''National Day of the American Cowboy''; and

(2) encourages the people of the United States to observe the day with appropriate ceremonies and activities.

SENATE RESOLUTION 555—SUPPORTING THE GOALS AND IDEALS OF NATIONAL OVARIAN CANCER AWARENESS MONTH

Ms. STABENOW (for herself, Mr. VOINOVICH, Mr. SPECTER, Mrs. MURRAY, Mr. BAYH, Mrs. FEINSTEIN, Mr. COCHRAN, Mrs. BOXER, Mr. CARDIN, Mr. MENENDEZ, and Ms. KLOBUCHAR) submitted the following resolution; which was referred to the Committee on Health, Education, Labor, and Pensions:

S. RES. 555

Whereas ovarian cancer is the deadliest of all gynecologic cancers;

Whereas ovarian cancer is the 5th leading cause of cancer deaths among women in the United States;

Whereas more than 22,000 women will be diagnosed with ovarian cancer this year, and more than 15,000 will die from it;

Whereas these deaths are those of our mothers, sisters, daughters, family members, and community leaders;

Whereas the mortality rate for ovarian cancer has not significantly decreased since the ''War on Cancer'' was declared, nearly 40 years ago;

Whereas all women are at risk for ovarian cancer, and 90 percent of women diagnosed

with ovarian cancer do not have a family history that puts them at higher risk;

Whereas the Pap test is sensitive and specific to the early detection of cervical cancer, but not to ovarian cancer;

Whereas there is currently no reliable early detection test for ovarian cancer;

Whereas many people are unaware that the symptoms of ovarian cancer often include bloating, pelvic or abdominal pain, difficulty eating or feeling full quickly, urinary symptoms, and several other symptoms that are easily confused with other diseases;

Whereas in June 2007, the first national consensus statement on ovarian cancer symptoms was developed to provide consistency in describing symptoms to make it easier for women to learn and remember them;

Whereas, due to the lack of a reliable early detection test, 75 percent of cases of ovarian cancer are detected at an advanced stage, making the overall 5-year survival rate only 45 percent;

Whereas there are factors that are known to reduce the risk for ovarian cancer and that play an important role in the prevention of the disease;

Whereas awareness of the symptoms of ovarian cancer by women and health care providers can lead to a quicker diagnosis;

Whereas, each year during the month of September, the Ovarian Cancer National Alliance and its partner members holds a number of events to increase public awareness of ovarian cancer; and

Whereas September 2010 should be designated as ''National Ovarian Cancer Awareness Month'' to increase the awareness of the public regarding the cancer: Now, therefore, be it

Resolved, That the Senate supports the goals and ideals of National Ovarian Cancer Awareness Month.

SENATE RESOLUTION 556—RECOGNIZING THE IMPORTANT ROLE THAT FATHERS PLAY IN THE LIVES OF THEIR CHILDREN AND FAMILIES AND DESIGNATING 2010 AS ''THE YEAR OF THE FATHER''

Mrs. MURRAY (for herself, Mr. BOND, and Ms. CANTWELL) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 556

Whereas Father's Day was founded in 1910 by Mrs. John B. Dodd, Sonora Smart Dodd, after attending a Mother's Day celebration in 1909 and believing that fathers should receive the same recognition;

Whereas Mrs. Dodd founded the day in celebration of her father, William Smart;

Whereas William Smart, a Civil War veteran, raised 6 children on his own after the death of his wife;

Whereas Spokane, Washington recognized and hosted the first celebration of Father's Day on June 19, 1910;

Whereas in 1924, President Calvin Coolidge recognized Father's Day and urged States to follow suit;

Whereas in 1966, President Lyndon B. Johnson signed a proclamation calling for the third Sunday in June to be recognized as Father's Day and requested that flags be flown that day on all Government buildings;

Whereas President Richard Nixon signed a proclamation in 1972 permanently observing Father's Day on the third Sunday in June;

Whereas Father's Day is celebrated in over 50 countries around the world;

Whereas there are an estimated 64,000,000 fathers in the United States;

Whereas it is well documented that children involved with loving fathers are significantly more likely to have healthy self-esteems, exhibit empathy and pro-social behavior, avoid high risk behaviors, reduce anti-social behavior and delinquency in boys, have better peer relationships, and have higher occupational mobility relative to parents;

Whereas fathers who live with their children are likely to have a close, enduring relationship with their children than those who do not; and

Whereas the 100th anniversary of Father's Day will be celebrated in Spokane, Washington on June 20, 2010: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes the important role that fathers play in the lives of their children and families; and

(2) designates 2010 as ''The Year of the Father''.

SENATE RESOLUTION 557—COMMENDING EYECARE AMERICA FOR ITS VOLUNTEERISM AND EFFORTS TO PRESERVE EYESIGHT THROUGHOUT THE PREVIOUS 25 YEARS

Mr. NELSON of Nebraska (for himself and Mr. ISAKSON) submitted the following resolution; which was considered and agreed to:

S. RES. 557

Whereas, according to the National Eye Institute, in public opinion polls, Americans—

(1) have consistently identified the fear of vision loss as second only to the fear of developing cancer; and

(2) have stated that the loss of vision would have the greatest impact on their lives;

Whereas the National Eye Institute estimates that more than 11,000,000 people in the United States have common vision problems;

Whereas, according to the National Eye Institute, approximately 35,000,000 people in the United States experience an age-related eye disease, including age-related macular degeneration (the leading cause of vision loss in older people of the United States), glaucoma, diabetic retinopathy, and cataracts;

Whereas, according to the National Eye Institute, the number of people in the United States who experience an age-related eye disease is expected to grow to 50,000,000 by 2020;

Whereas, according to the National Eye Institute, the Hispanic and African-American populations experience a disproportionate incidence of glaucoma, cataracts, and diabetic retinopathy;

Whereas, according to the National Eye Institute, diabetic retinopathy is the leading cause of blindness in individuals of all races between the ages of 25 and 74;

Whereas vision impairment and eye disease are major public health issues, especially as 2010 begins the decade in which, according to the Census Bureau, more than ½ of the 78,000,000 Baby Boomers will turn 65 and be at greatest risk for developing an age-related eye disease;

Whereas much can be done to preserve eyesight with early detection and treatment;

Whereas EyeCare America, the public service program of the Foundation of the American Academy of Ophthalmology, works to ensure that eye health is not neglected by matching eligible patients with 1 of nearly 7,000 volunteer ophthalmologists across the United States committed to preventing unnecessary blindness in their communities;

Whereas the volunteer ophthalmologists provide eye exams and eyecare for up to 1 year at no out-of-pocket cost to the patient, and seniors who do not have insurance receive the care at no charge;

Whereas individuals may call EyeCare America toll-free at 1–800–222–EYES (3937) to see if they are eligible to be referred to a volunteer ophthalmologist throughout the United States; and

Whereas EyeCare America has helped more than 1,000,000 people since the inception of the organization in 1985 and is the largest public service program of its kind in United States medicine as of the date of agreement to this resolution: Now, therefore, be it

Resolved, That the Senate commends EyeCare America for its volunteerism and efforts to preserve eyesight throughout the 25 years preceding the date of agreement to this resolution.

SENATE RESOLUTION 558—DESIGNATING THE WEEK BEGINNING SEPTEMBER 12, 2010, AS ''NATIONAL DIRECT SUPPORT PROFESSIONALS RECOGNITION WEEK''

Mr. NELSON of Nebraska (for himself, Mr. KERRY, Mr. BROWNBACK, Mr. DODD, Mr. BINGAMAN, Mr. JOHANNS, Ms. COLLINS, Mr. BUNNING, Mr. CARPER, Mr. BROWN of Ohio, and Mr. UDALL of Colorado) submitted the following resolution; which was considered and agreed to:

S. RES. 558

Whereas direct support workers, direct care workers, personal assistants, personal attendants, in-home support workers, and paraprofessionals (referred to in this preamble as ''direct support professionals'') are the primary providers of publicly funded long term support and services for millions of individuals;

Whereas a direct support professional must build a close, trusted relationship with an individual with disabilities;

Whereas a direct support professional assists an individual with disabilities with the most intimate needs, on a daily basis;

Whereas direct support professionals provide a broad range of support, including—

(1) preparation of meals;

(2) helping with medications;

(3) bathing;

(4) dressing;

(5) mobility;

(6) getting to school, work, religious, and recreational activities; and

(7) general daily affairs;

Whereas a direct support professional provides essential support to help keep an individual with disabilities connected to the family and community of the individual;

Whereas direct support professionals enable individuals with disabilities to live meaningful, productive lives;

Whereas direct support professionals are the key to allowing an individual with disabilities to live successfully in the community of the individual, and to avoid more costly institutional care;

Whereas the majority of direct support professionals are female, and many are the sole breadwinners of their families;

Whereas direct support professionals work and pay taxes, but many remain impoverished and are eligible for the same Federal and State public assistance programs on which the individuals with disabilities served by the direct support professionals must depend;

Whereas Federal and State policies, as well as the Supreme Court, in Olmstead v. L.C.,

527 U.S. 581 (1999), assert the right of an individual to live in the home and community of the individual;

Whereas, in 2010, the majority of direct support professionals are employed in home and community-based settings and this trend is projected to increase over the next decade;

Whereas there is a documented critical and growing shortage of direct support professionals in every community throughout the United States; and

Whereas many direct support professionals are forced to leave jobs due to inadequate wages and benefits, creating high turnover and vacancy rates that research demonstrates adversely affects the quality of support to individuals with disabilities: Now, therefore, be it

Resolved, That the Senate—

(1) designates the week beginning September 12, 2010, as ''National Direct Support Professionals Recognition Week'';

(2) recognizes the dedication and vital role of direct support professionals in enhancing the lives of individuals with disabilities of all ages;

(3) appreciates the contribution of direct support professionals in supporting the needs that reach beyond the capacities of millions of families in the United States;

(4) commends direct support professionals as integral in supporting the long-term support and services system of the United States; and

(5) finds that the successful implementation of the public policies of the United States depends on the dedication of direct support professionals.

SENATE RESOLUTION 559—OBSERVING THE HISTORICAL SIGNIFICANCE OF JUNETEENTH INDEPENDENCE DAY

Mr. BURRIS (for himself, Mr. DURBIN, Mrs. GILLIBRAND, Mr. LEVIN, Mr. LUGAR, Mr. HARKIN, Ms. MIKULSKI, Mrs. LINCOLN, Ms. LANDRIEU, and Mr. CARDIN) submitted the following resolution; which was considered and agreed to:

S. RES. 559

Whereas news of the end of slavery did not reach frontier areas of the United States, and in particular the southwestern States, for more than 2½ years after President Lincoln's Emancipation Proclamation, which was issued on January 1, 1863, and months after the conclusion of the Civil War;

Whereas, on June 19, 1865, Union soldiers led by Major General Gordon Granger arrived in Galveston, Texas with news that the Civil War had ended and that the enslaved were free;

Whereas African-Americans who had been slaves in the Southwest celebrated June 19, commonly known as ''Juneteenth Independence Day'', as the anniversary of their emancipation;

Whereas African-Americans from the Southwest continue the tradition of celebrating Juneteenth Independence Day as inspiration and encouragement for future generations;

Whereas, for more than 140 years, Juneteenth Independence Day celebrations have been held to honor African-American freedom while encouraging self-development and respect for all cultures;

Whereas, although Juneteenth Independence Day is beginning to be recognized as a national, and even global, event, the history behind the celebration should not be forgotten; and

Whereas the faith and strength of character demonstrated by former slaves remains an example for all people of the United States, regardless of background, religion, or race: Now, therefore, be it

Resolved, That—

(1) the Senate—

(A) recognizes the historical significance of Juneteenth Independence Day to the Nation;

(B) supports the continued celebration of Juneteenth Independence Day to provide an opportunity for the people of the United States to learn more about the past and to understand better the experiences that have shaped the Nation; and

(C) encourages the people of the United States to observe Juneteenth Independence Day with appropriate ceremonies, activities, and programs; and

(2) it is the sense of the Senate that—

(A) the celebration of the end of slavery is an important and enriching part of the history and heritage of the United States; and

(B) history should be regarded as a means for understanding the past and solving the challenges of the future.

AMENDMENTS SUBMITTED AND PROPOSED

SA 4366. Mr. ENSIGN submitted an amendment intended to be proposed to amendment SA 4301 proposed by Mr. BAUCUS to the bill H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes; which was ordered to lie on the table.

SA 4367. Ms. MURKOWSKI (for herself and Mr. BEGICH) submitted an amendment intended to be proposed by her to the bill H.R. 4213, supra; which was ordered to lie on the table.

SA 4368. Mr. WARNER submitted an amendment intended to be proposed by him to the bill H.R. 4213, supra; which was ordered to lie on the table.

SA 4369. Mr. BAUCUS proposed an amendment to the bill H.R. 4213, supra.

SA 4370. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill H.R. 4213, supra; which was ordered to lie on the table.

SA 4371. Mr. CASEY (for himself and Mr. BROWN of Ohio) submitted an amendment intended to be proposed to amendment SA 4369 proposed by Mr. BAUCUS to the bill H.R. 4213, supra; which was ordered to lie on the table.

SA 4372. Mr. KOHL submitted an amendment intended to be proposed to amendment SA 4369 proposed by Mr. BAUCUS to the bill H.R. 4213, supra; which was ordered to lie on the table.

SA 4373. Ms. SNOWE (for herself, Mr. ENZI, and Mr. ENSIGN) submitted an amendment intended to be proposed to amendment SA 4369 proposed by Mr. BAUCUS to the bill H.R. 4213, supra; which was ordered to lie on the table.

SA 4374. Mr. KYL submitted an amendment intended to be proposed to amendment SA 4369 proposed by Mr. BAUCUS to the bill H.R. 4213, supra; which was ordered to lie on the table.

SA 4375. Mr. KOHL (for himself, Mr. GRASSLEY, Ms. COLLINS, and Mr. FRANKEN) submitted an amendment intended to be proposed to amendment SA 4369 proposed by Mr. BAUCUS to the bill H.R. 4213, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 4366. Mr. ENSIGN submitted an amendment intended to be proposed to amendment SA 4301 proposed by Mr. BAUCUS to the bill H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title II, insert the following:

SEC. 2___. EXTENSION OF GRANTS FOR SPECIFIED ENERGY PROPERTY IN LIEU OF TAX CREDITS.

(a) IN GENERAL.—Subsection (a) of section 1603 of division B of the American Recovery and Reinvestment Act of 2009 is amended—

(1) in paragraph (1), by striking ''2009 or 2010'' and inserting ''2009, 2010, 2011, or 2012'', and

(2) in paragraph (2)—

(A) by striking ''after 2010'' and inserting ''after 2012'', and

(B) by striking ''2009 or 2010'' and inserting ''2009, 2010, 2011, or 2012''.

(b) CONFORMING AMENDMENT.—Subsection (j) of section 1603 of division B of such Act is amended by striking ''2011'' and inserting ''2013''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

(d) USE OF STIMULUS FUNDS TO OFFSET SPENDING.—Notwithstanding section 5 of the American Recovery and Reinvestment Act of 2009, from the amounts appropriated or made available and remaining unobligated under division A of such Act (other than under title X of such division A), the Director of the Office of Management and Budget shall transfer from time to time to the general fund of the Treasury an amount equal to the net increase in spending resulting from the amendments made by this section. The Director of the Office of Management and Budget shall report to each congressional committee the amounts so rescinded within the jurisdiction of such committee.

SA 4367. Ms. MURKOWSKI (for herself and Mr. BEGICH) submitted an amendment intended to be proposed by her to the bill H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

TITLE VIII—ALASKA COMMUNITY DEVELOPMENT QUOTA PROGRAM

SEC. 801. SHORT TITLE.

This title may be cited as the ''Western Alaska Community Development Organizations Tax Relief Act''.

SEC. 802. FINDINGS.

Congress finds the following:

(1) In 1990, Congress established a Joint Federal-State Commission on Policies and Programs Affecting Alaska Natives to investigate economic and social conditions in rural Alaska communities that are Native villages for the purposes of the Alaska Native Claims Settlement Act; the Commission reported very high unemployment and widespread poverty.

(2) In 1992, the United States Secretary of Commerce approved Amendment 18 to the Bering Sea and Aleutian Island (BSAI) Fishery Management Plan creating the Western Alaska Community Development Quota (CDQ) Program to promote the economic development of the 65 villages of the western Alaska region which were organized as six coalitions.

(3) In 1994, the Commission recommended to Congress that it amend the Magnuson-Stevens Fishery Conservation and Management Act to codify the establishment of the CDQ Program and expand the program to include all commercial fisheries that are conducted in the Bering Sea-Aleutian Islands Management Area.

(4) In 1996, Congress implemented the recommendation of the Commission by enacting section 305(i)(1) of the Magnuson-Stevens Fishery Conservation and Management Act subparagraph (A) of which established the western Alaska community development program—

(A) to provide eligible western Alaska villages with the opportunity to participate and invest in fisheries in the Bering Sea and Aleutian Islands Management Area;

(B) to support economic development in western Alaska;

(C) to alleviate poverty and provide economic and social benefits for residents of western Alaska; and

(D) to achieve sustainable and diversified local economies in western Alaska.

(5) In 2006, Congress, in section 416 of the Conference Report to Coast Guard and Maritime Transportation Act of 2006, stated its intent that ''all activities of the CDQ groups continue to be considered tax-exempt (as has been the practice since the program's inception in 1992) so that the six CDQ groups can more readily address the pressing economic needs of the region''.

(6) The original six coalitions organized as six corporations and are recognized as tax-exempt under either section 501(c)(3) or section 501(c)(4) of the Internal Revenue Code of 1986.

(7) Today, the six CDQ organizations are making important and ongoing contributions to the economic development and the alleviation of poverty in the western Alaska region consistent with the purposes Congress has established for the CDQ Program. As the program was intended, the organizations have become bona fide participants in the BSAI commercial fisheries. The CDQ organizations are using the revenue that their participation generates to create employment and economic development opportunities that would have been impossible in western Alaska prior to the CDQ Program.

(8) The CDQ organizations have paid, and will continue to pay, income tax on income generated from their activities and investments outside of the BSAI area.

(9) Excluding income generated from the CDQ organizations' fishery-related activities and investments inside the BSAI area from unrelated business taxable income is consistent with the intent of Congress.

SEC. 803. CLARIFICATION OF TAX-EXEMPT TREATMENT OF CERTAIN INCOME OF SIX ALASKA COMMUNITY DEVELOPMENT QUOTA (CDQ) PROGRAM ORGANIZATIONS.

(a) CLARIFICATION.—

(1) IN GENERAL.—Section 512(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(20) TREATMENT OF CERTAIN INCOME OF SIX ALASKA COMMUNITY DEVELOPMENT QUOTA (CDQ) PROGRAM ORGANIZATIONS.—There shall be excluded all income derived from a trade or business carried on by a Community Development Quota entity identified in section 305(i)(1)(D) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1855(i)(1)(D) participating or investing in the harvesting, processing, transportation, sales, or marketing of fish and fish product in the Bering Sea and Aleutian Islands Management Area if the conduct of such trade or business is in furtherance of one or more of the purposes specified in section 305(i)(1)(A) of such Act. Such excluded income received after the date of the enactment of this paragraph shall be reported by such entity on the annual return required under section 6033 and in any annual report required under section 305(i)(1)(F)(ii) of such Act (16 U.S.C. 1855(i)(1)(F)(ii)).''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to income received before, on, or after the date of the enactment of this Act.

(b) APPLICATION TO CERTAIN WHOLLY OWNED SUBSIDIARIES.—If the assets of a trade or business described in section 512(b)(20) of the Internal Revenue Code of 1986 (as added by subsection (a)(1)) of any subsidiary wholly owned by a Community Development Quota entity identified in section 305(i)(1)(D) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1855(i)(1)(D) are transferred to such entity (including in liquidation of such subsidiary) not later than 18 months after the date of the enactment of this Act—

(1) no gain resulting from such transfer shall be recognized to either such subsidiary or such entity under such Code, and

(2) all income derived by such subsidiary from such transferred trade or business shall be exempt from taxation under such Code.

SA 4368. Mr. WARNER submitted an amendment intended to be proposed by him to the bill H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VI, insert the following:

SEC. ___. ELIMINATION OF CERTAIN PROGRAMS RECOMMENDED FOR TERMINATION.

(a) FINDINGS.—Congress finds the following:

(1) Both the Bush and the Obama administrations have reviewed federal programs in recent years to identify those that are ineffective, outdated, or duplicative.

(2) While funding has been terminated for some of the identified programs, many more continue to receive funding each year.

(3) In particular, 17 programs continue to receive funding, even though the programs have been identified by either the Bush or Obama administrations as being ineffective, outdated, or duplicative and recommended for termination in the budgets of the United States Government for fiscal years 2009, 2010, and 2011.

(4) The need to simultaneously assist families hardest hit by the recession while beginning to reduce the nation's record debt levels requires a renewed emphasis on eliminating unnecessary federal spending.

(b) RESCISSIONS.—Any funds that remain available for obligation as of the date of enactment of this Act for the following programs, projects, activities, portions, or accounts are rescinded:

(1) The high energy cost grant program carried out under section 19 of the Rural Electrification Act of 1936 (7 U.S.C. 918a).

(2) The program of grants to broadcasting systems provided under section 310B(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(f)).

(3) The resource conservation and development program established under subtitle H of the Agriculture and Food Act of 1981 (16 U.S.C. 3451 et seq.).

(4) The watershed protection and flood prevention operations carried out under section 14 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012).

(5) The public telecommunications facilities, planning, and construction grants under section 392 of the Communications Act of 1934 (47 U.S.C. 392).

(6) The Presidential Academies for Teaching of American History and Civics and the Congressional Academies for Students of American History and Civics under the American History and Civics Education Act of 2004 (20 U.S.C. 6713 note).

(7) The Civic Education Program under subpart 3 of part C of title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6711 et seq.).

(8) The Close Up Fellowship Program under section 1504 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6494).

(9) The William F. Goodling Even Start Family Literacy Programs under subpart 3 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6381 et seq.).

(10) The Foundations for Learning Grants Program under section 5542 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7269a).

(11) The Jacob K. Javits Gifted and Talented Students Education Program under subpart 6 of part D of title V of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7253 et seq.).

(12) The Ready to Teach Program under subpart 8 of part D of title V of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7257).

(13) The portion of the State and Tribal Assistance Grants Account of the Environmental Protection Agency for special project grants and technical corrections to prior-year grants for the construction of drinking water, wastewater, and storm water infrastructure, and for water quality protection, pursuant to section 104 of the Federal Water Pollution Control Act (33 U.S.C. 1254) and section 1442 of the Safe Drinking Water Act (42 U.S.C. 300j-1).

(14) The portion of funding provided by the Health Resources and Services Administration to the Denali Commission (under the Denali Commission Act of 1998 (42 U.S.C. 3121 et seq.)).

(15) The Delta Health Initiative administered by the Office of Rural Health Policy of the Department of Health and Human Services.

(16) The construction and renovation (including equipment) of health care and other facilities and for other health-related activities account for the Health Resources and Services Administration of the Department of Health and Human Services.

(17) The Brownfields Economic Development Initiative under section 108(q) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(q)).

(c) TERMINATIONS.—Notwithstanding any other provision of law, the authority for each program, project, activity, portion, and account listed in subsection (b) is terminated. No additional funds shall be authorized or appropriated for any such program, project, activity, portion, or account.

SA 4369. Mr. BAUCUS proposed an amendment to the bill H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes; as follows:

In lieu of the matter proposed to be inserted, insert the following:

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

(a) SHORT TITLE.—This Act may be cited as the ''American Jobs and Closing Tax Loopholes Act of 2010''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in titles I, II, and IV of 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:

TITLE I—INFRASTRUCTURE INCENTIVES

SEC. 101. EXTENSION OF BUILD AMERICA BONDS.

(a) IN GENERAL.—Subparagraph (B) of section 54AA(d)(1) is amended by striking ''January 1, 2011'' and inserting ''January 1, 2013''.

(b) EXTENSION OF PAYMENTS TO ISSUERS.—

(1) IN GENERAL.—Section 6431 is amended—

(A) by striking ''January 1, 2011'' in subsection (a) and inserting ''January 1, 2013''; and

(B) by striking ''January 1, 2011'' in subsection (f)(1)(B) and inserting ''a particular date''.

(2) CONFORMING AMENDMENTS.—Subsection (g) of section 54AA is amended—

(A) by striking ''January 1, 2011'' and inserting ''January 1, 2013''; and

(B) by striking ''QUALIFIED BONDS ISSUED BEFORE 2011'' in the heading and inserting ''CERTAIN QUALIFIED BONDS''.

(c) REDUCTION IN PERCENTAGE OF PAYMENTS TO ISSUERS.—Subsection (b) of section 6431 is amended—

(1) by striking ''The Secretary'' and inserting the following:

''(1) IN GENERAL.—The Secretary'';

(2) by striking ''35 percent'' and inserting ''the applicable percentage''; and

(3) by adding at the end the following new paragraph:

''(2) APPLICABLE PERCENTAGE.—For purposes of this subsection, the term 'applicable percentage' means the percentage determined in accordance with the following table:

''In the case of a qualified bond issued during calendar year:	The applicable percentage is:
2009 or 2010	35 percent
2011	32 percent
2012	30 percent.''.

(d) CURRENT REFUNDINGS PERMITTED.—Subsection (g) of section 54AA is amended by adding at the end the following new paragraph:

''(3) TREATMENT OF CURRENT REFUNDING BONDS.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'qualified bond' includes any bond (or series of bonds) issued to refund a qualified bond if—

''(i) the average maturity date of the issue of which the refunding bond is a part is not later than the average maturity date of the bonds to be refunded by such issue,

''(ii) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, and

''(iii) the refunded bond is redeemed not later than 90 days after the date of the issuance of the refunding bond.

''(B) APPLICABLE PERCENTAGE.—In the case of a refunding bond referred to in subparagraph (A), the applicable percentage with respect to such bond under section 6431(b) shall be the lowest percentage specified in paragraph (2) of such section.

''(C) DETERMINATION OF AVERAGE MATURITY.—For purposes of subparagraph (A)(i), average maturity shall be determined in accordance with section 147(b)(2)(A).''.

(e) CLARIFICATION RELATED TO LEVEES AND FLOOD CONTROL PROJECTS.—Subparagraph (A) of section 54AA(g)(2) is amended by inserting ''(including capital expenditures for levees and other flood control projects)'' after ''capital expenditures''.

SEC. 102. EXEMPT-FACILITY BONDS FOR SEWAGE AND WATER SUPPLY FACILITIES.

(a) BONDS FOR WATER AND SEWAGE FACILITIES EXEMPT FROM VOLUME CAP ON PRIVATE ACTIVITY BONDS.—

(1) IN GENERAL.—Paragraph (3) of section 146(g) is amended by inserting ''(4), (5),'' after ''(2),''.

(2) CONFORMING AMENDMENT.—Paragraphs (2) and (3)(B) of section 146(k) are both amended by striking ''(4), (5), (6),'' and inserting ''(6)''.

(b) TAX-EXEMPT ISSUANCE BY INDIAN TRIBAL GOVERNMENTS.—

(1) IN GENERAL.—Subsection (c) of section 7871 is amended by adding at the end the following new paragraph:

''(4) EXCEPTION FOR BONDS FOR WATER AND SEWAGE FACILITIES.—Paragraph (2) shall not apply to an exempt facility bond 95 percent or more of the net proceeds (as defined in section 150(a)(3)) of which are to be used to provide facilities described in paragraph (4) or (5) of section 142(a).''.

(2) CONFORMING AMENDMENT.—Paragraph (2) of section 7871(c) is amended by striking ''paragraph (3)'' and inserting ''paragraphs (3) and (4)''.

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

SEC. 103. EXTENSION OF EXEMPTION FROM ALTERNATIVE MINIMUM TAX TREATMENT FOR CERTAIN TAX-EXEMPT BONDS.

(a) IN GENERAL.—Clause (vi) of section 57(a)(5)(C) is amended—

(1) by striking ''January 1, 2011'' in subclause (I) and inserting ''January 1, 2012''; and

(2) by striking ''AND 2010'' in the heading and inserting '', 2010, AND 2011''.

(b) ADJUSTED CURRENT EARNINGS.—Clause (iv) of section 56(g)(4)(B) is amended—

(1) by striking ''January 1, 2011'' in subclause (I) and inserting ''January 1, 2012''; and

(2) by striking ''AND 2010'' in the heading and inserting '', 2010, AND 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 2010.

SEC. 104. EXTENSION AND ADDITIONAL ALLOCATIONS OF RECOVERY ZONE BOND AUTHORITY.

(a) EXTENSION OF RECOVERY ZONE BOND AUTHORITY.—Section 1400U–2(b)(1) and section 1400U–3(b)(1)(B) are each amended by striking ''January 1, 2011'' and inserting ''January 1, 2012''.

(b) ADDITIONAL ALLOCATIONS OF RECOVERY ZONE BOND AUTHORITY BASED ON UNEMPLOYMENT.—Section 1400U–1 is amended by adding at the end the following new subsection:

''(c) ALLOCATION OF 2010 RECOVERY ZONE BOND LIMITATIONS BASED ON UNEMPLOYMENT.—

''(1) IN GENERAL.—The Secretary shall allocate the 2010 national recovery zone economic development bond limitation and the 2010 national recovery zone facility bond limitation among the States in the proportion that each such State's 2009 unemployment number bears to the aggregate of the 2009 unemployment numbers for all of the States.

''(2) MINIMUM ALLOCATION.—The Secretary shall adjust the allocations under paragraph (1) for each State to the extent necessary to ensure that no State (prior to any reduction under paragraph (3)) receives less than 0.9 percent of the 2010 national recovery zone economic development bond limitation and 0.9 percent of the 2010 national recovery zone facility bond limitation.

''(3) ALLOCATIONS BY STATES.—

''(A) IN GENERAL.—Each State with respect to which an allocation is made under paragraph (1) shall reallocate such allocation among the counties and large municipalities (as defined in subsection (a)(3)(B)) in such State in the proportion that each such county's or municipality's 2009 unemployment number bears to the aggregate of the 2009 unemployment numbers for all the counties and large municipalities (as so defined) in such State.

''(B) 2010 ALLOCATION REDUCED BY AMOUNT OF PREVIOUS ALLOCATION.—Each State shall reduce (but not below zero)—

''(i) the amount of the 2010 national recovery zone economic development bond limitation allocated to each county or large municipality (as so defined) in such State by the amount of the national recovery zone economic development bond limitation allocated to such county or large municipality under subsection (a)(3)(A) (determined without regard to any waiver thereof), and

''(ii) the amount of the 2010 national recovery zone facility bond limitation allocated to each county or large municipality (as so defined) in such State by the amount of the national recovery zone facility bond limitation allocated to such county or large municipality under subsection (a)(3)(A) (determined without regard to any waiver thereof).

''(C) WAIVER OF SUBALLOCATIONS.—A county or municipality may waive any portion of an allocation made under this paragraph. A county or municipality shall be treated as having waived any portion of an allocation made under this paragraph which has not been allocated to a bond issued before May 1, 2011. Any allocation waived (or treated as waived) under this subparagraph may be used or reallocated by the State.

''(D) SPECIAL RULE FOR A MUNICIPALITY IN A COUNTY.—In the case of any large municipality any portion of which is in a county, such portion shall be treated as part of such municipality and not part of such county.

''(4) 2009 UNEMPLOYMENT NUMBER.—For purposes of this subsection, the term '2009 unemployment number' means, with respect to any State, county or municipality, the number of individuals in such State, county, or municipality who were determined to be unemployed by the Bureau of Labor Statistics for December 2009.

''(5) 2010 NATIONAL LIMITATIONS.—

''(A) RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS.—The 2010 national recovery zone economic development bond limitation is $10,000,000,000. Any allocation of such limitation under this subsection shall be treated for purposes of section 1400U–2 in the same manner as an allocation of national recovery zone economic development bond limitation.

''(B) RECOVERY ZONE FACILITY BONDS.—The 2010 national recovery zone facility bond limitation is $15,000,000,000. Any allocation of such limitation under this subsection shall be treated for purposes of section 1400U–3 in the same manner as an allocation of national recovery zone facility bond limitation.''.

(c) AUTHORITY OF STATE TO WAIVE CERTAIN 2009 ALLOCATIONS.—Subparagraph (A) of section 1400U–1(a)(3) is amended by adding at the end the following: ''A county or municipality shall be treated as having waived any portion of an allocation made under this subparagraph which has not been allocated to a bond issued before May 1, 2011. Any allocation waived (or treated as waived) under this subparagraph may be used or reallocated by the State.''.

SEC. 105. ALLOWANCE OF NEW MARKETS TAX CREDIT AGAINST ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subparagraph (B) of section 38(c)(4), as amended by the Patient Protection and Affordable Care Act, is amended by redesignating clauses (v) through (ix) as clauses (vi) through (x), respectively, and by inserting after clause (iv) the following new clause:

''(v) the credit determined under section 45D, but only with respect to credits determined with respect to qualified equity investments (as defined in section 45D(b)) initially made before January 1, 2012,''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to credits determined with respect to qualified equity investments (as defined in section 45D(b) of the Internal Revenue Code of 1986) initially made after March 15, 2010.

SEC. 106. EXTENSION OF TAX-EXEMPT ELIGIBILITY FOR LOANS GUARANTEED BY FEDERAL HOME LOAN BANKS.

Clause (iv) of section 149(b)(3)(A) is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

SEC. 107. EXTENSION OF TEMPORARY SMALL ISSUER RULES FOR ALLOCATION OF TAX-EXEMPT INTEREST EXPENSE BY FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—Clauses (i), (ii), and (iii) of section 265(b)(3)(G) are each amended by striking ''or 2010'' and inserting '', 2010, or 2011''.

(b) CONFORMING AMENDMENT.—Subparagraph (G) of section 265(b)(3) is amended by striking ''AND 2010'' in the heading and inserting '', 2010, AND 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 2010.

TITLE II—EXTENSION OF EXPIRING PROVISIONS

Subtitle A—Energy

SEC. 201. ALTERNATIVE MOTOR VEHICLE CREDIT FOR NEW QUALIFIED HYBRID MOTOR VEHICLES OTHER THAN PASSENGER AUTOMOBILES AND LIGHT TRUCKS.

(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. 202. INCENTIVES FOR BIODIESEL AND RENEWABLE DIESEL.

(a) CREDITS FOR BIODIESEL AND RENEWABLE DIESEL USED AS FUEL.—Subsection (g) of section 40A is amended by striking ''December 31, 2009'' and inserting ''December 31, 2010''.

(b) EXCISE TAX CREDITS AND OUTLAY 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 fuel sold or used after December 31, 2009.

SEC. 203. CREDIT FOR ELECTRICITY PRODUCED AT CERTAIN OPEN-LOOP BIOMASS FACILITIES.

(a) IN GENERAL.—Clause (ii) of section 45(b)(4)(B) is amended—

(1) by striking ''5-year period'' and inserting ''6-year period''; and

(2) by adding at the end the following: ''In the case of the last year of the 6-year period described in the preceding sentence, the credit determined under subsection (a) with respect to electricity produced during such year shall not exceed 80 percent of such credit determined without regard to this sentence.''.

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

SEC. 204. EXTENSION AND MODIFICATION OF CREDIT FOR STEEL INDUSTRY FUEL.

(a) CREDIT PERIOD.—

(1) IN GENERAL.—Subclause (II) of section 45(e)(8)(D)(ii) is amended to read as follows:

''(II) CREDIT PERIOD.—In lieu of the 10-year period referred to in clauses (i) and (ii)(II) of subparagraph (A), the credit period shall be the period beginning on the date that the facility first produces steel industry fuel that

is sold to an unrelated person after September 30, 2008, and ending 2 years after such date.''.

(2) CONFORMING AMENDMENT.—Section 45(e)(8)(D) is amended by striking clause (iii) and by redesignating clause (iv) as clause (iii).

(b) EXTENSION OF PLACED-IN-SERVICE DATE.—Subparagraph (A) of section 45(d)(8) is amended—

(1) by striking ''(or any modification to a facility)''; and

(2) by striking ''2010'' and inserting ''2011''.

(c) CLARIFICATIONS.—

(1) STEEL INDUSTRY FUEL.—Subclause (I) of section 45(c)(7)(C)(i) is amended by inserting '', a blend of coal and petroleum coke, or other coke feedstock'' after ''on coal''.

(2) OWNERSHIP INTEREST.—Section 45(d)(8) is amended by adding at the end the following new flush sentence:

''With respect to a facility producing steel industry fuel, no person (including a ground lessor, customer, supplier, or technology licensor) shall be treated as having an ownership interest in the facility or as otherwise entitled to the credit allowable under subsection (a) with respect to such facility if such person's rent, license fee, or other entitlement to net payments from the owner of such facility is measured by a fixed dollar amount or a fixed amount per ton, or otherwise determined without regard to the profit or loss of such facility.''.

(3) PRODUCTION AND SALE.—Subparagraph (D) of section 45(e)(8), as amended by subsection (a)(2), is amended by redesignating clause (iii) as clause (iv) and by inserting after clause (ii) the following new clause:

''(iii) PRODUCTION AND SALE.—The owner of a facility producing steel industry fuel shall be treated as producing and selling steel industry fuel where that owner manufactures such steel industry fuel from coal, a blend of coal and petroleum coke, or other coke feedstock to which it has title. The sale of such steel industry fuel by the owner of the facility to a person who is not the owner of the facility shall not fail to qualify as a sale to an unrelated person solely because such purchaser may also be a ground lessor, supplier, or customer.''.

(d) SPECIFIED CREDIT FOR PURPOSES OF ALTERNATIVE MINIMUM TAX EXCLUSION.—Subclause (II) of section 38(c)(4)(B)(iii) is amended by inserting ''(in the case of a refined coal production facility producing steel industry fuel, during the credit period set forth in section 45(e)(8)(D)(ii)(II))'' after ''service''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsections (a), (b), and (d) shall apply to fuel produced and sold after September 30, 2008.

(2) CLARIFICATIONS.—The amendments made by subsection (c) shall take effect as if included in the amendments made by the Energy Improvement and Extension Act of 2008.

SEC. 205. CREDIT FOR PRODUCING FUEL FROM COKE OR COKE GAS.

(a) IN GENERAL.—Paragraph (1) of section 45K(g) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2011''.

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

SEC. 206. NEW ENERGY EFFICIENT HOME CREDIT.

(a) IN GENERAL.—Subsection (g) of section 45L is amended by striking ''December 31, 2009'' and inserting ''December 31, 2010''.

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

SEC. 207. EXCISE TAX CREDITS AND OUTLAY PAYMENTS FOR ALTERNATIVE FUEL AND ALTERNATIVE FUEL MIXTURES.

(a) ALTERNATIVE FUEL CREDIT.—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 fuels described in subparagraph (A), (C), (F), or (G) of paragraph (2), and

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

(b) ALTERNATIVE FUEL MIXTURE CREDIT.—Paragraph (3) of section 6426(e) 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 fuels described in subparagraph (A), (C), (F), or (G) of subsection (d)(2), and

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

(c) PAYMENT AUTHORITY.—

(1) IN GENERAL.—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 '', and'', and by adding at the end the following new subparagraph:

''(E) any alternative fuel or alternative fuel mixture (as so defined) involving fuel described in subparagraph (A), (C), (F), or (G) of section 6426(d)(2) sold or used after December 31, 2010.''.

(2) CONFORMING AMENDMENT.—Subparagraph (C) of section 6427(e)(6) is amended by inserting ''or (E)'' after ''subparagraph (D)''.

(d) EXCLUSION OF BLACK LIQUOR FROM CREDIT ELIGIBILITY.—The last sentence of section 6426(d)(2) is amended by striking ''or biodiesel'' and inserting ''biodiesel, or any fuel (including lignin, wood residues, or spent pulping liquors) derived from the production of paper or pulp''.

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

SEC. 208. 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) MODIFICATION OF DEFINITION OF INDEPENDENT TRANSMISSION COMPANY.—

(1) IN GENERAL.—Clause (i) of section 451(i)(4)(B) is amended to read as follows:

''(i) who the Federal Energy Regulatory Commission determines in its authorization of the transaction under section 203 of the Federal Power Act (16 U.S.C. 824b) or by declaratory order—

''(I) is not itself a market participant as determined by the Commission, and also is not controlled by any such market participant, or

''(II) to be independent from market participants or to be an independent transmission company within the meaning of such Commission's rules applicable to independent transmission providers, and''.

(2) RELATED PERSONS.—Paragraph (4) of section 451(i) is amended by adding at the end the following flush sentence:

''For purposes of subparagraph (B)(i)(I), a person shall be treated as controlled by another person if such persons would be treated as a single employer under section 52.''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to dispositions after December 31, 2009.

(2) MODIFICATIONS.—The amendments made by subsection (b) shall apply to dispositions after the date of the enactment of this Act.

SEC. 209. 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.

SEC. 210. DIRECT PAYMENT OF ENERGY EFFICIENT APPLIANCES TAX CREDIT.

In the case of any taxable year which includes the last day of calendar year 2009 or calendar year 2010, a taxpayer who elects to waive the credit which would otherwise be determined with respect to the taxpayer under section 45M of the Internal Revenue Code of 1986 for such taxable year shall be treated as making a payment against the tax imposed under subtitle A of such Code for such taxable year in an amount equal to 85 percent of the amount of the credit which would otherwise be so determined. Such payment shall be treated as made on the later of the due date of the return of such tax or the date on which such return is filed. Elections under this section may be made separately for 2009 and 2010, but once made shall be irrevocable. No amount shall be includible in gross income or alternative minimum taxable income by reason of this section.

SEC. 211. MODIFICATION OF STANDARDS FOR WINDOWS, DOORS, AND SKYLIGHTS WITH RESPECT TO THE CREDIT FOR NONBUSINESS ENERGY PROPERTY.

(a) IN GENERAL.—Paragraph (4) of section 25C(c) is amended by striking ''unless'' and all that follows and inserting ''unless—

''(A) in the case of any component placed in service after the date which is 90 days after the date of the enactment of the American Jobs and Closing Tax Loopholes Act of 2010, such component meets the criteria for such components established by the 2010 Energy Star Program Requirements for Residential Windows, Doors, and Skylights, Version 5.0 (or any subsequent version of such requirements which is in effect after January 4, 2010),

''(B) in the case of any component placed in service after the date of the enactment of the American Jobs and Closing Tax Loopholes Act of 2010 and on or before the date which is 90 days after such date, such component meets the criteria described in subparagraph (A) or is equal to or below a U factor of 0.30 and SHGC of 0.30, and

''(C) in the case of any component which is a garage door, such component is equal to or below a U factor of 0.30 and SHGC of 0.30.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after the date of the enactment of this Act.

Subtitle B—Individual Tax Relief

PART I—MISCELLANEOUS PROVISIONS

SEC. 221. 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.

SEC. 222. 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. 223. 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. 224. 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. 225. 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.

(c) TEMPORARY COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS.—In the case of any taxpayer for any taxable year beginning in 2010, no deduction shall be allowed under section 222 of the Internal Revenue Code of 1986 if—

(1) the taxpayer's net Federal income tax reduction which would be attributable to such deduction for such taxable year, is less than

(2) the credit which would be allowed to the taxpayer for such taxable year under section 25A of such Code (determined without regard to sections 25A(e) and 26 of such Code).

SEC. 226. 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. 227. 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. 228. FIRST-TIME HOMEBUYER CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 36(h) is amended by striking ''paragraph (1) shall be applied by substituting 'July 1, 2010'' and inserting ''and who purchases such residence before October 1, 2010, paragraph (1) shall be applied by substituting 'October 1, 2010' ''.

(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 36(h)(3) is amended by inserting ''and for 'October 1, 2010'' after ''for 'July 1, 2010' ''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to residences purchased after June 30, 2010.

PART II—LOW-INCOME HOUSING CREDITS

SEC. 231. ELECTION FOR DIRECT PAYMENT OF 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 DIRECT PAYMENT OF CREDIT.—

''(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), plus any credits returned to the State attributable to section 1400N(c) (including credits made available under such section as applied by reason of sections 702(d)(2) and 704(b) of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008), 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, plus any credits for 2010 attributable to the application of such section 702(d)(2) and 704(b), multiplied by

''(B) 10.

For purposes of subparagraph (A)(ii), in the case of any area to which section 702(d)(2) or 704(b) of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008 applies, section 1400N(c)(1)(A) shall be applied without regard to clause (i)

''(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 ''36C,''.

SEC. 232. LOW-INCOME HOUSING GRANT ELECTION.

(a) CLARIFICATION OF ELIGIBILITY OF LOW-INCOME HOUSING CREDITS FOR LOW-INCOME HOUSING GRANT ELECTION.—Paragraph (1) of section 1602(b) of the American Recovery and Reinvestment Tax Act of 2009 is amended—

(1) by inserting '', plus any increase for 2009 or 2010 attributable to section 1400N(c) of such Code (including credits made available under such section as applied by reason of sections 702(d)(2) and 704(b) of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008)'' after ''1986'' in subparagraph (A), and

(2) by inserting '', plus any credits for 2009 attributable to the application of such section 702(d)(2) and 704(b)'' after ''such section'' in subparagraph (B).

(b) APPLICATION OF ADDITIONAL HOUSING CREDIT AMOUNT FOR PURPOSES OF 2009 GRANT ELECTION.—Subsection (b) of section 1602 of the American Recovery and Reinvestment Tax Act of 2009, as amended by subsection (a), is amended by adding at the end the following flush sentence:

''For purposes of paragraph (1)(B), in the case of any area to which section 702(d)(2) or 704(b) of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008 applies, section 1400N(c)(1)(A) of such Code shall be applied without regard to clause (i).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply as if included in the enactment of section 1602 of the American Recovery and Reinvestment Tax Act of 2009.

Subtitle C—Business Tax Relief

SEC. 241. 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 amendments made by this section shall apply to amounts paid or incurred after December 31, 2009.

SEC. 242. 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. 243. NEW MARKETS TAX CREDIT.

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

(b) CONFORMING AMENDMENT.—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. 244. 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. 245. 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) CREDIT ALLOWABLE AGAINST AMT.—Subparagraph (B) of section 38(c)(4), as amended by section 105, is amended—

(1) by redesignating clauses (vii) through (x) as clauses (viii) through (xi), respectively; and

(2) by inserting after clause (vi) the following new clause:

''(vii) the credit determined under section 45N,''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2009.

(2) ALLOWANCE AGAINST AMT.—The amendments made by subsection (b) shall apply to credits determined for taxable years beginning after December 31, 2009, and to carrybacks of such credits.

SEC. 246. 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. 247. 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. 248. 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) CONFORMING AMENDMENTS.—

(1) Clause (i) of section 168(e)(7)(A) is amended by striking ''if such building is placed in service after December 31, 2008, and before January 1, 2010,''.

(2) Paragraph (8) of section 168(e) is amended by striking subparagraph (E).

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

SEC. 249. 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. 250. 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. 251. 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. 252. 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. 253. ENHANCED CHARITABLE DEDUCTION FOR CORPORATE CONTRIBUTIONS OF COMPUTER INVENTORY 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. 254. ELECTION TO EXPENSE 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. 255. 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. 256. 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. 257. 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. 258. 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. 259. EXCLUSION OF GAIN OR LOSS ON SALE OR EXCHANGE OF CERTAIN BROWNFIELD SITES FROM UNRELATED BUSINESS 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. 260. TIMBER REIT MODERNIZATION.

(a) IN GENERAL.—Paragraph (8) of section 856(c) is amended by striking ''means'' and all that follows and inserting ''means December 31, 2010.''.

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (I) of section 856(c)(2) is amended by striking ''the first taxable year beginning after the date of the enactment of this subparagraph'' and inserting ''a taxable year beginning on or before the termination date''.

(2) Clause (iii) of section 856(c)(5)(H) is amended by inserting ''in taxable years beginning'' after ''dispositions''.

(3) Clause (v) of section 857(b)(6)(D) is amended by inserting ''in a taxable year beginning'' after ''sale''.

(4) Subparagraph (G) of section 857(b)(6) is amended by inserting ''in a taxable year beginning'' after ''In the case of a sale''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after May 22, 2009.

SEC. 261. TREATMENT OF CERTAIN DIVIDENDS 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. 262. 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.—

(1) IN GENERAL.—The amendment made by subsection (a) shall take effect on January 1, 2010. Notwithstanding the preceding sentence, such amendment shall not apply with respect to the withholding requirement under section 1445 of the Internal Revenue Code of 1986 for any payment made before the date of the enactment of this Act.

(2) AMOUNTS WITHHELD ON OR BEFORE DATE OF ENACTMENT.—In the case of a regulated investment company—

(A) which makes a distribution after December 31, 2009, and before the date of the enactment of this Act; and

(B) which would (but for the second sentence of paragraph (1)) have been required to withhold with respect to such distribution under section 1445 of such Code,

such investment company shall not be liable to any person to whom such distribution was made for any amount so withheld and paid over to the Secretary of the Treasury.

SEC. 263. 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. 264. 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. 265. BASIS ADJUSTMENT TO STOCK OF S CORPS 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.

SEC. 266. EMPOWERMENT ZONE TAX INCENTIVES.

(a) IN GENERAL.—Section 1391 is amended—

(1) by striking ''December 31, 2009'' in subsection (d)(1)(A)(i) and inserting ''December 31, 2010''; and

(2) by striking the last sentence of subsection (h)(2).

(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) TREATMENT OF CERTAIN TERMINATION DATES SPECIFIED IN NOMINATIONS.—In the case of a designation of an empowerment zone the nomination for which included a termination date which is contemporaneous with the date specified in subparagraph (A)(i) of section 1391(d)(1) of the Internal

Revenue Code of 1986 (as in effect before the enactment of this Act), subparagraph (B) of such section shall not apply with respect to such designation unless, after the date of the enactment of this section, the entity which made such nomination reconfirms such termination date, or amends the nomination to provide for a new termination date, in such manner as the Secretary of the Treasury (or the Secretary's designee) may provide.

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

SEC. 267. 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 DATE.—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 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) PARTNERSHIPS AND S-CORPS.—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) shall apply to property acquired or substantially improved after December 31, 2009.

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

SEC. 268. 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 DATE.—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.—

(1) IN GENERAL.—Subsection (g) of section 1400I is amended by striking ''December 31, 2009'' and inserting ''December 31, 2010''.

(2) CONFORMING AMENDMENT.—Subparagraph (A) of section 1400I(d)(2) is amended by striking ''after 2001 and before 2010'' and inserting ''which begins after 2001 and before the date referred to in subsection (g)''.

(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) TREATMENT OF CERTAIN TERMINATION DATES SPECIFIED IN NOMINATIONS.—In the case of a designation of a renewal community the nomination for which included a termination date which is contemporaneous with the date specified in subparagraph (A) of section 1400E(b)(1) of the Internal Revenue Code of 1986 (as in effect before the enactment of this Act), subparagraph (B) of such section shall not apply with respect to such designation unless, after the date of the enactment of this section, the entity which made such nomination reconfirms such termination date, or amends the nomination to provide for a new termination date, in such manner as the Secretary of the Treasury (or the Secretary's designee) may provide.

(f) 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 subsections (b)(1) and (d) shall apply to acquisitions after December 31, 2009.

(3) COMMERCIAL REVITALIZATION DEDUCTION.—

(A) IN GENERAL.—The amendment made by subsection (c)(1) shall apply to buildings placed in service after December 31, 2009.

(B) CONFORMING AMENDMENT.—The amendment made by subsection (c)(2) shall apply to calendar years beginning after December 31, 2009.

SEC. 269. 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. 270. PAYMENT TO AMERICAN SAMOA IN LIEU OF EXTENSION OF ECONOMIC DEVELOPMENT CREDIT.

The Secretary of the Treasury (or his designee) shall pay $18,000,000 to the Government of American Samoa for purposes of economic development. The payment made under the preceding sentence shall be treated for purposes of section 1324 of title 31, United States Code, as a refund of internal revenue collections to which such section applies.

SEC. 271. ELECTION TO TEMPORARILY UTILIZE UNUSED AMT CREDITS DETERMINED BY DOMESTIC INVESTMENT.

(a) IN GENERAL.—Section 53 is amended by adding at the end the following new subsection:

''(g) ELECTION FOR CORPORATIONS WITH NEW DOMESTIC INVESTMENTS.—

''(1) IN GENERAL.—If a corporation elects to have this subsection apply for its first taxable year beginning after December 31, 2009, the limitation imposed by subsection (c) for such taxable year shall be increased by the AMT credit adjustment amount.

''(2) AMT CREDIT ADJUSTMENT AMOUNT.—For purposes of paragraph (1), the term 'AMT credit adjustment amount' means, the lesser of—

''(A) 50 percent of a corporation's minimum tax credit for its first taxable year beginning after December 31, 2009, determined under subsection (b), or

''(B) 10 percent of new domestic investments made during such taxable year.

''(3) NEW DOMESTIC INVESTMENTS.—For purposes of this subsection, the term 'new domestic investments' means the cost of qualified property (as defined in section 168(k)(2)(A)(i))—

''(A) the original use of which commences with the taxpayer during the taxable year, and

''(B) which is placed in service in the United States by the taxpayer during such taxable year.

''(4) CREDIT REFUNDABLE.—For purposes of subsection (b) of section 6401, the aggregate increase in the credits allowable under this part for any taxable year resulting from the application of this subsection shall be treated as allowed under subpart C (and not under any other subpart). For purposes of section 6425, any amount treated as so allowed shall be treated as a payment of estimated income tax for the taxable year.

''(5) ELECTION.—An election under this subsection shall be made at such time and in such manner as prescribed by the Secretary, and once made, may be revoked only with the consent of the Secretary. Not later than 90 days after the date of the enactment of this subsection, the Secretary shall issue guidance specifying such time and manner.

''(6) TREATMENT OF CERTAIN PARTNERSHIP INVESTMENTS.—For purposes of this subsection, a corporation shall take into account its allocable share of any new domestic investments by a partnership for any taxable year if, and only if, more than 90 percent of the capital and profits interests in such partnership are owned by such corporation (directly or indirectly) at all times during such taxable year.

''(7) NO DOUBLE BENEFIT.—

''(A) IN GENERAL.—A corporation making an election under this subsection may not make an election under subparagraph (H) of section 172(b)(1).

''(B) SPECIAL RULES WITH RESPECT TO TAXPAYERS PREVIOUSLY ELECTING APPLICABLE NET OPERATING LOSSES.—In the case of a corporation which made an election under subparagraph (H) of section 172(b)(1) and elects the application of this subsection—

''(i) ELECTION OF APPLICABLE NET OPERATING LOSS TREATED AS REVOKED.—The election under such subparagraph (H) shall (notwithstanding clause (iii)(II) of such subparagraph) be treated as having been revoked by the taxpayer.

''(ii) COORDINATION WITH PROVISION FOR EXPEDITED REFUND.—The amount otherwise treated as a payment of estimated income tax under the last sentence of paragraph (4) shall be reduced (but not below zero) by the aggregate increase in unpaid tax liability determined under this chapter by reason of the revocation of the election under clause (i).

''(iii) APPLICATION OF STATUTE OF LIMITATIONS.—With respect to the revocation of an election under clause (i)—

''(I) the statutory period for the assessment of any deficiency attributable to such revocation shall not expire before the end of the 3-year period beginning on the date of the election to have this subsection apply, and

''(II) such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.

''(C) EXCEPTION FOR ELIGIBLE SMALL BUSINESSES.—Subparagraphs (A) and (B) shall not apply to an eligible small business as defined in section 172(b)(1)(H)(v)(II).

''(8) REGULATIONS.—The Secretary may issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this subsection, including to prevent fraud and abuse under this subsection.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 6211(b)(4)(A) is amended by inserting ''53(g),'' after ''53(e),''.

(2) Section 1324(b)(2) of title 31, United States Code, is amended by inserting ''53(g),'' after ''53(e),''.

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

SEC. 272. STUDY OF EXTENDED TAX EXPENDITURES.

(a) 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.

(b) REQUIREMENT TO REPORT.—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 title.

(c) 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 this subtitle (relating to business tax relief) and subtitle A (relating to energy) 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.

(d) 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.

(e) 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 this subtitle (relating to business tax relief) and subtitle A (relating to energy) shall be completed by such date.

Subtitle D—Temporary Disaster Relief Provisions

PART I—NATIONAL DISASTER RELIEF

SEC. 281. WAIVER OF CERTAIN MORTGAGE REVENUE BOND REQUIREMENTS.

(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 DISASTERS.—Paragraph (13) of section 143(k), as redesignated by 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 amendment made by this section shall apply to bonds issued after December 31, 2009.

(2) RESIDENCES DESTROYED IN FEDERALLY DECLARED DISASTERS.—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. 282. 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) $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.—The amendment made by subsection (a) shall apply to federally declared disasters occurring after December 31, 2009.

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

SEC. 283. SPECIAL DEPRECIATION ALLOWANCE FOR QUALIFIED DISASTER 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.

SEC. 284. 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. 285. EXPENSING OF 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.

PART II—REGIONAL PROVISIONS

Subpart A—New York Liberty Zone

SEC. 291. SPECIAL DEPRECIATION ALLOWANCE FOR NONRESIDENTIAL AND RESIDENTIAL REAL PROPERTY.

(a) IN GENERAL.—Subparagraph (A) of section 1400L(b)(2) 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. 292. TAX-EXEMPT BOND FINANCING.

(a) IN GENERAL.—Subparagraph (D) of section 1400L(d)(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 bonds issued after December 31, 2009.

Subpart B—GO Zone

SEC. 295. INCREASE IN REHABILITATION CREDIT.

(a) IN GENERAL.—Subsection (h) of section 1400N is amended by striking ''December 31, 2009'' and inserting ''December 31, 2010''.

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

SEC. 296. WORK OPPORTUNITY TAX CREDIT WITH RESPECT TO CERTAIN INDIVIDUALS AFFECTED BY HURRICANE KATRINA FOR EMPLOYERS INSIDE DISASTER AREAS.

(a) IN GENERAL.—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) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals hired after August 27, 2009.

SEC. 297. EXTENSION OF LOW-INCOME HOUSING CREDIT RULES FOR BUILDINGS IN GO ZONES.

Section 1400N(c)(5) is amended by striking ''January 1, 2011'' and inserting ''January 1, 2013''.

TITLE III—PENSION FUNDING RELIEF

Subtitle A—Single-Employer Plans

SEC. 301. EXTENDED PERIOD FOR SINGLE-EMPLOYER DEFINED BENEFIT PLANS TO AMORTIZE CERTAIN SHORTFALL AMORTIZATION BASES.

(a) ERISA AMENDMENTS.—

(1) IN GENERAL.—Section 303(c)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1083(c)(2)) is amended by adding at the end the following subparagraphs:

''(D) SPECIAL RULE.—

''(i) IN GENERAL.—In the case of the shortfall amortization base of a plan for any applicable plan year, the shortfall amortization installments are the amounts described in clause (ii) or (iii), if made applicable by an election under clause (iv). In the absence of a timely election, such installments shall be determined without regard to this subparagraph.

''(ii) 2 PLUS 7 AMORTIZATION SCHEDULE.—The shortfall amortization installments described in this clause are—

''(I) in the case of the first 2 plan years in the 9-plan-year period beginning with the applicable plan year, interest on the shortfall amortization base (determined by using the effective interest rate for the applicable plan year), and

''(II) in the case of the last 7 plan years in such 9-plan-year period, the amounts necessary to amortize the balance of such shortfall amortization base in level annual installments over such last 7 plan years (determined using the segment rates determined under subparagraph (C) of subsection (h)(2) for the applicable plan year, applied under rules similar to the rules of subparagraph (B) of subsection (h)(2)).

''(iii) 15-YEAR AMORTIZATION.—The shortfall amortization installments described in this clause are the amounts under subparagraphs (A) and (B) determined by substituting '15 plan-year period' for '7-plan-year period'.

''(iv) ELECTION.—

''(I) IN GENERAL.—The plan sponsor may, with respect to a plan, elect, with respect to any of not more than 2 applicable plan years, to determine shortfall amortization installments under this subparagraph. An election under either clause (ii) or clause (iii) may be made with respect to either of such applicable plan years.

''(II) ELIGIBILITY FOR ELECTION.—An election may be made to determine shortfall amortization installments under this subparagraph with respect to a plan only if, as of the date of the election—

''(aa) the plan sponsor is not a debtor in a case under title 11, United States Code, or similar Federal or State law,

''(bb) there are no unpaid minimum required contributions with respect to the plan for purposes of section 4971 of the Internal Revenue Code of 1986,

''(cc) there is no lien in favor of the plan under subsection (k) or under section 430(k) of such Code, and

''(dd) a distress termination has not been initiated for the plan under section 4041(c).

''(III) RULES RELATING TO ELECTION.—Such election shall be made at such times, and in such form and manner, as shall be prescribed by the Secretary of the Treasury and shall be irrevocable, except under such limited circumstances, and subject to such conditions, as such Secretary may prescribe.

''(E) APPLICABLE PLAN YEAR.—

''(i) IN GENERAL.—For purposes of this paragraph, the term 'applicable plan year' means, subject to the election of the plan sponsor under subparagraph (D)(iv), each of not more than 2 of the plan years beginning in 2008, 2009, 2010, or 2011.

''(ii) SPECIAL RULE RELATING TO 2008.—A plan year may be elected as an applicable plan year pursuant to this subparagraph only if the due date under subsection (j)(1) for the payment of the minimum required contribution for such plan year occurs on or after March 10, 2010.

''(F) INCREASES IN SHORTFALL AMORTIZATION INSTALLMENTS IN CASES OF EXCESS COMPENSATION OR CERTAIN DIVIDENDS OR STOCK REDEMPTIONS.—

''(i) IN GENERAL.—If, with respect to an election for an applicable plan year under subparagraph (D), there is an installment acceleration amount with respect to a plan for any plan year in the restriction period (or if there is an installment acceleration amount carried forward to a plan year not in the restriction period), then the shortfall amortization installment otherwise determined and payable under this paragraph for such plan year shall be increased by such amount.

''(ii) BACK-END ADJUSTMENT TO AMORTIZATION SCHEDULE.—Subject to rules prescribed by the Secretary of the Treasury, if a shortfall amortization installment with respect to any shortfall amortization base for an applicable plan year is required to be increased for any plan year under clause (i), subsequent shortfall amortization installments with respect to such base shall be reduced, in reverse order of the otherwise required installments beginning with the final scheduled installment, to the extent necessary to limit the present value of such subsequent shortfall amortization installments (after application of this subparagraph) to the present value of the remaining unamortized shortfall amortization base.

''(iii) INSTALLMENT ACCELERATION AMOUNT.—For purposes of this subparagraph—

''(I) IN GENERAL.—The term 'installment acceleration amount' means, with respect to any plan year in a restriction period with respect to an applicable plan year, the sum of—

''(aa) the aggregate amount of excess employee compensation determined under clause (iv) for the plan year, plus

''(bb) the dividend and redemption amount determined under clause (v) for the plan year.

''(II) CUMULATIVE LIMITATION.—The installment acceleration amount for any plan year shall not exceed the excess (if any) of—

''(aa) the sum of the shortfall amortization installments for the plan year and all preceding plan years in the amortization period elected under subparagraph (D) with respect to the shortfall amortization base with respect to an applicable year, determined without regard to subparagraph (D) and this subparagraph, over

''(bb) the sum of the shortfall amortization installments for such plan year and all such preceding plan years, determined after application of subparagraph (D) (and in the case of any preceding plan year, after application of this subparagraph).

''(III) CARRYOVER OF EXCESS INSTALLMENT ACCELERATION AMOUNTS.—

''(aa) IN GENERAL.—If the installment acceleration amount for any plan year (determined without regard to subclause (II)) exceeds the limitation under subclause (II), then, subject to item (bb), such excess shall be treated as an installment acceleration amount for the succeeding plan year.

''(bb) CAP TO APPLY.—If any amount treated as an installment acceleration amount under item (aa) or this item with respect any succeeding plan year, when added to other installment acceleration amounts (determined without regard to subclause (II)) with respect to the plan year, exceeds the limitation under subclause (II), the portion of such amount representing such excess shall be treated as an installment acceleration amount with respect to the next succeeding plan year.

''(cc) LIMITATION ON YEARS TO WHICH AMOUNTS CARRIED FORWARD.—No amount shall be carried forward under item (aa) or (bb) to a plan year which begins after the last plan year in the restriction period (or after the second plan year following such last plan year in the case of an election year with respect to which 15-year amortization was elected under subparagraph (D)(iii)).

''(dd) ORDERING RULES.—For purposes of applying item (bb), installment acceleration amounts for the plan year (determined without regard to any carryover under this clause) shall be applied first against the limitation under subclause (II) and then carryovers to such plan year shall be applied against such limitation on a first-in, first-out basis.

''(iv) EXCESS EMPLOYEE COMPENSATION.—

''(I) IN GENERAL.—For purposes of this paragraph, the term 'excess employee compensation' means the sum of—

''(aa) with respect to any employee, for any plan year, the excess (if any) of—

''(AA) the aggregate amount includible in income under chapter 1 of the Internal Revenue Code of 1986 for remuneration during the calendar year in which such plan year begins for services performed by the employee for the plan sponsor (whether or not performed during such calendar year), over

''(BB) $1,000,000, plus

''(bb) the amount of assets set aside or reserved (directly or indirectly) in a trust (or other arrangement as determined by the Secretary of the Treasury), or transferred to such a trust or other arrangement, during the calendar year by a plan sponsor for purposes of paying deferred compensation of an employee under a nonqualified deferred compensation plan (as defined in section 409A of such Code) of the plan sponsor.

''(II) NO DOUBLE COUNTING.—No amount shall be taken into account under subclause (I) more than once.

''(III) EMPLOYEE; REMUNERATION.—For purposes of this clause, the term 'employee' includes, with respect to a calendar year, a self-employed individual who is treated as an employee under section 401(c) of the Internal Revenue Code of 1986 for the taxable year ending during such calendar year, and the term 'remuneration' shall include earned income of such an individual.

''(IV) CERTAIN PAYMENTS UNDER EXISTING CONTRACTS.—There shall not be taken into account under subclause (I)(aa) any remuneration consisting of nonqualified deferred compensation, restricted stock (or restricted stock units), stock options, or stock appreciation rights payable or granted under a written binding contract that was in effect on March 1, 2010, and which was not modified in any material respect before such remuneration is paid.

''(V) ONLY REMUNERATION FOR POST-2009 SERVICES COUNTED.—Remuneration shall be taken into account under subclause (I)(aa) only to the extent attributable to services performed by the employee for the plan sponsor after December 31, 2009.

''(VI) COMMISSIONS.—

''(aa) IN GENERAL.—There shall not be taken into account under subclause (I)(aa) any remuneration payable on a commission basis solely on account of income directly generated by the individual performance of the individual to whom such remuneration is payable.

