medical clinics and hospitals have been reopened. An army and more effective police force have been rebuilt. A fair judicial system has been constituted. And an interim constitution has been signed—laying the foundation for democratic elections.

The ability to transfer authority to a new sovereign Iraq only 14 months after liberation efforts began is a major step forward for freedom. We should be proud of our young servicemen and women and civilian contractors in Iraq for their work in liberating 25 million Iraqis from the grip of Saddam Hussein's regime and rebuilding a country that was in disrepair for nearly two decades. America appreciates their sacrifice and commitment to the security of our Nation. Those who have made the ultimate sacrifice to protect our freedom and defend America will never be forgotten.

Mr. Speaker, July 1, 2004 will be the dawn of a new day for the men, women and children of Iraq. This day will not mean an end to terrorist violence, but it will be a radical departure from the decades of governmental and personal abuse that existed under Saddam's ruthless regime.

Ms. KILPATRICK. Mr. Speaker, I rise today to oppose H. Res. 691. My position is consistent with my opposition to our invasion of Iraq and my belief that any congratulations we extend to the interim government are muted by the reality of ongoing death and mayhem that occur daily in Iraq.

Additionally, I want to express my condolences to all of the victims of our invasion into Iraq. My heart is heavy for the Iraqi families that have suffered permanent losses as a result of the war and continuing insurgency efforts. Furthermore, I mourn for the families of U.S. and foreign military personnel; valiant soldiers, men and women, who have sacrificed their lives to promote the reality of freedom for Iraqis.

However, Mr. Speaker, I disagree with many of the notions put forward in the resolution because I believe some of them are simplistic, naive and wrong. While it is true that Iraqis have participated in elections, widespread antagonisms persist and violent behavior continues to be directed at our forces. Our soldiers are imperiled because of how and why they entered Iraq, in addition to their continued presence in Iraq. Second, the notion that Iraq is more secure now than before is also wrong. While it is true that the government of Saddam Hussein was toppled, Iraq continues to be a besieged nation. Violence is prevalent, and the victims of the bombings and assassinations are largely innocent Iraqis.

I appreciate the spirit in which the Resolution was drafted, but I strongly disagree with the underlying premise that we are celebrating the Iraqi freedom. Iraqis will not be free until they are capable of installing a representative government devoid of foreign intervention. Iraqis will not be free until they overcome the challenges of enfranchising diverse segments of its diverse population of Kurds, Sunnis and Shiites into a form of democracy that suits their needs and not the designs of the United States.

Finally, while June 30, 2004 is a monumental date for the people of Iraq. We should not delude ourselves, nor mislead the people of Iraq that in the near term, democracy will bear the fruit of liberty and peace that they have been promised. As a mother and grandmother who worries about the future of our Nation and the world, I am ruled by my conscience, and my conscience dictates that I cast a "no" vote on H. Res. 691.

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

The SPEAKER pro tempore (Mr. SIMPSON). All time for debate has expired.

Pursuant to the order of the House of Wednesday, June 23, 2004, the resolution is considered read for amendment and the previous question is ordered.

The question is on the resolution.

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

Mr. KUCINICH. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

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

CONTINUATION OF NATIONAL EMERGENCY WITH RESPECT TO THE WESTERN BALKANS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 108–196)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of The United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the FEDERAL REGISTER and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Western Balkans emergency is to continue in effect beyond June 26, 2004, to the *Federal Register* for publication. The most recent notice continuing this emergency was published in the *Federal Register* on June 24, 2003, 68 Fed. Reg. 37389.

The crisis constituted by the actions of persons engaged in, or assisting, sponsoring, or supporting, (i) extremist violence in the former Yugoslav Republic of Macedonia, and elsewhere in the Western Balkans region, or (ii) acts obstructing implementation of the Dayton Accords in Bosnia or United Nations Security Council Resolution 1244 of June 10, 1999, in Kosovo, that led to the declaration of a national emergency on June 26, 2001, has not been resolved. Subsequent to the declaration of the national emergency, acts obstructing implementation of the Ohrid Framework Agreement of 2001 in the former Yugoslav Republic of Macedonia, have also become a concern. All of these actions are hostile to U.S. interests and pose a continuing unusual and extraordinary threat to the national security and foreign policy of the United States. For these reasons, I have determined that it is necessary to continue the national emergency declared with respect to the Western Balkans and maintain in force the comprehensive sanctions to respond to this threat.

GEORGE W. BUSH.
THE WHITE HOUSE, *June 24, 2004*.

SPENDING CONTROL ACT OF 2004

The SPEAKER pro tempore. Pursuant to House Resolution 692 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. 4663.

The Chair designates the gentleman from Ohio (Mr. LATOURETTE) as Chairman of the Committee of the Whole, and requests the gentleman from Arkansas (Mr. BOOZMAN) to assume the chair temporarily.

□ 1558

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. 4663) to amend part C of the Balanced Budget and Emergency Deficit Control Act of 1985 to establish discretionary spending limits and a pay-as-you-go requirement for mandatory spending, with Mr. BOOZMAN (Chairman pro tempore) in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Iowa (Mr. NUSSLE) and the gentleman from South Carolina (Mr. SPRATT) each will control 30 minutes.

The Chair recognizes the gentleman from Iowa (Mr. NUSSLE).

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

Mr. Chairman, the most important job of the House Committee on the Budget which I have the honor of being the Chair is really twofold. First is to put together and pass in the House a responsible, realistic blueprint to guide the spending and revenue decisions for the Federal Government. We did that. We completed a budget over a month ago when this Chamber adopted the conference report for the budget for fiscal year 2005. Getting a budget is difficult enough. Now comes the second part of the job and that is to ensure that you stick to it. Getting the budget means that you have been able to get a majority of Members to agree on the levels for spending, on the levels for revenues and to bring together those very different ideas because, trust me, there is no such thing as a perfect budget by any stretch of the imagination. My good friend from Florida reminds me of that every once in a while.

□ 1600

But we do get a document that tries to mold and shape the hopes and

dreams and the budget priorities for the Nation in a document, and then we work to stick to it.

Since the gentleman from Florida came on the floor, the very distinguished chairman of the Committee on Appropriations, let me say something about the House and our ability to stick to that plan. We have passed budgets in years past that have been difficult. We have dealt with terrorist attacks. We have dealt with a downturn in the economy. We have dealt with the need to borrow resources to deal with emergencies we never managed. We had to deal with new priorities no one had ever heard of, new Departments like Homeland Security; and new initiatives such as a global war on terrorism, a war in Iraq, and a war in Afghanistan. And I have to tell the Members that in each one of those turns, committees have worked together in order to accomplish that. There is no doubt that once in a while committees will have difficulty coming to agreement on certain priorities and ideas; but once we do it, there is general agreement and effort to stick to it. And when we talk about sticking to it, the gentleman from Florida (Mr. YOUNG), chairman of the Committee on Appropriations, and his committee have done an excellent job of sticking to it.

We have increased spending over the last number of years at a rate that has been unprecedented, in many respects because we have had unprecedented need, particularly in homeland security, national defense, intelligence, and emergencies that we have had to deal with. But even the nondefense or nonsecurity accounts have increased at an alarming rate, twice the rate of inflation. And so it is no wonder that Members will come to the floor from time to time, we saw that debate earlier today, and say, look, spending is out of control.

Unfortunately, we often focus far too much attention and energy on just what we call the discretionary appropriation accounts, the 13 bills that the chairman of the Committee on Appropriations has to shepherd not only through the House floor but also through the Senate and to final passage. That process has been difficult. We are behind in that process, and I have no doubt the chairman will remind me that having this discussion probably puts us even further behind.

But we are having this debate, nonetheless, because once we have a budget, we also want to make sure we stick to it. And that is why an enforcement bill has come to the floor.

I will definitely report to my colleagues that I would much rather have this debate after the other body had passed the conference report, but they are tied in knots over there across the rotunda on the other side of the Capitol. Politics, Presidential elections, all sorts of things are tying up all sorts of items in the other body, going to make it very difficult for us to pass budgets, appropriations, get judges confirmed, all sorts of a myriad of issues that make that difficult.

As a result of having some difficulty in spending and having difficulty in getting a budget through the other body, the third item which I want to bring up is huge increases in what we call mandatory spending through our Federal Government. Mandatory spending, as most of my colleagues know, are those spending initiatives which are on auto pilot, meaning we have passed a law to fund a program, and unless we change the law, the funding continues. Medicare is probably one of the best examples of that. We just had a huge change in Medicare to provide a first-ever prescription drug benefit for seniors. It costs a lot of money, though, and that has grown much faster as a result than even many of the discretionary accounts.

So as a result, there are Members who come to the floor frustrated by the increases in spending, frustrated because there are times when the budget is not followed, and thinking that if we change the process on how we achieve the budget or if we change the process on how we discuss appropriation bills, that will solve everything. And I am part of that camp from time to time.

But I must remind all of us before we start this debate that when everything is said and done here today, it still comes down to how we vote. One can blame the process. One can blame the budget. One can blame the Committee on Appropriations. One can blame individual Members. One can blame past administrations. One can blame current administrations. But no matter what one blames, they had better look in the mirror today before they come down here to vote on anything and realize that spending increases when Members vote to increase spending.

And already the appropriation bills that we have seen cross this floor have had huge majorities, huge majorities, for very valid increases, in defense and intelligence, other issues that have come before our body. Why? Because the need is there. So those Members who come to the floor today and say let us blame the process or let us blame the procedure or let us blame another committee also need to take their fair share of the responsibility for how the process runs.

I believe that we need discipline, and we need enforcement of a budget once we get it. That requires what we used to have in this body, and that is caps in PAYGO. Caps in PAYGO, statutory caps in PAYGO, I believe, are necessary because it gives the force of law to what we have done. It makes sure that all three entities, the President; the Senate, the other body; and the House, are all together when the discussion occurs on spending, when the discussion occurs on taxes, when the discussion occurs on mandatory or entitlement increases. It ensures that everybody is there because we are all in this together. We cannot do one without the other. We cannot say it is only the Congress's prerogative because the President has to sign the check, he has got to sign the bill if, in fact, that is what he agrees to.

But it starts here in a process called the budget, called the appropriations process, and called the authorization process. So in order for us to deal with this, we are asking that the body today consider capping spending at the rate we just passed in the budget resolution, and just for 2 years, do not bind another Congress, just for these 2 years, and to also for really the first time address mandatory spending and its out-of-control nature by applying what we used to apply and that is pay-as-you-go to entitlements or mandatory spending. We believe this will help us. It will not be the be all and end all because there are still emergencies; there are still other ways that Congress spends money outside of that process. But this is one of the ways that we found in the 1990s to help ensure that spending control could occur.

Members are going to come to the floor with different opinions, and I respect those opinions. There is no question that people have a variety of ideas on how we should do this. But I would ask each and every one of them to remember that this is about each and every one of us, as Members, what our priorities are and how we vote. We cannot give that to another process. Nothing we do here today given to another process will, in and of itself, stop the madness of increases in spending that have been what many Members believe are out of control. The only way, when everything is said and done, is to cast our vote to control spending, and that is done in the individual processes of the bills that we consider here on the floor.

So we believe this is a work product worth consideration. There will be amendments to consider changes in the budget process and the appropriations process in order to help get a handle on spending concerns and on mandatory spending. But as I say, when everything is said and done, we have got to have a budget, we have got to enforce it, and we have got to vote that way on each and every bill in order for spending to be controlled.

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

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. BOOZMAN). The Chair would remind Members to refrain from improper references to the Senate.

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

Mr. Chairman, the bill we have before us, H.R. 4663, the Spending Control Act of 2004, causes me to say to my friends across the aisle, and I cannot help but take a little jab at them, our Republican friends control the House, they control the Senate, they control the White House. Why can they not control spending? And will this bill make a difference?

I ask that question because there is a particular irony about this bill. This is a budget enforcement bill, but there is no budget to enforce. For the first time since 1974 when the Budget Act was first adopted, the party that controls both branches of the government, the Congress and the White House, is unable to get its act together and pass a budget. And now they propose new rules to the budget process if they cannot comply with the rules we have got.

This bill before us is hardly a consensus bill. There is a lot of dissension about it even as it comes to the floor. When it was filed, 28 amendments were filed with the Committee on Rules to change it. All but one of those amendments, which is my amendment, focused solely on spending as the source, the cause of the deficit that we are incurring today. We are supposed to have a deficit this year of over $521 billion. The prognosis has gotten a bit better, but it looks like it will be at least 430 to $450 billion, 1 year, a half trillion dollars. Only my substitute deals with the other side of the problem, and that is revenues.

Two rules of all the rules we will see today, two rules that stood the test of time, they have worked. They have helped us wipe out deficits. They did in the 1990s. One rule caps discretionary spending at fixed levels over the next 5 years. That was the rule that we put in effect in 1990, extended in 1993, and again in 1997; and it helped us balance the budget for the first time in 40 years. The other rule is what we call the pay-as-you-go rule, which requires us to pay as we go, that is, to offset new tax cuts and new entitlement increases by new revenues or by equal spending cuts so that they do not add to the deficit, pay-as-you-go, discretionary spending caps.

As I said, the base bill and all the amendments except mine focus entirely on spending and not at all on tax cuts as the source of the problem. Yet if we look at the period 2002 through 2011, the 10-year period that covers the first 4 years of the Bush administration, $2.3 trillion of our total fiscal reversal during that period has been caused by substantial tax cuts and related debt service; and that revenue deficit grows as tax cuts that expire are renewed and new tax cuts are adopted, as the Bush administration proposes and pushes for more.

This bill promises deficit reduction; but it ignores the elephant in the room, one of the chief causes now and well into the future, and that is the deficit in revenues.

Do we have a problem? You bet we have a problem. In the last 3 years of the Clinton administration, I remind everybody, we ran surpluses for the first time in 30 to 40 years. We paid off $400 billion in debt. In the first 4 years of the Bush administration, Congress has had to raise the statutory ceiling on the national debt three times, three times in 4 years, to accommodate President Bush's budget. Congress raised the ceiling by $450 billion in 2002; by $984 billion in 2003; and shortly, the process is already under way here, by $650 billion this year. In all of the last 4 years by $2.1 trillion in order to accommodate Mr. Bush's fiscal policy.

And these increases in the statutory debt ceiling are by no means over. They are part of a series. The Congressional Budget Office told us last March, when they examined the President's budget, that if we implemented, if we enacted that budget, the President's budget, we would have to raise the debt ceiling to $13.5 trillion in the year 2014. Not my number. It is the number of the Congressional Budget Office, which is a neutral, nonpartisan arm of the Congress.

So we have a problem; but this bill, unfortunately, does not deal with it. It takes off in pursuit of red herrings and Draconian solutions that will not work, if they were ever enacted; and I doubt they will be enacted. It trots out almost every budget process idea that has ever been thought of, but the two that have worked, the two rules that have worked so well that, as I said, we moved the budget from a deficit of $290 billion in 1992 to a surplus of $236 billion in 1998.

□ 1615

One is a double-edge PAYGO rule that requires both tax cuts and entitlement increases to be deficit neutral; and the other is discretionary spending caps over 5 years. They do not work unless you extend them out for some period of time. The caps in the base bill only go out for 2 years and are set to boot at unrealistically low levels. They are lower than the President's request, yet they provide more for transportation. I think the gentleman from Florida (Mr. YOUNG) will tell you if he talks about the appropriations bind he is in right now, he cannot take much more reduction in the allocation of discretionary spending than we have already given him.

So we have got here a set of proposals that simply do not address the problem at hand, which is a substantial problem, except for one particular provision. All I am calling for and all I would recommend the House would do, but it would be a good day's work if we did it, is go back and reinstate the PAYGO rule, which worked so well in the 1990s; reinstate the 5-year spending caps, which worked so well in the 1990s; and then we can get to work on balancing the budget.

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

Mr. NUSSLE. Mr. Chairman, I yield 4 minutes to my friend, the gentleman from Florida (Mr. YOUNG), the very distinguished chairman of the Committee on Appropriations.

Mr. YOUNG of Florida. Mr. Chairman, I appreciate the gentleman yielding me time, especially since he knows that I disagree with his package. But he also is a fair player, because he understands that the Committee on Rules did not give the Committee on Appropriations any time under this rule. That is strange, inasmuch as the Committee on Appropriations will be affected more than any other committee in the House based on what happens here today. Even so, we were given no time under the rule. But I voted for the rule, just to keep the process going.

I want to say again, as I did earlier this morning, we need a budget. We need budget caps. And I have said that in defense of resolutions presented by the gentleman from Iowa (Mr. NUSSLE) on numerous occasions. As chairman, I need the budget caps to have the discipline in committee to keep spending from running wild. As a matter of fact, last year the Committee on Appropriations denied $18 billion worth of amendments that would have increased spending.

But I do not appreciate his package. I think we do need budget process reform, and I cannot describe everything that I think needs to be done in the 2 minutes I have left. What I suggest is in an amendment I offered but was not made in order by the Committee on Rules. What we need is a commission or committee, bipartisan and bicameral, of this Congress, to sit down and thoroughly study the problems and make a recommendation, without regard to politics, without regard to this person or that person or somebody else. This Committee would make a recommendation to the Congress as to what budget process will work.

Now, the one main reason that I am opposed to the budget process bill offered by the gentleman from Iowa (Mr. NUSSLE) is, first of all, it has multiyear caps. When it was first reported, it had 5-year multiyear caps with no numbers. No numbers. We were going to set 5-year caps, but with no numbers.

Well, as of last night, a decision was made to change that bill and make it 2-year caps with numbers. At one point I was promised that my committee could have some input into what those numbers would be. I did not hear what the numbers were until I read it in Congress Daily yesterday morning. I think that we deserved a little more consideration than that.

But the big concern is statutory caps, which is what this package presents. Statutory caps are different than caps set by a concurrent resolution. Statutory caps would bring the executive branch into the mix of setting a budget. That is not the role of the executive branch of government.

The Constitution provides for separation of powers. The Constitution gives the responsibility of spending, financial matters, to the Congress. The President gets his chance when the appropriations bills are sent to him and he has an opportunity to veto.

But statutory caps would mean that the executive branch, OMB, would be up here every day saying, no, we will not accept these caps, or we will veto these caps. That puts the executive branch in the driver's seat when it

comes to setting our budget caps, and that is just not right.

For that reason alone, I cannot support this package today, although I recognize my friend, the gentleman from Iowa (Mr. NUSSLE), has worked very hard. We do not have a budget this year. In the House we have a deemed budget, but the process did not work because the other body cannot get their act together on a budget.

The gentleman from Iowa (Mr. NUSSLE) has done a good job in getting that budget, and we are working under his budget. The gentleman has worked hard under difficult procedures; and he is right, the budget process needs to be changed. But it ought to be changed only after very serious thought and consideration.

I really am disappointed that the Committee on Rules did not make my amendment in order that would have created a bipartisan, bicameral committee or commission of this Congress to thoroughly study, and, in a serious, sincere way, recommend what our budget process ought to be.

I thank the gentleman from Iowa (Chairman NUSSLE) for the hard work he does and for the time he gave me. The gentleman has an extremely difficult job. I agree with the gentleman a lot of the time. Sometimes I do not; but we are still friends.

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. BOOZMAN). The Chair would remind Members to refrain from improper references to the Senate.

Mr. SPRATT. Mr. Chairman, I yield 4 minutes to the gentleman from Maryland (Mr. HOYER), the Democratic whip.

Mr. HOYER. I thank the gentleman for yielding me time.

Mr. Chairman, for the first time since 1974, it appears that Congress will not adopt a budget when the same political party controls the House, the Senate, and the White House. In other words, in 28 years we have not been in this position of not being able to pass a budget.

Why can the Republican majority not fulfill one of the most basic tests of effective government, adopting a budget? Because they cling to the fiction that we can rein in record deficits and runaway debt by applying pay-as-you-go budget rules to mandatory spending only. They do this as they preside over record budget deficits, and, just this week, trying to hide a $690 billion increase in the debt ceiling in the rule on the Defense appropriation bill.

As the New York Times stated this morning, applying PAYGO rules to spending, but not taxes, is ''like swearing off demon rum while continuing to binge on vodka martinis.'' Even some Republicans reject this dilution, to wit, four Members of the other body.

Earlier this year, my friend, the chairman of the Committee on Appropriations, whom I have so much respect for, speaking for our committee, but more, much more, importantly, speaking for fiscal responsibility, said, ''No one should expect significant deficit reduction as a result of austere, non-defense discretionary spending limits. The numbers simply do not add up.'' The chairman was right.

The fact is, we could eliminate all nondefense discretionary spending, and we would still be running deficits of more than $100 billion. That is how much we put our country into the red.