''(bb) SPECIFIED EMPLOYEES.—Item (aa) shall not apply in the case of any specified employee (within the meaning of section 409A(a)(2)(B)(i) of the Internal Revenue Code of 1986) or any employee who would be such a specified employee if the plan sponsor were a corporation described in such section.

''(VII) INDEXING OF AMOUNT.—In the case of any calendar year beginning after 2010, the dollar amount under subclause (I)(aa)(BB) shall be increased by an amount equal to—

''(aa) such dollar amount, multiplied by

''(bb) the cost-of-living adjustment determined under section 1(f)(3) of the Internal Revenue Code of 1986 for the calendar year, determined by substituting 'calendar year 2009' for 'calendar year 1992' in subparagraph (B) thereof.

If the amount of any increase under clause (i) is not a multiple of $20,000, such increase shall be rounded to the next lowest multiple of $20,000.

''(v) CERTAIN DIVIDENDS AND REDEMPTIONS.—

''(I) IN GENERAL.—The dividend and redemption amount determined under this clause for any plan year is the lesser of—

''(aa) the excess of—

''(AA) the sum of the dividends paid during the plan year by the plan sponsor, plus the amounts paid for the redemption of stock of the plan sponsor redeemed during the plan year, over

''(BB) an amount equal to the average of adjusted annual net income of the plan sponsor for the last 5 fiscal years of the plan sponsor ending before such plan year, or

''(bb) the sum of—

''(AA) the amounts paid for the redemption of stock of the plan sponsor redeemed during the plan year, plus

''(BB) the excess of dividends paid during the plan year by the plan sponsor over the dividend base amount.

''(II) DEFINITIONS.—

''(aa) ADJUSTED ANNUAL NET INCOME.—For purposes of subclause (I)(aa)(BB), the term 'adjusted annual net income' with respect to any fiscal year means annual net income, determined in accordance with generally accepted accounting principles (before after-tax gain or loss on any sale of assets), but without regard to any reduction by reason of depreciation or amortization, except that in no event shall adjusted annual net income for any fiscal year be less than zero.

''(bb) DIVIDEND BASE AMOUNT.—For purposes of this clause, the term 'dividend base amount' means, with respect to a plan year, an amount equal to the greater of—

''(AA) the median of the amounts of the dividends paid during each of the last 5 fiscal years of the plan sponsor ending before such plan year, or

''(BB) the amount of dividends paid during such plan year on preferred stock that was issued on or before May 21, 2010, or that is replacement stock for such preferred stock.

''(III) ONLY CERTAIN POST-2009 DIVIDENDS AND REDEMPTIONS COUNTED.—For purposes of subclause (I) (other than for purposes of calculating the dividend base amount), there shall only be taken into account dividends declared, and redemptions occurring, after February 28, 2010.

''(IV) EXCEPTION FOR INTRA-GROUP DIVIDENDS.—Dividends paid by one member of a controlled group (as defined in section 302(d)(3)) to another member of such group shall not be taken into account under subclause (I).

''(V) EXCEPTION FOR STOCK DIVIDENDS.—Any distribution by the plan sponsor to its shareholders of stock issued by the plan sponsor shall not be taken into account under subclause (I).

''(VI) EXCEPTION FOR CERTAIN REDEMPTIONS.—The following shall not be taken into account under subclause (I):

''(aa) Redemptions of securities which, at the time of redemption, are not listed on an established securities market and—

''(AA) are made pursuant to a pension plan that is qualified under section 401 of the Internal Revenue Code of 1986 or a shareholder-approved program, or

''(BB) are made on account of an employee's termination of employment with the plan sponsor, or the death or disability of a shareholder.

''(bb) Redemptions of securities which are not, immediately after issuance, listed on an established securities market and are, or had previously been—

''(AA) held, directly or indirectly, by, or for the benefit of, the Federal Government or a Federal reserve bank, or

''(BB) held by a national government (or a government-related entity of such a government) or an employee benefit plan if such shares are substantially identical to shares described in subitem (AA).

''(vi) OTHER DEFINITIONS AND RULES.—For purposes of this subparagraph—

''(I) PLAN SPONSOR.—The term 'plan sponsor' includes any member of the plan sponsor's controlled group (as defined in section 302(d)(3)).

''(II) RESTRICTION PERIOD.—The term 'restriction period' means, with respect to any applicable plan year with respect to which an election is made under subparagraph (D)—

''(aa) except as provided in item (bb), the 3-year period beginning with the applicable plan year (or, if later, the first plan year beginning after December 31, 2009), or

''(bb) if the plan sponsor elects 15-year amortization for the shortfall amortization base for the applicable plan year, the 5-year period beginning with such plan year (or, if later, the first plan year beginning after December 31, 2009).

''(III) ELECTIONS FOR MULTIPLE PLANS.—If a plan sponsor makes elections under subparagraph (D) with respect to 2 or more plans, the Secretary of the Treasury shall provide rules for the application of this subparagraph to such plans, including rules for the ratable allocation of any installment acceleration amount among such plans on the basis of each plan's relative reduction in the plan's shortfall amortization installment for the first plan year in the amortization period described in clause (i) (determined without regard to this subparagraph).

''(G) MERGERS AND ACQUISITIONS.—The Secretary of the Treasury shall prescribe rules for the application of subparagraphs (D) and (F) in any case where there is a merger or acquisition involving a plan sponsor making the election under subparagraph (D).

''(H) REGULATIONS AND GUIDANCE.—The Secretary of the Treasury may prescribe such regulations and other guidance of general applicability as such Secretary may determine necessary to achieve the purposes of subparagraphs (D) and (F).''.

(2) NOTICE REQUIREMENT.—Section 204 of such Act (29 U.S.C. 1054) is amended—

(A) by redesignating subsection (k) as subsection (l); and

(B) by inserting after subsection (j) the following new subsection:

''(k) NOTICE IN CONNECTION WITH SHORTFALL AMORTIZATION ELECTION.—

''(1) IN GENERAL.—Not later 30 days after the date of an election under clause (iv) of section 303(c)(2)(D) in connection with a single-employer plan, the plan administrator shall provide notice of such election in accordance with this subsection to each plan participant and beneficiary, each labor organization representing such participants and beneficiaries, and the Pension Benefit Guaranty Corporation.

''(2) MATTERS INCLUDED IN NOTICE.—Each notice provided pursuant to this subsection shall set forth—

''(A) a statement that recently enacted legislation permits employers to delay pension funding;

''(B) with respect to required contributions—

''(i) the amount of contributions that would have been required had the election not been made;

''(ii) the amount of the reduction in required contributions for the applicable plan year that occurs on account of the election; and

''(iii) the number of plan years to which such reduction will apply;

''(C) with respect to a plan's funding status as of the end of the plan year preceding the applicable plan year—

''(i) the liabilities determined under section 4010(d)(1)(A); and

''(ii) the market value of assets of the plan; and

''(D) with respect to installment acceleration amounts (as defined in section 303(c)(2)(F)(iii)(I))—

''(i) an explanation of section 303(c)(2)(F) (relating to increases in shortfall amortization installments in cases of excess compensation or certain dividends or stock redemptions); and

''(ii) a statement that increases in required contributions may occur in the event of future payments of excess employee compensation or certain share repurchasing or dividend activity and that subsequent notices of any such payments or activity will be provided in the annual funding notice provided pursuant to section 101(f).

''(3) OTHER REQUIREMENTS.—

''(A) FORM.—The notice required by paragraph (1) shall be written in a manner calculated to be understood by the average plan participant. The Secretary of the Treasury shall prescribe a model notice that a plan administrator may use to satisfy the requirements of paragraph (1).

''(B) PROVISION TO DESIGNATED PERSONS.—Any notice under paragraph (1) may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

''(4) EFFECT OF EGREGIOUS FAILURE.—

''(A) IN GENERAL.—In the case of any egregious failure to meet any requirement of this subsection with respect to any election, such election shall be treated as having not been made.

''(B) EGREGIOUS FAILURE.—For purposes of subparagraph (A), there is an egregious failure to meet the requirements of this subsection if such failure is in the control of the plan sponsor and is—

''(i) an intentional failure (including any failure to promptly provide the required notice or information after the plan administrator discovers an unintentional failure to meet the requirements of this subsection),

''(ii) a failure to provide most of the participants and beneficiaries with most of the information they are entitled to receive under this subsection, or

''(iii) a failure which is determined to be egregious under regulations prescribed by the Secretary of the Treasury.

''(5) USE OF NEW TECHNOLOGIES.—The Secretary of the Treasury may, in consultation with the Secretary, by regulations or other guidance of general applicability, allow any notice under this subsection to be provided using new technologies.''.

(C) SUBSEQUENT SUPPLEMENTAL NOTICES.—Section 101(f)(2)(C) of such Act (29 U.S.C. 1021(f)(2)(C)) is amended—

(i) by striking ''and'' at the end of clause (i);

(ii) by redesignating clause (ii) as clause (iii); and

(iii) by inserting after clause (i) the following new clause:

''(ii) any excess employee compensation amounts and any dividends and redemptions amounts determined under section 303(c)(2)(F) for the preceding plan year with respect to the plan, and''.

(3) DISREGARD OF INSTALLMENT ACCELERATION AMOUNTS IN DETERMINING QUARTERLY CONTRIBUTIONS.—Section 303(j)(3) of such Act (29 U.S.C. 1083(j)(3)) is amended by adding at the end the following new subparagraph:

''(F) DISREGARD OF INSTALLMENT ACCELERATION AMOUNTS.—Subparagraph (D) shall be applied without regard to any increase under subsection (c)(2)(F).''.

(4) CONFORMING AMENDMENT.—Section 303(c)(1) of such Act (29 U.S.C. 1083(c)(1)) is amended by striking ''the shortfall amortization bases for such plan year and each of the 6 preceding plan years'' and inserting ''any shortfall amortization base which has not been fully amortized under this subsection''.

(b) IRC AMENDMENTS.—

(1) IN GENERAL.—Section 430(c)(2) of the Internal Revenue Code of 1986 is amended by adding at the end the following subparagraphs:

''(D) SPECIAL RULE.—

''(i) IN GENERAL.—In the case of the shortfall amortization base of a plan for any applicable plan year, the shortfall amortization installments are the amounts described in clause (ii) or (iii), if made applicable by an election under clause (iv). In the absence of a timely election, such installments shall be

determined without regard to this subparagraph.

''(ii) 2 PLUS 7 AMORTIZATION SCHEDULE.—The shortfall amortization installments described in this clause are—

''(I) in the case of the first 2 plan years in the 9-plan-year period beginning with the applicable plan year, interest on the shortfall amortization base (determined by using the effective interest rate for the applicable plan year), and

''(II) in the case of the last 7 plan years in such 9-plan-year period, the amounts necessary to amortize the balance of such shortfall amortization base in level annual installments over such last 7 plan years (determined using the segment rates determined under subparagraph (C) of subsection (h)(2) for the applicable plan year, applied under rules similar to the rules of subparagraph (B) of subsection (h)(2)).

''(iii) 15-YEAR AMORTIZATION.—The shortfall amortization installments described in this clause are the amounts under subparagraphs (A) and (B) determined by substituting '15 plan-year period' for '7-plan-year period'.

''(iv) ELECTION.—

''(I) IN GENERAL.—The plan sponsor may, with respect to a plan, elect, with respect to any of not more than 2 applicable plan years, to determine shortfall amortization installments under this subparagraph. An election under either clause (ii) or clause (iii) may be made with respect to either of such applicable plan years.

''(II) ELIGIBILITY FOR ELECTION.—An election may be made to determine shortfall amortization installments under this subparagraph with respect to a plan only if, as of the date of the election—

''(aa) the plan sponsor is not a debtor in a case under title 11, United States Code, or similar Federal or State law,

''(bb) there are no unpaid minimum required contributions with respect to the plan for purposes of section 4971,

''(cc) there is no lien in favor of the plan under subsection (k) or under section 303(k) of the Employee Retirement Income Security Act of 1974, and

''(dd) a distress termination has not been initiated for the plan under section 4041(c) of such Act.

''(III) RULES RELATING TO ELECTION.—Such election shall be made at such times, and in such form and manner, as shall be prescribed by the Secretary and shall be irrevocable, except under such limited circumstances, and subject to such conditions, as the Secretary may prescribe.

''(E) APPLICABLE PLAN YEAR.—

''(i) IN GENERAL.—For purposes of this paragraph, the term 'applicable plan year' means, subject to the election of the plan sponsor under subparagraph (D)(iv), each of not more than 2 of the plan years beginning in 2008, 2009, 2010, or 2011.

''(ii) SPECIAL RULE RELATING TO 2008.—A plan year may be elected as an applicable plan year pursuant to this subparagraph only if the due date under subsection (j)(1) for the payment of the minimum required contribution for such plan year occurs on or after March 10, 2010.

''(F) INCREASES IN SHORTFALL AMORTIZATION INSTALLMENTS IN CASES OF EXCESS COMPENSATION OR CERTAIN DIVIDENDS OR STOCK REDEMPTIONS.—

''(i) IN GENERAL.—If, with respect to an election for an applicable plan year under subparagraph (D), there is an installment acceleration amount with respect to a plan for any plan year in the restriction period (or if there is an installment acceleration amount carried forward to a plan year not in the restriction period), then the shortfall amortization installment otherwise determined and payable under this paragraph for such plan year shall be increased by such amount.

''(ii) BACK-END ADJUSTMENT TO AMORTIZATION SCHEDULE.—Subject to rules prescribed by the Secretary, if a shortfall amortization installment with respect to any shortfall amortization base for an applicable plan year is required to be increased for any plan year under clause (i), subsequent shortfall amortization installments with respect to such base shall be reduced, in reverse order of the otherwise required installments beginning with the final scheduled installment, to the extent necessary to limit the present value of such subsequent shortfall amortization installments (after application of this subparagraph) to the present value of the remaining unamortized shortfall amortization base.

''(iii) INSTALLMENT ACCELERATION AMOUNT.—For purposes of this subparagraph—

''(I) IN GENERAL.—The term 'installment acceleration amount' means, with respect to any plan year in a restriction period with respect to an applicable plan year, the sum of—

''(aa) the aggregate amount of excess employee compensation determined under clause (iv) for the plan year, plus

''(bb) the dividend and redemption amount determined under clause (v) for the plan year.

''(II) CUMULATIVE LIMITATION.—The installment acceleration amount for any plan year shall not exceed the excess (if any) of—

''(aa) the sum of the shortfall amortization installments for the plan year and all preceding plan years in the amortization period elected under subparagraph (D) with respect to the shortfall amortization base with respect to an applicable year, determined without regard to subparagraph (D) and this subparagraph, over

''(bb) the sum of the shortfall amortization installments for such plan year and all such preceding plan years, determined after application of subparagraph (D) (and in the case of any preceding plan year, after application of this subparagraph).

''(III) CARRYOVER OF EXCESS INSTALLMENT ACCELERATION AMOUNTS.—

''(aa) IN GENERAL.—If the installment acceleration amount for any plan year (determined without regard to subclause (II)) exceeds the limitation under subclause (II), then, subject to item (bb), such excess shall be treated as an installment acceleration amount for the succeeding plan year.

''(bb) CAP TO APPLY.—If any amount treated as an installment acceleration amount under item (aa) or this item with respect any succeeding plan year, when added to other installment acceleration amounts (determined without regard to subclause (II)) with respect to the plan year, exceeds the limitation under subclause (II), the portion of such amount representing such excess shall be treated as an installment acceleration amount with respect to the next succeeding plan year.

''(cc) LIMITATION ON YEARS TO WHICH AMOUNTS CARRIED FORWARD.—No amount shall be carried forward under item (aa) or (bb) to a plan year which begins after the last plan year in the restriction period (or after the second plan year following such last plan year in the case of an election year with respect to which 15-year amortization was elected under subparagraph (D)(iii)).

''(dd) ORDERING RULES.—For purposes of applying item (bb), installment acceleration amounts for the plan year (determined without regard to any carryover under this clause) shall be applied first against the limitation under subclause (II) and then carryovers to such plan year shall be applied against such limitation on a first-in, first-out basis.

''(iv) EXCESS EMPLOYEE COMPENSATION.—

''(I) IN GENERAL.—For purposes of this paragraph, the term 'excess employee compensation' means the sum of—

''(aa) with respect to any employee, for any plan year, the excess (if any) of—

''(AA) the aggregate amount includible in income under chapter 1 for remuneration during the calendar year in which such plan year begins for services performed by the employee for the plan sponsor (whether or not performed during such calendar year), over

''(BB) $1,000,000, plus

''(bb) the amount of assets set aside or reserved (directly or indirectly) in a trust (or other arrangement as determined by the Secretary), or transferred to such a trust or other arrangement, during the calendar year by a plan sponsor for purposes of paying deferred compensation of an employee under a nonqualified deferred compensation plan (as defined in section 409A) of the plan sponsor.

''(II) NO DOUBLE COUNTING.—No amount shall be taken into account under subclause (I) more than once.

''(III) EMPLOYEE; REMUNERATION.—For purposes of this clause, the term 'employee' includes, with respect to a calendar year, a self-employed individual who is treated as an employee under section 401(c) for the taxable year ending during such calendar year, and the term 'remuneration' shall include earned income of such an individual.

''(IV) CERTAIN PAYMENTS UNDER EXISTING CONTRACTS.—There shall not be taken into account under subclause (I) any remuneration consisting of nonqualified deferred compensation, restricted stock (or restricted stock units), stock options, or stock appreciation rights payable or granted under a written binding contract that was in effect on March 1, 2010, and which was not modified in any material respect before such remuneration is paid.

''(V) ONLY REMUNERATION FOR POST-2009 SERVICES COUNTED.—Remuneration shall be taken into account under subclause (I)(aa) only to the extent attributable to services performed by the employee for the plan sponsor after December 31, 2009.

''(VI) COMMISSIONS.—

''(aa) IN GENERAL.—There shall not be taken into account under subclause (I)(aa) any remuneration payable on a commission basis solely on account of income directly generated by the individual performance of the individual to whom such remuneration is payable.

''(bb) SPECIFIED EMPLOYEES.—Item (aa) shall not apply in the case of any specified employee (within the meaning of section 409A(a)(2)(B)(i)) or any employee who would be such a specified employee if the plan sponsor were a corporation described in such section.

''(VII) INDEXING OF AMOUNT.—In the case of any calendar year beginning after 2010, the dollar amount under subclause (I)(aa)(BB) shall be increased by an amount equal to—

''(aa) such dollar amount, multiplied by

''(bb) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting 'calendar year 2009' for 'calendar year 1992' in subparagraph (B) thereof.

If the amount of any increase under clause (i) is not a multiple of $20,000, such increase shall be rounded to the next lowest multiple of $20,000.

''(v) CERTAIN DIVIDENDS AND REDEMPTIONS.—

''(I) IN GENERAL.—The dividend and redemption amount determined under this clause for any plan year is the lesser of—

''(aa) the excess of—

''(AA) the sum of the dividends paid during the plan year by the plan sponsor, plus the amounts paid for the redemption of stock of the plan sponsor redeemed during the plan year, over

''(BB) an amount equal to the average of adjusted annual net income of the plan sponsor for the last 5 fiscal years of the plan sponsor ending before such plan year, or

''(bb) the sum of—

''(AA) the amounts paid for the redemption of stock of the plan sponsor redeemed during the plan year, plus

''(BB) the excess of dividends paid during the plan year by the plan sponsor over the dividend base amount.

''(II) DEFINITIONS.—

''(aa) ADJUSTED ANNUAL NET INCOME.—For purposes of subclause (I)(aa)(BB), the term 'adjusted annual net income' with respect to any fiscal year means annual net income, determined in accordance with generally accepted accounting principles (before after-tax gain or loss on any sale of assets), but without regard to any reduction by reason of depreciation or amortization, except that in no event shall adjusted annual net income for any fiscal year be less than zero.

''(bb) DIVIDEND BASE AMOUNT.—For purposes of this clause, the term 'dividend base amount' means, with respect to a plan year, an amount equal to the greater of—

''(AA) the median of the amounts of the dividends paid during each of the last 5 fiscal years of the plan sponsor ending before such plan year, or

''(BB) the amount of dividends paid during such plan year on preferred stock that was issued on or before May 21, 2010, or that is replacement stock for such preferred stock.

''(III) ONLY CERTAIN POST-2009 DIVIDENDS AND REDEMPTIONS COUNTED.—For purposes of subclause (I) (other than for purposes of calculating the dividend base amount), there shall only be taken into account dividends declared, and redemptions occurring, after February 28, 2010.

''(IV) EXCEPTION FOR INTRA-GROUP DIVIDENDS.—Dividends paid by one member of a controlled group (as defined in section 412(d)(3)) to another member of such group shall not be taken into account under subclause (I).

''(V) EXCEPTION FOR STOCK DIVIDENDS.—Any distribution by the plan sponsor to its shareholders of stock issued by the plan sponsor shall not be taken into account under subclause (I).

''(VI) EXCEPTION FOR CERTAIN REDEMPTIONS.—The following shall not be taken into account under subclause (I):

''(aa) Redemptions of securities which, at the time of redemption, are not listed on an established securities market and—

''(AA) are made pursuant to a pension plan that is qualified under section 401 or a shareholder-approved program, or

''(BB) are made on account of an employee's termination of employment with the plan sponsor, or the death or disability of a shareholder.

''(bb) Redemptions of securities which are not, immediately after issuance, listed on an established securities market and are, or had previously been—

''(AA) held, directly or indirectly, by, or for the benefit of, the Federal Government or a Federal reserve bank, or

''(BB) held by a national government (or a government-related entity of such a government) or an employee benefit plan if such shares are substantially identical to shares described in subitem (AA).

''(vi) OTHER DEFINITIONS AND RULES.—For purposes of this subparagraph—

''(I) PLAN SPONSOR.—The term 'plan sponsor' includes any group of which the plan sponsor is a member and which is treated as a single employer under subsection (b), (c), (m), or (o) of section 414.

''(II) RESTRICTION PERIOD.—The term 'restriction period' means, with respect to any applicable plan year with respect to which an election is made under subparagraph (D)—

''(aa) except as provided in item (bb), the 3-year period beginning with the applicable plan year (or, if later, the first plan year beginning after December 31, 2009), or

''(bb) if the plan sponsor elects 15-year amortization for the shortfall amortization base for the applicable plan year, the 5-year period beginning with such plan year (or, if later, the first plan year beginning after December 31, 2009).

''(III) ELECTIONS FOR MULTIPLE PLANS.—If a plan sponsor makes elections under subparagraph (D) with respect to 2 or more plans, the Secretary shall provide rules for the application of this subparagraph to such plans, including rules for the ratable allocation of any installment acceleration amount among such plans on the basis of each plan's relative reduction in the plan's shortfall amortization installment for the first plan year in the amortization period described in clause (i) (determined without regard to this subparagraph).

''(G) MERGERS AND ACQUISITIONS.—The Secretary shall prescribe rules for the application of subparagraphs (D) and (F) in any case where there is a merger or acquisition involving a plan sponsor making the election under subparagraph (D).

''(H) REGULATIONS AND GUIDANCE.—The Secretary may prescribe such regulations and other guidance of general applicability as the Secretary may determine necessary to achieve the purposes of subparagraphs (D) and (F).''.

(2) NOTICE REQUIREMENT.—

(A) IN GENERAL.—Section 4980F of such Code is amended—

(i) by striking ''subsection (e)'' each place it appears in subsection (a) and paragraphs (1) and (3) of subsection (c) and inserting ''subsections (e) and (f)'';

(ii) by striking ''subsection (e)'' in subsection (c)(2)(A) and inserting ''subsection (e), (f), or both, as the case may be''; and

(iii) by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f) NOTICE IN CONNECTION WITH SHORTFALL AMORTIZATION ELECTION.—

''(1) IN GENERAL.—Not later 30 days after the date of an election under clause (iv) of section 430(c)(2)(D) in connection with a plan, the plan administrator shall provide notice of such election in accordance with this subsection to each plan participant and beneficiary, each labor organization representing such participants and beneficiaries, and the Pension Benefit Guaranty Corporation.

''(2) MATTERS INCLUDED IN NOTICE.—Each notice provided pursuant to this subsection shall set forth—

''(A) a statement that recently enacted legislation permits employers to delay pension funding;

''(B) with respect to required contributions—

''(i) the amount of contributions that would have been required had the election not been made;

''(ii) the amount of the reduction in required contributions for the applicable plan year that occurs on account of the election; and

''(iii) the number of plan years to which such reduction will apply;

''(C) with respect to a plan's funding status as of the end of the plan year preceding the applicable plan year—

''(i) the liabilities determined under section 4010(d)(1)(A) of the Employee Retirement Income Security Act of 1974; and

''(ii) the market value of assets of the plan; and

''(D) with respect to installment acceleration amounts (as defined in section 430(c)(2)(F)(iii)(I))—

''(i) an explanation of section 430(c)(2)(F) (relating to increases in shortfall amortization installments in cases of excess compensation or certain dividends or stock redemptions); and

''(ii) a statement that increases in required contributions may occur in the event of future payments of excess employee compensation or certain share repurchasing or dividend activity and that subsequent notices of any such payments or activity will be provided in the annual funding notice provided pursuant to section 101(f) of the Employee Retirement Income Security Act of 1974.

''(3) OTHER REQUIREMENTS.—

''(A) FORM.—The notice required by paragraph (1) shall be written in a manner calculated to be understood by the average plan participant and shall provide sufficient information (as determined in accordance with regulations or other guidance of general applicability prescribed by the Secretary) to allow plan participants and beneficiaries to understand the effect of the election. The Secretary shall prescribe a model notice that a plan administrator may use to satisfy the requirements of paragraph (1).

''(B) PROVISION TO DESIGNATED PERSONS.—Any notice under paragraph (1) may be provided to a person designated, in writing, by the person to which it would otherwise be provided.''.

(B) CONFORMING AMENDMENT.—Subsection (g) of section 4980F of such Code is amended by inserting ''or (f)'' after ''subsection (e)''.

(3) DISREGARD OF INSTALLMENT ACCELERATION AMOUNTS IN DETERMINING QUARTERLY CONTRIBUTIONS.—Section 430(j)(3) of such Code is amended by adding at the end the following new subparagraph:

''(F) DISREGARD OF INSTALLMENT ACCELERATION AMOUNTS.—Subparagraph (D) shall be applied without regard to any increase under subsection (c)(2)(F).''.

(4) CONFORMING AMENDMENT.—Paragraph (1) of section 430(c) of such Code is amended by striking ''the shortfall amortization bases for such plan year and each of the 6 preceding plan years'' and inserting ''any shortfall amortization base which has not been fully amortized under this subsection''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2007.

SEC. 302. APPLICATION OF EXTENDED AMORTIZATION PERIOD TO PLANS SUBJECT TO PRIOR LAW FUNDING RULES.

(a) IN GENERAL.—Title I of the Pension Protection Act of 2006 is amended by redesignating section 107 as section 108 and by inserting the following after section 106:

''SEC. 107. APPLICATION OF FUNDING RELIEF TO PLANS WITH DELAYED EFFECTIVE DATE.

''(a) ALTERNATIVE ELECTIONS.—

''(1) IN GENERAL.—Subject to this section, a plan sponsor of a plan to which section 104, 105, or 106 of this Act applies may either elect the application of subsection (b) with respect to the plan for not more than 2 applicable plan years or elect the application of subsection (c) with respect to the plan for 1 applicable plan year.

''(2) ELIGIBILITY FOR ELECTIONS.—An election may be made by a plan sponsor under paragraph (1) with respect to a plan only if at the time of the election—

''(A) the plan sponsor is not a debtor in a case under title 11, United States Code, or similar Federal or State law,

''(B) there are no accumulated funding deficiencies (as defined in section 302(a)(2) of the Employee Retirement Income Security Act of 1974 (as in effect immediately before the enactment of this Act) or in section 412(a) of the Internal Revenue Code of 1986 (as so in effect)) with respect to the plan,

''(C) there is no lien in favor of the plan under section 302(d) (as so in effect) or under section 412(n) of such Code (as so in effect), and

''(D) a distress termination has not been initiated for the plan under section 4041(c) of the Employee Retirement Income Security Act of 1974.

''(b) ALTERNATIVE ADDITIONAL FUNDING CHARGE.—If the plan sponsor elects the application of this subsection with respect to the plan, for purposes of applying section 302(d) of the Employee Retirement Income Security Act of 1974 (as in effect before the amendments made by this subtitle and subtitle B) and section 412(l) of the Internal Revenue Code of 1986 (as so in effect)—

''(1) the deficit reduction contribution under paragraph (2) of such section 302(d) and paragraph (2) of such section 412(l) for such plan for any applicable plan year, shall be zero, and

''(2) the additional funding charge under paragraph (1) of such section 302(d) and paragraph (1) of such section 412(l) for such plan for any applicable plan year shall be increased by an amount equal to the installment acceleration amount (as defined in sections 303(c)(2)(F)(iii)(I) of such Act (as amended by the American Jobs and Closing Tax Loopholes Act of 2010) and 430(c)(2)(F)(iii)(I) of such Code (as so amended)) with respect to the plan sponsor for such plan year, determined by treating the later of such plan year or the first plan year beginning after December 31, 2009, as the restriction period.

''(c) APPLICATION OF 15-YEAR AMORTIZATION.—If the plan sponsor elects the application of this subsection with respect to the plan, for purposes of applying section 302(d) of such Act (as in effect before the amendments made by this subtitle and subtitle B) and section 412(l) of such Code (as so in effect)—

''(1) in the case of the increased unfunded new liability of the plan, the applicable percentage described in paragraph (4)(C) of such section 302(d) and paragraph (4)(C) of such section 412(l) for any pre-effective date plan year beginning with or after the applicable plan year shall be the ratio of—

''(A) the annual installments payable in each plan year if the increased unfunded new liability for such plan year were amortized in equal installments over the period beginning with such plan year and ending with the last plan year in the period of 15 plan years beginning with the applicable plan year, using an interest rate equal to the third segment rate described in sections 104(b), 105(b), and 106(b) of this Act, to

''(B) the increased unfunded new liability for such plan year,

''(2) in the case of the excess of the unfunded new liability over the increased unfunded new liability, such applicable percentage shall be determined without regard to this section, and

''(3) the additional funding charge with respect to the plan for a plan year shall be increased by an amount equal to the installment acceleration amount (as defined in section 303(c)(2)(F)(iii) of such Act (as amended by the American Jobs and Closing Tax Loopholes Act of 2010 and section 430(c)(2)(F)(iii) of such Code (as so amended)) with respect to the plan sponsor for such plan year, determined without regard to subclause (II) of such sections 303(c)(2)(F)(iii) and 430(c)(2)(F)(iii).

''(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) APPLICABLE PLAN YEAR.—

''(A) IN GENERAL.—The term 'applicable plan year' with respect to a plan means, subject to the election of the plan sponsor under subsection (a), a plan year beginning in 2009, 2010, or 2011.

''(B) ELECTION.—

''(i) IN GENERAL.—The election described in subsection (a) shall be made at such times, and in such form and manner, as shall be prescribed by the Secretary of the Treasury.

''(ii) REDUCTION IN YEARS WHICH MAY BE ELECTED.—The number of applicable plan years for which an election may be made under section 303(c)(2)(D) of the Employee Retirement Income Security Act of 1974 (as amended by the American Jobs and Closing Tax Loopholes Act of 2010) or section 430(c)(2)(D) of the Internal Revenue Code of 1986 (as so amended) shall be reduced by the number of applicable plan years for which an election under this section is made.

''(C) ALLOCATION OF INSTALLMENT ACCELERATION AMOUNT FOR MULTIPLE PLAN ELECTION.—In the case of an election under this section with respect to 2 or more plans by the same plan sponsor, the installment acceleration amount shall be apportioned ratably with respect to such plans in proportion to the deficit reduction contributions of the plans determined without regard to subsection (b)(1).

''(2) PLAN SPONSOR.—The term 'plan sponsor' shall have the meaning provided such term in section 303(c)(2)(F)(vi)(I) of the Employee Retirement Income Security Act of 1974 (as amended by the American Jobs and Closing Tax Loopholes Act of 2010) and section 430(c)(2)(F)(vi)(I) of the Internal Revenue Code of 1986 (as so amended).

''(3) PRE-EFFECTIVE DATE PLAN YEAR.—The term 'pre-effective date plan year' means, with respect to a plan, any plan year prior to the first year in which the amendments made by this subtitle and subtitle B apply to the plan.

''(4) INCREASED UNFUNDED NEW LIABILITY.—The term 'increased unfunded new liability' means, with respect to a year, the excess (if any) of the unfunded new liability over the amount of unfunded new liability determined as if the value of the plan's assets determined under subsection 302(c)(2) of such Act (as in effect before the amendments made by this subtitle and subtitle B) and section 412(c)(2) of such Code (as so in effect) equaled the product of the current liability of the plan for the year multiplied by the funded current liability percentage (as defined in section 302(d)(8)(B) of such Act (as so in effect) and 412(l)(8)(B) of such Code (as so in effect)) of the plan for the second plan year preceding the first applicable plan year of such plan for which an election under this section is made.

''(5) OTHER DEFINITIONS.—The terms 'unfunded new liability' and 'current liability' shall have the meanings set forth in section 302(d) of such Act (as so in effect) and section 412(l) of such Code (as so in effect).

''(6) ADDITIONAL FUNDING CHARGE INCREASE NOT TO EXCEED RELIEF.—

''(A) ELECTION UNDER SUBSECTION (B).—In the case of an election under subsection (b), an increase resulting from the application of subsection (b)(2) in the additional funding charge with respect to a plan for a plan year shall not exceed the excess (if any) of—

''(i) the deficit reduction contribution under section 302(d)(2) of such Act (as so in effect) and section 412(l)(2) of such Code (as so in effect) for such plan year, determined as if the election had not been made, over

''(ii) the deficit reduction contribution under such sections for such plan (determined without regard to any increase under subsection (b)(2)).

''(B) ELECTION UNDER SUBSECTION (C).—An increase resulting from the application of subsection (c)(3) in the additional funding charge with respect to a plan for a plan year shall not exceed the excess (if any) of—

''(i) the sum of the deficit reduction contributions under section 302(d)(2) of such Act (as so in effect) and section 412(l)(2) of such Code (as so in effect) for such plan for such plan year and for all preceding plan years beginning with or after the applicable plan year, determined as if the election had not been made, over

''(ii) the sum of the deficit reduction contributions under such sections for such plan years (determined without regard to any increase under subsection (c)(3)).

''(e) NOTICE.—Not later 30 days after the date of an election under subsection (a) in connection with a plan, the plan administrator shall provide notice pursuant to, and subject to, rules similar to the rules of sections 204(k) of the Employee Retirement Income Security Act of 1974 (as amended by the American Jobs and Closing Tax Loopholes Act of 2010) and 4980F(f) of the Internal Revenue Code of 1986 (as so amended).''.

(b) ELIGIBLE CHARITY PLANS.—Section 104 of such Act is amended—

(1) by striking ''eligible cooperative plan'' wherever it appears in subsections (a) and (b) and inserting ''eligible cooperative plan or an eligible charity plan''; and

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

''(d) ELIGIBLE CHARITY PLAN DEFINED.—For purposes of this section, a plan shall be treated as an eligible charity plan for a plan year if—

''(1) the plan is maintained by one or more employers employing employees who are accruing benefits based on service for the plan year,

''(2) such employees are employed in at least 20 States,

''(3) each such employee (other than a de minimis number of employees) is employed by an employer described in section 501(c)(3) of such Code and the primary exempt purpose of each such employer is to provide services with respect to children, and

''(4) the plan sponsor elects (at such time and in such form and manner as shall be prescribed by the Secretary of the Treasury) to be so treated.

Any election under this subsection may be revoked only with the consent of the Secretary of the Treasury.''.

(c) REGULATIONS.—The Secretary of the Treasury may prescribe such regulations as may be necessary to carry out the purposes of the amendments made by this section.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to plan years beginning on or after January 1, 2009.

(2) ELIGIBLE CHARITY PLANS.—The amendments made by subsection (b) shall apply to plan years beginning after December 31, 2009.

SEC. 303. SUSPENSION OF CERTAIN FUNDING LEVEL LIMITATIONS.

(a) LIMITATIONS ON BENEFIT ACCRUALS.—Section 203 of the Worker, Retiree, and Employer Recovery Act of 2008 (Public Law 110–458; 122 Stat. 5118) is amended—

(1) by striking ''the first plan year beginning during the period beginning on October 1, 2008, and ending on September 30, 2009'' and inserting ''any plan year beginning during the period beginning on October 1, 2008, and ending on December 31, 2011'';

(2) by striking ''substituting'' and all that follows through ''for such plan year'' and inserting ''substituting for such percentage the plan's adjusted funding target attainment percentage for the last plan year ending before September 30, 2009,''; and

(3) by striking ''for the preceding plan year is greater'' and inserting ''for such last plan year is greater''.

(b) SOCIAL SECURITY LEVEL-INCOME OPTIONS.—

(1) ERISA AMENDMENT.—Section 206(g)(3)(E) of the Employee Retirement Income Security Act of 1974 is amended by adding at the end the following new sentence: ''For purposes of applying clause (i) in the case of payments the annuity starting date for which occurs on or before December 31, 2011, payments under a social security leveling option shall be treated as not in excess of the monthly amount paid under a single life annuity (plus an amount not in excess of a social security supplement described in the last sentence of section 204(b)(1)(G)).''.

(2) IRC AMENDMENT.—Section 436(d)(5) of the Internal Revenue Code of 1986 is amended by adding at the end the following new sentence: ''For purposes of applying subparagraph (A) in the case of payments the annuity starting date for which occurs on or before December 31, 2011, payments under a social security leveling option shall be treated as not in excess of the monthly amount paid under a single life annuity (plus an amount not in excess of a social security supplement described in the last sentence of section 411(a)(9)).''.

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendments made by this subsection shall apply to annuity payments the annuity starting date for which occurs on or after January 1, 2011.

(B) PERMITTED APPLICATION.—A plan shall not be treated as failing to meet the requirements of sections 206(g) of the Employee Retirement Income Security Act of 1974 (as amended by this subsection) and section 436(d) of the Internal Revenue Code of 1986 (as so amended) if the plan sponsor elects to apply the amendments made by this subsection to payments the annuity starting date for which occurs on or after the date of the enactment of this Act and before January 1, 2011.

(c) APPLICATION OF CREDIT BALANCE WITH RESPECT TO LIMITATIONS ON SHUTDOWN BENEFITS AND UNPREDICTABLE CONTINGENT EVENT BENEFITS.—With respect to plan years beginning on or before December 31, 2011, in applying paragraph (5)(C) of subsection (g) of section 206 of the Employee Retirement Income Security Act of 1974 and subsection (f)(3) of section 436 of the Internal Revenue Code of 1986 in the case of unpredictable contingent events (within the meaning of section 206(g)(1)(C) of such Act and section 436(b)(3) of such Code) occurring on or after January 1, 2010, the references, in clause (i) of such paragraph (5)(C) and subparagraph (A) of such subsection (f)(3), to paragraph (1)(B) of such subsection (g) and subsection (b)(2) of such section 436 shall be disregarded.

SEC. 304. LOOKBACK FOR CREDIT BALANCE RULE.

(a) AMENDMENT TO ERISA.—Paragraph (3) of section 303(f) of the Employee Retirement Income Security Act of 1974 is amended by adding the following at the end thereof:

''(D) SPECIAL RULE FOR CERTAIN PLAN YEARS.—

''(i) IN GENERAL.—For purposes of applying subparagraph (C) for plan years beginning after June 30, 2009, and on or before December 31, 2011, the ratio determined under such subparagraph for the preceding plan year shall be the greater of—

''(I) such ratio, as determined without regard to this subparagraph, or

''(II) the ratio for such plan for the plan year beginning after June 30, 2007, and on or before June 30, 2008, as determined under rules prescribed by the Secretary of the Treasury.

''(ii) SPECIAL RULE.—In the case of a plan for which the valuation date is not the first day of the plan year—

''(I) clause (i) shall apply to plan years beginning after December 31, 2008, and on or before December 31, 2010, and

''(II) clause (i)(II) shall apply based on the last plan year beginning before July 1, 2007, as determined under rules prescribed by the Secretary.''.

(b) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Paragraph (3) of section 430(f) of the Internal Revenue Code of 1986 is amended by adding the following at the end thereof:

''(D) SPECIAL RULE FOR CERTAIN PLAN YEARS.—

''(i) IN GENERAL.—For purposes of applying subparagraph (C) for plan years beginning after June 30, 2009, and on or before December 31, 2011, the ratio determined under such subparagraph for the preceding plan year shall be the greater of—

''(I) such ratio, as determined without regard to this subparagraph, or

''(II) the ratio for such plan for the plan year beginning after June 30, 2007, and on or before June 30, 2008, as determined under rules prescribed by the Secretary.

''(ii) SPECIAL RULE.—In the case of a plan for which the valuation date is not the first day of the plan year—

''(I) clause (i) shall apply to plan years beginning after December 31, 2008, and on or before December 31, 2010, and

''(II) clause (i)(II) shall apply based on the last plan year beginning before July 1, 2007, as determined under rules prescribed by the Secretary.''.

SEC. 305. INFORMATION REPORTING.

(a) IN GENERAL.—Section 4010(b) of the Employee Retirement Security Act of 1974 (29 U.S.C. 1310(b)) is amended by striking paragraph (1) and inserting the following:

''(1) either of the following requirements are met:

''(A) the funding target attainment percentage (as defined in subsection (d)(2)(B)) at the end of the preceding plan year of a plan maintained by the contributing sponsor or any member of its controlled group is less than 80 percent; or

''(B) the aggregate unfunded vested benefits (as determined under section 4006(a)(3)(E)(iii)) of plans maintained by the contributing sponsor and the members of its controlled group exceed $75,000,000 (disregarding plans with no unfunded vested benefits);''.

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

SEC. 306. ROLLOVER OF AMOUNTS RECEIVED IN AIRLINE CARRIER BANKRUPTCY.

(a) GENERAL RULES.—

(1) ROLLOVER OF AIRLINE PAYMENT AMOUNT.—If a qualified airline employee receives any airline payment amount and transfers any portion of such amount to a traditional IRA within 180 days of receipt of such amount (or, if later, within 180 days of the date of the enactment of this Act), then such amount (to the extent so transferred) shall be treated as a rollover contribution described in section 402(c) of the Internal Revenue Code of 1986. A qualified airline employee making such a transfer may exclude from gross income the amount transferred, in the taxable year in which the airline payment amount was paid to the qualified airline employee by the commercial passenger airline carrier.

(2) TRANSFER OF AMOUNTS ATTRIBUTABLE TO AIRLINE PAYMENT AMOUNT FOLLOWING ROLLOVER TO ROTH IRA.—A qualified airline employee who has contributed an airline payment amount to a Roth IRA that is treated as a qualified rollover contribution pursuant to section 125 of the Worker, Retiree, and Employer Recovery Act of 2008 may transfer to a traditional IRA, in a trustee-to-trustee transfer, all or any part of the contribution (together with any net income allocable to such contribution), and the transfer to the traditional IRA will be deemed to have been made at the time of the rollover to the Roth IRA, if such transfer is made within 180 days of the date of the enactment of this Act. A qualified airline employee making such a transfer may exclude from gross income the airline payment amount previously rolled over to the Roth IRA, to the extent an amount attributable to the previous rollover was transferred to a traditional IRA, in the taxable year in which the airline payment amount was paid to the qualified airline employee by the commercial passenger airline carrier. No amount so transferred to a traditional IRA may be treated as a qualified rollover contribution with respect to a Roth IRA within the 5-taxable year period beginning with the taxable year in which such transfer was made.

(3) EXTENSION OF TIME TO FILE CLAIM FOR REFUND.—A qualified airline employee who excludes an amount from gross income in a prior taxable year under paragraph (1) or (2) may reflect such exclusion in a claim for refund filed within the period of limitation under section 6511(a) (or, if later, April 15, 2011).

(b) TREATMENT OF AIRLINE PAYMENT AMOUNTS AND TRANSFERS FOR EMPLOYMENT TAXES.—For purposes of chapter 21 of the Internal Revenue Code of 1986 and section 209 of the Social Security Act, an airline payment amount shall not fail to be treated as a payment of wages by the commercial passenger airline carrier to the qualified airline employee in the taxable year of payment because such amount is excluded from the qualified airline employee's gross income under subsection (a).

(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

(1) AIRLINE PAYMENT AMOUNT.—

(A) IN GENERAL.—The term ''airline payment amount'' means any payment of any money or other property which is payable by a commercial passenger airline carrier to a qualified airline employee—

(i) under the approval of an order of a Federal bankruptcy court in a case filed after September 11, 2001, and before January 1, 2007; and

(ii) in respect of the qualified airline employee's interest in a bankruptcy claim against the carrier, any note of the carrier (or amount paid in lieu of a note being issued), or any other fixed obligation of the carrier to pay a lump sum amount.

The amount of such payment shall be determined without regard to any requirement to deduct and withhold tax from such payment under sections 3102(a) and 3402(a).

(B) EXCEPTION.—An airline payment amount shall not include any amount payable on the basis of the carrier's future earnings or profits.

(2) QUALIFIED AIRLINE EMPLOYEE.—The term ''qualified airline employee'' means an employee or former employee of a commercial passenger airline carrier who was a participant in a defined benefit plan maintained by the carrier which—

(A) is a plan described in section 401(a) of the Internal Revenue Code of 1986 which includes a trust exempt from tax under section 501(a) of such Code; and

(B) was terminated or became subject to the restrictions contained in paragraphs (2) and (3) of section 402(b) of the Pension Protection Act of 2006.

(3) TRADITIONAL IRA.—The term ''traditional IRA'' means an individual retirement

plan (as defined in section 7701(a)(37) of the Internal Revenue Code of 1986) which is not a Roth IRA.

(4) ROTH IRA.—The term ''Roth IRA'' has the meaning given such term by section 408A(b) of such Code.

(d) SURVIVING SPOUSE.—If a qualified airline employee died after receiving an airline payment amount, or if an airline payment amount was paid to the surviving spouse of a qualified airline employee in respect of the qualified airline employee, the surviving spouse of the qualified airline employee may take all actions permitted under section 125 of the Worker, Retiree and Employer Recovery Act of 2008, or under this section, to the same extent that the qualified airline employee could have done had the qualified airline employee survived.

(e) EFFECTIVE DATE.—This section shall apply to transfers made after the date of the enactment of this Act with respect to airline payment amounts paid before, on, or after such date.

Subtitle B—Multiemployer Plans

SEC. 311. OPTIONAL USE OF 30-YEAR AMORTIZATION PERIODS.

(a) ELECTIVE SPECIAL RELIEF RULES.—

(1) ERISA AMENDMENT.—Section 304(b) of the Employee Retirement Income Security Act of 1974 is amended by adding at the end the following new paragraph:

''(8) ELECTIVE SPECIAL RELIEF RULES.—Notwithstanding any other provision of this subsection—

''(A) AMORTIZATION OF NET INVESTMENT LOSSES.—

''(i) IN GENERAL.—The plan sponsor of a multiemployer plan with respect to which the solvency test under subparagraph (B) is met may elect to treat the portion of any experience loss or gain for a plan year that is attributable to the allocable portion of the net investment losses incurred in either or both of the first two plan years ending on or after June 30, 2008, as an experience loss separate from other experience losses or gains to be amortized in equal annual installments (until fully amortized) over the period—

''(I) beginning with the plan year for which the allocable portion is determined, and

''(II) ending with the last plan year in the 30-plan year period beginning with the plan year following the plan year in which such net investment loss was incurred.

''(ii) COORDINATION WITH EXTENSIONS.—If an election is made under clause (i) for any plan year—

''(I) no extension of the amortization period under clause (i) shall be allowed under subsection (d), and

''(II) if an extension was granted under subsection (d) for any plan year before the plan year for which the election under this subparagraph is made, such extension shall not result in such amortization period exceeding 30 years.

''(iii) DEFINITIONS AND RULES.—For purposes of this subparagraph—

''(I) NET INVESTMENT LOSSES.—

''(aa) IN GENERAL.—The net investment loss incurred by a plan in a plan year is equal to the excess of—

''(AA) the expected value of the assets as of the end of the plan year, over

''(BB) the market value of the assets as of the end of the plan year,

including any difference attributable to a criminally fraudulent investment arrangement.

''(bb) EXPECTED VALUE.—For purposes of item (aa), the expected value of the assets as of the end of a plan year is the excess of—

''(AA) the market value of the assets at the beginning of the plan year plus contributions made during the plan year, over

''(BB) disbursements made during the plan year.

The amounts described in subitems (AA) and (BB) shall be adjusted with interest at the valuation rate to the end of the plan year.

''(II) CRIMINALLY FRAUDULENT INVESTMENT ARRANGEMENTS.—The determination as to whether an arrangement is a criminally fraudulent investment arrangement shall be made under rules substantially similar to the rules prescribed by the Secretary of the Treasury for purposes of section 165 of the Internal Revenue Code of 1986.

''(III) AMOUNT ATTRIBUTABLE TO ALLOCABLE PORTION OF NET INVESTMENT LOSS.—The amount attributable to the allocable portion of the net investment loss for a plan year shall be an amount equal to the allocable portion of net investment loss for the plan year under subclauses (IV) and (V), increased with interest at the valuation rate determined from the plan year after the plan year in which the net investment loss was incurred.

''(IV) ALLOCABLE PORTION OF NET INVESTMENT LOSSES.—Except as provided in subclause (V), the net investment loss incurred in a plan year shall be allocated among the 5 plan years following the plan year in which the investment loss is incurred in accordance with the following table:

''Plan year after the plan year in which the net investment loss was incurred	Allocable portion of net investment loss
1st	½
2nd	0
3rd	⅙
4th	⅙
5th	⅙

''(V) SPECIAL RULE FOR PLANS THAT ADOPT LONGER SMOOTHER PERIOD.—If a plan sponsor elects an extended smoothing period for its asset valuation method under subsection (c)(2)(B), then the allocable portion of net investment loss for the first two plan years following the plan year the investment loss is incurred is the same as determined under subclause (IV), but the remaining ½ of the net investment loss is allocated ratably over the period beginning with the third plan year following the plan year the net investment loss is incurred and ending with the last plan year in the extended smoothing period.

''(VI) SPECIAL RULE FOR OVERSTATEMENT OF LOSS.—If, for a plan year, there is an experience loss for the plan and the amount described in subclause (III) exceeds the total amount of the experience loss for the plan year, then the excess shall be treated as an experience gain.

''(VII) SPECIAL RULE IN YEARS FOR WHICH OVERALL EXPERIENCE IS GAIN.—If, for a plan year, there is no experience loss for the plan, then, in addition to amortization of net investment losses under clause (i), the amount described in subclause (III) shall be treated as an experience gain in addition to any other experience gain.

''(B) SOLVENCY TEST.—

''(i) IN GENERAL.—An election may be made under this paragraph if the election includes certification by the plan actuary in connection with the election that the plan is projected to have a funded percentage at the end of the first 15 plan years that is not less than 100 percent of the funded percentage for the plan year of the election.

''(ii) FUNDED PERCENTAGE.—For purposes of clause (i), the term 'funded percentage' has the meaning provided in section 305(i)(2), except that the value of the plan's assets referred to in section 305(i)(2)(A) shall be the market value of such assets.

''(iii) ACTUARIAL ASSUMPTIONS.—In making any certification under this subparagraph, the plan actuary shall use the same actuarial estimates, assumptions, and methods as those applicable for the most recent certification under section 305, except that the plan actuary may take into account benefit reductions and increases in contribution rates, under either funding improvement plans adopted under section 305(c) or under section 432(c) of the Internal Revenue Code of 1986 or rehabilitation plans adopted under section 305(e) or under section 432(e) of such Code, that the plan actuary reasonably anticipates will occur without regard to any change in status of the plan resulting from the election.

''(C) ADDITIONAL RESTRICTION ON BENEFIT INCREASES.—If an election is made under subparagraph (A), then, in addition to any other applicable restrictions on benefit increases, a plan amendment which is adopted on or after March 10, 2010, and which increases benefits may not go into effect during the period beginning on such date and ending with the second plan year beginning after such date unless—

''(i) the plan actuary certifies that—

''(I) any such increase is paid for out of additional contributions not allocated to the plan immediately before the election to have this paragraph apply to the plan, and

''(II) the plan's funded percentage and projected credit balances for the first 3 plan years ending on or after such date are reasonably expected to be at least as high as such percentage and balances would have been if the benefit increase had not been adopted, or

''(ii) the amendment is required as a condition of qualification under part I of subchapter D of chapter 1 of the Internal Revenue Code of 1986 or to comply with other applicable law.

''(D) TIME, FORM, AND MANNER OF ELECTION.—An election under this paragraph shall be made not later than June 30, 2011, and shall be made in such form and manner as the Secretary of the Treasury may prescribe.

''(E) REPORTING.—A plan sponsor of a plan to which this paragraph applies shall—

''(i) give notice of such election to participants and beneficiaries of the plan, and

''(ii) inform the Pension Benefit Guaranty Corporation of such election in such form and manner as the Pension Benefit Guaranty Corporation may prescribe.''.

(2) IRC AMENDMENT.—Section 431(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(8) ELECTIVE SPECIAL RELIEF RULES.—Notwithstanding any other provision of this subsection—

''(A) AMORTIZATION OF NET INVESTMENT LOSSES.—

''(i) IN GENERAL.—The plan sponsor of a multiemployer plan with respect to which the solvency test under subparagraph (B) is met may elect to treat the portion of any experience loss or gain for a plan year that is attributable to the allocable portion of the net investment losses incurred in either or both of the first two plan years ending on or after June 30, 2008, as an experience loss separate from other experience losses and gains to be amortized in equal annual installments (until fully amortized) over the period—

''(I) beginning with the plan year for which the allocable portion is determined, and

''(II) ending with the last plan year in the 30-plan year period beginning with the plan year following the plan year in which such net investment loss was incurred.

''(ii) COORDINATION WITH EXTENSIONS.—If an election is made under clause (i) for any plan year—

''(I) no extension of the amortization period under clause (i) shall be allowed under subsection (d), and

''(II) if an extension was granted under subsection (d) for any plan year before the plan year for which the election under this

subparagraph is made, such extension shall not result in such amortization period exceeding 30 years.

''(iii) DEFINITIONS AND RULES.—For purposes of this subparagraph—

''(I) NET INVESTMENT LOSSES.—

''(aa) IN GENERAL.—The net investment loss incurred by a plan in a plan year is equal to the excess of—

''(AA) the expected value of the assets as of the end of the plan year, over

''(BB) the market value of the assets as of the end of the plan year,

including any difference attributable to a criminally fraudulent investment arrangement.

''(bb) EXPECTED VALUE.—For purposes of item (aa), the expected value of the assets as of the end of a plan year is the excess of—

''(AA) the market value of the assets at the beginning of the plan year plus contributions made during the plan year, over

''(BB) disbursements made during the plan year.

The amounts described in subitems (AA) and (BB) shall be adjusted with interest at the valuation rate to the end of the plan year.

''(II) CRIMINALLY FRAUDULENT INVESTMENT ARRANGEMENTS.—The determination as to whether an arrangement is a criminally fraudulent investment arrangement shall be made under rules substantially similar to the rules prescribed by the Secretary for purposes of section 165.

''(III) AMOUNT ATTRIBUTABLE TO ALLOCABLE PORTION OF NET INVESTMENT LOSS.—The amount attributable to the allocable portion of the net investment loss for a plan year shall be an amount equal to the allocable portion of net investment loss for the plan year under subclauses (IV) and (V), increased with interest at the valuation rate determined from the plan year after the plan year in which the net investment loss was incurred.

''(IV) ALLOCABLE PORTION OF NET INVESTMENT LOSSES.—Except as provided in subclause (V), the net investment loss incurred in a plan year shall be allocated among the 5 plan years following the plan year in which the investment loss is incurred in accordance with the following table:

''Plan year after the plan year in which the net investment loss was incurred	**Allocable portion of net investment loss**
1st	½
2nd	0
3rd	⅙
4th	⅙
5th	⅙

''(V) SPECIAL RULE FOR PLANS THAT ADOPT LONGER SMOOTHER PERIOD.—If a plan sponsor elects an extended smoothing period for its asset valuation method under subsection (c)(2)(B), then the allocable portion of net investment loss for the first two plan years following the plan year the investment loss is incurred is the same as determined under subclause (IV), but the remaining ½ of the net investment loss is allocated ratably over the period beginning with the third plan year following the plan year the net investment loss is incurred and ending with the last plan year in the extended smoothing period.

''(VI) SPECIAL RULE FOR OVERSTATEMENT OF LOSS.—If, for a plan year, there is an experience loss for the plan and the amount described in subclause (III) exceeds the total amount of the experience loss for the plan year, then the excess shall be treated as an experience gain.

''(VII) SPECIAL RULE IN YEARS FOR WHICH OVERALL EXPERIENCE IS GAIN.—If, for a plan year, there is no experience loss for the plan, then, in addition to amortization of net investment losses under clause (i), the amount described in subclause (III) shall be treated as an experience gain in addition to any other experience gain.

''(B) SOLVENCY TEST.—

''(i) IN GENERAL.—An election may be made under this paragraph if the election includes certification by the plan actuary in connection with the election that the plan is projected to have a funded percentage at the end of the first 15 plan years that is not less than 100 percent of the funded percentage for the plan year of the election.

''(ii) FUNDED PERCENTAGE.—For purposes of clause (i), the term 'funded percentage' has the meaning provided in section 432(i)(2), except that the value of the plan's assets referred to in section 432(i)(2)(A) shall be the market value of such assets.

''(iii) ACTUARIAL ASSUMPTIONS.—In making any certification under this subparagraph, the plan actuary shall use the same actuarial estimates, assumptions, and methods as those applicable for the most recent certification under section 432, except that the plan actuary may take into account benefit reductions and increases in contribution rates, under either funding improvement plans adopted under section 432(c) or under section 305(c) of the Employee Retirement Income Security Act of 1974 or rehabilitation plans adopted under section 432(e) or under section 305(e) of such Act, that the plan actuary reasonably anticipates will occur without regard to any change in status of the plan resulting from the election.

''(C) ADDITIONAL RESTRICTION ON BENEFIT INCREASES.—If an election is made under subparagraph (A), then, in addition to any other applicable restrictions on benefit increases, a plan amendment which is adopted on or after March 10, 2010, and which increases benefits may not go into effect during the period beginning on such date and ending with the second plan year beginning after such date unless—

''(i) the plan actuary certifies that—

''(I) any such increase is paid for out of additional contributions not allocated to the plan immediately before the election to have this paragraph apply to the plan, and

''(II) the plan's funded percentage and projected credit balances for the first 3 plan years ending on or after such date are reasonably expected to be at least as high as such percentage and balances would have been if the benefit increase had not been adopted, or

''(ii) the amendment is required as a condition of qualification under part I or to comply with other applicable law.

''(D) TIME, FORM, AND MANNER OF ELECTION.—An election under this paragraph shall be made not later than June 30, 2011, and shall be made in such form and manner as the Secretary may prescribe.

''(E) REPORTING.—A plan sponsor of a plan to which this paragraph applies shall—

''(i) give notice of such election to participants and beneficiaries of the plan, and

''(ii) inform the Pension Benefit Guaranty Corporation of such election in such form and manner as the Pension Benefit Guaranty Corporation may prescribe.''.

(b) ASSET SMOOTHING FOR MULTIEMPLOYER PLANS.—

(1) ERISA AMENDMENT.—Section 304(c)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1084(c)(2)) is amended—

(A) by redesignating subparagraph (B) as subparagraph (C); and

(B) by inserting after subparagraph (A) the following new subparagraph:

''(B) EXTENDED ASSET SMOOTHING PERIOD FOR CERTAIN INVESTMENT LOSSES.—The Secretary of the Treasury shall not treat the asset valuation method of a multiemployer plan as unreasonable solely because such method spreads the difference between expected and actual returns for either or both of the first 2 plan years ending on or after June 30, 2008, over a period of not more than 10 years. Any change in valuation method to so spread such difference shall be treated as approved, but only if, in the case that the plan sponsor has made an election under subsection (b)(8), any resulting change in asset value is treated for purposes of amortization as a net experience loss or gain.''.

(2) IRC AMENDMENT.—Section 431(c)(2) of the Internal Revenue Code of 1986 is amended—

(A) by redesignating subparagraph (B) as subparagraph (C); and

(B) by inserting after subparagraph (A) the following new subparagraph:

''(B) EXTENDED ASSET SMOOTHING PERIOD FOR CERTAIN INVESTMENT LOSSES.—The Secretary shall not treat the asset valuation method of a multiemployer plan as unreasonable solely because such method spreads the difference between expected and actual returns for either or both of the first 2 plan years ending on or after June 30, 2008, over a period of not more than 10 years. Any change in valuation method to so spread such difference shall be treated as approved, but only if, in the case that the plan sponsor has made an election under subsection (b)(8), any resulting change in asset value is treated for purposes of amortization as a net experience loss or gain.''.

(c) EFFECTIVE DATE AND SPECIAL RULES.—

(1) EFFECTIVE DATE.—The amendments made by this section shall take effect as of the first day of the first plan year beginning after June 30, 2008, except that any election a plan sponsor makes pursuant to this section or the amendments made thereby that affects the plan's funding standard account for any plan year beginning before October 1, 2009, shall be disregarded for purposes of applying the provisions of section 305 of the Employee Retirement Income Security Act of 1974 and section 432 of the Internal Revenue Code of 1986 to that plan year.

(2) DEEMED APPROVAL FOR CERTAIN FUNDING METHOD CHANGES.—In the case of a multiemployer plan with respect to which an election has been made under section 304(b)(8) of the Employee Retirement Income Security Act of 1974 (as amended by this section) or section 431(b)(8) of the Internal Revenue Code of 1986 (as so amended)—

(A) any change in the plan's funding method for a plan year beginning on or after July 1, 2008, and on or before December 31, 2010, from a method that does not establish a base for experience gains and losses to one that does establish such a base shall be treated as approved by the Secretary of the Treasury; and

(B) any resulting funding method change base shall be treated for purposes of amortization as a net experience loss or gain.

SEC. 312. OPTIONAL LONGER RECOVERY PERIODS FOR MULTIEMPLOYER PLANS IN ENDANGERED OR CRITICAL STATUS.

(a) ERISA AMENDMENTS.—

(1) FUNDING IMPROVEMENT PERIOD.—Section 305(c)(4) of the Employee Retirement Income Security Act of 1974 is amended—

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

(B) by inserting after subparagraph (B) the following new subparagraph:

''(C) ELECTION TO EXTEND PERIOD.—The plan sponsor of an endangered or seriously endangered plan may elect to extend the applicable funding improvement period by up to 5 years, reduced by any extension of the period previously elected pursuant to section 205 of the Worker, Retiree and Employer Relief Act of 2008. Such an election shall be made not later than June 30, 2011, and in

such form and manner as the Secretary of the Treasury may prescribe.''.

(2) REHABILITATION PERIOD.—Section 305(e)(4) of such Act is amended—

(A) by redesignating subparagraph (B) as subparagraph (C);

(B) in last sentence of subparagraph (A), by striking ''subparagraph (B)'' each place it appears and inserting ''subparagraph (C)''; and

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

''(B) ELECTION TO EXTEND PERIOD.—The plan sponsor of a plan in critical status may elect to extend the rehabilitation period by up to five years, reduced by any extension of the period previously elected pursuant to section 205 of the Worker, Retiree and Employer Relief Act of 2008. Such an election shall be made not later than June 30, 2011, and in such form and manner as the Secretary of the Treasury may prescribe.''.

(b) IRC AMENDMENTS.—

(1) FUNDING IMPROVEMENT PERIOD.—Section 432(c)(4) of the Internal Revenue Code of 1986 is amended—

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

(B) by inserting after subparagraph (B) the following new subparagraph:

''(C) ELECTION TO EXTEND PERIOD.—The plan sponsor of an endangered or seriously endangered plan may elect to extend the applicable funding improvement period by up to 5 years, reduced by any extension of the period previously elected pursuant to section 205 of the Worker, Retiree and Employer Relief Act of 2008. Such an election shall be made not later than June 30, 2011, and in such form and manner as the Secretary may prescribe.''.

(2) REHABILITATION PERIOD.—Section 432(e)(4) of such Code is amended—

(A) by redesignating subparagraph (B) as subparagraph (C);

(B) in last sentence of subparagraph (A), by striking ''subparagraph (B)'' each place it appears and inserting ''subparagraph (C)''; and

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

''(B) ELECTION TO EXTEND PERIOD.—The plan sponsor of a plan in critical status may elect to extend the rehabilitation period by up to five years, reduced by any extension of the period previously elected pursuant to section 205 of the Worker, Retiree and Employer Relief Act of 2008. Such an election shall be made not later than June 30, 2011, and in such form and manner as the Secretary may prescribe.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to funding improvement periods and rehabilitation periods in connection with funding improvement plans and rehabilitation plans adopted or updated on or after the date of the enactment of this Act.

SEC. 313. MODIFICATION OF CERTAIN AMORTIZATION EXTENSIONS UNDER PRIOR LAW.

(a) IN GENERAL.—In the case of an amortization extension that was granted to a multiemployer plan under the terms of section 304 of the Employee Retirement Income Security Act of 1974 (as in effect immediately prior to enactment of the Pension Protection Act of 2006) or section 412(e) of the Internal Revenue Code (as so in effect), the determination of whether any financial condition on the amortization extension is satisfied shall be made by assuming that for any plan year that contains some or all of the period beginning June 30, 2008, and ending October 31, 2008, the actual rate of return on the plan assets was equal to the interest rate used for purposes of charging or crediting the funding standard account in such plan year, unless the plan sponsor elects otherwise in such form and manner as shall be prescribed by the Secretary of Treasury.

(b) REVOCATION OF AMORTIZATION EXTENSIONS.—The plan sponsor of a multiemployer plan may, in such form and manner and after such notice as may be prescribed by the Secretary, revoke any amortization extension described in subsection (a), effective for plan years following the date of the revocation.

SEC. 314. ALTERNATIVE DEFAULT SCHEDULE FOR PLANS IN ENDANGERED OR CRITICAL STATUS.

(a) ERISA AMENDMENTS.—

(1) ENDANGERED STATUS.—Section 305(c)(7) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1085(c)(7)) is amended by adding at the end the following new subparagraph:

''(D) ALTERNATIVE DEFAULT SCHEDULE.—

''(i) IN GENERAL.—A plan sponsor may, for purposes of this paragraph, designate an alternative schedule of contribution rates and related benefit changes meeting the requirements of clause (ii) as the default schedule, in lieu of the default schedule referred to in subparagraph (A).

''(ii) REQUIREMENTS.—An alternative schedule designated pursuant to clause (i) meets the requirements of this clause if such schedule has been adopted in collective bargaining agreements covering at least 75 percent of the active participants as of the date of the designation.''.

(2) CRITICAL STATUS.—Section 305(e)(3) of such Act (29 U.S.C. 1085(e)(3)) is amended by adding at the end the following new subparagraph:

''(D) ALTERNATIVE DEFAULT SCHEDULE.—

''(i) IN GENERAL.—A plan sponsor may, for purposes of subparagraph (C), designate an alternative schedule of contribution rates and related benefit changes meeting the requirements of clause (ii) as the default schedule, in lieu of the default schedule referred to in subparagraph (C)(i).

''(ii) REQUIREMENTS.—An alternative schedule designated pursuant to clause (i) meets the requirements of this clause if such schedule has been adopted in collective bargaining agreements covering at least 75 percent of the active participants as of the date of the designation.''.

(b) INTERNAL REVENUE CODE AMENDMENTS.—

(1) ENDANGERED STATUS.—Section 432(c)(7) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''(C) ALTERNATIVE DEFAULT SCHEDULE.—

''(i) IN GENERAL.—A plan sponsor may, for purposes of this paragraph, designate an alternative schedule of contribution rates and related benefit changes meeting the requirements of clause (ii) as the default schedule, in lieu of the default schedule referred to in subparagraph (A).

''(ii) REQUIREMENTS.—An alternative schedule designated pursuant to clause (i) meets the requirements of this clause if such schedule has been adopted in collective bargaining agreements covering at least 75 percent of the active participants as of the date of the designation.''.

(2) CRITICAL STATUS.—Section 432(e)(3) of such Code is amended by adding at the end the following new subparagraph:

''(D) ALTERNATIVE DEFAULT SCHEDULE.—

''(i) IN GENERAL.—A plan sponsor may, for purposes of subparagraph (C), designate an alternative schedule of contribution rates and related benefit changes meeting the requirements of clause (ii) as the default schedule, in lieu of the default schedule referred to in subparagraph (C)(i).

''(ii) REQUIREMENTS.—An alternative schedule designated pursuant to clause (i) meets the requirements of this clause if such schedule has been adopted in collective bargaining agreements covering at least 75 percent of the active participants as of the date of the designation.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to designations of default schedules by plan sponsors on or after the date of the enactment of this Act.

(d) CROSS-REFERENCE.—For sunset of the amendments made by this section, see section 221(c) of the Pension Protection Act of 2006.

SEC. 315. TRANSITION RULE FOR CERTIFICATIONS OF PLAN STATUS.

(a) IN GENERAL.—A plan actuary shall not be treated as failing to meet the requirements of section 305(b)(3)(A) of the Employee Retirement Income Security Act of 1974 and section 432(b)(3)(A) of the Internal Revenue Code of 1986 in connection with a certification required under such sections the deadline for which is after the date of the enactment of this Act if the plan actuary makes such certification at any time earlier than 75 days after the date of the enactment of this Act.

(b) REVISION OF PRIOR CERTIFICATION.—

(1) IN GENERAL.—If—

(A) a plan sponsor makes an election under section 304(b)(8) of the Employee Retirement Income Security Act of 1974 and section 431(b)(8) of the Internal Revenue Code of 1986, or under section 304(c)(2)(B) of such Act and section 432(c)(2)(B) such Code, with respect to a plan for a plan year beginning on or after October 1, 2009; and

(B) the plan actuary's certification of the plan status for such plan year (hereinafter in this subsection referred to as ''original certification'') did not take into account any election so made,

then the plan sponsor may direct the plan actuary to make a new certification with respect to the plan for the plan year which takes into account such election (hereinafter in this subsection referred to as ''new certification'') if the plan's status under section 305 of such Act and section 432 of such Code would change as a result of such election. Any such new certification shall be treated as the most recent certification referred to in section 304(b)(3)(B)(iii) of such Act and section 431(b)(8)(B)(iii) of such Code.

(2) DUE DATE FOR NEW CERTIFICATION.—Any such new certification shall be made pursuant to section 305(b)(3) of such Act and section 432(b)(3) of such Code; except that any such new certification shall be made not later than 75 days after the date of the enactment of this Act.

(3) NOTICE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), any such new certification shall be treated as the original certification for purposes of section 305(b)(3)(D) of such Act and section 432(b)(3)(D) of such Code.

(B) NOTICE ALREADY PROVIDED.—In any case in which notice has been provided under such sections with respect to the original certification, not later than 30 days after the new certification is made, the plan sponsor shall provide notice of any change in status under rules similar to the rules such sections.

(4) EFFECT OF CHANGE IN STATUS.—If a plan ceases to be in critical status pursuant to the new certification, then the plan shall, not later than 30 days after the due date described in paragraph (2), cease any restriction of benefit payments, and imposition of contribution surcharges, under section 305 of such Act and section 432 of such Code by reason of the original certification.

TITLE IV—REVENUE OFFSETS

Subtitle A—Foreign Provisions

SEC. 401. RULES TO PREVENT SPLITTING FOREIGN TAX CREDITS FROM THE INCOME TO WHICH THEY RELATE.

(a) IN GENERAL.—Subpart A of part III of subchapter N of chapter 1 is amended by adding at the end the following new section:

''SEC. 909. SUSPENSION OF TAXES AND CREDITS UNTIL RELATED INCOME TAKEN INTO ACCOUNT.

''(a) IN GENERAL.—If there is a foreign tax credit splitting event with respect to a foreign income tax paid or accrued by the taxpayer, such tax shall not be taken into account for purposes of this title before the taxable year in which the related income is taken into account under this chapter by the taxpayer.

''(b) SPECIAL RULES WITH RESPECT TO SECTION 902 CORPORATIONS.—If there is a foreign tax credit splitting event with respect to a foreign income tax paid or accrued by a section 902 corporation, such tax shall not be taken into account—

''(1) for purposes of section 902 or 960, or

''(2) for purposes of determining earnings and profits under section 964(a),

before the taxable year in which the related income is taken into account under this chapter by such section 902 corporation or a domestic corporation which meets the ownership requirements of subsection (a) or (b) of section 902 with respect to such section 902 corporation.

''(c) SPECIAL RULES.—For purposes of this section—

''(1) APPLICATION TO PARTNERSHIPS, ETC.—In the case of a partnership, subsections (a) and (b) shall be applied at the partner level. Except as otherwise provided by the Secretary, a rule similar to the rule of the preceding sentence shall apply in the case of any S corporation or trust.

''(2) TREATMENT OF FOREIGN TAXES AFTER SUSPENSION.—In the case of any foreign income tax not taken into account by reason of subsection (a) or (b), except as otherwise provided by the Secretary, such tax shall be so taken into account in the taxable year referred to in such subsection (other than for purposes of section 986(a)) as a foreign income tax paid or accrued in such taxable year.

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

''(1) FOREIGN TAX CREDIT SPLITTING EVENT.—There is a foreign tax credit splitting event with respect to a foreign income tax if the related income is (or will be) taken into account under this chapter by a covered person.

''(2) FOREIGN INCOME TAX.—The term 'foreign income tax' means any income, war profits, or excess profits tax paid or accrued to any foreign country or to any possession of the United States.

''(3) RELATED INCOME.—The term 'related income' means, with respect to any portion of any foreign income tax, the income (or, as appropriate, earnings and profits) to which such portion of foreign income tax relates.

''(4) COVERED PERSON.—The term 'covered person' means, with respect to any person who pays or accrues a foreign income tax (hereafter in this paragraph referred to as the 'payor')—

''(A) any entity in which the payor holds, directly or indirectly, at least a 10 percent ownership interest (determined by vote or value),

''(B) any person which holds, directly or indirectly, at least a 10 percent ownership interest (determined by vote or value) in the payor,

''(C) any person which bears a relationship to the payor described in section 267(b) or 707(b), and

''(D) any other person specified by the Secretary for purposes of this paragraph.

''(5) SECTION 902 CORPORATION.—The term 'section 902 corporation' means any foreign corporation with respect to which one or more domestic corporations meets the ownership requirements of subsection (a) or (b) of section 902.

''(e) REGULATIONS.—The Secretary may issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this section, including regulations or other guidance which provides—

''(1) appropriate exceptions from the provisions of this section, and

''(2) for the proper application of this section with respect to hybrid instruments.''.

(b) CLERICAL AMENDMENT.—The table of sections for subpart A of part III of subchapter N of chapter 1 is amended by adding at the end the following new item:

''Sec. 909. Suspension of taxes and credits until related income taken into account.''.

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

(1) foreign income taxes (as defined in section 909(d) of the Internal Revenue Code of 1986, as added by this section) paid or accrued after May 20, 2010; and

(2) foreign income taxes (as so defined) paid or accrued by a section 902 corporation (as so defined) on or before such date (and not deemed paid under section 902(a) or 960 of such Code on or before such date), but only for purposes of applying sections 902 and 960 with respect to periods after such date.

Section 909(b)(2) of the Internal Revenue Code of 1986, as added by this section, shall not apply to foreign income taxes described in paragraph (2).

SEC. 402. DENIAL OF FOREIGN TAX CREDIT WITH RESPECT TO FOREIGN INCOME NOT SUBJECT TO UNITED STATES TAXATION BY REASON OF COVERED ASSET ACQUISITIONS.

(a) IN GENERAL.—Section 901 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) DENIAL OF FOREIGN TAX CREDIT WITH RESPECT TO FOREIGN INCOME NOT SUBJECT TO UNITED STATES TAXATION BY REASON OF COVERED ASSET ACQUISITIONS.—

''(1) IN GENERAL.—In the case of a covered asset acquisition, the disqualified portion of any foreign income tax determined with respect to the income or gain attributable to the relevant foreign assets—

''(A) shall not be taken into account in determining the credit allowed under subsection (a), and

''(B) in the case of a foreign income tax paid by a section 902 corporation (as defined in section 909(d)(5)), shall not be taken into account for purposes of section 902 or 960.

''(2) COVERED ASSET ACQUISITION.—For purposes of this section, the term 'covered asset acquisition' means—

''(A) a qualified stock purchase (as defined in section 338(d)(3)) to which section 338(a) applies,

''(B) any transaction which—

''(i) is treated as an acquisition of assets for purposes of this chapter, and

''(ii) is treated as the acquisition of stock of a corporation (or is disregarded) for purposes of the foreign income taxes of the relevant jurisdiction,

''(C) any acquisition of an interest in a partnership which has an election in effect under section 754, and

''(D) to the extent provided by the Secretary, any other similar transaction.

''(3) DISQUALIFIED PORTION.—For purposes of this section—

''(A) IN GENERAL.—The term 'disqualified portion' means, with respect to any covered asset acquisition, for any taxable year, the ratio (expressed as a percentage) of—

''(i) the aggregate basis differences (but not below zero) allocable to such taxable year under subparagraph (B) with respect to all relevant foreign assets, divided by

''(ii) the income on which the foreign income tax referred to in paragraph (1) is determined (or, if the taxpayer fails to substantiate such income to the satisfaction of the Secretary, such income shall be determined by dividing the amount of such foreign income tax by the highest marginal tax rate applicable to such income in the relevant jurisdiction).

''(B) ALLOCATION OF BASIS DIFFERENCE.—For purposes of subparagraph (A)(i)—

''(i) IN GENERAL.—The basis difference with respect to any relevant foreign asset shall be allocated to taxable years using the applicable cost recovery method under this chapter.

''(ii) SPECIAL RULE FOR DISPOSITION OF ASSETS.—Except as otherwise provided by the Secretary, in the case of the disposition of any relevant foreign asset—

''(I) the basis difference allocated to the taxable year which includes the date of such disposition shall be the excess of the basis difference with respect to such asset over the aggregate basis difference with respect to such asset which has been allocated under clause (i) to all prior taxable years, and

''(II) no basis difference with respect to such asset shall be allocated under clause (i) to any taxable year thereafter.

''(C) BASIS DIFFERENCE.—

''(i) IN GENERAL.—The term 'basis difference' means, with respect to any relevant foreign asset, the excess of—

''(I) the adjusted basis of such asset immediately after the covered asset acquisition, over

''(II) the adjusted basis of such asset immediately before the covered asset acquisition.

''(ii) BUILT-IN LOSS ASSETS.—In the case of a relevant foreign asset with respect to which the amount described in clause (i)(II) exceeds the amount described in clause (i)(I), such excess shall be taken into account under this subsection as a basis difference of a negative amount.

''(iii) SPECIAL RULE FOR SECTION 338 ELECTIONS.—In the case of a covered asset acquisition described in paragraph (2)(A), the covered asset acquisition shall be treated for purposes of this subparagraph as occurring at the close of the acquisition date (as defined in section 338(h)(2)).

''(4) RELEVANT FOREIGN ASSETS.—For purposes of this section, the term 'relevant foreign asset' means, with respect to any covered asset acquisition, any asset (including any goodwill, going concern value, or other intangible) with respect to such acquisition if income, deduction, gain, or loss attributable to such asset is taken into account in determining the foreign income tax referred to in paragraph (1).

''(5) FOREIGN INCOME TAX.—For purposes of this section, the term 'foreign income tax' means any income, war profits, or excess profits tax paid or accrued to any foreign country or to any possession of the United States.

''(6) TAXES ALLOWED AS A DEDUCTION, ETC.—Sections 275 and 78 shall not apply to any tax which is not allowable as a credit under subsection (a) by reason of this subsection.

''(7) REGULATIONS.—The Secretary may issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this subsection, including to exempt from the application of this subsection certain covered asset acquisitions, and relevant foreign assets with respect to which the basis difference is de minimis.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to covered asset acquisitions (as defined in section 901(m)(2) of the Internal Revenue Code of 1986, as added by this section) after—

(A) May 20, 2010, if the transferor and the transferee are related; and

(B) the date of the enactment of this Act in any other case.

(2) TRANSITION RULE.—The amendments made by this section shall not apply to any covered asset acquisition (as so defined) with respect to which the transferor and the transferee are not related if such acquisition is—

(A) made pursuant to a written agreement which was binding on May 20, 2010, and at all times thereafter,

(B) described in a ruling request submitted to the Internal Revenue Service on or before such date; or

(C) described on or before such date in a public announcement or in a filing with the Securities and Exchange Commission.

(3) RELATED PERSONS.—For purposes of this subsection, a person shall be treated as related to another person if the relationship between such persons is described in section 267 or 707(b) of the Internal Revenue Code of 1986.

SEC. 403. SEPARATE APPLICATION OF FOREIGN TAX CREDIT LIMITATION, ETC., TO ITEMS RESOURCED UNDER TREATIES.

(a) IN GENERAL.—Subsection (d) of section 904 is amended by redesignating paragraph (6) as paragraph (7) and by inserting after paragraph (5) the following new paragraph:

''(6) SEPARATE APPLICATION TO ITEMS RESOURCED UNDER TREATIES.—

''(A) IN GENERAL.—If—

''(i) without regard to any treaty obligation of the United States, any item of income would be treated as derived from sources within the United States,

''(ii) under a treaty obligation of the United States, such item would be treated as arising from sources outside the United States, and

''(iii) the taxpayer chooses the benefits of such treaty obligation,

subsections (a), (b), and (c) of this section and sections 902, 907, and 960 shall be applied separately with respect to each such item.

''(B) COORDINATION WITH OTHER PROVISIONS.—This paragraph shall not apply to any item of income to which subsection (h)(10) or section 865(h) applies.

''(C) REGULATIONS.—The Secretary may issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this paragraph, including regulations or other guidance which provides that related items of income may be aggregated for purposes of this paragraph.''.

(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. 404. LIMITATION ON THE AMOUNT OF FOREIGN TAXES DEEMED PAID WITH RESPECT TO SECTION 956 INCLUSIONS.

(a) IN GENERAL.—Section 960 is amended by adding at the end the following new subsection:

''(c) LIMITATION WITH RESPECT TO SECTION 956 INCLUSIONS.—

''(1) IN GENERAL.—If there is included under section 951(a)(1)(B) in the gross income of a domestic corporation any amount attributable to the earnings and profits of a foreign corporation which is a member of a qualified group (as defined in section 902(b)) with respect to the domestic corporation, the amount of any foreign income taxes deemed to have been paid during the taxable year by such domestic corporation under section 902 by reason of subsection (a) with respect to such inclusion in gross income shall not exceed the amount of the foreign income taxes which would have been deemed to have been paid during the taxable year by such domestic corporation if cash in an amount equal to the amount of such inclusion in gross income were distributed as a series of distributions (determined without regard to any foreign taxes which would be imposed on an actual distribution) through the chain of ownership which begins with such foreign corporation and ends with such domestic corporation.

''(2) AUTHORITY TO PREVENT ABUSE.—The Secretary shall issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this subsection, including regulations or other guidance which prevent the inappropriate use of the foreign corporation's foreign income taxes not deemed paid by reason of paragraph (1).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to acquisitions of United States property (as defined in section 956(c) of the Internal Revenue Code of 1986) after May 20, 2010.

SEC. 405. SPECIAL RULE WITH RESPECT TO CERTAIN REDEMPTIONS BY FOREIGN SUBSIDIARIES.

(a) IN GENERAL.—Paragraph (5) of section 304(b) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

''(B) SPECIAL RULE IN CASE OF FOREIGN ACQUIRING CORPORATION.—In the case of any acquisition to which subsection (a) applies in which the acquiring corporation is a foreign corporation, no earnings and profits shall be taken into account under paragraph (2)(A) (and subparagraph (A) shall not apply) if more than 50 percent of the dividends arising from such acquisition (determined without regard to this subparagraph) would not—

''(i) be subject to tax under this chapter for the taxable year in which the dividends arise, or

''(ii) be includible in the earnings and profits of a controlled foreign corporation (as defined in section 957 and without regard to section 953(c)).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to acquisitions after May 20, 2010.

SEC. 406. MODIFICATION OF AFFILIATION RULES FOR PURPOSES OF RULES ALLOCATING INTEREST EXPENSE.

(a) IN GENERAL.—Subparagraph (A) of section 864(e)(5) is amended by adding at the end the following: ''Notwithstanding the preceding sentence, a foreign corporation shall be treated as a member of the affiliated group if—

''(i) more than 50 percent of the gross income of such foreign corporation for the taxable year is effectively connected with the conduct of a trade or business within the United States, and

''(ii) at least 80 percent of either the vote or value of all outstanding stock of such foreign corporation is owned directly or indirectly by members of the affiliated group (determined with regard to this sentence).''.

(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. 407. TERMINATION OF SPECIAL RULES FOR INTEREST AND DIVIDENDS RECEIVED FROM PERSONS MEETING THE 80-PERCENT FOREIGN BUSINESS REQUIREMENTS.

(a) IN GENERAL.—Paragraph (1) of section 861(a) is amended by striking subparagraph (A) and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(b) GRANDFATHER RULE WITH RESPECT TO WITHHOLDING ON INTEREST AND DIVIDENDS RECEIVED FROM PERSONS MEETING THE 80-PERCENT FOREIGN BUSINESS REQUIREMENTS.—

(1) IN GENERAL.—Subparagraph (B) of section 871(i)(2) is amended to read as follows:

''(B) The active foreign business percentage of—

''(i) any dividend paid by an existing 80/20 company, and

''(ii) any interest paid by an existing 80/20 company.''.

(2) DEFINITIONS AND SPECIAL RULES.—Section 871 is amended by redesignating subsections (l) and (m) as subsections (m) and (n), respectively, and by inserting after subsection (k) the following new subsection:

''(l) RULES RELATING TO EXISTING 80/20 COMPANIES.—For purposes of this subsection and subsection (i)(2)(B)—

''(1) EXISTING 80/20 COMPANY.—

''(A) IN GENERAL.—The term 'existing 80/20 company' means any corporation if—

''(i) such corporation met the 80-percent foreign business requirements of section 861(c)(1) (as in effect before the enactment of this subsection) for such corporation's last taxable year beginning before January 1, 2011,

''(ii) such corporation meets the 80-percent foreign business requirements of subparagraph (B) with respect to each taxable year after the taxable year referred to in clause (i), and

''(iii) there has not been an addition of a substantial line of business with respect to such corporation after the date of the enactment of this subsection.

''(B) FOREIGN BUSINESS REQUIREMENTS.—

''(i) IN GENERAL.—A corporation meets the 80-percent foreign business requirements of this subparagraph if it is shown to the satisfaction of the Secretary that at least 80 percent of the gross income from all sources of such corporation for the testing period is active foreign business income.

''(ii) ACTIVE FOREIGN BUSINESS INCOME.—For purposes of clause (i), the term 'active foreign business income' means gross income which—

''(I) is derived from sources outside the United States (as determined under this subchapter), and

''(II) is attributable to the active conduct of a trade or business in a foreign country or possession of the United States.

''(iii) TESTING PERIOD.—For purposes of this subsection, the term 'testing period' means the 3-year period ending with the close of the taxable year of the corporation preceding the payment (or such part of such period as may be applicable). If the corporation has no gross income for such 3-year period (or part thereof), the testing period shall be the taxable year in which the payment is made.

''(iv) TRANSITION RULE.—In the case of a testing period which includes a taxable year beginning before January 1, 2011, for purposes of determining whether a corporation meets the 80 percent foreign business requirements of this subparagraph for such taxable year, the requirements of subparagraphs (A) and (B) of section 861(c)(1) (as in effect before the enactment of this subsection) shall apply in lieu of clause (i) to such taxable years .

''(2) ACTIVE FOREIGN BUSINESS PERCENTAGE.—The term 'active foreign business percentage' means, with respect to any existing 80/20 company, the percentage which—

''(A) the active foreign business income of such company for the testing period, is of

''(B) the gross income of such company for the testing period from all sources.

''(3) AGGREGATION RULES.—For purposes of applying paragraph (1) (other than subparagraphs (A)(i) and (B)(iv) thereof) and paragraph (2)—

''(A) IN GENERAL.—The corporation referred to in paragraph (1)(A) and all of such corporation's subsidiaries shall be treated as one corporation.

''(B) SUBSIDIARIES.—For purposes of subparagraph (A), the term 'subsidiary' means any corporation in which the corporation referred to in subparagraph (A) owns (directly or indirectly) stock meeting the requirements of section 1504(a)(2) (determined by substituting '50 percent' for '80 percent' each place it appears and without regard to section 1504(b)(3)).

''(4) REGULATIONS.—The Secretary may issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this section, including regulations or other guidance which provide for the proper application of the aggregation rules described in paragraph (3).''.

(c) CONFORMING AMENDMENTS.—

(1) Section 861 is amended by striking subsection (c) and by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively.

(2) Paragraph (9) of section 904(h) is amended to read as follows:

''(9) TREATMENT OF CERTAIN DOMESTIC CORPORATIONS.—In the case of any dividend treated as not from sources within the United States under section 861(a)(2)(A), the corporation paying such dividend shall be treated for purposes of this subsection as a United States-owned foreign corporation.''.

(3) Subsection (c) of section 2104 is amended in the last sentence by striking ''or to a debt obligation of a domestic corporation'' and all that follows and inserting a period.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2010.

(2) GRANDFATHER RULE FOR OUTSTANDING DEBT OBLIGATIONS.—

(A) IN GENERAL.—The amendments made by this section shall not apply to payments of interest on obligations issued before the date of the enactment of this Act.

(B) EXCEPTION FOR RELATED PARTY DEBT.—Subparagraph (A) shall not apply to any interest which is payable to a related person (determined under rules similar to the rules of section 954(d)(3)).

(C) SIGNIFICANT MODIFICATIONS TREATED AS NEW ISSUES.—For purposes of subparagraph (A), a significant modification of the terms of any obligation (including any extension of the term of such obligation) shall be treated as a new issue.

SEC. 408. SOURCE RULES FOR INCOME ON GUARANTEES.

(a) AMOUNTS SOURCED WITHIN THE UNITED STATES.—Subsection (a) of section 861 is amended by adding at the end the following new paragraph:

''(9) GUARANTEES.—Amounts received, directly or indirectly, from—

''(A) a noncorporate resident or domestic corporation for the provision of a guarantee of any indebtedness of such resident or corporation, or

''(B) any foreign person for the provision of a guarantee of any indebtedness of such person, if such amount is connected with income which is effectively connected (or treated as effectively connected) with the conduct of a trade or business in the United States.''.

(b) AMOUNTS SOURCED WITHOUT THE UNITED STATES.—Subsection (a) of section 862 is amended by striking ''and'' at the end of paragraph (7), by striking the period at the end of paragraph (8) and inserting ''; and'', and by adding at the end the following new paragraph:

''(9) amounts received for the provision of a guarantee of indebtedness other than amounts which are derived from sources within the United States as provided in section 861(a)(9).''.

(c) CONFORMING AMENDMENT.—Clause (ii) of section 864(c)(4)(B) is amended by striking ''dividends or interest'' and inserting ''dividends, interest, or amounts received for the provision of guarantees of indebtedness''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to guarantees issued after the date of the enactment of this Act.

SEC. 409. LIMITATION ON EXTENSION OF STATUTE OF LIMITATIONS FOR FAILURE TO NOTIFY SECRETARY OF CERTAIN FOREIGN TRANSFERS.

(a) IN GENERAL.—Paragraph (8) of section 6501(c) is amended—

(1) by striking ''In the case of any information'' and inserting the following:

''(A) IN GENERAL.—In the case of any information''; and

(2) by adding at the end the following:

''(B) APPLICATION TO FAILURES DUE TO REASONABLE CAUSE.—If the failure to furnish the information referred to in subparagraph (A) is due to reasonable cause and not willful neglect, subparagraph (A) shall apply only to the item or items related to such failure.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 513 of the Hiring Incentives to Restore Employment Act.

Subtitle B—Personal Service Income Earned in Pass-thru Entities

SEC. 411. 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. 412. 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).

''(4) SPECIAL RULE FOR DIVIDENDS.—Any dividend taken into account in determining net income or net loss for purposes of paragraph (1) shall not be treated as qualified dividend income for purposes of section 1(h).

''(b) DISPOSITIONS OF PARTNERSHIP INTERESTS.—

''(1) GAIN.—Any gain on the disposition of an investment services partnership interest shall be—

''(A) treated as ordinary income, and

''(B) 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 to which this section applies, over

''(B) the aggregate net loss with respect to such interest allowed under subsection (a)(2)

for all partnership taxable years to which this section applies.

''(3) ELECTION WITH RESPECT TO CERTAIN EXCHANGES.—Paragraph (1)(B) shall not apply to the contribution of an investment services partnership interest to a partnership in exchange for an interest in such partnership if—

''(A) the taxpayer makes an irrevocable election to treat the partnership interest received in the exchange as an investment services partnership interest, and

''(B) the taxpayer agrees to comply with such reporting and recordkeeping requirements as the Secretary may prescribe.

''(4) 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.

''(5) 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. In the case of a taxpayer which satisfies requirements similar to the requirements of subparagraphs (A) and (B) of paragraph (4), this paragraph and paragraph (1)(B) shall not apply to the distribution of a partnership interest if such distribution is in connection with a contribution (or deemed contribution) of any property of the partnership to which section 721 applies pursuant to a transaction described in paragraph (1)(B) or (2) of section 708(b).

''(6) APPLICATION OF SECTION 751.—

''(A) IN GENERAL.—In applying section 751, an investment services partnership interest shall be treated as an inventory item.

''(B) EXCEPTION FOR CERTAIN DISPOSITIONS OF INTERESTS IN A PUBLICLY TRADED PARTNERSHIP.—Except as provided by the Secretary, this paragraph shall not apply in the case of any disposition of an interest in a publicly traded partnership (as defined in section 7704) which is not an investment services partnership interest in the hands of the person disposing of such interest.

''(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, to the extent provided by the Secretary, 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).

''(2) SPECIFIED ASSET.—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.

''(3) EXCEPTION FOR FAMILY FARMS.—The term 'specified asset' shall not include any farm used for farming purposes if such farm is held by a partnership all of the interests in which are held (directly or indirectly) by members of the same family. Terms used in the preceding sentence which are also used in section 2032A shall have the same meaning as when used in such section.

''(4) RELATED PERSONS.—A person shall be treated as related to another person if the relationship between such persons is described in section 267 or 707(b).

''(d) EXCEPTION FOR CERTAIN CAPITAL INTERESTS.—

''(1) 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—

''(A) 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 subsection (c)(1) and who are not related to the partner holding the qualified capital interest, and

''(B) the allocations made to such other interests are significant compared to the allocations made to such qualified capital interest.

''(2) AUTHORITY TO PROVIDE EXCEPTIONS TO ALLOCATION REQUIREMENTS.—To the extent provided by the Secretary in regulations or other guidance—

''(A) ALLOCATIONS TO PORTION OF QUALIFIED CAPITAL INTEREST.—Paragraph (1) may be applied separately with respect to a portion of a qualified capital interest.

''(B) NO OR INSIGNIFICANT ALLOCATIONS TO NONSERVICE PROVIDERS.—In any case in which the requirements of paragraph (1)(B) 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) ALLOCATIONS TO SERVICE PROVIDERS' QUALIFIED CAPITAL INTERESTS WHICH ARE LESS THAN OTHER ALLOCATIONS.—Allocations shall not be treated as failing to meet the requirement of paragraph (1)(A) merely because the allocations to the qualified capital interest represent a lower return than the allocations made to the other qualified capital interests referred to in such paragraph.

''(3) SPECIAL RULE FOR CHANGES IN SERVICES.—In the case of an interest in a partnership which is not an investment services partnership interest and which, by reason of a change in the services with respect to assets held (directly or indirectly) by the partnership, would (without regard to the reasonable expectation exception of subsection (c)(1)) have become such an interest—

''(A) notwithstanding subsection (c)(1), such interest shall be treated as an investment services partnership interest as of the time of such change, and

''(B) for purposes of this subsection, the qualified capital interest of the holder of such partnership interest immediately after such change shall not be less than the fair market value of such interest (determined immediately before such change).

''(4) SPECIAL RULE FOR TIERED PARTNERSHIPS.—Except as otherwise provided by the Secretary, in the case of tiered partnerships, all items which are allocated in a manner which meets the requirements of paragraph (1) to qualified capital interests in a lower-tier partnership shall retain such character to the extent allocated on the basis of qualified capital interests in any upper-tier partnership.

''(5) EXCEPTION FOR NO-SELF-CHARGED CARRY AND MANAGEMENT FEE PROVISIONS.—Except as otherwise provided by the Secretary, an interest shall not fail to be treated as satisfying the requirement of paragraph (1)(A) merely because the allocations made by the partnership to such interest do not reflect the cost of services described in subsection (c)(1) which are provided (directly or indirectly) to the partnership by the holder of such interest (or a related person).

''(6) 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—

''(A) the distributive share of gain or loss that would have been allocated to the qualified capital interest (consistent with the requirements of paragraph (1)) if the partnership had sold all of its assets at fair market value immediately before the disposition, bears to

''(B) the distributive share of gain or loss that would have been so allocated to the investment services partnership interest of which such qualified capital interest is a part.

''(7) QUALIFIED CAPITAL INTEREST.—For purposes of this subsection—

''(A) IN GENERAL.—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, over

''(II) any items of deduction and loss so taken into account.

''(B) ADJUSTMENT TO QUALIFIED CAPITAL INTEREST.—

''(i) DISTRIBUTIONS AND LOSSES.—The qualified capital interest shall be reduced by distributions from the partnership with respect to such interest and by the excess (if any) of the amount described in subparagraph (A)(iii)(II) over the amount described in subparagraph (A)(iii)(I).

''(ii) SPECIAL RULE FOR CONTRIBUTIONS OF PROPERTY.—In the case of any contribution of property described in subparagraph (A)(i) with respect to which the fair market value of such property is not equal to the adjusted basis of such property immediately before such contribution, proper adjustments shall be made to the qualified capital interest to take into account such difference consistent with such regulations or other guidance as the Secretary may provide.

''(8) TREATMENT OF CERTAIN LOANS.—

''(A) PROCEEDS OF PARTNERSHIP LOANS NOT TREATED AS QUALIFIED CAPITAL INTEREST OF SERVICE PROVIDING PARTNERS.—For purposes of this subsection, 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).

''(B) REDUCTION IN ALLOCATIONS TO QUALIFIED CAPITAL INTERESTS FOR LOANS FROM NONSERVICE- PROVIDING PARTNERS TO THE PARTNERSHIP.—For purposes of this subsection, any loan or other advance to the partnership made or guaranteed, directly or indirectly, by a partner not providing services described in subsection (c)(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.

''(e) 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 subsections (a)(4) and (d) 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).

''(f) 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.

''(g) SPECIAL RULES FOR INDIVIDUALS.—In the case of an individual—

''(1) IN GENERAL.—Subsection (a)(1) shall apply only to the applicable percentage of the net income or net loss referred to in such subsection.

''(2) DISPOSITIONS, ETC.—The amount which (but for this paragraph) would be treated as ordinary income by reason of subsection (b) or (e) shall be the applicable percentage of such amount.

''(3) PRO RATA ALLOCATION TO ITEMS.—For purposes of applying subsections (a) and (e), the aggregate amount treated as ordinary income for any such taxable year shall be allocated ratably among the items of income, gain, loss, and deduction taken into account in determining such amount.

''(4) SPECIAL RULE FOR RECOGNITION OF GAIN.—Gain which (but for this section) would not be recognized shall be recognized by reason of subsection (b) only to the extent that such gain is treated as ordinary income after application of paragraph (2).

''(5) COORDINATION WITH LIMITATION ON LOSSES.—For purposes of applying paragraph (2) of subsection (a) with respect to any net loss for any taxable year—

''(A) such paragraph shall only apply with respect to the applicable percentage of such net loss for such taxable year,

''(B) in the case of a prior partnership taxable year referred to in clause (i) or (ii) of subparagraph (A) of such paragraph, only the applicable percentage (as in effect for such prior taxable year) of net income or net loss for such prior partnership taxable year shall be taken into account, and

''(C) any net loss carried forward to the succeeding partnership taxable year under subparagraph (B) of such paragraph shall—

''(i) be taken into account in such succeeding year without reduction under this subsection, and

''(ii) in lieu of being taken into account as an item of loss in such succeeding year, shall be taken into account—

''(I) as an increase in net loss or as a reduction in net income (including below zero), as the case may be, and

''(II) after any reduction in the amount of such net loss or net income under this subsection.

A rule similar to the rule of the preceding sentence shall apply for purposes of subsection (b)(2)(A).

''(6) COORDINATION WITH TREATMENT OF DIVIDENDS.—Subsection (a)(4) shall only apply to the applicable percentage of dividends described therein.

''(7) APPLICABLE PERCENTAGE.—For purposes of this subsection—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'applicable percentage' means 75 percent.

''(B) EXCEPTIONS FOR SALES OF INTERESTS AND ASSETS HELD AT LEAST 5 YEARS.—

''(i) IN GENERAL.—The applicable percentage shall be 50 percent with respect to—

''(I) any net income or net loss under subsection (a)(1), or any income or gain under subsection (e) which is properly allocable to gain or loss from the sale or exchange of any asset which has been held at least 5 years, and

''(II) to the extent provided under clause (ii), gain or loss under subsection (b) on the disposition of an investment services partnership interest or gain under subsection (e) with respect to a disqualified interest, but only if such interest has been held for at least 5 years.

''(ii) LOOK THROUGH IN THE CASE OF DISPOSITION OF INTEREST.—Except as provided by the Secretary, in the case of a disposition of an interest in an entity described in clause (i)(II), clause (i) shall be applied only to the portion of the gain or loss attributable to the assets of such entity which have been held for at least 5 years, unless substantially all of such assets have been held for at least 5 years. In the case of tiered entities, the preceding sentence shall be applied by reference to the assets of such entities rather than to an interest in such entities.

''(iii) SPECIAL RULE FOR SECTION 197 INTANGIBLE GAIN OF MANAGEMENT ENTITIES.—

''(I) IN GENERAL.—In the case of the disposition of an investment services partnership interest in a management entity which has been held for at least 5 years, any section 197 intangible gain with respect to such interest shall be treated as gain from an asset held for at least 5 years. In the case of tiered management entities, the holding period requirement under the preceding sentence shall apply with respect to interests in each such management entity.

''(II) VALUATION BURDEN ON THE TAXPAYER.—This clause shall not apply to any gain from the disposition of an investment services partnership interest unless the taxpayer establishes (in such manner as the Secretary shall provide) the amount of the section 197 intangible gain with respect to such disposition.

''(C) MANAGEMENT ENTITY.—For purposes of this paragraph, the term 'management entity' means a partnership the principal activity of which is providing the services described in subsection (c) with respect to assets held (directly or indirectly) by such partnership.

''(D) SECTION 197 INTANGIBLE GAIN.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'section 197 intangible gain' means, with respect to any management entity, gain recognized on the disposition of an investment services partnership interest in such entity which is attributable to any section 197 intangible (within the meaning of section 197(d)).

''(ii) VALUE OF INVESTMENT SERVICES PARTNERSHIP INTEREST DISREGARDED.—Except as provided by the Secretary, no portion of the value of an investment services partnership interest (other than the interest being disposed of) shall be taken into account in determining section 197 intangible gain.

''(iii) LIMITATION.—For purposes of clause (i), gain from the disposition of an investment services partnership interest shall in no event be treated as attributable to a section 197 intangible (within the meaning of section 197(d)) if such gain would be included in the amount of the distribution which the partner disposing of such interest would receive if the partnership sold (at the time of the disposition) 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.

''(iv) REGULATIONS.—The Secretary shall prescribe regulations or guidance which provide—

''(I) the acceptable valuation methods for purposes of this subparagraph, except that such methods shall not include any valuation method which is inconsistent with the method used by the taxpayer for other purposes (including reporting asset valuations to partners or marketing the partnership or any lower-tier partnership to prospective partners) if such inconsistent valuation method would result in a greater amount of section 197 intangible gain than would result

under the valuation method used by the taxpayer for such other purposes,

''(II) circumstances under which valuations are sufficiently independent to provide an accurate determination of fair market value, and

''(III) any information required to be furnished to the Secretary by the parties to the disposition with respect to such valuation.

''(h) CROSS REFERENCE.—For 40 percent penalty on certain underpayments due to the avoidance of this section, see section 6662.''.

(b) TREATMENT FOR PURPOSES OF SECTION 7704.—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 section 710 (relating to special rules for partners providing investment management services to partnership). The preceding sentence shall not apply to any item described in paragraph (1)(E) (or so much of paragraph (1)(F) as relates to paragraph (1)(E)).

''(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.—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 is amended by inserting after paragraph (7) the following new paragraph:

''(8) The application of subsection (e) of section 710, the regulations or other guidance prescribed under section 710(f) to prevent the avoidance of the purposes of section 710, or the regulations or other guidance prescribed under section 710(g)(7)(D)(iv).''.

(2) AMOUNT OF PENALTY.—

(A) IN GENERAL.—Section 6662 is amended by adding at the end the following new subsection:

''(k) 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)(8), subsection (a) shall be applied with respect to such portion by substituting '40 percent' for '20 percent'.''.

(B) CONFORMING AMENDMENT.—Subparagraph (B) of section 6662A(e)(2) is amended by striking ''or (i)'' and inserting '', (i), or (k)''.

(3) SPECIAL RULES FOR APPLICATION OF REASONABLE CAUSE EXCEPTION.—Subsection (c) of section 6664 is amended—

(A) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively;

(B) by striking ''paragraph (3)'' in paragraph (5)(A), as so redesignated, and inserting ''paragraph (4)''; and

(C) by inserting after paragraph (2) the following new paragraph:

''(3) 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 section 6662 applies by reason of subsection (b)(8) 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 striking ''and'' at the end of paragraph (15), by striking the period at the end of paragraph (16) and inserting ''; and'', and 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, 2010.

(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, 2010, 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, 2010.

(4) OTHER INCOME AND GAIN IN CONNECTION WITH INVESTMENT MANAGEMENT SERVICES.—Section 710(e) of such Code (as added by this section) shall take effect on December 31, 2010.

SEC. 413. EMPLOYMENT TAX TREATMENT OF PROFESSIONAL SERVICE BUSINESSES.

(a) IN GENERAL.—Section 1402 is amended by adding at the end the following new subsection:

''(m) SPECIAL RULES FOR PROFESSIONAL SERVICE BUSINESSES.—

''(1) SHAREHOLDERS PROVIDING SERVICES TO DISQUALIFIED S CORPORATIONS.—

''(A) IN GENERAL.—In the case of any disqualified S corporation, each shareholder of such disqualified S corporation who provides substantial services with respect to the professional service business referred to in subparagraph (C) shall take into account such shareholder's pro rata share of all items of income or loss described in section 1366 which are attributable to such business in determining the shareholder's net earnings from self-employment.

''(B) TREATMENT OF FAMILY MEMBERS.—Except as otherwise provided by the Secretary, the shareholder's pro rata share of items referred to in subparagraph (A) shall be increased by the pro rata share of such items of each member of such shareholder's family (within the meaning of section 318(a)(1)) who does not provide substantial services with respect to such professional service business.

''(C) DISQUALIFIED S CORPORATION.—For purposes of this subsection, the term 'disqualified S corporation' means—

''(i) any S corporation which is a partner in a partnership which is engaged in a professional service business if substantially all of the activities of such S corporation are performed in connection with such partnership, and

''(ii) any other S corporation which is engaged in a professional service business if 80 percent or more of the gross income of such business is attributable to service of 3 or fewer shareholders of such corporation.

''(2) PARTNERS.—In the case of any partnership which is engaged in a professional service business, subsection (a)(13) shall not apply to any partner who provides substantial services with respect to such professional service business.

''(3) PROFESSIONAL SERVICE BUSINESS.—For purposes of this subsection, the term 'professional service business' means any trade or business (or portion thereof) providing services in the fields of health, law, lobbying, engineering, architecture, accounting, actuarial science, performing arts, consulting,

athletics, investment advice or management, or brokerage services.

''(4) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, including regulations which prevent the avoidance of the purposes of this subsection through tiered entities or otherwise.

''(5) CROSS REFERENCE.—For employment tax treatment of wages paid to shareholders of S corporations, see subtitle C.''.

(b) CONFORMING AMENDMENT.—Section 211 of the Social Security Act is amended by adding at the end the following new subsection:

''(l) SPECIAL RULES FOR PROFESSIONAL SERVICE BUSINESSES.—

''(1) SHAREHOLDERS PROVIDING SERVICES TO DISQUALIFIED S CORPORATIONS.—

''(A) IN GENERAL.—In the case of any disqualified S corporation, each shareholder of such disqualified S corporation who provides substantial services with respect to the professional service business referred to in subparagraph (C) shall take into account such shareholder's pro rata share of all items of income or loss described in section 1366 of the Internal Revenue Code of 1986 which are attributable to such business in determining the shareholder's net earnings from self-employment.

''(B) TREATMENT OF FAMILY MEMBERS.—Except as otherwise provided by the Secretary of the Treasury, the shareholder's pro rata share of items referred to in subparagraph (A) shall be increased by the pro rata share of such items of each member of such shareholder's family (within the meaning of section 318(a)(1) of the Internal Revenue Code of 1986) who does not provide substantial services with respect to such professional service business.

''(C) DISQUALIFIED S CORPORATION.—For purposes of this subsection, the term 'disqualified S corporation' means—

''(i) any S corporation which is a partner in a partnership which is engaged in a professional service business if substantially all of the activities of such S corporation are performed in connection with such partnership, and

''(ii) any other S corporation which is engaged in a professional service business if 80 percent or more of the gross income of such business is attributable to service of 3 or fewer shareholders of such corporation.

''(2) PARTNERS.—In the case of any partnership which is engaged in a professional service business, subsection (a)(12) shall not apply to any partner who provides substantial services with respect to such professional service business.

''(3) PROFESSIONAL SERVICE BUSINESS.—For purposes of this subsection, the term 'professional service business' means any trade or business (or portion thereof) providing services in the fields of health, law, lobbying, engineering, architecture, accounting, actuarial science, performing arts, consulting, athletics, investment advice or management, or brokerage services.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

Subtitle C—Corporate Provisions

SEC. 421. TREATMENT OF SECURITIES OF A CONTROLLED CORPORATION EXCHANGED FOR ASSETS IN CERTAIN REORGANIZATIONS.

(a) IN GENERAL.—Section 361 (relating to nonrecognition of gain or loss to corporations; treatment of distributions) is amended by adding at the end the following new subsection:

''(d) SPECIAL RULES FOR TRANSACTIONS INVOLVING SECTION 355 DISTRIBUTIONS.—In the case of a reorganization described in section 368(a)(1)(D) with respect to which stock or securities of the corporation to which the assets are transferred are distributed in a transaction which qualifies under section 355—

''(1) this section shall be applied by substituting 'stock other than nonqualified preferred stock (as defined in section 351(g)(2))' for 'stock or securities' in subsections (a) and (b)(1), and

''(2) the first sentence of subsection (b)(3) shall apply only to the extent that the sum of the money and the fair market value of the other property transferred to such creditors does not exceed the adjusted bases of such assets transferred (reduced by the amount of the liabilities assumed (within the meaning of section 357(c))).''.

(b) CONFORMING AMENDMENT.—Paragraph (3) of section 361(b) is amended by striking the last sentence.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to exchanges after the date of the enactment of this Act.

(2) TRANSITION RULE.—The amendments made by this section shall not apply to any exchange pursuant to a transaction which is—

(A) made pursuant to a written agreement which was binding on March 15, 2010, and at all times thereafter;

(B) described in a ruling request submitted to the Internal Revenue Service on or before such date; or

(C) described on or before such date in a public announcement or in a filing with the Securities and Exchange Commission.

SEC. 422. TAXATION OF BOOT RECEIVED IN REORGANIZATIONS.

(a) IN GENERAL.—Paragraph (2) of section 356(a) is amended—

(1) by striking ''If an exchange'' and inserting ''Except as otherwise provided by the Secretary—

''(A) IN GENERAL.—If an exchange'';

(2) by striking ''then there shall be'' and all that follows through ''February 28, 1913'' and inserting ''then the amount of other property or money shall be treated as a dividend to the extent of the earnings and profits of the corporation''; and

(3) by adding at the end the following new subparagraph:

''(B) CERTAIN REORGANIZATIONS.—In the case of a reorganization described in section 368(a)(1)(D) to which section 354(b)(1) applies or any other reorganization specified by the Secretary, in applying subparagraph (A)—

''(i) the earnings and profits of each corporation which is a party to the reorganization shall be taken into account, and

''(ii) the amount which is a dividend (and source thereof) shall be determined under rules similar to the rules of paragraphs (2) and (5) of section 304(b).''.

(b) EARNINGS AND PROFITS.—Paragraph (7) of section 312(n) is amended by adding at the end the following: ''A similar rule shall apply to an exchange to which section 356(a)(1) applies.''.

(c) CONFORMING AMENDMENT.—Paragraph (1) of section 356(a) is amended by striking ''then the gain'' and inserting ''then (except as provided in paragraph (2)) the gain''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to exchanges after the date of the enactment of this Act.

(2) TRANSITION RULE.—The amendments made by this section shall not apply to any exchange between unrelated persons pursuant to a transaction which is—

(A) made pursuant to a written agreement which was binding on May 20, 2010, and at all times thereafter;

(B) described in a ruling request submitted to the Internal Revenue Service on or before such date; or

(C) described in a public announcement or filing with the Securities and Exchange Commission on or before such date.

(3) RELATED PERSONS.—For purposes of this subsection, a person shall be treated as related to another person if the relationship between such persons is described in section 267 or 707(b) of the Internal Revenue Code of 1986.

Subtitle D—Other Provisions

SEC. 431. MODIFICATIONS WITH RESPECT TO OIL SPILL LIABILITY TRUST FUND.

(a) EXTENSION OF APPLICATION OF OIL SPILL LIABILITY TRUST FUND FINANCING RATE.—Paragraph (2) of section 4611(f) is amended by striking ''December 31, 2017'' and inserting ''December 31, 2020''.

(b) INCREASE IN OIL SPILL LIABILITY TRUST FUND FINANCING RATE.—Subparagraph (B) of section 4611(c)(2) is amended to read as follows:

''(B) the Oil Spill Liability Trust Fund financing rate is 49 cents a barrel.''.

(c) INCREASE IN PER INCIDENT LIMITATIONS ON EXPENDITURES.—Subparagraph (A) of section 9509(c)(2) is amended—

(1) by striking ''$1,000,000,000'' in clause (i) and inserting ''$5,000,000,000'';

(2) by striking ''$500,000,000'' in clause (ii) and inserting ''$2,500,000,000''; and

(3) by striking ''$1,000,000,000 PER INCIDENT, ETC'' in the heading and inserting ''PER INCIDENT LIMITATIONS''.

(d) EFFECTIVE DATE.—

(1) EXTENSION OF FINANCING RATE.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) INCREASE IN FINANCING RATE.—The amendment made by subsection (b) shall apply to crude oil received and petroleum products entered during calendar quarters beginning more than 60 days after the date of the enactment of this Act.

SEC. 432. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

The percentage under paragraph (2) of section 561 of the Hiring Incentives to Restore Employment Act in effect on the date of the enactment of this Act is increased by 36 percentage points.

SEC. 433. DENIAL OF DEDUCTION FOR PUNITIVE DAMAGES.

(a) DISALLOWANCE OF DEDUCTION FOR PUNITIVE DAMAGES.—

(1) IN GENERAL.—Section 162(g) (relating to treble damage payments under the antitrust laws) is amended—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(B) by striking ''If'' and inserting:

''(1) TREBLE DAMAGES.—If'', and

(C) by adding at the end the following new paragraph:

''(2) PUNITIVE DAMAGES.—No deduction shall be allowed under this chapter for any amount paid or incurred for punitive damages in connection with any judgment in, or settlement of, any action. This paragraph shall not apply to punitive damages described in section 104(c).''.

(2) CONFORMING AMENDMENT.—The heading for section 162(g) is amended by inserting ''OR PUNITIVE DAMAGES'' after ''LAWS''.

(b) INCLUSION IN INCOME OF PUNITIVE DAMAGES PAID BY INSURER OR OTHERWISE.—

(1) IN GENERAL.—Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end the following new section:

''SEC. 91. PUNITIVE DAMAGES COMPENSATED BY INSURANCE OR OTHERWISE.

''Gross income shall include any amount paid to or on behalf of a taxpayer as insurance or otherwise by reason of the taxpayer's

liability (or agreement) to pay punitive damages.''.

(2) REPORTING REQUIREMENTS.—Section 6041 (relating to information at source) is amended by adding at the end the following new subsection:

''(h) SECTION TO APPLY TO PUNITIVE DAMAGES COMPENSATION.—This section shall apply to payments by a person to or on behalf of another person as insurance or otherwise by reason of the other person's liability (or agreement) to pay punitive damages.''.

(3) CONFORMING AMENDMENT.—The table of sections for part II of subchapter B of chapter 1 is amended by adding at the end the following new item:

''Sec. 91. Punitive damages compensated by insurance or otherwise.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to damages paid or incurred after December 31, 2011.

TITLE V—UNEMPLOYMENT, HEALTH, AND OTHER ASSISTANCE

Subtitle A—Unemployment Insurance and Other Assistance

SEC. 501. EXTENSION OF UNEMPLOYMENT INSURANCE PROVISIONS.

(a) IN GENERAL.—(1) Section 4007 of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

(A) by striking ''June 2, 2010'' each place it appears and inserting ''November 30, 2010'';

(B) in the heading for subsection (b)(2), by striking ''JUNE 2, 2010'' and inserting ''NOVEMBER 30, 2010''; and

(C) in subsection (b)(3), by striking ''November 6, 2010'' and inserting ''April 30, 2011''.

(2) Section 2005 of the Assistance for Unemployed Workers and Struggling Families Act, as contained in Public Law 111–5 (26 U.S.C. 3304 note; 123 Stat. 444), is amended—

(A) by striking ''June 2, 2010'' each place it appears and inserting ''December 1, 2010''; and

(B) in subsection (c), by striking ''November 6, 2010'' and inserting ''May 1, 2011''.

(3) Section 5 of the Unemployment Compensation Extension Act of 2008 (Public Law 110–449; 26 U.S.C. 3304 note) is amended by striking ''November 6, 2010'' and inserting ''April 30, 2011''.

(b) FUNDING.—Section 4004(e)(1) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

(1) in subparagraph (D), by striking ''and'' at the end; and

(2) by inserting after subparagraph (E) the following:

''(F) the amendments made by section 501(a)(1) of the American Jobs and Closing Tax Loopholes Act of 2010; and''.

(c) CONDITIONS FOR RECEIVING EMERGENCY UNEMPLOYMENT COMPENSATION.—Section 4001(d)(2) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended, in the matter preceding subparagraph (A), by inserting before ''shall apply'' the following: ''(including terms and conditions relating to availability for work, active search for work, and refusal to accept work)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the Continuing Extension Act of 2010 (Public Law 111–157).

SEC. 502. COORDINATION OF EMERGENCY UNEMPLOYMENT COMPENSATION WITH REGULAR COMPENSATION.

(a) CERTAIN INDIVIDUALS NOT INELIGIBLE BY REASON OF NEW ENTITLEMENT TO REGULAR BENEFITS.—Section 4002 of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended by adding at the end the following:

''(g) COORDINATION OF EMERGENCY UNEMPLOYMENT COMPENSATION WITH REGULAR COMPENSATION.—

''(1) If—

''(A) an individual has been determined to be entitled to emergency unemployment compensation with respect to a benefit year,

''(B) that benefit year has expired,

''(C) that individual has remaining entitlement to emergency unemployment compensation with respect to that benefit year, and

''(D) that individual would qualify for a new benefit year in which the weekly benefit amount of regular compensation is at least either $100 or 25 percent less than the individual's weekly benefit amount in the benefit year referred to in subparagraph (A),

then the State shall determine eligibility for compensation as provided in paragraph (2).

''(2) For individuals described in paragraph (1), the State shall determine whether the individual is to be paid emergency unemployment compensation or regular compensation for a week of unemployment using one of the following methods:

''(A) The State shall, if permitted by State law, establish a new benefit year, but defer the payment of regular compensation with respect to that new benefit year until exhaustion of all emergency unemployment compensation payable with respect to the benefit year referred to in paragraph (1)(A);

''(B) The State shall, if permitted by State law, defer the establishment of a new benefit year (which uses all the wages and employment which would have been used to establish a benefit year but for the application of this paragraph), until exhaustion of all emergency unemployment compensation payable with respect to the benefit year referred to in paragraph(1)(A);

''(C) The State shall pay, if permitted by State law—

''(i) regular compensation equal to the weekly benefit amount established under the new benefit year, and

''(ii) emergency unemployment compensation equal to the difference between that weekly benefit amount and the weekly benefit amount for the expired benefit year; or

''(D) The State shall determine rights to emergency unemployment compensation without regard to any rights to regular compensation if the individual elects to not file a claim for regular compensation under the new benefit year.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to individuals whose benefit years, as described in section 4002(g)(1)(B) the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note), as amended by this section, expire after the date of enactment of this Act.

SEC. 503. EXTENSION OF THE EMERGENCY CONTINGENCY FUND.

(a) IN GENERAL.—Section 403(c) of the Social Security Act (42 U.S.C. 603(c)) is amended—

(1) in paragraph (2)(A), by inserting '', and for fiscal year 2011, $2,500,000,000'' before ''for payment'';

(2) by striking paragraph (2)(B) and inserting the following:

''(B) AVAILABILITY AND USE OF FUNDS.—

''(i) FISCAL YEARS 2009 AND 2010.—The amounts appropriated to the Emergency Fund under subparagraph (A) for fiscal year 2009 shall remain available through fiscal year 2010 and shall be used to make grants to States in each of fiscal years 2009 and 2010 in accordance with paragraph (3), except that the amounts shall remain available through fiscal year 2011 to make grants and payments to States in accordance with paragraph (3)(C) to cover expenditures to subsidize employment positions held by individuals placed in the positions before fiscal year 2011.

''(ii) FISCAL YEAR 2011.—Subject to clause (iii), the amounts appropriated to the Emergency Fund under subparagraph (A) for fiscal year 2011 shall remain available through fiscal year 2012 and shall be used to make grants to States based on expenditures in fiscal year 2011 for benefits and services provided in fiscal year 2011 in accordance with the requirements of paragraph (3).

''(iii) RESERVATION OF FUNDS.—Of the amounts appropriated to the Emergency Fund under subparagraph (A) for fiscal year 2011, $500,000 shall be placed in reserve for use in fiscal year 2012, and shall be used to award grants for any expenditures described in this subsection incurred by States after September 30, 2011.'';

(3) in paragraph (2)(C), by striking ''2010'' and inserting ''2012'';

(4) in paragraph (3)—

(A) in clause (i) of each of subparagraphs (A), (B), and (C)—

(i) by striking ''year 2009 or 2010'' and inserting ''years 2009 through 2011'';

(ii) by striking ''and'' at the end of subclause (I);

(iii) by striking the period at the end of subclause (II) and inserting ''; and''; and

(iv) by adding at the end the following:

''(III) if the quarter is in fiscal year 2011, has provided the Secretary with such information as the Secretary may find necessary in order to make the determinations, or take any other action, described in paragraph (5)(C).''; and

(B) in subparagraph (C), by adding at the end the following:

''(iv) LIMITATION ON EXPENDITURES FOR SUBSIDIZED EMPLOYMENT.—An expenditure for subsidized employment shall be taken into account under clause (ii) only if the expenditure is used to subsidize employment for—

''(I) a member of a needy family (without regard to whether the family is receiving assistance under the State program funded under this part); or

''(II) an individual who has exhausted (or, within 60 days, will exhaust) all rights to receive unemployment compensation under Federal and State law, and who is a member of a needy family.'';

(5) by striking paragraph (5) and inserting the following:

''(5) LIMITATIONS ON PAYMENTS; ADJUSTMENT AUTHORITY.—

''(A) FISCAL YEARS 2009 AND 2010.—The total amount payable to a single State under subsection (b) and this subsection for fiscal years 2009 and 2010 combined shall not exceed 50 percent of the annual State family assistance grant.

''(B) FISCAL YEAR 2011.—Subject to subparagraph (C), the total amount payable to a single State under subsection (b) and this subsection for fiscal year 2011 shall not exceed 30 percent of the annual State family assistance grant.

''(C) ADJUSTMENT AUTHORITY.—If the Secretary determines that the Emergency Fund is at risk of being depleted before September 30, 2011, or that funds are available to accommodate additional State requests under this subsection, the Secretary may, through program instructions issued without regard to the requirements of section 553 of title 5, United States Code—

''(i) specify priority criteria for awarding grants to States during fiscal year 2011; and

''(ii) adjust the percentage limitation applicable under subparagraph (B) with respect to the total amount payable to a single State for fiscal year 2011.''; and

(6) in paragraph (6), by inserting ''or for expenditures described in paragraph (3)(C)(iv)'' before the period.

(b) CONFORMING AMENDMENTS.—Section 2101 of division B of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5) is amended—

(1) in subsection (a)(2)—

(A) by striking ''2010'' and inserting ''2011''; and

(B) by striking all that follows ''repealed'' and inserting a period; and

(2) in subsection (d)(1), by striking ''2010'' and inserting ''2011''.

(c) PROGRAM GUIDANCE.—The Secretary of Health and Human Services shall issue program guidance, without regard to the requirements of section 553 of title 5, United States Code, which ensures that the funds provided under the amendments made by this section to a jurisdiction for subsidized employment do not support any subsidized employment position the annual salary of which is greater than, at State option—

(1) 200 percent of the poverty line (within the meaning of section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section 673(2)) for a family of 4; or

(2) the median wage in the jurisdiction.

SEC. 504. REQUIRING STATES TO NOT REDUCE REGULAR COMPENSATION IN ORDER TO BE ELIGIBLE FOR FUNDS UNDER THE EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM.

Section 4001 of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended by adding at the end the following new subsection:

''(g) NONREDUCTION RULE.—An agreement under this section shall not apply (or shall cease to apply) with respect to a State upon a determination by the Secretary that the method governing the computation of regular compensation under the State law of that State has been modified in a manner such that—

''(1) the average weekly benefit amount of regular compensation which will be payable during the period of the agreement occurring on or after June 2, 2010 (determined disregarding any additional amounts attributable to the modification described in section 2002(b)(1) of the Assistance for Unemployed Workers and Struggling Families Act, as contained in Public Law 111–5 (26 U.S.C. 3304 note; 123 Stat. 438)), will be less than

''(2) the average weekly benefit amount of regular compensation which would otherwise have been payable during such period under the State law, as in effect on June 2, 2010.''.

Subtitle B—Health Provisions

SEC. 511. EXTENSION OF SECTION 508 RECLASSIFICATIONS.

(a) IN GENERAL.—Section 106(a) of division B of the Tax Relief and Health Care Act of 2006 (42 U.S.C. 1395 note), as amended by section 117 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Public Law 110–173), section 124 of the Medicare Improvements for Patients and Providers Act of 2008 (Public Law 110–275), and sections 3137(a) and 10317 of Public Law 111–148, is amended by striking ''September 30, 2010'' and inserting ''September 30, 2011''.

(b) CONFORMING AMENDMENT.—Section 117(a)(3) of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Public Law 110–173)), is amended by inserting ''in fiscal years 2008 and 2009'' after ''For purposes of implementation of this subsection''.

SEC. 512. REPEAL OF DELAY OF RUG-IV.

Effective as if included in the enactment of Public Law 111–148, section 10325 of such Act is repealed.

SEC. 513. LIMITATION ON REASONABLE COSTS PAYMENTS FOR CERTAIN CLINICAL DIAGNOSTIC LABORATORY TESTS FURNISHED TO HOSPITAL PATIENTS IN CERTAIN RURAL AREAS.

Section 3122 of Public Law 111–148 is repealed and the provision of law amended by such section is restored as if such section had not been enacted.

SEC. 514. FUNDING FOR CLAIMS REPROCESSING.

For purposes of carrying out the provisions of, and amendments made by, this Act that relate to title XVIII of the Social Security Act, and other provisions of such title that involve reprocessing of claims, there are appropriated to the Secretary of Health and Human Services for the Centers for Medicare & Medicaid Services Program Management Account, from amounts in the general fund of the Treasury not otherwise appropriated, $175,000,000. Amounts appropriated under the preceding sentence shall remain available until expended.

SEC. 515. MEDICAID AND CHIP TECHNICAL CORRECTIONS.

(a) REPEAL OF EXCLUSION OF CERTAIN INDIVIDUALS AND ENTITIES FROM MEDICAID.—Section 6502 of Public Law 111–148 is repealed and the provisions of law amended by such section are restored as if such section had never been enacted. Nothing in the previous sentence shall affect the execution or placement of the insertion made by section 6503 of such Act.

(b) INCOME LEVEL FOR CERTAIN CHILDREN UNDER MEDICAID.—Effective as if included in the enactment of Public Law 111–148, section 2001(a)(5)(B) of such Act is amended by striking all that follows ''is amended'' and inserting the following: ''by inserting after '100 percent' the following: '(or, beginning January 1, 2014, 133 percent)'.''.

(c) CALCULATION AND PUBLICATION OF PAYMENT ERROR RATE MEASUREMENT FOR CERTAIN YEARS.—Section 601(b) of the Children's Health Insurance Program Reauthorization Act of 2009 (Public Law 111–3) is amended by adding at the end the following: ''The Secretary is not required under this subsection to calculate or publish a national or a State-specific error rate for fiscal year 2009 or fiscal year 2010.''.

(d) CORRECTIONS TO EXCEPTIONS TO EXCLUSION OF CHILDREN OF CERTAIN EMPLOYEES.—Section 2110(b)(6) of the Social Security Act (42 U.S.C. 1397jj(b)(6)) is amended—

(1) in subparagraph (B)—

(A) by striking ''PER PERSON'' in the heading; and

(B) by striking ''each employee'' and inserting ''employees''; and

(2) in subparagraph (C), by striking '', on a case-by-case basis,''.

(e) ELECTRONIC HEALTH RECORDS.—Effective as if included in the enactment of section 4201(a)(2) of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5), section 1903(t) of the Social Security Act (42 U.S.C. 1396b(t)) is amended—

(1) in paragraph (3)(E), by striking ''reduced by any payment that is made to such Medicaid provider from any other source (other than under this subsection or by a State or local government)'' and inserting ''reduced by the average payment the Secretary estimates will be made to such Medicaid providers (determined on a percentage or other basis for such classes or types of providers as the Secretary may specify) from other sources (other than under this subsection, or by the Federal government or a State or local government)''; and

(2) in paragraph (6)(B), by inserting before the period the following: ''and shall be determined to have met such responsibility to the extent that the payment to the Medicaid provider is not in excess of 85 percent of the net average allowable cost''.

(f) CORRECTIONS OF DESIGNATIONS.—

(1) Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended—

(A) in subsection (a)(10), in the matter following subparagraph (G), by striking ''and'' before ''(XVI) the medical'' and by striking ''(XVI) if'' and inserting ''(XVII) if''; and

(B) in subsection (ii)(2), by striking ''(XV)'' and inserting ''(XVI)''.

(2) Section 2107(e)(1) of the Social Security Act (42 U.S.C. 1397gg(e)(1)) is amended by redesignating the subparagraph (N) of that section added by 2101(e) of Public Law 111–148 as subparagraph (O).

SEC. 516. ADDITION OF INPATIENT DRUG DISCOUNT PROGRAM TO 340B DRUG DISCOUNT PROGRAM.

(a) ADDITION OF INPATIENT DRUG DISCOUNT.—Title III of the Public Health Service Act is amended by inserting after section 340B (42 U.S.C. 256b) the following:

''SEC. 340B–1. DISCOUNT INPATIENT DRUGS FOR INDIVIDUALS WITHOUT PRESCRIPTION DRUG COVERAGE.

''(a) REQUIREMENTS FOR AGREEMENTS WITH THE SECRETARY.—

''(1) IN GENERAL.—

''(A) AGREEMENT.—The Secretary shall enter into an agreement with each manufacturer of covered inpatient drugs under which the amount required to be paid (taking into account any rebate or discount, as provided by the Secretary) to the manufacturer for covered inpatient drugs (other than drugs described in paragraph (3)) purchased by a covered entity on or after January 1, 2011, does not exceed an amount equal to the average manufacturer price for the drug under title XIX of the Social Security Act in the preceding calendar quarter, reduced by the rebate percentage described in paragraph (2). For a covered inpatient drug that also is a covered outpatient drug under section 340B, the amount required to be paid under the preceding sentence shall be equal to the amount required to be paid under section 340B(a)(1) for such drug. The agreement with a manufacturer under this subparagraph may, at the discretion of the Secretary, be included in the agreement with the same manufacturer under section 340B.

''(B) CEILING PRICE.—Each such agreement shall require that the manufacturer furnish the Secretary with reports, on a quarterly basis, of the price for each covered inpatient drug subject to the agreement that, according to the manufacturer, represents the maximum price that covered entities may permissibly be required to pay for the drug (referred to in this section as the 'ceiling price'), and shall require that the manufacturer offer each covered entity covered inpatient drugs for purchase at or below the applicable ceiling price if such drug is made available to any other purchaser at any price.