Perhaps the height of irony, perhaps the height of irony, is that just 7 years ago, in 1997, 193 Republicans voted for a pay-as-you-go affecting spending and revenues, or taxes. That included the gentleman from Illinois (Speaker HASTERT), who voted for PAYGO affecting both; the majority leader, the gentleman from Texas (Mr. DELAY); the conference chairwoman, the gentlewoman from Ohio (Ms. PRYCE); the chairman of the Committee on the Budget, the gentleman from Iowa (Chairman NUSSLE); and the chairman of the Committee on Ways and Means, the gentleman from California (Chairman THOMAS). And the Bush administration itself endorsed pay-as-you-go rules affecting both revenues and expenditures in 2002, 2003, and 2004.

I have here next to me the language of the fiscal 2002 budget. I hope it is on the screen. The Bush administration endorsed it, as you can see, affecting both spending and tax legislation. In fact, I will quote. It states: ''The President also proposes to extend the PAYGO requirement for entitlement spending and tax legislation.''

Why? Because he knew you could not do what you say you can do. And for 3 years he stuck to that principle. This is the first year he has not.

I would hope that those who believe in fiscal responsibility would vote for this Democratic substitute, which would restore the original PAYGO rules adopted in 1990 that apply to mandatory spending and taxes as they were originally established on a bipartisan basis, as we did in 1997 when the gentleman from Iowa (Mr. NUSSLE) and I both voted for a balanced budget proposal, which, in fact, was very helpful in assuring that balance.

Mr. Chairman, I do not think we ought to let our majority colleagues get away with this charade. Do not let them preen as deficit hawks, as some of you perceive yourselves to be, and not apply discipline to both expenditures and revenues.

I tell my colleagues, it is oh, so easy. I have been in a legislative body for 35 years, and every year I have found it so easy to vote for tax reductions, but so difficult to vote for cuts in spending.

Let us have discipline. Vote for this substitute. Do not pretend your PAYGO has any effect.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. PORTMAN), a member of the Committee on the Budget.

Mr. PORTMAN. Mr. Chairman, I thank the chairman of the Committee on the Budget for yielding me time, and I thank him for bringing this resolution to the floor.

What we are talking about in this resolution is not so much budget process reform, although we will have an opportunity through various amendments to get into that issue. What we are talking about here is enforcing the budget we have.

I think what the Committee on the Budget reported out and what is before us on the floor today is the right way to do it, and that is putting a cap on discretionary spending and having PAYGO apply to mandatory.

I was going to talk a little about the importance of growing the economy to our budget, but I think we have really gone over that in the previous debate. Instead, let me talk for a minute about what my friend from Maryland was just saying with regard to tax relief.

If in 2001 we had applied PAYGO to the tax relief, which was in effect, by the way, we would not have the economy we have today. That is what I believe. I believe that the economic growth we have seen over the last year, and remember now, we have added 1.4 million jobs to our economy in the last 9 months, we have the best growth in 20 years; we are the envy of the entire industrialized world; we are growing jobs; we are increasing wages; we are seeing real growth, which is resulting in higher revenues, which is why CBO is going to come back later this year and tell us our deficit is not as big this year as they thought it was going to be, because more revenue is coming in. If we had PAYGO on taxes in 2001 and applied it, we would not have put the tax breaks in place. That is my belief.

Second, there is a bias in our system right now. Think about it. With regard to spending, the gentleman said it is hard for him to vote for cuts in spending. It is not hard for any of us to vote for increases in spending. We do it all the time. Then it becomes a baseline. Then, in terms of the budgetary consequence, it continues, forever.

There is no budgetary consequence once an appropriation, an authorization, expires; but there is when tax relief expires. When tax relief expires, there is a budgetary consequence.

We have to find a way to account for it. That is a bias within our system. And to add PAYGO to both would, therefore, be unfair, both because the tax cuts, unlike spending, add directly to economic growth. And it is incredibly important, we can have that debate without having the PAYGO, but have that debate, an honest debate. Second is the fact that in our current system, let us face it, there is a bias right now in favor of spending.

I thank, again, the chairman for bringing this to the floor. I think it is a responsible approach to just enforcing the budget we have, to be sure the chairman of the Committee on Appropriations can do his job, and do it well.

Mr. SPRATT. Mr. Chairman, I yield 10 seconds it the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Chairman, had I had the time, I would have simply asked, why did the gentleman vote for this in 1997?

Mr. SPRATT. Mr. Chairman, I yield 5 seconds to the gentleman from Ohio (Mr. PORTMAN) to respond.

Mr. NUSSLE. Mr. Chairman, I yield the gentleman from Ohio 10 seconds.

The CHAIRMAN pro tempore. The gentleman from Ohio (Mr. PORTMAN) is recognized for 15 seconds.

Mr. PORTMAN. Mr. Chairman, I would tell the gentleman two things. Number one, at that time we were working on a bipartisan basis to try to get a balanced budget agreement through the Congress, which we did support. We wanted a cap on spending, you wanted it on taxes, and we came up with a compromise in order to get that 1997 balanced budget agreement through, which was a good agreement in the sense that it restrained spending. That part of it was good, and the economy grew; and I think we should learn from that.

Today, what we are trying do again is to get this economy growing and restrain spending through these caps. That is the key.

□ 1630

Mr. SPRATT. Mr. Chairman, I yield myself 10 seconds to remind the gentleman that we have 1.3 million fewer jobs today than we had on March 1, 2001 at the beginning of the Bush administration. First amendment, first recession since the end of the Second World War with that result.

Mr. Chairman, I yield 2½ minutes to the gentleman from Alabama (Mr. DAVIS).

Mr. DAVIS of Alabama. Mr. Chairman, let me thank the gentleman from South Carolina (Mr. SPRATT) for yielding me time.

Mr. Chairman, if I can purport to get into the heads of the majority and answer that question for myself for a minute, I think it is fairly basic. I would guess, Mr. Chairman, the reason is about 5, 6 years ago there was an overwhelming consensus in this body that we apply PAYGO to both tax and spending for a very simple reason. It is good common sense. It is only basic fairness.

If I can, Mr. Chairman, let me make this point. This sounds like a very esoteric debate to a lot of people who are listening right now. Do we apply PAYGO to revenues? Do we apply PAYGO to spending? And there is a certain technical-sounding aspect to it.

There is a way to cut to the chase and make this a whole lot simpler. Who do we make bear the brunt of discipline and sacrifice in this country? It is very clear after listening to a lot of the very able adversaries on the other side of the aisle that they are not terribly interested in asking but a few people to sacrifice in this country. They are only interested in seeking to impose discipline on but a few of us, and they in the name of tax cuts would seal off a whole portion of our population, namely people who are receiving huge tax cuts because of their income, from the brunt and burden of sacrifice.

This is what we ought to understand today. We may argue about all kinds of aspects of the Clinton years, but they were enormously successful in bringing this economy back, creating jobs and leading us into surplus.

These facts are indisputable. When William Jefferson Clinton left the White House, we had a surplus of $122 billion. Today as George W. Bush submits himself to the country for re-election, we have a deficit of around $500 billion. If any CEO in America had gone from having that kind of surplus to that kind of a deficit in 4 years, his contract would absolutely not be renewed. This is a fundamental question of how fair we are as a people. Are we fairer now than we were four years ago?

And I would submit that it is fundamentally wrong and fiscally irresponsible to only ask people who do not have certain influence, who do not have a certain voice in this society to bear the brunt.

So the reality is if we decide, we are going to apply these PAYGO rules, there ought to be a very simple test, Mr. Chairman, number one, what would bring us closer to fiscal soundness and, number two, what provides for fairness. It is only fair and only reasonable that we do what an overwhelming majority of the Republicans wanted to do 5 years ago. What is good for the goose is good for the gander, and if we can somehow make these rules work, then we will be back on the way to fiscal stability in this country.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. TOOMEY), a member of the Committee on the Budget.

Mr. TOOMEY. Mr. Chairman, let me just suggest to the gentleman from Maryland who raised the question about 1997, there is a big difference between imposing PAYGO on the revenue side in 1997 versus doing so today, and the big difference is doing it in 1997 did not result necessarily in a big tax increase. Doing it today, as the minority party would like to do, would absolutely result in a huge tax increase because of the provisions in the Senate. That is a big difference. A huge tax increase versus not having a huge tax increase is a big difference.

Let me just say, I congratulate our chairman and the members of the committee who got this bill to this point on the floor. It is so important that we find a way to control and limit the growth in spending for a number of reasons, as this bill does, but I think that one of the main reasons is it is just so fundamentally important and incumbent upon us to be adopting policies that allow the American people to maximize economic growth and prosperity, opportunity for themselves, for their wages to grow and their standard of living to improve. That is what we ought to be all about.

Well, the empirical evidence is very clear that one of the greatest threats to that kind of prosperity comes from excessive government intervention in the economy. The government intervenes and threatens economic growth in lots of ways, but the two biggest ways that the government does that is through excessive government spending and excessive taxes.

On the spending side, I think we ought to acknowledge that on the margin, excessive growth spending results in less economic growth. That is what happens. It is because the government essentially misallocates capital.

Let us face it. When we are here in Washington spending money, what we are doing is allocating capital based on political needs. Members of Congress tend to vote to spend money on that which they think will help them get reelected. That does not make us bad people. That is the natural tendency of a represented body. That is what governments do. But what it means, this political self-preservation, what it ends up meaning is that the excess spending of other people's money, by the way, might maximize incumbent retention, but it certainly does not maximize economic growth. And I think that is what we ought to be all about here.

In fact, the tendency is forever more government spending. We see that now we are spending over 20 percent of GDP; whereas, just 3 years ago it was only 18 percent. We have got larger deficits now. The government is growing faster than the economy. All the things point in the same direction. We need some limits on spending growth. That is what this is all about.

Let us keep in mind that the caps that we have on discretionary spending in this bill, the PAYGO provision that we have on mandatory spending, there is no spending cuts. Nothing is cut. Frankly, I would like to cut some spending. I wish there were, but there is not.

And we all know that there is no guarantee that the caps will even hold. If we could get them passed and signed into law, you know, Congress usually has a way of busting the caps, but what they do and the important role that they can play is they help on the margin to provide a break on the rate of growth of spending, and that is what is so important.

I mentioned the other big way in which government intervention harms economic growth, and that is excessive taxes. And there is just no question. The evidence is overwhelming. And the good news is that when we have taken the measures of lowering the tax burden as we did, if we can make those tax cuts permanent, we can continue to enjoy the tremendous economic growth that is underway right now.

So I urge my colleagues to reject the Democratic substitute and support this underlying bill.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Chairman, this is one fine exercise in utter budget hypocrisy. The crowd in charge of this House has failed to produce a budget. We have no budget agreement with the Senate, it remains deadlocked in conference committee, and now they direct us to spend an afternoon on the floor in this charade of an exercise in budget responsibility.

The budget debate has been something to watch. It has been contentious, it has been mean, it has turned personal, and that is just between the Republicans. They control the White House, they control the House, they control the Senate, and they have not produced a budget. No party has had solid control of all three points of power and not produced a budget in years and years and years.

Yet, rather than resolve that naughty little issue of not having a budget, they come to the floor and preen about with this budget enforcement resolution. It is a joke.

If on the face of it, it was not ridiculous already, just look behind the circumstances, briefly. The people who have brought this to the floor are the people who have pushed this country deeply into deficits, spiraling deficits that have forced us to increase the national borrowing limit of our Nation twice because we have hit the credit limit of the United States of America. Yesterday they put one in, and this week they have put a place-holder in to raise it yet a third time, bringing debt borrowing authority to over $8 trillion. We are screaming in red ink, and they cannot get a budget.

Secondly, they bring a sham PAYGO requirement up that has nothing to do with revenues. Can my colleagues imagine a family trying to get a hold of their finances saying, honey, we have to cut back on the expenses, but because we do not count the revenue side, I am going to half-time at work because I do not want to put in so many hours.

Of course you cannot balance a budget without looking at spending, without looking at revenue, but that is expressly prohibited under their PAYGO requirement. This is a sham. It is an embarrassment to this House. Reject it.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. PUTNAM), a member of the Committee on the Budget.

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

Mr. PUTNAM. Mr. Chairman, I thank my chairman for yielding me this time.

It is an important debate that we are having today, I think one that cuts across party lines, it cuts across generational lines, this issue of fiscal responsibility, and really keeping our word, keeping our commitment to a process that was put in place 30 years ago with the creation of the Committee on the Budget, with the commitment to control spending, to send forward a blueprint of priorities for the Federal Government, and then follow through on it.

Many people would be amazed to know, and if we could, please pull up chart 16; many people would be amazed to know that two-thirds of the Federal budget is on auto pilot. It is on auto pilot. Only one-third of the budget is subject to annual review, change that leads to a debate that leads to a vote that all of us are then held accountable for through the regular appropriations process. But two-thirds of the budget continues to grow year after year, really without direct input from the Committee on Appropriations or from the Congress as a whole. That is not good, long-term fiscal policy.

The programs within mandatory spending are worthwhile. They are important, but they are not so important that they should be exempt from congressional review. And as we move through this debate, and it is going to be a long debate, but it is an important debate; as we move through this, it is a healthy process for us to move forward with reform efforts that bring that two-thirds back under the control of the Congress and let us exert the control and take the responsibility that we were hired to take on.

I applaud our chairman and the distinguished Chairman of the Committee on Appropriations for working through these issues and having this important discussion about retaking congressional responsibility for the fiscal future of this country.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. WOLF).

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

Mr. WOLF. Mr. Chairman, I rise in strong opposition to this bill.

Let me tell my colleagues what James Madison from Virginia said. James Madison, who is called the Father of the Constitution, devoted five Federalist papers to an explanation of how the executive, legislative and judicial branches were to be wholly independent of each other, yet this bill would enable the President to determine what this Congress does. Madison, the Father of the Constitution, said, ''The accumulation of all powers, legislative, executive, and judicial, in the same hands, whether of one, a few, or many, may justly be pronounced the very definition of tyranny.''

Madison believed the preservation of liberty depends on the separation of powers. He said, ''Its several constituent parts may, by their mutual relations, be the means of keeping each other in their proper places.''

This bill does not keep each body in its proper place. This bill, in essence, says we will save the Congress from itself. Let us save us, and not have the President decide.

Lastly, George Washington, the Father of our country in his Farewell Address, spoke of the ''love of power and the proneness to abuse which predominates in the human heart'' and warned of the ''necessity of reciprocal checks of political power, by dividing and distributing it into different depositories and constituting each the guardian against invasions by the others.''

This basically is an invasion of the executive branch. I love President Bush. I pray for President Bush every single night. I want President Bush to be successful, but we ought not give authority and power to any branch. This should be held by the Congress.

For that reason, and for Madison, Monroe, Washington, and Jefferson, I ask for a no vote on this bill.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Florida (Ms. GINNY BROWN-WAITE), a member of the Committee on the Budget.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, spending discipline is needed and it is needed now. The time for talk is over. We have to focus on a basic budget problem, and that is spending. America cannot spend its way out of our deficit. Real action is needed, and the Nussle resolution demonstrates Congress's commitment to protecting America's taxpayers.

Mr. Chairman, earlier this year, we had a budget here in the committee and on the floor, and that budget helped to combat the deficit, cut back on the deficit. It is amazing that those same people on the other side of the aisle who say that they care so much about the deficit, so many of them did not vote in favor of it.

This resolution guarantees that we will win the budget battle. It reinstates spending controls with the force of law and ensures that Congress will stay the course in promoting a fiscally responsible budget.

□ 1645

There are some fears that by adopting this resolution Congress will turn its back on those most in need. What a great opportunity for opportunists to engage in frightening discourse trying to frighten our most vulnerable people. Obviously, this is very untrue.

First of all, we have always made funding for various groups, whether it be veterans or seniors, a top priority. Number two, we fought for these on very often a bipartisan level in the past and will continue to fight for them. Number three, will we have to make some tough decisions if spending caps are imposed? Absolutely. We will have more domestic spending, and maybe we will spend a little bit less on some of the countries that we give foreign aid to who turn their backs on us when we need them.

Our country needs a practical remedy to the deficit crisis. And this bill is the right solution at the right time.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina (Mr. PRICE).

(Mr. PRICE of North Carolina asked and was given permission to revise and extend his remarks.)

Mr. PRICE of North Carolina. Mr. Chairman, the Republican pay-as-you-go proposal makes no fiscal sense. Leaving revenues out of the picture is like trying to fill a bucket with a gaping hole in it. It simply will not work.

We did it right in 1990 when Congress and the President came together on a bipartisan basis and undertook a courageous effort to balance the Federal budget. Integral to this effort was a real pay-as-you-go rule that controlled both spending and tax cuts. The result was budget discipline that worked, and eventually the first budget surplus in decades.

Deficits are not caused by discretionary spending alone or by entitlement spending alone or by revenue shortfalls alone. All three elements contribute. And it is folly to pretend that fiscal balance can be attained without addressing all three.

Mr. Chairman, we could cut every last dime of domestic discretionary spending; we could eliminate funding for education, highways, health research, veterans health care, the environment and all the rest of the domestic discretionary budget and we would still run a deficit. Why? Because we have enacted trillions of dollars in tax cuts mainly benefiting our country's wealthiest people. And we have not paid for them.

The President and this Congress have defied the budget rules. They have abandoned fiscal sanity. The result is deficits now approaching $500 billion a year. And far from correcting this folly, this Republican budget reform bill would actually codify it.

This bill is a sham. I know it. My colleagues know it. The leadership of this Chamber knows it. And soon the American people will know it too.

Vote ''no'' on the Republicans' leaky bucket; vote ''yes'' on the Spratt substitute.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. FEENEY).

Mr. FEENEY. Mr. Chairman, I thank the distinguished chairman and appreciate his great work on this issue. I will tell my colleagues that the problem of spending in democracies is nothing new. It is not endemic to America. Churchill once said, ''There is nothing so easily learned by one government from the last government as spending other people's money.'' Indeed, spending other people's money is a very intoxicating experience.

Our Democratic friends say that PAYGO applications, finding the money as you go, ought to apply equally to tax cuts as they do to spending. I have got two reasons why that is so true. In the first place, according to Americans for Tax Reform, the average Floridian, where I represent, has to work until July 8 this year to pay for his or her share of Federal, State, local taxation and regulation. I think our Democratic friends would like every Floridian to have to work until August 8 every year to pay for their fair share of the government burden.

Secondly, what our Democratic friends do not understand is that spending is too high, but taxes are not too low.

The other last point I would make about applying PAYGO equally to tax cuts is this: if we had dynamic scoring where people could estimate the actual effects of the tax burden on people, it might be a reasonable idea. Our Democratic friends think if we trim the taxes on something like we did in the case of the luxury tax, we will get 300 percent of the revenue. What we really did was put people out of business, put people more on welfare.

On the other hand, in 1986 the Congress cut the capital gains tax from 28 percent to 20 percent, Federal revenues doubled.

Mr. Chairman, the time now is to restrain ourselves. The chairman of the Committee on the Budget and the entire committee have done a great job. I applaud them for their efforts.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Chairman, I am obviously opposed to this irresponsible bill. We had some debate on May 12 when we first took up the budget resolution; and as hard as we listened, we never really got an adequate explanation for why in 1997 the Chair of the Committee on the Budget, and virtually all House Republicans voted for what is now the Democratic alternative. That was a responsible approach.

But now they are suggesting that the budget can be balanced with only a one-sided approach, which we continually explain is impossible to do. Even if you eliminate all nonmilitary domestic discretionary spending, we would not come close to balancing the budget.

So are we really talking about balancing the budget, or are we talking about another agenda? I am afraid the agenda is being driven by the right wing of the Republican Party, who would just as soon eliminate all domestic discretionary spending, Head Start, school lunch programs, health research, you name it; it should be on the cutting block as far as they are concerned. That is not what this country wants. It is not what this country deserves.

Thanks to the Republicans' tax cuts, revenues have plunged now to the lowest level of GDP since 1950. And over the last 3 years, revenue has declined 12 percent. And yet we are suggesting that we leave the revenue side of the budget alone? That is nonsense. You cannot do it when you combine the administration's out-of-control spending with this decline in revenue. The result is a budget deficit that is expected to reach half a trillion dollars this year and will reach $4.5 trillion of deficit over the next decade. That is a realistic number. That is the direction in which you are driving us. It is wrong.

The first President Bush understood that we have got to have balanced PAYGO rules. He was in favor of the Democratic approach. The Federal Reserve Chairman, Alan Greenspan, said we have got to approach both sides of the budget, the revenue side and the spending side. But yet we are going to ignore the experts, we are going to go ahead with this right wing ideological agenda, and our children are the ones who are going to pay the price for it.

I call on my colleagues to defeat this resolution, Mr. Chairman.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. PENCE).

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

Mr. PENCE. Mr. Chairman, I thank the chairman and the leadership of this Congress for tonight's debate of this budget resolution that will be tough and real and a discussion of meaningful reforms. And they are timely, and they are timeless.

In the year 55 B.C., Cicero wrote, ''The national budget must be balanced. The public debt must be reduced; the arrogance of the authorities must be moderated and controlled. Payments to foreign governments must be reduced, if the Nation does not want to go bankrupt.''