''(C) ALLOCATION METHOD.—Each such agreement shall require that, if the supply of a covered inpatient drug is insufficient to meet demand, then the manufacturer may use an allocation method that is reported in writing to, and approved by, the Secretary and does not discriminate on the basis of the price paid by covered entities or on any other basis related to the participation of an entity in the program under this section.

''(2) REBATE PERCENTAGE DEFINED.—

''(A) IN GENERAL.—For a covered inpatient drug purchased in a calendar quarter, the 'rebate percentage' is the amount (expressed as a percentage) equal to—

''(i) the average total rebate required under section 1927(c) of the Social Security Act (or the average total rebate that would be required if the drug were a covered outpatient drug under such section) with respect to the drug (for a unit of the dosage

form and strength involved) during the preceding calendar quarter; divided by

''(ii) the average manufacturer price for such a unit of the drug during such quarter.

''(B) OVER THE COUNTER DRUGS.—

''(i) IN GENERAL.—For purposes of subparagraph (A), in the case of over the counter drugs, the 'rebate percentage' shall be determined as if the rebate required under section 1927(c) of the Social Security Act is based on the applicable percentage provided under section 1927(c)(3) of such Act.

''(ii) DEFINITION.—The term 'over the counter drug' means a drug that may be sold without a prescription and which is prescribed by a physician (or other persons authorized to prescribe such drug under State law).

''(3) DRUGS PROVIDED UNDER STATE MEDICAID PLANS.—Drugs described in this paragraph are drugs purchased by the entity for which payment is made by the State under the State plan for medical assistance under title XIX of the Social Security Act.

''(4) REQUIREMENTS FOR COVERED ENTITIES.—

''(A) PROHIBITING DUPLICATE DISCOUNTS OR REBATES.—

''(i) IN GENERAL.—A covered entity shall not request payment under title XIX of the Social Security Act for medical assistance described in section 1905(a)(12) of such Act with respect to a drug that is subject to an agreement under this section if the drug is subject to the payment of a rebate to the State under section 1927 of such Act.

''(ii) ESTABLISHMENT OF MECHANISM.—The Secretary shall establish a mechanism to ensure that covered entities comply with clause (i). If the Secretary does not establish a mechanism under the previous sentence within 12 months of the enactment of this section, the requirements of section 1927(a)(5)(C) of the Social Security Act shall apply.

''(iii) PROHIBITING DISCLOSURE TO GROUP PURCHASING ORGANIZATIONS.—In the event that a covered entity is a member of a group purchasing organization, such entity shall not disclose the price or any other information pertaining to any purchases under this section directly or indirectly to such group purchasing organization.

''(B) PROHIBITING RESALE, DISPENSING, OR ADMINISTRATION OF DRUGS EXCEPT TO CERTAIN PATIENTS.—With respect to any covered inpatient drug that is subject to an agreement under this subsection, a covered entity shall not dispense, administer, resell, or otherwise transfer the covered inpatient drug to a person unless—

''(i) such person is a patient of the entity; and

''(ii) such person does not have health plan coverage (as defined in subsection (c)(3)) that provides prescription drug coverage in the inpatient setting with respect to such covered inpatient drug.

For purposes of clause (ii), a person shall be treated as having health plan coverage (as defined in subsection (c)(3)) with respect to a covered inpatient drug if benefits are not payable under such coverage with respect to such drug for reasons such as the application of a deductible or cost sharing or the use of utilization management.

''(C) AUDITING.—A covered entity shall permit the Secretary and the manufacturer of a covered inpatient drug that is subject to an agreement under this subsection with the entity (acting in accordance with procedures established by the Secretary relating to the number, duration, and scope of audits) to audit at the Secretary's or the manufacturer's expense the records of the entity that directly pertain to the entity's compliance with the requirements described in subparagraph (A) or (B) with respect to drugs of the manufacturer. The use or disclosure of information for performance of such an audit shall be treated as a use or disclosure required by law for purposes of section 164.512(a) of title 45, Code of Federal Regulations.

''(D) ADDITIONAL SANCTION FOR NONCOMPLIANCE.—If the Secretary finds, after notice and hearing, that a covered entity is in violation of a requirement described in subparagraph (A) or (B), the covered entity shall be liable to the manufacturer of the covered inpatient drug that is the subject of the violation in an amount equal to the reduction in the price of the drug (as described in subparagraph (A)) provided under the agreement between the Secretary and the manufacturer under this subsection.

''(E) MAINTENANCE OF RECORDS.—

''(i) IN GENERAL.—A covered entity shall establish and maintain an effective record-keeping system to comply with this section and shall certify to the Secretary that such entity is in compliance with subparagraphs (A) and (B). The Secretary shall require that hospitals that purchase covered inpatient drugs for inpatient dispensing or administration under this subsection appropriately segregate inventory of such covered inpatient drugs, either physically or electronically, from drugs for outpatient use, as well as from drugs for inpatient dispensing or administration to individuals who have (for purposes of subparagraph (B)) health plan coverage described in clause (ii) of such subparagraph.

''(ii) CERTIFICATION OF NO THIRD-PARTY PAYER.—A covered entity shall maintain records that contain certification by the covered entity that no third party payment was received for any covered inpatient drug that is subject to an agreement under this subsection and that was dispensed to an inpatient.

''(5) TREATMENT OF DISTINCT UNITS OF HOSPITALS.—In the case of a covered entity that is a distinct part of a hospital, the distinct part of the hospital shall not be considered a covered entity under this subsection unless the hospital is otherwise a covered entity under this subsection.

''(6) NOTICE TO MANUFACTURERS.—The Secretary shall notify manufacturers of covered inpatient drugs and single State agencies under section 1902(a)(5) of the Social Security Act of the identities of covered entities under this subsection, and of entities that no longer meet the requirements of paragraph (4), by means of timely updates of the Internet website supported by the Department of Health and Human Services relating to this section.

''(7) NO PROHIBITION ON LARGER DISCOUNT.—Nothing in this subsection shall prohibit a manufacturer from charging a price for a drug that is lower than the maximum price that may be charged under paragraph (1).

''(b) COVERED ENTITY DEFINED.—In this section, the term 'covered entity' means an entity that meets the requirements described in subsection (a)(4) and is one of the following:

''(1) A subsection (d) hospital (as defined in section 1886(d)(1)(B) of the Social Security Act) that—

''(A) is owned or operated by a unit of State or local government, is a public or private non-profit corporation which is formally granted governmental powers by a unit of State or local government, or is a private nonprofit hospital which has a contract with a State or local government to provide health care services to low income individuals who are not entitled to benefits under title XVIII of the Social Security Act or eligible for assistance under the State plan for medical assistance under title XIX of such Act; and

''(B) for the most recent cost reporting period that ended before the calendar quarter involved, had a disproportionate share adjustment percentage (as determined using the methodology under section 1886(d)(5)(F) of the Social Security Act as in effect on the date of enactment of this section) greater than 20.20 percent or was described in section 1886(d)(5)(F)(i)(II) of such Act (as so in effect on the date of enactment of this section).

''(2) A children's hospital excluded from the Medicare prospective payment system pursuant to section 1886(d)(1)(B)(iii) of the Social Security Act that would meet the requirements of paragraph (1), including the disproportionate share adjustment percentage requirement under subparagraph (B) of such paragraph, if the hospital were a subsection (d) hospital as defined by section 1886(d)(1)(B) of the Social Security Act.

''(3) A free-standing cancer hospital excluded from the Medicare prospective payment system pursuant to section 1886(d)(1)(B)(v) of the Social Security Act that would meet the requirements of paragraph (1), including the disproportionate share adjustment percentage requirement under subparagraph (B) of such paragraph, if the hospital were a subsection (d) hospital as defined by section 1886(d)(1)(B) of the Social Security Act.

''(4) An entity that is a critical access hospital (as determined under section 1820(c)(2) of the Social Security Act), and that meets the requirements of paragraph (1)(A).

''(5) An entity that is a rural referral center, as defined by section 1886(d)(5)(C)(i) of the Social Security Act, or a sole community hospital, as defined by section 1886(d)(5)(C)(iii) of such Act, and that both meets the requirements of paragraph (1)(A) and has a disproportionate share adjustment percentage equal to or greater than 8 percent.

''(c) OTHER DEFINITIONS.—In this section:

''(1) AVERAGE MANUFACTURER PRICE.—

''(A) IN GENERAL.—The term 'average manufacturer price'—

''(i) has the meaning given such term in section 1927(k) of the Social Security Act, except that such term shall be applied under this section with respect to covered inpatient drugs in the same manner (as applicable) as such term is applied under such section 1927(k) with respect to covered outpatient drugs (as defined in such section); and

''(ii) with respect to a covered inpatient drug for which there is no average manufacturer price (as defined in clause (i)), shall be the amount determined under regulations promulgated by the Secretary under subparagraph (B).

''(B) RULEMAKING.—The Secretary shall by regulation, in consultation with the Administrator of the Centers for Medicare & Medicaid Services, establish a method for determining the average manufacturer price for covered inpatient drugs for which there is no average manufacturer price (as defined in subparagraph (A)(i)). Regulations promulgated with respect to covered inpatient drugs under the preceding sentence shall provide for the application of methods for determining the average manufacturer price that are the same as the methods used to determine such price in calculating rebates required for such drugs under an agreement between a manufacturer and a State that satisfies the requirements of section 1927(b) of the Social Security Act, as applicable.

''(2) COVERED INPATIENT DRUG.—The term 'covered inpatient drug' means a drug—

''(A) that is described in section 1927(k)(2) of the Social Security Act;

''(B) that, notwithstanding paragraph (3)(A) of section 1927(k) of such Act, is used in connection with an inpatient service provided by a covered entity that is enrolled to participate in the drug discount program under this section; and

''(C) that is not purchased by the covered entity through or under contract with a group purchasing organization.

''(3) HEALTH PLAN COVERAGE.—The term 'health plan coverage' means—

''(A) health insurance coverage (as defined in section 2791, and including coverage under a State health benefits risk pool);

''(B) coverage under a group health plan (as defined in such section, and including coverage under a church plan, a governmental plan, or a collectively bargained plan);

''(C) coverage under a Federal health care program (as defined by section 1128B(f) of the Social Security Act); or

''(D) such other health benefits coverage as the Secretary recognizes for purposes of this section.

''(4) MANUFACTURER.—The term 'manufacturer' has the meaning given such term in section 1927(k) of the Social Security Act.

''(d) PROGRAM INTEGRITY.—

''(1) MANUFACTURER COMPLIANCE.—

''(A) IN GENERAL.—From amounts appropriated under subsection (f), the Secretary shall provide for improvements in compliance by manufacturers with the requirements of this section in order to prevent overcharges and other violations of the discounted pricing requirements specified in this section.

''(B) IMPROVEMENTS.—The improvements described in subparagraph (A) shall include the following:

''(i) The establishment of a process to enable the Secretary to verify the accuracy of ceiling prices calculated by manufacturers under subsection (a)(1) and charged to covered entities, which shall include the following:

''(I) Developing and publishing through an appropriate policy or regulatory issuance, precisely defined standards and methodology for the calculation of ceiling prices under such subsection.

''(II) Comparing regularly the ceiling prices calculated by the Secretary with the quarterly pricing data that is reported by manufacturers to the Secretary.

''(III) Conducting periodic monitoring of sales transactions by covered entities.

''(IV) Inquiring into any discrepancies between ceiling prices and manufacturer pricing data that may be identified and taking, or requiring manufacturers to take, corrective action in response to such discrepancies, including the issuance of refunds pursuant to the procedures set forth in clause (ii).

''(ii) The establishment of procedures for manufacturers to issue refunds to covered entities in the event that there is an overcharge by the manufacturers, including the following:

''(I) Providing the Secretary with an explanation of why and how the overcharge occurred, how the refunds will be calculated, and to whom the refunds will be issued.

''(II) Oversight by the Secretary to ensure that the refunds are issued accurately and within a reasonable period of time.

''(iii) The provision of access through the Internet website supported by the Department of Health and Human Services to the applicable ceiling prices for covered inpatient drugs as calculated and verified by the Secretary in accordance with this section, in a manner (such as through the use of password protection) that limits such access to covered entities and adequately assures security and protection of privileged pricing data from unauthorized re-disclosure.

''(iv) The development of a mechanism by which—

''(I) rebates, discounts, or other price concessions provided by manufacturers to other purchasers subsequent to the sale of covered inpatient drugs to covered entities are reported to the Secretary; and

''(II) appropriate credits and refunds are issued to covered entities if such discounts, rebates, or other price concessions have the effect of lowering the applicable ceiling price for the relevant quarter for the drugs involved.

''(v) Selective auditing of manufacturers and wholesalers to ensure the integrity of the drug discount program under this section.

''(vi) The establishment of a requirement that manufacturers and wholesalers use the identification system developed by the Secretary for purposes of facilitating the ordering, purchasing, and delivery of covered inpatient drugs under this section, including the processing of chargebacks for such drugs.

''(vii) The imposition of sanctions in the form of civil monetary penalties, which—

''(I) shall be assessed according to standards and procedures established in regulations to be promulgated by the Secretary not later than January 1, 2011;

''(II) shall not exceed $10,000 per single dosage form of a covered inpatient drug purchased by a covered entity where a manufacturer knowingly charges such covered entity a price for such drug that exceeds the ceiling price under subsection (a)(1); and

''(III) shall not exceed $100,000 for each instance where a manufacturer withholds or provides materially false information to the Secretary or to covered entities under this section or knowingly violates any provision of this section (other than subsection (a)(1)).

''(2) COVERED ENTITY COMPLIANCE.—

''(A) IN GENERAL.—From amounts appropriated under subsection (f), the Secretary shall provide for improvements in compliance by covered entities with the requirements of this section in order to prevent diversion and violations of the duplicate discount provision and other requirements specified under subsection (a)(4).

''(B) IMPROVEMENTS.—The improvements described in subparagraph (A) shall include the following:

''(i) The development of procedures to enable and require covered entities to update at least annually the information on the Internet website supported by the Department of Health and Human Services relating to this section.

''(ii) The development of procedures for the Secretary to verify the accuracy of information regarding covered entities that is listed on the website described in clause (i).

''(iii) The development of more detailed guidance describing methodologies and options available to covered entities for billing covered inpatient drugs to State Medicaid agencies in a manner that avoids duplicate discounts pursuant to subsection (a)(4)(A).

''(iv) The establishment of a single, universal, and standardized identification system by which each covered entity site and each covered entity's purchasing status under sections 340B and this section can be identified by manufacturers, distributors, covered entities, and the Secretary for purposes of facilitating the ordering, purchasing, and delivery of covered inpatient drugs under this section, including the processing of chargebacks for such drugs.

''(v) The imposition of sanctions in the form of civil monetary penalties, which—

''(I) shall be assessed according to standards and procedures established in regulations promulgated by the Secretary; and

''(II) shall not exceed $10,000 for each instance where a covered entity knowingly violates subsection (a)(4)(B) or knowingly violates any other provision of this section.

''(vi) The termination of a covered entity's participation in the program under this section, for a period of time to be determined by the Secretary, in cases in which the Secretary determines, in accordance with standards and procedures established by regulation, that—

''(I) the violation by a covered entity of a requirement of this section was repeated and knowing; and

''(II) imposition of a monetary penalty would be insufficient to reasonably ensure compliance with the requirements of this section.

''(vii) The referral of matters, as appropriate, to the Food and Drug Administration, the Office of the Inspector General of the Department of Health and Human Services, or other Federal or State agencies.

''(3) ADMINISTRATIVE DISPUTE RESOLUTION PROCESS.—From amounts appropriated under subsection (f), the Secretary may establish and implement an administrative process for the resolution of the following:

''(A) Claims by covered entities that manufacturers have violated the terms of their agreement with the Secretary under subsection (a)(1).

''(B) Claims by manufacturers that covered entities have violated subsection (a)(4)(A) or (a)(4)(B).

''(e) AUDIT AND SANCTIONS.—

''(1) AUDIT.—From amounts appropriated under subsection (f), the Inspector General of the Department of Health and Human Services (referred to in this subsection as the 'Inspector General') shall audit covered entities under this section to verify compliance with criteria for eligibility and participation under this section, including the antidiversion prohibitions under subsection (a)(4)(B), and take enforcement action or provide information to the Secretary who shall take action to ensure program compliance, as appropriate. A covered entity shall provide to the Inspector General, upon request, records relevant to such audits.

''(2) REPORT.—For each audit conducted under paragraph (1), the Inspector General shall prepare and publish in a timely manner a report which shall include findings and recommendations regarding—

''(A) the appropriateness of covered entity eligibility determinations and, as applicable, certifications;

''(B) the effectiveness of antidiversion prohibitions; and

''(C) the effectiveness of restrictions on inpatient dispensing and administration.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2011 and each succeeding fiscal year.''.

(b) RULEMAKING.—Not later than January 1, 2011, the Secretary shall promulgate regulations implementing section 340B–1 of the Public Health Service Act (as added by subsection (a)).

(c) CONFORMING AMENDMENT TO SECTION 340B.—Paragraph (1) of section 340B(a) of the Public Health Service Act (42 U.S.C. 256b(a)) is amended by adding at the end the following: ''Such agreement shall further require that, if the supply of a covered outpatient drug is insufficient to meet demand, then the manufacturer may use an allocation method that is reported in writing to, and approved by, the Secretary and does not discriminate on the basis of the price paid by covered entities or on any other basis related to the participation of an entity in the program under this section. The agreement with a manufacturer under this paragraph may, at the discretion of the Secretary, be included in the agreement with the same manufacturer under section 340B–1.''.

(d) CONFORMING AMENDMENTS TO MEDICAID.—Section 1927 of the Social Security Act (42 U.S.C. 1396r–8) is amended—

(1) in subsection (a)—

(A) in paragraph (1), in the first sentence, by striking ''and paragraph (6)'' and inserting '', paragraph (6), and paragraph (8)''; and

(B) by adding at the end the following new paragraph:

''(8) LIMITATION ON PRICES OF DRUGS PURCHASED BY 340B–1-COVERED ENTITIES.—

''(A) AGREEMENT WITH SECRETARY.—A manufacturer meets the requirements of this paragraph if the manufacturer has entered into an agreement with the Secretary that meets the requirements of section 340B–1 of the Public Health Service Act with respect to covered inpatient drugs (as defined in such section) purchased by a 340B–1-covered entity on or after January 1, 2011.

''(B) 340B–1-COVERED ENTITY DEFINED.—In this subsection, the term '340B–1-covered entity' means an entity described in section 340B–1(b) of the Public Health Service Act.''; and

(2) in subsection (c)(1)(C)(i)(I)—

(A) by striking ''or'' before ''a covered entity''; and

(B) by inserting before the semicolon the following: '', or a covered entity for a covered inpatient drug (as such terms are defined in section 340B–1of the Public Health Service Act)''.

SEC. 517. CONTINUED INCLUSION OF ORPHAN DRUGS IN DEFINITION OF COVERED OUTPATIENT DRUGS WITH RESPECT TO CHILDREN'S HOSPITALS UNDER THE 340B DRUG DISCOUNT PROGRAM.

(a) DEFINITION OF COVERED OUTPATIENT DRUG.—

(1) AMENDMENT.—Subsection (e) of section 340B of the Public Health Service Act (42 U.S.C. 256b) is amended by striking ''covered entities described in subparagraph (M)''and inserting ''covered entities described in subparagraph (M) (other than a children's hospital described in subparagraph (M))''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in the enactment of section 2302 of the Health Care and Education Reconciliation Act of 2010 (Public Law 111–152).

(b) TECHNICAL AMENDMENT.—Subparagraph (B) of section 1927(a)(5) of the Social Security Act (42 U.S.C. 1396r–8(a)(5)) is amended by striking ''and a children's hospital'' and all that follows through the end of the subparagraph and inserting a period.

SEC. 518. CONFORMING AMENDMENT RELATED TO WAIVER OF COINSURANCE FOR PREVENTIVE SERVICES.

Effective as if included in section 10501(i)(2)(A) of Public Law 111–148, section 1833(a)(3)(A) of the Social Security Act (42 U.S.C. 1395l(a)(3)(A)) is amended by striking ''section 1861(s)(10)(A)'' and inserting ''section 1861(ddd)(3)''.

SEC. 519. ESTABLISH A CMS–IRS DATA MATCH TO IDENTIFY FRAUDULENT PROVIDERS.

(a) AUTHORITY TO DISCLOSE RETURN INFORMATION CONCERNING OUTSTANDING TAX DEBTS FOR PURPOSES OF ENHANCING MEDICARE PROGRAM INTEGRITY.—

(1) IN GENERAL.—Section 6103(l) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(22) DISCLOSURE OF RETURN INFORMATION TO DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR PURPOSES OF ENHANCING MEDICARE PROGRAM INTEGRITY.—

''(A) IN GENERAL.—The Secretary shall, upon written request from the Secretary of Health and Human Services, disclose to officers and employees of the Department of Health and Human Services return information with respect to a taxpayer who has applied to enroll, or reenroll, as a provider of services or supplier under the Medicare program under title XVIII of the Social Security Act. Such return information shall be limited to—

''(i) the taxpayer identity information with respect to such taxpayer;

''(ii) the amount of the delinquent tax debt owed by that taxpayer; and

''(iii) the taxable year to which the delinquent tax debt pertains.

''(B) RESTRICTION ON DISCLOSURE.—Return information disclosed under subparagraph (A) may be used by officers and employees of the Department of Health and Human Services for the purposes of, and to the extent necessary in, establishing the taxpayer's eligibility for enrollment or reenrollment in the Medicare program, or in any administrative or judicial proceeding relating to, or arising from, a denial of such enrollment or reenrollment, or in determining the level of enhanced oversight to be applied with respect to such taxpayer pursuant to section 1866(j)(3) of the Social Security Act.

''(C) DELINQUENT TAX DEBT.—For purposes of this paragraph, the term 'delinquent tax debt' means an outstanding debt under this title for which a notice of lien has been filed pursuant to section 6323, but the term does not include a debt that is being paid in a timely manner pursuant to an agreement under section 6159 or 7122, or a debt with respect to which a collection due process hearing under section 6330 is requested, pending, or completed and no payment is required.''.

(2) CONFORMING AMENDMENTS.—Section 6103(p)(4) of such Code, as amended by sections 1414 and 3308 of Public Law 111–148, in the matter preceding subparagraph (A) and in subparagraph (F)(ii), is amended by striking ''or (17)'' and inserting ''(17), or (22)'' each place it appears.

(b) SECRETARY'S AUTHORITY TO USE INFORMATION FROM THE DEPARTMENT OF TREASURY IN MEDICARE ENROLLMENTS AND REENROLLMENTS.—Section 1866(j)(2) of the Social Security Act (42 U.S.C. 1395cc(j)), as inserted by section 6401(a) of Public Law 111–148, is further amended—

(1) by redesignating subparagraph (E) as subparagraph (F); and

(2) by inserting after subparagraph (D) the following new subparagraph:

''(E) USE OF INFORMATION FROM THE DEPARTMENT OF TREASURY CONCERNING TAX DEBTS.—In reviewing the application of a provider of services or supplier to enroll or reenroll under the program under this title, the Secretary shall take into account the information supplied by the Secretary of the Treasury pursuant to section 6103(l)(22) of the Internal Revenue Code of 1986, in determining whether to deny such application or to apply enhanced oversight to such provider of services or supplier pursuant to paragraph (3) if the Secretary determines such provider of services or supplier owes such a debt.''.

(c) AUTHORITY TO ADJUST PAYMENTS OF PROVIDERS OF SERVICES AND SUPPLIERS WITH THE SAME TAX IDENTIFICATION NUMBER FOR MEDICARE OBLIGATIONS.—Section 1866(j)(6) of the Social Security Act (42 U.S.C. 1395cc(j)(6)), as inserted by section 6401(a) of Public Law 111–148 and as redesignated by section 1304 of Public Law 111–152, is amended—

(1) in the paragraph heading, by striking ''PAST-DUE'' and inserting ''MEDICARE'';

(2) in subparagraph (A), by striking ''past-due obligations described in subparagraph (B)(ii) of an'' and inserting ''amount described in subparagraph (B)(ii) due from such''; and

(3) in subparagraph (B)(ii), by striking ''a past-due obligation'' and inserting ''an amount that is more than the amount required to be paid''.

SEC. 520. CLARIFICATION OF EFFECTIVE DATE OF PART B SPECIAL ENROLLMENT PERIOD FOR DISABLED TRICARE BENEFICIARIES.

Effective as if included in the enactment of Public Law 111–148, section 3110(a)(2) of such Act is amended to read as follows:

''(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to elections made after the date of the enactment of this Act.''.

SEC. 521. PHYSICIAN PAYMENT UPDATE.

(a) IN GENERAL.—Section 1848(d) of the Social Security Act (42 U.S.C. 1395w–4(d)) is amended—

(1) in paragraph (10), in the heading, by striking ''PORTION'' and inserting ''JANUARY THROUGH MAY ''; and

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

''(11) UPDATE FOR JUNE THROUGH NOVEMBER OF 2010.—

''(A) IN GENERAL.—Subject to paragraphs (7)(B), (8)(B), (9)(B), and (10)(B), in lieu of the update to the single conversion factor established in paragraph (1)(C) that would otherwise apply for 2010 for the period beginning on June 1, 2010, and ending on November 30, 2010, the update to the single conversion factor shall be 2.2 percent.

''(B) NO EFFECT ON COMPUTATION OF CONVERSION FACTOR FOR REMAINING PORTION OF 2010 AND SUBSEQUENT YEARS.—The conversion factor under this subsection shall be computed under paragraph (1)(A) for the period beginning on December 1, 2010, and ending on December 31, 2010, and for 2011 and subsequent years as if subparagraph (A) had never applied.''.

(b) STATUTORY PAYGO.—The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled ''Budgetary Effects of PAYGO Legislation'' for this Act, jointly submitted for printing in the Congressional Record by the Chairmen of the House and Senate Budget Committees, provided that such statement has been submitted prior to the vote on passage in the House acting first on this conference report or amendment between the Houses.

SEC. 522. ADJUSTMENT TO MEDICARE PAYMENT LOCALITIES.

(a) IN GENERAL.—Section 1848(e) of the Social Security Act (42 U.S.C.1395w–4(e)) is amended by adding at the end the following new paragraph:

''(6) TRANSITION TO USE OF MSAS AS FEE SCHEDULE AREAS IN CALIFORNIA.—

''(A) IN GENERAL.—

''(i) REVISION.—Subject to clause (ii) and notwithstanding the previous provisions of this subsection, for services furnished on or after January 1, 2012, the Secretary shall revise the fee schedule areas used for payment under this section applicable to the State of California using the Metropolitan Statistical Area (MSA) iterative Geographic Adjustment Factor methodology as follows:

''(I) The Secretary shall configure the physician fee schedule areas using the Metropolitan Statistical Areas (each in this paragraph referred to as an 'MSA'), as defined by the Director of the Office of Management and Budget as of the date of the enactment of this paragraph, as the basis for the fee schedule areas.

''(II) For purposes of this clause, the Secretary shall treat all areas not included in an MSA as a single rest-of-State MSA and any reference in this paragraph to an MSA shall be deemed to include a reference to such rest-of-State MSA.

''(III) The Secretary shall list all MSAs within the State by Geographic Adjustment Factor described in paragraph (2) (in this paragraph referred to as a 'GAF') in descending order.

''(IV) In the first iteration, the Secretary shall compare the GAF of the highest cost MSA in the State to the weighted-average GAF of all the remaining MSAs in the State. If the ratio of the GAF of the highest cost MSA to the weighted-average of the GAF of remaining lower cost MSAs is 1.05 or greater, the highest cost MSA shall be a separate fee schedule area.

''(V) In the next iteration, the Secretary shall compare the GAF of the MSA with the second-highest GAF to the weighted-average GAF of the all the remaining MSAs (excluding MSAs that become separate fee schedule areas). If the ratio of the second-highest MSA's GAF to the weighted-average of the remaining lower cost MSAs is 1.05 or greater, the second-highest MSA shall be a separate fee schedule area.

''(VI) The iterative process shall continue until the ratio of the GAF of the MSA with highest remaining GAF to the weighted-average of the remaining MSAs with lower GAFs is less than 1.05, and the remaining group of MSAs with lower GAFs shall be treated as a single rest-of-State fee schedule area.

''(VII) For purposes of the iterative process described in this clause, if two MSAs have identical GAFs, they shall be combined.

''(ii) TRANSITION.—For services furnished on or after January 1, 2012, and before January 1, 2017, in the State of California, after calculating the work, practice expense, and malpractice geographic indices that would otherwise be determined under clauses (i), (ii), and (iii) of paragraph (1)(A) for a fee schedule area determined under clause (i), if the index for a county within a fee schedule area is less than the index that would otherwise be in effect for such county, the Secretary shall instead apply the index that would otherwise be in effect for such county.

''(B) SUBSEQUENT REVISIONS.—After the transition described in subparagraph (A)(ii), not less than every 3 years the Secretary shall review and update the fee schedule areas using the methodology described in subparagraph (A)(i) and any updated MSAs as defined by the Director of the Office of Management and Budget. The Secretary shall review and make any changes pursuant to such reviews concurrent with the application of the periodic review of the adjustment factors required under paragraph (1)(C) for California.

''(C) REFERENCES TO FEE SCHEDULE AREAS.—Effective for services furnished on or after January 1, 2012, for the State of California, any reference in this section to a fee schedule area shall be deemed a reference to a fee schedule area established in accordance with this paragraph.''.

(b) CONFORMING AMENDMENT TO DEFINITION OF FEE SCHEDULE AREA.—Section 1848(j)(2) of the Social Security Act (42 U.S.C. 1395w(j)(2)) is amended by striking ''The term'' and inserting ''Except as provided in subsection (e)(6)(C), the term''.

SEC. 523. CLARIFICATION OF 3-DAY PAYMENT WINDOW.

(a) IN GENERAL.—Section 1886 of the Social Security Act (42 U.S.C. 1395ww) is amended—

(1) by adding at the end of subsection (a)(4) the following new sentence: ''In applying the first sentence of this paragraph, the term 'other services related to the admission' includes all services that are not diagnostic services (other than ambulance and maintenance renal dialysis services) for which payment may be made under this title that are provided by a hospital (or an entity wholly owned or operated by the hospital) to a patient—

''(A) on the date of the patient's inpatient admission; or

''(B) during the 3 days (or, in the case of a hospital that is not a subsection (d) hospital, during the 1 day) immediately preceding the date of such admission unless the hospital demonstrates (in a form and manner, and at a time, specified by the Secretary) that such services are not related (as determined by the Secretary) to such admission.''; and

(2) in subsection (d)(7)—

(A) in subparagraph (A), by striking ''and'' at the end;

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

(C) by adding at the end the following new subparagraph:

''(C) the determination of whether services provided prior to a patient's inpatient admission are related to the admission (as described in subsection (a)(4)).''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to services furnished on or after the date of the enactment of this Act.

(c) NO REOPENING OF PREVIOUSLY BUNDLED CLAIMS.—

(1) IN GENERAL.—The Secretary of Health and Human Services may not reopen a claim, adjust a claim, or make a payment pursuant to any request for payment under title XVIII of the Social Security Act, submitted by an entity (including a hospital or an entity wholly owned or operated by the hospital) for services described in paragraph (2) for purposes of treating, as unrelated to a patient's inpatient admission, services provided during the 3 days (or, in the case of a hospital that is not a subsection (d) hospital, during the 1 day) immediately preceding the date of the patient's inpatient admission.

(2) SERVICES DESCRIBED.—For purposes of paragraph (1), the services described in this paragraph are other services related to the admission (as described in section 1886(a)(4) of the Social Security Act (42 U.S.C. 1395ww(a)(4)), as amended by subsection (a)) which were previously included on a claim or request for payment submitted under part A of title XVIII of such Act for which a reopening, adjustment, or request for payment under part B of such title, was not submitted prior to the date of the enactment of this Act.

(d) IMPLEMENTATION.—Notwithstanding any other provision of law, the Secretary of Health and Human Services may implement the provisions of this section (and amendments made by this section) by program instruction or otherwise.

(e) RULE OF CONSTRUCTION.—Nothing in the amendments made by this section shall be construed as changing the policy described in section 1886(a)(4) of the Social Security Act (42 U.S.C. 1395ww(a)(4)), as applied by the Secretary of Health and Human Services before the date of the enactment of this Act, with respect to diagnostic services.

SEC. 524. EXTENSION OF ARRA INCREASE IN FMAP.

Section 5001 of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5) is amended—

(1) in subsection (a)(3), by striking ''first calendar quarter'' and inserting ''first 3 calendar quarters'';

(2) in subsection (c)—

(A) in paragraph (2)(B), by striking ''July 1, 2010'' and inserting ''January 1, 2011'';

(B) in paragraph (3)(B)(i), by striking ''July 1, 2010'' and inserting ''January 1, 2011'' each place it appears; and

(C) in paragraph (4)(C)(ii), by striking ''the 3-consecutive-month period beginning with January 2010'' and inserting ''any 3-consecutive-month period that begins after December 2009 and ends before January 2011'';

(3) in subsection (e), by adding at the end the following:

''Notwithstanding paragraph (5), effective for payments made on or after January 1, 2010, the increases in the FMAP for a State under this section shall apply to payments under title XIX of such Act that are attributable to expenditures for medical assistance provided to nonpregnant childless adults made eligible under a State plan under such title (including under any waiver under such title or under section 1115 of such Act (42 U.S.C. 1315)) who would have been eligible for child health assistance or other health benefits under eligibility standards in effect as of December 31, 2009, of a waiver of the State child health plan under the title XXI of such Act.'';

(4) in subsection (g)—

(A) in paragraph (1), by striking ''September 30, 2011'' and inserting ''March 31, 2012'';

(B) in paragraph (2), by inserting ''of such Act'' after ''1923''; and

(C) by adding at the end the following:

''(3) CERTIFICATION BY CHIEF EXECUTIVE OFFICER.—No additional Federal funds shall be paid to a State as a result of this section with respect to a calendar quarter occurring during the period beginning on January 1, 2011, and ending on June 30, 2011, unless, not later than 45 days after the date of enactment of this paragraph, the chief executive officer of the State certifies that the State will request and use such additional Federal funds.''; and

(5) in subsection (h)(3), by striking ''December 31, 2010'' and inserting ''June 30, 2011''.

SEC. 525. CLARIFICATION FOR AFFILIATED HOSPITALS FOR DISTRIBUTION OF ADDITIONAL RESIDENCY POSITIONS.

Effective as if included in the enactment of section 5503(a) of Public Law 111–148, section 1886(h)(8) of the Social Security Act (42 U.S.C. 1395ww(h)(8)), as added by such section 5503(a), is amended by adding at the end the following new subparagraph:

''(I) AFFILIATION.—The provisions of this paragraph shall be applied to hospitals which are members of the same affiliated group (as defined by the Secretary under paragraph (4)(H)(ii)) and the reference resident level for each such hospital shall be the reference resident level with respect to the cost reporting period that results in the smallest difference between the reference resident level and the otherwise applicable resident limit.''.

TITLE VI—OTHER PROVISIONS

SEC. 601. EXTENSION OF NATIONAL FLOOD INSURANCE PROGRAM.

(a) EXTENSION.—Section 129 of the Continuing Appropriations Resolution, 2010 (Public Law 111–68), as amended by section 7(a) of Public Law 111–157, is amended by striking ''by substituting'' and all that follows through the period at the end, and inserting ''by substituting December 31, 2010, for the date specified in each such section.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be considered to have taken effect on May 31, 2010.

SEC. 602. ALLOCATION OF GEOTHERMAL RECEIPTS.

Notwithstanding any other provision of law, for fiscal year 2010 only, all funds received from sales, bonuses, royalties, and rentals under the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.) shall be deposited in the Treasury, of which—

(1) 50 percent shall be used by the Secretary of the Treasury to make payments to States within the boundaries of which the leased land and geothermal resources are located;

(2) 25 percent shall be used by the Secretary of the Treasury to make payments to the counties within the boundaries of which the leased land or geothermal resources are located; and

(3) 25 percent shall be deposited in miscellaneous receipts.

SEC. 603. SMALL BUSINESS LOAN GUARANTEE ENHANCEMENT EXTENSIONS.

(a) APPROPRIATION.—There is appropriated, out of any funds in the Treasury not otherwise appropriated, for an additional amount for ''Small Business Administration—Business Loans Program Account'', $505,000,000, to remain available through December 31, 2010, for the cost of—

(1) fee reductions and eliminations under section 501 of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 151), as amended by this section; and

(2) loan guarantees under section 502 of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 152), as amended by this section.

Such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.

(b) EXTENSION OF PROGRAMS.—

(1) FEES.—Section 501 of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 151) is amended by striking ''September 30, 2010'' each place it appears and inserting ''December 31, 2010''.

(2) LOAN GUARANTEES.—Section 502(f) of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 153) is amended by striking ''May 31, 2010'' and inserting ''December 31, 2010''.

(c) APPROPRIATION.—There is appropriated for an additional amount, out of any funds in the Treasury not otherwise appropriated, for administrative expenses to carry out sections 501 and 502 of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5), $5,000,000, to remain available until expended, which may be transferred and merged with the appropriation for ''Small Business Administration—Salaries and Expenses''.

SEC. 604. EMERGENCY AGRICULTURAL DISASTER ASSISTANCE.

(a) DEFINITIONS.—Except as otherwise provided in this section, in this section:

(1) DISASTER COUNTY.—

(A) IN GENERAL.—The term ''disaster county'' means a county included in the geographic area covered by a qualifying natural disaster declaration for the 2009 crop year.

(B) EXCLUSION.—The term ''disaster county'' does not include a contiguous county.

(2) ELIGIBLE AQUACULTURE PRODUCER.—The term ''eligible aquaculture producer'' means an aquaculture producer that during the 2009 calendar year, as determined by the Secretary—

(A) produced an aquaculture species for which feed costs represented a substantial percentage of the input costs of the aquaculture operation; and

(B) experienced a substantial price increase of feed costs above the previous 5-year average.

(3) ELIGIBLE PRODUCER.—The term ''eligible producer'' means an agricultural producer in a disaster county.

(4) ELIGIBLE SPECIALTY CROP PRODUCER.—The term ''eligible specialty crop producer'' means an agricultural producer that, for the 2009 crop year, as determined by the Secretary—

(A) produced, or was prevented from planting, a specialty crop; and

(B) experienced specialty crop losses in a disaster county due to drought, excessive rainfall, or a related condition.

(5) QUALIFYING NATURAL DISASTER DECLARATION.—The term ''qualifying natural disaster declaration'' means a natural disaster declared by the Secretary for production losses under section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)).

(6) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(7) SPECIALTY CROP.—The term ''specialty crop'' has the meaning given the term in section 3 of the Specialty Crops Competitiveness Act of 2004 (Public Law 108–465; 7 U.S.C. 1621 note).

(b) SUPPLEMENTAL DIRECT PAYMENT.—

(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall use such sums as are necessary to make supplemental payments under sections 1103 and 1303 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8713, 8753) to eligible producers on farms located in disaster counties that had at least 1 crop of economic significance (other than specialty crops or crops intended for grazing) suffer at least a 5-percent crop loss on a farm due to a natural disaster, including quality losses, as determined by the Secretary, in an amount equal to 90 percent of the direct payment the eligible producers received for the 2009 crop year on the farm.

(2) ACRE PROGRAM.—Eligible producers that received direct payments under section 1105 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8715) for the 2009 crop year and that otherwise meet the requirements of paragraph (1) shall be eligible to receive supplemental payments under that paragraph in an amount equal to 112.5 percent of the reduced direct payment the eligible producers received for the 2009 crop year under section 1103 or 1303 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8713, 8753).

(3) RELATIONSHIP TO OTHER LAW.—Assistance received under this subsection shall be included in the calculation of farm revenue for the 2009 crop year under section 531(b)(4)(A) of the Federal Crop Insurance Act (7 U.S.C. 1531(b)(4)(A)) and section 901(b)(4)(A) of the Trade Act of 1974 (19 U.S.C. 2497(b)(4)(A)).

(c) SPECIALTY CROP ASSISTANCE.—

(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall use not more than $300,000,000, to remain available until September 30, 2011, to carry out a program of grants to States to assist eligible specialty crop producers for losses due to a natural disaster affecting the 2009 crops, of which not more than—

(A) $150,000,000 shall be used to assist eligible specialty crop producers in counties that have been declared a disaster as the result of drought; and

(B) $150,000,000 shall be used to assist eligible specialty crop producers in counties that have been declared a disaster as the result of excessive rainfall or a related condition.

(2) NOTIFICATION.—Not later than 45 days after the date of enactment of this Act, the Secretary shall notify the State department of agriculture (or similar entity) in each State of the availability of funds to assist eligible specialty crop producers, including such terms as are determined by the Secretary to be necessary for the equitable treatment of eligible specialty crop producers.

(3) PROVISION OF GRANTS.—

(A) IN GENERAL.—The Secretary shall make grants to States for disaster counties on a pro rata basis based on the value of specialty crop losses in those counties during the 2009 calendar year, as determined by the Secretary.

(B) ADMINISTRATIVE COSTS.—State Secretary of Agriculture may not use more than five percent of the funds provided for costs associated with the administration of the grants provided in paragraph (1).

(C) ADMINISTRATION OF GRANTS.—State Secretary of Agriculture may enter into a contract with the Department of Agriculture to administer the grants provided in paragraph (1).

(D) TIMING.—Not later than 90 days after the date of enactment of this Act, the Secretary shall make grants to States to provide assistance under this subsection.

(E) MAXIMUM GRANT.—The maximum amount of a grant made to a State for counties described in paragraph (1)(B) may not exceed $40,000,000.

(4) REQUIREMENTS.—The Secretary shall make grants under this subsection only to States that demonstrate to the satisfaction of the Secretary that the State will—

(A) use grant funds to issue payments to eligible specialty crop producers;

(B) provide assistance to eligible specialty crop producers not later than 60 days after the date on which the State receives grant funds; and

(C) not later than 30 days after the date on which the State provides assistance to eligible specialty crop producers, submit to the Secretary a report that describes—

(i) the manner in which the State provided assistance;

(ii) the amounts of assistance provided by type of specialty crop; and

(iii) the process by which the State determined the levels of assistance to eligible specialty crop producers.

(D) RELATION TO OTHER LAW.—Assistance received under this subsection shall be included in the calculation of farm revenue for the 2009 crop year under section 531(b)(4)(A) of the Federal Crop Insurance Act (7 U.S.C. 1531(b)(4)(A)) and section 901(b)(4)(A) of the Trade Act of 1974 (19 U.S.C. 2497(b)(4)(A)).

(d) COTTONSEED ASSISTANCE.—

(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall use not more than $42,000,000 to provide supplemental assistance to eligible producers and first-handlers of the 2009 crop of cottonseed in a disaster county.

(2) GENERAL TERMS.—Except as otherwise provided in this subsection, the Secretary shall provide disaster assistance under this subsection under the same terms and conditions as assistance provided under section 3015 of the Emergency Agricultural Disaster Assistance Act of 2006 (title III of Public Law 109–234; 120 Stat. 477).

(3) DISTRIBUTION OF ASSISTANCE.—The Secretary shall distribute assistance to first handlers for the benefit of eligible producers in a disaster county in an amount equal to the product obtained by multiplying—

(A) the payment rate, as determined under paragraph (4); and

(B) the county-eligible production, as determined under paragraph (5).

(4) PAYMENT RATE.—The payment rate shall be equal to the quotient obtained by dividing—

(A) the total funds made available to carry out this subsection; by

(B) the sum of the county-eligible production, as determined under paragraph (5).

(5) COUNTY-ELIGIBLE PRODUCTION.—The county-eligible production shall be equal to the product obtained by multiplying—

(A) the number of acres planted to cotton in the disaster county, as reported to the Secretary by first handlers;

(B) the expected cotton lint yield for the disaster county, as determined by the Secretary based on the best available information; and

(C) the national average seed-to-lint ratio, as determined by the Secretary based on the best available information for the 5 crop years immediately preceding the 2009 crop, excluding the year in which the average ratio was the highest and the year in which the average ratio was the lowest in such period.

(e) AQUACULTURE ASSISTANCE.—

(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall use not more than $25,000,000, to remain available until September 30, 2011, to carry out a program of grants to States to assist eligible aquaculture producers for losses associated with high feed input costs during the 2009 calendar year.

(2) NOTIFICATION.—Not later than 45 days after the date of enactment of this Act, the Secretary shall notify the State department of agriculture (or similar entity) in each State of the availability of funds to assist eligible aquaculture producers, including such terms as are determined by the Secretary to be necessary for the equitable treatment of eligible aquaculture producers.

(3) PROVISION OF GRANTS.—

(A) IN GENERAL.—The Secretary shall make grants to States under this subsection on a pro rata basis based on the amount of aquaculture feed used in each State during the 2009 calendar year, as determined by the Secretary.

(B) TIMING.—Not later than 90 days after the date of enactment of this Act, the Secretary shall make grants to States to provide assistance under this subsection.

(4) REQUIREMENTS.—The Secretary shall make grants under this subsection only to States that demonstrate to the satisfaction of the Secretary that the State will—

(A) use grant funds to assist eligible aquaculture producers;

(B) provide assistance to eligible aquaculture producers not later than 60 days after the date on which the State receives grant funds; and

(C) not later than 30 days after the date on which the State provides assistance to eligible aquaculture producers, submit to the Secretary a report that describes—

(i) the manner in which the State provided assistance;

(ii) the amounts of assistance provided per species of aquaculture; and

(iii) the process by which the State determined the levels of assistance to eligible aquaculture producers.

(5) REDUCTION IN PAYMENTS.—An eligible aquaculture producer that receives assistance under this subsection shall not be eligible to receive any other assistance under the supplemental agricultural disaster assistance program established under section 531 of the Federal Crop Insurance Act (7 U.S.C. 1531) and section 901 of the Trade Act of 1974 (19 U.S.C. 2497) for any losses in 2009 relating to the same species of aquaculture.

(6) REPORT TO CONGRESS.—Not later than 240 days after the date of enactment of this Act, the Secretary shall submit to the appropriate committees of Congress a report that—

(A) describes in detail the manner in which this subsection has been carried out; and

(B) includes the information reported to the Secretary under paragraph (4)(C).

(f) HAWAII TRANSPORTATION COOPERATIVE.—Notwithstanding any other provision of law, the Secretary shall use $21,000,000 of funds of the Commodity Credit Corporation to make a payment to an agricultural transportation cooperative in the State of Hawaii, the members of which are eligible to participate in the commodity loan program of the Farm Service Agency, for assistance to maintain and develop employment.

(g) LIVESTOCK FORAGE DISASTER PROGRAM.—

(1) DEFINITION OF DISASTER COUNTY.—In this subsection:

(A) IN GENERAL.—The term ''disaster county'' means a county included in the geographic area covered by a qualifying natural disaster declaration announced by the Secretary in calendar year 2009.

(B) INCLUSION.—The term ''disaster county'' includes a contiguous county.

(2) PAYMENTS.—Of the funds of the Commodity Credit Corporation, the Secretary shall use not more than $50,000,000 to carry out a program to make payments to eligible producers that had grazing losses in disaster counties in calendar year 2009.

(3) CRITERIA.—

(A) IN GENERAL.—Except as provided in subparagraph (B), assistance under this subsection shall be determined under the same criteria as are used to carry out the programs under section 531(d) of the Federal Crop Insurance Act (7 U.S.C. 1531(d)) and section 901(d) of the Trade Act of 1974 (19 U.S.C. 2497(d)).

(B) DROUGHT INTENSITY.—For purposes of this subsection, an eligible producer shall not be required to meet the drought intensity requirements of section 531(d)(3)(D)(ii) of the Federal Crop Insurance Act (7 U.S.C. 1531(d)(3)(D)(ii)) and section 901(d)(3)(D)(ii) of the Trade Act of 1974 (19 U.S.C. 2497(d)(3)(D)(ii)).

(4) AMOUNT.—Assistance under this subsection shall be in an amount equal to 1 monthly payment using the monthly payment rate under section 531(d)(3)(B) of the Federal Crop Insurance Act (7 U.S.C. 1531(d)(3)(B)) and section 901(d)(3)(B) of the Trade Act of 1974 (19 U.S.C. 2497(d)(3)(B)).

(5) RELATION TO OTHER LAW.—An eligible producer that receives assistance under this subsection shall be ineligible to receive assistance for 2009 grazing losses under the program carried out under section 531(d) of the Federal Crop Insurance Act (7 U.S.C. 1531(d)) and section 901(d) of the Trade Act of 1974 (19 U.S.C. 2497(d)).

(h) EMERGENCY LOANS FOR POULTRY PRODUCERS.—

(1) DEFINITIONS.—In this subsection:

(A) ANNOUNCEMENT DATE.—The term ''announcement date'' means the date on which the Secretary announces the emergency loan program under this subsection.

(B) POULTRY INTEGRATOR.—The term ''poultry integrator'' means a poultry integrator that filed proceedings under chapter 11 of title 11, United States Code, in United States Bankruptcy Court during the 30-day period beginning on December 1, 2008.

(2) LOAN PROGRAM.—

(A) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall use not more than $75,000,000, to remain available until expended, for the cost of making no-interest emergency loans available to poultry producers that meet the requirements of this subsection.

(B) TERMS AND CONDITIONS.—Except as otherwise provided in this subsection, emergency loans under this subsection shall be subject to such terms and conditions as are determined by the Secretary.

(3) LOANS.—

(A) IN GENERAL.—An emergency loan made to a poultry producer under this subsection shall be for the purpose of providing financing to the poultry producer in response to financial losses associated with the termination or nonrenewal of any contract between the poultry producer and a poultry integrator.

(B) ELIGIBILITY.—

(i) IN GENERAL.—To be eligible for an emergency loan under this subsection, not later than 90 days after the announcement date, a poultry producer shall submit to the Secretary evidence that—

(I) the contract of the poultry producer described in subparagraph (A) was not continued; and

(II) no similar contract has been awarded subsequently to the poultry producer.

(ii) REQUIREMENT TO OFFER LOANS.—Notwithstanding any other provision of law, if a poultry producer meets the eligibility requirements described in clause (i), subject to the availability of funds under paragraph (2)(A), the Secretary shall offer to make a loan under this subsection to the poultry producer with a minimum term of 2 years.

(4) ADDITIONAL REQUIREMENTS.—

(A) IN GENERAL.—A poultry producer that receives an emergency loan under this subsection may use the emergency loan proceeds only to repay the amount that the poultry producer owes to any lender for the purchase, improvement, or operation of the poultry farm.

(B) CONVERSION OF THE LOAN.—A poultry producer that receives an emergency loan under this subsection shall be eligible to have the balance of the emergency loan converted, but not refinanced, to a loan that has the same terms and conditions as an operating loan under subtitle B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941 et seq.).

(i) STATE AND LOCAL GOVERNMENTS.—Section 1001(f)(6)(A) of the Food Security Act of 1985 (7 U.S.C. 1308(f)(6)(A)) is amended by inserting ''(other than the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of this Act)'' before the period at the end.

(j) ADMINISTRATION.—

(1) REGULATIONS.—

(A) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary shall promulgate such regulations as are necessary to implement this section and the amendment made by this section.

(B) PROCEDURE.—The promulgation of the regulations and administration of this section and the amendment made by this section shall be made without regard to—

(i) the notice and comment provisions of section 553 of title 5, United States Code;

(ii) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(iii) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act'').

(C) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this paragraph, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

(2) ADMINISTRATIVE COSTS.—Of the funds of the Commodity Credit Corporation, the Secretary may use up to $10,000,000 to pay administrative costs incurred by the Secretary that are directly related to carrying out this Act.

(3) PROHIBITION.—None of the funds of the Agricultural Disaster Relief Trust Fund established under section 902 of the Trade Act of 1974 (19 U.S.C. 2497a) may be used to carry out this Act.

SEC. 605. SUMMER EMPLOYMENT FOR YOUTH.

There is appropriated, out of any funds in the Treasury not otherwise appropriated, for an additional amount for ''Department of Labor—Employment and Training Administration—Training and Employment Services'' for activities under the Workforce Investment Act of 1998 (''WIA''), $1,000,000,000 shall be available for obligation on the date of enactment of this Act for grants to States for youth activities, including summer employment for youth: *Provided*, That no portion of such funds shall be reserved to carry out section 127(b)(1)(A) of the WIA: *Provided further*, That for purposes of section 127(b)(1)(C)(iv) of the WIA, funds available for youth activities shall be allotted as if the total amount available for youth activities in the fiscal year does not exceed $1,000,000,000: *Provided further*, That with respect to the youth activities provided with

such funds, section 101(13)(A) of the WIA shall be applied by substituting ''age 24'' for ''age 21'': *Provided further*, That the work readiness performance indicator described in section 136(b)(2)(A)(ii)(I) of the WIA shall be the only measure of performance used to assess the effectiveness of summer employment for youth provided with such funds: *Provided further*, That an amount that is not more than 1 percent of such amount may be used for the administration, management, and oversight of the programs, activities, and grants carried out with such funds, including the evaluation of the use of such funds: *Provided further*, That funds available under the preceding proviso, together with funds described in section 801(a) of division A of the American Recovery and reinvestment Act of 2009 (Public Law 111–5), and funds provided in such Act under the heading ''Department of Labor–Departmental Management–Salaries and Expenses'', shall remain available for obligation through September 30, 2011.

SEC. 606. HOUSING TRUST FUND.

(a) FUNDING.—There is hereby appropriated for the Housing Trust Fund established pursuant to section 1338 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4568), $1,065,000,000, for use under such section: *Provided*, That of the total amount provided under this heading, $65,000,000 shall be available to the Secretary of Housing and Urban Development only for incremental project-based voucher assistance to be allocated to States to be used solely in conjunction with grant funds awarded under such section 1338, pursuant to the formula established under section 1338 and taking into account different per unit subsidy needs among states, as determined by the Secretary.

(b) AMENDMENTS.—Section 1338 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4568) is amended—

(1) in subsection (c)—

(A) in paragraph (4)(A) by inserting after the period at the end the following: ''Notwithstanding any other provision of law, for the fiscal year following enactment of this sentence and thereafter, the Secretary may make such notice available only on the Internet at the appropriate government website or websites or through other electronic media, as determined by the Secretary.'';

(B) in paragraph (5)(C), by striking ''(8)'' and inserting ''(9)''; and

(C) in paragraph (7)(A)—

(i) by striking ''section 1335(a)(2)(B)'' and inserting ''section 1335(a)(1)(B)''; and

(ii) by inserting ''the units funded under'' after ''75 percent of''; and

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

''(k) ENVIRONMENTAL REVIEW.—For the purpose of environmental compliance review, funds awarded under this section shall be subject to section 288 of the HOME Investment Partnerships Act (12 U.S.C. 12838) and shall be treated as funds under the program established by such Act.''.

SEC. 607. THE INDIVIDUAL INDIAN MONEY ACCOUNT LITIGATION SETTLEMENT ACT OF 2010.

(a) SHORT TITLE.—This section may be cited as the ''Individual Indian Money Account Litigation Settlement Act of 2010''.

(b) DEFINITIONS.—In this section:

(1) AMENDED COMPLAINT.—The term ''Amended Complaint'' means the Amended Complaint attached to the Settlement.

(2) LAND CONSOLIDATION PROGRAM.—The term ''Land Consolidation Program'' means a program conducted in accordance with the Settlement and the Indian Land Consolidation Act (25 U.S.C. 2201 et seq.) under which the Secretary may purchase fractional interests in trust or restricted land.

(3) LITIGATION.—The term ''Litigation'' means the case entitled Elouise Cobell et al. v. Ken Salazar et al., United States District Court, District of Columbia, Civil Action No. 96–1285 (JR).

(4) PLAINTIFF.—The term ''Plaintiff'' means a member of any class certified in the Litigation.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

(6) SETTLEMENT.—The term ''Settlement'' means the Class Action Settlement Agreement dated December 7, 2009, in the Litigation, as modified by the parties to the Litigation.

(7) TRUST ADMINISTRATION CLASS.—The term ''Trust Administration Class'' means the Trust Administration Class as defined in the Settlement.

(c) PURPOSE.—The purpose of this section is to authorize the Settlement.

(d) AUTHORIZATION.—The Settlement is authorized, ratified, and confirmed.

(e) JURISDICTIONAL PROVISIONS.—

(1) IN GENERAL.—Notwithstanding the limitation of jurisdiction of district courts contained in section 1346(a)(2) of title 28, United States Code, the United States District Court for the District of Columbia shall have jurisdiction over the claims asserted in the Amended Complaint for purposes of the Settlement.

(2) CERTIFICATION OF TRUST ADMINISTRATION CLASS.—

(A) IN GENERAL.—Notwithstanding the requirements of the Federal Rules of Civil Procedure, the court overseeing the Litigation may certify the Trust Administration Class.

(B) TREATMENT.—On certification under subparagraph (A), the Trust Administration Class shall be treated as a class under Federal Rule of Civil Procedure 23(b)(3) for purposes of the Settlement.

(f) TRUST LAND CONSOLIDATION.—

(1) TRUST LAND CONSOLIDATION FUND.—

(A) ESTABLISHMENT.—On final approval (as defined in the Settlement) of the Settlement, there shall be established in the Treasury of the United States a fund, to be known as the ''Trust Land Consolidation Fund''.

(B) AVAILABILITY OF AMOUNTS.—Amounts in the Trust Land Consolidation Fund shall be made available to the Secretary during the 10-year period beginning on the date of final approval of the Settlement—

(i) to conduct the Land Consolidation Program; and

(ii) for other costs specified in the Settlement.

(C) DEPOSITS.—

(i) IN GENERAL.—On final approval (as defined in the Settlement) of the Settlement, the Secretary of the Treasury shall deposit in the Trust Land Consolidation Fund $2,000,000,000 of the amounts appropriated by section 1304 of title 31, United States Code.

(ii) CONDITIONS MET.—The conditions described in section 1304 of title 31, United States Code, shall be considered to be met for purposes of clause (i).

(D) TRANSFERS.—In a manner designed to encourage participation in the Land Consolidation Program, the Secretary may transfer, at the discretion of the Secretary, not more than $60,000,000 of amounts in the Trust Land Consolidation Fund to the Indian Education Scholarship Holding Fund established under paragraph 2.

(2) INDIAN EDUCATION SCHOLARSHIP HOLDING FUND.—

(A) ESTABLISHMENT.—On the final approval (as defined in the Settlement) of the Settlement, there shall be established in the Treasury of the United States a fund, to be known as the ''Indian Education Scholarship Holding Fund''.

(B) AVAILABILITY.—Notwithstanding any other provision of law governing competition, public notification, or Federal procurement or assistance, amounts in the Indian Education Scholarship Holding Fund shall be made available, without further appropriation, to the Secretary to contribute to an Indian Education Scholarship Fund, as described in the Settlement, to provide scholarships for Native Americans.

(3) ACQUISITION OF TRUST OR RESTRICTED LAND.—The Secretary may acquire, at the discretion of the Secretary and in accordance with the Land Consolidation Program, any fractional interest in trust or restricted land.

(4) TREATMENT OF UNLOCATABLE PLAINTIFFS.—A Plaintiff the whereabouts of whom are unknown and who, after reasonable efforts by the Secretary, cannot be located during the 5 year period beginning on the date of final approval (as defined in the Settlement) of the Settlement shall be considered to have accepted an offer made pursuant to the Land Consolidation Program.

(g) TAXATION AND OTHER BENEFITS.—

(1) INTERNAL REVENUE CODE.—For purposes of the Internal Revenue Code of 1986, amounts received by an individual Indian as a lump sum or a periodic payment pursuant to the Settlement—

(A) shall not be included in gross income; and

(B) shall not be taken into consideration for purposes of applying any provision of the Internal Revenue Code of 1986 that takes into account excludable income in computing adjusted gross income or modified adjusted gross income, including section 86 of that Code (relating to Social Security and tier 1 railroad retirement benefits).

(2) OTHER BENEFITS.—Notwithstanding any other provision of law, for purposes of determining initial eligibility, ongoing eligibility, or level of benefits under any Federal or federally assisted program, amounts received by an individual Indian as a lump sum or a periodic payment pursuant to the Settlement shall not be treated for any household member, during the 1-year period beginning on the date of receipt—

(A) as income for the month during which the amounts were received; or

(B) as a resource.

SEC. 608. APPROPRIATION OF FUNDS FOR FINAL SETTLEMENT OF CLAIMS FROM IN RE BLACK FARMERS DISCRIMINATION LITIGATION.

(a) DEFINITIONS.—In this section:

(1) SETTLEMENT AGREEMENT.—The term ''Settlement Agreement'' means the settlement agreement dated February 18, 2010 (including any modifications agreed to by the parties and approved by the court under that agreement) between certain plaintiffs, by and through their counsel, and the Secretary of Agriculture to resolve, fully and forever, the claims raised or that could have been raised in the cases consolidated in *In re Black Farmers Discrimination Litigation*, No. 08–511 (D.D.C.), including Pigford claims asserted under section 14012 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2209).

(2) PIGFORD CLAIM.—The term ''Pigford claim'' has the meaning given that term in section 14012(a)(3) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2210).

(b) APPROPRIATION OF FUNDS.—There is hereby appropriated to the Secretary of Agriculture $1,150,000,000, to remain available until expended, to carry out the terms of the Settlement Agreement if the Settlement Agreement is approved by a court order that is or becomes final and nonappealable. The

funds appropriated by this subsection are in addition to the $100,000,000 of funds of the Commodity Credit Corporation made available by section 14012(i) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2212) and shall be available for obligation only after those Commodity Credit Corporation funds are fully obligated. If the Settlement Agreement is not approved as provided in this subsection, the $100,000,000 of funds of the Commodity Credit Corporation made available by section 14012(i) of the Food, Conservation, and Energy Act of 2008 shall be the sole funding available for Pigford claims.

(c) USE OF FUNDS.—The use of the funds appropriated by subsection (b) shall be subject to the express terms of the Settlement Agreement.

(d) TREATMENT OF REMAINING FUNDS.—If any of the funds appropriated by subsection (b) are not obligated and expended to carry out the Settlement Agreement, the Secretary of Agriculture shall return the unused funds to the Treasury and may not make the unused funds available for any purpose related to section 14012 of the Food, Conservation, and Energy Act of 2008, for any other settlement agreement executed in *In re Black Farmers Discrimination Litigation*, No. 08–511 (D.D.C.), or for any other purpose.

(e) RULES OF CONSTRUCTION.—Nothing in this section shall be construed as requiring the United States, any of its officers or agencies, or any other party to enter into the Settlement Agreement or any other settlement agreement. Nothing in this section shall be construed as creating the basis for a Pigford claim.

(f) CONFORMING AMENDMENTS.—Section 14012 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2209) is amended—

(1) in subsection (c)(1)—

(A) by striking ''subsection (h)'' and inserting ''subsection (g)''; and

(B) by striking ''subsection (i)'' and inserting ''subsection (h)'';

(2) by striking subsection (e);

(3) in subsection (g), by striking ''subsection (f)'' and inserting ''subsection (e)'';

(4) in subsection (i)—

(A) by striking ''(1) IN GENERAL.—Of the funds'' and inserting ''Of the funds''; and

(B) by striking paragraph (2);

(5) by striking subsection (j); and

(6) by redesignating subsections (f), (g), (h), (i), and (k) as subsections (e), (f), (g), (h), and (i), respectively.

SEC. 609. EXPANSION OF ELIGIBILITY FOR CONCURRENT RECEIPT OF MILITARY RETIRED PAY AND VETERANS' DISABILITY COMPENSATION TO INCLUDE ALL CHAPTER 61 DISABILITY RETIREES REGARDLESS OF DISABILITY RATING PERCENTAGE OR YEARS OF SERVICE.

(a) PHASED EXPANSION CONCURRENT RECEIPT.—Subsection (a) of section 1414 of title 10, United States Code, is amended to read as follows:

''(a) PAYMENT OF BOTH RETIRED PAY AND DISABILITY COMPENSATION.—

''(1) PAYMENT OF BOTH REQUIRED.—

''(A) IN GENERAL.—Subject to subsection (b), a member or former member of the uniformed services who is entitled for any month to retired pay and who is also entitled for that month to veterans' disability compensation for a qualifying service-connected disability (in this section referred to as a 'qualified retiree') is entitled to be paid both for that month without regard to sections 5304 and 5305 of title 38.

''(B) APPLICABILITY OF FULL CONCURRENT RECEIPT PHASE-IN REQUIREMENT.—During the period beginning on January 1, 2004, and ending on December 31, 2013, payment of retired pay to a qualified retiree is subject to subsection (c).

''(C) PHASE-IN EXCEPTION FOR 100 PERCENT DISABLED RETIREES.—The payment of retired pay is subject to subsection (c) only during the period beginning on January 1, 2004, and ending on December 31, 2004, in the case of the following qualified retirees:

''(i) A qualified retiree receiving veterans' disability compensation for a disability rated as 100 percent.

''(ii) A qualified retiree receiving veterans' disability compensation at the rate payable for a 100 percent disability by reason of a determination of individual unemployability.

''(D) TEMPORARY PHASE-IN EXCEPTION FOR CERTAIN CHAPTER 61 DISABILITY RETIREES; TERMINATION.—Subject to subsection (b), during the period beginning on January 1, 2011, and ending on September 30, 2012, subsection (c) shall not apply to a qualified retiree described in subparagraph (B) or (C) of paragraph (2).

''(2) QUALIFYING SERVICE-CONNECTED DISABILITY DEFINED.—In this section:

''(A) 50 PERCENT RATING THRESHOLD.—In the case of a member or former member receiving retired pay under any provision of law other than chapter 61 of this title, or under chapter 61 with 20 years or more of service otherwise creditable under section 1405 or computed under section 12732 of this title, the term 'qualifying service-connected disability' means a service-connected disability or combination of service-connected disabilities that is rated as not less than 50 percent disabling by the Secretary of Veterans Affairs. However, during the period specified in paragraph (1)(D), members or former members receiving retired pay under chapter 61 with 20 years or more of creditable service computed under section 12732 of this title, but not otherwise entitled to retired pay under any other provision of this title, shall qualify in accordance with subparagraphs (B) and (C).

''(B) INCLUSION OF MEMBERS NOT OTHERWISE ENTITLED TO RETIRED PAY.—In the case of a member or former member receiving retired pay under chapter 61 of this title, but who is not otherwise entitled to retired pay under any other provision of this title, the term 'qualifying service-connected disability' means a service-connected disability or combination of service-connected disabilities that is rated by the Secretary of Veterans Affairs at the disabling level specified in one of the following clauses (which, subject to paragraph (3), is effective on or after the date specified in the applicable clause):

''(i) January 1, 2011, rated 100 percent, or a rate payable at 100 percent by reason of individual unemployability or rated 90 percent.

''(ii) January 1, 2012, rated 80 percent or 70 percent.

''(iii) January 1, 2013, rated 60 percent or 50 percent.

''(C) ELIMINATION OF RATING THRESHOLD.—In the case of a member or former member receiving retired pay under chapter 61 regardless of being otherwise eligible for retirement, the term 'qualifying service-connected disability' means a service-connected disability or combination of service-connected disabilities that is rated by the Secretary of Veterans Affairs at the disabling level specified in one of the following clauses (which, subject to paragraph (3), is effective on or after the date specified in the applicable clause):

''(i) January 1, 2014, rated 40 percent or 30 percent.

''(ii) January 1, 2015, any rating.

''(3) LIMITED DURATION.—Notwithstanding the effective date specified in each clause of subparagraphs (B) and (C) of paragraph (2), the clause—

''(A) shall apply only if the termination date specified in paragraph (1)(D) would occur during or after the calendar year specified in the clause; and

''(B) shall not apply beyond the termination date specified in paragraph (1)(D).''.

(b) CONFORMING AMENDMENT TO SPECIAL RULES FOR CHAPTER 61 DISABILITY RETIREES.—Subsection (b) of such section is amended to read as follows:

''(b) SPECIAL RULES FOR CHAPTER 61 DISABILITY RETIREES WHEN ELIGIBILITY HAS BEEN ESTABLISHED FOR SUCH RETIREES.—

''(1) GENERAL REDUCTION RULE.—The retired pay of a member retired under chapter 61 of this title is subject to reduction under sections 5304 and 5305 of title 38, but only to the extent that the amount of the members retired pay under chapter 61 of this title exceeds the amount of retired pay to which the member would have been entitled under any other provision of law based upon the member's service in the uniformed services if the member had not been retired under chapter 61 of this title.

''(2) CHAPTER 61 RETIREES NOT OTHERWISE ENTITLED TO RETIRED PAY.—

''(A) BEFORE TERMINATION DATE.—If a member with a qualifying service-connected disability (as defined in subsection (a)(2)) is retired under chapter 61 of this title, but is not otherwise entitled to retired pay under any other provision of this title, and the termination date specified in subsection (a)(1)(D) has not occurred, the retired pay of the member is subject to reduction under sections 5304 and 5305 of title 38, but only to the extent that the amount of the member's retired pay under chapter 61 of this title exceeds the amount equal to 2½ percent of the member's years of creditable service multiplied by the member's retired pay base under section 1406(b)(1) or 1407 of this title, whichever is applicable to the member.

''(B) AFTER TERMINATION DATE.—Subsection (a) does not apply to a member described in subparagraph (A) if the termination date specified in subsection (a)(1)(D) has occurred.''.

(c) CONFORMING AMENDMENT TO FULL CONCURRENT RECEIPT PHASE-IN.—Subsection (c) of such section is amended by striking ''the second sentence of''.

(d) CLERICAL AMENDMENTS.—

(1) SECTION HEADING.—The heading of such section is amended to read as follows:

''§ 1414. Concurrent receipt of retired pay and veterans' disability compensation''.

(2) TABLE OF SECTIONS.—The table of sections at the beginning of chapter 71 of such title is amended by striking the item related to section 1414 and inserting the following new item:

''1414. Concurrent receipt of retired pay and veterans' disability compensation.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2011.

SEC. 610. EXTENSION OF USE OF 2009 POVERTY GUIDELINES.

Section 1012 of the Department of Defense Appropriations Act, 2010 (Public Law 111–118), as amended by section 6 of the Continuing Extension Act of 2010 (Public Law 111–157), is amended—

(1) by striking ''before May 31, 2010''; and

(2) by inserting ''for 2011'' after ''until updated poverty guidelines''.

SEC. 611. REFUNDS DISREGARDED IN THE ADMINISTRATION OF FEDERAL PROGRAMS AND FEDERALLY ASSISTED PROGRAMS.

(a) IN GENERAL.—Subchapter A of chapter 65 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 6409. REFUNDS DISREGARDED IN THE ADMINISTRATION OF FEDERAL PROGRAMS AND FEDERALLY ASSISTED PROGRAMS.

''(a) IN GENERAL.—Notwithstanding any other provision of law, any refund (or advance payment with respect to a refundable credit) made to any individual under this title shall not be taken into account as income, and shall not be taken into account as resources for a period of 12 months from receipt, for purposes of determining the eligibility of such individual (or any other individual) for benefits or assistance (or the amount or extent of benefits or assistance) under any Federal program or under any State or local program financed in whole or in part with Federal funds.

''(b) TERMINATION.—Subsection (a) shall not apply to any amount received after December 31, 2010.''.

(b) CLERICAL AMENDMENT.—The table of sections for such subchapter is amended by adding at the end the following new item:

''Sec. 6409. Refunds disregarded in the administration of Federal programs and federally assisted programs.''.

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

SEC. 612. STATE COURT IMPROVEMENT PROGRAM.

Section 438 of the Social Security Act (42 U.S.C. 629h) is amended—

(1) in subsection (c)(2)(A), by striking ''2010'' and inserting ''2011''; and

(2) in subsection (e), by striking ''2010'' and inserting ''2011''.

SEC. 613. QUALIFYING TIMBER CONTRACT OPTIONS.

(a) DEFINITIONS.—In this section:

(1) QUALIFYING CONTRACT.—The term ''qualifying contract'' means a contract that has not been terminated by the Bureau of Land Management for the sale of timber on lands administered by the Bureau of Land Management that meets all of the following criteria:

(A) The contract was awarded during the period beginning on January 1, 2005, and ending on December 31, 2008.

(B) There is unharvested volume remaining for the contract.

(C) The contract is not a salvage sale.

(D) The Secretary determined there is not an urgent need to harvest under the contract due to deteriorating timber conditions that developed after the award of the contract.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior, acting through the Director of Bureau of Land Management.

(3) TIMBER PURCHASER.—The term ''timber purchaser'' means the party to the qualifying contract for the sale of timber from lands administered by the Bureau of Land Management.

(b) MARKET-RELATED CONTRACT EXTENSION OPTION.—Upon a timber purchaser's written request, the Secretary may make a one-time modification to the qualifying contract to add 3 years to the contract expiration date if the written request—

(1) is received by the Secretary not later than 90 days after the date of enactment of this Act; and

(2) contains a provision releasing the United States from all liability, including further consideration or compensation, resulting from the modification under this subsection of the term of a qualifying contract.

(c) REPORTING.—Not later than 6 months after the date of the enactment of this Act, the Secretary shall submit to Congress a report detailing a plan and timeline to promulgate new regulations authorizing the Bureau of Land Management to extend timber contracts due to changes in market conditions.

(d) REGULATIONS.—Not later than 2 years after the date of the enactment of this Act, the Secretary shall promulgate new regulations authorizing the Bureau of Land Management to extend timber contracts due to changes in market conditions.

(e) NO SURRENDER OF CLAIMS.—This section shall not have the effect of surrendering any claim by the United States against any timber purchaser that arose under a timber sale contract, including a qualifying contract, before the date on which the Secretary adjusts the contract term under subsection (b).

SEC. 614. EXTENSION AND FLEXIBILITY FOR CERTAIN ALLOCATED SURFACE TRANSPORTATION PROGRAMS.

(a) MODIFICATION OF ALLOCATION RULES.—Section 411(d) of the Surface Transportation Extension Act of 2010 (Public Law 111–147; 124 Stat. 80) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A)—

(i) by striking ''1301, 1302,''; and

(ii) by striking ''1198, 1204,''; and

(B) in subparagraph (A)—

(i) in the matter preceding clause (i) by striking ''apportioned under sections 104(b) and 144 of title 23, United States Code,'' and inserting ''specified in section 105(a)(2) of title 23, United States Code (except the high priority projects program),''; and

(ii) in clause (ii) by striking ''apportioned under such sections of such Code'' and inserting ''specified in such section 105(a)(2) (except the high priority projects program)'';

(2) in paragraph (2)—

(A) in the matter preceding subparagraph (A)—

(i) by striking ''1301, 1302,''; and

(ii) by striking ''1198, 1204,''; and

(B) in subparagraph (A)—

(i) in the matter preceding clause (i) by striking ''apportioned under sections 104(b) and 144 of title 23, United States Code,'' and inserting ''specified in section 105(a)(2) of title 23, United States Code (except the high priority projects program),''; and

(ii) in clause (ii) by striking ''apportioned under such sections of such Code'' and inserting ''specified in such section 105(a)(2) (except the high priority projects program)''; and

(3) by adding at the end the following:

''(5) PROJECTS OF NATIONAL AND REGIONAL SIGNIFICANCE AND NATIONAL CORRIDOR INFRASTRUCTURE IMPROVEMENT PROGRAMS.—

''(A) REDISTRIBUTION AMONG STATES.—Notwithstanding sections 1301(m) and 1302(e) of SAFETEA–LU (119 Stat. 1202 and 1205), the Secretary shall apportion funds authorized to be appropriated under subsection (b) for the projects of national and regional significance program and the national corridor infrastructure improvement program among all States such that each State's share of the funds so apportioned is equal to the State's share for fiscal year 2009 of funds apportioned or allocated for the programs specified in section 105(a)(2) of title 23, United States Code.

''(B) DISTRIBUTION AMONG PROGRAMS.—Funds apportioned to a State pursuant to subparagraph (A) shall be—

''(i) made available to the State for the programs specified in section 105(a)(2) of title 23, United States Code (except the high priority projects program), and in the same proportion for each such program that—

''(I) the amount apportioned to the State for that program for fiscal year 2009; bears to

''(II) the amount apportioned to the State for fiscal year 2009 for all such programs; and

''(ii) administered in the same manner and with the same period of availability as funding is administered under programs identified in clause (i).''.

(b) EXPENDITURE AUTHORITY FROM HIGHWAY TRUST FUND.—Paragraph (1) of section 9503(c) of the Internal Revenue Code of 1986 is amended by striking ''Surface Transportation Extension Act of 2010'' and inserting ''American Jobs and Closing Tax Loopholes Act of 2010''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect upon the date of enactment of the Surface Transportation Extension Act of 2010 (Public Law 111–147; 124 Stat. 78 et seq.) and shall be treated as being included in that Act at the time of the enactment of that Act.

(d) SAVINGS CLAUSE.—

(1) IN GENERAL.—For fiscal year 2010 and for the period beginning on October 1, 2010, and ending on December 31, 2010, the amount of funds apportioned to each State under section 411(d) of the Surface Transportation Extension Act of 2010 (Public Law 111–147) that is determined by the amount that the State received or was authorized to receive for fiscal year 2009 to carry out the projects of national and regional significance program and national corridor infrastructure improvement program shall be the greater of—

(A) the amount that the State was authorized to receive under section 411(d) of the Surface Transportation Extension Act of 2010 with respect to each such program according to the provisions of that Act, as in effect on the day before the date of enactment of this Act; or

(B) the amount that the State is authorized to receive under section 411(d) of the Surface Transportation Extension Act of 2010 with respect to each such program pursuant to the provisions of that Act, as amended by the amendments made by this section.

(2) OBLIGATION AUTHORITY.—For fiscal year 2010, the amount of obligation authority distributed to each State shall be the greater of—

(A) the amount that the State was authorized to receive pursuant to section 120(a)(4)(A) (as it pertains to the Appalachian Development Highway System program) of title I of division A of the Consolidated Appropriations Act, 2010 (Public Law 111–117) and sections 120(a)(4)(B) and 120(a)(6) of such title, as of the day before the date of enactment of this Act; or

(B) the amount that the State is authorized to receive pursuant to section 120(a)(4)(A) (as it pertains to the Appalachian Development Highway System program) of title I of division A of the Consolidated Appropriations Act, 2010 (Public Law 111–117) and sections 120(a)(4)(B) and 120(a)(6) of such title, as of the date of enactment of this Act.

(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated out of the Highway Trust Fund (other than the Mass Transit Account) such sums as may be necessary to carry out this subsection.

(4) INCREASE IN OBLIGATION LIMITATION.—The limitation under the heading ''Federal-aid Highways (Limitation on Obligations) (Highway Trust Fund)'' in Public Law 111–117 is increased by such sums as may be necessary to carry out this subsection.

(5) CONTRACT AUTHORITY.—Funds made available to carry out this subsection shall be available for obligation and administered in the same manner as if such funds were apportioned under chapter 1 of title 23, United States Code.

(6) AMOUNTS.—The dollar amount specified in section 105(d)(1) of title 23, United States Code, the dollar amount specified in section 120(a)(4)(B) of title I of division A of the Consolidated Appropriations Act, 2010 (Public Law 111–117), and the dollar amount specified in section 120(b)(10) of such title shall each

be increased as necessary to carry out this subsection.

SEC. 615. COMMUNITY COLLEGE AND CAREER TRAINING GRANT PROGRAM.

(a) IN GENERAL.—Section 278(a) of the Trade Act of 1974 (19 U.S.C. 2372(a)) is amended by adding at the end the following:

''(3) RULE OF CONSTRUCTION.—For purposes of this section, any reference to 'workers', 'workers eligible for training under section 236', or any other reference to workers under this section shall be deemed to include individuals who are, or are likely to become, eligible for unemployment compensation as defined in section 85(b) of the Internal Revenue Code of 1986, or who remain unemployed after exhausting all rights to such compensation.''.

(b) DEFINITION OF ELIGIBLE INSTITUTION.—Section 278(b)(1) of the Trade Act of 1974 (19 U.S.C. 2372(b)(1)) is amended—

(1) by striking ''section 102'' and inserting ''section 101(a)''; and

(2) by striking ''1002'' and inserting ''1001(a)''.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 279 of the Trade Act of 1974 (19 U.S.C. 2372a) is amended—

(1) in subsection (a), by striking the last sentence; and

(2) by adding at the end the following:

''(c) ADMINISTRATIVE AND RELATED COSTS.—The Secretary may retain not more than 5 percent of the funds appropriated under subsection (b) for each fiscal year to administer, evaluate, and establish reporting systems for the Community College and Career Training Grant program under section 278.

''(d) SUPPLEMENT NOT SUPPLANT.—Funds appropriated under subsection (b) shall be used to supplement and not supplant other Federal, State, and local public funds expended to support community college and career training programs.

''(e) AVAILABILITY.—Funds appropriated under subsection (b) shall remain available for the fiscal year for which the funds are appropriated and the subsequent fiscal year.''.

SEC. 616. EXTENSIONS OF DUTY SUSPENSIONS ON COTTON SHIRTING FABRICS AND RELATED PROVISIONS.

(a) EXTENSIONS.—Each of the following headings of the Harmonized Tariff Schedule of the United States is amended by striking the date in the effective date column and inserting ''12/31/2013'':

(1) Heading 9902.52.08 (relating to woven fabrics of cotton).

(2) Heading 9902.52.09 (relating to woven fabrics of cotton).

(3) Heading 9902.52.10 (relating to woven fabrics of cotton).

(4) Heading 9902.52.11 (relating to woven fabrics of cotton).

(5) Heading 9902.52.12 (relating to woven fabrics of cotton).

(6) Heading 9902.52.13 (relating to woven fabrics of cotton).

(7) Heading 9902.52.14 (relating to woven fabrics of cotton).

(8) Heading 9902.52.15 (relating to woven fabrics of cotton).

(9) Heading 9902.52.16 (relating to woven fabrics of cotton).

(10) Heading 9902.52.17 (relating to woven fabrics of cotton).

(11) Heading 9902.52.18 (relating to woven fabrics of cotton).

(12) Heading 9902.52.19 (relating to woven fabrics of cotton).

(13) Heading 9902.52.20 (relating to woven fabrics of cotton).

(14) Heading 9902.52.21 (relating to woven fabrics of cotton).

(15) Heading 9902.52.22 (relating to woven fabrics of cotton).

(16) Heading 9902.52.23 (relating to woven fabrics of cotton).

(17) Heading 9902.52.24 (relating to woven fabrics of cotton).

(18) Heading 9902.52.25 (relating to woven fabrics of cotton).

(19) Heading 9902.52.26 (relating to woven fabrics of cotton).

(20) Heading 9902.52.27 (relating to woven fabrics of cotton).

(21) Heading 9902.52.28 (relating to woven fabrics of cotton).

(22) Heading 9902.52.29 (relating to woven fabrics of cotton).

(23) Heading 9902.52.30 (relating to woven fabrics of cotton).

(24) Heading 9902.52.31 (relating to woven fabrics of cotton).

(b) EXTENSION OF DUTY REFUNDS AND PIMA COTTON TRUST FUND; MODIFICATION OF AFFIDAVIT REQUIREMENTS.—Section 407 of title IV of division C of the Tax Relief and Health Care Act of 2006 (Public Law 109–432; 120 Stat. 3060) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''amounts determined by the Secretary'' and all that follows through ''5208.59.80'' and inserting ''amounts received in the general fund that are attributable to duties received since January 1, 2004, on articles classified under heading 5208''; and

(B) in paragraph (2), by striking ''October 1, 2008'' and inserting ''December 31, 2013'';

(2) in subsection (d)—

(A) in the matter preceding paragraph (1), by inserting ''annually'' after ''provided''; and

(B) in paragraph (1), by inserting ''during the year in which the affidavit is filed and'' after ''imported cotton fabric''; and

(3) in subsection (f)—

(A) in the matter preceding paragraph (1), by inserting ''annually'' after ''provided''; and

(B) in paragraph (1), by inserting ''during the year in which the affidavit is filed and'' after ''United States''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act and apply with respect to affidavits filed on or after such date of enactment.

SEC. 617. MODIFICATION OF WOOL APPAREL MANUFACTURERS TRUST FUND.

(a) IN GENERAL.—Section 4002(c)(2)(A) of the Miscellaneous Trade and Technical Corrections Act of 2004 (Public Law 108–429; 118 Stat. 2600) is amended by striking ''chapter 51'' and inserting ''chapter 62''.

(b) FULL RESTORATION OF PAYMENT LEVELS IN FISCAL YEAR 2010.—

(1) TRANSFER OF AMOUNTS.—

(A) IN GENERAL.—Not later than 30 days after the date of the enactment of this Act, the Secretary of the Treasury shall transfer to the Wool Apparel Manufacturers Trust Fund, out of the general fund of the Treasury of the United States, amounts determined by the Secretary of the Treasury to be equivalent to amounts received in the general fund that are attributable to the duty received on articles classified under chapter 62 of the Harmonized Tariff Schedule of the United States, subject to the limitation in subparagraph (B).

(B) LIMITATION.—The Secretary of the Treasury shall not transfer more than the amount determined by the Secretary to be necessary for—

(i) U.S. Customs and Border Protection to make payments to eligible manufacturers under section 4002(c)(3) of the Miscellaneous Trade and Technical Corrections Act of 2004 so that the amount of such payments, when added to any other payments made to eligible manufacturers under section 4002(c)(3) of such Act for calendar year 2010, equal the total amount of payments authorized to be provided to eligible manufacturers under section 4002(c)(3) of such Act for calendar year 2010; and

(ii) the Secretary of Commerce to provide grants to eligible manufacturers under section 4002(c)(6) of the Miscellaneous Trade and Technical Corrections Act of 2004 so that the amounts of such grants, when added to any other grants made to eligible manufacturers under section 4002(c)(6) of such Act for calendar year 2010, equal the total amount of grants authorized to be provided to eligible manufacturers under section 4002(c)(6) of such Act for calendar year 2010.

(2) PAYMENT OF AMOUNTS.—U.S. Customs and Border Protection shall make payments described in paragraph (1) to eligible manufacturers not later than 30 days after such transfer of amounts from the general fund of the Treasury of the United States to the Wool Apparel Manufacturers Trust Fund. The Secretary of Commerce shall promptly provide grants described in paragraph (1) to eligible manufacturers after such transfer of amounts from the general fund of the Treasury of the United States to the Wool Apparel Manufacturers Trust Fund.

(c) RULE OF CONSTRUCTION.—The amendment made by subsection (a) shall not be construed to affect the availability of amounts transferred to the Wool Apparel Manufacturers Trust Fund before the date of the enactment of this Act.

SEC. 618. DEPARTMENT OF COMMERCE STUDY.

Not later than 180 days after the date of enactment of this Act, the Secretary of Commerce shall report to Congress detailing—

(1) the pattern of job loss in the New England, Mid-Atlantic, and Midwest States over the past 20 years;

(2) the role of the off-shoring of manufacturing jobs in overall job loss in the regions; and

(3) recommendations to attract industries and bring jobs to the region.

SEC. 619. ARRA PLANNING AND REPORTING.

Section 1512 of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 287) is amended—

(1) in subsection (d)—

(A) in the subsection heading, by inserting ''PLANS AND'' after ''AGENCY'';

(B) by striking ''Not later than'' and inserting the following:

''(1) DEFINITION.—In this subsection, the term 'covered program' means a program for which funds are appropriated under this division—

''(A) in an amount that is—

''(i) more than $2,000,000,000; and

''(ii) more than 150 percent of the funds appropriated for the program for fiscal year 2008; or

''(B) that did not exist before the date of enactment of this Act.

''(2) PLANS.—Not later than July 1, 2010, the head of each agency that distributes recovery funds shall submit to Congress and make available on the website of the agency a plan for each covered program, which shall, at a minimum, contain—

''(A) a description of the goals for the covered program using recovery funds;

''(B) a discussion of how the goals described in subparagraph (A) relate to the goals for ongoing activities of the covered program, if applicable;

''(C) a description of the activities that the agency will undertake to achieve the goals described in subparagraph (A);

''(D) a description of the total recovery funding for the covered program and the recovery funding for each activity under the covered program, including identifying whether the activity will be carried out using grants, contracts, or other types of funding mechanisms;

''(E) a schedule of milestones for major phases of the activities under the covered program, with planned delivery dates;

''(F) performance measures the agency will use to track the progress of each of the activities under the covered program in meeting the goals described in subparagraph (A), including performance targets, the frequency of measurement, and a description of the methodology for each measure;

''(G) a description of the process of the agency for the periodic review of the progress of the covered program towards meeting the goals described in subparagraph (A); and

''(H) a description of how the agency will hold program managers accountable for achieving the goals described in subparagraph (A).

''(3) REPORTS.—

''(A) IN GENERAL.—Not later than''; and

(C) by adding at the end the following:

''(B) REPORTS ON PLANS.—Not later than 30 days after the end of the calendar quarter ending September 30, 2010, and every calendar quarter thereafter during which the agency obligates or expends recovery funds, the head of each agency that developed a plan for a covered program under paragraph (2) shall submit to Congress and make available on a website of the agency a report for each covered program that—

''(i) discusses the progress of the agency in implementing the plan;

''(ii) describes the progress towards achieving the goals described in paragraph (2)(A) for the covered program;

''(iii) discusses the status of each activity carried out under the covered program, including whether the activity is completed;

''(iv) details the unobligated and unexpired balances and total obligations and outlays under the covered program;

''(v) discusses—

''(I) whether the covered program has met the milestones for the covered program described in paragraph (2)(E);

''(II) if the covered program has failed to meet the milestones, the reasons why; and

''(III) any changes in the milestones for the covered program, including the reasons for the change;

''(vi) discusses the performance of the covered program, including—

''(I) whether the covered program has met the performance measures for the covered program described in paragraph (2)(F);

''(II) if the covered program has failed to meet the performance measures, the reasons why; and

''(III) any trends in information relating to the performance of the covered program; and

''(vii) evaluates the ability of the covered program to meet the goals of the covered program given the performance of the covered program.'';

(2) in subsection (f)—

(A) by striking ''Within 180 days'' and inserting the following:

''(1) IN GENERAL.—Within 180 days''; and

(B) by adding at the end the following:

''(2) PENALTIES.—

''(A) IN GENERAL.—Subject to subparagraphs (B), (C), and (D), the Attorney General may bring a civil action in an appropriate United States district court against a recipient of recovery funds from an agency that does not provide the information required under subsection (c) or knowingly provides information under subsection (c) that contains a material omission or misstatement. In a civil action under this paragraph, the court may impose a civil penalty on a recipient of recovery funds in an amount not more than $250,000. Any amounts received from a civil penalty under this paragraph shall be deposited in the general fund of the Treasury.

''(B) NOTIFICATION.—

''(i) IN GENERAL.—The head of an agency shall provide a written notification to a recipient of recovery funds from the agency that fails to provide the information required under subsection (c). A notification under this subparagraph shall provide the recipient with information on how to comply with the necessary reporting requirements and notice of the penalties for failing to do so.

''(ii) LIMITATION.—A court may not impose a civil penalty under subparagraph (A) relating to the failure to provide information required under subsection (c) if, not later than 31 days after the date of the notification under clause (i), the recipient of the recovery funds provides the information.

''(C) CONSIDERATIONS.—In determining the amount of a penalty under this paragraph for a recipient of recovery funds, a court shall consider—

''(i) the number of times the recipient has failed to provide the information required under subsection (c);

''(ii) the amount of recovery funds provided to the recipient;

''(iii) whether the recipient is a government, nonprofit entity, or educational institution; and

''(iv) whether the recipient is a small business concern (as defined under section 3 of the Small Business Act (15 U.S.C. 632)), with particular consideration given to businesses with not more than 50 employees.

''(D) APPLICABILITY.—This paragraph shall apply to any report required to be submitted on or after the date of enactment of this paragraph.

''(E) NONEXCLUSIVITY.—The imposition of a civil penalty under this subsection shall not preclude any other criminal, civil, or administrative remedy available to the United States or any other person under Federal or State law.

''(3) TECHNICAL ASSISTANCE.—Each agency distributing recovery funds shall provide technical assistance, as necessary, to assist recipients of recovery funds in complying with the requirements to provide information under subsection (c), which shall include providing recipients with a reminder regarding each reporting requirement.

''(4) PUBLIC LISTING.—

''(A) IN GENERAL.—Not later than 45 days after the end of each calendar quarter, and subject to the notification requirements under paragraph (2)(B), the Board shall make available on the website established under section 1526 a list of all recipients of recovery funds that did not provide the information required under subsection (c) for the calendar quarter.

''(B) CONTENTS.—A list made available under subparagraph (A) shall, for each recipient of recovery funds on the list, include the name and address of the recipient, the identification number for the award, the amount of recovery funds awarded to the recipient, a description of the activity for which the recovery funds were provided, and, to the extent known by the Board, the reason for noncompliance.

''(5) REGULATIONS AND REPORTING.—

''(A) REGULATIONS.—Not later than 90 days after the date of enactment of this paragraph, the Attorney General, in consultation with the Director of the Office of Management and Budget and the Chairperson, shall promulgate regulations regarding implementation of this section.

''(B) REPORTING.—

''(i) IN GENERAL.—Not later than July 1, 2010, and every 3 months thereafter, the Director of the Office of Management and Budget, in consultation with the Chairperson, shall submit to Congress a report on the extent of noncompliance by recipients of recovery funds with the reporting requirements under this section.

''(ii) CONTENTS.—Each report submitted under clause (i) shall include—

''(I) information, for the quarter and in total, regarding the number and amount of civil penalties imposed and collected under this subsection, sorted by agency and program;

''(II) information on the steps taken by the Federal Government to reduce the level of noncompliance; and

''(III) any other information determined appropriate by the Director.''; and

(3) by adding at the end the following:

''(i) TERMINATION.—The reporting requirements under this section shall terminate on September 30, 2013.''.

SEC. 620. AMENDMENT OF TRAVEL PROMOTION ACT OF 2009.

(a) TRAVEL PROMOTION FUND FEES.—Section 217(h)(3)(B) of the Immigration and Nationality Act (8 U.S.C. 1187(h)(3)(B)) is amended—

(1) by striking ''subsection (d) of section 11 of the Travel Promotion Act of 2009.'' in clause (ii) and inserting ''subsection (d) of the Travel Promotion Act of 2009 (22 U.S.C. 2131(d)).''; and

(2) by striking ''September 30, 2014.'' in clause (iii) and inserting ''September 30, 2015.''.

(b) IMPLEMENTATION BEGINNING IN FISCAL YEAR 2011.—Subsection (d) of the Travel Promotion Act of 2009 (22 U.S.C. 2131(d)) is amended—

(1) by striking ''For fiscal year 2010, the'' in paragraph (2)(A) and inserting ''The'';

(2) by striking ''quarterly, beginning on January 1, 2010,'' in paragraph (2)(A) and inserting ''monthly, immediately following the collection of fees under section 217(h)(3)(B)(i)(I) of the Immigration and Nationality Act (8 U.S.C. 1187(h)(3)(B)(i)(I),'';

(3) by striking ''fiscal years 2011 through 2014,'' in paragraph (2)(B) and inserting ''fiscal years 2012 through 2015,'';

(4) by striking ''fiscal year 2010,'' in paragraph (3)(A) and inserting ''fiscal year 2011,'';

(5) by striking ''fiscal year 2011,'' each place it appears in paragraph (3)(A) and inserting ''fiscal year 2012,''; and

(6) by striking ''fiscal year 2010, 2011, 2012, 2013, or 2014'' in paragraph (4)(B) and inserting ''fiscal year 2011, 2012, 2013, 2014, or 2015''.

SEC. 621. LIMITATION ON PENALTY FOR FAILURE TO DISCLOSE REPORTABLE TRANSACTIONS BASED ON RESULTING TAX BENEFITS.

(a) IN GENERAL.—Subsection (b) of section 6707A of the Internal Revenue Code of 1986 is amended to read as follows:

''(b) AMOUNT OF PENALTY.—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the amount of the penalty under subsection (a) with respect to any reportable transaction shall be 75 percent of the decrease in tax shown on the return as a result of such transaction (or which would have resulted from such transaction if such transaction were respected for Federal tax purposes).

''(2) MAXIMUM PENALTY.—The amount of the penalty under subsection (a) with respect to any reportable transaction shall not exceed—

''(A) in the case of a listed transaction, $200,000 ($100,000 in the case of a natural person), or

''(B) in the case of any other reportable transaction, $50,000 ($10,000 in the case of a natural person).

''(3) MINIMUM PENALTY.—The amount of the penalty under subsection (a) with respect to any transaction shall not be less than $10,000 ($5,000 in the case of a natural person).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to penalties assessed after December 31, 2006.

SEC. 622. REPORT ON TAX SHELTER PENALTIES AND CERTAIN OTHER ENFORCEMENT ACTIONS.

(a) IN GENERAL.—The Commissioner of Internal Revenue, in consultation with the Secretary of the Treasury, shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate an annual report on the penalties assessed by the Internal Revenue Service during the preceding year under each of the following provisions of the Internal Revenue Code of 1986:

(1) Section 6662A (relating to accuracy-related penalty on understatements with respect to reportable transactions).

(2) Section 6700(a) (relating to promoting abusive tax shelters).

(3) Section 6707 (relating to failure to furnish information regarding reportable transactions).

(4) Section 6707A (relating to failure to include reportable transaction information with return).

(5) Section 6708 (relating to failure to maintain lists of advisees with respect to reportable transactions).

(b) ADDITIONAL INFORMATION.—The report required under subsection (a) shall also include information on the following with respect to each year:

(1) Any action taken under section 330(b) of title 31, United States Code, with respect to any reportable transaction (as defined in section 6707A(c) of the Internal Revenue Code of 1986).

(2) Any extension of the time for assessment of tax enforced, or assessment of any amount under such an extension, under paragraph (10) of section 6501(c) of the Internal Revenue Code of 1986.

(c) DATE OF REPORT.—The first report required under subsection (a) shall be submitted not later than December 31, 2010.

TITLE VII—TRANSPARENCY REQUIREMENTS FOR FOREIGN-HELD DEBT

SEC. 701. SHORT TITLE.

This title may be cited as the ''Foreign-Held Debt Transparency and Threat Assessment Act''.

SEC. 702. DEFINITIONS.

In this title:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means the following:

(A) The Committee on Armed Services, the Committee on Foreign Relations, the Committee on Finance, and the Committee on the Budget of the Senate.

(B) The Committee on Armed Services, the Committee on Foreign Affairs, the Committee on Ways and Means, and the Committee on the Budget of the House of Representatives.

(2) DEBT INSTRUMENTS OF THE UNITED STATES.—The term ''debt instruments of the United States'' means all bills, notes, and bonds issued or guaranteed by the United States or by an entity of the United States Government, including any Government-sponsored enterprise.

SEC. 703. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the growing Federal debt of the United States has the potential to jeopardize the national security and economic stability of the United States;

(2) the increasing dependence of the United States on foreign creditors has the potential to make the United States vulnerable to undue influence by certain foreign creditors in national security and economic policymaking;

(3) the People's Republic of China is the largest foreign creditor of the United States, in terms of its overall holdings of debt instruments of the United States;

(4) the current level of transparency in the scope and extent of foreign holdings of debt instruments of the United States is inadequate and needs to be improved, particularly regarding the holdings of the People's Republic of China;

(5) through the People's Republic of China's large holdings of debt instruments of the United States, China has become a super creditor of the United States;

(6) under certain circumstances, the holdings of the People's Republic of China could give China a tool with which China can try to manipulate the domestic and foreign policymaking of the United States, including the United States relationship with Taiwan;

(7) under certain circumstances, if the People's Republic of China were to be displeased with a given United States policy or action, China could attempt to destabilize the United States economy by rapidly divesting large portions of China's holdings of debt instruments of the United States; and

(8) the People's Republic of China's expansive holdings of such debt instruments of the United States could potentially pose a direct threat to the United States economy and to United States national security. This potential threat is a significant issue that warrants further analysis and evaluation.

SEC. 704. QUARTERLY REPORT ON RISKS POSED BY FOREIGN HOLDINGS OF DEBT INSTRUMENTS OF THE UNITED STATES.

(a) QUARTERLY REPORT.—Not later than March 31, June 30, September 30, and December 31 of each year, the President shall submit to the appropriate congressional committees a report on the risks posed by foreign holdings of debt instruments of the United States, in both classified and unclassified form.

(b) MATTERS TO BE INCLUDED.—Each report submitted under this section shall include the following:

(1) The most recent data available on foreign holdings of debt instruments of the United States, which data shall not be older than the date that is 7 months preceding the date of the report.

(2) The country of domicile of all foreign creditors who hold debt instruments of the United States.

(3) The total amount of debt instruments of the United States that are held by the foreign creditors, broken out by the creditors' country of domicile and by public, quasi-public, and private creditors.

(4) For each foreign country listed in paragraph (3)—

(A) an analysis of the country's purpose in holding debt instruments of the United States and long-term intentions with regard to such debt instruments;

(B) an analysis of the current and foreseeable risks to the long-term national security and economic stability of the United States posed by each country's holdings of debt instruments of the United States; and

(C) a specific determination of whether the level of risk identified under subparagraph (B) is acceptable or unacceptable.

(c) PUBLIC AVAILABILITY.—The President shall make each report required by subsection (a) available, in its unclassified form, to the public by posting it on the Internet in a conspicuous manner and location.

SEC. 705. ANNUAL REPORT ON RISKS POSED BY THE FEDERAL DEBT OF THE UNITED STATES.

(a) IN GENERAL.—Not later than December 31 of each year, the Comptroller General of the United States shall submit to the appropriate congressional committees a report on the risks to the United States posed by the Federal debt of the United States.

(b) CONTENT OF REPORT.—Each report submitted under this section shall include the following:

(1) An analysis of the current and foreseeable risks to the long-term national security and economic stability of the United States posed by the Federal debt of the United States.

(2) A specific determination of whether the levels of risk identified under paragraph (1) are sustainable.

(3) If the determination under paragraph (2) is that the levels of risk are unsustainable, specific recommendations for reducing the levels of risk to sustainable levels, in a manner that results in a reduction in Federal spending.

SEC. 706. CORRECTIVE ACTION TO ADDRESS UNACCEPTABLE AND UNSUSTAINABLE RISKS TO UNITED STATES NATIONAL SECURITY AND ECONOMIC STABILITY.

In any case in which the President determines under section 704(b)(4)(C) that a foreign country's holdings of debt instruments of the United States pose an unacceptable risk to the long-term national security or economic stability of the United States, the President shall, within 30 days of the determination—

(1) formulate a plan of action to reduce the risk level to an acceptable and sustainable level, in a manner that results in a reduction in Federal spending;

(2) submit to the appropriate congressional committees a report on the plan of action that includes a timeline for the implementation of the plan and recommendations for any legislative action that would be required to fully implement the plan; and

(3) move expeditiously to implement the plan in order to protect the long-term national security and economic stability of the United States.

TITLE VIII—TRANSPARENCY REQUIREMENTS FOR FOREIGN-HELD DEBT

SEC. 801. SHORT TITLE.

This title may be cited as the ''Foreign-Held Debt Transparency and Threat Assessment Act''.

SEC. 802. DEFINITIONS.

In this title:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means the following:

(A) The Committee on Armed Services, the Committee on Foreign Relations, the Committee on Finance, the Committee on Banking, Housing, and Urban Affairs, and the Committee on the Budget of the Senate.

(B) The Committee on Armed Services, the Committee on Foreign Affairs, the Committee on Ways and Means, the Committee on Financial Services, and the Committee on the Budget of the House of Representatives.

(2) DEBT INSTRUMENTS OF THE UNITED STATES.—The term ''debt instruments of the United States'' means all bills, notes, and bonds held by the public and issued or guaranteed by the United States or by an entity of the United States Government.

SEC. 803. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the growing Federal debt of the United States has the potential to jeopardize the national security and economic stability of the United States;

(2) large foreign holdings of debt instruments of the United States have the potential to make the United States vulnerable to undue influence by foreign creditors in national security and economic policymaking;

(3) the People's Republic of China, Japan, and the United Kingdom are the 3 largest foreign holders of debt instruments of the United States; and

(4) the current level of transparency in the scope and extent of foreign holdings of debt instruments of the United States is inadequate and needs to be improved.

SEC. 804. ANNUAL REPORT ON RISKS POSED BY FOREIGN HOLDINGS OF DEBT INSTRUMENTS OF THE UNITED STATES.

(a) ANNUAL REPORT.—Not later than March 31 of each year, the Secretary of the Treasury shall submit to the appropriate congressional committees a report on the risks posed by foreign holdings of debt instruments of the United States, in both classified and unclassified form.

(b) MATTERS TO BE INCLUDED.—Each report submitted under this section shall include the following:

(1) The most recent data available on foreign holdings of debt instruments of the United States, which data shall not be older than the date that is 9 months preceding the date of the report.

(2) The total amount of debt instruments of the United States that are held by foreign residents, broken out by the residents' country of domicile and by public and private residents.

(3) An analysis of the current and foreseeable risks to the long-term national security and economic stability of the United States posed by foreign holdings of debt instruments of the United States.

(c) PUBLIC AVAILABILITY.—The Secretary of the Treasury shall make each report required by subsection (a) available, in its unclassified form, to the public by posting it on the Internet in a conspicuous manner and location.

SEC. 805. ANNUAL REPORT ON RISKS POSED BY THE FEDERAL DEBT OF THE UNITED STATES.

(a) IN GENERAL.—Not later than March 31 of each year, the Comptroller General of the United States shall submit to the appropriate congressional committees a report on the risks to the United States posed by the Federal debt of the United States.

(b) CONTENT OF REPORT.—Each report submitted under this section shall include the following:

(1) An analysis of the current and foreseeable risks to the long-term national security and economic stability of the United States posed by the Federal debt of the United States.

(2) Specific recommendations for reducing the levels of risk resulting from the Federal debt.

SEC. 806. CORRECTIVE ACTION TO ADDRESS UNACCEPTABLE RISKS TO UNITED STATES NATIONAL SECURITY AND ECONOMIC STABILITY.

If the President determines that foreign holdings of debt instruments of the United States pose an unacceptable risk to the long-term national security or economic stability of the United States, the President shall, within 30 days of the determination—

(1) formulate a plan of action to reduce such risk;

(2) submit to the appropriate congressional committees a report on the plan of action that includes a timeline for the implementation of the plan and recommendations for any legislative action that would be required to fully implement the plan; and

(3) move expeditiously to implement the plan in order to protect the long-term national security and economic stability of the United States.

TITLE IX—OFFICE OF THE HOMEOWNER ADVOCATE

SEC. 901. OFFICE OF THE HOMEOWNER ADVOCATE.

(a) ESTABLISHMENT.—There is established in the Department of the Treasury an office to be known as the ''Office of the Homeowner Advocate'' (in this title referred to as the ''Office'').

(b) DIRECTOR.—

(1) IN GENERAL.—The Director of the Office of the Homeowner Advocate (in this title referred to as the ''Director'') shall report directly to the Assistant Secretary of the Treasury for Financial Stability, and shall be entitled to compensation at the same rate as the highest rate of basic pay established for the Senior Executive Service under section 5382 of title 5, United States Code.

(2) APPOINTMENT.—The Director shall be appointed by the Secretary, after consultation with the Secretary of the Department of Housing and Urban Development, and without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service or the Senior Executive Service.

(3) QUALIFICATIONS.—An individual appointed under paragraph (2) shall have—

(A) experience as an advocate for homeowners; and

(B) experience dealing with mortgage servicers.

(4) RESTRICTION ON EMPLOYMENT.—An individual may be appointed as Director only if such individual was not an officer or employee of either a mortgage servicer or the Department of the Treasury during the 4-year period preceding the date of such appointment.

(5) HIRING AUTHORITY.—The Director shall have the authority to hire staff, obtain support by contract, and manage the budget of the Office of the Homeowner Advocate.

SEC. 902. FUNCTIONS OF THE OFFICE.

(a) IN GENERAL.—It shall be the function of the Office—

(1) to assist homeowners, housing counselors, and housing lawyers in resolving problems with the Home Affordable Modification Program of the Making Home Affordable initiative of the Secretary, authorized under the Emergency Economic Stabilization Act of 2008 (in this title referred to as the ''Home Affordable Modification Program'')

(2) to identify areas, both individual and systematic, in which homeowners, housing counselors, and housing lawyers have problems in dealings with the Home Affordable Modification Program;

(3) to the extent possible, to propose changes in the administrative practices of the Home Affordable Modification Program, to mitigate problems identified under paragraph (2);

(4) to identify potential legislative changes which may be appropriate to mitigate such problems; and

(5) to implement other programs and initiatives that the Director deems important to assisting homeowners, housing counselors, and housing lawyers in resolving problems with the Home Affordable Modification Program, which may include—

(A) running a triage hotline for homeowners at risk of foreclosure;

(B) providing homeowners with access to housing counseling programs of the Department of Housing and Urban Development at no cost to the homeowner;

(C) developing Internet tools related to the Home Affordable Modification Program; and

(D) developing training and educational materials.

(b) AUTHORITY.—

(1) IN GENERAL.—Staff designated by the Director shall have the authority to implement servicer remedies, on a case-by-case basis, subject to the approval of the Assistant Secretary of the Treasury for Financial Stability.

(2) RESOLUTION OF HOMEOWNER CONCERNS.—The Office shall, to the extent possible, resolve all homeowner concerns not later than 30 days after the opening of a case with such homeowner.

(c) COMMENCEMENT OF OPERATIONS.—The Office shall commence its operations, as required by this title, not later than 3 months after the date of enactment of this Act.

(d) SUNSET.—The Office shall cease operations as of the date on which the Home Affordable Modification Program ceases to operate.

SEC. 903. RELATIONSHIP WITH EXISTING ENTITIES.

(a) TRANSFER.—The Office shall coordinate and centralize all complaint escalations relating to the Home Affordable Modification Program.

(b) HOTLINE.—The HOPE hotline (or any successor triage hotline) shall reroute all complaints relating to the Home Affordable Modification Program to the Office.

(c) COORDINATION.—The Office shall coordinate with the compliance office of the Office of Financial Stability of the Department of the Treasury and the Homeownership Preservation Office of the Department of the Treasury.

SEC. 904. RULE OF CONSTRUCTION.

Nothing in this section shall prohibit a mortgage servicer from evaluating a homeowner for eligibility under the Home Affordable Foreclosure Alternatives Program while a case is still open with the Office of the Homeowner Advocate. Nothing in this section may be construed to relieve any loan services from otherwise applicable rules, directives, or similar guidance under the Home Affordable Modification Program relating to the continuation or completion of foreclosure proceedings.

SEC. 905. REPORTS TO CONGRESS.

(a) TESTIMONY.—The Director shall be available to testify before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, not less frequently than 4 times a year, or at any time at the request of the Chairs of either committee.

(b) REPORTS.—Once annually, the Director shall provide a detailed report to Congress on the Home Affordable Modification Program. Such report shall contain full and substantive analysis, in addition to statistical information, including, at a minimum—

(1) data and analysis of the types and volume of complaints received from homeowners, housing counselors, and housing lawyers, broken down by category of servicer, except that servicers may not be identified by name in the report;

(2) a summary of not fewer than 20 of the most serious problems encountered by Home Affordable Modification Program participants, including a description of the nature of such problems;

(3) to the extent known, identification of the 10 most litigated issues for Home Affordable Modification Program participants, including recommendations for mitigating such disputes;

(4) data and analysis on the resolutions of the complaints received from homeowners, housing counselors, and housing lawyers;

(5) identification of any programs or initiatives that the Office has taken to improve the Home Affordable Modification Program;

(6) recommendations for such administrative and legislative action as may be appropriate to resolve problems encountered by Home Affordable Modification Program participants; and

(7) such other information as the Director may deem advisable.

SEC. 906. FUNDING.

Amounts made available for the costs of administration of the Home Affordable Modification Program that are not otherwise obligated shall be available to carry out the duties of the Office. Funding shall be maintained at levels adequate to reasonably carry out the functions of the Office.

SEC. 907. PROHIBITION ON PARTICIPATION IN MAKING HOME AFFORDABLE FOR BORROWERS WHO STRATEGICALLY DEFAULT.

No mortgage may be modified under the Making Home Affordable Program, or with any funds from the Troubled Asset Relief Program, unless the servicer of the mortgage loan has determined, in accordance with standards and requirements established by the Secretary of the Treasury, that the mortgagor cannot afford to make payments under the terms of the existing mortgage loan. The Secretary of the Treasury, in consultation with the Secretary of Housing and Urban Development, shall issue rules to carry out this section not later than 90 days after the date of enactment of this Act.

SEC. 908. PUBLIC AVAILABILITY OF INFORMATION.

(a) PUBLIC AVAILABILITY OF DATA.—The Secretary of the Treasury shall revise the guidelines for the Home Affordable Modification Program of the Making Home Affordable initiative of the Secretary of the Treasury, authorized under the Emergency Economic Stabilization Act of 2008 (Public Law 110–343), to establish that the data collected by the Secretary of the Treasury from each mortgage servicer and lender participating in the Program is made public in accordance with subsection (b).

(b) CONTENT.—Not more than 60 days after each monthly deadline for submission of data by mortgage servicers and lender participating in the program, the Treasury shall make all data tables available to the public at the individual record level. This data shall include but not be limited to—

(1) higher risk loans, including loans made in connection with any program to provide expanded loan approvals, shall be reported separately;

(2) disclose—

(A) the rate or pace at which such mortgages are becoming seriously delinquent;

(B) whether such rate or pace is increasing or decreasing;

(C) if there are certain subsets within the loans covered by this section that have greater or lesser rates or paces of delinquency; and

(D) if such subsets exist, the characteristics of such subset of mortgages;

(3) with respect to the loss mitigation efforts of the loan—

(A) the processes and practices that the reporter has in effect to minimize losses on mortgages covered by this section; and

(B) the manner and methods by which such processes and practices are being monitored for effectiveness;

(4) disclose, with respect to loans that are or become 60 or more days past due, (provided that for purposes of disclosure under this paragraph that each loan should have a unique number that is not the same as any loan number the borrower, originator, or servicer uses), the following attributes—

(A) the original loan amount;

(B) the current loan amount;

(C) the loan-to-value ratio and combined loan-to-value ratio, both at origination and currently, and the number of liens on the property;

(D) the property valuation at the time of origination of the loan, and all subsequent property valuations and the date of each valuation;

(E) each relevant credit score of each borrower obtained at any time in connection with the loan, with the date of the credit score, to the extent allowed by existing law;

(F) whether the loan has any mortgage or other credit insurance or guarantee;

(G) the current interest rate on such loan;

(H) any rate caps and floors if the loan is an adjustable rate mortgage loan;

(I) the adjustable rate mortgage index or indices for such loan;

(J) whether the loan is currently past due, and if so how many days such loan is past due;

(K) the total number of days the loan has been past due at any time;

(L) whether the loan is subject to a balloon payment;

(M) the date of each modification of the loan;

(N) whether any amounts of loan principal has been deferred or written off, and if so, the date and amount of each deferral and the date and amount of each writedown;

(O) whether the interest rate was changed from a rate that could adjust to a fixed rate, and if so, the period of time for which the rate will be fixed;

(P) the amount by which the interest rate on the loan was reduced, and for what period of time it was reduced;

(Q) if the interest rate was reduced or fixed for a period of time less than the remaining loan term, on what dates, and to what rates, could the rate potentially increase in the future;

(R) whether the loan term was modified, and if so, whether it was extended or shortened, and by what amount of time;

(S) whether the loan is in the process of foreclosure or similar procedure, whether judicial or otherwise; and

(T) whether a foreclosure or similar procedure, whether judicial or otherwise, has been completed.

(c) GUIDELINES AND REGULATIONS.—The Secretary of the Treasury shall establish guidelines and regulations necessary—

(1) to ensure that the privacy of individual consumers is appropriately protected in the reports under this section;

(2) to make the data reported under this subsection available on a public website with no cost to access the data, in a consistent format;

(3) to update the data no less frequently than monthly;

(4) to establish procedures for disclosing such data to the public on a public website with no cost to access the data; and

(5) to allow the Secretary to make such deletions as the Secretary may determine to be appropriate to protect any privacy interest of any loan modification applicant, including the deletion or alteration of the applicant's name and identification number.

(d) EXCEPTION.—No data shall have to be disclosed if it voids or violates existing contracts between the Secretary of Treasury and mortgage servicers as part of the Making Home Affordable Program.

TITLE X—BUDGETARY PROVISIONS

SEC. 1001. BUDGETARY PROVISIONS.

(a) STATUTORY PAYGO.—The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled 'Budgetary Effects of PAYGO Legislation' for this Act, jointly submitted for printing in the Congressional Record by the Chairmen of the House and Senate Budget Committees, provided that such statement has been submitted prior to the vote on passage in the House acting first on this conference report or amendment between the Houses.

(b) EMERGENCY DESIGNATIONS.—Sections 501 and 524—

(1) are designated as an emergency requirement pursuant to section 4(g) of the Statutory Pay-As-You-Go Act of 2010 (Public Law 111–139; 2 U.S.C. 933(g));

(2) in the House of Representatives, are designated as an emergency for purposes of pay-as-you-go principles; and

(3) in the Senate, are designated as an emergency requirement pursuant to section 403(a) of S. Con. Res. 13 (111th Congress), the concurrent resolution on the budget for fiscal year 2010.

SA 4370. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 421(c)(2) and insert the following:

(2) TRANSITION RULE.—The amendments made by this section shall not apply to any exchange pursuant to a transaction which is—

(A) made pursuant to a written agreement which was binding on May 28, 2010 and at all times thereafter;

(B) described in a ruling request submitted to the Internal Revenue Service on or before such date; or

(C) described on or before such date in a public announcement or in a filing with the Securities and Exchange Commission.

SA 4371. Mr. CASEY (for himself and Mr. BROWN of Ohio) submitted an amendment intended to be proposed to amendment SA 4369 proposed by Mr. BAUCUS to the bill H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place in the amendment, insert the following:

SEC. ___. EXTENSION AND IMPROVEMENT OF PREMIUM ASSISTANCE FOR COBRA BENEFITS.

(a) IN GENERAL.—

(1) EXTENSION OF ELIGIBILITY PERIOD.—Subsection (a)(3)(A) of section 3001 of division B of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5), as amended by section 3(a) of the Continuing Extension Act of 2010 (Public Law 111–157), is amended by striking ''May 31, 2010'' and inserting ''November 30, 2010''.

(2) RULES RELATING TO 2010 EXTENSION.—Subsection (a) of section 3001 of division B of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5), as amended by section 3(b) of the Continuing Extension Act of 2010 (Public Law 111–157), is amended by adding at the end the following:

''(19) ADDITIONAL RULES RELATED TO 2010 EXTENSION.—In the case of an individual who, with regard to coverage described in paragraph (10)(B), experiences a qualifying event related to a termination of employment on or after June 1, 2010, and prior to the date of the enactment of this paragraph—

''(A) paragraph (2)(A)(ii)(I) shall be applied by substituting '6 months' for '15 months'; and

''(B) rules similar to those in paragraphs (4)(A) and (7)(C) shall apply with respect to all continuation coverage, including State continuation coverage programs.''.

(3) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the provisions of section 3001 of division B of the American Recovery and Reinvestment Act of 2009.

(b) ELIMINATION OF ADVANCE REFUNDABILITY OF EARNED INCOME CREDIT.—

(1) IN GENERAL.—Section 3507, subsection (g) of section 32, and paragraph (7) of section 6051(a) are repealed.

(2) CONFORMING AMENDMENTS.—

(A) Section 6012(a) is amended by striking paragraph (8) and by redesignating paragraph (9) as paragraph (8).

(B) Section 6302 is amended by striking subsection (i).

(3) EFFECTIVE DATE.—The repeals and amendments made by this subsection shall apply to taxable years beginning after December 31, 2010.

SA 4372. Mr. KOHL submitted an amendment intended to be proposed to amendment SA 4369 proposed by Mr. BAUCUS to the bill H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title V, insert the following:

SEC. —. QUALIFYING THERAPEUTIC DISCOVERY PROJECT GRANTS TO PARTNERSHIPS WITH TAX EXEMPT PARTNERS WITH LESS THAN 10 PERCENT INTEREST.

(a) IN GENERAL.—Subparagraph (D) of section 9023(e)(6) of the Patient Protection and Affordable Care Act is amended by inserting before the period the following: '', other than a partnership or entity in which the aggregate equity and profits interests held by all such partners and other holders so described, at any time during a taxable year beginning in 2009 or 2010, does not exceed 10 percent of all of the total equity or profits interests in the partnership''.

(b) REGULATIONS.—Subsection (e) of section 9023 of the Patient Protection and Affordable Care Act is amended by adding at the end the following new paragraph:

''(13) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this subsection, including regulations to prevent the abuse of, or results inconsistent with the intent of, this subsection.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 9023 of the Patient Protection and Affordable Care Act.

SA 4373. Ms. SNOWE (for herself, Mr. ENZI, and Mr. ENSIGN) submitted an amendment intended to be proposed to amendment SA 4369 by Mr. BAUCUS to the bill H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 413.

SA 4374. Mr. KYL submitted an amendment intended to be proposed to amendment SA 4369 proposed by Mr. BAUCUS to the bill H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

TITLE __—MEDICARE ACCESS IMPROVEMENTS

Subtitle A—Physician Payment Update and Repeal of the Independent Payment Advisory Board

SEC. __01. PHYSICIAN PAYMENT UPDATE.

(a) REPEAL.—The provisions of, and amendments made by, section 521 of this Act are hereby deemed null, void, and of no effect.

(b) IN GENERAL.—Section 1848(d) of the Social Security Act (42 U.S.C. 1395w–4(d)) is amended—

(1) in paragraph (10), in the heading, by striking ''PORTION'' and inserting ''THE FIRST 5 MONTHS ''; and

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

''(11) UPDATE FOR THE LAST 7 MONTHS OF 2010.—

''(A) IN GENERAL.—Subject to paragraphs (7)(B), (8)(B), (9)(B), and (10)(B), in lieu of the update to the single conversion factor established in paragraph (1)(C) that would otherwise apply for 2010 for the period beginning on June 1, 2010, and ending on December 31, 2010, the update to the single conversion factor shall be 1.0 percent.

''(B) NO EFFECT ON COMPUTATION OF CONVERSION FACTOR FOR 2011 AND SUBSEQUENT YEARS.—The conversion factor under this subsection shall be computed under paragraph (1)(A) for 2011 and subsequent years as if subparagraph (A) had never applied.

''(12) UPDATE FOR 2011.—

''(A) IN GENERAL.—Subject to paragraphs (7)(B), (8)(B), (9)(B), (10)(B), and (11)(B), in lieu of the update to the single conversion factor established in paragraph (1)(C) that would otherwise apply for 2011, the update to the single conversion factor shall be 1.0 percent.

''(B) NO EFFECT ON COMPUTATION OF CONVERSION FACTOR FOR 2012 AND SUBSEQUENT YEARS.—The conversion factor under this subsection shall be computed under paragraph (1)(A) for 2012 and subsequent years as if subparagraph (A) had never applied.''.

(c) LIMITATION ON REDUCTION OF CONVERSION FACTOR FOR 2012.—Section 1848(d)(4) of the Social Security Act (42 U.S.C. 1395w–4(d)(4)) is amended—

(1) in subparagraph (A), by striking ''adjustment under subparagraph (F)'' and inserting ''the succeeding provisions of this paragraph''; and

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

''(G) LIMITATION ON REDUCTION OF CONVERSION FACTOR FOR 2012.—In no case may the update determined under subparagraph (A) for 2012 result in a reduction in the conversion factor of more than 9 percent.''.

SEC. __02. REPEAL OF THE INDEPENDENT PAYMENT ADVISORY BOARD.

Effective as if included in the enactment of the Patient Protection and Affordable Care Act (Public Law 111–148), the provisions of, and amendments made by, sections 3403 and 10320 of such Act are repealed.

Subtitle B—Offsets

PART I—MEDICAL LIABILITY REFORM

SEC. __11. SHORT TITLE.

This part may be cited as the ''Medical Care Access Protection Act of 2010'' or the ''MCAP Act''.

SEC. __12. FINDINGS AND PURPOSE.

(a) FINDINGS.—

(1) EFFECT ON HEALTH CARE ACCESS AND COSTS.—Congress finds that our current civil justice system is adversely affecting patient access to health care services, better patient care, and cost-efficient health care, in that the health care liability system is a costly and ineffective mechanism for resolving claims of health care liability and compensating injured patients, and is a deterrent to the sharing of information among health care professionals which impedes efforts to improve patient safety and quality of care.

(2) EFFECT ON INTERSTATE COMMERCE.—Congress finds that the health care and insurance industries are industries affecting interstate commerce and the health care liability litigation systems existing throughout the United States are activities that affect interstate commerce by contributing to the high costs of health care and premiums for health care liability insurance purchased by health care system providers.

(3) EFFECT ON FEDERAL SPENDING.—Congress finds that the health care liability litigation systems existing throughout the United States have a significant effect on the amount, distribution, and use of Federal funds because of—

(A) the large number of individuals who receive health care benefits under programs operated or financed by the Federal Government;

(B) the large number of individuals who benefit because of the exclusion from Federal taxes of the amounts spent to provide them with health insurance benefits; and

(C) the large number of health care providers who provide items or services for which the Federal Government makes payments.

(b) PURPOSE.—It is the purpose of this part to implement reasonable, comprehensive, and effective health care liability reforms designed to—

(1) improve the availability of health care services in cases in which health care liability actions have been shown to be a factor in the decreased availability of services;

(2) reduce the incidence of ''defensive medicine'' and lower the cost of health care liability insurance, all of which contribute to the escalation of health care costs;

(3) ensure that persons with meritorious health care injury claims receive fair and adequate compensation, including reasonable noneconomic damages;

(4) improve the fairness and cost-effectiveness of our current health care liability system to resolve disputes over, and provide compensation for, health care liability by reducing uncertainty in the amount of compensation provided to injured individuals; and

(5) provide an increased sharing of information in the health care system which will reduce unintended injury and improve patient care.

SEC. __13. DEFINITIONS.

In this part:

(1) ALTERNATIVE DISPUTE RESOLUTION SYSTEM; ADR.—The term ''alternative dispute resolution system'' or ''ADR'' means a system that provides for the resolution of health care lawsuits in a manner other than through a civil action brought in a State or Federal court.

(2) CLAIMANT.—The term ''claimant'' means any person who brings a health care lawsuit, including a person who asserts or claims a right to legal or equitable contribution, indemnity or subrogation, arising out of a health care liability claim or action, and any person on whose behalf such a claim is asserted or such an action is brought, whether deceased, incompetent, or a minor.

(3) COLLATERAL SOURCE BENEFITS.—The term ''collateral source benefits'' means any amount paid or reasonably likely to be paid in the future to or on behalf of the claimant, or any service, product or other benefit provided or reasonably likely to be provided in the future to or on behalf of the claimant, as a result of the injury or wrongful death, pursuant to—

(A) any State or Federal health, sickness, income-disability, accident, or workers' compensation law;

(B) any health, sickness, income-disability, or accident insurance that provides health benefits or income-disability coverage;

(C) any contract or agreement of any group, organization, partnership, or corporation to provide, pay for, or reimburse the cost of medical, hospital, dental, or income disability benefits; and

(D) any other publicly or privately funded program.

(4) COMPENSATORY DAMAGES.—The term ''compensatory damages'' means objectively verifiable monetary losses incurred as a result of the provision of, use of, or payment for (or failure to provide, use, or pay for) health care services or medical products,

such as past and future medical expenses, loss of past and future earnings, cost of obtaining domestic services, loss of employment, and loss of business or employment opportunities, damages for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium (other than loss of domestic service), hedonic damages, injury to reputation, and all other nonpecuniary losses of any kind or nature. Such term includes economic damages and noneconomic damages, as such terms are defined in this section.

(5) CONTINGENT FEE.—The term ''contingent fee'' includes all compensation to any person or persons which is payable only if a recovery is effected on behalf of one or more claimants.

(6) ECONOMIC DAMAGES.—The term ''economic damages'' means objectively verifiable monetary losses incurred as a result of the provision of, use of, or payment for (or failure to provide, use, or pay for) health care services or medical products, such as past and future medical expenses, loss of past and future earnings, cost of obtaining domestic services, loss of employment, and loss of business or employment opportunities.

(7) HEALTH CARE GOODS OR SERVICES.—The term ''health care goods or services'' means any goods or services provided by a health care institution, provider, or by any individual working under the supervision of a health care provider, that relates to the diagnosis, prevention, care, or treatment of any human disease or impairment, or the assessment of the health of human beings.

(8) HEALTH CARE INSTITUTION.—The term ''health care institution'' means any entity licensed under Federal or State law to provide health care services (including but not limited to ambulatory surgical centers, assisted living facilities, emergency medical services providers, hospices, hospitals and hospital systems, nursing homes, or other entities licensed to provide such services).

(9) HEALTH CARE LAWSUIT.—The term ''health care lawsuit'' means any health care liability claim concerning the provision of health care goods or services affecting interstate commerce, or any health care liability action concerning the provision of (or the failure to provide) health care goods or services affecting interstate commerce, brought in a State or Federal court or pursuant to an alternative dispute resolution system, against a health care provider or a health care institution regardless of the theory of liability on which the claim is based, or the number of claimants, plaintiffs, defendants, or other parties, or the number of claims or causes of action, in which the claimant alleges a health care liability claim.

(10) HEALTH CARE LIABILITY ACTION.—The term ''health care liability action'' means a civil action brought in a State or Federal Court or pursuant to an alternative dispute resolution system, against a health care provider or a health care institution regardless of the theory of liability on which the claim is based, or the number of plaintiffs, defendants, or other parties, or the number of causes of action, in which the claimant alleges a health care liability claim.

(11) HEALTH CARE LIABILITY CLAIM.—The term ''health care liability claim'' means a demand by any person, whether or not pursuant to ADR, against a health care provider or health care institution, including third-party claims, cross-claims, counter-claims, or contribution claims, which are based upon the provision of, use of, or payment for (or the failure to provide, use, or pay for) health care services, regardless of the theory of liability on which the claim is based, or the number of plaintiffs, defendants, or other parties, or the number of causes of action.

(12) HEALTH CARE PROVIDER.—

(A) IN GENERAL.—The term ''health care provider'' means any person (including but not limited to a physician (as defined by section 1861(r) of the Social Security Act (42 U.S.C. 1395x(r)), registered nurse, dentist, podiatrist, pharmacist, chiropractor, or optometrist) required by State or Federal law to be licensed, registered, or certified to provide health care services, and being either so licensed, registered, or certified, or exempted from such requirement by other statute or regulation.

(B) TREATMENT OF CERTAIN PROFESSIONAL ASSOCIATIONS.—For purposes of this part, a professional association that is organized under State law by an individual physician or group of physicians, a partnership or limited liability partnership formed by a group of physicians, a nonprofit health corporation certified under State law, or a company formed by a group of physicians under State law shall be treated as a health care provider under subparagraph (A).

(13) MALICIOUS INTENT TO INJURE.—The term ''malicious intent to injure'' means intentionally causing or attempting to cause physical injury other than providing health care goods or services.

(14) NONECONOMIC DAMAGES.—The term ''noneconomic damages'' means damages for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium (other than loss of domestic service), hedonic damages, injury to reputation, and all other nonpecuniary losses of any kind or nature.

(15) PUNITIVE DAMAGES.—The term ''punitive damages'' means damages awarded, for the purpose of punishment or deterrence, and not solely for compensatory purposes, against a health care provider or health care institution. Punitive damages are neither economic nor noneconomic damages.

(16) RECOVERY.—The term ''recovery'' means the net sum recovered after deducting any disbursements or costs incurred in connection with prosecution or settlement of the claim, including all costs paid or advanced by any person. Costs of health care incurred by the plaintiff and the attorneys' office overhead costs or charges for legal services are not deductible disbursements or costs for such purpose.

(17) STATE.—The term ''State'' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States, or any political subdivision thereof.

SEC. __14. ENCOURAGING SPEEDY RESOLUTION OF CLAIMS.

(a) IN GENERAL.—Except as otherwise provided for in this section, the time for the commencement of a health care lawsuit shall be 3 years after the date of manifestation of injury or 1 year after the claimant discovers, or through the use of reasonable diligence should have discovered, the injury, whichever occurs first.

(b) GENERAL EXCEPTION.—The time for the commencement of a health care lawsuit shall not exceed 3 years after the date of manifestation of injury unless the tolling of time was delayed as a result of—

(1) fraud;

(2) intentional concealment; or

(3) the presence of a foreign body, which has no therapeutic or diagnostic purpose or effect, in the person of the injured person.

(c) MINORS.—An action by a minor shall be commenced within 3 years from the date of the alleged manifestation of injury except that if such minor is under the full age of 6 years, such action shall be commenced within 3 years of the manifestation of injury, or prior to the eighth birthday of the minor, whichever provides a longer period. Such time limitation shall be tolled for minors for any period during which a parent or guardian and a health care provider or health care institution have committed fraud or collusion in the failure to bring an action on behalf of the injured minor.