Real Federal spending today is at its highest level per person since World War II. And despite the conservative instincts of many of our appropriators in this Congress, the current budget process adopted by a liberal Democratic Congress in 1974 was designed for one purpose and one purpose only: to guarantee the growth of the Federal Government. And that Big Government Democratic spending scheme has worked like a charm for 30 years. In a word, Mr. Chairman, it is not the appropriators; it is the appropriation process.

So let us gather tonight in that spirit, to focus on the changes that will give our spending committee the tools that they need to do what Republicans came to Washington to do, to practice fiscal responsibility, to put our fiscal house in order and achieve a balanced Federal budget. And the stakes could not possibly be higher.

Abraham Lincoln said, and I quote, ''If we do not make common cause to save the good old ship of the Union on this voyage, nobody will have a chance to pilot her on another.''

Let us get behind these resolutions, these changes in this budget process; let us engage in the debate and serve the public's interest in the best way that a Republican Congress knows how, through fiscal discipline, through real reform.

Mr. SPRATT. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Nevada (Ms. BERKLEY).

Ms. BERKLEY. Mr. Chairman, I rise today in strong opposition to this most fiscally irresponsible Republican budget enforcement bill. My colleagues on the other side of the aisle are right on one thing, this Congress does need to

control the outrageous budget deficit that is fast approaching $500 billion. However, if we want to make serious progress in reducing this deficit, PAYGO rules must be applied to spending and tax cuts. Exempting tax cuts from these budget enforcement rules makes no fiscal sense. Additionally, it threatens to increase the deficit and the burden on our children and our grandchildren; the one that they will have to bear is unfathomable if we do not act responsibly today.

The original PAYGO rules passed by Congress and signed by the first President Bush were essential to restoring this country's fiscal health the last time we faced record deficits. Those rules worked because they applied it to both sides of the equation, spending and tax cuts.

If my colleagues on the other side of the aisle are serious about fiscal responsibility, they would be offering a PAYGO proposal that applies it to entitlement program spending as well as tax cuts. Failing to apply PAYGO rules to tax cuts is little more than a smoke screen that seeks to hide the major contributing factor of this Nation's growing deficit.

As this country faces record deficits in increased spending on homeland security and the war in Iraq, now is the time for fiscal discipline.

When I was a freshman, the thing I was most proud of, the issues I was most proud of serving were that we had a good surplus, we had low unemployment, and we had a good budget.

This is a shame to all of us that are here. We ought to act responsibly on a bipartisan basis and come up with a decent budget proposal that not only affects spending but tax cuts as well.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. GUTKNECHT), a member of the Committee on the Budget.

Mr. GUTKNECHT. Mr. Chairman, Members, I have been listening to this debate, and I would like to distill as best I can the arguments against this bill that we are debating today.

The first one seems to be that it is not tough enough, that it does not include the ability for immediate tax increases. And if that is your reason, that is fine. Go ahead and vote against this.

The other one I think is much more complicated. I want to talk about that for a moment, and that is the separation-of-powers argument in the Constitution. Members, nothing in this bill today changes the constitutional powers that we in the Congress and the executive branch have. The President of the United States would still have the power to veto any appropriation bill or the budget bill. It simply brings the President and the Congress, both bodies in the Congress, together earlier so that we work on a common blueprint.

Imagine, if you will, just for a moment in this great structure, if we had the masons using one blueprint, and we had the carpenters using another blueprint, and the iron workers using a third blueprint. We would not wind up with this building.

What we are saying is we think everybody ought to be in there making the same blueprint from the beginning. That makes sense to every one of our constituents.

Members, look at what has happened over the last several years. From 1995 to 2000, Federal spending grew at an average rate of 3.2 percent. Since we let spending caps and PAYGO expire, that number has doubled to 6.4 percent.

This is a modest attempt to get this Congress and this Federal Government back on an even keel. I think this makes a lot of sense. It makes sense to me. It makes sense to the people that we represent. It makes sense to Alan Greenspan.

But, Members, if you are going to vote against this today, please understand you will be asked about it. Because this vote is going to be scored by the American Conservative Union, the Americans for Tax Reform, Citizens for a Sound Economy, Council for the Citizens Against Government Waste, and the National Taxpayers' Union. People are paying attention to this vote. They want us to have a solid budget. They want us to enforce it. They want us to get back to fiscal sanity, and that begins today.

□ 1700

Mr. SPRATT. Mr. Chairman, I yield 1½ minutes to the gentlewoman from California (Mrs. CAPPS).

(Mrs. CAPPS asked and was given permission to revise and extend her remarks.)

Mrs. CAPPS. Mr. Chairman, I thank my colleague for the time.

Mr. Chairman, I rise in strong support of the Spratt substitute.

The underlying bill continues to avoid the elephant in the room, the cost of endless tax cutting and its role in helping create the largest deficits in American history.

The Spratt substitute, on the other hand, will reinstitute real PAYGO provisions that might just reign in the reckless Republican majority's mismanagement of the Federal budget. I believe that this mismanagement is intentional.

While my colleagues on the other side say that they believe deficits do matter, their actions speak otherwise. In this session of Congress alone, the House has passed hundreds of billions of dollars in tax cuts. The tax cuts come even as we do not even have a budget, and the supporters do not care that the cost of these cuts will be borne by our children in the form of more debt that they will get saddled with.

Why are we allowing these huge and growing deficits? It is called ''starving the beast,'' making the deficit so huge that it gives an argument against spending for the very programs the vast majority of Americans support, support because of our beliefs in what this country stands for and where we place our values.

This fiscally irresponsible underlying bill ill serves this country.

Also, disappointing, but not surprising, is the process under which these amendments are being debated, denying the House an opportunity to have a full and open debate on such an important issue. For example, the Stenholm substitute was not allowed on the floor and the reason is simple. It would probably win. The Republican leadership simply does not want to allow the House to vote on issues where the leadership cannot win, and we have seen this time and time again. Amendments where the majority of the House is in opposition to the leadership just never see the light of day.

It is wrong and I hope Members will support the Spratt substitute and help bring a little sanity to our Federal budget.

Mr. NUSSLE. Mr. Chairman, I yield such time as he may consume to the gentleman from Alaska (Mr. YOUNG), the chairman of the Committee on Transportation and Infrastructure, for the purpose of a colloquy.

Mr. YOUNG of Alaska. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, this bill reinstates the discretionary spending caps for fiscal year 2005 and 2006 and extends the highway and transit firewalls for fiscal years 2004 through 2009 at the levels contained in H.R. 3550, as passed by the House earlier this year.

The inclusion of the highway and transit firewalls in the bill before us today is an important statement that the House intends to continue the budget reforms that were achieved for the Highway Trust Fund in TEA–21.

It is my understanding that the level of the highway and transit firewalls will ultimately be determined by the conference of H.R. 3550 in which the gentleman is a member, in accordance with the fiscal year 2005 budget resolution, which provided for an adjustment in the transportation funding levels.

I would like to clarify my views with the gentleman from Iowa and ask for his assistance in ensuring that the highway and transit firewalls ultimately enacted into law will reflect the agreement of the conferees on H.R. 3550.

Mr. NUSSLE. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from Iowa.

Mr. NUSSLE. Mr. Chairman, the chairman is correct. This will, in no way, limit the decision of the conferees for H.R. 3550, the level of highway and transit firewalls. It will be determined consistent with the fiscal year 2005 budget resolution and the contingency procedure contained therein in the conference report on H.R. 3550.

In either case, this is consistent with the fiscal year 2005 budget resolution, and it allows not as a ceiling but a floor to that conference report.

Mr. YOUNG of Alaska. Mr. Chairman, I thank the gentleman for this colloquy.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The Chair would advise that the gentleman from Iowa's (Mr. NUSSLE) time has expired.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin (Mr. KIND).

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

Mr. KIND. Mr. Chairman, I thank my friend for yielding me time, and I rise in opposition to the Republican budget legislation.

Mr. Chairman, we are here today to debate a very important issue, and that is reinstituting fiscal disciplinary rules in the budget process. We need a meaningful pay-as-you-go rule, one that offsets both spending and tax cuts to achieve balance.

Unfortunately, what is before us today is more like ''pray-as-you-go'' or more like ''pay-a-little-bit-as-you-go'' and leave a legacy of debt to the next generation to inherit.

Unfortunately, we hear a lot of talk on the other side that the problem is always spending, too much spending. Well, if that is the case, then what have you been doing the last 4 years? Republicans have been in control of the House of Representatives. Republicans have been in control of the Senate. There is a Republican President sitting in the White House, and he has not vetoed one spending bill in the last 4 years. Instead, he inherits a 5.6 projected surplus, converts it into a $3 trillion deficit and now claims that spending has run away.

Instead, we could go back to a tried and true method that worked in the 1990s, a pay-as-you-go rule that made sense and brought balance and then budget surpluses that actually allowed us to reduce the national debt. That is what the Spratt substitute allows, and I encourage my colleagues to support the Spratt substitute.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Chairman, I rise in strong opposition to the Republican smokescreen.

It makes infinitely more sense to debate budget reform before voting on a budget, but that kind of common sense regularly escapes this majority and it is why there has not been a budget agreement for over 4 months. In fact, this House has been on a session-long recess when it comes to addressing the health care crisis, educational crisis and retirement security crisis in America.

That is because the majority is scared of being honest with the American people. This is a smoke screen, none of which is going to fool the American people that you are responsible for $3 trillion in additional debt and an annual deficit of $500 billion dollars.

This legislation ignores the advice of Chairman Greenspan, who said it would be a grave mistake to let pay-as-you-go budget enforcement rules expire. This bill even ignores the advice of the gentleman from Iowa, the chairman of the Committee on the Budget, who said just 2 years ago that pay-as-you-go contributed to taming the deficits.

The chairman voted for those rules in 1997. They were good in 1997; they are good now. That vote ensured we made choices, lived within our means and ensured we were held accountable for what we do. Those who voted for the bill in 1997 made sure that we lived within our means, that we made choices as we governed.

The 1990s achieved record economic times: 22 million more jobs; health care and tax cuts for middle class families; 10 million more children without health insurance got insurance; college doors were opened; Social Security was secure. Those are the choices we made and we did it and balanced the budget while we cut taxes for middle class families. Those are the right economic times.

Today, what do we have? Health care costs have gone up by a third. College costs have gone up by 26 percent in the last 2 years. Personal bankruptcies are up by a third since 2000, and in fact, you all want to lay the sign ''mission Accomplished'' above the economy. This economy is not working for the American people and your budget and your $500 billion worth of deficits are the results that the American people have to turn to their children and make them pay their way out of it.

We turned our back on what we learn in the 1990s. If you are in a hole, the first thing to do is stop digging.

The CHAIRMAN. The gentleman from South Carolina (Mr. SPRATT) has 3 minutes remaining.

Mr. SPRATT. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished ranking member for the time. I also thank him for the good work he has done in bringing some rationale and reason to this process that really impacts the lives of Americans and really the lives of our friends and allies around the world.

I would like to remind my friends that we are at war. This is a difficult time for America. It is a time of sacrifice, but I think it is important to note that the budget resolution that my good friends on the other side of the aisle are trying to shove down this Congress' throat is $18.9 billion for individuals making over $1 million. Is that sacrifice, Mr. Chairman? It is not.

We are standing here today to ask for at least a little hope, a little understanding, a little reason. The Spratt amendment, the substitute that will be on the floor, speaks to reason. Would my colleagues accept the fact that we are at war? Three of our young men, women lost their lives in the last 24 hours in Iraq; $25 billion is going out over the next couple of days; more money will be asked for Iraq and Afghanistan, and yet we want to give $18.9 billion away.

Mr. Chairman, that is not creating any jobs in America, but yet we have legislation that we hope will pass that will invest in quality health care for veterans. Can my colleagues believe it, they are cutting veterans dollars.

Give us critical investments in education. Help us with the long-term unemployed. Some of them are off the unemployment list and never heard from again. Provide for the children who are vulnerable and as well provide the investment in clean water.

We are at war. It is time for sacrifice. We need the Spratt substitute. We do not need $18.9 billion to be given to those making over $1 million. I would ask for a ''no'' vote, and a ''yes'' vote on the Spratt amendment.

Mr. SPRATT. Mr. Chairman, I yield the balance of our time, 1½ minutes, to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT of Virginia. Mr. Chairman, I thank the gentleman for yielding me time.

We have heard a lot of people say the budget is good. We have heard some people say it is bad. We have heard some people casting blame, and we have heard some people making excuses. I think it is just helpful to start off with what the facts are.

This is a chart showing the deficit back to the Johnson administration, a little bit of deficit, Nixon, Ford, Carter, Reagan and Bush deficit, Clinton from deficit to surplus, Bush deficit. The swing from the surplus to the deficit, $750 billion.

Now, let us put that in perspective. If we look at the revenue, individual income tax, what everybody pays in individual income tax, $800 billion; deterioration in the deficit, 750. Now, when we run up that kind of debt, we run up interest in the national debt. This is the chart that showed that by 2009, we would be paying virtually nothing in interest on the national debt because we had enough surplus to pay off the national debt. This chart shows that we are going to be paying $300 billion a year in interest in the national debt, $300 billion. At $30,000 each, that is enough to hire 10 million people, more than the total number of people drawing unemployment today.

We said we got into that mess to create jobs. This is the chart showing the average job growth, Ford administration back to the Hoover administration. Everybody is net plus until we get to this administration. People look at this chart and say the job growth is good, job growth is bad. Make your own decision.

Mr. BACA. Chairman, I ask unanimous consent to revise and extend my remarks. I rise in opposition to H.R. 4663, the Republican

Budget Enforcement bill and in support of the Spratt Democratic substitute.

This bill is an irresponsible attempt to place the burden of reducing the large budget deficit brought about by huge, new tax cuts on the backs of the vast majority of Americans. The bill relies on one-sided pay-as-you-go rules that will worsen the deficit rather than improve it. The Budget Enforcement bill slashes spending on public services important to all Americans but allows unlimited deficits for tax cuts.

If that wasn't bad enough, the Republican amendments also included this pay-go provision as well as an entitlement cap that would put important government services at risk. Republicans would require that any improvements in entitlement programs be offset with cuts in programs like Medicaid, Medicare, veterans programs, food stamps, and student loans. As a result of the entitlement cap, veterans will get $1.3 billion less than what the House Veterans' Affairs Committee says it needs for veterans' health care programs next year. Education would be cut by more than $1.5 billion in 2006. All these programs would be cut so that important national priorities like tax cuts for the wealthy can be spared. This is their definition of compassionate conservatism.

Because the republican bill would cap nondefense discretionary spending, investments in real priorities like education, veterans' medical care, and law enforcement would be reduced. More Americans will be without access to adequate health care, more students will be left without financial resources to go to college, and more families will be left without hope.

Instead, I support the Spratt substitute amendment, which would establish effective pay-go rules for both spending and tax cuts. Just in case I need to remind anyone, that is the plan that led us out of the first Bush recession into an era of record surpluses in the 1990s.

Let's give our children, our veterans and all Americans the resources they need and support the Spratt substitute amendment and oppose the Republican Budget Enforcement bill.

Mr. PAUL. Mr. Chairman, I support H.R. 4663, the Spending Control Act of 2004, because I believe those of us concerned about the effects of excessive government spending on American liberty and prosperity should support any effort to rein in spending. However, I hold no great expectations that this bill will result in a new dawn of fiscal responsibility. In fact, since this bill is unlikely to pass the Senate, the main effect of today's vote will be to allow members to brag to their constituents that they voted to keep a lid on spending. Many of these members will not tell their constituents that latter this year they will likely vote for a budget busting, pork laden, omnibus spending bill that most members will not even have a chance to read before voting. In fact, last week, many members who I am sure will vote for H.R. 4663 voted against cutting funding for the National Endowment for the Arts (NEA). Last November, many of these same members vote for the greatest expansion of the welfare state since the Great Society. If Congress cannot even bring itself to cut the budget of the NEA or refuse to expand the welfare state, what are the odds that Congress will make the tough choices necessary to restore fiscal order, much less Constitutional government?

Even if this bill becomes law, it is likely that the provision in this bill allowing spending for emergency purposes to exceed the bill's spending caps will prove to be an easily abused loophole allowing future Congresses to avoid the spending limitations in this bill. I am also concerned that, by not applying the spending caps to international of military programs, this bill invites future Congresses to misplace priorities, and ignores a major source of fiscal imprudence. Congress will not get our fiscal house in order until we seriously examine our overseas commitments, such as giving welfare to multinational corporations and subsidizing the defense of allies who are perfectly capable of defending themselves.

Congress already has made numerous attempts to restore fiscal discipline, and none of them has succeeded. Even the much-heralded "surpluses" of the nineties were due to the Federal Reserve creating an economic boom and Congress continuing to raid the Social Security trust fund. The surplus was not caused by a sudden outbreak of fiscal conservativism in Washington, DC.

The only way Congress will cease excessive spending is by rejecting the idea that the Federal Government has the authority and the competence to solve all ills, both domestic and international. If the last century taught us anything, it was that big government cannot create utopia. Yet, too many members believe that we can solve all economic problems, eliminate all social ills, and bring about worldwide peace and prosperity by simply creating new federal programs and regulations. However, the well-intended efforts of Congress have exacerbated America's economic and social problems. Meanwhile our international meddling has failed to create perpetual peace but rather lead to perpetual war for perpetual peace.

Every member of Congress has already promised to support limited government by swearing to uphold the United States Constitution. The Constitution limits the Federal Government to a few, well-defined functions. A good start toward restoring Constitutional government would be debating my Liberty amendment (H.J. Res. 15). The Liberty amendment repeals the 16th amendment, thus eliminating the income tax the source of much of the growth of government and loss of individual liberty. The Liberty amendment also explicitly limits the Federal Government to those functions it is Constitutionally authorized to perform.

If Congress were serious about reining in government, it would also eliminate the Federal Reserve Board's ability to inflate the currency. Federal Reserve policy enables excessive government spending by allowing the government to monitorize the debt, and hide the cost of big government through the hidden tax of inflation.

In 1974, during debate on the Congressional Budget Reform and Impoundment Control Act, Congressman H.R. Gross, a libertarian-conservative from Iowa, eloquently addressed the flaws in thinking that budget process reform absent the political will to cut spending would reduce the size of government. Mr. Speaker, I would like to conclude my remarks by quoting Mr. Gross:

> Every Member knows that he or she cannot for long spend $75,000 a year on a salary of $42,500 and remain solvent. Every member knows this Government cannot forever spend billions beyond tax revenue and endure.
>
> Congress already has the tools to halt the headlong flight into bankruptcy. It holds the purse strings. No President can impound funds or spend unwisely unless an improvident, reckless Congress makes available the money.

I repeat, neither this nor any other legislation will provide morality and responsibility on the part of Members of Congress.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill is considered read for amendment under the 5-minute rule.

The text of H.R. 4663 is as follows:

H.R. 4663

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 ''Spending Control Act of 2004''.

SEC. 2. EXTENSION OF DISCRETIONARY SPENDING LIMITS.

(a) DISCRETIONARY SPENDING LIMITS.—(1) Section 251(c)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 (relating to fiscal year 2004) is amended—

(A) in subparagraph (A), by striking ''$31,834,000,000'' and inserting ''$28,052,000,000''; and

(B) in subparagraph (B), by striking ''$1,462,000,000'' and inserting ''$1,436,000,000'' and by striking ''$6,629,000,000'' and inserting ''$6,271,000,000''.

(2) Section 251(c)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting a dash after ''2005'', by redesignating the remaining portion of such paragraph as subparagraph (D) and by moving it two ems to the right, and by inserting after the dash the following new subparagraphs:

''(A) for the general purpose discretionary category: $817,726,000,000 in new budget authority and $866,056,000,000 in outlays;

''(B) for the highway category: $30,585,000,000 in outlays; and

''(C) for the mass transit category: $1,554,000,000 in new budget authority and $6,787,000,000 in outlays; and''.

(3) Section 251(c)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting a dash after ''2006'', by redesignating the remaining portion of such paragraph as subparagraph (D) and by moving it two ems to the right, and by inserting after the dash the following new subparagraphs:

''(A) for the general purpose discretionary category: $839,167,000,000 in new budget authority and $851,731,000,000 in outlays;

''(B) for the highway category: $33,271,000,000 in outlays; and

''(C) for the mass transit category: $1,671,000,000 in new budget authority and $7,585,000,000 in outlays; and''.

(4) Section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by redesignating paragraphs (4) through (9) as paragraphs (7) through (12) and inserting after paragraph (3) the following new paragraphs:

''(4) with respect to fiscal year 2007—

''(A) for the highway category: $35,248,000,000 in outlays; and

''(B) for the mass transit category: $1,785,000,000 in new budget authority and $8,110,000,000 in outlays;

''(5) with respect to fiscal year 2008—

''(A) for the highway category: $36,587,000,000 in outlays; and

''(B) for the mass transit category: $1,890,000,000 in new budget authority and $8,517,000,000 in outlays; and

''(6) with respect to fiscal year 2009—

''(A) for the highway category: $37,682,000,000 in outlays; and

''(B) for the mass transit category: $2,017,000,000 in new budget authority and $8,968,000,000 in outlays;''.

(b) DEFINITIONS.—Section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subparagraph (B), by—

(A) striking ''the Transportation Equity Act for the 21st Century and the Surface Transportation Extension Act of 2003'' and inserting ''the Transportation Equity Act: A Legacy for Users''; and

(B) inserting before the period at the end the following new clauses:

''(v) 69-8158-0-7-401 (Motor Carrier Safety Grants).

''(vi) 69-8159-0-7-401 (Motor Carrier Safety Operations and Programs).'';

(2) in subparagraph (C), by—

(A) inserting ''(and successor accounts)'' after ''budget accounts''; and

(B) striking ''the Transportation Equity Act for the 21st Century and the Surface Transportation Extension Act of 2003 or for which appropriations are provided pursuant to authorizations contained in those Acts (except that appropriations provided pursuant to section 5338(h) of title 49, United States Code, as amended by the Transportation Equity Act for the 21st Century, shall not be included in this category)'' and inserting ''the Transportation Equity Act: A Legacy for Users or for which appropriations are provided pursuant to authorizations contained in that Act''; and

(3) in subparagraph (D)(ii), by striking ''section 8103 of the Transportation Equity Act for the 21st Century'' and inserting ''section 8103 of the Transportation Equity Act: A Legacy for Users''.

SEC. 3. ADJUSTMENTS TO ALIGN HIGHWAY SPENDING WITH REVENUES.

Subparagraphs (B) through (E) of section 251(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 are amended to read as follows:

''(B) ADJUSTMENT TO ALIGN HIGHWAY SPENDING WITH REVENUES.—(i) When the President submits the budget under section 1105 of title 31, United States Code, OMB shall calculate and the budget shall make adjustments to the highway category for the budget year and each outyear as provided in clause (ii)(I)(cc).

''(ii)(I)(aa) OMB shall take the actual level of highway receipts for the year before the current year and subtract the sum of the estimated level of highway receipts in subclause (II) plus any amount previously calculated under item (bb) for that year.

(bb) OMB shall take the current estimate of highway receipts for the current year and subtract the estimated level of receipts for that year.

''(cc) OMB shall add one-half of the sum of the amount calculated under items (aa) and (bb) to the obligation limitations set forth in the section 8103 of the Transportation Equity Act: A Legacy for Users and, using current estimates, calculate the outlay change resulting from the change in obligations for the budget year and the first outyear and the outlays flowing therefrom through subsequent fiscal years. After making the calculations under the preceding sentence, OMB shall adjust the amount of obligations set forth in that section for the budget year and the first outyear by adding one-half of the sum of the amount calculated under items (aa) and (bb) to each such year.

''(II) The estimated level of highway receipts for the purposes of this clause are—

''(aa) for fiscal year 2004, $30,572,000,000;

''(bb) for fiscal year 2005, $34,260,000,000;

''(cc) for fiscal year 2006, $35,586,000,000;

''(dd) for fiscal year 2007, $36,570,000,000;

''(ee) for fiscal year 2008, $37,603,000,000; and

''(ff) for fiscal year 2009, $38,651,000,000.

''(III) In this clause, the term 'highway receipts' means the governmental receipts credited to the highway account of the Highway Trust Fund.

''(C) In addition to the adjustment required by subparagraph (B), when the President submits the budget under section 1105 of title 31, United States Code, for fiscal year 2006, 2007, 2008, or 2009, OMB shall calculate and the budget shall include for the budget year and each outyear an adjustment to the limits on outlays for the highway category and the mass transit category equal to—

''(i) the outlays for the applicable category calculated assuming obligation levels consistent with the estimates prepared pursuant to subparagraph (D), as adjusted, using current technical assumptions; minus

''(ii) the outlays for the applicable category set forth in the subparagraph (D) estimates, as adjusted.

''(D)(i) When OMB and CBO submit their final sequester report for fiscal year 2004, that report shall include an estimate of the outlays for each of the categories that would result in fiscal years 2005 through 2009 from obligations at the levels specified in section 8103 of the Transportation Equity Act: A Legacy for Users using current assumptions.

''(ii) When the President submits the budget under section 1105 of title 31, United States Code, for fiscal year 2006, 2007, 2008, or 2009, OMB shall adjust the estimates made in clause (i) by the adjustments by subparagraphs (B) and (C).

''(E) OMB shall consult with the Committees on the Budget and include a report on adjustments under subparagraphs (B) and (C) in the preview report.''.

SEC. 4. LEVEL OF OBLIGATION LIMITATIONS.

(a) HIGHWAY CATEGORY.—For the purposes of section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, the level of obligation limitations for the highway category is—

(1) for fiscal year 2004, $34,309,000,000;

(2) for fiscal year 2005, $35,671,000,000;

(3) for fiscal year 2006, $36,719,000,000;

(4) for fiscal year 2007, $37,800,000,000;

(5) for fiscal year 2008, $38,913,000,000; and

(6) for fiscal year 2009, $40,061,000,000.

(b) MASS TRANSIT CATEGORY.—For the purposes of section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, the level of obligation limitations for the mass transit category is—

(1) for fiscal year 2004, $7,266,000,000;

(2) for fiscal year 2005, $7,750,000,000;

(3) for fiscal year 2006, $8,266,000,000;

(4) for fiscal year 2007, $8,816,000,000;

(5) for fiscal year 2008, $9,403,000,000; and

(6) for fiscal year 2009, $10,029,000,000.

For purposes of this subsection, the term ''obligation limitations'' means the sum of budget authority and obligation limitations.

SEC. 5. ADVANCE APPROPRIATIONS.

Section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new subsection:

''(d) ADVANCE APPROPRIATIONS.—In any of fiscal years 2005 through 2006, discretionary advance appropriations provided in appropriation Acts in excess of $23,558,000,000 shall be counted against the discretionary spending limits for the fiscal year for which the appropriation Act containing the advance appropriation is enacted.''.

SEC. 6. EXTENSION OF PAY-AS-YOU-GO REQUIREMENT.

(a) PURPOSE.—Section 252(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

''(a) PURPOSE.—The purpose of this section is to assure that any legislation that is enacted before October 1, 2009, that causes a net increase in direct spending will trigger an offsetting sequestration.''.

(b) TIMING.—Section 252(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''any net deficit increase'' and all that follows through ''2002,'' and by inserting ''any net increase in direct spending enacted before October 1, 2009,''.

(c) CALCULATION OF DIRECT SPENDING INCREASE.—Section 252(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by striking ''deficit'' the first place it appears and inserting ''direct spending'';

(2) in subparagraph (A) by striking ''and receipts'';

(3) in subparagraph (C) by striking ''and receipts''; and

(4) by amending the heading to read as follows: ''CALCULATION OF DIRECT SPENDING INCREASE.—''.

(d) CONFORMING AMENDMENTS.—(1) The heading of section 252(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows: ''ELIMINATING A DIRECT SPENDING INCREASE.—''.

(2) Paragraphs (1), (2), and (4) of section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 are amended by striking ''or receipts'' each place it appears.

(3) Section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''or receipts'' and by striking '', outlays, and receipts'' and inserting ''and outlays''.

(4) Section 254(c)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) in subparagraph (A) by striking ''net deficit increase or decrease'' and by inserting ''net increase or decrease in direct spending'';

(B) in subparagraph (B) by striking ''amount of deficit increase or decrease'' and by inserting ''increase or decrease in direct spending''; and

(C) in subparagraph (C) by striking ''a deficit increase'' and by inserting ''an increase in direct spending''.

SEC. 7. DEFINITIONS.

(a) IN GENERAL.—Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new paragraphs:

''(20) The term 'advance appropriation' means appropriations that first become available one fiscal year or more beyond the fiscal year for which an appropriation Act making such funds available is enacted.

''(21)(A) Except as provided by subparagraph (B), the term 'emergency requirement' means any provision that provides new budget authority and resulting outlays for a situation that poses a threat to life, property, or national security and is—

''(i) sudden, quickly coming into being, and not building up over time;

''(ii) an urgent, pressing, and compelling need requiring immediate action;

''(iii) subject to subparagraph (B), unforeseen, unpredictable, and unanticipated; and

''(iv) not permanent, temporary in nature.

''(B) An emergency that is part of an aggregate level of anticipated emergencies, particularly when normally estimated in advance, is not unforeseen.''.

(b) FIRE SUPPRESSION; CONTINGENCY OPERATIONS RELATED TO GLOBAL WAR ON TERRORISM.—Section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new subparagraph:

''(I) FIRE SUPPRESSION.—(i) If a bill or joint resolution is enacted that provides new budget authority for wildland fire suppression for fiscal year 2005 or fiscal year 2006 that would cause the level of total new budget authority for wildland fire suppression to

exceed the base amount for that fiscal year, the adjustment for that fiscal year shall be the additional new budget authority provided for such purpose and the additional outlays flowing from such amounts, but shall not exceed—

''(I) for the Forest Service for fiscal year 2005 or fiscal year 2006 (as applicable), $400,000,000; and

''(II) for the Department of the Interior for fiscal year 2005 or fiscal year 2006 (as applicable), $100,000,000.

''(ii) For this subparagraph, the term ''base amount'' refers to the average of the obligations of the 10 fiscal years preceding the current year for wildfire suppression in the Forest Service and in the Department of the Interior, as calculated by OMB, but for fiscal year 2005 the base amount is $880,000,000.

''(J) CONTINGENCY OPERATIONS RELATED TO GLOBAL WAR ON TERRORISM.—If, for fiscal year 2005, appropriations for discretionary accounts are enacted for contingency operations related to the global war on terrorism that, pursuant to this subparagraph, the President designates as a contingency operation related to the global war on terrorism and the Congress so designates in statute, the adjustment shall be the total of such appropriations in discretionary accounts so designated, but not to exceed $50,000,000,000, and the outlays flowing in all fiscal years from such appropriations.''.

(c) CONFORMING AMENDMENT.—The second sentence of section 250(c)(4)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows: ''The general purpose discretionary category shall consist of accounts designated in the joint explanatory statement of managers accompanying the conference report on the Spending Control Act of 2004.''.

SEC. 8. PROJECTIONS UNDER SECTION 257.

Section 257(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting after paragraph (6) the following new paragraph:

''(7) EMERGENCIES.—New budgetary resources designated under section 251(b)(2)(A) or 251(b)(2)(J) shall not be assumed beyond the fiscal year for which they have been enacted.''.

SEC. 9. EXCEPTION FOR OUTLAY COMPONENTS OF EXPIRING RECEIPTS LEGISLATION.

Section 252(d)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''and'' at the end of subparagraph (A), by striking the period and inserting ''; and'' at the end of subparagraph (B), and by adding at the end the following new subparagraph:

''(C) extending provisions in the Economic Growth and Tax Relief Reconciliation Act of 2001 or provisions in sections 101 through 104, section 202, or sections 301 and 302 of the Jobs and Growth Tax Relief Reconciliation Act of 2003.''.

SEC. 10. REPORTS.

Subsections (c)(2) and (f)(2)(A) of section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 are amended by striking ''2002'' and inserting ''2006 (or 2009 solely for purposes of enforcing the discretionary spending limits for the highway and mass transit categories)''.

SEC. 11. EXPIRATION.

Section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''2002'' and inserting ''2006 (or 2009 solely for purposes of enforcing the discretionary spending limits for the highway and mass transit categories)'' and by striking ''2006'' and inserting ''2013''.

SEC. 12. TECHNICAL CORRECTIONS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.

Part C of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) In section 250(a), strike ''SEC. 256. GENERAL AND SPECIAL SEQUESTRATION RULES'' and insert ''Sec. 256. General and special sequestration rules'' in the item relating to section 256.

(2) In subparagraphs (F), (G), (H), (I), (J), and (K) of section 250(c)(4), insert ''subparagraph'' after ''described in'' each place it appears.

(3) In section 250(c)(18), insert ''of'' after ''expenses''.

(4) In section 251(b)(1)(A), strike ''committees'' the first place it appears and insert ''Committees''.

(5) In section 251(b)(1)(C)(i), strike ''fiscal years'' and insert ''fiscal year''.

(6) In section 251(b)(1)(D)(ii), strike ''fiscal years'' and insert ''fiscal year''.

(7) In section 252(b)(2)(B), insert ''the'' before ''budget year''.

(8) In section 252(c)(1)(C)(i), strike ''paragraph (1)'' and insert ''subsection (b)''.

(9) In section 254(c)(3)(A), strike ''subsection'' and insert ''section''.

(10) In section 254(f)(4), strike ''subsection'' and insert ''section'' and strike ''sequesterable'' and insert ''sequestrable''.

(11) In section 255(g)(1)(B), move the fourteenth undesignated clause 2 ems to the right.

(12) In section 255(g)(2), insert ''and'' after the semicolon at the end of the next-to-last undesignated clause.

(13) In section 255(h)—

(A) strike ''and'' after the semicolon in the ninth undesignated clause;

(B) insert ''and'' after the semicolon at the end of the tenth undesignated clause; and

(C) strike the semicolon at the end and insert a period.

(14) In section 256(k)(1), strike ''paragraph (5)'' and insert ''paragraph (6)''.

(15) In section 257(b)(2)(A)(i), strike ''differenes'' and insert ''differences''.

The CHAIRMAN. No amendment to the bill shall be in order except those printed in House Report 108–566. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered read, 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.

It is now in order to consider amendment No. 1 printed in House Report 108–566.

AMENDMENT NO. 1 OFFERED BY MR. BRADY OF TEXAS

Mr. BRADY of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. BRADY of Texas:

Page 2, after line 3, insert the following: ''TITLE I—EXTENSION OF DISCRETIONARY SPENDING LIMITS AND PAY-AS-YOU-GO REQUIREMENTS''.

Redesignate sections 2 through 9 as sections 101 through 108, respectively, and on page 10, after line 21, add the following new title:

TITLE II—ESTABLISHMENT OF FEDERAL AGENCY SUNSET COMMISSION

SEC. 201. REVIEW AND ABOLISHMENT OF FEDERAL AGENCIES.

(a) SCHEDULE FOR REVIEW.—Not later than one year after the date of the enactment of this Act, the Federal Agency Sunset Commission established under section 202 (in this title referred to as the ''Commission'') shall submit to Congress a schedule for review by the Commission, at least once every 12 years (or less, if determined appropriate by Congress), of the abolishment or reorganization of each agency.

(b) REVIEW OF AGENCIES PERFORMING RELATED FUNCTIONS.—In determining the schedule for review of agencies under subsection (a), the Commission shall provide that agencies that perform similar or related functions be reviewed concurrently to promote efficiency and consolidation.

(c) ABOLISHMENT OF AGENCIES.—

(1) IN GENERAL.—Each agency shall—

(A) be reviewed according to the schedule created pursuant to this section; and

(B) be abolished not later than one year after the date that the Commission completes its review of the agency pursuant to such schedule, unless the agency is reauthorized by the Congress.

(2) EXTENSION.—The deadline for abolishing an agency may be extended for an additional two years after the date described in paragraph (1)(B) if the Congress enacts legislation extending such deadline by a vote of a super majority of the House of Representatives and the Senate.

SEC. 202. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the ''Federal Agency Sunset Commission''.

(b) COMPOSITION.—The Commission shall be composed of 12 members (in this title referred to as the ''members'') who shall be appointed as follows:

(1) Six members shall be appointed by the Speaker of the House of Representatives, one of whom may include the Speaker of the House of Representatives, with minority members appointed with the consent of the minority leader of the House of Representatives.

(2) Six members shall be appointed by the majority leader of the Senate, one of whom may include the majority leader of the Senate, with minority members appointed with the consent of the minority leader of the Senate.

(c) QUALIFICATIONS OF MEMBERS.—

(1) IN GENERAL.—(A) Of the members appointed under subsection (b)(1), four shall be members of the House of Representatives (not more than two of whom may be of the same political party), and two shall be an individual described in subparagraph (C).

(B) Of the members appointed under subsection (b)(2), four shall be members of the Senate (not more than two of whom may be of the same political party) and two shall be an individual described in subparagraph (C).

(C) An individual under this subparagraph is an individual—

(i) who is not a member of Congress; and

(ii) with expertise in the operation and administration of Government programs.

(2) CONTINUATION OF MEMBERSHIP.—If a member was appointed to the Commission as a Member of Congress and the member ceases to be a Member of Congress, that member shall cease to be a member of the Commission. The validity of any action of the Commission shall not be affected as a result of a member becoming ineligible to serve as a member for the reasons described in this paragraph.

(d) INITIAL APPOINTMENTS.—All initial appointments to the Commission shall be made

not later than 90 days after the date of the enactment of this Act.

(e) CHAIRMAN; VICE CHAIRMAN.—

(1) INITIAL CHAIRMAN.—An individual shall be designated by the Speaker of the House of Representatives from among the members initially appointed under subsection (b)(1) to serve as chairman of the Commission for a period of 2 years.

(2) INITIAL VICE-CHAIRMAN.—An individual shall be designated by the majority leader of the Senate from among the individuals initially appointed under subsection (b)(2) to serve as vice-chairman of the Commission for a period of two years.

(3) ALTERNATE APPOINTMENTS OF CHAIRMEN AND VICE-CHAIRMEN.—Following the termination of the two-year period described in paragraphs (1) and (2), the Speaker and the majority leader shall alternate every two years in appointing the chairman and vice-chairman of the Commission.

(f) TERMS OF MEMBERS.—

(1) MEMBERS OF CONGRESS.—Each member appointed to the Commission who is a member of Congress shall serve for a term of six years, except that, of the members first appointed under paragraphs (1) and (2) of subsection (b), 2 members shall be appointed to serve a term of three years under each such paragraph.

(2) OTHER MEMBERS.—Each member of the Commission who is not a member of Congress shall serve for a term of three years.

(3) TERM LIMIT.—(A) A member of the Commission who is a member of Congress and who serves more than three years of a term may not be appointed to another term as a member.

(B) A member of the Commission who is not a member of Congress and who serves as a member of the Commission for more than 56 months may not be appointed to another term as a member.

(g) POWERS OF COMMISSION.—

(1) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out this title, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers appropriate. The Commission may administer oaths to witnesses appearing before it.

(2) OBTAINING INFORMATION.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out its duties under this title. Upon request of the Chairman, the head of that department or agency shall furnish that information to the Commission in a full and timely manner.

(3) SUBPOENA POWER.—(A) The Commission may issue a subpoena to require the attendance and testimony of witnesses and the production of evidence relating to any matter under investigation by the Commission.

(B) If a person refuses to obey an order or subpoena of the Commission that is issued in connection with a Commission proceeding, the Commission may apply to the United States district court in the judicial district in which the proceeding is held for an order requiring the person to comply with the subpoena or order.

(4) IMMUNITY.—The Commission is an agency of the United States for purposes of part V of title 18, United States Code (relating to immunity of witnesses).

(5) CONTRACT AUTHORITY.—The Commission may contract with and compensate government and private agencies or persons for services without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(h) COMMISSION PROCEDURES.—

(1) MEETINGS.—The Commission shall meet at the call of the Chairman.

(2) QUORUM.—Seven members of the Commission shall constitute a quorum but a lesser number may hold hearings.

(i) PERSONNEL MATTERS.—

(1) COMPENSATION.—Members shall not be paid by reason of their service as members.

(2) TRAVEL EXPENSES.—Each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(3) DIRECTOR.—The Commission shall have a Director who shall be appointed by the Chairman. The Director shall be paid at a rate not to exceed the maximum rate of basic pay payable for GS–15 of the General Schedule.

(4) STAFF.—The Director may appoint and fix the pay of additional personnel as the Director considers appropriate.

(5) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Commission shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates.

(j) OTHER ADMINISTRATIVE MATTERS.—

(1) POSTAL AND PRINTING SERVICES.—The Commission may use the United States mails and obtain printing and binding services in the same manner and under the same conditions as other departments and agencies of the United States.

(2) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its duties under this title.

(3) EXPERTS AND CONSULTANTS.—The Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(k) SUNSET OF COMMISSION.—The Commission shall terminate on December 31, 2026, unless reauthorized by Congress.

SEC. 203. REVIEW OF EFFICIENCY AND NEED FOR FEDERAL AGENCIES.

(a) IN GENERAL.—The Commission shall review the efficiency and public need for each agency in accordance with the criteria described in section 204.