(d) RULE 11 SANCTIONS.—Whenever a Federal or State court determines (whether by motion of the parties or whether on the motion of the court) that there has been a violation of Rule 11 of the Federal Rules of Civil Procedure (or a similar violation of applicable State court rules) in a health care liability action to which this part applies, the court shall impose upon the attorneys, law firms, or pro se litigants that have violated Rule 11 or are responsible for the violation, an appropriate sanction, which shall include an order to pay the other party or parties for the reasonable expenses incurred as a direct result of the filing of the pleading, motion, or other paper that is the subject of the violation, including a reasonable attorneys' fee. Such sanction shall be sufficient to deter repetition of such conduct or comparable conduct by others similarly situated, and to compensate the party or parties injured by such conduct.

SEC. __15. COMPENSATING PATIENT INJURY.

(a) UNLIMITED AMOUNT OF DAMAGES FOR ACTUAL ECONOMIC LOSSES IN HEALTH CARE LAWSUITS.—In any health care lawsuit, nothing in this part shall limit the recovery by a claimant of the full amount of the available economic damages, notwithstanding the limitation contained in subsection (b).

(b) ADDITIONAL NONECONOMIC DAMAGES.—

(1) HEALTH CARE PROVIDERS.—In any health care lawsuit where final judgment is rendered against a health care provider, the amount of noneconomic damages recovered from the provider, if otherwise available under applicable Federal or State law, may be as much as $250,000, regardless of the number of parties other than a health care institution against whom the action is brought or the number of separate claims or actions brought with respect to the same occurrence.

(2) HEALTH CARE INSTITUTIONS.—

(A) SINGLE INSTITUTION.—In any health care lawsuit where final judgment is rendered against a single health care institution, the amount of noneconomic damages recovered from the institution, if otherwise available under applicable Federal or State law, may be as much as $250,000, regardless of the number of parties against whom the action is brought or the number of separate claims or actions brought with respect to the same occurrence.

(B) MULTIPLE INSTITUTIONS.—In any health care lawsuit where final judgment is rendered against more than one health care institution, the amount of noneconomic damages recovered from each institution, if otherwise available under applicable Federal or State law, may be as much as $250,000, regardless of the number of parties against whom the action is brought or the number of separate claims or actions brought with respect to the same occurrence, except that the total amount recovered from all such institutions in such lawsuit shall not exceed $500,000.

(c) NO DISCOUNT OF AWARD FOR NONECONOMIC DAMAGES.—In any health care lawsuit—

(1) an award for future noneconomic damages shall not be discounted to present value;

(2) the jury shall not be informed about the maximum award for noneconomic damages under subsection (b);

(3) an award for noneconomic damages in excess of the limitations provided for in subsection (b) shall be reduced either before the entry of judgment, or by amendment of the judgment after entry of judgment, and such reduction shall be made before accounting for any other reduction in damages required by law; and

(4) if separate awards are rendered for past and future noneconomic damages and the combined awards exceed the limitations described in subsection (b), the future noneconomic damages shall be reduced first.

(d) FAIR SHARE RULE.—In any health care lawsuit, each party shall be liable for that party's several share of any damages only and not for the share of any other person. Each party shall be liable only for the amount of damages allocated to such party in direct proportion to such party's percentage of responsibility. A separate judgment shall be rendered against each such party for the amount allocated to such party. For purposes of this section, the trier of fact shall determine the proportion of responsibility of each party for the claimant's harm.

SEC. __16. MAXIMIZING PATIENT RECOVERY.

(a) COURT SUPERVISION OF SHARE OF DAMAGES ACTUALLY PAID TO CLAIMANTS.—

(1) IN GENERAL.—In any health care lawsuit, the court shall supervise the arrangements for payment of damages to protect against conflicts of interest that may have the effect of reducing the amount of damages awarded that are actually paid to claimants.

(2) CONTINGENCY FEES.—

(A) IN GENERAL.—In any health care lawsuit in which the attorney for a party claims a financial stake in the outcome by virtue of a contingent fee, the court shall have the power to restrict the payment of a claimant's damage recovery to such attorney, and to redirect such damages to the claimant based upon the interests of justice and principles of equity.

(B) LIMITATION.—The total of all contingent fees for representing all claimants in a health care lawsuit shall not exceed the following limits:

(i) 40 percent of the first $50,000 recovered by the claimant(s).

(ii) 33⅓ percent of the next $50,000 recovered by the claimant(s).

(iii) 25 percent of the next $500,000 recovered by the claimant(s).

(iv) 15 percent of any amount by which the recovery by the claimant(s) is in excess of $600,000.

(b) APPLICABILITY.—

(1) IN GENERAL.—The limitations in subsection (a) shall apply whether the recovery is by judgment, settlement, mediation, arbitration, or any other form of alternative dispute resolution.

(2) MINORS.—In a health care lawsuit involving a minor or incompetent person, a court retains the authority to authorize or approve a fee that is less than the maximum permitted under this section.

(c) EXPERT WITNESSES.—

(1) REQUIREMENT.—No individual shall be qualified to testify as an expert witness concerning issues of negligence in any health care lawsuit against a defendant unless such individual—

(A) except as required under paragraph (2), is a health care professional who—

(i) is appropriately credentialed or licensed in 1 or more States to deliver health care services; and

(ii) typically treats the diagnosis or condition or provides the type of treatment under review; and

(B) can demonstrate by competent evidence that, as a result of training, education, knowledge, and experience in the evaluation, diagnosis, and treatment of the disease or injury which is the subject matter of the lawsuit against the defendant, the individual was substantially familiar with applicable standards of care and practice as they relate to the act or omission which is the subject of the lawsuit on the date of the incident.

(2) PHYSICIAN REVIEW.—In a health care lawsuit, if the claim of the plaintiff involved treatment that is recommended or provided by a physician (allopathic or osteopathic), an individual shall not be qualified to be an expert witness under this subsection with respect to issues of negligence concerning such treatment unless such individual is a physician.

(3) SPECIALTIES AND SUBSPECIALTIES.—With respect to a lawsuit described in paragraph (1), a court shall not permit an expert in one medical specialty or subspecialty to testify against a defendant in another medical specialty or subspecialty unless, in addition to a showing of substantial familiarity in accordance with paragraph (1)(B), there is a showing that the standards of care and practice in the two specialty or subspecialty fields are similar.

(4) LIMITATION.—The limitations in this subsection shall not apply to expert witnesses testifying as to the degree or permanency of medical or physical impairment.

SEC. __17. ADDITIONAL HEALTH BENEFITS.

(a) IN GENERAL.—The amount of any damages received by a claimant in any health care lawsuit shall be reduced by the court by the amount of any collateral source benefits to which the claimant is entitled, less any insurance premiums or other payments made by the claimant (or by the spouse, parent, child, or legal guardian of the claimant) to obtain or secure such benefits.

(b) PRESERVATION OF CURRENT LAW.—Where a payor of collateral source benefits has a right of recovery by reimbursement or subrogation and such right is permitted under Federal or State law, subsection (a) shall not apply.

(c) APPLICATION OF PROVISION.—This section shall apply to any health care lawsuit that is settled or resolved by a fact finder.

SEC. __18. PUNITIVE DAMAGES.

(a) PUNITIVE DAMAGES PERMITTED.—

(1) IN GENERAL.—Punitive damages may, if otherwise available under applicable State or Federal law, be awarded against any person in a health care lawsuit only if it is proven by clear and convincing evidence that such person acted with malicious intent to injure the claimant, or that such person deliberately failed to avoid unnecessary injury that such person knew the claimant was substantially certain to suffer.

(2) FILING OF LAWSUIT.—No demand for punitive damages shall be included in a health care lawsuit as initially filed. A court may allow a claimant to file an amended pleading for punitive damages only upon a motion by the claimant and after a finding by the court, upon review of supporting and opposing affidavits or after a hearing, after weighing the evidence, that the claimant has established by a substantial probability that the claimant will prevail on the claim for punitive damages.

(3) SEPARATE PROCEEDING.—At the request of any party in a health care lawsuit, the trier of fact shall consider in a separate proceeding—

(A) whether punitive damages are to be awarded and the amount of such award; and

(B) the amount of punitive damages following a determination of punitive liability. If a separate proceeding is requested, evidence relevant only to the claim for punitive damages, as determined by applicable State law, shall be inadmissible in any proceeding to determine whether compensatory damages are to be awarded.

(4) LIMITATION WHERE NO COMPENSATORY DAMAGES ARE AWARDED.—In any health care lawsuit where no judgment for compensatory damages is rendered against a person, no punitive damages may be awarded with respect to the claim in such lawsuit against such person.

(b) DETERMINING AMOUNT OF PUNITIVE DAMAGES.—

(1) FACTORS CONSIDERED.—In determining the amount of punitive damages under this section, the trier of fact shall consider only the following:

(A) the severity of the harm caused by the conduct of such party;

(B) the duration of the conduct or any concealment of it by such party;

(C) the profitability of the conduct to such party;

(D) the number of products sold or medical procedures rendered for compensation, as the case may be, by such party, of the kind causing the harm complained of by the claimant;

(E) any criminal penalties imposed on such party, as a result of the conduct complained of by the claimant; and

(F) the amount of any civil fines assessed against such party as a result of the conduct complained of by the claimant.

(2) MAXIMUM AWARD.—The amount of punitive damages awarded in a health care lawsuit may not exceed an amount equal to two times the amount of economic damages awarded in the lawsuit or $250,000, whichever is greater. The jury shall not be informed of the limitation under the preceding sentence.

(c) LIABILITY OF HEALTH CARE PROVIDERS.—

(1) IN GENERAL.—A health care provider who prescribes, or who dispenses pursuant to a prescription, a drug, biological product, or medical device approved by the Food and Drug Administration, for an approved indication of the drug, biological product, or medical device, shall not be named as a party to a product liability lawsuit invoking such drug, biological product, or medical device and shall not be liable to a claimant in a class action lawsuit against the manufacturer, distributor, or product seller of such drug, biological product, or medical device.

(2) MEDICAL PRODUCT.—The term ''medical product'' means a drug or device intended for humans. The terms ''drug'' and ''device'' have the meanings given such terms in sections 201(g)(1) and 201(h) of the Federal Food, Drug and Cosmetic Act (21 U.S.C. 321), respectively, including any component or raw material used therein, but excluding health care services.

SEC. __19. AUTHORIZATION OF PAYMENT OF FUTURE DAMAGES TO CLAIMANTS IN HEALTH CARE LAWSUITS.

(a) IN GENERAL.—In any health care lawsuit, if an award of future damages, without reduction to present value, equaling or exceeding $50,000 is made against a party with sufficient insurance or other assets to fund a periodic payment of such a judgment, the court shall, at the request of any party, enter a judgment ordering that the future damages be paid by periodic payments in accordance with the Uniform Periodic Payment of Judgments Act promulgated by the National Conference of Commissioners on Uniform State Laws.

(b) APPLICABILITY.—This section applies to all actions which have not been first set for trial or retrial before the effective date of this part.

SEC. __20. EFFECT ON OTHER LAWS.

(a) GENERAL VACCINE INJURY.—

(1) IN GENERAL.—To the extent that title XXI of the Public Health Service Act establishes a Federal rule of law applicable to a civil action brought for a vaccine-related injury or death—

(A) this part shall not affect the application of the rule of law to such an action; and

(B) any rule of law prescribed by this part in conflict with a rule of law of such title XXI shall not apply to such action.

(2) EXCEPTION.—If there is an aspect of a civil action brought for a vaccine-related injury or death to which a Federal rule of law under title XXI of the Public Health Service Act does not apply, then this part or otherwise applicable law (as determined under this part) will apply to such aspect of such action.

(b) SMALLPOX VACCINE INJURY.—

(1) IN GENERAL.—To the extent that part C of title II of the Public Health Service Act establishes a Federal rule of law applicable to a civil action brought for a smallpox vaccine-related injury or death—

(A) this part shall not affect the application of the rule of law to such an action; and

(B) any rule of law prescribed by this part in conflict with a rule of law of such part C shall not apply to such action.

(2) EXCEPTION.—If there is an aspect of a civil action brought for a smallpox vaccine-related injury or death to which a Federal rule of law under part C of title II of the Public Health Service Act does not apply, then this part or otherwise applicable law (as determined under this part) will apply to such aspect of such action.

(c) OTHER FEDERAL LAW.—Except as provided in this section, nothing in this part shall be deemed to affect any defense available, or any limitation on liability that applies to, a defendant in a health care lawsuit or action under any other provision of Federal law.

SEC. __21. STATE FLEXIBILITY AND PROTECTION OF STATES' RIGHTS.

(a) HEALTH CARE LAWSUITS.—The provisions governing health care lawsuits set forth in this part shall preempt, subject to subsections (b) and (c), State law to the extent that State law prevents the application of any provisions of law established by or under this part. The provisions governing health care lawsuits set forth in this part supersede chapter 171 of title 28, United States Code, to the extent that such chapter—

(1) provides for a greater amount of damages or contingent fees, a longer period in which a health care lawsuit may be commenced, or a reduced applicability or scope of periodic payment of future damages, than provided in this part; or

(2) prohibits the introduction of evidence regarding collateral source benefits.

(b) PREEMPTION OF CERTAIN STATE LAWS.—No provision of this part shall be construed to preempt any State law (whether effective before, on, or after the date of the enactment of this part) that specifies a particular monetary amount of compensatory or punitive damages (or the total amount of damages) that may be awarded in a health care lawsuit, regardless of whether such monetary amount is greater or lesser than is provided for under this part, notwithstanding section __15(a).

(c) PROTECTION OF STATE'S RIGHTS AND OTHER LAWS.—

(1) IN GENERAL.—Any issue that is not governed by a provision of law established by or under this part (including the State standards of negligence) shall be governed by otherwise applicable Federal or State law.

(2) RULE OF CONSTRUCTION.—Nothing in this part shall be construed to—

(A) preempt or supersede any Federal or State law that imposes greater procedural or substantive protections (such as a shorter statute of limitations) for a health care provider or health care institution from liability, loss, or damages than those provided by this part;

(B) preempt or supercede any State law that permits and provides for the enforcement of any arbitration agreement related to a health care liability claim whether enacted prior to or after the date of enactment of this part;

(C) create a cause of action that is not otherwise available under Federal or State law; or

(D) affect the scope of preemption of any other Federal law.

SEC. __22. APPLICABILITY; EFFECTIVE DATE.

This part shall apply to any health care lawsuit brought in a Federal or State court, or subject to an alternative dispute resolution system, that is initiated on or after the date of the enactment of this part, except that any health care lawsuit arising from an injury occurring prior to the date of enactment of this part shall be governed by the applicable statute of limitations provisions in effect at the time the injury occurred.

PART II—ADDITIONAL PROVISIONS

SEC. __31. EXPANSION OF AFFORDABILITY EXCEPTION TO INDIVIDUAL MANDATE.

Section 5000A(e)(1)(A) of the Internal Revenue Code of 1986, as added by section 1501(b) of the Patient Protection and Affordable Care Act (Public Law 111–148), is amended by striking ''8 percent'' and inserting ''5 percent''.

SEC. __32. REDUCING EXCESSIVE DUPLICATION, OVERHEAD AND SPENDING WITHIN THE FEDERAL GOVERNMENT.

(a) REDUCING DUPLICATION.—The Director of the Office of Management Budget and the Secretary of each department (or head of each independent agency) shall work with the Chairman and ranking member of the relevant congressional appropriations subcommittees and the congressional authorizing committees and the Director of the Office of Management Budget to consolidate programs with duplicative goals, missions, and initiatives.

(b) CONTROLLING BUREAUCRATIC OVERHEAD COSTS.—Each Federal department and agency shall reduce annual administrative expenses by at least five percent in fiscal year 2011.

(c) RESCISSIONS OF EXCESSIVE SPENDING.—There is hereby rescinded an amount equal to 5 percent of—

(1) the budget authority provided (or obligation limit imposed) for fiscal year 2010 for any discretionary account in any other fiscal year 2010 appropriation Act;

(2) the budget authority provided in any advance appropriation for fiscal year 2010 for any discretionary account in any prior fiscal year appropriation Act; and

(3) the contract authority provided in fiscal year 2010 for any program subject to limitation contained in any fiscal year 2010 appropriation Act.

(d) PROPORTIONATE APPLICATION.—Any rescission made by subsection (a) shall be applied proportionately—

(1) to each discretionary account and each item of budget authority described in such subsection; and

(2) within each such account and item, to each program, project, and activity (with programs, projects, and activities as delineated in the appropriation Act or accompanying reports for the relevant fiscal year covering such account or item, or for accounts and items not included in appropriation Acts, as delineated in the most recently submitted President's budget)

(e) EXCEPTIONS.—This section shall not apply to discretionary authority appropriated or otherwise made available to the Department of Veterans Affairs and the Department of Defense.

(f) OMB REPORT.—Within 30 days after the date of enactment of this section, the Director of the Office of Management and Budget shall submit to the Committees on Appropriations of the House of Representatives and the Senate a report specifying the account and amount of each rescission made pursuant to this section and the report shall be posted on the public website of the Office of Management and Budget.

SEC. __33. REDUCING BUDGETS OF MEMBERS OF CONGRESS.

(a) IN GENERAL.—Of the funds made available under Public Law 111–68 for the legislative branch, $100,000,000 in unobligated balances are permanently rescinded on a pro rata basis: *Provided*, That the rescissions made by the section shall not apply to funds made available to the Capitol Police.

(b) REPORTING.—The Director of the Office of Management and Budget shall report to Congress the amounts rescinded under subsection (a).

SEC. __34. RESCINDING UNSPENT FEDERAL FUNDS.

(a) IN GENERAL.—Notwithstanding any other provision of law, of all available unobligated Federal funds, $80,000,000,000 in appropriated discretionary unexpired funds are rescinded.

(b) IMPLEMENTATION.—Not later than 60 days after the date of enactment of this Act, the Director of the Office of Management and Budget shall—

(1) identify the accounts and amounts rescinded to implement subsection (a); and

(2) submit a report to the Secretary of the Treasury and Congress of the accounts and amounts identified under paragraph (1) for rescission.

(c) EXCEPTION.—This section shall not apply to the unobligated Federal funds of the Department of Defense or the Department of Veterans Affairs.

SEC. __35. USE OF STIMULUS FUNDS TO OFFSET SPENDING.

The unobligated balance of each amount appropriated or made available under the American Recovery and Reinvestment Act of 2009 (Public Law 111–5) (other than under title X of division A of such Act) is rescinded such that the aggregate amount of such rescissions equal $37,500,000,000 in order to offset the net increase in spending resulting from the provisions of, and amendments made by, this Act. The Director of the Office of Management and Budget shall report to each congressional committee the amounts so rescinded within the jurisdiction of such committee.

SA 4375. Mr. KOHL (for himself, Mr. GRASSLEY, Ms. COLLINS, and Mr. FRANKEN) submitted an amendment intended to be proposed to amendment SA 4369 proposed by Mr. BAUCUS to the bill H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the amendment, insert the following:

TITLE _____—PRESERVE ACCESS TO AFFORDABLE GENERICS ACT

SEC. __01. SHORT TITLE.

This title be cited as the ''Preserve Access to Affordable Generics Act''.

SEC. __02. UNLAWFUL COMPENSATION FOR DELAY.

(a) IN GENERAL.—The Federal Trade Commission Act (15 U.S.C. 44 et seq.) is amended by—

(1) redesignating section 28 as section 29; and

(2) inserting before section 29, as redesignated, the following:

''SEC. 28. PRESERVING ACCESS TO AFFORDABLE GENERICS.

''(a) IN GENERAL.—

''(1) ENFORCEMENT PROCEEDING.—The Federal Trade Commission may initiate a proceeding to enforce the provisions of this section against the parties to any agreement resolving or settling, on a final or interim basis, a patent infringement claim, in connection with the sale of a drug product.

''(2) PRESUMPTION.—

''(A) IN GENERAL.—Subject to subparagraph (B), in such a proceeding, an agreement shall be presumed to have anticompetitive effects and be unlawful if—

''(i) an ANDA filer receives anything of value; and

''(ii) the ANDA filer agrees to limit or forego research, development, manufacturing, marketing, or sales of the ANDA product for any period of time.

''(B) EXCEPTION.—The presumption in subparagraph (A) shall not apply if the parties to such agreement demonstrate by clear and convincing evidence that the procompetitive benefits of the agreement outweigh the anticompetitive effects of the agreement.

''(b) COMPETITIVE FACTORS.—In determining whether the settling parties have met their burden under subsection (a)(2)(B), the fact finder shall consider—

''(1) the length of time remaining until the end of the life of the relevant patent, compared with the agreed upon entry date for the ANDA product;

''(2) the value to consumers of the competition from the ANDA product allowed under the agreement;

''(3) the form and amount of consideration received by the ANDA filer in the agreement resolving or settling the patent infringement claim;

''(4) the revenue the ANDA filer would have received by winning the patent litigation;

''(5) the reduction in the NDA holder's revenues if it had lost the patent litigation;

''(6) the time period between the date of the agreement conveying value to the ANDA filer and the date of the settlement of the patent infringement claim; and

''(7) any other factor that the fact finder, in its discretion, deems relevant to its determination of competitive effects under this subsection.

''(c) LIMITATIONS.—In determining whether the settling parties have met their burden under subsection (a)(2)(B), the fact finder shall not presume—

''(1) that entry would not have occurred until the expiration of the relevant patent or statutory exclusivity; or

''(2) that the agreement's provision for entry of the ANDA product prior to the expiration of the relevant patent or statutory exclusivity means that the agreement is procompetitive, although such evidence may be relevant to the fact finder's determination under this section.

''(d) EXCLUSIONS.—Nothing in this section shall prohibit a resolution or settlement of a patent infringement claim in which the consideration granted by the NDA holder to the ANDA filer as part of the resolution or settlement includes only one or more of the following:

''(1) The right to market the ANDA product in the United States prior to the expiration of—

''(A) any patent that is the basis for the patent infringement claim; or

''(B) any patent right or other statutory exclusivity that would prevent the marketing of such drug.

''(2) A payment for reasonable litigation expenses not to exceed $7,500,000.

''(3) A covenant not to sue on any claim that the ANDA product infringes a United States patent.

''(e) REGULATIONS AND ENFORCEMENT.—

''(1) REGULATIONS.—The Federal Trade Commission may issue, in accordance with section 553 of title 5, United States Code, regulations implementing and interpreting this section. These regulations may exempt certain types of agreements described in subsection (a) if the Commission determines such agreements will further market competition and benefit consumers. Judicial review of any such regulation shall be in the United States District Court for the District of Columbia pursuant to section 706 of title 5, United States Code.

''(2) ENFORCEMENT.—A violation of this section shall be treated as a violation of section 5.

''(3) JUDICIAL REVIEW.—Any person, partnership or corporation that is subject to a final order of the Commission, issued in an administrative adjudicative proceeding under the authority of subsection (a)(1), may, within 30 days of the issuance of such order, petition for review of such order in the United States Court of Appeals for the District of Columbia Circuit or the United States Court of Appeals for the circuit in which the ultimate parent entity, as defined at 16 C.F.R. 801.1(a)(3), of the NDA holder is incorporated as of the date that the NDA is filed with the Secretary of the Food and Drug Administration, or the United States Court of Appeals for the circuit in which the ultimate parent entity of the ANDA filer is incorporated as of the date that the ANDA is filed with the Secretary of the Food and Drug Administration. In such a review proceeding, the findings of the Commission as to the facts, if supported by evidence, shall be conclusive.

''(f) ANTITRUST LAWS.—Nothing in this section shall be construed to modify, impair or supersede the applicability of the antitrust laws as defined in subsection (a) of the 1st section of the Clayton Act (15 U.S.C. 12(a)) and of section __05 of this title to the extent that section 5 applies to unfair methods of competition. Nothing in this section shall modify, impair, limit or supersede the right of an ANDA filer to assert claims or counterclaims against any person, under the antitrust laws or other laws relating to unfair competition.

''(g) PENALTIES.—

''(1) FORFEITURE.—Each person, partnership or corporation that violates or assists in the violation of this section shall forfeit and pay to the United States a civil penalty sufficient to deter violations of this section, but in no event greater than 3 times the value received by the party that is reasonably attributable to a violation of this section. If no such value has been received by the NDA holder, the penalty to the NDA holder shall be shall be sufficient to deter violations, but in no event greater than 3 times the value given to the ANDA filer reasonably attributable to the violation of this section. Such penalty shall accrue to the United States and may be recovered in a civil action brought by the Federal Trade Commission, in its own name by any of its attorneys designated by it for such purpose, in a district court of the United States against any person, partnership or corporation that violates this section. In such actions, the United States district courts are empowered to grant mandatory injunctions and such other and further equitable relief as they deem appropriate.

''(2) CEASE AND DESIST.—

''(A) IN GENERAL.—If the Commission has issued a cease and desist order with respect to a person, partnership or corporation in an administrative adjudicative proceeding under the authority of subsection (a)(1), an action brought pursuant to paragraph (1) may be commenced against such person, partnership or corporation at any time before the expiration of one year after such order becomes final pursuant to section 5(g).

''(B) EXCEPTION.—In an action under subparagraph (A), the findings of the Commission as to the material facts in the administrative adjudicative proceeding with respect to such person's, partnership's or corporation's violation of this section shall be conclusive unless—

''(i) the terms of such cease and desist order expressly provide that the Commission's findings shall not be conclusive; or

''(ii) the order became final by reason of section 5(g)(1), in which case such finding shall be conclusive if supported by evidence.

''(3) CIVIL PENALTY.—In determining the amount of the civil penalty described in this section, the court shall take into account—

''(A) the nature, circumstances, extent, and gravity of the violation;

''(B) with respect to the violator, the degree of culpability, any history of violations, the ability to pay, any effect on the ability to continue doing business, profits earned by the NDA holder, compensation received by the ANDA filer, and the amount of commerce affected; and

''(C) other matters that justice requires.

''(4) REMEDIES IN ADDITION.—Remedies provided in this subsection are in addition to, and not in lieu of, any other remedy provided by Federal law. Nothing in this paragraph shall be construed to affect any authority of the Commission under any other provision of law.

''(h) DEFINITIONS.—In this section:

''(1) AGREEMENT.—The term 'agreement' means anything that would constitute an agreement under section 1 of the Sherman Act (15 U.S.C. 1) or section 5 of this Act.

''(2) AGREEMENT RESOLVING OR SETTLING A PATENT INFRINGEMENT CLAIM.—The term 'agreement resolving or settling a patent infringement claim' includes any agreement that is entered into within 30 days of the resolution or the settlement of the claim, or any other agreement that is contingent upon, provides a contingent condition for, or is otherwise related to the resolution or settlement of the claim.

''(3) ANDA.—The term 'ANDA' means an abbreviated new drug application, as defined under section 505(j) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(j)).

''(4) ANDA FILER.—The term 'ANDA filer' means a party who has filed an ANDA with the Food and Drug Administration.

''(5) ANDA PRODUCT.—The term 'ANDA product' means the product to be manufactured under the ANDA that is the subject of the patent infringement claim.

''(6) DRUG PRODUCT.—The term 'drug product' means a finished dosage form (e.g., tablet, capsule, or solution) that contains a drug substance, generally, but not necessarily, in association with 1 or more other ingredients, as defined in section 314.3(b) of title 21, Code of Federal Regulations.

''(7) NDA.—The term 'NDA' means a new drug application, as defined under section 505(b) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(b)).

''(8) NDA HOLDER.—The term 'NDA holder' means—

''(A) the party that received FDA approval to market a drug product pursuant to an NDA;

''(B) a party owning or controlling enforcement of the patent listed in the Approved Drug Products With Therapeutic Equivalence Evaluations (commonly known as the 'FDA Orange Book') in connection with the NDA; or

''(C) the predecessors, subsidiaries, divisions, groups, and affiliates controlled by, controlling, or under common control with

any of the entities described in subparagraphs (A) and (B) (such control to be presumed by direct or indirect share ownership of 50 percent or greater), as well as the licensees, licensors, successors, and assigns of each of the entities.

''(9) PATENT INFRINGEMENT.—The term 'patent infringement' means infringement of any patent or of any filed patent application, extension, reissue, renewal, division, continuation, continuation in part, reexamination, patent term restoration, patents of addition and extensions thereof.

''(10) PATENT INFRINGEMENT CLAIM.—The term 'patent infringement claim' means any allegation made to an ANDA filer, whether or not included in a complaint filed with a court of law, that its ANDA or ANDA product may infringe any patent held by, or exclusively licensed to, the NDA holder of the drug product.

''(11) STATUTORY EXCLUSIVITY.—The term 'statutory exclusivity' means those prohibitions on the approval of drug applications under clauses (ii) through (iv) of section 505(c)(3)(E) (5- and 3-year data exclusivity), section 527 (orphan drug exclusivity), or section 505A (pediatric exclusivity) of the Federal Food, Drug, and Cosmetic Act .''.

(b) EFFECTIVE DATE.—Section 28 of the Federal Trade Commission Act, as added by this section, shall apply to all agreements described in section 28(a)(1) of that Act entered into after November 15, 2009. Section 28(g) of the Federal Trade Commission Act, as added by this section, shall not apply to agreements entered into before the date of enactment of this title.

SEC. __03. NOTICE AND CERTIFICATION OF AGREEMENTS.

(a) NOTICE OF ALL AGREEMENTS.—Section 1112(c)(2) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (21 U.S.C. 355 note) is amended by—

(1) striking ''the Commission the'' and inserting the following: ''the Commission—

''(1) the'';

(2) striking the period and inserting ''; and''; and

(3) inserting at the end the following:

''(2) any other agreement the parties enter into within 30 days of entering into an agreement covered by subsection (a) or (b).''.

(b) CERTIFICATION OF AGREEMENTS.—Section 1112 of such Act is amended by adding at the end the following:

''(d) CERTIFICATION.—The Chief Executive Officer or the company official responsible for negotiating any agreement required to be filed under subsection (a), (b), or (c) shall execute and file with the Assistant Attorney General and the Commission a certification as follows: 'I declare that the following is true, correct, and complete to the best of my knowledge: The materials filed with the Federal Trade Commission and the Department of Justice under section 1112 of subtitle B of title XI of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, with respect to the agreement referenced in this certification: (1) represent the complete, final, and exclusive agreement between the parties; (2) include any ancillary agreements that are contingent upon, provide a contingent condition for, or are otherwise related to, the referenced agreement; and (3) include written descriptions of any oral agreements, representations, commitments, or promises between the parties that are responsive to subsection (a) or (b) of such section 1112 and have not been reduced to writing.'.''.

SEC. __04. FORFEITURE OF 180-DAY EXCLUSIVITY PERIOD.

Section 505(j)(5)(D)(i)(V) of the Federal Food, Drug and Cosmetic Act (21 U.S.C. 355(j)(5)(D)(i)(V)) is amended by inserting ''section 28 of the Federal Trade Commission Act or'' after ''that the agreement has violated''.

SEC. __05. COMMISSION LITIGATION AUTHORITY.

Section 16(a)(2) of the Federal Trade Commission Act (15 U.S.C. 56(a)(2)) is amended—

(1) in subparagraph (D), by striking ''or'' after the semicolon;

(2) in subparagraph (E), by inserting ''or'' after the semicolon; and

(3) inserting after subparagraph (E) the following:

''(F) under section 28;''.

SEC. __06. STATUTE OF LIMITATIONS.

The Commission shall commence any enforcement proceeding described in section 28 of the Federal Trade Commission Act, as added by section 3, except for an action described in section 28(g)(2) of the Federal Trade Commission Act, not later than 3 years after the date on which the parties to the agreement file the Notice of Agreement as provided by sections 1112(c)(2) and (d) of the Medicare Prescription Drug Improvement and Modernization Act of 2003 (21 U.S.C. 355 note).

SEC. __07. SEVERABILITY.

If any provision of this title, an amendment made by this title, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this title, the amendments made by this title, and the application of the provisions of such title or amendments to any person or circumstance shall not be affected thereby.

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BINGAMAN. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Senate Committee on Energy and Natural Resources. The hearing will be held on Tuesday, June 22, 2010, at 10 a.m., in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on policies to reduce oil consumption through the promotion of accelerated deployment of electric-drive vehicles, as proposed in S. 3495, the Promoting Electric Vehicles Act of 2010.

For further information, please contact Mike Carr or Abigail Campbell.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. KAUFMAN. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on June 16, 2010.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. KAUFMAN. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on June 16, 2010, at 9 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. KAUFMAN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate to conduct a business meeting on June 16, 2010, at 11 a.m., in room SD–366 of the Dirksen Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. KAUFMAN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on June 16, 2010, at 9:30 a.m., to hold a hearing entitled ''The New START Treaty (Treaty Doc. 111–5): Views from the Pentagon.''

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. KAUFMAN. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet during the session of the Senate on June 16, 2010. The Committee will meet in room 418 of the Russell Senate Office Building beginning at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL COMMITTEE ON AGING

Mr. KAUFMAN. Mr. President, I ask unanimous consent that the Special Committee on Aging be authorized to meet during the session of the Senate on June 16, 2010, from 2–5 p.m. in Dirksen 562 for the purpose of conducting a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT, GOVERNMENT INFORMATION, FEDERAL SERVICES, AND INTERNATIONAL SECURITY

Mr. KAUFMAN. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs' Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security be authorized to meet during the session of the Senate on June 16, 2010, at 3 p.m. to conduct a hearing entitled, ''The Gulf of Mexico Oil Spill: Ensuring a Financially Responsible Recovery.''

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PUBLIC LANDS AND FORESTS

Mr. KAUFMAN. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands and Forests be authorized to meet during the session of the Senate to conduct a hearing on June 16, 2010, at 2:30 p.m., in room SD–366 of the Dirksen Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

Mr. BINGAMAN. Mr. President, I ask unanimous consent that Juliana

Manzanarez and Jonquilyn Hill, who are interns in my office, be given floor privileges during the pendency on this tax extenders bill, H.R. 4213.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I ask unanimous consent that Anders Landgren, an intern on the Finance Committee staff, be granted the privileges of the floor for the duration of the debate on the American Jobs and Closing Tax Loopholes Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNIZING THE 60TH ANNIVERSARY OF THE OUTBREAK OF THE KOREAN WAR

Mr. DURBIN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S.J. Res. 32, introduced earlier today.

The PRESIDING OFFICER. The clerk will report the joint resolution by title.

The assistant editor of the Daily Digest read as follows:

A joint resolution (S.J. Res. 32) recognizing the 60th anniversary of the outbreak of the Korean War and reaffirming the United States-Korea alliance.

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. BURR. Mr. President, this joint resolution recognizes the 60th anniversary of the outbreak of the Korean war, as well as honoring the strong friendship between the United States and the Republic of Korea.

June 25 is a very important day, not only in Korean history, but also in U.S. history. On that day 60 years ago, Communist troops from the Soviet-occupied north crossed the invisible border at the 38th parallel to invade their free brethren to the south—killing thousands of civilians and forcing streams of refugees to flee their advance.

Under the leadership of President Harry S. Truman, the United States responded to its first military challenge of the Cold War by dispatching U.S. forces to lead 15 other countries of a United Nations force to defend against the spread of communism. President Truman made his commitment to the war very clear:

In the simplest terms, what we are doing in Korea is this: We are trying to prevent a third world war. . . . If history has taught us anything, it is that aggression anywhere in the world is a threat to peace everywhere in the world. When that aggression is supported by the cruel and selfish rulers of a powerful nation who are bent on conquest, it becomes a clear and present danger to the security and independence of every free nation.

During the 3 years of the Korean war, 5.7 million Americans answered the call to duty, and almost 1.8 million of these men and women deployed across the Pacific to serve in some of the most harsh and unforgiving conditions along the rugged peninsula, in the skies above the Yalu River, on carriers and other surface ships at sea, or from staging and support areas in Japan. By the official cease fire on July 27, 1953, 54,246 American servicemen and servicewomen had sacrificed their lives to defeat Korean and Chinese Communist troops and push them north of what is known as the Demilitarized Zone. Since then, a stalemate has existed on the Korean Peninsula, with the United States supporting a free and prosperous Republic of Korea, while keeping a wary eye on the brutally repressive regime across the border. In the last 60 years, there have been several confrontational episodes and potential flashpoints between the two Koreas, and events of the last few weeks show us that the conflict continues today.

Although we are hopeful that the swell of military action 60 years ago will be the most profound fighting in the Korean war, North Korea has shown a propensity to provoke its sister country in the South. This is clearly evident in the brutal murder of 46 South Korean sailors of the South Korean Navy ship, the Cheowan, on May 20. Compelling evidence points toward North Korean culpability in this latest episode. Such an act of aggression only serves to underscore and reaffirm the importance of the alliance between the United States and the Republic of Korea.

Today, U.S. Forces Korea—the combined American air, ground, and naval forces of roughly 28,500 American servicemembers—still stand ready to assist in the safety and security of South Korea near the Demilitarized Zone, DMZ, and throughout the rest of the peninsula below the 38th Parallel.

This mutual and enduring friendship has been in evidence since September 11, 2001. South Korea has been an able and willing ally in the global war on terror, dispatching the 100th Engineer Group and 924th Medical Group to both Iraq and Afghanistan. Their forces have been integral in providing humanitarian and medical aid to soldiers and civilians alike, as well as working to rebuild infrastructure in Afghanistan and Iraq.

I ask all of my esteemed colleagues to stand with me and pass this joint resolution, to not only commemorate the 60th anniversary of the beginning of the Korean war and properly honor those Americans who served proudly in that conflict, but also to recognize the continued resilience and vibrancy of the alliance between our nations.

Mr. DURBIN. Mr. President, I ask unanimous consent to be added as a cosponsor to this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURBIN. Mr. President, I ask unanimous consent that the joint resolution be read a third time and passed, the preamble be agreed to, the motions to reconsider be laid upon the table, and any statements relating to the joint resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution (S.J. Res. 32) was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S. J. RES. 32

Whereas, on June 25, 1950, communist North Korea invaded the Republic of Korea with approximately 135,000 troops, thereby initiating the Korean War;

Whereas, on June 27, 1950, President Harry Truman ordered the United States Armed Forces to help the Republic of Korea defend itself against the North Korean invasion;

Whereas the hostilities ended in a cease-fire marked by the signing of the armistice at Panmunjom on July 27, 1953, and the peninsula still technically remains in a state of war;

Whereas, during the Korean War, approximately 1,789,000 members of the United States Armed Forces served in theater along with the forces of the Republic of Korea and 20 other members of the United Nations to defend freedom and democracy;

Whereas casualties of the United States during the Korean War included 54,246 dead (of whom 33,739 were battle deaths), more than 103,284 wounded, and approximately 8,055 listed as missing in action or prisoners of war;

Whereas the Korean War Veterans Recognition Act (Public Law 111–41) was enacted on July 27, 2009, so that the honorable service and noble sacrifice by members of the United States Armed Forces in the Korean War will never be forgotten;

Whereas President Barack Obama issued a proclamation to designate July 27, 2009, as the National Korean War Veterans Armistice Day and called upon Americans to display flags at half-staff in memory of the Korean War veterans;

Whereas since 1975, the Republic of Korea has invited thousands of American Korean War veterans, including members of the Korean War Veterans Association, to revisit Korea in appreciation for their sacrifices;

Whereas in the 60 years since the outbreak of the Korean War, the Republic of Korea has emerged from a war-torn economy into one of the major economies in the world and one of the largest trading partners of the United States;

Whereas the Republic of Korea is among the closest allies of the United States, having contributed troops in support of United States operations during the Vietnam war, Gulf war, and operations in Iraq and Afghanistan, while also supporting numerous United Nations peacekeeping missions throughout the world;

Whereas since the end of the Korean War era, more than 28,500 members of the United States Armed Forces have served annually in the United States Forces Korea to defend the Republic of Korea against external aggression, and to promote regional peace;

Whereas North Korea's sinking of the South Korean naval ship, Cheonan, on March 26, 2010, which resulted in the killing of 46 sailors, necessitates a reaffirmation of the United States-Korea alliance in safeguarding the stability of the Korean Peninsula;

Whereas from the ashes of war and the sharing of spilled blood on the battlefield, the United States and the Republic of Korea have continuously stood shoulder-to-shoulder to promote and defend international peace and security, economic prosperity, human rights, and the rule of law both on the Korean Peninsula and beyond; and

Whereas beginning in June 2010, various ceremonies are being planned in the United States and the Republic of Korea to commemorate the 60th anniversary of the outbreak of the Korean War and to honor all Korean War veterans, including the Korean War Veterans Appreciation Ceremony in the hometown of President Harry S. Truman, which will express the commitment of the United States to remember and honor all veterans of the Korean War: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress—

(1) recognizes the historical importance of the 60th anniversary of the outbreak of the Korean War, which began on June 25, 1950;

(2) honors the noble service and sacrifice of the United States Armed Forces and the armed forces of allied countries that served in Korea since 1950 to the present;

(3) encourages all Americans to participate in commemorative activities to pay solemn tribute to, and to never forget, the veterans of the Korean War; and

(4) reaffirms the commitment of the United States to its alliance with the Republic of Korea for the betterment of peace and prosperity on the Korean Peninsula.

COMMENDING EYECARE AMERICA

Mr. DURBIN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 557, submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant editor of the Daily Digest read as follows:

A resolution (S. Res. 557) commending EyeCare America for its volunteerism and efforts to preserve eyesight throughout the previous 25 years.

There being no objection, the Senate proceeded to consider the resolution.

Mr. DURBIN. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motions to reconsider be laid upon the table, with no intervening action or debate, and any statements related to the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 557) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 557

Whereas, according to the National Eye Institute, in public opinion polls, Americans—

(1) have consistently identified the fear of vision loss as second only to the fear of developing cancer; and

(2) have stated that the loss of vision would have the greatest impact on their lives;

Whereas the National Eye Institute estimates that more than 11,000,000 people in the United States have common vision problems;

Whereas, according to the National Eye Institute, approximately 35,000,000 people in the United States experience an age-related eye disease, including age-related macular degeneration (the leading cause of vision loss in older people of the United States), glaucoma, diabetic retinopathy, and cataracts;

Whereas, according to the National Eye Institute, the number of people in the United States who experience an age-related eye disease is expected to grow to 50,000,000 by 2020;

Whereas, according to the National Eye Institute, the Hispanic and African-American populations experience a disproportionate incidence of glaucoma, cataracts, and diabetic retinopathy;

Whereas, according to the National Eye Institute, diabetic retinopathy is the leading cause of blindness in individuals of all races between the ages of 25 and 74;

Whereas vision impairment and eye disease are major public health issues, especially as 2010 begins the decade in which, according to the Census Bureau, more than ½ of the 78,000,000 Baby Boomers will turn 65 and be at greatest risk for developing an age-related eye disease;

Whereas much can be done to preserve eyesight with early detection and treatment;

Whereas EyeCare America, the public service program of the Foundation of the American Academy of Ophthalmology, works to ensure that eye health is not neglected by matching eligible patients with 1 of nearly 7,000 volunteer ophthalmologists across the United States committed to preventing unnecessary blindness in their communities;

Whereas the volunteer ophthalmologists provide eye exams and eyecare for up to 1 year at no out-of-pocket cost to the patient, and seniors who do not have insurance receive the care at no charge;

Whereas individuals may call EyeCare America toll-free at 1–800–222–EYES (3937) to see if they are eligible to be referred to a volunteer ophthalmologist throughout the United States; and

Whereas EyeCare America has helped more than 1,000,000 people since the inception of the organization in 1985 and is the largest public service program of its kind in United States medicine as of the date of agreement to this resolution: Now, therefore, be it

Resolved, That the Senate commends EyeCare America for its volunteerism and efforts to preserve eyesight throughout the 25 years preceding the date of agreement to this resolution.

NATIONAL DIRECT SUPPORT PROFESSIONALS RECOGNITION WEEK

Mr. DURBIN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 558, submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant editor of the Daily Digest read as follows:

A resolution (S. Res. 558) designating the week beginning September 12, 2010, as ''National Direct Support Professionals Recognition Week.''

There being no objection, the Senate proceeded to consider the resolution.

Mr. DURBIN. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motions to reconsider be laid upon the table, with no intervening action or debate, and any statements related to the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 558) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 558

Whereas direct support workers, direct care workers, personal assistants, personal attendants, in-home support workers, and paraprofessionals (referred to in this preamble as ''direct support professionals'') are the primary providers of publicly funded long term support and services for millions of individuals;

Whereas a direct support professional must build a close, trusted relationship with an individual with disabilities;

Whereas a direct support professional assists an individual with disabilities with the most intimate needs, on a daily basis;

Whereas direct support professionals provide a broad range of support, including—

(1) preparation of meals;

(2) helping with medications;

(3) bathing;

(4) dressing;

(5) mobility;

(6) getting to school, work, religious, and recreational activities; and

(7) general daily affairs;

Whereas a direct support professional provides essential support to help keep an individual with disabilities connected to the family and community of the individual;

Whereas direct support professionals enable individuals with disabilities to live meaningful, productive lives;

Whereas direct support professionals are the key to allowing an individual with disabilities to live successfully in the community of the individual, and to avoid more costly institutional care;

Whereas the majority of direct support professionals are female, and many are the sole breadwinners of their families;

Whereas direct support professionals work and pay taxes, but many remain impoverished and are eligible for the same Federal and State public assistance programs on which the individuals with disabilities served by the direct support professionals must depend;

Whereas Federal and State policies, as well as the Supreme Court, in Olmstead v. L.C., 527 U.S. 581 (1999), assert the right of an individual to live in the home and community of the individual;

Whereas, in 2010, the majority of direct support professionals are employed in home and community-based settings and this trend is projected to increase over the next decade;

Whereas there is a documented critical and growing shortage of direct support professionals in every community throughout the United States; and

Whereas many direct support professionals are forced to leave jobs due to inadequate wages and benefits, creating high turnover and vacancy rates that research demonstrates adversely affects the quality of support to individuals with disabilities: Now, therefore, be it

Resolved, That the Senate—

(1) designates the week beginning September 12, 2010, as ''National Direct Support Professionals Recognition Week'';

(2) recognizes the dedication and vital role of direct support professionals in enhancing the lives of individuals with disabilities of all ages;

(3) appreciates the contribution of direct support professionals in supporting the needs that reach beyond the capacities of millions of families in the United States;

(4) commends direct support professionals as integral in supporting the long-term support and services system of the United States; and

(5) finds that the successful implementation of the public policies of the United

States depends on the dedication of direct support professionals.

OBSERVING THE HISTORICAL SIGNIFICANCE OF JUNETEENTH INDEPENDENCE DAY

Mr. DURBIN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 559, submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant editor of the Daily Digest read as follows:

A resolution (S. Res. 559) observing the historical significance of Juneteenth Independence Day.

There being no objection, the Senate proceeded to consider the resolution.

Mr. BURRIS. Mr. President, on a hot day in the summer of 1776, delegates from across the American Colonies gathered in Philadelphia to cast off the yoke of tyranny and assert the fundamental right of self-government.

At that moment, when our Republic was born, our Founders ratified a document unique in human history which contained the landmark words:

We hold these truths to be self-evident, that all men are created equal.

This simple creed became the justification of a great Revolutionary War, which gave rise to the thriving democracy we inhabit today. That is why we celebrate every Fourth of July as Independence Day—because of the principles laid out in that remarkable Declaration.

But, tragically, for almost a century after that document was ratified, the equality of all men remained an unfulfilled promise. It began to seem that the Declaration of Independence defined our aspirations rather than our core beliefs.

Slavery, brutal and unjust, remained legal throughout the majority of the 19th century and helped set the stage for the bloodiest war we have ever known. But, as President Lincoln had dearly hoped, out of that terrible violence was born a new and more complete freedom—a freedom that wiped out the scourge of slavery once and for all and realized the promise our Founding Fathers documented for all Americans.

That is why, on Saturday, many in this country observe another independence day known as Juneteenth. Slavery ended in the Confederate States of America when President Lincoln signed the Emancipation Proclamation on January 1, 1863. But many slaves did not learn of their freedom until much later.

Finally, on June 19, 1865—more than 2 years after the Emancipation Proclamation—Union soldiers led by Major General Gordon Granger arrived in Galveston, TX. They brought news that must have been almost unbelievable to all who heard it. The Civil War was over, they announced, and all slaves were free.

From that day on, former slaves in the Southwest celebrated June 19 as the anniversary of their emancipation. That is why I have submitted this resolution observing the historical significance of this date—Juneteenth Independence Day.

Over the past 145 years, Juneteenth celebrations have been held to honor African-American freedom. But this date has come to hold even greater significance. Throughout the world, Juneteenth celebrations lift the spirit of freedom and rail against the forces of oppression. At long last, this day is beginning to be recognized as both a national event and a global celebration.

But just as the Fourth of July marks the beginning of a journey that continues even today, we must not forget that the long march to freedom that started on June 19, 1865, is far from over.

Our country has made great strides in the century and a half since slavery was abolished, but deep wounds are slow to heal. We will never be able to rewrite this terrible history. But we can, and we must, do everything we can to rise above it—to seek constructive solutions to the problems that time alone cannot wash away, problems that still affect the African-American community on a daily basis, from discrimination, to crime, to health care disparities, to unemployment, to substance abuse, and so on.

So let's pay tribute to the suffering of our forefathers by seeking justice for our children. Let's remember our past by looking to our future and confronting these problems with bold, new solutions.

This is a day for all of us to stand together and lift up the liberties we hold so dear—a day to look forward, to look ahead to tomorrow, and continue the fight for freedom and equality.

So I ask my colleagues to stand with me. I ask them to support my resolution observing the historical significance of Juneteenth Independence Day. I invite them to share the joy of those who greeted Union soldiers in Galveston more than 140 years ago.

Mr. UDALL of Colorado. Mr. President, I rise to highlight the celebration of Juneteenth throughout my State of Colorado.

One hundred forty-five years ago, Black slaves in Galveston, TX, heard the contents of ''General Order No. 3,'' which proclaimed their freedom from slavery. Though the announcement in Galveston in 1865 came over 2 years after President Lincoln's Emancipation Proclamation, for the first time, Black slaves learned of their freedom from a shameful policy of early America that threatened the wellbeing of the entire Union. June 19, 1865, was a joyous day for these men, women and children and has since become a day of reflection and celebration as the day when Lincoln's words in the Emancipation Proclamation were finally realized. As African Americans migrated west and out of Texas, they carried with them the memories and message they had heard on that great day in June.

Communities in Colorado come together every year to continue a tradition that highlights a notable turning point in our country's history; a point at which our country's hard fought efforts to empower a segment of America's population materialized. Today, just as before, this community has continued to make powerful and positive contributions to our common quality of life. That is why it is no surprise to me that this tradition carries on. In Colorado, citizens of various backgrounds gather in Pueblo, Colorado Springs, Denver and in the backyards of communities across our State to celebrate Juneteenth.

I am particularly proud to mention that in Pueblo, CO, they are celebrating the 30th anniversary of their first official Juneteenth celebration with the theme ''Growing the Community.'' And just as in Colorado Springs, Denver and other places across the State, it is an event that shares this history and time of reflection with the entire community.

To all my fellow Coloradans who will gather this June 19 to celebrate an important event in America's history, I wish you a safe and joyous occasion. And I am proud that you continue to instill a sense of history and community that provides rich cultural and historical knowledge of our country's fight to ensure freedom for all.

Mr. DURBIN. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motions to reconsider be laid upon the table, with no intervening action or debate, and any statements related to the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 559) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 559

Whereas news of the end of slavery did not reach frontier areas of the United States, and in particular the southwestern States, for more than 2½ years after President Lincoln's Emancipation Proclamation, which was issued on January 1, 1863, and months after the conclusion of the Civil War;

Whereas, on June 19, 1865, Union soldiers led by Major General Gordon Granger arrived in Galveston, Texas with news that the Civil War had ended and that the enslaved were free;

Whereas African-Americans who had been slaves in the Southwest celebrated June 19, commonly known as ''Juneteenth Independence Day'', as the anniversary of their emancipation;

Whereas African-Americans from the Southwest continue the tradition of celebrating Juneteenth Independence Day as inspiration and encouragement for future generations;

Whereas, for more than 140 years, Juneteenth Independence Day celebrations

have been held to honor African-American freedom while encouraging self-development and respect for all cultures;

Whereas, although Juneteenth Independence Day is beginning to be recognized as a national, and even global, event, the history behind the celebration should not be forgotten; and

Whereas the faith and strength of character demonstrated by former slaves remains an example for all people of the United States, regardless of background, religion, or race: Now, therefore, be it

Resolved, That—

(1) the Senate—

(A) recognizes the historical significance of Juneteenth Independence Day to the Nation;

(B) supports the continued celebration of Juneteenth Independence Day to provide an opportunity for the people of the United States to learn more about the past and to understand better the experiences that have shaped the Nation; and

(C) encourages the people of the United States to observe Juneteenth Independence Day with appropriate ceremonies, activities, and programs; and

(2) it is the sense of the Senate that—

(A) the celebration of the end of slavery is an important and enriching part of the history and heritage of the United States; and

(B) history should be regarded as a means for understanding the past and solving the challenges of the future.

ORDERS FOR THURSDAY, JUNE 17, 2010

Mr. DURBIN. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:30 a.m. on Thursday, June 17; that following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and that following any leader remarks, there be a period of morning business until 10 a.m., with Senators permitted to speak therein for up to 10 minutes each, with the majority controlling the first half and the Republicans controlling the final half; that following morning business, the Senate resume consideration of the House message to accompany H.R. 4213, tax extenders, as provided for under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DURBIN. Mr. President, at approximately 12 noon, the Senate will proceed to a vote in relation to the Thune amendment No. 4333, the Republican alternative to the tax extenders legislation. Additional votes are expected to occur throughout the day in relation to amendments to the bill.

ORDER FOR ADJOURNMENT

Mr. DURBIN. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate adjourn under the previous order following the remarks of Senator GRASSLEY.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURBIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I wish to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MUST-DO LEGISLATION

Mr. GRASSLEY. Mr. President, the legislative business before the Senate deals with the so-called tax extenders. These extenders, as important as they are, represent only a small portion of the time-sensitive tax legislative business that needs to be completed.

I have a chart that I have used the last few days illustrating the status of several pieces of absolutely must-do tax legislation.

Earlier this week, I discussed the lack of action on this year's alternative minimum tax. I refer to that as an AMT patch. In a day or two, I will discuss the failure of Congress to act on the bipartisan 2001 and 2003 marginal rate cuts and Family Tax Relief Act.

This evening, I want to discuss the lack of action on estate tax reform.

Most of my colleagues know this about me—for as many years as I have been a representative of the people of Iowa, I have never believed that death—a person dying—should be a taxable event.

Taxing people's assets upon their death is plain wrong, and their heirs should not be forced to sell a single asset in order to meet this arbitrary tax due date caused by death.

Company assets should not have to be sold to pay taxes. The market, in fact, should determine when things are bought and sold because that is the very best measurement when a willing buyer meets a willing seller and they agree on a price and a time when a company should be sold. In other words, if you have to do it because somebody died, a fire-sale approach probably does not determine the true value of that property and, consequently, less money to the heirs and even less tax money coming in.

That is where I come from. We ought to repeal the death tax. But that is not political reality. The political reality is that there are not 60 votes in the Senate for that policy. Unfortunately, while repeal is the law of the land today, in a few months the law will take a sharp turn in the other direction—a wrong direction.

Under current law, in 2011, we will once again have an estate tax due and owing within 9 months of death of 55 percent and even in some cases 60 percent. That is not right. We force many unwilling sellers to have to deal with a very willing shark of a buyer waiting in the murky waters of tax uncertainty.

Some people wonder why I care so much about this issue. Pundits might say that Iowa is poor compared to places such as New York City and that land and companies are not worth much.

Much of the press attention has been paid to what the current law does this year. For instance, the New York Times printed an article on how the current law repeal of the estate tax applies to a Texas billionaire who died a few weeks ago.

We are almost half a year away from a tax policy that a supermajority of Senators say they do not support. Yet we are stuck in a mud hole. This time-sensitive issue has taken a back seat in this body to everything else.

My colleagues may not know that Iowa has 99 counties, and I have visited each of the 99 counties every year for the last 29 years to hold town meetings and to get people's opinions. Let me give a couple examples I have learned of why I think this issue of doing something quickly about the estate tax is a very important issue and a very timely issue.

I want to talk about some people who live in Iowa. Not only do they live in Iowa, they have devoted their entire life for multiple generations to build businesses and create good jobs for the people of rural Iowa.

Over 44 years ago, Eugene and Mary Sukup started a grain handling and storage manufacturing company in Sheffield, IA. Today, the Sukups and their two sons and their families are still headquartered in Sheffield, IA, population of a whopping 990 people, about 300 more than the town in which I live. They employ over 300 people from five different counties in good-paying jobs with a good retirement plan.

In fact, the original employee team that started with them almost 40 years ago is still there today and, in many cases, the next generation has also joined the team.

This chart depicts one of the main products they make and sell. For city folks who are watching, this piece of equipment is a building called a grain bin. I have some grain bins such as this on my family farm that my son Robin operates.

I ask unanimous consent to have printed in the RECORD a short history of the innovative efforts of the Sukup family.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Sukup Manufacturing Co is a family-owned and operated company located in Sheffield, Iowa—right in the heart of Midwest farmland. The company manufactures a full line of grain storage, drying and handling equipment, as well as a line of implements.

The Sukup Grain Handling and Storage Solutions line includes grain bins for both on-farm and commercial storage, grain dryers for on-farm and commercial operations, axial and centrifugal fans and heaters, stirring machines, unloading equipment, bin floors and supports, drive-over hoppers, grain spreaders and Airway® Tubes. The implement line includes cultivators, flail shredders, a wild game food plot planter and grain drills.

Sukup's focus in manufacturing has been to hire local, reliable employees and provide them with top quality tools with which to do their jobs. Sukup has made a considerable investment in manufacturing technologies. The manufacturing facilities in Sheffield house a number of welding robots, Computer Numeric Control (CNC) Machining Center, CNC Punching Centers, Mazak Lasers, and numerous roll forming machines. The company also utilizes progressive dies to speed production of high-usage parts. Sukup's bin production line is the most advanced and efficient in the industry. When Sukup entered the bin manufacturing business, they had the bin sidewall sheet and roof sheet lines built to their strict specifications by the leader in roll forming equipment. These machines are computer-controlled and maintain extremely tight tolerances that make Sukup Bins the best fitting and easiest to put together in the industry.

Ultimately, the key to Sukup Manufacturing Co's success has been its innovative ideas that have resulted in over 70 U.S. patents. Sukup Manufacturing Co currently produces a broad line of grain handling and storage systems as well as innovative tillage equipment. Sukup is a market leader with many of their products holding either the number one or number two spot in terms of market share for their respective product categories. In addition, Sukup products are sold not only throughout the U.S., but also in over 50 foreign countries.

One of the other factors in Sukup Manufacturing Co's success is their long-term employees. Nearly 30% of their full-time employees have been with the company for more than 10 years. Sukup equipment is built by people who understand their jobs and the important role they play in producing a successful product. In the past, to reward their employees for their dedication, Sukup has invited employees with 10 years of full-time employment with Sukup on a 7–day trip to the Hawaiian islands with their spouse. It is a great opportunity for co-workers to relax and get to know each other away from the workplace, which leads to tighter bonds when they return to their positions within the company.

If you're ever in the Sheffield, Iowa area (approx. 100 miles north of Des Moines or 150 miles south of Minneapolis, just off of I–35), stop in for a visit. We'll be more than happy to give you a tour of our facilities and introduce you to some of our employees. We're sure you'll be impressed by what you see.

Mr. GRASSLEY. Mr. President, in addition, they have facilities in six other States also contributing to those States' rural economies, such as Defiance, OH, Jonesboro, AR, Arcola, IL, Aurora, NE, and Watertown, SD—places where good jobs and hard work that is not flashy and does not make the scandal page of the big city newspapers are valued in those towns as important places of employment and contribute to the economy, places where people invest in the local economy and contribute as good citizens to community improvement and betterment.

They used to call these kinds of folks the ''pillars of the community,'' in old-fashioned terms. But in today's economy, these are folks devoted to American values and small town America. They may sell their products all over the United States. They also sell their products—would you believe it—all over the world. But you know what, they manufacture those products right there in that small community of Sheffield, IA. As a family farmer, the Sukups have been successful because they make a great product, and this is one of their products.

I wish to move on to another little Iowa town, somewhat larger than Sheffield, the town of Shenandoah. That is where Lloyd Inc. is located. Shenandoah is a community of almost 5,000 people—4,944 to be precise. Our colleague Senator ENSIGN is the lone practitioner of animal medicine in the Senate. He might be familiar with the products that Lloyd Inc. in Shenandoah, IA, puts out.

It, too, is not a flashy company. They started making animal dietary mixes in 1958, and now they are a significant provider of veterinary drugs. The chart depicts one of Lloyd Inc.'s products. These are different animals. I am not going to go into too much detail about them.

Eugene Lloyd is a doctor of veterinary medicine. He is the CEO of the company. Dr. Lloyd has told me the company has never let go of any employees due to poor business cycles.

Lloyd Inc. employs well over 90 well-educated people in this community of Shenandoah in southwest Iowa. The company has also provided generous health care and retirement plans to their employees, and as I said, in rural America, those benefits are very important.

Finally, both the company and Dr. Lloyd and his family have given generously throughout the years to educational scholarships, unrestricted grants to Dr. Lloyd's and his wife's alma mater, and provided financial and product support to address disasters, both locally and internationally.

Unfortunately, even after vigilant estate planning, these two families, the Lloyd and the Sukup family-owned companies will be facing a very large combined estate tax bill. That bill could total tens of millions of dollars between the two companies. That is tens of millions of dollars that will leave the State of Iowa. These companies might face a fire sale, and so often in this circumstance a company is sold to someone with no interest or no desire to maintain the current location or contributions to the community.

There are two companies, two towns, six counties, four families, and hundreds of employees, and all will be hurt if we do not do something about the death tax. Businesses will be sold, locations will be shut down, real people will lose good jobs. The State of Iowa will lose tens of millions of dollars of hard capital invested for over 90 years between these two companies. I barely even mentioned how much salary, retirement plans, and charitable contributions they have made to those little Iowa communities.

The multinational or foreign companies will come calling. They will be circling these home-grown businesses. Trust me, they will. We have seen it before. Perhaps they will be accompanied by sharpie hedge-fund types from big cities, such as New York, Boston or Chicago. They will go to places such as Sheffield and Shenandoah, but they will not go there to live. When they arrive we will have no one else to blame but us, right here in the Congress, for letting these family-owned companies committed to the community go away.

The punitive death tax policy passionately pushed by my liberal friends will have greased the skids. It will have killed the local roots of these successful small town businesses. All of us from rural America are trying to battle what is called out-migration. If we leave the death tax in place in its punitive form, in 2011 it will take away jobs, businesses, and people out of rural America. That is why I care about this death tax debate: because of real people in real Iowa communities invested in expanding in those rural counties.

It is strange, in New York City, how many multimillionaires live in any one block in Manhattan. But those so-called multimillionaires seem a little different when you check out the Iowa corn crop or you sit together at church or at a grandson's baseball game. They are, as the popular book says, ''The Millionaire Next Door.'' They are the pillars who help hold up all those 99 counties that I visit every year.

I know these are not the kinds of stories that make the front pages of our big city newspapers. When family businesses are sold and shut down or move out of the State or even move out of the United States, it certainly makes the front pages of the newspapers that I really care about. So when you hear about the number of estates affected, keep in mind to some extent that statistic is only a snapshot. The estate tax return is filed by the representative of a dead person. Those statistics so often dwelled on by many of the proponents of the death tax do not capture the full picture. The statistic is only a look at the dead person who owned the business or farm. It does not take into account the dead person's family, the dead person's employees, the dead person's neighbors. All of those folks are affected if the death tax burdens that family's business or farm and causes it to move on to some other owner and maybe out of the community.

There seems to be a strategy by the bicameral Democratic leadership to slow-walk a resolution of this vexing problem. The slow-walk strategy will leave the American people with the current law, and that current law is $1 million compared to the zero today or what we could have as a compromise between the House and Senate: $3.5 million on the one hand, $5 million on the other.

The junior Senator from Vermont as always is passionate and transparent about what he thinks and believes. He has said we should retain current law. His position is that $253 billion in revenue gained from current law is better spent by those of us in Washington, no doubt spent on what the junior Senator believes are valuable programs, probably some programs that I support.

Should his view prevail, however, we will see the essence of the economic policy of the Democratic leadership over the past 18 months. It will be another income redistribution policy. The President defined it a couple of years ago. It will be a program designed to ''spread the wealth around.'' More taxes for those who have saved and sacrificed during life, more spending on those who are demanding ever more generous tax-funded subsidies. That is basically what redistribution is all about. It is about folks in this city of Washington ''spreading the wealth around.''

I have heard rumors and read press reports that indicate that various Senators have a lot of company in the House and Senate Democratic caucuses. For instance, maybe the position taken by the Senator from Vermont might have that support. But those who share his view or views like that have not been as transparent as the junior Senator from Vermont, who is very transparent. You know exactly where he stands, and that is an honorable position for any Senator to take. I say that even though I disagree with him some.

The number of quiet supporters of the junior Senator from Vermont may be high enough to prevent the Democratic leadership from allowing a clean vote on a bipartisan compromise. I believe that bipartisan compromise is one of a $5 million exemption and a 35-percent tax rate compared to the $3.5 million and 45 percent tax rate in the House of Representatives.

The American people need to hear some data about how current law will apply when it goes to that million-dollar exemption. They need to know where the revenue will come from. So we always go, around this Senate, to the Joint Committee on Taxation. That is a nonpartisan official congressional scorekeeper on the issue of taxes—and all taxes. We need to also know about the number of affected estates.

Under current law it will be at least—can you believe it—at least 10 times higher than what it would be under the Lincoln-Kyl bipartisan compromise that I just described, the compromise that would cap the death tax rate at 35 percent. It would also provide that unified credit equivalent amount of about $5 million.

So here is that data from that nonpartisan Joint Committee on Taxation that you see right here. We are going to talk about current law, which is the tax law that is right now going to take effect in 2011 if we do not do anything. That is going to arrive in just a little over 6 months.

Under current law, 44,000 estates will be taxable. Under the Lincoln-Kyl compromise, 4,000 estates would be taxable. You can see here, for the year 2011, Lincoln-Kyl, 4,000; current law, with a $1 million exemption, 44,400 estates. That is quite a big difference.

It means that current law, the path on which we seem to be slow-walking, means 10 times the number of estates will be hit by the tax. The Lincoln-Kyl compromise means that only the top 10 percent, the wealthiest estates, will be hit by the death tax.

If you project that out, as this chart does, 8 years of current law over the 10 years, you will find that roughly 616,000 estates will be taxed over that period, and under the Lincoln-Kyl compromise, roughly 54,000 estates would be taxable over that period of time.