(b) RECOMMENDATIONS; REPORT TO CONGRESS.—The Commission shall submit to Congress and the President not later than September 1 of each year a report containing—

(1) an analysis of the efficiency of operation and public need for each agency to be reviewed in the year in which the report is submitted pursuant to the schedule submitted to Congress under section 201;

(2) recommendations on whether each such agency should be abolished or reorganized;

(3) recommendations on whether the functions of any other agencies should be consolidated, transferred, or reorganized in an agency to be reviewed in the year in which the report is submitted pursuant to the schedule submitted to Congress under section 201; and

(4) recommendations for administrative and legislative action with respect to each such agency, but not including recommendations for appropriation levels.

(c) DRAFT LEGISLATION.—The Commission shall submit to Congress and the President not later than September 1 of each year a draft of legislation to carry out the recommendations of the Commission under subsection (b).

(d) INFORMATION GATHERING.—The Commission shall—

(1) conduct public hearings on the abolishment of each agency reviewed under subsection (b);

(2) provide an opportunity for public comment on the abolishment of each such agency;

(3) require the agency to provide information to the Commission as appropriate; and

(4) consult with the General Accounting Office, the Office of Management and Budget, the Comptroller General, and the chairman and ranking minority members of the committees of Congress with oversight responsibility for the agency being reviewed regarding the operation of the agency.

(e) USE OF PROGRAM INVENTORY.—The Commission shall use the program inventory prepared under section 208 in reviewing the efficiency and public need for each agency under subsection (a).

SEC. 204. CRITERIA FOR REVIEW.

The Commission shall evaluate the efficiency and public need for each agency pursuant to section 203(a) using the following criteria:

(1) The effectiveness, and the efficiency of the operation of, the programs carried out by each such agency.

(2) Whether the programs carried out by the agency are cost-effective.

(3) Whether the agency has acted outside the scope of its original authority, and whether the original objectives of the agency have been achieved.

(4) Whether less restrictive or alternative methods exist to carry out the functions of the agency.

(5) The extent to which the jurisdiction of, and the programs administered by, the agency duplicate or conflict with the jurisdiction and programs of other agencies.

(6) The potential benefits of consolidating programs administered by the agency with similar or duplicative programs of other agencies, and the potential for consolidating such programs.

(7) The number and types of beneficiaries or persons served by programs carried out by the agency.

(8) The extent to which any trends, developments, and emerging conditions that are likely to affect the future nature and extent of the problems or needs that the programs carried out by the agency are intended to address.

(9) The extent to which the agency has complied with the provisions contained in the Government Performance and Results Act of 1993 (Public Law 103–62; 107 Stat. 285).

(10) The promptness and effectiveness with which the agency seeks public input and input from State and local governments on the efficiency and effectiveness of the performance of the functions of the agency.

(11) Whether the agency has worked to enact changes in the law that are intended to benefit the public as a whole rather than the specific business, institution, or individuals that the agency regulates.

(12) The extent to which the agency has encouraged participation by the public as a whole in making its rules and decisions rather than encouraging participation solely by those it regulates.

(13) The extent to which the public participation in rulemaking and decisionmaking of the agency has resulted in rules and decisions compatible with the objectives of the agency.

(14) The extent to which the agency complies with section 552 of title 5, United States Code (commonly known as the ''Freedom of Information Act'').

(15) The extent to which the agency complies with equal employment opportunity requirements regarding equal employment opportunity.

(16) The extent of the regulatory, privacy, and paperwork impacts of the programs carried out by the agency.

(17) The extent to which the agency has coordinated with State and local governments in performing the functions of the agency.

(18) The potential effects of abolishing the agency on State and local governments.

(19) The extent to which changes are necessary in the authorizing statutes of the agency in order that the functions of the agency can be performed in the most efficient and effective manner.

SEC. 205. COMMISSION OVERSIGHT.

(a) MONITORING OF IMPLEMENTATION OF RECOMMENDATIONS.—The Commission shall monitor implementation of laws enacting provisions that incorporate recommendations of the Commission with respect to abolishment or reorganization of agencies.

(b) MONITORING OF OTHER RELEVANT LEGISLATION.—

(1) IN GENERAL.—The Commission shall review and report to Congress on all legislation introduced in either house of Congress that would establish—

(A) a new agency;

(B) a new program to be carried out by an existing agency.

(2) REPORT TO CONGRESS.—The Commission shall include in each report submitted to Congress under paragraph (1) an analysis of whether—

(A) the functions of the proposed agency or program could be carried out by one or more existing agencies;

(B) the functions of the proposed agency or program could be carried out in a less restrictive manner than the manner proposed in the legislation; and

(C) the legislation provides for public input regarding the performance of functions by the proposed agency or program.

SEC. 206. RULEMAKING AUTHORITY.

The Commission may promulgate such rules as necessary to carry out this title.

SEC. 207. RELOCATION OF FEDERAL EMPLOYEES.

If the position of an employee of an agency is eliminated as a result of the abolishment of an agency in accordance with this title, there shall be a reasonable effort to relocate such employee to a position within another agency.

SEC. 208. PROGRAM INVENTORY.

(a) PREPARATION.—The Comptroller General and the Director of the Congressional Budget Office, in cooperation with the Director of the Congressional Research Service, shall prepare an inventory of Federal programs (in this title referred to as the ''program inventory'') within each agency.

(b) PURPOSE.—The purpose of the program inventory is to advise and assist the Congress and the Commission in carrying out the requirements of this title. Such inventory shall not in any way bind the committees of the Senate or the House of Representatives with respect to their responsibilities under this title and shall not infringe on the legislative and oversight responsibilities of such committees. The Comptroller General shall compile and maintain the inventory and the Director of the Congressional Budget Office shall provide budgetary information for inclusion in the inventory.

(c) INVENTORY CONTENT.—The program inventory shall set forth for each program each of the following matters:

(1) The specific provision or provisions of law authorizing the program.

(2) The committees of the Senate and the House of Representatives which have legislative or oversight jurisdiction over the program.

(3) A brief statement of the purpose or purposes to be achieved by the program.

(4) The committees which have jurisdiction over legislation providing new budget authority for the program, including the appropriate subcommittees of the Committees on Appropriations of the Senate and the House of Representatives.

(5) The agency and, if applicable, the subdivision thereof responsible for administering the program.

(6) The grants-in-aid, if any, provided by such program to State and local governments.

(7) The next reauthorization date for the program.

(8) A unique identification number which links the program and functional category structure.

(9) The year in which the program was originally established and, where applicable, the year in which the program expires.

(10) Where applicable, the year in which new budget authority for the program was last authorized and the year in which current authorizations of new budget authority expire.

(d) BUDGET AUTHORITY.—The report also shall set forth for each program whether the new budget authority provided for such programs is—

(1) authorized for a definite period of time;

(2) authorized in a specific dollar amount but without limit of time;

(3) authorized without limit of time or dollar amounts;

(4) not specifically authorized; or

(5) permanently provided,

as determined by the Director of the Congressional Budget Office.

(e) CBO INFORMATION.—For each program or group of programs, the program inventory also shall include information prepared by the Director of the Congressional Budget Office indicating each of the following matters:

(1) The amounts of new budget authority authorized and provided for the program for each of the preceding four fiscal years and, where applicable, the four succeeding fiscal years.

(2) The functional and subfunctional category in which the program is presently classified and was classified under the fiscal year 2001 budget.

(3) The identification code and title of the appropriation account in which budget authority is provided for the program.

(f) MUTUAL EXCHANGE OF INFORMATION.—The General Accounting Office, the Congressional Research Service, and the Congressional Budget Office shall permit the mutual exchange of available information in their possession which would aid in the compilation of the program inventory.

(g) ASSISTANCE BY EXECUTIVE BRANCH.—The Office of Management and Budget, and the Executive agencies and the subdivisions thereof shall, to the extent necessary and possible, provide the General Accounting Office with assistance requested by the Comptroller General in the compilation of the program inventory.

SEC. 209. DEFINITION OF AGENCY.

As used in this title, the term ''agency'' has the meaning given that term by section 105 of title 5, United States Code, except that such term includes an advisory committee as that term is defined in section 102(2) of the Federal Advisory Committee Act.

SEC. 210. OFFSET OF AMOUNTS APPROPRIATED.

Amounts appropriated to carry out this title shall be offset by a reduction in amounts appropriated to carry out programs of other Federal agencies.

The CHAIRMAN. Pursuant to House Resolution 692, the gentleman from Texas (Mr. BRADY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas (Mr. BRADY).

Mr. BRADY of Texas. Mr. Chairman, I yield myself such time as I may consume.

I rise today with my colleague the gentleman from Texas (Mr. TURNER) to offer the elimination of obsolete agencies and Federal sunset amendment.

President Reagan once said, The closest thing to immortality on this earth is a Federal program. President Carter said, ''Too many Federal programs have been allowed to continue indefinitely without examining whether they are accomplishing what they were meant to do. The country's needs and priorities change, and we must assure that government programs change with them.'' That is why he supported a Federal sunset law.

Republicans and Democrats can agree together that our Federal Government is simply too wasteful. In a time of war and deficits, we need to make sure that every dollar counts.

A Federal sunset law is a proven and thoughtful way to balance obsolete Federal programs, eliminate duplication and hold every Federal agency accountable to taxpayers.

The sunset law creates a bipartisan, 12-member sunset commission, appointed half by the House and half by the Senate, half by Republicans and half by Democrats. It assigns an expiration date to every Federal agency and program. It requires them to justify their existence to taxpayers, not their value 50 years ago when they were created, but does it justify our precious tax dollars today.

The problem is that once a program is created Congress clones it again and again. The average Federal program duplicates five others. At last count, there were 64 separate welfare programs, over 100 different job training programs, and over 300 economic development programs stretched over 13 separate agencies. With our deficit so large, and Congress constantly scratching for resources to meet America's true priorities, can we afford this wasteful spending?

Best of all, under this Act, there are no sacred cows. Every agency is held equally accountable and must regularly prove to taxpayers that it deserves our precious tax dollars today. The days where Federal programs live to eternity whether they are needed or not will be over.

For the first time, we tell Federal programs to put up or shut up, produce or leave, and then Congress can invest those precious tax dollars in programs and people that succeed and not one dime for those that do not.

□ 1715

Successful programs thrive under sunset, and this program works. More than over half the States in America have sunset acts. In Texas, where I served in the legislature, they have thoughtfully eliminated some 44 programs and saved State taxpayers over a billion dollars. Results vary from State to State; but with a strong commitment, this can work well in the Federal Government as well.

Savings alone are not the only benefit. It is amazing how responsive agencies become in the years prior to sunset. Treating taxpayers promptly, fairly, and with respect becomes a key to their survival, just like in business, and just the way government should always treat our taxpayers.

Legislatively, sunsetting often causes agencies to hew much closer to legislative intent because they know they face a regular thorough examination in future years.

The Federal sunset amendment has strong support across the political spectrum. My Democrat colleague, the gentleman from Texas (Mr. TURNER), who is at an important national security briefing as we speak, is a strong champion for this. We have support from everyone from Common Cause to American Conservative Union. We have broad support across the Members of Congress in this House. And in a recent national survey, over 77 percent of American taxpayers believe this would be helpful for cutting wasteful spending and spending our precious tax dollars where they belong.

This is a powerful tool. Let us set sunset on wasteful spending. We can do better.

Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. TURNER).

Mr. TURNER of Texas. Mr. Chairman, I thank the gentleman for yielding me this time.

This amendment, creating a sunset process, has been successful in many of our States. The gentleman from Texas (Mr. BRADY) and I have had personal experience with it in our State, where we have been able to eliminate unnecessary agencies. We have been able to streamline the activities of agencies.

I know that at the Federal level we all understand that it is very difficult job within our existing committee structures to really take a good, hard and complete look at the management and the functioning of our Federal agencies in the course of the appropriations process and the oversight responsibilities of our authorizing committees. So by creating a bipartisan commission of six Democrats and six Republicans, we do this with a long-term view to accomplish some goals that perhaps we are not as good at accomplishing in our usual process.

Mr. SPRATT. Mr. Chairman, I rise to claim the time in opposition, and I yield myself such time as I may consume.

Mr. Chairman, like a lot of Members, many of the provisions offered here are matters of first impression. I have not seen this bill before, so I would like to ask either of the cosponsors a question about a critical provision of the bill for their clarification.

It is my understanding that this amendment would require that after each commission completes its review of an agency every 12 years, that agency would be abolished automatically, would be extinguished unless, within a year, Congress reauthorized the agency. Is that correct? Am I reading it correctly?

Mr. BRADY of Texas. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from Texas.

Mr. BRADY of Texas. Yes, the gentleman is correct.

Mr. SPRATT. You would have automatic abolition of an agency? It would simply sunset?

Mr. BRADY of Texas. Mr. Chairman, if the gentleman will continue to yield, in the States that have used that, yes, that is correct; but it has rarely happened. It has been the tool for Congress to come together on reviewing it. Yes, sir.

Mr. SPRATT. Mr. Chairman, reclaiming my time, I see the merit in having some sort of conscious, affirmative periodic review of the huge morass of agencies we have in the Federal Government; but I have some concern here that if a President disagreed with the Congress, you could have 289 Members of the House and 66 Members of the Senate who thought this agency should be reestablished, but the President could veto the bill that would reauthorize it; and, therefore, it would not come back into existence.

Mr. TURNER of Texas. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from Texas.

Mr. TURNER of Texas. Mr. Chairman, I understand the gentleman's concern, but I can assure him that in practice this has worked very well in Texas. We have never had the occurrence that the gentleman describes.

In trying to alleviate some of the concerns that he has expressed, the gentleman from Texas and I put in this bill clear language that would say that the laws administered by these agencies do not sunset. There have been Members from time to time who have said, well, if an agency happened to sunset, then all the laws we passed that that agency administers would then go away and a lot of valuable programs disappear. We specifically have language here to ensure that the laws that administer various programs, and that are important to a lot of constituencies, do not disappear when the agency disappears.

Having said that, in practical terms, when a sunset commission makes a recommendation to the Congress, if the Congress failed to be able to come to grips with the recommendations of the commission, what happens in most States, and it has certainly happened on a couple of occasions in Texas, is that the legislature, and I would hope the Congress, would simply extend the agency as it is and set a new sunset date to allow the process of review of that agency to continue.

What we are trying to do here is create a bipartisan entity that has the credibility to make recommendations for change in operations of an agency, create new efficiencies, eliminate obsolete programs and obsolete offices, and to do it in a way that that commission and its recommendations have the same kind of weight that we all hope the 9/11 Commission will have, where once they have reported, there is some momentum behind what this bipartisan group has recommended to the Congress.

So I think in terms of our efforts in the years ahead, to try to figure out how to make government more efficient, to be sure that we are eliminating unnecessary spending, that this is a very powerful tool that we should take advantage of. And I think the concern that the gentleman from South Carolina expressed is not one that is likely to occur.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. BRADY).

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

Mr. BRADY of Texas. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas (Mr. BRADY) will be postponed.

The point of no quorum is considered withdrawn.

It is now in order to consider amendment No. 2, printed in House Report 108–566.

AMENDMENT NO. 2 OFFERED BY MR. CHOCOLA

Mr. CHOCOLA. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. CHOCOLA:

Page 2, after line 3, insert the following:

TITLE I—EXTENSION OF DISCRETIONARY SPENDING LIMITS AND PAY-AS-YOU-GO REQUIREMENTS

Redesignate sections 2 through 9 as sections 101 through 108, respectively; on page 5, lines 23 and 24, strike ''paragraphs'' and insert ''paragraph''; on page 6, line 5, insert quotation marks after the period and strike line 6 and all that follows thereafter through page 7, line 12; on page 7, line 13, strike ''(c)'' and insert ''(b)''; and on page 7, strike line 25 and insert the following: ''covered by subsection (b) or (c) of section 316 of the Congressional Budget Act of 1974''.

At the end, add the following new titles:

TITLE II—ONE-PAGE BUDGET RESOLUTIONS

SEC. 201. ONE-PAGE BUDGET RESOLUTIONS.

(a) CONTENT OF ANNUAL CONCURRENT RESOLUTIONS ON THE BUDGET.—Section 301(a)(4) of the Congressional Budget Act of 1974 is amended to read as follows:

''(4) subtotals of new budget authority and outlays for nondefense discretionary spending, defense discretionary spending, direct spending (excluding interest), interest, and emergencies (for the reserve fund in section 316(b) and for military operations in section 316(c));''.

(b) ADDITIONAL MATTERS IN CONCURRENT RESOLUTION.—Section 301(b) of the Congressional Budget Act of 1974 is amended as follows:

(1) Strike paragraphs (2), (4), and (6) through (9).

(2) After paragraph (1), insert the following new paragraph:

''(2) require such other congressional procedures, relating to the budget, as may be appropriate to carry out the purposes of this Act;''.

(3) At the end of paragraph (3), insert ''and'' and redesignate paragraph (5) as paragraph (4) and in such paragraph strike the semicolon and insert a period.

(c) REQUIRED CONTENTS OF REPORT.—Section 301(e)(2) of the Congressional Budget Act of 1974 is amended as follows:

(1) Redesignate subparagraphs (A), (B), (C), (D), (E), and (F) as subparagraphs (B), (C), (E), (F), and (G), respectively.

(2) Before subparagraph (B) (as redesignated), insert the following new subparagraph:

''(A) new budget authority and outlays for each major functional category, based on allocations of the total levels set forth pursuant to subsection (a)(1);''.

(3) In subparagraph (C) (as redesignated), strike ''mandatory'' and insert ''direct spending''.

(d) ADDITIONAL CONTENTS OF REPORT.—Section 301(e)(3) of the Congressional Budget Act of 1974 is amended by striking ''and'' at the end of subparagraph (D), by striking the period and inserting ''; and'' at the end of subparagraph (E), and by adding at the end the following new subparagraph:

''(F) reconciliation directives described in section 310.''.

(e) PRESIDENT'S BUDGET SUBMISSION TO THE CONGRESS.—(1) The first two sentences of section 1105(a) of title 31, United States Code, are amended to read as follows:

''On or after the first Monday in January but not later than the first Monday in February of each year the President shall submit a budget of the United States Government for the following fiscal year which shall set forth the following levels:

''(A) totals of new budget authority and outlays;

''(B) total Federal revenues and the amount, if any, by which the aggregate level of Federal revenues should be increased or decreased by bills and resolutions to be reported by the appropriate committees;

''(C) the surplus or deficit in the budget;

''(D) subtotals of new budget authority and outlays for nondefense discretionary spending, defense discretionary spending, direct spending (excluding interest), interest, and emergencies (for the reserve fund in section 316(b) and for military operations in section 316(c)); and

''(E) the public debt.

Each budget submission shall include a budget message and summary and supporting information and, as a separately delineated statement, the levels required in the preceding sentence for at least each of the 4 ensuing fiscal years.''.

(2) The third sentence of section 1105(a) of title 31, United States Code, is amended by inserting ''submission'' after ''budget''.

(f) CONFORMING AMENDMENTS TO SECTION 310 REGARDING RECONCILIATION DIRECTIVES.—(1) Section 310(a) of such Act is amended by striking ''A'' and inserting ''The joint explanatory statement accompanying the conference report on a''.

(2) The first sentence of section 310(b) of such Act is amended by striking ''If'' and inserting ''If the joint explanatory statement accompanying the conference report on''.

(3) Section 310(c)(1) of such Act is amended by inserting ''the joint explanatory statement accompanying the conference report on'' after ''pursuant to''.

TITLE III—EMERGENCIES

SEC. 301. REPEAL OF ADJUSTMENTS FOR EMERGENCIES.

(a) ELIMINATION OF EMERGENCY DESIGNATION.—Sections 251(b)(2)(A), 252(e), and 252(d)(4)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985 are repealed.

(b) ELIMINATION OF ADJUSTMENTS.—Section 314(b) of the Congressional Budget Act of 1974 is amended by striking paragraph (1) and by redesignating paragraphs (2) through (5) as paragraphs (1) through (4), respectively.

(c) CONFORMING AMENDMENT.—Clause 2 of rule XXI of the Rules of the House of Representatives is amended by repealing paragraph (e) and by redesignating paragraph (f) as paragraph (e).

SEC. 302. OMB EMERGENCY CRITERIA.

(a) DEFINITION OF EMERGENCY.—Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end the following new paragraph:

''(11)(A) The term 'emergency' means a situation that—

''(i) requires new budget authority and outlays (or new budget authority and the outlays flowing therefrom) for the prevention or mitigation of, or response to, loss of life or property, or a threat to national security; and

''(ii) is unanticipated.

''(B) As used in subparagraph (A), the term 'unanticipated' means that the situation is—

''(i) sudden, which means quickly coming into being or not building up over time;

''(ii) urgent, which means a pressing and compelling need requiring immediate action;

''(iii) unforeseen, which means not predicted or anticipated as an emerging need; and

''(iv) temporary, which means not of a permanent duration.''.

(b) CONFORMING AMENDMENT.—The term 'emergency' has the meaning given to such term in section 3 of the Congressional Budget and Impoundment Control Act of 1974.''.

SEC. 303. DEVELOPMENT OF GUIDELINES FOR APPLICATION OF EMERGENCY DEFINITION.

Not later than 5 months after the date of enactment of this Act, the chairmen of the Committees on the Budget (in consultation with the President) shall, after consulting with the chairmen of the Committees on Appropriations and applicable authorizing committees of their respective Houses and the Directors of the Congressional Budget Office and the Office of Management and Budget, jointly publish in the Congressional Record guidelines for application of the definition of emergency set forth in section 3(11) of the Congressional Budget and Impoundment Control Act of 1974.

SEC. 304. RESERVE FUND FOR EMERGENCIES IN PRESIDENT'S BUDGET.

Section 1105(f) of title 31, United States Code is amended by adding at the end the following new sentences: ''Such budget submission shall also comply with the requirements of subsections (b) and (c) of section 316 of the Congressional Budget Act of 1974 and, in the case of any budget authority requested for an emergency, such submission shall include a detailed justification of why such emergency is an emergency within the meaning of section 3(11) of the Congressional Budget Act of 1974.''.

SEC. 305. BUDGETING FOR EMERGENCIES.

(a) EMERGENCIES.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

''EMERGENCIES

''SEC. 316. (a) ADJUSTMENTS.—

''(1) IN GENERAL.—After the reporting of a bill or joint resolution or the submission of a conference report thereon that provides budget authority for any emergency as identified pursuant to subsection (d) that is not covered by subsection (c)—

''(A) the chairman of the Committee on the Budget of the House of Representatives or the Senate shall determine and certify, pursuant to the guidelines referred to in section 303 of the Spending Control Act of 2004, the portion (if any) of the amount so specified that is for an emergency within the meaning of section 3(11); and

''(B) such chairman shall make the adjustment set forth in paragraph (2) for the amount of new budget authority (or outlays) in that measure and the outlays flowing from that budget authority.

''(2) MATTERS TO BE ADJUSTED.—The adjustments referred to in paragraph (1) are to be made to the allocations made pursuant to the appropriate concurrent resolution on the budget pursuant to section 302(a) and shall be in an amount not to exceed the amount reserved for emergencies pursuant to the requirements of subsection (b).

''(b) RESERVE FUND FOR NONMILITARY EMERGENCIES.—The amount set forth in the reserve fund for emergencies for budget authority and outlays for a fiscal year pursuant to section 301(a)(4) shall equal—

''(1) the average of the enacted levels of budget authority for emergencies (other than those covered by subsection (c)) in the 5 fiscal years preceding the current year; and

''(2) the average of the levels of outlays for emergencies in the 5 fiscal years preceding the current year flowing from the budget authority referred to in paragraph (1), but only in the fiscal year for which such budget authority first becomes available for obligation.

''(c) TREATMENT OF EMERGENCIES TO FUND CERTAIN MILITARY OPERATIONS.—Whenever the Committee on Appropriations reports any bill or joint resolution that provides budget authority for any emergency that is a threat to national security and the funding of which carries out a military operation authorized by a declaration of war or a joint resolution authorizing the use of military force (or economic assistance funding in furtherance of such operation) and the report accompanying that bill or joint resolution, pursuant to subsection (d), identifies any provision that increases outlays or provides budget authority (and the outlays flowing therefrom) for such emergency, the enactment of which would cause the total amount of budget authority or outlays provided for emergencies for the budget year in the joint resolution on the budget (pursuant to section 301(a)(4)) to be exceeded:

''(1) Such bill or joint resolution shall be referred to the Committee on the Budget of the House or the Senate, as the case may be, with instructions to report it without amendment, other than that specified in paragraph (2), within 5 legislative days of the day in which it is reported from the originating committee. If the Committee on the Budget of either House fails to report a bill or joint resolution referred to it under this subparagraph within such 5-day period, the committee shall be automatically discharged from further consideration of such bill or joint resolution and such bill or joint resolution shall be placed on the appropriate calendar.

''(2) An amendment to such a bill or joint resolution referred to in this subsection shall only consist of an exemption from section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 of all or any part of the provisions that provide budget authority (and the outlays flowing therefrom) for such emergency if the committee determines, pursuant to the guidelines referred to in section 303 of the Spending Control Act of

2004, that such budget authority is for an emergency within the meaning of section 3(11).

''(3) If such a bill or joint resolution is reported with an amendment specified in paragraph (2) by the Committee on the Budget of the House of Representatives or the Senate, then the budget authority and resulting outlays that are the subject of such amendment shall not be included in any determinations under section 302(f) or 311(a) for any bill, joint resolution, amendment, motion, or conference report.

''(d) COMMITTEE NOTIFICATION OF EMERGENCY LEGISLATION.—Whenever the Committee on Appropriations or any other committee of either House (including a committee of conference) reports any bill or joint resolution that provides budget authority for any emergency, the report accompanying that bill or joint resolution (or the joint explanatory statement of managers in the case of a conference report on any such bill or joint resolution) shall identify all provisions that provide budget authority and the outlays flowing therefrom for such emergency and include a statement of the reasons why such budget authority meets the definition of an emergency pursuant to the guidelines referred to in section 303 of the Spending Control Act of 2004.''.

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 315 the following new item:

''Sec. 316. Emergencies.''.

SEC. 306. APPLICATION OF SECTION 306 TO EMERGENCIES IN EXCESS OF AMOUNTS IN RESERVE FUND.

Section 306 of the Congressional Budget Act of 1974 is amended by inserting at the end the following new sentence: ''No amendment reported by the Committee on the Budget (or from the consideration of which such committee has been discharged) pursuant to section 316(c) may be amended.''.

SEC. 307. UP-TO-DATE TABULATIONS.

Section 308(b)(2) of the Congressional Budget Act of 1974 is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ''; and'', and by adding at the end the following new subparagraph:

''(D) shall include an up-to-date tabulation of amounts remaining in the reserve fund for emergencies.''.

The CHAIRMAN. Pursuant to House Resolution 692, the gentleman from Indiana (Mr. CHOCOLA) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Indiana (Mr. CHOCOLA).

Mr. CHOCOLA. Mr. Chairman, I yield myself 2½ minutes.

The amendment I have offered is very straightforward. It is about simplicity, and it is about honesty in the budget process, which does not exist today.

It is about simplicity because it replaces 20 budget functions that we currently have in our annual budget process with five. Those five would include mandatory spending, defense and nondefense discretionary spending, interest, and emergency spending, or a rainy day fund.

By simplifying the process in this way, we make the budget process much easier; and we expedite it by focusing on overall spending, rather than focusing on 20 different so-called spending priorities. We spend too much time, frankly, debating and amending these spending priorities, when in the end they are not binding and they are ultimately, on too many occasions, ignored in the appropriations process.

My amendment is about honesty because it budgets money that we know we are going to spend. Every year we spend money on emergencies that are not budgeted. My amendment changes this practice by creating a rainy day fund that is based on the rolling 5-year average of actual money we spend on emergencies. By doing that, we will expedite the delivery of needed funds in the event of a true emergency, and we will provide a clearer definition of what an emergency is to deter characterizing routine spending and spending money in and above the budgeted and appropriated levels.

So, Mr. Chairman, this amendment would bring more clarity to the process; it would bring more simplification and bring more honesty. I encourage all of my colleagues to support this amendment.

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

Mr. SPRATT. Mr. Chairman, I claim the time in opposition.

Mr. Chairman, this amendment, if adopted, would reduce the budget process to one page. And while the budget process has its flaws and has not worked well, it has certain advantages to it. First of all, it gives the House one of the few opportunities we have to make a judgment among competing priorities: how much money we will spend for education, versus how much money we will spend for housing, versus how much we will spend for defense.

Secondly, it gives us some kind of central mechanism where everybody can make a decision about whether or not we want to increase taxes and decrease taxes, and expedite the process for doing so by way of reconciliation. Or we may feel it is necessary that we reduce entitlement spending.

The committees of jurisdiction of those particular programs do not normally cotton to the idea of taking a cut out of the entitlement which falls under their jurisdiction. Once again, the reconciliation process in the budget helps us accomplish those ends.

And then, finally, one of the problems that I have, and I have served here 20 years, and I think many other Members would confess they have it too, is that everything we do is so broken up into so many different parcels and pieces that it is hard to get a picture of the whole. The budget resolution at least gives us a picture of the whole. It helps us keep a tab on spending, and it also allows us to know whether or not aggregate spending estimates and aggregate revenue estimates are accurate.

If you reduce spending to one total for discretionary spending, for example, you can claim that spending can be shrunk. But unless you have 20 different functions to show how that shrinkage will take place, how those reductions would be achieved and affected, then nobody can judge whether or not, or will not be able to judge as well whether or not, that spending reduction, which you are claiming is reasonable and pragmatic and achievable, is indeed that.

If you have to break it up into 20 different functions, it is one way the House gets together early in a session, expresses its priorities about those different functions; but it is also a way that we can tell whether or not that is realistic. On the other hand, if individual functions, whether it is defense or housing or health care or whatever, are understated well before this year's level, we may say that is not politically realistic, or that is not something I would like to see us do. And the budget resolution gives us an opportunity to vote on that as a House, one of the rare opportunities we get to express ourselves collectively.

That is why I would strenuously oppose the notion of reducing the budget process to this summary kind of process.

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

Mr. CHOCOLA. Mr. Chairman, it is my pleasure to yield 1 minute to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise in support of this amendment.

I am not sure how it benefits this House to vote on categories that have no enforcement ability whatsoever. When we have 13 appropriation bills and 20 budget functions that never meet, we are losing sight of another very important function that this budget ought to serve, and that is the function of protecting the family budget from the Federal budget.

Spending is out of control. It is a very important debate between relative expenditures within the Federal budget, but we also have to focus on how much money are we going to take away from the American family; how are we going to impact their dreams and their ability to realize their housing programs, their education programs, their child care programs.

We need to focus on what is enforceable, and we need to focus on protecting the family budget from the Federal budget. And if we believe in limited government, we will support this amendment.

Mr. SPRATT. Mr. Chairman, I yield myself such time as I may consume to simply say again, how do we know if the spending amounts that are provided for in the budget resolution in the aggregate are reasonable or attainable unless you break it down into their component parts and can see what is provided for defense and nondefense programs from entitlements and for discretionary programs alike?

This is not a good idea. It is a bad idea. It decimates the budget process, and I hope the House will reject it.

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

Mr. CHOCOLA. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin (Mr. RYAN).

□ 1730

Mr. RYAN of Wisconsin. Mr. Chairman, I just want to comment on a couple other aspects of this amendment that I think are very important. This amendment really dovetails well with another amendment that is coming, which is breaking it into five simple categories so that we do not have these stalemates we have every year in Congress between the other Chamber and the White House. What we want to do is make the budget amendment easier to achieve in the beginning of the process. Also what this does is it has emergency spending protection so that we save for emergencies ahead of time, so that we have a rainy day fund to prepare for these kinds of emergencies.

We also clean up the definition of emergencies in this amendment. Far too often in this body, we designate things that really do not pass the smell test as to what are emergencies. We want to have real emergencies being funded under the emergency spending reserve fund, not nonemergencies. That is why we think we need to clean up that rule that allows Congress to designate things like a summit house on top of Pikes Peak an emergency.

So this bill makes it easier to get a budget agreement, cleans up our emergency spending designation and helps us set money aside so we can prepare for these inevitable emergencies that occur every year Congress spends this money.

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

Mr. Chairman, I would simply say if the object of what we are doing tonight is to try to put some starch into the budget process, put some structure into it so we can get our hands around spending, get our hands around revenues, this is the opposite direction we should go.

Mr. CHOCOLA. Mr. Chairman, may I inquire how much time is remaining?

The CHAIRMAN. The gentleman from Indiana (Mr. CHOCOLA) has 1½ minutes remaining. The gentleman from South Carolina (Mr. SPRATT) has 1 minute and the right to close.

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

Mr. Chairman, let me just conclude by saying as I started out that this amendment is straightforward, and it is about simplicity and honesty. I think we owe the American people a simplified budget that they can understand, and by reducing the number of budget functions from 20 to 5, I think we are accomplishing that goal.

The 20 budget functions that we have already, as has been pointed out, are unenforceable and too often ignored in the budget appropriations process, and we are simply budgeting money that we know we are going to spend. Every single year we spend Federal money for emergencies that we spend above the budget and appropriated levels. So we are being honest with the American people, which I think they deserve.

So I encourage my colleagues to support this amendment, because it is based on simplicity and honesty. It is exactly what we should be doing here every day, exactly what the American taxpayers and the American citizens deserve.

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

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

Mr. Chairman, once again, if we want to make the budget process opaque, more opaque, less transparent, then this will be the way to do it, but if you think we need more visibility, the House should assert more control, then we should have the kind of numbers we need to make honest judgments about the budget. We should stick at least with the process we have got. It is flawed, but this would be a travesty. This would destroy the budget process as it has existed since 1974.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. CHOCOLA).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. CHOCOLA. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Indiana (Mr. CHOCOLA) will be postponed.

AMENDMENT NO. 3 OFFERED BY MR. CASTLE

Mr. CASTLE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. CASTLE:

At the end, add the following new section:

SEC. . ESTABLISHMENT OF MACROECONOMIC CONGRESSIONAL BUDGETS.

(a) MACROECONOMIC CATEGORIES.—Section 301(a) of the Congressional Budget Act of 1974 (2 U.S.C. 632(a)) is amended by striking paragraph (4) and by redesignating paragraphs (5) through (7) as paragraphs (4) through (6), respectively.

(b) ADDITIONAL MATTERS.—Section 301(b) of the Congressional Budget Act of 1974 (2 U.S.C. 632(b)) is amended by striking ''and'' at the end of paragraph (8), by striking the period and inserting ''; and'' at the end of paragraph (9), and by adding at the end the following new paragraph:

''(10) set forth appropriate levels for each fiscal year covered by such concurrent resolution for new budget authority and outlays for each major functional category established by the Committees on the Budget (after consultation with each other), based on allocations of the total levels set forth pursuant to subsection (a)(1).''.

The CHAIRMAN. Pursuant to House Resolution 692, the gentleman from Delaware (Mr. CASTLE) and the gentleman from South Carolina (Mr. SPRATT) each will control 5 minutes.

The Chair recognizes the gentleman from Delaware (Mr. CASTLE).

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

Mr. Chairman, this amendment is somewhat different but somewhat similar to the amendment we just had before us, which I would also support, but the challenge of passing a budget resolution, as we have seen particularly in recent years, and subsequent appropriation bills in a timely manner has proven to be an extraordinarily difficult series of tasks.

In my opinion, this is, in large part, due to the fact that there are 20 budget functions, 17 for broad areas of national need and 3 to ensure full coverage of the budget. This structure, therefore, forces us to engage in duplicitous debates over spending priorities.

The gentleman from Washington (Mr. HASTINGS) and I believe that by eliminating the requirement of the budget functions, that we will provide the Committee on the Budget increased flexibility in moving the process forward each year.

Specifically under this amendment, the Committee on the Budget will be given the opportunity to eliminate or restructure the budget functions. By granting the Committee on the Budget this ability, we will be giving them the ability to structure a budget in the most fair and efficient manner.

Let me give my colleagues an example of how this may happen. Under this amendment, the committee would have the freedom to see a macro budget consisting of four aggregate numbers as opposed to the current 20 budget functions. These aggregate numbers include total revenues, total budget authority and outlays, the surplus or deficit and the resultant debt.

A macro budget may also include the amount by which revenues would be lowered. Under a macro budget the resulting resolution would also contain reconciliation instruction to expedite action, primarily by the Senate, as well as separate titles to reconciliation instructions, enforcement procedures and possible reserve accounts, thus preserving the importance of the budget resolution and helping guide Congress.

The ability to use a macro budget empowers the committee to operate as they were originally intended, to provide the blueprint for the year's budget and to allow the appropriators to work out the details.

Our focus should be on the larger macroeconomic impact of budget policies rather than a summation of proposed spending, and I happen to believe that the current functional categories have really become dysfunctional mechanisms for setting our priorities as a Nation.

While I do not claim to have the perfect solution to fit our budget process into our fiscal timetable, I do, however,

believe that minimizing duplication of issue deliberations could significantly accelerate the budget and appropriations process. As we all know, one of the main holdups of the budget process is having the same debates on the same issues twice. I believe the details of spending within the set guidelines should fall to the appropriators. When the Committee on the Budget was formed in the 1970s, the intent was to look at the large blueprint. By eliminating the requirement of budget functions we allow the Committee on the Budget to set the broad parameters.

The Hastings-Castle amendment provides the Budget Committees with the discretion to include whatever functional categories, if any, that they deem appropriate. I encourage my colleagues to support this amendment as it will prevent us from constraining the economy by being beholden to the antiquated procedures that we have had over the past three decades.

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

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

I wish there were some procedure in the House where we could give a hand signal or maybe use a code word and incorporate by reference all of our comments previously made on the same subject. I have to repeat myself because this amendment is, to some extent, the same as the amendment previously offered. This amendment would eliminate the requirement that the annual budget resolution include 20 budget functions. Once again, this is one of the opportunities we have as a House collectively, all of us, to have a debate in-depth about our priorities, whether we want to spend more for education or whether we need to spend more for defense or highways, priorities that are big functions of our budget. It takes away that opportunity. It also takes away our perception into the budget to see whether or not it is adequate to provide for the many things we want to do.

Secondly, as I have said, there are a lot of centrifugal forces in this House. There is a lot of fragmentation of what we do. It is very hard in this House and in the Congress to keep a picture of the whole, of what is happening altogether. The budget resolution gives us the ability to keep the puzzle kind of together, so we can get a perception into what is happening altogether. This particular budget resolution would not even require that discretionary spending allocations be split between defense and nondefense.

It would simply call for a total of all new budget authority and outlays. So the House would forgo the opportunity to say we want to do more for defense while we are going to do less for nondefense in order to pay for the additional commitment to defense. It calls for an aggregate statement of revenues, but nothing with respect to the House's expression to the Committee on Ways and Means as to what those revenues might be, no reconciliation instructions, so a key function of the Committee on the Budget, a key means of exerting discipline and control in the institution, would be lost, and then a simple statement of the surplus or deficit.

To me this is letting the reins go, giving up what little control and structure we have got, what little ability we have got to keep a picture of the whole composed at all times. I think it is a bad idea.

If we want to do away with the budget resolution, let us just repeal it altogether because what this leaves in place is practically useless.

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

Mr. CASTLE. Mr. Chairman, I yield myself such time as I may consume. I disagree with the distinguished gentleman from South Carolina on the basis of what I have seen here in the years that I have been here. I have a great deal of faith in the Committee on the Budget. I have a great deal of faith in the gentleman as the ranking member and the chairman, but I have seen this process literally almost collapse in recent years. My judgment is that the transparency that the gentleman requests is not there and that the reality is that the Committee on the Budget's responsibility is to do something which we have not been doing which is to make sure that we are managing within the dollars that we have and setting parameters around those particular dollars but should not carry over to the functions of how the individual amounts of money are going to be spent. In addition, we do not necessarily match up the appropriations with the various designations in the budget resolution which we have.

It is my sense we need to break that impasse in some way or another so that we have some sense of the dollars we are spending in the House and the Senate and be working together in order to advance as far as the future is concerned.

I reiterate what I have already stated, and, that is, that I think we need to start moving in that direction. But I would also point out to the gentleman, and I think this is important, that this amendment does not disallow doing as much as the Committee on the Budget wishes to do. They could still do what they have done before. It just will be a simplification methodology which could be used in case you cannot come to agreement on that or for whatever reason we are not able to get the budget resolution passed and it has to be simplified. That is what it is all about, trying to give more power to the Committee on the Budget to make sure we do have a budget in place that we have all voted on, shaken hands on and that we all are going to live under. I am trying to give flexibility to it, not a limited solution to the problem of not being able to get a budget done.

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

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

I am just suggesting to my good friend and someone for whom I have great respect that he gives so much flexibility to it that it is limp when we get through with it. There is nothing left. It is a process without any teeth, without any structure, without any starch to it. It is almost meaningless. It is the last rites for the budget process. If we are going to do this we may as well just not do it at all.

A couple of speakers have noted that the functions that we designate in the budget resolution do not correspond to the 302(b) allocation made by the members of the Committee on Appropriations. That is true. That is an old, old compromise. If we dared back away from that compromise, the gentleman from Florida (Mr. YOUNG) would be on his feet, I am sure, protesting vigorously that usurpation of their authority on the Committee on Appropriations. But it is an opportunity.

When the Committee on the Budget and one party or the other party wants to propose new initiatives in certain areas, it might be education, it might be NIH in health care, it might be defense, it gives us an opportunity to make that proposal, to show what the consequences are for the bottom line and for trade-offs against other programmatic areas and then allows us to have a debate on that subject on the House floor.

These aggregate numbers do not signify anything. They do not really tell you what is going to be cut and what is going to be increased, and that is the problem I have. We do not get the process started with that sort of message and direction that the budget resolution now gives to the process and the opportunity it gives to the House as a whole to make a statement of priorities and have something of a debate on programmatic priorities for the next 1 to 5 fiscal years.