To give everyone a bit of perspective, I wish to share some Iowa farm data. It is from the U.S. Department of Agriculture. Under current law, in a bit over 6 months, with the $1 million exemption that is on the law now taking place, the line between a taxable farm and nontaxable farm will be that $1 million.

The U.S. Department of Agriculture reports that there were 92,800 farms covering 86 percent of Iowa in 2007. In 2007, the average Iowa farm was 331 acres. According to a survey conducted by Iowa State University in 2009, the average acre was worth $3,371. That means that a farm the size of the 2007 Iowa average, at average 2009 prices in Iowa, is going to be worth $1,446,801. In 2007, there were 19,302 Iowa farms with 500 or more acres worth at least $2.1 million at average 2009 prices. Now, keep in mind that farmers sometimes carry debt. That would reduce the value of the farm. But, on the other hand, farmers have other farm-related assets, such as the farm machinery to operate it, that are not included in the figures I just cited.

This data shows that the current-law estate tax could hit many Iowa farmers. For those folks working the lands, this is an unwelcome certainty. As I indicated earlier, the tax is an impediment to passing on the family business—in this case, the family farm. Current-law death taxes, quietly supported by, apparently, many Members on the other side—and that is that $1 million figure—will act as an incentive to break down many family farms and small businesses. These family farms and small businesses form the economic backbone of their hard-working heartland communities.

What amazes me is the zeal by some to use tax policy to inflict this kind of damage on family farms and small businesses such as the two I pointed out in Shenandoah, IA, and Sheffield, IA. All of this is somehow supposed to fund an ever-expanding set of Federal benefits to many who do not pay any income tax. The signal sent is that those who work hard, save, and want to pass something on to their family exist solely to fund these bloated Federal programs. So why work hard? Why save? Why not work less? Why not go into debt and live beyond your means? In the end, the government levels everyone out at death by, as the President said, ''spreading the wealth around.''

I have not touched on the damage being inflicted now by our inaction on estate tax reform. At every townhall, I hear from folks—in fact, I just finished a half hour monthly television program I do back in the State of Iowa. And one of the callers called in: When are you going to do something about the estate tax? Kind of embarrassing to tell him. I told him to watch my speech that I was going to give just as soon as the program is over. So here I am. But everybody at my townhalls—I hear from folks who ask these kinds of questions. They ask: What is the law going to be? Will it be retroactive? When will the Congress address this action? Why delay?

Recently, I received a letter that was signed by 750 Iowa attorneys asking for a resolution of this issue. At a time when families are dealing with the emotional and financial stress of the death of a family member, why do we add this additional confusion and anxiety for the family or for a counselor who cannot even advise his clients on what they should do in planning an estate?

I am afraid I do not have a good answer for these folks, just as a few minutes ago on my television program I did not have an answer for that person who called in from Pocahontas, IA, wanting to know what we are going to do about this. But we do need to get an answer. Hopefully, it is one that will be bipartisan, such as Lincoln-Kyl, and limits the reach of the death tax to at least the top 10 percent of the wealthiest estates. At the very least, we owe the American people an open and intellectually honest debate and votes up or down on a very fair policy.

Resolving the estate tax nightmare with real reform is time-sensitive tax legislation business. It is nowhere on the Senate's radar screen. As I point to this checklist once again that I bring to the Senate almost every day, I urge my friends in the Democratic leadership to put it on the Senate's radar screen.

I yield the floor.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 9:30 a.m., Thursday, June 17, 2010.

Thereupon, the Senate, at 8:27 p.m., adjourned until Thursday, June 17, 2010, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate:

DEPARTMENT OF STATE

SUZAN D. JOHNSON COOK, OF NEW YORK, TO BE AMBASSADOR AT LARGE FOR INTERNATIONAL RELIGIOUS FREEDOM, VICE JOHN V. HANFORD III, RESIGNED.

JUDITH R. FERGIN, OF WASHINGTON, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE DEMOCRATIC REPUBLIC OF TIMOR-LESTE.

EXTENSIONS OF REMARKS

TRIBUTE TO ALEXANDER, IOWA

HON. TOM LATHAM

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. LATHAM. Madam Speaker, I rise today to recognize the city and residents of Alexander, Iowa on the occasion of the celebration of the city's Quasquicentennial during the weekend of June 18, 19 and 20, 2010. Alexander is located in North Central Iowa and is home to approximately 165 people.

The expansion of the Central Railroad of Iowa through Scott Township in Franklin County was a significant development that began the storied history of Alexander, Iowa. In 1885, the town began with the completion of the Alexander station and Alexander was platted by F.E. Carter.

Before Harvey Yaw donated the lot for the first schoolhouse in Alexander in 1882, children went to school in old country schoolhouses, one in every two-mile section. Alexander developed in the 1890's with a dry goods store, livery stable, drug store, hotel, harness shop, pool hall, blacksmith shop, grocery store and churches of various denominations. The community of Alexander survived and persevered through the tribulations of the blizzard of 1911 and 1912, a major fire on Main Street in 1920 and a disastrous tornado in 1925.

One hundred twenty-five years is a testament to a strong and united community that I am also proud to call my hometown. Alexander has continued to survive the test of time, and for this I offer the community of Alexander my congratulations. It is an honor to represent the citizens of Alexander and Mayor Arlen Olson in the United States Congress, and I know that all of my colleagues join me in wishing everyone a safe and successful celebration and an equally storied next 125 years.

HONORING MS. DEANNA WHEELER

HON. BRIAN HIGGINS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. HIGGINS. Madam Speaker, I rise today to pay tribute to the years of service given to the people of Chautauqua County by Ms. Deanna Wheeler. Ms. Wheeler served her constituency faithfully and justly during her tenure as the Ellery Town Assessor.

Public service is a difficult and fulfilling career. Any person with a dream may enter but only a few are able to reach the end. Ms. Wheeler served her term with her head held high and a smile on her face the entire way. I have no doubt that her kind demeanor left a lasting impression on the people of Chautauqua County.

We are truly blessed to have such strong individuals with a desire to make this county the wonderful place that we all know it can be. Ms. Wheeler is one of those people and that is why, Madam Speaker, I rise to pay tribute to her today.

PERSONAL EXPLANATION

HON. JEFF MILLER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. MILLER of Florida. Madam Speaker, I missed rollcall Vote Nos. 355–357 on June 14, 2010, and rollcall Vote Nos. 358–364 on June 15, 2010.

If present, I would have voted:

Rollcall Vote No. 355, Supporting the goals of National Dairy Month, ''aye.''

Rollcall Vote No. 356, Expressing support for designation of June 20, 2010, as ''American Eagle Day'', and celebrating the recovery and restoration of the bald eagle, the national symbol of the United States, ''aye.''

Rollcall Vote No. 357, To amend the effective date of the gift card provisions of the Credit Card Accountability Responsibility and Disclosure Act of 2009, ''aye.''

Rollcall Vote No. 358, Honoring Dr. Larry Case on his retirement as National FFA Advisor, ''aye.''

Rollcall Vote No. 359, Providing for consideration of H.R. 5486, the Small Business Jobs Tax Relief Act; and providing for consideration of H.R. 5297, the Small Business Lending Fund Act, ''nay.''

Rollcall Vote No. 360, Work-Life Balance Award Act, ''nay.''

Rollcall Vote No. 361, Recognizing the immeasurable contributions of fathers in the healthy development of children, supporting responsible fatherhood, and encouraging greater involvement of fathers in the lives of their children, especially on Father's Day, ''aye.''

Rollcall Vote No. 362, On Motion to Recommit with Instructions the Small Business Jobs Tax Relief Act of 2010, ''aye.''

Rollcall Vote No. 363, On Final Passage of the Small Business Jobs Tax Relief Act of 2010, ''nay.''

Rollcall Vote No. 364, Celebrating the 20th anniversary of the Albert Einstein Distinguished Educator Fellowship Program and recognizing the significant contributions of Albert Einstein Fellows, ''aye.''

CONGRATULATING J.M. WALLER ASSOCIATES INC. FOR BEING NAMED SMALL BUSINESS PERSON OF THE YEAR

HON. GERALD E. CONNOLLY

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. CONNOLLY of Virginia. Madam Speaker, I rise today to recognize J.M. Waller Associates, Inc. of Fairfax, Va., for receiving the U.S. Small Business Administration's Washington Metro Area District Small Business Person of the Year Award for 2010.

J.M. Waller Associates is a Service Disabled Veteran Owned Small Business that provides environmental, engineering, logistics, technical, management and professional consulting services to public and private sector clients. At the federal level, it works with our Armed Services, the National Parks Service and NASA.

Founded in 1991, the firm has won numerous accolades for its consistently fine work, including receiving the 2004 Washington D.C. Small Business Administration Small Business Firm of the Year Award, the 2007 Department of Defense Service Disabled Veteran Owned Small Business Achievement Award and the 2009 SAME Industry Award to a Small Business in Support of DoD Programs.

Among the criteria for the Small Business Person of the Year Award are a company's staying power, increase in sales, innovation, response to adversity, and contribution to aid community-oriented projects. Throughout its 19 years, J.M. Waller Associates has consistently demonstrated its economic success and its commitment to the Northern Virginia region.

Small businesses represent the job engine of the U.S. economy, and the continued success of businesses such as J.M. Waller Associates is vital to the future of American progress. I ask my colleagues to join me in congratulating J.M. Waller Associates for receiving the SBA's Small Business Person of the Year Award for 2010.

CARLOS CAN! IN HONOR OF A REAL AMERICAN HERO: SGT. CARLOS RAFAEL EVANS TORO OF THE UNITED STATES MARINE CORPS 1ST BATTALION 2ND MARINE

HON. PEDRO R. PIERLUISI

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. PIERLUISI. Madam Speaker, I rise today in honor of a magnificent Puerto Rican Hero, Sgt. Carlos Rafael Evans Toro of The United States Marines, 1st Battalion 2nd Marine of Fajardo, Puerto Rico. Carlos was born on October 17, 1979, along with his twin sister Carla. He is married to his lovely wife Rosemarie and they have two children, Noroby and new born Genesis. Sgt. Evans had served three tours in Iraq, and was on his first tour of duty in Afghanistan in Salam Baezar when an IED went off during a foot patrol on May 16 2010. Losing his legs and part of his arm, he somehow held on to fight his next battle. To walk again, and he will! His courage his faith, and his character is an inspiration to us all. And with his family's help, the key to all great recoveries, this mountain they will climb together! I ask that this poem penned in honor

of him and his family by Albert Caswell, be placed in the RECORD.

CARLOS CAN

Carlos Can!
And Carlos Will!
All of our hearts, so instill!
As we watch him climb, each and every mountain . . . and every hill . . .
Moving onward, moving forward . . . ever onward still!
All but with his fine heart, as he somehow rebuilds . . .
Carlos Can, all because . . . lie's A United States Marine . . .
One of the best things that this country has ever seen!
Arms and legs, yea we all need!
But, without a heart . . . one can not so surely breath!
Carlos Can, and Carlos Will . . . all of his dreams, one day fulfill . . .
As This Pride of Puerto Rico, so fills...
So fill's all of our hearts, with all of his courage . . . and so iron will!
While, against all odds . . . he will not be stilled!
For he has a life to live, and to our world so much more to give!
For on that fateful morning, as he awoke . . .
And so saw, what this dark war had invoked . . .
As the tears, upon his fine face so gently broke . . .
As in that moment, his fine heart to him so spoke!
So spoke to him, about faith and courage . . .
And how not to somehow be discouraged!
For only from ones soul, so conies hope . . .
As it was all in that moment, that he so made that choice . . .
As through him . . .
All in his actions, we so heard our Lord's most beautiful voice!
Calling To Us!
To Teach Us . . .
To Beseech Us . . .
All in Carlos's choice!
And, if ever I have a son . . .
I but pray, he could but be like this fine one!
To have the strength and courage, like Carlos could!
Carlos Can! And Carlos Will!
Marine Take That Mountain, Climb That Hill!
Hoorah Jar Head, for God and Country you so bled!
Showing us all, That God Is Great! And God Is Good!
Like Carlos, do you think that you so could?

TRIBUTE TO ELI M. BURGOS

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. PASCRELL. Madam Speaker, I would like to call to your attention the deeds of a person I am proud to represent and prouder still to call a friend, Eli M. Burgos, who will be recognized tonight on the occasion of his retirement from a 36-year career of service to the city of Paterson, NJ.

Eli M. Burgos was born in Puerto Rico in 1949 to Minister Gregorio Burgos and his wife Lucia. He has three sisters, Sara, Raquel and Irma, and one brother, Fred. In the early 1950s he moved to New York City and one year later to the city of Paterson. Eli attended Paterson Public School No. 3, No. 2, Central High School, and in 1967 graduated from John F. Kennedy High School. Soon after, Eli was called upon to serve in the U.S. Army during the Vietnam Conflict. After reporting to Fort Dix, he was sent to the U.S. Army Medical Training Center in San Antonio, Texas for training as a Medical Corpsman. He graduated with the highest cadre evaluation, and continued his medical training at Madigan General Hospital, Tacoma, Washington. He then was transferred overseas where he completed his active duty with the 42nd Medical Battalion, 8th Medical Company. During this time, Eli served under the command of Captain Jeffery Parks, son of the legendary ''Miss America Pageant'' MC, Bert Parks. Eli was honorably discharged as a Medical Corpsman Specialist IV, in 1971. Thereafter he served in the United States Army Reserves for four more years.

Upon his discharge, Eli returned home and began a career in public service. Eli Burgos attended Rutgers University where he completed all of the requirements to become a certified public purchasing official and a qualified purchasing agent and also attended Fairleigh Dickinson University, where he received his certificate in public service administration.

Prior to working for the city of Paterson, Eli was the co-founder and executive director for PRVANJ, a statewide service organization, funded by a Federal grant, to identify the needs of and provide services to returning Vietnam-era veterans. In 1974, Eli was hired by Mayor Pat Kramer as a planner for the Manpower Planning Council, later the City's Employment and Training Division, or C.E.T.A. Eli rose through the ranks and in 1981 was appointed by Mayor Frank Graves to become the agency's executive director. With the promotion, Eli became the first Hispanic American division director in Paterson's history. In 1984, Mayor Graves again promoted Eli to the Deputy Directorship of the City Department of Human Resources, and two years later to City Purchasing Agent, where he was responsible for the annual procurement of over 50 million dollars in goods and services. He held this position for 19 years. During my time as mayor, Eli served as a liaison to the growing Hispanic community. On October 21, 1998, Mayor Marty Barnes appointed Eli to the position of deputy mayor, while allowing him to continue directing the purchasing division. On July 1, 2002, Mayor Jose ''Joey'' Torres named Eli as the business administrator for the city of Paterson, a position of major authority and responsibility and one he will vacate upon his retirement at the end of the current mayor's term.

Eli's volunteer work has been widely recognized and rewarded with over 250 awards, certificates and other honors and recognitions. He has been named ''Man of the Year'' on seven occasions and has been the Grand Marshall and Deputy Grand Marshall of various parades and festivals held in New Jersey. Eli has devoted over 25,000 hours of time as a volunteer to a multitude of programs and projects in the State, county and his beloved city of Paterson. Eli has worked with public education projects, local anti-poverty programs, daycare centers, senior citizen services, church-related projects, sports leagues, recreation activities, health and safety, political campaigns and many others that include fundraising for the American Red Cross and other non-profits to aid victims of natural disasters such as hurricanes and earthquakes. He has been elected president of many organizations and has been a founder or co-founder of others. He continues his work on the Board of Directors of the North Jersey Federal Credit Union. Eli is very proud of his service with other organizations such as Bamert Hospital, the New Jersey Supreme Court Ethics Committee Fee Arbitration Panel, the Board of Directors of the Local Initiative Support Corporation ''LISC,'' New Jersey Health Professions Education Advisory Council and many other community-related boards and institutions.

Eli has written many articles for periodicals highlighting the struggles and accomplishments of the Puerto Rican and Latino Communities of Paterson and the State of New Jersey. He also worked for seven years as a part time photojournalist for Noticias Del Mundo, a leading daily newspaper in New Jersey and New York. Also active in politics, Eli ran for the Board of Education in 1989, his first attempt at elective office, and won by a wide margin. In 1991, he was selected as my running mate for election to the New Jersey Legislature, to represent the 35th District. Eli fell short of winning the election by the slimmest of margins. He never sought elected office again, instead continuing his administrative and managerial work to better the city of Paterson. Eli is presently serving his 5th term on the Democratic State Committee and previously served 11 years on the Passaic County Democratic Committee. He is a member of the city's Emergency Management Team, the New Jersey Municipal Managers Association, the New Jersey Purchasing Agents Association, and the National Institute of Governmental Purchasing.

Throughout the years, another constant in Eli's life has been his family. His wife, Yolanda, recently retired as the principal of International High School in Paterson. All of their children, Louie, Janel, and Velanae, have obtained college degrees as has their daughter-in-law, Luciana, and son-in-law, Victor. Eli and Yolanda are proud grandparents to Destin Louis and Liana Rose.

The job of a United States Congressman involves much that is rewarding, yet nothing compares to working with and recognizing the efforts of dedicated public servants like Eli. He will retire as the only person in Paterson's history to have served in the capacity of acting mayor, deputy mayor, department director and division director, responsibilities he has carried out in the most professional and ethical manner possible. He is humbled by the opportunity to have served this great historical city and to have made so many friends and acquaintances along the way, and I am proud to have been able to work with him.

Madam Speaker, I ask that you join our colleagues, the residents of the city of Paterson, everyone associated with public service in our great city, Eli's family and friends, and me, in recognizing Eli M. Burgos' outstanding service to his community.

RECOGNIZING CONTRIBUTIONS OF FATHERS

SPEECH OF

HON. LAURA RICHARDSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 15, 2010

Ms. RICHARDSON. Mr. Speaker, I rise today in support of H. Res. 1389, which recognizes the important role that fathers play in the lives of their children. While Father's Day is celebrated once a year, the responsibility of being a father never ceases.

According to U.S. Census Bureau data from 2009, over 24 million children live apart from their biological fathers. That is 1 out of every 3 children in the United States. Nearly 2 out of every 3 African American children live apart from their biological fathers. While we honor biological fathers, we should also remember the many men that serve as father figures in the lives of children across the country. These truly special individuals consist of grandfathers, uncles, adoptive fathers, step-fathers, and anyone else who provides a parenting role. No one requires them to assume this responsibility, but they do so selflessly and without complaint.

Children with involved fathers are less likely to have behavioral problems, abuse drugs, and live in poverty. A child with an involved father is more likely to stay in school, go to college, and be successful later in life. Clearly, the presence of father figures in homes across the country is absolutely critical to the healthy development of our young people.

We also owe special recognition to the single fathers in California's 37th District and across the country. These fathers work longer and harder to ensure that their children have the resources and care they need to experience a fulfilling childhood and to grow into well-rounded adults. Many of these single fathers work extra hours just to put food on the table and meet their children's needs.

Lastly, Mr. Speaker, we should pay tribute to the fathers who are unable to be with their children this Father's Day. These individuals include the men serving overseas in our military, fathers that are working to provide for their families, fathers that are incarcerated, and fathers that live far away from their children.

Will Rogers, Jr. once said that his ''heritage to his children wasn't words or possessions, but an unspoken treasure, the treasure of his example as a man and a father.'' This sentiment perfectly sums up the importance of fathers and their role in the lives of our nation's youth.

Mr. Speaker, I urge my colleagues to join me in supporting H. Res. 1389 and recognizing the important role that fathers play in their children's lives.

ASSOCIATION OF AMERICAN LAW SCHOOLS LETTER REGARDING NON-DISCRIMINATION

HON. GERALD E. CONNOLLY

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. CONNOLLY of Virginia. Madam Speaker, I recently received a letter from the Association of American Law Schools regarding recent Congressional consideration for expanding non-discrimination policies. I ask unanimous consent to have the attached letter inserted into the Congressional Record on the Association's behalf.

ASSOCIATION OF
AMERICAN LAW SCHOOLS,
Washington, DC, May 26, 2010.

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

DEAR SPEAKER PELOSI: We write today regarding your important efforts to extend anti-discrimination principles to access to military service. We hope that the following comments will be of assistance to you and to the House as it considers this reform.

Non-discrimination principles form a critical foundation for our democracy. The promise of opportunity for all and the aspirations of individuals to achieve underpin the character of American society. Without question, military service has played an important role over several generations in supporting the idea of individual improvement. Through specific training, as well as the development of personal characteristics such as discipline and responsibility, the military has been a path to greater capabilities and a better life for many young Americans. Military service has itself provided knowledge and has often led individuals to higher education. Beginning with the GI Bill of Rights after World War II, educational benefits provided to returning combat veterans created a potentially transformative educational path for individual veterans, and, in the process, strengthened the nation's capacities for innovation and productivity. In our law schools over the last 60 years we have seen the powerful effects of military experience and of this national assistance for veterans. We also understand that for many Americans military service has been a meaningful way to participate in our democracy.

Today, however, military service is not open to all who wish to serve our country. We hope that this year the Congress will act to provide equal access to military service, by extending non-discrimination principles to the many who are now discouraged or prevented from serving because of the current ''Don't Ask, Don't Tell'' policy.

BRIEF BACKGROUND OF THE AALS

Formed in 1900 for the purpose of improving the legal profession through legal education, the Association of American Law Schools (AALS) is a voluntary membership organization of 171 law schools. AALS membership has been regarded as an important indicator of the quality of a law school. The AALS pursues our purpose of strengthening legal education through two principal vehicles (1) a membership process which periodically evaluates law schools, and (2) programs for law teachers and administrators, designed to encourage innovation, further strong teaching and excellent curricula and foster a climate of inquiry through teaching and research that will strengthen the law and the legal profession.

Only rarely does the AALS speak in the legislative process or seek to address a court in the context of a case before it. We consider doing so only in circumstances where our core educational values or the educational programs and related judgments of member schools are strongly implicated. We regard the issue before you now as one of those moments.

A HISTORICAL LOOK AT NON-DISCRIMINATION PRINCIPLES

A neutral look at our national history on issues of discrimination since the end of World War II makes clear that each of the watersheds in 20th century non-discrimination law were not the obvious decisions that one could assume in retrospect, but rather were hotly contested. The House that passed the Civil Rights Act of 1964 had only twelve female members. At the time of the vote on the historic legislation, there were nine minority members in the House, all of them male. One was an Asian American from the young state of Hawaii (World War II veteran Spark Matsunaga, who was twice wounded in battle while serving with Japanese-American segregated units sent to war while many family members of his fellow soldiers had been assigned to relocation centers on the West coast). Three were Latinos, representing districts in Texas, New Mexico, and California. The remaining five were all African-Americans from northern states. And the House and history would have to wait for nine more years before the first post-Reconstruction African American from the South was seated in the House of Representatives.

Ending racial segregation in the military took Presidential action. It was President Eisenhower's view that federal institutions should be at the forefront of upholding the ideal of racial equality. Then as now, discrimination on the part of the federal government is fundamentally and deeply troubling. As a revered military leader, Eisenhower as President was able to bring about implementation of President Truman's 1948 Executive Order to desegregate the military. The Women's Armed Services Integration Act of 1948 gave women permanent status in the Army, Navy, Marines (and later Air Force and Coast Guard) and from the 1960's through the present women have been granted further access to opportunity in the military.

AALS NON-DISCRIMINATION POLICIES

The AALS acted to require its members to avoid discrimination based on race or color in 1951. Nineteen years later, in 1970, a requirement of non-discrimination covering women was added to the AALS By-Laws. Two decades ago the AALS membership acted to include discrimination based on sexual orientation in the list of prohibited categories of discrimination for AALS member schools. AALS Bylaw § Section 6–3 states that each member school undertakes to ''provide equality of opportunity in legal educatin for all . . . enrolled students . . . without discrimination or segregation on the ground of race, color, religion, national origin, sex, age disability or sexual orientation.'' The concept of non-discrimination is critical to our democracy and crucial to the training of lawyers who, among others, act as stewards of democratic ideals. The role of law and lawyers in our society is to further the orderly conduct of the society, including the resolution of disputes, and to construct respect for the law and to establish and ensure the qualities that will engender that respect, such as fairness, level playing fields, and equality of opportunity. Inherently then, law schools place a high priority on trying to instill in lawyers their civic responsibilities and their role in furthering democratic values.

The application of non-discrimination principles to career opportunities for law students became and remains a particularly troublesome issue in the wake of passage of the Solomon Amendment in 1996. In light of that federal law, the AALS fashioned a compromise in the application of its own non-discrimination principles. That compromise allows military recruiters on law school campuses but requires member schools to ''ameliorate'' that presence and make clear the inconsistency between the schools'' non-discrimination policies and the military's

exclusion of openly gay and lesbian individuals. The purpose was to ensure that each law school community would communicate its inclusive and non-discriminatory values to all members of the community. This compromise, while deemed the best solution within the legal context in which the AALS found itself, is inherently and deeply troublesome for two reasons. University-based law schools implicitly sanction discrimination based on sexual orientation when they include military recruiters rather than reject the federal funds so important to their academic programs. At the same time, attempts made by individual law schools and the AALS to ensure that the full law school community understands why a discriminatory employer has been permitted access to the schools' career services have understandably (but wrongly) been interpreted as indicative of the ''anti-military'' attitudes of law schools, their leaders, and the AALS. We emphasize that the AALS is supportive of our military and recognizes that as the military has become more inclusive it has become stronger both internally and in the public's perception. We depend on the many young Americans whose courage and commitment enables them to join the armed services in order to actively participate in the defense of the nation. It is the nobility of that service and the inability of American citizens who are openly gay or lesbian to serve that has prompted the AALS to argue consistently for inclusion of these citizens in military service. The AALS is committed to both non-discrimination and a strong military, with access to opportunities in the military for all students at our member schools, regardless of their sexual orientation.

The current law places the democratic ideal that individuals should be judged as individuals and not based upon group-based characteristics in a secondary status to funding higher education programs. As such, it inherently damages our democracy. Repealing the current law and extending non-discrimination principles to include sexual orientation will support and strengthen our democratic values and strengthen the military.

ADDITIONAL ADVANTAGES OF APPLYING NON-DISCRIMINATION PRINCIPLES TO MILITARY SERVICE

Repeal of the ''Don't Ask, Don't Tell'' policy is certain to ensure a larger pool of citizens who seek to serve their country in the military, a much-needed result particularly during this time of heavy on-going demands for those who are now serving. Furthermore, the extension of non-discrimination principles to the service of individuals regardless of their sexual orientation will generate broader support for our military branches. Over time, as military personnel work together toward common purposes in service of the nation, greater understanding and respect are likely to be furthered in our broader culture. A diverse society depends on its ability to develop qualities of tolerance and over-arching shared values; American democracy and the opportunities it has exemplified are grounded in the concept of a multi-faceted diversity, protected by guarantees of individual liberties.

CONCLUSION

The AALS urges Congress to act soon to remove the restrictions on military service that now exist, extending the opportunity of military service without regard to the sexual orientation of those who seek to volunteer for this important service to our nation.

Sincerely,

SUSAN WESTERBERG PRAGER.

A TRIBUTE TO WILLIAM WHITAKER

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. TOWNS. Madam Speaker, I rise today in recognition of William Whitaker for his work with the formerly incarcerated and his service to the City of New York.

Mr. Whitaker was born in Richmond, Virginia, and moved to Brooklyn, New York at four years of age. His family resided in Brooklyn's Bedford Stuyvesant area for the next 42 years. After completing his high school education, Mr. Whitaker received an Associate degree from John Jay College of Criminal Justice where he focused on paralegal research and mythology. He then attended Marta Due College and received a Bachelor of Arts in Human Services. Mr. Whitaker is also a credentialed Prevention Specialist with the New York State Office of Alcohol and Substance Abuse. Mr. Whitaker has been credentialed with the state of New York for 15 years.

Mr. Whitaker is also certified with Cornell University as a Family Development Credential Trainer. In 2009, Mr. Whitaker received his international certification reciprocity with the New York State Office of Alcohol and Substance Abuse.

Mr. Whitaker's career began in 1990 with the Fortune Society. He held several titles at this agency, including Chief Librarian, Counselor/Case Manager, Senior Peer Trainer, Public Health Educator, and Senior Outreach Coordinator. Mr. Whitaker also served as the Senior Prevention Specialist at Brooklyn's Canarsie Aware Treatment Center.

Mr. Whitaker began working with the New York City Commission on Human Rights in 2001 as the Senior Advocate for the HIV prison project. He then began to serve as Special Consultant and Advisor to the Commissioner. Also during this time Mr. Whitaker was serving as Consultant and Special Advisor to Princeton University's research project concerning employment discrimination against minority jobseekers and the formerly incarcerated in New York City.

Mr. Whitaker served as Consultant and Trainer to the City of New York Department of Health Office of Correction AIDS Prevention, stationed at Rikers Island Jail.

Mr. Whitaker served the City of New York as a Senior Liaison for the New York City Department of Homeless Services for three years working with homeless families and single males and females to resolve conflicts and disputes with staff and other service providers. He was also responsible for contacting and following up with other government officials regarding complaints.

Mr. Whitaker then served as African American Community Liaison to the office of the Brooklyn Borough President Marty Markowitz. He served throughout the Borough of Brooklyn, representing Marty's office in all affairs.

Mr. Whitaker has returned to the New York City Commission on Human Rights where he continues to serve the people of New York as a Human Rights Specialist, working on special projects regarding the formally incarcerated and other areas concerning Human Rights laws and educating the general public.

Mr. Whitaker is also currently authoring a new complete and comprehensive resource guide with other staff at the Commission on Human Rights. This booklet is for the formerly incarcerated returning to New York City. The title of this new booklet is ''Turning the Game Around''. Mr. Whitaker also provides ongoing workshops and presentations at agencies throughout the five Boroughs of New York City.

Madam Speaker, I urge my colleagues to join me in recognizing the achievements of William Whitaker.

IN SUPPORT OF H. RES. 1383 HONORING DR. LARRY CASE

HON. BLAINE LUETKEMEYER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. LUETKEMEYER. Madam Speaker, I rise today in support of the recently passed House Resolution 1383 honoring Dr. Larry Case for his 26 years of service as National FFA Advisor.

On January 1, 2011, Dr. Case will retire after 26 years as National FFA Advisor at the U.S. Department of Education. Dr. Case, a Missouri native and former high school agricultural education instructor, earned his bachelor's degree, master's degree, and doctorate from the University of Missouri and has since served in numerous positions including CEO and chairman of the board of the National FFA organization, chairman of the board for the National Postsecondary Student Organization, and national advisor to the National Young Farmer Education Association.

Dr. Case has made a significant personal impact on the lives of hundreds of thousands of present and former FFA members. During his tenure as National FFA Advisor, the organization saw tremendous growth in both membership and educational innovation. As an advisor, executive officer, and chairman of the board of directors of the National FFA Organization, Dr. Case has been a national leader in secondary, postsecondary, and adult instructional programs relating to agriculture.

As a Missouri farmer I have a special appreciation for Dr. Larry Case's commitment to agriculture and his exemplary efforts to highlight the importance of agricultural education in our state and nation.

I congratulate Dr. Case on his outstanding service to agriculture and to our nation.

TRIBUTE TO STATE SENATOR T. ALLEN LEGARE, JR.

HON. JOE WILSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. WILSON of South Carolina. Madam Speaker, State Senator T. Allen Legare, Jr. was an inspiration to me growing up in historic Charleston, South Carolina, as a gentleman promoting job creation with the State Development Board and the State Ports Authority. My attending Washington and Lee University was coordinated by him, who had attended W&L, with my mother, Wray Graves Wilson, who attended nearby Hollins College in Virginia.

The below article was printed in The Post and Courier on June 12, 2010.

THE POST AND COURIER: OBITUARIES—LOCAL POLITICIAN DIES

Thomas Allen Legare, Jr., a former S.C. senator and Charleston-area lawyer, died Friday. He was 94.

A four-term senator from 1953 to 1966, Legare pushed for bridge and highway improvements. He served as chairman of the State Development Board, which set two records for industrial development under his leadership. He was the board chairman from 1969 to 1974.

For his public service as a legislator, the S.C. Department of Highways and Public Transportation named the northbound U.S. Highway 17 bridge over the Ashley River after Legare in 1978.

As a senator, he authored several bills that provided for the expansion of the State Ports Authority. He was a two-term Democratic representative from Charleston from 1947 to 1953.

In 1979, Legare received the University of South Carolina's Distinguished Alumni Award. He earned his A.B. and law degrees from the university in 1939 and 1941, respectively. Legare was a past president and chairman of the alumni association.

Legare was born in Charleston on July 22, 1915, to Thomas A. Legare and Lilly Mikell Legare. In 1964 he formed the Legare, Hare and Smith law firm in Charleston. He was an Army veteran, serving in World War II in the European and China-India-Burma theaters.

Legare was a former director of the Charleston Junior Chamber of Commerce and the Lion's Club of Charleston. Other memberships included the American Legion Post #10, the Veterans' Advisory Council and the Carolina Yacht Club. Legare was a longtime member of the Second Presbyterian Church of Charleston.

He was predeceased by his wife, Virginia I. Green Legare, and daughter, Irene G. Legare Wesley. Surviving are the couple's three other children, Virginia G. Legare Townsend, Sarah M. Legare Stuhr, and Edward T. Legare, all of Wadmalaw Island.

Stuhr's Downtown Chapel is handling arrangements.

A TRIBUTE TO RONALD J. BRIDGES

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. TOWNS. Madam Speaker, I rise today in recognition of Ronald J. Bridges for his service to children and families throughout New York City.

Mr. Ronald J. Bridges is a native of Newark, New Jersey. He and his lovely wife Yvette celebrated 31 years of marriage on March 28. They have three wonderful children, two boys and a girl: Rashidi, Husani, and Bahati.

Mr. Bridges is the Chairman of the Diaconate Ministry at the historic Berean Baptist Church of Brooklyn, New York. In this leadership position, Mr. Bridges provides spiritual and administrative guidance to the church ministerial leaders. He attends New York Theological Seminary where he earned the Master of Divinity Degree in 2009. Mr. Bridges has done additional studies at the Berean Baptist Bible Study Institute, including a four year Bible study certificate program; upon graduation, he was named ''Salutatorian of the Class of 1999.'' A New York state licensed psychotherapist since 1988, Mr. Bridges also holds a Master of Social Work degree from Hunter College School of Social Work of New York City.

Mr. Bridges spent his entire career helping others. In his 24 years of local government service, Mr. Bridges held a senior administrative manager post within New York City Children's Service Foster Care division. As its Regional Director of the Group Home Division in the boroughs of the Bronx, Queens and Manhattan from 1990 to 2007, Mr. Bridges counseled, taught and helped countless teenagers and their families. Currently, Mr. Bridges is the Regional Deputy Director of New York City Children's Service Child Protection Division in the Bronx, New York. Mr. Bridges oversees all New York State Registry reports of abuse and neglect of children within numerous communities in the Bronx. This is a tremendous responsibility in which Mr. Bridges depends heavily on his relationship with his Lord, Christ Jesus; as well as on his vast experience as he guides and directs over one hundred child protective employees.

Affectionately known as ''Deacon Bridges'' or ''Deacon Ron,'' Mr. Bridges is a dedicated servant of Christ and has been a member of Berean Baptist Church since 1992. Mr. Bridges faithfully echoes, ''Only what we do for Christ will last.'' This is evident by Mr. Bridges' commitment to various ministries within Berean Baptist Church and the community. He is a devoted Sunday school teacher and student, and is also a member of the Berean's Christian Counseling ministry where he teaches a Christian counseling course. Mr. Bridges serves as the vice chairman of the Board of Directors for the Berean Community Family Life Center. He is the founder of And Ye Shall Love Thy Neighbor as Thyself Ministries. Mr. Bridges works with officials at Montefiore and with the faith-based community to establish a network of churches to serve as a surrogate support system for liver transplant patients.

Madam Speaker, I urge my colleagues to join me in recognizing the contributions of Ronald J. Bridges.

CELEBRATING THE LIFE AND MEMORY OF MR. DANIEL D. CANTOR

HON. ALCEE L. HASTINGS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. HASTINGS of Florida. Madam Speaker, I rise today to celebrate the life of and express sadness over the passing of an extraordinary man, Daniel D. Cantor.

Mr. Cantor set the bar for what it means to be a true community leader through his philanthropy, friendship, and loyalty.

He loved children, loved the Jewish community, and loved Broward County. It was his fervent desire to give whatever he could, whenever he could, to help.

Mr. Cantor grew up in Middle Village, New York, earned his law degree from New York University, and served in the Navy stateside during World War II. He started practicing law after the war but his attention quickly turned to real estate, where he made his fortune buying, selling and building garden apartments for returning veterans. He made his first $1 million by age 31.

When Mr. Cantor retired to Tamarac in 1980, South Florida became a prime recipient of his charity work. By 1996, in only an 8-year period, Mr. Cantor donated over $22 million to the non-profit community and was recognized by the United States Congress for his efforts.

His contributions went to the Jewish National Fund, the Jewish Institute for Geriatric Care, a program to teach Yiddish in Jewish day schools, including one in Hollywood, and a lecture hall for a university in Israel. Mr. Cantor donated to scholarship funds, medical research, and housing for the elderly in New York, Florida, and Israel. He gave money to resettle Soviet Jews and to fly Ethiopian Jews to Israel. Locally he also gave to the Jewish Federation of Broward County, David Posnack Hebrew Day School in Plantation, and the Anti-Defamation League of B'nai B'rith.

Of course, he is probably best known through the Daniel D. Cantor Senior Center in Sunrise, which provides adult day care and other programs for the elderly, many of which are constituents of mine.

Madam Speaker, Daniel Cantor was a unique man with a great sense of humor. He served the community with everything he had and this is something I aspire to do every day of my life. He will always be a role model to all who follow Mahatma Ghandi's mantra: ''Be the change you wish to see in the world.''

One Jewish leader in my district said it right: ''It's the end of an era losing a man of that stature.''

I am grateful for Mr. Cantor's contributions and dedication to Broward County, the greater United States, and Israel. He will be missed. My thoughts and prayers go out to his family, friends, and to the greater community during this difficult time.

HONORING MARNA S. DAVIDSON

HON. THEODORE E. DEUTCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. DEUTCH. Madam Speaker, ''A good teacher is like a candle, it consumes itself to light the way for others.'' Today I would like to honor Marna S. Davidson for the path she has lit for us and congratulate her on her retirement. Ms. Davidson is the paradigm of a true educator: she has dedicated her life to teaching others both inside and outside the classroom.

Ms. Davidson came to Florida after a distinguishing career in the New York City Public School System. As an active teacher, Ms. Davidson was recognized with the Smallheiser Award by the United Federation of Teachers and helped her school achieve the prestigious Trechenberg Award.

When Ms. Davidson retired from New York and moved to Florida, she became politically active. Some will suggest that Ms. Davidson then found the most bullish and obstinate students of her career, the Florida legislature. In true form, Ms. Davidson took to lobbying the Florida legislature on educational issues with the same passion and zeal she taught with her whole life. There is no doubt that the children of Florida are better off due to the hard

work and dedication that Ms. Davidson advocated on behalf of their education.

I wish Ms. Davidson an enjoyable and peaceful retirement.

INTRODUCTION OF THE VOLUNTEER FIREFIGHTER FAIRNESS ACT OF 2010

HON. DAVID WU

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. WU. Madam Speaker, I rise to let my colleagues know that today I introduced the Volunteer Firefighter Fairness Act.

This bill would clarify for volunteer fire departments, volunteer firefighters and emergency personnel, and the Internal Revenue Service that volunteers are not employees of the fire departments where they serve.

According to the National Fire Protection Association, volunteers comprise approximately 72 percent of our nation's fire and emergency services. Although volunteers make up the majority of firefighters nationwide, we are experiencing an overall decline in the number of volunteer personnel. This is due to increased emergency call volumes, the time demands of ongoing training, and the struggle many Americans face trying to balancing family and work obligations.

To help recruit and retain volunteer firefighters and other volunteer first responders, some states and local governments offer nominal payments or benefits, such as covering expenses for uniforms.

Historically, fire departments have used the IRS Form 1099 to report these benefits and nominal payments for their volunteers. However, recently many volunteer fire departments have been told by local or regional IRS offices that they must the Form W–2, instead of the 1099, to report payments and benefits. In Oregon, a volunteer fire department was even hit with a $9,900 fine for using a Form 1099 instead of a Form W–2.

The bill I am introducing today will clarify the law to ensure that fire departments will be able to use Form 1099 to report any minimal pay or benefits for volunteer first responders. I am pleased to report that this bill has the full support of the International Fire Chiefs Association.

Finally, Madam Speaker, I would like to clarify one point about who the bill would cover. This legislation is designed to specifically cover volunteer firefighters and volunteer emergency personnel. The practice of providing volunteer firefighters and emergency personnel with reimbursement, reasonable benefits, and nominal fees for their services is allowed under both the IRS Code and the Fair Labor Standards Act. The U.S. Department of Labor's Wage and Hour Division ruled on August 7, 2006, that ''generally an amount not exceeding 20 percent of the total compensation that the employer would pay to employ a full-time firefighter for performing comparable services would be deemed nominal.'' Since both the IRS Code and the FLSA use the term ''nominal fee'' as an allowable form of compensation for volunteer firefighters, I urge the IRS to use the U.S. Department of Labor's ruling in drafting any regulations to implement this legislation or define the term ''nominal fee'' for volunteer firefighter compensation.

THE SYRACUSE JAMES JOYCE CLUB/BLOOMSDAY

HON. DANIEL B. MAFFEI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. MAFFEI. Madam Speaker, I rise in support of the Syracuse James Joyce Club's celebration of the 17th annual Bloomsday. Bloomsday is the day people from around the world celebrate the life of Irish author James Joyce and his novel Ulysses, which is heralded as one of the greatest novels of the 20th century.

Ulysses chronicles the day the main character, Leopold Bloom travels into Dublin on June 16. This date had special meaning for Joyce. It was also the first date with his future wife Nora Barnacle. For these reasons, June 16 was marked as the special day Joyce's life and literary work, Ulysses would be celebrated.

The first Bloomsday was organized in 1954 by critic, John Ryan, and author, Flann O'Brien. The day was named after Leopold Bloom in Ulysses. Ryan and O'Brien organized a day long pilgrimage along the Ulysses route. They planned a day to travel through the city, visiting the scenes from the novel. The night ended in what had once been called the brothel quarter of the city, the area which Joyce had called Nighttown.

Born in Dublin, on February 2, 1882, Joyce was the son of John Stanislaus Joyce and Mary Jane Murray. Joyce's father struggled as a businessman and his mother was an accomplished pianist. Joyce grew up in poverty, and his family struggled to maintain a solid middle-class lifestyle. From the age of six, Joyce was educated by Jesuits at Clongoowes Wood College then Belvedere College in Dublin.

It was in college that Joyce blossomed as a writer. His first published work was an essay on Isben's play When We Dead Awaken. Joyce went on to write several other works that sealed his place in writing history.

I am proud that the Syracuse James Joyce Club continues to keep the life and work of Joyce alive. It is important that we remember the contributions he has made to literary history. I am pleased that the Syracuse James Joyce Club will gather people from the community today to share their favorite excerpts from Joyce's works.

The Bloomsday celebration attracts over 300 people and is part of the CNY Chapter of the Irish American Cultural Institute. I commend the Syracuse James Joyce Club for keeping the legacy of one of the 20th century's greatest writers alive.

A TRIBUTE TO REVEREND ALVIN BARNETT

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. TOWNS. Madam Speaker, I rise today in recognition of Reverend Alvin Barnett for his years of service to ministry and his community.

Alvin Barnett attended the famed Boys High, where he became a star football player. He was goal-oriented and this served him well again during his college years, first at Tennessee State College, and then at American Baptist Theological Seminary, in Nashville, Tennessee, from which he received a Bachelor of Theology Degree. Rev. Barnett continued his studies in Business Administration at New York City's Pace University, and at Malloy College in Valley Stream, New York.

Reverend Barnett was licensed and ordained to preach the Gospel at the Mount Ollie Baptist Church in Brooklyn by the late Reverend Dr. R.D. Brown. His pastoral journey includes two other Brooklyn churches: Mount Zion Baptist Church, and West Baptist Church, where he has served for the last 30 years.

Alvin Barnett recognizes that one's journey in ministry must include learning and studying. He is a lifelong student and prodigious reader. In his life's work, he uses the collective knowledge gained from his theological intellectual pursuits for the glorification of God. He consults daily and advises young ministries, seminarians, and seasoned pastors in ministry. Alvin Barnett is humble, and seeks advice and consultation from the best and brightest in ministry and other professions. He is a keen observer of the human condition, and is faithful and persistent in the work that God has called him to.

Reverend Barnett is a team builder who utilizes his experience and knowledge to develop effective teams that actualize his vision of Ministry. He knows well how to use the best skills to enhance the work of the kingdom.

Rev. Barnett is an active member of many organizations, including Churches United for Worldwide Action, the Metropolitan Ministers Ecumenical Conference, the NYPD Committee Advisory Council, the International Prison Ministry (he serves as President), and the National Baptist Convention USA, Inc. (NBCUSA), and he is active in the NBCUSA Moderator's Auxiliary. He has been a member of the Eastern Baptist Association (EBA) New York, Inc. for more than forty years. Rev. Barnett has served as treasurer and president of Prison Ministry, chairman and vice chair of the board of trustees, executive manager of the EBA Headquarters in Brooklyn, a member of the Board of Managers and the Advisory Council, and as chairman of the Board of Evangelism.

During his tenure in evangelism, he organized and taught classes on evangelism and prepared many teams for street ministry in churches throughout the Eastern Baptist Association. He remains a tireless Evangelizer, and utilizes a unique hands-on approach.

Reverend Barnett travels extensively, witnessing to incarcerated men and women throughout the Eastern Seaboard, including the Nassau County Correctional Facility on Long Island, Rikers Island in New York City, as well as upstate New York, Pennsylvania, North Carolina and South Carolina.

Reverend Barnett was overwhelmingly elected the 16th Moderator of the Eastern Baptist Association on July 17, 2009. He has embarked upon the work of reenergizing, rebuilding and regenerating the Eastern Baptist Association where a renaissance is taking place among Baptist churches of geographic Long Island.

Madam Speaker, I urge my colleagues to join me in recognizing the work of Reverend Alvin Barnett.

PERSONAL EXPLANATION

HON. JEFF FORTENBERRY

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. FORTENBERRY. Madam Speaker, on Monday, June 14, 2010, I was absent and thus I missed rollcall votes Nos. 355–357. Had I been present, I would have voted "aye" on all three votes.

CELEBRATING THE 90TH BIRTHDAY OF NICHOLAS V. MARTINO

HON. TIMOTHY H. BISHOP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. BISHOP of New York. Madam Speaker, I rise today to express heartfelt best wishes on the occasion of the 90th birthday of Nicholas V. Martino, a man who exemplifies a life of hard work, service to his country, and close family ties. Mr. Martino worked for 40 years as a master mechanic for American Construction in Hartford, Connecticut. Now retired, he lives in Westhampton, New York with his daughter Anne Marie Spinner, his son-in-law Guy Spinner and their two children, Adam and Nicole. He enjoys spending time with them as well as with his daughter Janet Tyler, son-in-law Lee Tyler and their daughter Meredith.

Born in Hartford on June 8, 1920, Mr. Martino served from 1942 to 1946 in the Army Air Corps as a Tech Sergeant working on B–25's and B–26's, both medium-sized bombers. The B–25 first gained fame as the bomber used in the 18 April 1942 raid in which sixteen B–25Bs attacked mainland Japan four months after the bombing of Pearl Harbor. The mission gave a much-needed lift in spirits to the Americans, and alarmed the Japanese who had believed their home islands were inviolable by enemy troops.

On September 30, 1950, he married Marie Candela who passed away in 1989. The couple had two daughters, Janet and Anne Marie. After his discharge from the Army, Mr. Martino continued a life-long interest in mechanics both at his job at American Construction and in his spare time. For years, he maintained a garage and truck filled with all kinds of tools for his many projects, and he still enjoys tinkering with hands-on projects with his son-in-law Guy.

I would like to extend my congratulations to Mr. Martino and wish him a happy 90th birthday as he celebrates with his family and friends.

A TRIBUTE TO WILLIAM C. JUSINO

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. TOWNS. Madam Speaker, I rise today in recognition of William C. Jusino for his commitment to leadership in education and dedication to his community.

William C. Jusino was born to migrant parents from the beautiful island of Puerto Rico. He and his three sisters and three brothers were raised in the community of Bedford Stuyvesant in Brooklyn, New York. His father, William Sr., was a humble factory worker and his mother, Ana, worked as a school aide in Williamsburg School District #14. Her work in elementary public schools would serve as an early influence to young William. William and all of his siblings heeded their parents' advice and have achieved significant success in varying careers that include naval officer, firefighter, food commerce, and William's work as a school administrator.

He was educated in Brooklyn Elementary Schools P.S 54 & 157, J.H.S 117, and East New York Vocational Technical High School. During his high school years, Mr. Jusino obtained his initial work experience in the city's Summer Youth Employment Program in Bedford Stuyvesant. Subsequently, William was successful in gaining entrance to SUNY Cortland where he attained his Bachelor's Degree in Education.

Mr. Jusino enthusiastically returned to his community to serve as an elementary school teacher in School District 13's P.S. 46 and P.S. 270. He continued to work as a public school teacher for six years. Continuing his passion for serving his community, Mr. Jusino accepted the position of Executive Director of Progress Inc. In spring of 1996, he was offered an exceptional opportunity to lead a high school for professional careers. William Jusino has been Principal of Progress High School since September 1996, playing a key role in one of the most successful school reform efforts in New York City history.

Mr. Jusino has a well established record of service to his community. His love and caring for young people has been consistently evident throughout his professional life. Friend and colleague alike know that he is dedicated to giving back to his community that has blessed him so much. William strongly believes that he must constantly prepare himself to more effectively serve the community and the children that he is committed to. On the eve of completing his Doctorate in Educational Administration, Mr. Jusino continues to practice what he preaches and more importantly, what he was taught by his parents.

Mr. Jusino is married to Mrs. Marta Colon-Jusino. He has two wonderful children. His son, William, graduated from Harvard University and his daughter, Amanda, is in her junior year at the University of Massachusetts and is currently studying abroad in Universidad San Francisco de Quito, Ecuador.

He enjoys spending his free time with family and friends.

Madam Speaker, I urge my colleagues to join me in recognizing the achievements of William C. Jusino.

HONORING THE LIFE AND WORK OF LT. COL. RICHARD CASTILLO

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. ORTIZ. Madam Speaker, I rise today to recognize Lt. Col. Richard Castillo of Corpus Christi, Texas, who was shot down in Laos in 1972 while on a mission. The 14-man crew flew aboard an AC–130, REFNO 1807.

About six weeks ago, the family of Lt. Col. Castillo was contacted by the Air Force and informed that the last unidentified remains from his plane will be buried tomorrow, June 17, 2010, at Arlington National Cemetery along with the remains of the 13 men who accompanied Lt. Col. Castillo on the mission.

In 1986 after negotiations with the Laotian government, the United States was finally able to send a team to the crash site. After much work and many hours spent sifting through debris, bone fragments and personal belongings, the men's remains were found. Two teeth were positively identified as Lt. Col. Castillo's and were buried in a ceremony later that year at Randolph Air Force Base, with interment at Ft. Sam Houston in San Antonio.

In the November 1986 edition of National Geographic, a picture of Lt. Col. Castillo's dog tags was published alongside an article telling the story of the search and recovery effort of the crew by the United States government and military.

A few years ago, the Air Force informed Lt. Col. Castillo's wife, Elizabeth May Castillo, that they were beginning DNA testing on the bone fragments found among the wreckage.

With the advances made in DNA testing, they believed all 14 men would finally be accounted for. The Air Force obtained a cheek swab from Lt. Col. Castillo's mother and performed mitochondrial DNA testing. On November 21, 2008, the Air Force held a small private service for the Castillo family at Lt. Col. Castillo's grave site at Ft. Sam Houston. An urn containing the fragments positively identified as Lt. Col. Castillo was buried on top of his casket. This day was especially meaningful to the family because it would have been his 70th birthday.

Lt. Col. Castillo is survived by his wife, Elizabeth May Castillo and their children, Mary Edith Castillo Hamilton, Mary Elizabeth Castillo Tierce, Mary Esther Castillo Harper, Mary Elaine Castillo Colmenero and Richard Lee Castillo. His youngest son, Ronald Ronnie Castillo, died on February 16, 2005.

I would like to take this time to thank Lt. Col. Castillo for his service and dedication to this country. It is because of him that today you and I enjoy the freedoms and rights he so bravely fought for. He served this country diligently and paid the ultimate sacrifice for us.

I ask my colleagues to please join me in commemorating the work and honor of Lt. Col. Castillo whose remains will be buried tomorrow at Arlington National Cemetery.

PERSONAL EXPLANATION

HON. SUE WILKINS MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mrs. MYRICK. Madam Speaker, due to a family medical situation, I was unable to participate in the following votes. If I had been present, I would have voted as follows:

JUNE 14, 2010

Rollcall vote 355, On Motion to Suspend the Rules and Agree—H. Res. 1368, Supporting the goals of National Dairy Month—I would have voted "aye."

Rollcall vote 356, On Motion to Suspend the Rules and Agree—H. Res. 1409, Expressing support for designation of June 20, 2010, as

''American Eagle Day'', and celebrating the recovery and restoration of the bald eagle, the national symbol of the United States—I would have voted ''aye.''

Rollcall vote 357, On Motion to Suspend the Rules and Pass—H.R. 5502, To amend the effective date of the gift card provisions of the Credit Card Accountability Responsibility and Disclosure Act of 2009—I would have voted ''aye.''

JUNE 15, 2010

Rollcall vote 358, On Motion to Suspend the Rules and Agree—H. Res. 1383, Honoring Dr. Larry Case on his retirement as National FFA Advisor—I would have voted ''aye.''

Rollcall vote 359, On Agreeing to the Resolution—H. Res. 1436, Providing for consideration of H.R. 5486, the Small Business Jobs Tax Relief Act; and providing for consideration of H.R. 5297, the Small Business Lending Fund Act—I would have voted ''no.''

Rollcall vote 360, On Motion to Suspend the Rules and Pass, as Amended—H.R. 4855, Work-Life Balance Award Act—I would have voted ''no.''

Rollcall vote 361, On Motion to Suspend the Rules and Agree—H. Res. 1389, Recognizing the immeasurable contributions of fathers in the healthy development of children, supporting responsible fatherhood, and encouraging greater involvement of fathers in the lives of their children, especially on Father's Day—I would have voted ''aye.''

Rollcall vote 362, On Motion to Recommit with Instructions—H.R. 5486, Small Business Jobs Tax Relief Act of 2010—I would have voted ''aye.''

Rollcall vote 363, On Passage—H.R. 5486, Small Business Jobs Tax Relief Act of 2010—I would have voted ''no.''

Rollcall vote 364, On Motion to Suspend the Rules and Agree—H. Res. 1322, Celebrating the 20th anniversary of the Albert Einstein Distinguished Educator Fellowship Program and recognizing the significant contributions of Albert Einstein Fellows—I would have voted ''aye.''

IN RECOGNITION OF SENATOR GEORGIA POWERS' SERVICE TO KENTUCKY AND THE UNITED STATES

HON. JOHN A. YARMUTH

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. YARMUTH. Madam Speaker, I rise in recognition of a woman whose legacy and work has forever changed the character of both the Commonwealth of Kentucky and the United States of America. Today, in Louisville, a major thoroughfare will be named in honor of Senator Georgia Davis Powers. This is a commemoration bestowed only to the most legendary leaders in our Commonwealth—and Senator Powers is nothing short of legendary.

I am honored to join the chorus of voices praising her tireless and lifelong fight to ensure equality and justice are persevering principles in our Commonwealth. As the first woman and first African-American to be elected to Kentucky's State Senate, Georgia Powers is a trailblazer who has dedicated her life and career to the cause of civil rights. Though she has retired from politics, her service has left an enduring mark in Louisville and across this country.

In fact, her life's work is and continues to be a true example of how one individual can make a difference not just for her own generation, but every one that follows.

When the story of the struggle for civil rights and women's rights in Kentucky is told, Georgia Powers stands as a central figure—a legend who continually sought to make life better for all of our citizens. Today, as we ensure that her legacy will be recognized by the people of Louisville for decades to come, all Kentuckians and all Americans should be proud of her dedicated service in pursuit of our defining national goals.

Therefore, I ask my colleagues to join me today in further recognizing the extraordinary work and dedication of Senator Georgia Powers of the Commonwealth of Kentucky.

A TRIBUTE TO REVEREND DR. MARVIN J. BENTLEY

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. TOWNS. Madam Speaker, I rise today in recognition of Reverend Dr. Marvin J. Bentley for his contributions to his community and commitment to his faith.

The Reverend Dr. Marvin J. Bentley was born in Brooklyn, New York. He received his basic religious training at the Cornerstone Baptist Church, and under the tutelage of the late Dr. Sandy F. Ray he became licensed to preach the gospel by the Cornerstone Baptist Church.

Dr. Bentley was educated within the New York public school system; he attained his Bachelor of Science degree from the University of New York at Stony Brook with majors in Health Science and Social Welfare. He obtained his seminary education at Union Theological Seminary in New York City, securing a Master's in Divinity degree. At Drew University, in Madison, NJ he earned his Doctor of Ministry degree, and he recently received an Associate's Degree from Nassau Community College, L.I, N.Y., in Applied Science.

Dr. Bentley was ordained at the Abyssinian Baptist Church, where he served as the assistant minister under the mentorship of Dr. Samuel D. Proctor, and Dr. Calvin Butts III. Dr. Bentley is active in many civic and community activities. He serves on numerous boards and committees and is the former President of American Baptist Churches of Metro New York. He is a former Naval Chaplain in the United States Naval Reserve. He has served as President and Vice-President of Community School Board 30, former member of Community Board 3, and past President of the Corona East Elmhurst Clergy Association. He is the recipient of many civic and religious awards and honors.

As pastor, Dr. Bentley has been serving the Antioch Baptist Church of Corona for 30 years, enjoying a blessed ministry. During his tenure at the church, it has relocated into a beautiful, gothic style new church home in Corona, Queens, New York. It has grown to numerous ministries that include male and female ''Right of Passage'' ministries, the Antioch Bible Institute, Christian Bookstore, Video Ministry, Credit Union and Athletic Ministry.

In addition, under Pastor Bentley's leadership, the Antioch Baptist Church of Corona has embarked upon a ministry to liquidate the credit card debt of their congregation. The model for the vision was given to Pastor Bentley by Bishop C. Vernie Russell Jr, Pastor MT. Carmel Baptist Church, and Norfolk, VA. This ministry has caused the congregation to look at their finances, spending, and saving habits. The Antioch church is embracing the biblical motif that as Christians, they are not to be indebted to anyone but God, and they are to help others according to their needs. The idea to get out of debt is embraced so that they can remain free of fiscal difficulties.

Pastor Bentley is married to his high school sweetheart, Carla and they are the proud parents of three lovely children.

Madam Speaker, I urge my colleagues to join me in recognizing the work of Reverend Dr. Marvin J. Bentley.

MAYOR'S PROFESSIONAL MARINERS AWARDS AWARDED ON JUNE 9, 2010

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. FRANK of Massachusetts. Madam Speaker, the Mayor's Professional Mariners Award is sponsored by the City of New Bedford, Professional Mariner Magazine and Commercial Marine Expo. This award honors an individual or organization who has made a significant contribution to the marine industry. This year's award recipients are Harriet Didriksen, Martin S. Manley and Howard W. Nickerson.

MAYOR'S PROFESSIONAL MARINERS AWARDS

HARRIET DIDRIKSEN

Harriet Didriksen is constantly fighting for fishing families, the fishing way of life, and the American dream. She steadfastly attends New England Fisheries Management Council meetings from Connecticut to Maine, and never misses a gathering where she can help fishermen oppose government bureaucrats' undue interference. She is a regular at hearings in Washington—which she attends at her own expense—and is a tireless advocate.

Harriet owns the F/V Settler. She owned the F/V Bagatell, which is now an educational vessel at Stony Brook University. She is owner and operator of New Bedford Ship Supply, one of the oldest ship chandleries on the East Coast.

Mrs. Didriksen's father dragged in the winter and scalloped in the summer. He emigrated from Norway to Brooklyn and moved to New Bedford to be closer to George's Bank. Her uncles were also fishermen. Her brother is a shore-side business and vessel owner. She is the mother of two.

New England fishermen are fortunate to have her on their side.

MARTIN S. MANLEY

The late Capt. Martin ''Marty'' Manley was a commercial fisherman for 38 years, and at the age of just 19, was one of the youngest skippers out of the Port of New Bedford.

Captain Manley was a tireless advocate for the commercial scallop fishing industry. He was recognized as an industry leader and received numerous awards and accolades, including Helmsman of the Year from the Port of Gloucester. He was a member and former

President of the Offshore Mariners Association.

During his career, he owned and operated several scallopers along the eastern seaboard, the last being the F/V Mary Anne, which he designed, built, and operated with great pride. He served as the director of the City of New Bedford Harbor Development Commission, and later served as manager of the Popes Island Marina until his retirement in 2007. The building of that marina was one of his life's accomplishments.

He served as a member of the New Bedford Redevelopment Authority and the Economic Development Commission.

HOWARD W. NICKERSON

The late Howard Nickerson watched over the New Bedford waterfront for 65 years. He began his career as a young man, tub trawling in a sailing vessel, moving to commercial fishing on George's Bank as vessel engineer. Through the decades, Mr. Nickerson participated in the industry from every angle, as a fisherman, representing fishermen, seafood dealers, seafood workers, boat owners and directing state and municipal agencies, always fighting for fairer regulations.

He served as head of the Harbor Development Commission, the State Pier, the Seafood Dealers Association, the Seafood Workers Health-Pension Fund, the New England Fisheries Steering Committee and the Offshore Mariners Association.

A strong advocate of seafood marketing, Mr. Nickerson was involved in organizing the New Bedford Seafood Council and the New Bedford Scallop Festival in the 1950s and '60s, which helped build the market demand that allowed the scallop to become the port's cash leader.

RECOGNITION OF KATHLEEN T. ELLIS AND ROBERT SICKLES

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. PALLONE. Madam Speaker, I rise today to recognize Kathleen T. Ellis and Robert Sickles for the laudable achievements that make them the well-deserved recipients of the YMCA's 2010 Champions for Children Distinguished Citizen Service Award. Both are successful local business leaders and committed community activists.

Ms. Ellis is the Executive Vice President and Chief Operating Officer of New Jersey Natural Gas, the principal subsidiary of New Jersey Resources. NJ Natural Gas provides energy to almost 500,000 residential and business customers in the heart of NJ's vacation spots. She has also led a robust career prior to joining NJR in 2004; Ms. Ellis served as the Director of Communications to former Governor James McGreevey from 2002–2004, and as Manager of Communications and Director of State Governmental Affairs for the NJ-based energy company PSE&G from 1998–2002. In addition to all of her commendable business successes, Ms. Ellis has been an incredibly active member of her community, serving the interests of women and children at no compensation for her efforts. She is on the Board of Trustees for the private, nonprofit organization, 180 Turning Lives Around, which has focused on ending domestic abuse and violence in Monmouth County for 30 years. She is also on the board of New Jersey's PAM's List, which is active in raising money for pro-choice women to run for public office, as well as the New Jersey League of Municipalities Educational Foundation and New Jersey Future.

Mr. Sickles, better known as Bob, is the owner-operator of the local Sickles Market in Little Silver, NJ, which has remained in business through three generations of Sickles. Although the Market itself was established in 1908 as a seasonal farmer's market, the Sickles' family history extends all the way to a King's Land Grant in 1663. Sickles Market is now a year-round, fresh foods market with 4 production greenhouses and over 10 acres of working farm production, as well as a garden center, all a result of Bob's transformative revamping in 1998 to keep the store open through the winter in competition with big grocery stores without losing its unique local flavor. It is thus unsurprising that Mr. Sickles has been the recipient of many awards in recognition of the Market's distinctive success, including the 2004 Innovator of the Year Award from Garden Center Management & Merchandising Magazine and ''Random Acts of Beauty 2008'' by the Little Silver Garden Club, to name only a few. Mr. Sickles is also heavily involved in his community, hosting Back to Garden and Kids Day events at the Market in order to educate children about healthy living and environmental awareness. In 2008, Sickles Market raised over $300,000 over 5 years for the Holiday Express annual fundraiser, a local charity for the disadvantaged.

Madam Speaker, I would once more like to thank Kathleen Ellis and Robert Sickles for their contributions to their businesses and to their communities, and congratulate them again on their 2010 Distinguished Citizen Services awards from the YMCA, which they both highly deserve.

OUR UNCONSCIONABLE NATIONAL DEBT

HON. MIKE COFFMAN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. COFFMAN of Colorado. Madam Speaker, today our national debt is $13,078,420,280,010.67.

On January 6th, 2009, the start of the 111th Congress, the national debt was $10,638,425,746,293.80.

This means the national debt has increased by $2,404,722,523,042.60 so far this Congress. The debt has increased $35,272,010,674.80 since just yesterday.

This debt and its interest payments we are passing to our children and all future Americans.

175TH ANNIVERSARY OF CHATHAM PRESBYTERIAN CHURCH

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. SHIMKUS. Madam Speaker, today I rise to honor the 175th anniversary of the Chatham Presbyterian Church in Chatham, Illinois.

The Chatham Presbyterian Church was founded in 1835 by some of Chatham's founding citizens, the Reverend Dewey Whitney, T.A. Spilman and William Thornton. The first service was held in Mr. Thornton's home and was attended by about 15 families, some of whom had come by wagon from New York to settle Sangamon County.

From that humble beginning, Chatham Presbyterian has expanded to more than 400 members, and several new buildings. Just after celebrating their sesquicentennial in 1985, Chatham Presbyterian moved into its current building on Walnut Street in Chatham. Over the years, Chatham Presbyterian has been an important part of the Chatham and Springfield communities, as well as carrying on mission work across the country and around the world. In addition, Chatham Presbyterian is active in our local community, hosting group work camps in Springfield's historic Enos Park neighborhood.

I want to congratulate Dr. Joe Eby, Pastor of Chatham Presbyterian, and the entire church family on celebrating this important milestone. I join with the other members of this House in wishing Chatham Presbyterian another 175 years of success.

PERSONAL EXPLANATION

HON. ADAM H. PUTNAM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. PUTNAM. Madam Speaker, on Tuesday, June 15, 2010, I was not present for two recorded votes. Had I been present, I would have voted the following way: Roll No. 363—''nay''; Roll No. 364—''yea.''