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

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

It does encompass total revenues, total budget authority and outlays, the surplus or deficit and the resultant debt. To me that is what the Committee on the Budget should be doing, not necessarily setting the priorities in the 20 different areas which is done now, although that could still happen. That is why I think that we should adopt this amendment.

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

This would be making a distinction between defense and nondefense spending. This gives you one big aggregate for all discretionary spending. That is how far back it takes us and how little definition it leaves to what we end up doing. We come up with three or four big numbers and that is the end of the budget. The gentleman is suggesting we could do something much more elaborate, but this would be the only

statutory prerogative we would have which would mean that pretty soon we would probably not be doing any function allocations at all. It would not have any statutory basis. I am not saying they get great deference from the Committee on Appropriations today, but once we reduce the budget process to this, I doubt the Committee on the Budget would get any deference from the appropriators.

Mr. CASTLE. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from Delaware.

Mr. CASTLE. On that particular subject, there may be times when we do need to put more money into discretionary spending. We may be in one of those times now in terms of the war in Iraq. There may be other emergency things that we have to deal with. For that reason, I believe that flexibility should be in the Committee on Appropriations.

Mr. HASTINGS of Washington. Mr. Chairman, this amendment would remove the requirement that 20 functional categories be included in the annual budget resolution, and grant the Budget Committee the discretion to include such categories, if any, as they deem appropriate.

With this change to the 30-year old Congressional Budget Act, we can properly return debate to the "big picture," macroeconomic budget issues that were intended to be the focus of the budget resolution when the act was passed in 1974.

Annual budget debates have been bogged down in recent years by often bitter disputes over funding for scores of Federal programs within these 20 budget functions. This has become an enormous distraction for lawmakers on both sides of the aisle and harmed the process of making rational decisions about overall Federal fiscal policy.

The 20 functional categories are intended to illustrate how the Federal spending could be allocated under the budget resolution. However, the functions do not direct how much money is eventually spent for programs covered by each specific function. Function totals also do not specifically mandate how the Appropriations Committee makes allocations to its 13 subcommittees.

Yet, despite the reality that these functions have no real power over actual spending decisions, every year tremendous time, energy and resources are dedicated to influencing the levels of particular functions.

Interest groups mobilize and massive lobbying efforts are undertaken to try and affect often very slight changes in functions' totals and in budget report language. Yet, at the end of the day, these efforts do not effect the spending and taxing decisions the Congress will make later in the year.

This is a severe distraction from critically important budget questions that deserve attention and clear debate.

In the midst of the debate over how much to spend on this program, or that program or in this function or that function—what can get lost are the most fundamental matters of what the budget is going to look like:

How much is the government going to spend next year?

How much is going to be collected in taxes?

Will the government's budget be in balance? Or will there be a surplus or deficit?

How do all of these affect the public debt?

I believe we must clear away the distractions that have overtaken the budget process. The first step in the annual budget process in Congress should be discussion and reaching agreement on overall spending, tax and debt levels in a budget resolution. We must be a real handle on the federal budget and the macroeconomic factors that the budget resolution is designed to guide and over which it actually has control.

Decisions on spending on individual programs do not need to be debated twice—once during consideration of the budget resolution and again during open debate on Appropriations bills.

As the fiscal challenges that our Nation will face with the effects of a retiring Baby Boom generation, it is more important than ever to focus our budget decisions in a manner that best directs attention to the critical choices we face today and the effects they will have on our children and the country's future.

I urge all of my colleagues to support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware (Mr. CASTLE).

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

Mr. SPRATT. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Delaware (Mr. CASTLE) will be postponed.

It is now in order to consider amendment No. 4 printed in House Report 108–566.

AMENDMENT NO. 4 OFFERED BY MR. HENSARLING

Mr. HENSARLING. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. HENSARLING:

Page 2, after line 3, insert the following:

TITLE I—EXTENSION OF DISCRETIONARY SPENDING LIMITS AND PAY-AS-YOU-GO REQUIREMENTS

Redesignate sections 2 through 9 as sections 101 through 108, respectively, and, at the end, add the following new titles:

TITLE II—SPENDING CAPS ON GROWTH OF ENTITLEMENTS AND MANDATORIES

SEC. 201. SPENDING CAPS ON GROWTH OF ENTITLEMENTS AND MANDATORIES.

(a) CONTROL OF ENTITLEMENTS AND MANDATORIES.—The Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding after section 252 the following new section:

"SEC. 252A. ENFORCING CONTROLS ON DIRECT SPENDING.

"(a) CAP ON GROWTH OF ENTITLEMENTS.—Effective for fiscal year 2005 and for each ensuing fiscal year, the total level of direct spending for all direct spending programs, projects, and activities (excluding social security) for any such fiscal year shall not exceed the total level of spending for all such programs, projects, and activities for the previous fiscal year after the direct spending for each such program, project, or activity is increased by the higher of the change in the Consumer Price Index for All Urban Consumers or the inflator (if any) applicable to that program, project, or activity and the growth in eligible population for such, project, or activity.

"(b) SEQUESTRATION.—Within 15 days after Congress adjourns to end a session (other than of the second session of the One Hundred Eighth Congress), and on the same day as a sequestration (if any) under section 251, there shall be a sequestration to reduce the amount of direct spending for the fiscal year beginning in the year the Congress adjourns by any amount necessary to reduce such spending to the level set forth in subsection (a) unless that amount is less than $250,000,000.

"(c) UNIFORM REDUCTIONS; LIMITATIONS.—The amount required to be sequestered for the fiscal year under subsection (a) shall be obtained from nonexempt direct spending accounts by actions taken in the following order:

"(1) FIRST.—The reductions in the programs specified in section 256(a) (National Wool Act and special milk), section 256(b) (student loans), and section 256(c) (foster care and adoption assistance) shall be made.

"(2) SECOND.—Any additional reductions that may be required shall be achieved by reducing each remaining nonexempt direct spending account by the uniform percentage necessary to achieve those additional reductions, except that—

"(A) the low-income programs specified in section 256(d) shall not be reduced by more than 2 percent;

"(B) the retirement and veterans benefits specified in sections 256(f), (g), and (h) shall not be reduced by more than 2 percent in the manner specified in that section; and

"(C) the medicare programs shall not be reduced by more than 2 percent in the manner specified in section 256(i).

The limitations set forth in subparagraphs (A), (B), and (C) shall be applied iteratively, and after each iteration the uniform percentage applicable to all other programs under this paragraph shall be increased (if necessary) to a level sufficient to achieve the reductions required by this paragraph.

"(d) EXCLUSION OF MEDICARE PRESCRIPTION DRUG PROGRAM UNTIL FULLY OPERATIONAL.—For purposes of this section with respect to the limitation under subsection (a) for a fiscal year before fiscal year 2008, direct spending programs and direct spending shall not be construed to include part D of title XVIII of the Social Security Act (or spending under part C of such title that is attributable to such part D).".

(b) TABLE OF CONTENTS AMENDMENT.—The table of contents set forth in 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding after the item relating to section 252 the following new item:

"Sec. 252A. Enforcing controls on direct spending.".

SEC. 202. EXEMPT PROGRAMS AND ACTIVITIES.

Section 255 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

"SEC. 255. EXEMPT PROGRAMS AND ACTIVITIES.

"(a) SOCIAL SECURITY BENEFITS; TIER I RAILROAD RETIREMENT BENEFITS; AND CERTAIN MEDICARE BENEFITS.—(1) Benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act, and benefits payable under section 3(a), 3(f)(3), 4(a), or 4(f) of the Railroad Retirement Act of 1974, shall be exempt from reduction under any order issued under this part.

"(2) Payments made under part A of title XVIII (relating to part A medicare hospital

insurance benefits) of the Social Security Act and payments made under part C of such title (relating to the Medicare Advantage program) insofar as they are attributable to part A of such title shall be exempt from reduction under any order issued under this part.

''(b) DESCRIPTIONS AND LISTS.—The following budget accounts or activities shall be exempt from sequestration:

''(1) net interest;

''(2) all payments to trust funds from excise taxes or other receipts or collections properly creditable to those trust funds;

''(3) all payments from one Federal direct spending budget account to another Federal budget account; and all intragovernmental funds including those from which funding is derived primarily from other Government accounts, except to the extent that such funds are augmented by direct appropriations for the fiscal year for which the order is in effect;

''(4) activities resulting from private donations, bequests, or voluntary contributions to the Government;

''(5) payments from any revolving fund or trust-revolving fund (or similar activity) that provides deposit insurance or other Government insurance, Government guarantees, or any other form of contingent liability, to the extent those payments result from contractual or other legally binding commitments of the Government at the time of any sequestration;

''(6) credit liquidating and financing accounts;

''(7) the following accounts, which largely fulfill requirements of the Constitution or otherwise make payments to which the Government is committed:

''Administration of Territories, Northern Mariana Islands Covenant grants (14–0412–0–1–806);

''Armed Forces Retirement Home Trust Fund, payment of claims (84–8930–0–7–705);

''Bureau of Indian Affairs, miscellaneous payments to Indians (14–230–0–1–452);

''Bureau of Indian Affairs, miscellaneous trust funds, tribal trust funds (14–9973–0–7–999);

''Claims, defense;

''Claims, judgments, and relief act (20–185–0–1–806);

''Compact of Free Association, economic assistance pursuant to Public Law 99 (14–0414–0–1–806);

''Compensation of the President (11–0001–0–1–802);

''Customs Service, miscellaneous permanent appropriations (20–9992–0–2–852);

''Eastern Indian land claims settlement fund (14–2202–0–1–806);

''Farm Credit Administration, Limitation on Administration Expenses (78–4131–0–3–351);

''Farm Credit System Financial Assistance Corporation, interest payments (20–1850–0–1–351);

''Internal Revenue collections of Puerto Rico (20–5737–0–2–852);

''Panama Canal Commission, operating expenses and capital outlay (95–5190–0–2–403);

''Payments of Vietnam and USS Pueblo prisoner-of-war claims (15–0104–0–1–153);

''Payments to copyright owners (03–5175–0–2–376);

''Payments to health care trust funds (75–0580–0–1–571);

''Payments to social security trust funds (75–0404–0–1–651);

''Payments to the United States territories, fiscal assistance (14–0418–0–1–801);

''Payments to widows and heirs of deceased Members of Congress (00–0215–0–1–801);

''Pension Benefit Guaranty Corporation Fund (16–4204–0–3–601);

''Salaries of Article III judges;

''Washington Metropolitan Area Transit Authority, interest payments (46–0300–0–1–401);

''(8) the following noncredit special, revolving, or trust-revolving funds:

''Coinage profit fund (20–5811–0–2–803);

''Comptroller of the Currency;

''Director of the Office of Thrift Supervision;

''Exchange Stabilization Fund (20–4444–0–3–155);

''Federal Housing Finance Board;

''Foreign Military Sales trust fund (11–82232–0–7–155);

''National Credit Union Administration, central liquidating facility (25–4470–0–3–373);

''National Credit Union Administration, credit union insurance fund (25–4468–0–3–373);

''National Credit Union Administration operating fund (25–4056–0–3–373); and

''Resolution Trust Corporation Revolving Fund (22–4055–0–3–373);

''(9) Thrift Savings Fund;

''(10) appropriations for the District of Columbia to the extent they are appropriations of locally raised funds;

''(11)(A) any amount paid as regular unemployment compensation by a State from its account in the Unemployment Trust Fund (established by section 904(a) of the Social Security Act);

''(B) any advance made to a State from the Federal unemployment account (established by section 904(g) of such Act) under title XII of such Act and any advance appropriated to the Federal unemployment account pursuant to section 1203 of such Act; and

''(C) any payment made from the Federal Employees Compensation Account (as established under section 909 of such Act) for the purpose of carrying out chapter 85 of title 5, United States Code, and funds appropriated or transferred to or otherwise deposited in such Account; and

''(12)(A) FDIC, Bank Insurance Fund (51–4064–0–3–373);

''(B) FDIC, FSLIC Resolution Fund (51–4065–0–3–373); and

''(C) FDIC, Savings Association Insurance Fund (51–4066–0–3–373);

''(c) FEDERAL RETIREMENT AND DISABILITY ACCOUNTS.—The following Federal retirement and disability accounts shall be exempt from reduction under any order issued under this part:

''Civil service retirement and disability fund (24–8135–0–7–602).

''Black Lung Disability Trust Fund (20–8144–0–7–601).

''Foreign Service Retirement and Disability Fund (19–8186–0–7–602).

''District of Columbia Judicial Retirement and Survivors Annuity Fund (20–8212–0–7–602).

''Judicial Survivors' Annuities Fund (10–8110–0–7–602).

''Payments to the Railroad Retirement Accounts (60–0113–0–1–601).

''Tax Court Judges Survivors Annuity Fund (23–8115–0–7–602).

''Employees Life Insurance Fund (24–8424–0–8–602).

''(d) FEDERAL ADMINISTRATIVE EXPENSES.—

''(1) Notwithstanding any provision of law other than paragraph (3), administrative expenses incurred by the departments and agencies, including independent agencies, of the Government in connection with any program, project, activity, or account shall be subject to reduction pursuant to any sequestration order, without regard to any exemption, exception, limitation, or special rule otherwise applicable with respect to such program, project, activity, or account, and regardless of whether the program, project, activity, or account is self-supporting and does not receive appropriations.

''(2) Payments made by the Government to reimburse or match administrative costs incurred by a State or political subdivision under or in connection with any program, project, activity, or account shall not be considered administrative expenses of the Government for purposes of this section, and shall be subject to sequestration to the extent (and only to the extent) that other payments made by the Government under or in connection with that program, project, activity, or account are subject to that reduction or sequestration; except that Federal payments made to a State as reimbursement of administrative costs incurred by that State under or in connection with the unemployment compensation programs specified in subsection (a)(11) shall be subject to reduction or sequestration under this part notwithstanding the exemption otherwise granted to such programs under that subsection.

''(3) Notwithstanding any other provision of law, the administrative expenses of the following programs shall be exempt from sequestration:

''(A) Comptroller of the Currency.

''(B) Federal Deposit Insurance Corporation.

''(C) Office of Thrift Supervision.

''(D) National Credit Union Administration.

''(E) National Credit Union Administration, central liquidity facility.

''(F) Federal Retirement Thrift Investment Board.

''(G) Resolution Funding Corporation.

''(H) Resolution Trust Corporation.

''(I) Board of Governors of the Federal Reserve System.

''(e) VETERANS' PROGRAMS.—The following programs shall be exempt from reduction under any order issued under this part:

''General Post Funds (36–8180–0–7–705).

''Veterans Insurance and Indemnities (36–0120–0–1–701).

''Service-Disabled Veterans Insurance Funds (36–4012–0–3–701).

''Veterans Reopened Insurance Fund (36–4010–0–3–701).

''Servicemembers' Group Life Insurance Fund (36–4009–0–3–701).

''Post-Vietnam Era Veterans Education Account (36–8133–0–7–702).

''National Service Life Insurance Fund (36–8132–0–7–701).

''United States Government Life Insurance Fund (36–8150–0–7–701).

''Veterans Special Life Insurance Fund (36–8455–0–8–701).

''(f) OPTIONAL EXEMPTION OF DEFENSE AND HOMELAND SECURITY ACCOUNTS.—

''(1) IN GENERAL.—The President may, with respect to any defense or homeland security account, exempt that account from sequestration or provide for a lower uniform percentage reduction than would otherwise apply.

''(2) LIMITATION.—The President may not use the authority provided by paragraph (1) unless the President notifies the Congress of the manner in which such authority will be exercised on or before the date specified in section 254(a) for the budget year.''.

SEC. 203. EXCEPTIONS, LIMITATIONS, AND SPECIAL RULES.

(a) IN GENERAL.—Section 256 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

''SEC. 256. EXCEPTIONS, LIMITATIONS, AND SPECIAL RULES.

''(a) NATIONAL WOOL ACT AND THE SPECIAL MILK PROGRAM.—Automatic spending increases are increases in outlays due to changes in indexes in the following programs:

''(1) National Wool Act; and

''(2) Special milk program.

In those programs all amounts other than the automatic spending increases shall be exempt from reduction under any sequestration order.

''(b) STUDENT LOANS.—For all student loans under part B or D of title IV of the Higher Education Act of 1965 made during the period when a sequestration order under section 254 is in effect as required by section 252 or 253, origination fees under sections 438(c)(2) and 455(c) of that Act shall each be increased by 0.50 percentage point.

''(c) FOSTER CARE AND ADOPTION ASSISTANCE PROGRAMS.—Any sequestration order shall make the reduction otherwise required under the foster care and adoption assistance programs (established by part E of title IV of the Social Security Act) only with respect to payments and expenditures made by States in which increases in foster care maintenance payment rates or adoption assistance payment rates (or both) are to take effect during the fiscal year involved, and only to the extent that the required reduction can be accomplished by applying a uniform percentage reduction to the Federal matching payments that each such State would otherwise receive under section 474 of that Act (for such fiscal year) for that portion of the State's payments attributable to the increases taking effect during that year. No State's matching payments from the Government for foster care maintenance payments or for adoption assistance maintenance payments may be reduced by a percentage exceeding the applicable domestic sequestration percentage. No State may, after the date of the enactment of this Act, make any change in the timetable for making payments under a State plan approved under part E of title IV of the Social Security Act which has the effect of changing the fiscal year in which expenditures under such part are made.

''(d) LOW-INCOME PROGRAMS.—(1) Benefit payments or payments to States or other entities for the programs listed in paragraph (2) shall not be reduced by more than 2 percent under any sequestration order. When reduced under an end-of-session sequestration order, those benefit reductions shall occur starting with the payment made at the start of January. When reduced under a within-session sequestration order, those benefit reductions shall occur starting with the next periodic payment.

''(2) The programs referred to in paragraph (1) are the following:

''Child Nutrition (12–3539–0–1–605).

''Food Stamp Programs (12–3505–0–1–605).

''Grants to States for Medicaid (75–0512–0–1–551).

''State Children's Health Insurance Fund (75–0515–0–1–551).

''Supplemental Security Income Program (75–0406–0–1–609).

''Temporary Assistance for Needy Families (75–1552–0–1–609).

''Special supplemental nutrition program for women, infants, and children (WIC) (12–3510–0–1–605).

''(e) VETERANS' MEDICAL CARE.—The maximum permissible reduction in budget authority for Veterans' medical care (36–0160–0–1–703) for any fiscal year, pursuant to an order issued under section 254, shall be 2 percent.

''(f) FEDERAL RETIREMENT PROGRAMS.—

''(1) For each of the programs listed in paragraph (2) and except as provided in paragraph (3), monthly (or other periodic) benefit payments shall be reduced by the uniform percentage applicable to direct spending sequestrations for such programs, which shall in no case exceed 2 percent under any sequestration order. When reduced under an end-of-session sequestration order, those benefit reductions shall occur starting with the payment made at the start of January or 7 weeks after the order is issued, whichever is later. When reduced under a within-session sequestration order, those benefit reductions shall occur starting with the next periodic payment.

''(2) The programs subject to paragraph (1) are:

''Central Intelligence Agency Retirement and Disability Fund (56–3400–0–1–054).

''Comptrollers General Retirement System (05–0107–0–1–801).

''Judicial Officer' Retirement Fund (10–8122–0–7–602).

''Claims Judges' Retirement Fund (10–8124–0–7–602).

''Pensions for former Presidents (47–0105–0–1–802).

''National Oceanic and Atmospheric Administration Retirement (13–1450–0–1–306).

''Railroad Industry Pension Fund (60–8011–0–7–601).

''Retired pay, Coast Guard (70–0602–0–1–403).

''Retirement pay and medical benefits for commissioned officers, Public Health Service (75–0379–0–1–551).

''Payments to Civil Service Retirement and Disability Fund (24–0200–0–1–805).

''Payments to the Foreign Service Retirement and Disability Fund (72–1036–0–1–153).

''Payments to Judiciary Trust Funds (10–0941–0–1–752).

''(g) VETERANS PROGRAMS.—To achieve the total percentage reduction required by any order issued under this part, the percentage reduction that shall apply to payments under the following programs shall in no event exceed 2 percent:

''Canteen Service Revolving Fund (36–4014–0–3–705).

''Medical Center Research Organizations (36–4026–0–3–703).

''Disability Compensation Benefits (36–0102–0–1–701).

''Education Benefits (36–0137–0–1–702).

''Vocational Rehabilitation and Employment Benefits (36–0135–0–1–702).

''Pensions Benefits (36–0154–0–1–701).

''Burial Benefits (36–0139–0–1–701).

''Guaranteed Transitional Housing Loans For Homeless Veterans Program Account (36–1119–0–1–704).

''Housing Direct Loan Financing Account (36–4127–0–1–704).

''Housing Guaranteed Loan Financing Account (36–4129–0–3–704).