A TRIBUTE TO MANUEL SEMAN AND LUISE PANGELINAN VILLAGOMEZ

HON. GREGORIO KILILI CAMACHO SABLAN

OF NORTHERN MARIANA ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. SABLAN. Madam Speaker, 86-year-old Manuel Seman Villagomez's kempt silver hair, easy smile and gregarious personality belie his years of hard work and difficult childhood. He came from a large family with meager possessions, but over time, intense work and unwavering devotion to his faith and family have made him a contented man.

Manuel, or Manny, Villagomez was born on January 24, 1924 on Saipan, Northern Mariana Islands during the Japanese occupation. He is the youngest of ten children. His Chamorro father was born on Guam, but, at the age of 18, he moved to Saipan with his siblings. Manny's mother, half Chamorro and half Carolinian, was from Saipan.

Manny received a sixth grade level education, the maximum allowable for Chamorro children under Japanese law at the time. After he graduated from school, he worked at the family farm and sold produce to the Japanese stores to support the large family. He fished with his father to supplement the family income. His father's love of fishing for kichu, or sergeant fish, was the reason for his family being affectionately called ''Kiyu.''

During World War II, as American forces started their approach to the Mariana Islands, the Japanese government restricted Manny and his family, as well as the rest of the Chamorros, to their respective family farms. When the Americans landed on Saipan on June 14, 1944, Manny was one of the many Chamorros forced to flee to the jungle, hiding out in caves, trying to avoid the fierce battle that engulfed the island. On July 4, 1944, U.S. Marines found Manny and others hiding in a cave in Talofofo and led them out to Camp Susupe, where civilians were confined until after the war. After Japan surrendered in 1945, the U.S. Marines recruited Manny and 63 other Chamorro and Carolinian men to serve as marine scouts and search for Japanese snipers and holdouts on Saipan and in the Northern Islands. It was not until January 31, 2000—55 years later—that U.S. Armed Forces formally recognized Manny and the other marine scouts for their service. They were officially sworn in, and on the same day, formally discharged from the Marine Corps.

Right after the war, Manny was attracted to a young woman who would later become his wife for 58 years. She was Luise Pangelinan Villagomez, born on November 14, 1929 on Saipan. She grew up in a family of eight children. Luise only had a third grade education but she learned to speak three languages, Chamorro, Japanese, and after World War II, English. After two years of courtship, the young couple married on February 26, 1949. A month later, they moved into their new, albeit tiny house, which Manny had built with the earnings from his job as a police officer. Their marriage produced six daughters and six sons: Linda, Patricia, Thomas, Barbara, Manuel Jr., Joseph, Edward, David, Nora, John, Ramona, and Antonia.

Manny's first job after World War II had been as a mess boy for the American enlisted personnel, which is how he learned to speak English. Thereafter, he served as a policeman for 12 years under the Trust Territory of the Pacific Islands' Insular Constabulary. He rose to the rank of sergeant and became an administrator. Manny quickly learned how the U.S. Naval and local governments procured goods. In 1955, he used his knowledge and experience to start a small grocery store, M.S. Villagomez Store, in Chalan Kanoa. It was the third locally owned grocery store in operation.

Initially, Luise, by then a mother of four, handled the store's daily operations. Realizing that his wife needed help and that the family business presented a better opportunity, Manny left his police job. In 1960, Manny and Luise relocated the store to a corner lot on Beach Road near the Chalan Kanoa post office. Six years later, in 1966, the couple built a large, two-story building to accommodate the expanding grocery and department store as well as provide office rental space.

As the business grew, so did the family, which by 1968, had increased to twelve children, most of whom were old enough to work in the business. Manny and Luise then built a second store in Garapan which they later leased to Duty Free Shoppers, now DFS Galleria. During this time, the family business expanded to the export of scrap and recycled materials to Japan. The couple also entered into a joint venture with Luise's brother and opened a store on the island of Chuuk, one of the other islands in Micronesia, from 1969 to 1977.

In December 1976, the family suffered a major setback when fire engulfed their department store building. Manny and Luise salvaged what they could from the fire and quickly reopened a small store across the street. As they accumulated some assets, they invested in real properties and gradually developed and rented them out. They resisted any loan offers from banks and were extremely cautious and conservative in their investments.

In 1978, Saipan began to see the influx of foreign investments particularly from Japan. Manny and Luise leased their prime properties to investors for large scale developments. They reinvested their new capital in other real properties by again self-financing the construction of commercial space and apartment buildings. They also purchased some undeveloped real properties in the United States for investment and security. Having survived World War II and seen his own father go through changes in sovereign control in Guam and then in Saipan, Manny felt the need to own real property in the continental United States in the event the family had to flee or relocate from Saipan. In 1979, the Villagomez family joined several other Chamorro families in purchasing houses in San Leandro, California. Manny and Luise then moved their younger children to San Leandro to further their education.

In the 1990s, Manny and Luise shifted the focus of their business from retail to the construction business, and to commercial and apartment rental. So that they could pursue their love of traveling, they also decided to transfer the management and operation of the business to their children. Manny and Luise were able to visit many cities in Europe, traveled extensively throughout Asia and the U.S., and spent considerable time at their San Leandro home.

While Manny is widely known for his business accomplishments, he is most proud of his service as the first Civilian Aide to the Secretary of the Army (CASA) for the Northern Mariana Islands, a position he held from 1988 to 2000. As the NMI's CASA, Manny enjoyed the time he spent supporting the generals, veterans and active soldiers.

Manny and Luise never lost sight of their civic duties. In 1990, they made a sizeable donation for the construction of the first major public library, the Joeten-Kiyu Library, in Susupe, Saipan. They were generous benefactors to schools, churches and charitable organizations. Manny and his children continue the tradition of giving and assisting others in the community.

It was always the couple's dream to have their children reunited on Saipan. During the 1990s, Manny and Luise subdivided their large Fina Sisu property purchased in the 1950s and helped their children build their own homes there. Today, the lake and ocean view property, known as the MSV Kiyu compound, is a quaint, friendly place where all the twelve children have homes and where a majority of the 40 grandchildren, 30 great grandchildren, and two great-great grandchildren can be seen visiting throughout the year. It is also where Luise peacefully passed away surrounded by her loving family in September 2007 at the age of 77 years.

Today, Manny lives in the family compound with ten of his children and their families. He still travels but spends most of his time in the compound tending to his mini-farm, fruit trees, and other plants, and living a quiet and peaceful life.

HONORING JOHN JESSE SALDAÑA

HON. CHARLES A. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. GONZALEZ. Madam Speaker, I rise today to honor John Jesse Saldaña, Sr., a civil servant, community leader, and former serviceman who passed away June 9, 2010.

Mr. Saldaña made history through both his illustrious postal career and military service. He worked for the U.S. Postal Service for 45 years and was appointed to the position of postmaster on December 7, 1974. Mr. Saldaña was the first Spanish-surnamed postmaster since 1836 and was the first merit postmaster in the nation. He worked not only as the Postmaster of San Antonio, but as the manager for the San Antonio Sectional Center covering a service area of 33,000 square miles, 226 post offices and 4,527 employees in South Texas. He was named ''Postmaster of the Year'' in 1983.

As a Combat Infantry Officer in the European Theater during World War II, Mr. Saldaña was wounded twice in action in the Huertgen Forest and in the Battle of the Bulge, where he was the sole survivor of his unit. For his valiance and heroism in service, he was awarded a Bronze Star and two Purple Hearts with Oak Leaf Cluster.

Mr. Saldaña also tirelessly worked to preserve the history and cultural heritage of San Antonio. Mr. Saldaña served as president of the Canary Island Descendants Association and the Harp and Shamrock Society. In 1981, he was named by the Isleños Canarios Committee as the Chairman of the 250th Anniversary of the founding of the Villa de San Fernando. He was also a lifetime member of the Sons of the Republic of Texas. Mr. Saldaña also worked to preserve our nation's military history by returning to his alma mater, Lanier High School, of which he was Valedictorian of the Class of 1939, to meet with students each Veteran's Day. Lanier honored him as one of the first to be commemorated on their ''Wall of Fame.''

Additionally, Mr. Saldaña was very active in many church, civic, and philanthropic organizations. He was a life-long Oblate Associate and was presented with the Oblate cross in 1973 for his active participation with the Oblate fathers. He was a founding board member of Sisters Care of San Antonio, a ministry which offers in-home assistance to many elderly who are ineligible for government assistance. He was a director of the United Way and the Vice-Chairman of the combined federal campaign. He was also a member of the San Antonio Chamber of Commerce.

San Antonio has suffered a great loss and it is my humble honor to rise to recognize the many contributions that Mr. Saldaña has made in his lifetime and to extend my thoughts and prayers to his family.

HONORING MARVIN TEER, SR.

HON. WM. LACY CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. CLAY. Madam Speaker, I rise today to honor Mr. Marvin Teer, Sr., a valued member of the St. Louis community. Mr. Teer passed away on May 27, 2010, at the age of 93. His efforts greatly enriched the city of St. Louis, and his legacy will continue to inspire his residents for years to come.

Mr. Teer grew up against a backdrop of adversity and racial tension. He was born in Meridian, Mississippi, and at the tender age of 5, his family suffered the tragic loss of Mr. Teer's uncle, who was lynched. Mr. Teer's parents moved the family to East St. Louis in search of new opportunities for themselves and their children. Mr. Teer took full advantage of those opportunities, graduating from Lincoln Senior High School and going on to earn his bachelor's degree in education and two master's degrees, one in education and another in administration.

In World War II, he fought courageously in the Army, which was at that time segregated. He rose to the rank of Staff Sergeant, where he worked to secure equal resources and equal respect for his fellow black soldiers.

Mr. Teer returned to St. Louis in 1946 to teach history and urban studies at Lincoln Senior High School and later Vashon High School. Being a dedicated teacher, he shared his knowledge and energy with students for a full 30 years.

Mr. Teer had a passion for working to improve St. Louis, and that commitment to his city extended far beyond his position as a teacher. Mr. Teer participated in a diverse array of city organizations, including the Metropolitan Youth Commission, the St. Louis Board of Equalization, the Board of Building Appeals, and the St. Louis Area Agency on Aging.

Upon his retirement, Mr. Teer directed his enthusiasm for serving his community toward the goal of providing transportation to the seniors of St. Louis. He co-founded Available Citywide Transportation, which grew from one van to a fleet of 43 under his watch.

Madam Speaker, I am honored to pay tribute to Mr. Teer, a citizen whose commitment to his community was a testament to Missouri and to America. I urge my colleagues to join me in honoring Mr. Marvin Teer, Sr.

HONORING THE LIFE OF ANTHONY ''LITTLE BENNY'' HARLEY

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Ms. NORTON. Madam Speaker, the District of Columbia gathered on June 11, 2010, in a great hall of the Walter E. Washington Convention Center to honor one of our own, out of S.E. and Ballou Senior High School, Anthony ''Little Benny'' Harley, for his distinctive contributions to our musical identity as a city. We gathered to celebrate our native son, whose magnificent trumpet brought joy to the world and acclaim to the District of Columbia. Little Benny became the living proof that a godfather could have godsons, when Little Benny showed the world that go-go music was no one-man passing fad—from the time Little Benny listened and learned from the go-go Godfather himself, Chuck Brown, to the day Little Benny died after performing alongside the Godfather.

Few cities produce musical talent so deep that it comes to symbolize the town itself. Motown did that for Detroit. Go-go has done that for D.C. Little Benny's sound kept us from having ''Government Town'' plastered on our backs. His funk was the musical background for our fight for our vote and for statehood and against the autocrats in Congress who try to step on D.C. and on our rights. Little Benny's non-stop funk, his beat, and his chants said ''Don't Mess with D.C.'' better than anything I could ever say on the floor of the House of Representatives. All too prematurely, Little Benny now joins our city's own hall of fame for musical geniuses, who have put D.C. on the musical map, from Duke Ellington to Sam Cook. Music comes and music goes, fast, but Little Benny has helped carve out a special brand of funk that distinguishes him and his hometown alike. We want Little Benny to rest in peace, but his sound will keep us all moving to his never ending beat.

PROTECTING CYBERSPACE AS A NATIONAL ASSET ACT OF 2010

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Ms. HARMAN. Madam Speaker, the stark image on millions of television screens around the world is of a broken pipe one mile underwater, spewing tens of thousands of gallons of oil into the ocean each day.

This deadly and disturbing horror could be replicated should we have a major cyber attack—broken networks spewing tens of thousands of terabytes of information about critical infrastructure, national security, mission-critical data and personal financial records.

Indeed, damage caused by the worst environmental disaster in U.S. history could pale in comparison to the chaos that could ensue after a major cyber attack.

So today, Madam Speaker, I am pleased to introduce with Rep. PETER KING the companion bill to S. 3480, The Protecting Cyberspace as a National Asset Act of 2010. Authored by Senators LIEBERMAN, COLLINS and CARPER, S. 3480 was the subject of a legislative hearing yesterday in the Senate, and is moving there on a fast track.

In the words of former Assistant Secretary of Homeland Security for Policy Stewart Baker, ''we are going to have a meltdown'' if we fail to act to protect our cyber networks.

Right now we are chasing the problem. We need to get ahead of it. As described in the report released today by the Government Accountability Office—we face daunting challenges in tackling this problem, including: a lack of sustained leadership, insufficient resources, authority to enforce actions in the event of an imminent cyber attack, the need to partner with other federal agencies and private sector entities and insufficient education and training.

All of which this bill aims to correct.

First, the bill would establish a coordinating mechanism at the White House—an Office of Cyberspace Policy—to develop a national strategy for securing and improving the resiliency of cyberspace.

Second, it would create a National Center for Cybersecurity and Communications at the Department of Homeland Security to identify and mitigate cyber vulnerabilities. The Center would be charged with providing situational awareness, conducting risk-based assessments of threats, identifying vulnerabilities, managing external access points for federal networks, overseeing operations of US-CERT, and working with the private sector to establish security requirements to strengthen vital components of critical infrastructure like the electric grid and telecommunications networks.

Third, the key section of the bill provides the President with authority—in consultation with Congress—to impose emergency security measures on critical infrastructure networks in the event of a catastrophic cyber attack. Presently, this authority is ad hoc.

Fourth, this legislation requires development of a supply chain risk management strategy to address risks and threats to information technology products and services upon which the federal government relies.

Finally, the bill requires the new Department of Homeland Security Cybersecurity Office to consult with the Privacy & Civil Liberties Oversight Board mandated in the 2004 Intelligence Reform & Terrorism Prevention Act. Sadly, this Administration has yet to nominate individuals to serve on the Board. Additionally, the Director of the National Center for Cybersecurity and Communications is required to designate a privacy officer to review activities of the Center and conduct privacy impact assessments to ensure information is being collected in a manner that protects privacy and civil liberties of U.S. persons.

With strong leadership to implement it, this bill will plug the gaping hole in our cyberdefenses—while we have the chance to do so—and, hopefully, prevent another potential devastating disaster.

I urge its prompt enactment.

A TRIBUTE TO EVA SMITH MCQUILLAN

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. TOWNS. Madam Speaker, I rise today in recognition of Eva Smith McQuillan for her valuable contributions to her community.

Eva Smith McQuillan was born in Currie, North Carolina on July 11, 1915 to Alice and Richard Smith. She is the fourth of six children; Sadie, Sealy, James, Eva, Margaret and Edward. She was raised and educated in Wilmington, North Carolina and there she met and married Dawson McQuillan. Together they have two sons, Deck and Dawson.

In 1956, Eva decided to migrate northeast to New York. She and her family settled in Brooklyn and she found employment at B. Altman's Department Store in Manhattan. She began as a Gift Wrapper, moving up the ladder to finally become an Accounting Clerk in the Accounts Receivable Department until her

retirement in 1981. Upon her retirement, Eva became a world traveler, visiting countries in Europe and the Far East including Japan and China. She has also been to the Caribbean, Canada, Mexico, and various sites within the United States of America including Hawaii and Puerto Rico.

In 1958, under the leadership of the late Reverend George W. Thomas, Eva became a member of the Brown Memorial Baptist Church and has been a faithful member ever since. The same year, she became a member of the Floral Club. She went on to become part of the Brown Memorial Baptist Church Pastor's Aid Chorus. For a number of years, she was a Den Mother for the Boy Scouts of America Troop 199. Currently, she is a team leader on the church's restoration project under the leadership of the Reverend Clinton M. Miller.

Mrs. McQuillan loves people and loves to help those in need. Her life's motto is ''If I can help someone as I pass along this way—then my living will not be in vain.''

Madam Speaker, I urge my colleagues to join me in recognizing the contributions of Eva Smith McQuillan.

HONORING THE SERVICE OF LT. COL. MELANIE McCLURE, PRINCIPAL OF ENTERPRISE ELEMENTARY IN DALE CITY, VA

HON. GERALD E. CONNOLLY

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. CONNOLLY of Virginia. Madam Speaker, I rise to honor the service of LTC Melanie McClure, principal of Enterprise Elementary School in Dale City, Va.

Lieutenant Colonel McClure has served with distinction both in our local classrooms and our Nation's military. One year after graduating from James Madison University in 1984 with a Bachelor's Degree in Early Childhood Education, she joined the United States Army Reserves. In that same year, her first deployment took her to Germany as a platoon leader, operations officer and adjunct for the Battalion Commander. When she returned home, Lieutenant Colonel McClure began teaching in the Fairfax County Public Schools system. Her career as an educator was put on hold when she once again answered the call to serve on active duty after the devastating terrorist attacks of Sept. 11, 2001. Lieutenant Colonel McClure served in Alexandria, Va., as a plans and operations officer for the Mortuary and Casualty Support Division until July 2003. She then returned to Kent Gardens Elementary School in Fairfax County as an assistant principal and principal. She took on her current role as principal of Enterprise Elementary School with Prince William County Schools in 2007.

Many of our Nation's reservists juggle leadership roles in both our military and our communities. Lieutenant Colonel McClure is no exception. Her most recent deployment required that she take a leave of absence from her position as the head administrator at Enterprise Elementary to serve on active duty in Iraq. Her students paid tribute to their principal with a send off in the spring of 2009 and on June 7, 2010, they welcomed her home with the reverence and adoration she deserves. Lieutenant Colonel McClure has used this experience to teach her students responsibility and the importance of honoring commitments. These are qualities our veterans come to understand intimately as they sacrifice their safety for the protection of our nation.

Madam Speaker, I ask my colleagues to join me in honoring the service of LTC Melanie McClure. Her service stands as an example to her students of the bravery of our military's men and women and will instill in future generations an appreciation for the needs of our Nation's veterans.

HONORING THE LIFE OF FRANCES M. BERCKMAN

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. SHIMKUS. Madam Speaker, today I rise to honor the life of Frances M. Berckman, better known as ''Nanny Fran.''

''Nanny Fran'' passed from this life at the age of 96 on Tuesday, June 15th, 2010.

She is remembered fondly and lovingly as a mother, grandmother, great grandmother, and even great great grandmother. She was born and raised in Jersey City some 96 years ago, and lived the past 42 years in Keansburg, New Jersey. Her husband, Matthew passed away in 1990.

She is survived by three daughters and a son-in-law; Dolores Laabs of Pennsylvania, Roberta and Jack Waugh of Hazlet, and Kathleen Berckman of Brick. In addition, she has twelve grandchildren, twenty great grandchildren, and four great great grandchildren.

As if they were not enough to keep her life filled with happiness and love; she spent her time as a homemaker, bingo champion, reading and frequent trips to Atlantic City. She was also a member of St. Ann's Church where a funeral mass will occur to celebrate her life on Friday, June 18th at 11:00 am. Family and friends will gather at the Jacqueline M. Ryan Funeral Home in Keansburg, New Jersey on Thursday, June 17th to share their memories of this wonderful woman.

I was honored to know her through four of her grandchildren (Thomas, Matt, Deidre, and Greg Keelen), who now, along with the rest of her family, serve as her legacy. She is assured that it is in good and loving hands. God Bless ''Nanny Fran.''

RECOGNIZING CAPTAIN (RETIRED) STUART ALAN RICHARDS SCOTTSDALE HEALTHCARE'S ''SALUTE TO MILITARY'' HONOREE

HON. HARRY E. MITCHELL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. MITCHELL. Madam Speaker, I rise today to recognize a distinguished member of the Armed Forces residing in my home state. In Arizona, Scottsdale Healthcare honors service members who perform diligent service to this country every month; for the month of May, they have recognized Captain (Retired) Stuart Alan Richards.

I commend Scottsdale Healthcare for paying tribute to this outstanding service member for his commitment, dedication and service to our country.

Captain Richards originally joined the U.S. Navy during the Vietnam era, but subsequently transferred to the Naval Reserve in order to attain a college degree as a Physician's Assistant. After receiving his degree, Captain Richards became a Warrant Officer in the Army National Guard, quickly rising to achieve the rank of Chief Warrant Officer 3 after returning to the Naval Reserve. Captain Richard's final career change occurred in 1988 with his transition into the United States Public Health Service. Once there, he worked at the Phoenix Indian Medical Center where he was deployed numerous times to support medical efforts during the shootings at Red Lakes Reservation in Minnesota and hurricanes in Florida. After 31 years of federal service, he retired in 2006.

Today, Captain Richards continues his life's work of caring for the injured and sick as a Physician's Assistant with Scottsdale Emergency Associates who staff Scottsdale Healthcare's three Emergency Departments.

Madam Speaker, please join me in recognizing this exceptional Military Officer for serving our country and caring for fellow service men and women in and out of combat.

HONORING THE LIFE OF MR. JACK WALLACE

HON. STEVE COHEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. COHEN. Madam Speaker, I rise today to honor the life of Mr. Jack Wallace, an outstanding man who improved the lives of countless individuals while working tirelessly to make Memphis a better and safer place. Born in 1928, Mr. Wallace spent 24 years serving in the Memphis Police Department before his retirement in 1976.

Jack Wallace was one of the most outstanding people to have served the Memphis community. I was privileged to serve as Police Legal Advisor for the Memphis Police Department in the seventies, where Jack served as my mentor. He was the person I looked up to, learned from, and got advice from. The policemen all respected Jack because he was a policeman's policeman; he was a man's man. He was strong; he was smart; he was a natural leader.

Despite never attending college, Mr. Wallace attended the Southern College of Law, where he was consistently at the top of his class. His colleagues and classmates recalled how much they grew to respect and revere him. As a policeman, Jack analyzed issues like a lawyer, cutting through all the issues in order to get to the heart of each matter. Though he never served as the official director of police, Mr. Wallace served as interim director under Mayor Henry Loeb. Jack Wallace was the perfect fit for the job. At the time, there was no one in the police department with more intelligence, more common sense, respect, leadership abilities and a better sense of judgment and values.

During his time with the Memphis Police Department Mr. Wallace faced some of the

toughest issues confronting the city. He was an integral part of ensuring the safety and continued success of the city in a period of potential turmoil. After the 1968 assassination of Dr. Martin Luther King, Jr., it was Jack who maintained order in the community after violence broke out, commanding the night tactical units. Wallace was also responsible for peacefully ending a 12-hour hostage situation, a heroic incident in which he walked into a held-up house, unarmed, and rescued six children. Jack Wallace was twice named one of the top 10 police officers in the country by Parade Magazine.

In addition to remembering Mr. Wallace for his leadership and bravery as a Memphis police officer, I will always remember and appreciate the times we were able to spend on the Ridgeway golf course in Memphis with friends. As a golfer, he had the ability to charm everyone on the course. Years after we played golf, mutual friends would ask "Where's Jack Wallace?" He had that memorable personality and they simply loved playing with him. His wife, Shirley Wallace, reported that the day before his death, he played 27 holes of golf.

Jack Wallace passed away on Saturday, June 12 of heart failure in Brownsville, Tennessee at the age of 82. Mr. Wallace was a man of exceptional integrity and moral character. His was a life well lived, and I honor him today as a public servant, a leader, a mentor, and a friend. The city of Memphis is a better place because of Jack Wallace. He is survived by his wife Shirley, his son Lee Wallace of Kansas City, MO, two daughters, Diane Swan of Collierville, TN and Amy Todd of Jackson, TN, a brother, Bill Wallace of Memphis and seven grandchildren.

AMERICAN BANKERS ASSOCIATION

HON. RUBÉN HINOJOSA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. HINOJOSA. Madam Speaker, I would like to submit a letter from the American Bankers Association in support of H.R. 5297, the Small Business Lending Fund Act.

AMERICAN BANKERS ASSOCIATION,
Washington, DC, June 9, 2010.

To: Members of the U.S. House of Representatives

From: Floyd E. Stoner, Executive Vice President, Congressional Relations & Public Policy

Re: H.R. 5297, the Small Business Lending Fund Act

On behalf of the members of the American Bankers Association (ABA), I am writing to express our support for H.R. 5297, the Small Business Lending Fund Act. As proposed, Treasury would invest in community banks through a new program that would be separate and apart from the Troubled Assets Relief Program (TARP). This legislation will serve as another tool for community banks to meet the needs of small businesses in their communities, and we urge the House to pass this legislation.

Even with the general economy starting to improve, there are still many areas of the United States that struggle under the weight of the severe downturn. Since banks are a reflection of their communities, they are suffering with the communities they serve. Yet even in areas beset by poor economic conditions there are strong borrowers.

Meeting the needs of these borrowers has been made more difficult as regulators pressure many banks to increase their capital-to-asset ratios. Given the severity of the downturn, it is difficult if not impossible for community banks to find new sources of capital. Thus, the only option for many banks is to shrink, which can mean making fewer loans. H.R. 5297 would allow banks to avoid that result and continue meeting the needs of their communities. With an improving economy and public investments, such as those proposed in H.R. 5297, lending can increase faster in some of the hardest hit areas of the country. Community banks, which are the life blood of many communities, can provide the needed capital.

While we are supportive of this legislation, we believe the fund could be more effective if it recognized the dynamic nature of a bank's loan portfolio. Roughly 20 percent of a community bank's small business loan portfolio is repaid each year. Under H.R. 5297, a bank would not be viewed as increasing its small business lending until it made enough loans to replace that 20 percent. Recognizing all of a bank's small business lending would make the program more attractive to many community banks.

The program's success also will hinge on whether it is made available to banks who actually need the capital. If the program is made available only to those banks who do not need it, the program will fail. There are many viable community banks that would benefit greatly from a comparatively modest investment by the government to help them weather the current economic storms. Past initiatives have left this group of banks on the sidelines and, in many cases, have made it more difficult for them to attract private capital. We encourage you to support making the Treasury program available to banks that are viable on a post-investment basis.

The bill also includes a State Small Business Credit Initiative, which we find very promising. Efforts like this in Michigan, for example, have shown great promise over the years they have been in place. Under the Michigan Strategic Fund (MSF), the MSF deposits the cash into an interest bearing account with that lender and this account will then be pledged as collateral on behalf of the borrower. Based on an amortization schedule, the MSF will draw down the account as the loan principal is paid. In the event of full default, the lender will have rights to the account less a liquidation fee. The proposed State Small Business Credit Initiative would function in a similar manner and, we believe, could provide much needed support for loans made by participating banks. As with the Small Business Lending Fund, ABA recommends that all viable community banks be allowed to participate.

While we shall continue to work with Congress as this legislation moves forward, we believe that the legislation can serve as a real tool to help community banks meet the credit needs of their communities. We support passage of H.R. 5297.

PARNICK JENNINGS

HON. PHIL GINGREY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 2010

Mr. GINGREY of Georgia. Madam Speaker, I rise today to congratulate my long time friend, Parnick Jennings, for receiving the 2010 Hugh Burnes Christian Service Award. Parnick moved to Rome when he was just 6 months old and has been a dedicated servant of the Rome Community for decades. It is my distinct pleasure to honor him today.

After serving in the Korean War, Parnick followed in his father's footsteps and chose a career as a mortician—offering comfort and hope to more than 23,000 families in the 11th District of Georgia. His compassion and caring spirit helped lay the pathway for a successful career, as he owned three Jennings Funeral Homes and now the Good Shepherd Funeral Home.

Parnick has also spent much of his time over the years giving back to the Christian community through his love of gospel music. He hosted a Sunday morning program on WRGA, a weekly TV gospel music show that reached thousands of viewers, and a series of gospel music concerts that were highlights for the Rome Community.

In addition Parnick has been a member of many community and Christian boards, including the Shorter College Board of Trustees and the Southern Baptist Sunday School Board of Trustees, among many others. Notably, he is the only living Life Member of the Salvation Army Advisory Board where he also served as Board and Capital Campaign Chairman.

Madam Speaker, Parnick has given back so much to Rome, and I am very pleased to congratulate him today on receiving such a distinguished award. I would also like to wish him a blessed and happy Father's Day as he celebrates with his wife, Margaret, and their beautiful children. Thank you Parnick for everything you have done for our community, and my very best to you.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, June 17, 2010 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 22

9:30 a.m.
Armed Services
To hold hearings to examine the progress in preventing military suicides and challenges in detection and care of the invisible wounds of war.
SD–G50

Foreign Relations
To hold hearings to examine Iran policy in the aftermath of UN sanctions.
SD–419

10 a.m.
Energy and Natural Resources
To hold hearings to examine S. 3495, to promote the deployment of plug-in electric drive vehicles, focusing on reducing oil consumption.
SD–366

11 a.m.
Conferees
Meeting of conferees on H.R. 4173, to promote the financial stability of the United States by improving accountability and transparency in the financial system, to end ''too big to fail'', to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices.
SD–106

2:30 p.m.
Commerce, Science, and Transportation
Competitiveness, Innovation, and Export Promotion Subcommittee
To hold hearings to examine innovation in America, focusing on opportunities and obstacles.
SR–253

Health, Education, Labor, and Pensions
To hold hearings to examine the Americans with Disabilities Act (ADA) and Olmstead enforcement, focusing on ensuring community opportunities for individuals with disabilities.
SD–430

Environment and Public Works
Superfund, Toxics and Environmental Health Subcommittee
To hold an oversight hearing to examine the Environmental Protection Agency's Superfund program.
SD–406

JUNE 23

9:30 a.m.
Homeland Security and Governmental Affairs
Business meeting to consider pending calendar business.
SD–342

10 a.m.
Finance
To hold hearings to examine the United States-China trade relationship, focusing on finding a new path forward.
SD–215

Appropriations
Interior Subcommittee
To hold hearings to examine Minerals Management Service reorganization.
SD–124

Judiciary
To hold an oversight hearing to examine the Office of the Intellectual Property Enforcement Coordinator.
SD–226

Rules and Administration
To resume hearings to examine the filibuster, focusing on silent filibusters, holds and the Senate confirmation process.
SR–301

10:30 a.m.
Appropriations
Defense Subcommittee
To hold hearings to examine outside witness statements.
SD–192

11 a.m.
Conferees
Meeting of conferees on H.R. 4173, to promote the financial stability of the United States by improving accountability and transparency in the financial system, to end ''too big to fail'', to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices.
SD–106

2:30 p.m.
Homeland Security and Governmental Affairs
Federal Financial Management, Government Information, Federal Services, and International Security Subcommittee
To hold joint hearings with the House Oversight and Government Reform Subcommittee on Federal Workforce, Postal Service, and the District of Columbia to examine customer and employee views on the future of the United States Postal Service.
SD–342

JUNE 24

9:30 a.m.
Energy and Natural Resources
To hold hearings to examine S. 3452, to designate the Valles Caldera National Preserve as a unit of the National Park System.
SD–366

11 a.m.
Conferees
Meeting of conferees on H.R. 4173, to promote the financial stability of the United States by improving accountability and transparency in the financial system, to end ''too big to fail'', to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices.
SD–106

JUNE 30

9:30 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings to examine farm bill reauthorization, focusing on maintaining our domestic food supply through a strong United States farm policy.
SR–328A

JULY 1

9:30 a.m.
Veterans' Affairs
To hold hearings to examine veterans' claims processing, focusing on if current efforts are working.
SR–418

JULY 21

9:30 a.m.
Veterans' Affairs
To hold hearings to examine improvements to the post-9/11 Government Issue (GI) Bill.
SR–418

AUGUST 5

9:30 a.m.
Veterans' Affairs
Business meeting to consider pending calendar business.
SR–418

SEPTEMBER 22

9:30 a.m.
Veterans' Affairs
To hold hearings to examine a legislative presentation focusing on the American Legion.
345, Cannon Building

SEPTEMBER 23

9:30 a.m.
Veterans' Affairs
To hold an oversight hearing to examine Veterans' Affairs disability compensation, focusing on presumptive disability decision-making.
SR–418

Daily Digest

Senate

Chamber Action

Routine Proceedings, pages S4951–S5050

Measures Introduced: Five bills and seven resolutions were introduced, as follows: S. 3496–3500, S.J. Res. 32, and S. Res. 554–559. **Pages S4989–90**

Measures Passed:

United States-Korea Alliance: Senate passed S.J. Res. 32, recognizing the 60th anniversary of the outbreak of the Korean War and reaffirming the United States-Korea alliance. **Pages S5044–45**

Commending EyeCare America: Senate agreed to S. Res. 557, commending EyeCare America for its volunteerism and efforts to preserve eyesight throughout the previous 25 years. **Page S5045**

National Direct Support Professionals Recognition Week: Senate agreed to S. Res. 558, designating the week beginning September 12, 2010, as ''National Direct Support Professionals Recognition Week.'' **Pages S5045–46**

Juneteenth Independence Day: Senate agreed to S. Res. 559, observing the historical significance of Juneteenth Independence Day. **Pages S5046–47**

House Messages:

American Jobs and Closing Tax Loopholes Act—Agreement: Senate continued consideration of the amendment of the House of Representatives to the amendment of the Senate to H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, taking action on the following amendments proposed thereto:

Pages S4958–67, S4967–75

Adopted:

By 60 yeas to 37 nays (Vote No. 191), Reid Amendment No. 4344, to amend the Internal Revenue Code of 1986 to extend the time for closing on a principle residence eligible for the first-time homebuyer credit. (A unanimous-consent agreement was reached providing that the amendment, having achieved 60 affirmative votes, be agreed to).

Pages S4969–71

Withdrawn:

Baucus motion to concur in the amendment of the House to the amendment of the Senate to the bill, with Baucus Amendment No. 4301 (to the amendment of the House to the amendment of the Senate to the bill), in the nature of a substitute. **Page S4959**

By 45 yeas to 52 nays (Vote No. 192), Isakson Amendment No. 4351, to amend the Internal Revenue Code of 1986 to extend the time for closing on a principal residence eligible for the first-time homebuyer credit. (A unanimous-consent agreement was reached providing that the amendment, having failed to achieve 60 affirmative votes, be withdrawn).

Pages S4969–71

Pending:

Baucus motion to concur in the amendment of the House to the amendment of the Senate to the bill, with Baucus Amendment No. 4369 (to the amendment of the House to the amendment of the Senate to the bill), in the nature of a substitute. (The motion to concur with amendment incorporates the provisions of previously agreed upon amendments 4302, as modified, 4326 and 4311, as modified, and Reid Amendment No. 4344 (listed above.)

Pages S4958, S4972–75

A motion was entered to close further debate on the Baucus motion to concur in the amendment of the House to the amendment of the Senate to the bill, with Baucus Amendment No. 4369 (to the amendment of the House to the amendment of the Senate to the bill), and, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, a vote on cloture will occur on Friday, June 18, 2010. **Page S4975**

During consideration of this measure today, Senate took the following action:

By 45 yeas to 52 nays (Vote No. 190), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive pursuant to section 904 of the Congressional Budget Act of 1974 and section 4(g)(3) of the Statutory Pay-As-You-Go Act of 2010, with respect to Baucus motion to concur in the amendment of the House to the amendment of the Senate to the bill, with Baucus Amendment No. 4301 (to the amendment of the House to the amendment of the

Senate to the bill), in the nature of a substitute. Subsequently, the Chair sustained a point of order against Baucus motion to concur in the amendment of the House to the amendment of the Senate to the bill, with Baucus Amendment No. 4301, as being in violation of section 311(a)(2) of the Congressional Budget Act of 1974, and the motion to concur with an amendment was withdrawn. **Pages S4958–59**

Reid Amendment No. 4344 (to Amendment No. 4301), to amend the Internal Revenue Code of 1986 to extend the time for closing on a principal residence eligible for the first-time homebuyer credit, fell when Baucus Amendment No. 4301 (listed above), was withdrawn. **Page S4958**

Thune/McConnell Amendment No. 4333 (to Amendment No. 4301), of a perfecting nature, fell when Baucus Amendment No. 4301 (listed above), was withdrawn. **Pages S4958, S4971–72**

A unanimous-consent agreement was reached providing for further consideration of the amendment of the House of Representatives to the amendment of the Senate to the bill, at approximately 10 a.m., on Thursday, June 17, 2010. **Page S5047**

Nominations Received: Senate received the following nominations:

Suzan D. Johnson Cook, of New York, to be Ambassador at Large for International Religious Freedom.

Judith R. Fergin, of Washington, to be Ambassador to the Democratic Republic of Timor-Leste. **Page S5050**

Messages from the House: **Page S4988**

Executive Communications: **Pages S4988–89**

Petitions and Memorials: **Page S4989**

Additional Cosponsors: **Pages S4990–91**

Statements on Introduced Bills/Resolutions: **Pages S4991–96**

Additional Statements: **Pages S4986–88**

Amendments Submitted: **Pages S4996–S5043**

Notices of Hearings/Meetings: **Page S5043**

Authorities for Committees to Meet: **Page S5043**

Privileges of the Floor: **Pages S5043–44**

Record Votes: Three record votes were taken today. (Total—192) **Pages S4958–59, S4971**

Adjournment: Senate convened at 9:31 a.m. and adjourned at 8:27 p.m., until 9:30 a.m. on Thursday, June 17, 2010. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S5047.)

Committee Meetings

(Committees not listed did not meet)

APPROPRIATIONS: DEPARTMENT OF DEFENSE

Committee on Appropriations: Subcommittee on Defense concluded a hearing to examine proposed budget estimates for fiscal year 2011 for the Department of Defense, after receiving testimony from Robert M. Gates, Secretary, and Admiral Michael G. McMullen, USN, Chairman of the Joint Chiefs of Staff, both of the Department of Defense.

FEDERAL PAYMENT OF INTERCHANGE FEES OVERSIGHT

Committee on Appropriations: Subcommittee on Financial Services and General Government concluded an oversight hearing to examine Federal payment of interchange fees, focusing on how to save taxpayer dollars, after receiving testimony from Gary Grippo, Deputy Assistant Secretary of the Treasury for Fiscal Operations and Policy; Alicia Puente Cackley, Director, Financial Markets and Community Investment, Government Accountability Office; Janet Langenderfer, Senior Director, Credit Cards, National Railroad Passenger Corporation-Amtrak, and Ed Mierzwinski, U.S. Public Interest Research Group, both of Washington, D.C.; Bruce Sullivan, Visa Inc., San Francisco, California; and Wendy Chronister, Qik'n EZ Stores, Springfield, Illinois.

AFGHANISTAN

Committee on Armed Services: Committee concluded hearings to examine Afghanistan, after receiving testimony from Michele P. Flournoy, Under Secretary for Policy, and General David H. Petraeus, USA, Commander, United States Central Command, both of the Department of Defense.

LANDS AND FORESTS BILLS

Committee on Energy and Natural Resources: Subcommittee on Public Lands and Forests concluded a hearing to examine S. 3294, to establish certain wilderness areas in central Idaho and to authorize various land conveyances involving National Forest System land and Bureau of Land Management land in central Idaho, S. 3310, to designate certain wilderness areas in the National Forest System in the State of South Dakota, and S. 3313, to withdraw certain land located in Clark County, Nevada from location, entry, and patent under the mining laws and disposition under all laws pertaining to mineral and geothermal leasing or mineral materials, after receiving testimony from Senators Crapo, Ensign, and

Thune; Representative Simpson; Carl Rountree, Director, National Landscape Conservation System, Bureau of Land Management, Department of the Interior; Joel Holtrop, Deputy Chief, National Forest System, Forest Service, Department of Agriculture; Rick Johnson, Idaho Conservation League, Caldwell; Bill Dart, Idaho Recreation Council, Boise; Steve Sisolak, Clark County Board of Commissioners, Las Vegas, Nevada; and Dan O'Brien and Scott Edoff, both of Hermosa, South Dakota.

NEW START TREATY

Committee on Foreign Relations: Committee continued hearings to examine Treaty between the United States of America and the Russian Federation on Measures for the Further Reduction and Limitation of Strategic Offensive Arms, signed in Prague on April 8, 2010, with Protocol (Treaty Doc. 111–05), focusing on views from the Pentagon, after receiving testimony from James N. Miller, Principal Deputy Under Secretary for Policy, General Kevin P. Chilton, Commander, United States Strategic Command, and Lieutenant General Patrick J. O'Reilly, Director, Missile Defense Agency, all of the Department of Defense.

OIL SPILL FINANCIAL RESPONSIBILITY

Committee on Homeland Security and Governmental Affairs: Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security concluded a hearing to examine the Gulf of Mexico oil spill, focusing on ensuring a financially responsible recovery and how the cost of major spills may impact viability of oil spill liability trust fund, after receiving testimony from Senator Lautenberg; Craig Bennett, Director, National Pollution Funds Center, U.S. Coast Guard, Department of Homeland Security; Susan A. Fleming, Director, Physical Infrastructure, Government Accountability Office; Darryl Willis, BP America, New Orleans, Louisiana; and Steven Newman, Transocean, Ltd., Denver, Colorado.

RURAL HEALTH CARE

Committee on Veterans' Affairs: Committee concluded a hearing to examine Veterans Affairs health care in rural areas, after receiving testimony from James F. Ahrens, Chairman, Veterans Rural Health Advisory Committee, Office of Rural Health, Robert Jesse, Acting Principal Deputy Under Secretary for Health, Veterans Health Administration, both of the Department of Veterans Affairs; Brigadier General Deborah McManus, Assistant Adjutant General, Alaska National Guard, Fort Richardson; Adrian Atizado, Disabled American Veterans, Washington, D.C.; Ronald L. Putnam, Haywood County Veterans Services, Waynesville, North Carolina; and Dan Winkelman, Yukon-Kuskokwim Health Corporation, Bethel, Alaska.

RETIREMENT SAVINGS

Special Committee on Aging: Committee concluded a hearing to examine the retirement challenge, focusing on making savings last a lifetime, after receiving testimony from Phyllis C. Borzi, Assistant Secretary of Labor, Employee Benefits Security Administration; J. Mark Iwry, Senior Adviser to the Secretary of the Treasury and Deputy Assistant Treasury Secretary for Retirement and Health Policy; Ted Beck, National Endowment for Financial Education, Denver, Colorado; Kelli Hueler, Hueler Companies, Eden Prairie, Minnesota; William J. Mullaney, MetLife, New York, New York, on behalf of the American Council of Life Insurers; and Lisa Mensah, Aspen Institute Initiative on Financial Security, Washington, D.C.

House of Representatives

Chamber Action

Public Bills and Resolutions Introduced: 14 public bills, H.R. 5535–5548; and 4 resolutions, H.J. Res. 89; and H. Res. 1446–1447, 1449 were introduced. **Pages H4596–97**

Additional Cosponsors: **Pages H4597–98**

Report Filed: A report was filed today as follows:

H. Res. 1448, providing for further consideration of the bill (H.R. 5297) to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses (H. Rept. 111–508). **Page H4596**

Speaker: Read a letter from the Speaker wherein she appointed Representative Pastor to act as Speaker pro tempore for today. **Page H4509**

Chaplain: The prayer was offered by the Guest Chaplain, Rabbi Joshua Davidson, Temple Beth El of Northern Westchester, Chappaqua, New York. **Page H4509**

Small Business Lending Fund Act of 2010: The House began consideration of H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses. Consideration is expected to resume tomorrow, June 17th. **Pages H4513–42**

Agreed by unanimous consent that the instruction in the amendment printed in part B of House Report 111–506 relating to page 11, line 8, be considered to refer to section 4(d)(2)(A) of the matter proposed to be inserted by the amendment printed in part A of such report, as amended by the amendment in part B of such report. **Page H4513**

Pursuant to the rule, the amendment in the nature of a substitute printed in part A of H. Rept. 111–506, modified by the amendment printed in part B of H. Rept. 111–506, shall be considered as an original bill for the purpose of amendment under the five-minute rule, in lieu of the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill. **Page H4520**

Agreed to:

Nye amendment (No. 3 printed in H. Rept. 111–506) that adds four stipulations to the Small Business Lending Fund to ensure small businesses are not excluded from certain programs in the bill: (1) base SBLF incentives on number of loans an institution makes, not just the total dollars of loans; (2) include Small Business Lending Centers with less than $10 billion in assets as qualified financial institutions to participate in the SBLF; (3) add the SBA definition to define what a small business is; and (4) change the base lending amount from a comparison of the fourth quarter of 2009, to a full year of data; **Pages H4529–31**

Minnick amendment (No. 4 printed in H. Rept. 111–506), as modified, that makes non-owner occupied commercial real estate loans eligible for the program; **Page H4531**

Perlmutter amendment (No. 5 printed in H. Rept. 111–506) that allows small banks to amortize losses or write-downs on commercial real estate loans over a 10-year period, freeing up more capital for these small institutions to lend to small businesses; **Pages H4531–33**

Price (GA) amendment (No. 6 printed in H. Rept. 111–506) that expresses the Sense of Congress that small business lending is being hindered by mixed messages from federal financial regulators; **Page H4533**

Al Green (TX) amendment (No. 7 printed in H. Rept. 111–506) that improves disclosures by eligible institutions receiving funding under the program; **Pages H4533–35**

Driehaus amendment (No. 8 printed in H. Rept. 111–506) that institutes a new Office of Small Business Lending Fund Oversight; **Pages H4535–36**

Michaud amendment (No. 11 printed in H. Rept. 111–506) that ensures that state-run venture capital fund programs will be able to qualify as ''state other credit support programs,'' as long as they do not use funds under H.R. 5297 to lend to businesses with more than 750 employees. It clarifies that state-run venture capital fund programs will be able to qualify as ''state other credit support programs,'' as long as they meet all other requirements; **Pages H4536–37**

Loretta Sanchez (CA) amendment (No. 13 printed in H. Rept. 111–506) that includes as part of the selection criteria for investment companies the extent to which the applicant will concentrate investment

activities on small business concerns in targeted industries; **Pages H4538–39**

Cuellar amendment (No. 14 printed in H. Rept. 111–506) that requires the Secretary to take into consideration areas with high unemployment rates that exceed the national average to increase opportunities for small business development; **Page H4539**

Braley (IA) amendment (No. 15 printed in H. Rept. 111–506) that requires the use of plain writing by the Department of the Treasury and the Small Business Administration for documents relevant to obtaining a benefit or service under the bill; **Pages H4539–40**

Loebsack amendment (No. 16 printed in H. Rept. 111–506) that includes a Sense of Congress stating that agriculture operations, farms, and rural communities should receive equal consideration through lending activities for small businesses, particularly small and mid-size farms and agriculture operations; and attention should be given to ensuring there is adequate small business credit and financing availability in the agriculture and farming sectors; and **Pages H4540–41**

Al Green (TX) amendment (No. 17 printed in H. Rept. 111–506) that (1) requires the inclusion of linguistically and culturally appropriate outreach where appropriate to the applicants small business lending plan; (2) provides for linguistically and culturally appropriate minority outreach and advertising; (3) explicitly states minority-owned financial institutions are eligible for consideration of by the Secretary for funding; and (4) requires the Secretary, to the extent possible, to disaggregate the results of the report on women-owned and minority-owned business by ethnic group and gender. **Pages H4541–42**

Proceedings Postponed:

Israel amendment (No. 1 printed in H. Rept. 111–506) that seeks to add veteran- and women-owned businesses to the groups that will receive outreach under the Small Business Lending Fund established by the bill. It seeks to add veteran-owned businesses to those businesses that should receive consideration in the Fund, add veterans to the study on lending assistance, and require the study to report not just on the number of loans made to women-, veteran- and minority-owned businesses, but the percent of loans that go to them as a part of the program and **Page H4529**

Cao amendment (No. 12 printed in H. Rept. 111–506) that seeks to provide funding to eligible institutions that serve small businesses in communities that have suffered negative economic effects as a result of the Deepwater Horizon oil spill with particular consideration to States along the coast of the Gulf of Mexico. **Pages H4537–38**

H. Res. 1436, the rule providing for consideration of the bills (H.R. 5486) and (H.R. 5297) was agreed to on Tuesday, June 15th.

Suspensions: The House agreed to suspend the rules and pass the following measures:

Collinsville Renewable Energy Promotion Act: H.R. 4451, amended, to reinstate and transfer certain hydroelectric licenses and extend the deadline for commencement of construction of certain hydroelectric projects; **Pages H4542–43**

Honoring and praising the National Association for the Advancement of Colored People on the occasion of its 101st anniversary: H. Con. Res. 242, to honor and praise the National Association for the Advancement of Colored People on the occasion of its 101st anniversary, by a ⅔ yea-and-nay vote of 421 yeas with none voting "nay", Roll No. 365; **Pages H4543–46, H4568–69**

Honoring the Department of Justice on the occasion of its 140th anniversary: H. Res. 1422, to honor the Department of Justice on the occasion of its 140th anniversary, by a ⅔ yea-and-nay vote of 416 yeas to 3 nays, Roll No. 366; and **Pages H4546–48, H4569**

Government Efficiency, Effectiveness, and Performance Improvement Act of 2010: H.R. 2142, amended, to require the review of Government programs at least once every 5 years for purposes of assessing their performance and improving their operations, and to establish the Performance Improvement Council. **Pages H4553–59**

Agreed to amend the title so as to read: "To require quarterly performance assessments of Government programs for purposes of assessing agency performance and improvement, and to establish agency performance improvement officers and the Performance Improvement Council.". **Page H4559**

Suspension—Proceedings Resumed: The House agreed to suspend the rules and agree to the following measure which was debated on Tuesday, June 15th:

Congratulating Urban Prep Charter Academy for Young Men—Englewood Campus: H. Res. 1414, amended, to congratulate Urban Prep Charter Academy for Young Men—Englewood Campus, the Nation's first all-male charter high school, for achieving a 100 percent college acceptance rate for all 107 members of its first graduating class of 2010, by a ⅔ recorded vote of 420 ayes with none voting "no", Roll No. 367. **Pages H4569–70**

Suspensions—Proceedings Postponed: The House debated the following measures under suspension of the rules. Further proceedings were postponed:

Supporting the goals and ideals of American Education Week: H. Res. 879, amended, to support the goals and ideals of American Education Week; **Pages H4548–49**

Commending and congratulating the Hollywood Walk of Fame on the occasion of its 50th anniversary: H. Res. 1357, to commend and congratulate the Hollywood Walk of Fame on the occasion of its 50th anniversary; **Pages H4549–52**

Celebrating the symbol of the United States flag and supporting the goals and ideals of Flag Day: H. Res. 1429, to celebrate the symbol of the United States flag and to support the goals and ideals of Flag Day; **Pages H4552–53**

Recognizing the 60th anniversary of the outbreak of the Korean War and reaffirming the United States-Korea alliance: H. J. Res. 86, to recognize the 60th anniversary of the outbreak of the Korean War and to reaffirm the United States-Korea alliance; and **Pages H4559–64**

Recognizing the 235th birthday of the United States Army: H. Con. Res. 286, to recognize the 235th birthday of the United States Army. **Pages H4564–68**

Committee Election: The House agreed to H. Res. 1447, electing certain minority members to certain standing committees: Committee on Agriculture: Representative Rooney. Committee on Homeland Security: Representative Graves (GA). Committee on Transportation and Infrastructure: Representative Graves (GA). **Page H4570**

Discharge Petition: Representative King (IA) presented to the clerk a motion to discharge the Committees on Energy and Commerce, Ways and Means, Education and Labor, the Judiciary, Natural Resources, Rules, House Administration, and Appropriations from the consideration of H.R. 4972, to repeal the Patient Protection and Affordable Care Act (Discharge Petition No. 11).

Senate Message: Message received from the Senate today appears on page H4509.

Quorum Calls—Votes: Two yea-and-nay votes and one recorded vote developed during the proceedings of today and appear on pages H4568–69, H4569, H4570. There were no quorum calls.

Adjournment: The House met at 10 a.m. and adjourned at 8:50 p.m.

Committee Meetings

DEVELOPMENTS IN AFGHANISTAN

Committee on Armed Services: Held a hearing on developments in Afghanistan. Testimony was heard from the following officials of the Department of Defense: Michele Flournoy, Under Secretary, Policy; and GEN David H. Petraeus, USA, Commander, U.S. Central Command.

FOREIGN MANUFACTURERS ACCOUNTABILITY; CLEAN ENERGY TECHNOLOGY EXPORT

Committee on Energy and Commerce: Subcommittee on Commerce, Trade, and Consumer Protection held a hearing on the following bills: H.R. 4678, Foreign Manufacturers Legal Accountability Act; and H.R. 5156, Clean Energy Technology Manufacturing and Export Assistance Act. Testimony was heard from Jeremy Baskin, Office of the General Counsel, Consumer Product Safety Commission; Mary Saunders, Deputy Assistant Secretary, Manufacturing and Services, Department of Commerce; and public witnesses.

OIL SPILL HEALTH EFFECTS—HHS ACTIONS

Committee on Energy and Commerce: Subcommittee on Health held a hearing entitled ''HHS Actions to Identify and Address Health Effects of the BP Oil Spill.'' Testimony was heard from the following officials of the Department of Health and Human Services: John Howard, M.D., Director, National Institute of Occupational Safety and Health, Centers for Disease Control and Prevention; Mike Taylor, Deputy Commissioner, Foods, FDA; Lisa Kaplowitz, M.D., Deputy Assistant Secretary, Policy, Office of the Assistant Secretary, Preparedness and Response; and Aubrey Miller, M.D., Senior Medical Advisor, National Institute of Environmental Health Sciences, NIH.

PRESS FREEDOM IN THE AMERICAS

Committee on Foreign Affairs: Subcommittee on Western Hemisphere held a hearing on Press Freedom in the Americas. Testimony was heard from public witnesses.

HOMELAND SECURITY'S CYBERSECURITY ROLE

Committee on Homeland Security: Held a hearing entitled ''Cybersecurity: DHS' Role, Federal Efforts and National Policy.'' Testimony was heard from the following officials of the Department of Homeland Security: Greg Schaffer, Assistant Secretary, Cybersecurity and Communications; and Richard Skinner, Inspector General; Gregory Wilshusen, Director, Information Technology, GAO; and a public witness.

AIRLINE INDUSTRY COMPETITION

Committee on the Judiciary: Held a hearing on Competition in the Airline Industry. Testimony was heard from public witnesses.

MISCELLANEOUS MEASURES

Committee on Natural Resources: Ordered reported the following measures: H. Res. 1406, Directing the Secretary of the Interior to transmit to the House of Representatives certain information relating to the potential designation of National Monuments; H.R. 1554, as amended, Fountainhead Property Land Transfer Act; H.R. 4445, as amended, Indian Pueblo Cultural Center Clarification Act; H.R. 2340, as amended, Salmon Lake Land Selection Resolution Act; H.R. 3914, as amended, San Juan Mountains Wilderness Act of 2009; H.R. 3923, as amended, Sugar Loaf Fire Protection District Land Exchange Act of 2009; H.R. 3967, To amend the National Great Black Americans Commemoration Act of 2004 to authorize appropriations through fiscal year 2015; H.R. 4514, as amended, Colonel Charles Young Home Study Act; H.R. 4686, as amended, Rota Cultural and Natural Resources Study Act; H.R. 3989, Heart Mountain Relocation Center Study Act of 2009; H.R. 4773, Fort Pulaski National Monument Lease Authorization Act; H.R. 4973, as amended, National Wildlife Refuge Volunteer Improvement Act of 2010; and H.R. 2864, as amended, To amend the Hydrographic Services Improvement Act of 1998 to authorize funds to acquire hydrographic data and provide hydrographic services specific to the Arctic for safe navigation, delineating the United States extended continental shelf, and the monitoring and description of coastal changes.

SMALL BUSINESS LENDING FUND ACT OF 2010

Committee on Rules: Granted, by a non-record vote, a structured rule providing for further consideration of H.R. 5297, Small Business Lending Fund Act of 2010. The rule provides that pursuant to House Resolution 1436, it shall be in order to consider the amendments printed in the report of the Committee on Rules as though they were the last two amendments printed in part C of House Report 111–506.

RENEWABLE ENERGY DEVELOPMENT

Committee on Science and Technology: Subcommittee on Energy and Environment held a hearing on Real-Time Forecasting for Renewable Energy Development. Testimony was heard from Jamie Simler, Director, Office of Energy Policy and Innovation, Federal Energy Regulatory Commission, Department of Energy; and public witnesses.

PROPOSED UNITED-CONTINENTAL AIRLINE MERGER

Committee on Transportation and Infrastructure, Subcommittee on Aviation held a hearing on The Proposed United-Continental Merger: Possible Effects for Consumers and the Industry. Testimony was heard from Representatives Gutierrez, Payne and Kucinich; Glenn F. Tilton, Chairman, President and CEO, United Airlines Corporation; Jeffery Smisek, Chairman, President and CEO, Continental Airlines, Inc.; and public witnesses.

CHINA'S TRADE AND INDUSTRIAL POLICIES

Committee on Ways and Means: Held a hearing on China's Trade and Industrial Policies. Testimony was heard from Representatives Spratt, Larsen, Paulson, Schauer, and Schock; and public witnesses.

Joint Meetings

RESTORING AMERICAN FINANCIAL STABILITY ACT

Conferees met to resolve the differences between the Senate and House passed versions of H.R. 4173, to promote the financial stability of the United States by improving accountability and transparency in the financial system, to end ''too big to fail'', to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, but did not complete action thereon, and will meet again on Thursday, June 17th.

EUROPEAN SECURITY AND PARLIAMENTARY COOPERATION

Commission on Security and Cooperation in Europe. Commission concluded a hearing to examine global threats, European security and parliamentary co-operation, focusing on what parliamentarians can do to work together on some of the most significant challenges facing the world, after receiving testimony from Joao Soares, Organization for Security and Co-operation in Europe (OSCE) Parliamentary Assembly, Lisbon, Portugal.

NEW PUBLIC LAWS

(For last listing of Public Laws, see DAILY DIGEST, *p. D666)*

S. 3473, to amend the Oil Pollution Act of 1990 to authorize advances from Oil Spill Liability Trust Fund for the Deepwater Horizon oil spill. Signed on June 15, 2010. (Public Law 111–191)

COMMITTEE MEETINGS FOR THURSDAY, JUNE 17, 2010

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Agriculture, Nutrition, and Forestry: business meeting to consider the nominations of Elisabeth Ann Hagen, of Virginia, to be Under Secretary for Food Safety, and Catherine E. Woteki, of the District of Columbia, to be Under Secretary for Research, Education, and Economics, both of the Department of Agriculture, and Sara Louise Faivre-Davis, of Texas, Lowell Lee Junkins, of Iowa, and Myles J. Watts, of Montana, all to be a Member of the Board of Directors of the Federal Agricultural Mortgage Corporation, Farm Credit Administration, time to be announced, room to be announced.

Subcommittee on Energy, Science and Technology, to hold hearings to examine S. 3102, to amend the miscellaneous rural development provisions of the Farm Security and Rural Investment Act of 2002 to authorize the Secretary of Agriculture to make loans to certain entities that will use the funds to make loans to consumers to implement energy efficiency measures involving structural improvements and investments in cost-effective, commercial off-the-shelf technologies to reduce home energy use, 9:30 a.m., SR–328A.

Committee on Armed Services: to hold hearings to examine the New Strategic Arms Reduction Treaty (START) and the implications for national security programs, 9:30 a.m., SD–106.

Committee on Commerce, Science, and Transportation: to hold hearings to examine the financial state of the airline industry and the implications of consolidation, 10 a.m., SR–253.

Committee on Health, Education, Labor, and Pensions: to hold hearings to examine protecting workers and businesses affected by misclassification, 10 a.m., SD–430.

Committee on Homeland Security and Governmental Affairs: to hold hearings to examine the nomination of John S. Pistole, of Virginia, to be Assistant Secretary of Homeland Security, 2:30 p.m., SD–342.

Committee on Indian Affairs: to hold an oversight hearing to examine Indian education, focusing on the No Child Left Behind Act, 2:15 p.m., SD–628.

Committee on the Judiciary: business meeting to consider H.R. 1933, to direct the Attorney General to make an annual grant to the A Child Is Missing Alert and Recovery Center to assist law enforcement agencies in the rapid recovery of missing children, S. 3466, to require restitution for victims of criminal violations of the Federal Water Pollution Control Act, H.R. 908, to amend the Violent Crime Control and Law Enforcement Act of 1994 to reauthorize the Missing Alzheimer's Disease Patient Alert Program, S. 258, to amend the Controlled Substances Act to provide enhanced penalties for marketing controlled substances to minors, and the nominations of John J. McConnell, Jr., to be United States District Judge for the District of Rhode Island, and Pamela Cothran Marsh, to be United States Attorney for the Northern District of Florida, Peter J. Smith, to be United States Attorney for the Middle District of Pennsylvania, and Kevin Anthony Carr, to be United States Marshal for the Eastern District of Wisconsin, all of the Department of Justice, 10 a.m., SD–226.

Committee on Small Business and Entrepreneurship: to hold hearings to examine harnessing small business innovation, focusing on navigating the evaluation process for Gulf Coast oil cleanup proposals, 10 a.m., SD–G50.

Select Committee on Intelligence: to hold closed hearings to consider certain intelligence matters, 2:30 p.m., SH–219.

House

Committee on Agriculture, Subcommittee on General Farm Commodities and Risk Management, hearing to review U.S. farm safety net programs in advance of the 2012 Farm Bill, 10 a.m., 1300 Longworth.

Committee on the Budget, hearing on the Administration's Expedited Rescission Proposal, 10 a.m., 210 Cannon.

Committee on Education and Labor, hearing on the Department of Education Inspector General's Review of Standards for Program Length in Higher Education, 10 a.m., 2175 Rayburn.

Committee on Energy and Commerce, Subcommittee on Communications, Technology, and the Internet, hearing on a discussion draft to provide funding for the construction and maintenance of a nationwide, interoperable public safety broadband network and on H.R. 4829, Next Generation 9–1–1 Preservation Act of 2010, 10 a.m., 2322 Rayburn.

Subcommittee on Oversight and Investigations, hearing entitled ''The Role of BP in the Deepwater Horizon Explosion and Oil Spill,'' 10 a.m., 2123 Rayburn.

Committee on Foreign Affairs, Subcommittee on Africa and Global Health, hearing on the Horn of Africa: Current Conditions and U.S. Policy, 10 a.m., 2172 Rayburn.

Committee on Homeland Security, Subcommittee on Management, Investigations, and Oversight, and the Subcommittee on Border, Maritime, and Global Counterterrorism, to continue joint hearings entitled ''SBInet: Does it Pass the Border Security Test?'' 10 a.m., 311 Cannon.

Committee on the Judiciary, Subcommittee on the Constitution, Civil Rights, and Civil Liberties, hearing on Racial Profiling and the Use of Suspect Classifications in Law Enforcement Policy, 2 p.m., 2141 Rayburn.

Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law, oversight hearing on the Executive Office for Immigration Review, 10 a.m., 2141 Rayburn.

Committee on Natural Resources, Subcommittee on Energy and Mineral Resources, oversight hearing entitled ''The Deepwater Horizon Incident: Are the Minerals Management Service Regulations Doing the Job?'' 10 a.m., 1324 Longworth.

Subcommittee on Water and Power, hearing on the following bills: H.R. 4719, To establish a Southwest Border Region Water Task Force; and H.R. 5487, Water Resources Research Amendments Act of 2010, 10 a.m., 1334 Longworth.

Committee on Oversight and Government Reform, hearing entitled ''Viral Hepatitis: The Secret Epidemic,'' and to

consider the following measures: H. Res. 546, Recognizing the historical significance of Juneteenth Independence Day, and expressing the sense of the House of Representatives that history should be regarded as a means for understanding the past and more effectively facing the challenges of the future; H. Res. 1369, Recognizing the significance of National Caribbean-American Heritage Month; H.R. 5341, To designate the facility of the United States Postal Service located at 100 Orndorf Drive in Brighton, Michigan, as the ''Joyce Rogers Post Office Building;'' H.R. 5390, To designate the facility of the United States Postal Service located at 13301 Smith Road in Cleveland, Ohio, as the ''David John Donafee Post Office Building;'' H.R. 5395, To designate the facility of the United States Postal Service located at 151 North Maitland Avenue in Maitland, Florida, as the ''Paula Hawkins Post Office Building;'' H.R. 5446, To designate the facility of the United States Postal Service located at 600 Florida Avenue in Cocoa, Florida, as the ''Harry T. and Harriette Moore Post Office;'' H.R. 5450, To designate the facility of the United States Postal Service located at 3894 Crenshaw Boulevard in Los Angeles, California, as the ''Tom Bradley Post Office Building;'' H. Con. Res. 288, Supporting National Men's Health Week; and H.R. 1439, Congratulating the Chicago Blackhawks on winning the 2010 Stanley Cup Championship, 10 a.m., 2154 Rayburn.

Subcommittee on Information Policy, Census, and National Archives, hearing entitled ''Federal Electronic Records Management: A Status Report,'' 2 p.m., 2154 Rayburn.

Committee on Transportation and Infrastructure, Subcommittee on Coast Guard and Maritime Transportation, hearing on Foreign Vessel Operations in the U.S. Exclusive Economic Zone, 2 p.m., 2167 Rayburn.

Subcommittee on Economic Development, Public Buildings, and Emergency Management, hearing on Building Our Way Out of the Recession: GSA's 2011 Construction, Modernization and Leasing Program, 10 a.m., 2167 Rayburn.

Committee on Ways and Means, Subcommittee on Income Security and Family Support, hearing to evaluate the effectiveness of responsible fatherhood programs, 10 a.m., B–318 Rayburn.

Permanent Select Committee on Intelligence, executive, briefing on Compartmented Program, 10 a.m., 304–HVC.

Joint Meetings

Conference: meeting of conferees on H.R. 4173, to promote the financial stability of the United States by improving accountability and transparency in the financial system, to end ''too big to fail'', to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, 11 a.m., 2128–RHOB.

Next Meeting of the **SENATE**

9:30 a.m., Thursday, June 17

Senate Chamber

Program for Thursday: After the transaction of any morning business (not to extend beyond 10 a.m.), Senate will continue consideration of the House Message to accompany H.R. 4213, American Jobs and Closing Tax Loopholes Act, and after a period of debate, vote in relation to Thune Amendment No. 4333, at approximately 12 noon, with additional rollcall votes expected to occur throughout the day.

Next Meeting of the **HOUSE OF REPRESENTATIVES**

10 a.m., Thursday, June 17

House Chamber

Program for Thursday: Resume consideration of H.R. 5297—Small Business Lending Fund Act of 2010.

Extensions of Remarks, as inserted in this issue

HOUSE

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