''Vocational Rehabilitation and Education Direct Loan Financing Account (36–4259–0–3–702).

''(h) MILITARY HEALTH CARE AND RETIREMENT.—To achieve the total percentage reduction in military retirement required by any order issued under this part, the percentage reduction that shall apply to payments under the Military retirement fund (97–8097–0–7–602), payments to the military retirement fund (97–0040–0–1–054), and the Defense Health Program (97–0130–0–1–051) shall in no event exceed 2 percent.

''(i) MEDICARE PROGRAM.—

''(1) CALCULATION OF REDUCTION IN INDIVIDUAL PAYMENT AMOUNTS.—To achieve the total percentage reduction in those programs required by any order issued under this part, the percentage reduction that shall apply to payments under the health insurance programs under title XVIII of the Social Security Act (other than payments described in section 255(a)(2)) that are subject to such order for services furnished after any sequestration order is issued shall be such that the reduction made in payments under that order shall achieve the required total percentage reduction in those payments for that fiscal year as determined on a 12-month basis. However, the percentage reduction under any such program shall in no case exceed 2 percent under any sequestration order.

''(2) TIMING OF APPLICATION OF REDUCTIONS.—If a reduction is made under paragraph (1) in payment amounts pursuant to a sequestration order, the reduction shall be applied to payment for services furnished after the effective date of the order.

''(3) NO INCREASE IN BENEFICIARY CHARGES IN ASSIGNMENT-RELATED CASES.—If a reduction in payment amounts is made under paragraph (1) for services for which payment under part B of title XVIII of the Social Security Act is made on the basis of an assignment described in section 1842(b)(3)(B)(ii), in accordance with section 1842(b)(6)(B), or under the procedure described in section 1870(f)(1) of such Act, the person furnishing the services shall be considered to have accepted payment of the reasonable charge for the services, less any reduction in payment amount made pursuant to a sequestration order, as payment in full.

''(4) APPLICATION TO PARTS C AND D.—The reductions otherwise required under parts C and D of title XVIII of the Social Security Act with respect to a fiscal year shall be applied to the calendar year that begins after the end of the fiscal year to which the applicable sequestration order applies.

''(j) FEDERAL PAY.—

''(1) IN GENERAL.—For purposes of any order issued under section 254, new budget authority to pay Federal personnel shall be reduced by the applicable uniform percentage, but no sequestration order may reduce or have the effect of reducing the rate of pay to which any individual is entitled under any statutory pay system (as increased by any amount payable under section 5304 of title 5, United States Code, or section 302 of the Federal Employees Pay Comparability Act of 1990) or the rate of any element of military pay to which any individual is entitled under title 37, United States Code, or any increase in rates of pay which is scheduled to take effect under section 5303 of title 5, United States Code, section 1009 of title 37, United States Code, or any other provision of law.

''(2) DEFINITIONS.—For purposes of this subsection:

''(A) The term 'statutory pay system' shall have the meaning given that term in section 5302(1) of title 5, United States Code.

''(B) The term 'elements of military pay' means—

''(i) the elements of compensation of members of the uniformed services specified in section 1009 of title 37, United States Code,

''(ii) allowances provided members of the uniformed services under sections 403a and 405 of such title, and

''(iii) cadet pay and midshipman pay under section 203(c) of such title.

''(C) The term 'uniformed services' shall have the meaning given that term in section 101(3) of title 37, United States Code.

''(k) CHILD SUPPORT ENFORCEMENT PROGRAM.—Any sequestration order shall accomplish the full amount of any required reduction in expenditures under sections 455 and 458 of the Social Security Act by reducing the Federal matching rate for State administrative costs under such program, as specified (for the fiscal year involved) in section 455(a) of such Act, to the extent necessary to reduce such expenditures by that amount.

''(l) EXTENDED UNEMPLOYMENT COMPENSATION.—(1) A State may reduce each weekly benefit payment made under the Federal-State Extended Unemployment Compensation Act of 1970 for any week of unemployment occurring during any period with respect to which payments are reduced under an order issued under this title by a percentage not to exceed the percentage by which

the Federal payment to the State under section 204 of such Act is to be reduced for such week as a result of such order.

''(2) A reduction by a State in accordance with subparagraph (A) shall not be considered as a failure to fulfill the requirements of section 3304(a)(11) of the Internal Revenue Code of 1954.

''(m) COMMODITY CREDIT CORPORATION.—

''(1) POWERS AND AUTHORITIES OF THE COMMODITY CREDIT CORPORATION.—This title shall not restrict the Commodity Credit Corporation in the discharge of its authority and responsibility as a corporation to buy and sell commodities in world trade, to use the proceeds as a revolving fund to meet other obligations and otherwise operate as a corporation, the purpose for which it was created.

''(2) REDUCTION IN PAYMENTS MADE UNDER CONTRACTS.—(A) Payments and loan eligibility under any contract entered into with a person by the Commodity Credit Corporation prior to the time any sequestration order has been issued shall not be reduced by an order subsequently issued. Subject to subparagraph (B), after any sequestration order is issued for a fiscal year, any cash payments made by the Commodity Credit Corporation—

''(i) under the terms of any one-year contract entered into in or after such fiscal year and after the issuance of the order; and

''(ii) out of an entitlement account,

to any person (including any producer, lender, or guarantee entity) shall be subject to reduction under the order.

''(B) Each contract entered into with producers or producer cooperatives with respect to a particular crop of a commodity and subject to reduction under subparagraph (A) shall be reduced in accordance with the same terms and conditions. If some, but not all, contracts applicable to a crop of a commodity have been entered into prior to the issuance of any sequestration order, the order shall provide that the necessary reduction in payments under contracts applicable to the commodity be uniformly applied to all contracts for succeeding crops of the commodity, under the authority provided in paragraph (3).

''(3) DELAYED REDUCTION IN OUTLAYS PERMISSIBLE.—Notwithstanding any other provision of this title, if any sequestration order is issued with respect to a fiscal year, any reduction under the order applicable to contracts described in paragraph (2) may provide for reductions in outlays for the account involved to occur in the fiscal years following the fiscal year to which the order applies.

''(4) UNIFORM PERCENTAGE RATE OF REDUCTION AND OTHER LIMITATIONS.—All reductions described in paragraph (2) that are required to be made in connection with any sequestration order with respect to a fiscal year—

''(A) shall be made so as to ensure that outlays for each program, project, activity, or account involved are reduced by a percentage rate that is uniform for all such programs, projects, activities, and accounts, and may not be made so as to achieve a percentage rate of reduction in any such item exceeding the rate specified in the order; and

''(B) with respect to commodity price support and income protection programs, shall be made in such manner and under such procedures as will attempt to ensure that—

''(i) uncertainty as to the scope of benefits under any such program is minimized;

''(ii) any instability in market prices for agricultural commodities resulting from the reduction is minimized; and

''(iii) normal production and marketing relationships among agricultural commodities (including both contract and non-contract commodities) are not distorted.

In meeting the criterion set out in clause (iii) of subparagraph (B) of the preceding sentence, the President shall take into consideration that reductions under an order may apply to programs for two or more agricultural commodities that use the same type of production or marketing resources or that are alternative commodities among which a producer could choose in making annual production decisions.

''(5) CERTAIN AUTHORITY NOT TO BE LIMITED.—Nothing in this title shall limit or reduce in any way any appropriation that provides the Commodity Credit Corporation with funds to cover the Corporation's net realized losses.

''(n) POSTAL SERVICE FUND.—Notwithstanding any other provision of law, any sequestration of the Postal Service Fund shall be accomplished by a payment from that Fund to the General Fund of the Treasury, and the Postmaster General of the United States shall make the full amount of that payment during the fiscal year to which the presidential sequestration order applies.

''(o) EFFECTS OF SEQUESTRATION.—The effects of sequestration shall be as follows:

''(1) Budgetary resources sequestered from any account other than an entitlement trust, special, or revolving fund account shall revert to the Treasury and be permanently canceled.

''(2) Except as otherwise provided, the same percentage sequestration shall apply to all programs, projects, and activities within a budget account (with programs, projects, and activities as delineated in the appropriation Act or accompanying report for the relevant fiscal year covering that account, or for accounts not included in appropriation Acts, as delineated in the most recently submitted President's budget).

''(3) Administrative regulations or similar actions implementing a sequestration shall be made within 120 days of the sequestration order. To the extent that formula allocations differ at different levels of budgetary resources within an account, program, project, or activity, the sequestration shall be interpreted as producing a lower total appropriation, with that lower appropriation being obligated as though it had been the pre-sequestration appropriation and no sequestration had occurred.

''(4) Except as otherwise provided, obligations in sequestered direct spending accounts shall be reduced in the fiscal year in which a sequestration occurs and in all succeeding fiscal years.

''(5) If an automatic spending increase is sequestered, the increase (in the applicable index) that was disregarded as a result of that sequestration shall not be taken into account in any subsequent fiscal year.

''(6) Except as otherwise provided, sequestration in accounts for which obligations are indefinite shall be taken in a manner to ensure that obligations in the fiscal year of a sequestration and succeeding fiscal years are reduced, from the level that would actually have occurred, by the applicable sequestration percentage.''.

(b) CONFORMING AMENDMENT.—The table of contents set forth in 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by amending the item relating to section 256 to read as follows:

''Sec. 256. Exceptions, limitations, and special rules.''.

SEC. 204. TECHNICAL AND CONFORMING AMENDMENTS.

The Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) Section 251(a)(1) is amended by inserting '', section 252A,'' after ''section 252''.

(2) Section 254(c)(4)(B) is amended by inserting ''or section 252A'' after ''section 252''.

(3) Section 254(c) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

''(5) DIRECT SPENDING CONTROL SEQUESTRATION REPORTS.—The preview reports shall set forth, for the current year and the budget year, estimates for each of the following:

''(A) The total level of direct spending for all programs, projects, and activities (excluding social security).

''(B) The sequestration percentage or (if the required sequestration percentage is greater than the maximum allowable percentage for medicare) percentages necessary to comply with section 252A.''.

(4) Section 254(f) is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6) and by inserting after paragraph (3) the following new paragraph:

''(4) DIRECT SPENDING CONTROL SEQUESTRATION REPORTS.—The final reports shall contain all the information required in the direct spending control sequestration preview reports. In addition, these reports shall contain, for the budget year, for each account to be sequestered, estimates of the baseline level of sequesterable budgetary resources and resulting outlays and the amount of budgetary resources to be sequestered and resulting outlay reductions. The reports shall also contain estimates of the effects on outlays of the sequestration in each outyear for direct spending programs.''.

(5) Section 258C(a)(1) is amended by inserting '', 252A,'' after ''section 252''.

TITLE III—LONG-TERM UNFUNDED OBLIGATIONS AND OTHER AMENDMENTS

SEC. 301. LONG-TERM UNFUNDED OBLIGATIONS.

(a) IN GENERAL.—Title IV of the Congressional Budget Act of 1974 is amended by adding at the end the following:

PART C—LONG-TERM UNFUNDED OBLIGATIONS

''SEC. 441. ANALYSIS OF LONG-TERM UNFUNDED OBLIGATIONS.

''Beginning in fiscal year 2006, the President's budget shall include an analysis of long-term unfunded obligations. This analysis shall include:

''(1) An analysis of the impact of long-term unfunded obligations in applicable entitlement programs on the long-term level of unified budget outlays and the unified budget surplus or deficit, in relation to the projected level of the Gross Domestic Product.

''(2) A report on the impact of legislation enacted during the previous session of Congress that increases the long-term unfunded obligation in any applicable group of entitlement program.

''(3) An analysis of the impact of legislation proposed in the President's budget on the long-term unfunded obligation in any applicable entitlement program.

''SEC. 442. STANDARD FOR DETERMINING INCREASE IN LONG-TERM UNFUNDED OBLIGATION.

''For the purpose of this part, legislation shall be considered to increase the long-term unfunded obligation of an applicable group of entitlement programs if it either—

''(1) increases the excess of the discounted present value of the expenditures of programs in the group above the discounted present value of the dedicated receipts of programs in the group over a long-term estimating period by more than an applicable threshold; or

''(2) increases the dollar level of the expenditures of programs in the group above the dedicated receipts of programs in the group above the dedicated receipts of programs in the group in the last year of the estimating period by more than the applicable threshold.

"SEC. 443. LONG-TERM UNFUNDED OBLIGATION ANALYSES BY CONGRESSIONAL BUDGET OFFICE.

''The Director of the Congressional Budget Office shall, to the extent practicable, prepare for each bill or resolution of a public character reported by any committee of the House of Representatives or the Senate (except the Committee on Appropriations of each House), and submit to such committee—

''(1) an estimate of any increase of the long-term unfunded obligation of any applicable entitlement program which would be incurred in carrying out such bill or resolution as measured by the increase of the excess of the discounted present value of the expenditures of such program above the discounted present value of the dedicated receipts of such program over a long-term estimating period by more than an applicable threshold; and

''(2) an estimate of any increase in the dollar level of the expenditures of such program above the dedicated receipts of such program above the dedicated receipts of such program in the last year of the estimating period by more than the applicable threshold.

The estimates and description so submitted shall be included in the report accompanying such bill or resolution if timely submitted to such committee before such report is filed.

"SEC. 444. DEFINITIONS.

''As used in this part—

''(1) the term 'applicable entitlement program' shall be defined as any one of the following programs:

''(A) Old Age, Survivors, and Disability Insurance.

''(B) Medicare (combined hospital insurance and supplemental medical insurance).

''(C) Civilian retirement and disability (combined Civil Service Retirement System and Federal Employees Retirement System).

''(D) Foreign Service Retirement and Disability (combined Foreign Service Retirement and Disability System and Foreign Service Pension System).

''(E) Retired Employees Health Benefits.

''(F) Military Retirement System.

''(G) Uniformed Services Retiree Health Care System.

''(H) Railroad Retirement System (combined Rail Industry Pension Fund, Social Security Equivalent Benefit Account, and National Railroad Retirement Investment Trust).

''(I) Supplemental Security Income (SSI).

''(J) For estimates made on or after January 1, 2006, veterans disability compensation.

''(K) Any other entitlement program with regularly available long-term estimates.

''(2) The term 'entitlement program with regularly available long-term estimates' means a program for which the Director of the Congressional Budget Office, in consultation with the Committees on the Budget of the House of Representatives and the Senate and the Director of the Office of Management and Budget, has determined that it is feasible to make long-term estimates of expenditures and dedicated receipts based on explicit demographic, economic, and other estimating assumptions. The Director shall notify the House and Senate Committees on the Budget in writing, whenever he or she makes such a determination.

''(3) The term 'applicable group of entitlement programs' shall be defined as any of the following:

''(A) Old Age, Survivors, and Disability Insurance.

''(B) All applicable entitlement programs except Old Age, Survivors, and Disability Insurance.

''(4) The term 'long-term estimating period' shall be defined as 75 years, starting with the current year, for all applicable entitlement programs except for Old Age, Survivors, and Disability Insurance. For Old Age, Survivors, and Disability Insurance, the term shall be defined as the infinite period of years utilized in the most recent annual report of the Board of Trustees provided pursuant to section 201(c)(2) of the Social Security Act.

''(5) The term 'last year of the estimating period' shall be defined as the 75th year of the long-term estimating period.

''(6) The term 'dedicated receipts' shall be defined, for all applicable entitlement programs other than Medicare, as taxes and fees received from the public, payments received from Federal agencies on behalf of Federal agency employees who are participants in the program, transfers received by the program under section 7(c)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(c)(2)), and transfers from the general fund of amounts equivalent to income tax receipts under section 86 of the Internal Revenue Code. Dedicated receipts shall not include payments from the general fund to amortize a program's unfunded liability or payments of interest on a program's trust fund holdings. For Medicare, 'dedicated receipts' shall be defined according to section 801(c)(3) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

''(7) The term 'expenditures' shall be defined, for all applicable entitlement programs other than Medicare, to include benefit payments, administrative expenses to the extent paid from a dedicated fund, and transfers to other programs made under section 7(c)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(c)(2)). For Medicare, 'expenditures' shall be defined according to section 801(c)(4) of the Medicare prescription Drug, Improvement, and Modernization Act of 2003.

''(8) The term 'applicable threshold' shall be defined as:

''(A) For a group of applicable entitlement programs over a long-term estimating period—

''(i) 0.02 percent of the present value of the taxable payroll of the group of programs over the estimating period, for legislation affecting Old Age, Survivors, and Disability Insurance or Medicare; and

''(ii) 1 percent of the present value of the expenditures over the estimating period of the programs in the group that are affected by the legislation.

''(B) For a group of applicable entitlement programs in the last year of the estimating period—

''(i) 0.02 percent of the taxable payroll of the group of programs in that year, for legislation affecting Old Age, Survivors, and Disability Insurance or Medicare;

''(ii) 0.01 percent of Gross Domestic Product in that year; or

''(iii) 1 percent of the expenditures in that year of the programs in the group that are affected by the legislation.''.

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding after the item relating to section 428 the following:

''PART C—LONG-TERM UNFUNDED OBLIGATIONS

''Sec. 441. Analysis of long-term unfunded obligations.

''Sec. 442. Standard for determining increase in long-term unfunded obligation.

''Sec. 443. Long-term unfunded obligation analyses by congressional budget office.

''Sec. 444. Definitions.

The CHAIRMAN. Pursuant to House Resolution 692, the gentleman from Texas (Mr. HENSARLING) and the gentleman from South Carolina (Mr. SPRATT) each will control 5 minutes.

The Chair recognizes the gentleman from Texas (Mr. HENSARLING).

□ 1745

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

First, I want to offer my congratulations to the gentleman from Iowa (Chairman NUSSLE) for his fine work on an incredibly important topic that we take up today, and that is the topic of limiting the size, the scope, the power, the expense of government. In his underlying bill, he has placed a cap on the growth, on the growth of discretionary spending.

This amendment would also offer a cap on the growth of mandatory spending, again, a cap on the growth. Under this particular amendment, mandatory spending would grow by either CPI, the consumer price index, or the program inflator, plus new enrollees. There are certain exemptions, certain programs that, if this were to be enforced by a sequester, would have a 2 percent protection.

But the truth is this is an amendment that goes to the heart of the question: Does this body believe in limited government? Is government ever too big? Is spending ever out of control? Should we ever do anything to protect the family budget from the Federal budget? Many of us believe that spending is indeed out of control.

Mr. Chairman, since I have been on the face of the planet, the Federal budget has grown seven times faster, seven times faster, than the family budget as measured by median worker income. I believe that is an unsustainable growth rate, and an unconscionable growth rate. If we look at it on a per capita basis, net interest outlays have increased 3.6 percent faster than inflation each year since 1997. We see where the trend lines are headed. Ten years of spending history: total spending growth has averaged 5 percent each year since 1994, and the incline gets greater and greater and greater.

Until we finally draw a line in the sand and tell the American people at some point we are going to quit taking money away from them, at some we are going to go in and begin to reform programs, we are going to prioritize programs, we are going to go in and begin to root out the waste, the fraud, the abuse, the duplication that permeates every corner, then American families will not be able to realize their dreams, their dream of a better tomorrow, their dream of better education for their children, their dream of better health care for their family. We must decide at some point that we are going to limit the growth of government, and this amendment would do that.

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

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

Mr. Chairman, this bill would set an arbitrary cap on some of the most important spending in the Federal budget, the spending that supports Medicare, on which millions depend for their health care; the spending that supports Medicaid. All kinds of spending falls under the rubric of category of direct spending or mandatory spending, including debt service, the interest we pay on our national debt. So we fix a level that corresponds to the existing level of expenditure, and then every year it increases.

The gentleman does allow for the spending level to increase with the rate of inflation measured by the CPI. As everyone in this room knows, the cost of health care every year, for as long as I have known it, goes up substantially more than the consumer price index so that over time in holding Medicare to no more than the rate of growth of the CPI, while the rest of health care spending is going up at a substantially higher rate, this is going to erode away spending authority for Medicare. It is going to result in automatic cuts in Medicare and other programs, affected programs. If the cuts are not taken out of Medicare, they will have to come all the more out of other programs.

Secondly, since debt service, the interest we pay on the national debt, is included, we could have this anomaly: we could have a huge tax cut that would result in a substantial deficit, requiring us to borrow large sums of money. Interest on the principal for the additional debt would go up, and that increment over and above the entitlement cap would have to be taken out of other spending programs like the Medicaid or children's health insurance or TRICARE for Life, trade adjustment assistance. All of these programs fall under that category and would be subject to automatic cuts if we had any anomalous action like that.

So this is not a good idea. Certainly these are not programs we want to put in that kind of jeopardy. We would like to exercise some control over their growth, and we have from time to time in the past voted to reduce rates of expenditure to curb the growth in Medicare and Medicaid and these other programs. But to do it automatically, to do it mindlessly, to do it with a meat cleaver is not the way to go on these programs on which so many people depend.

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

Mr. HENSARLING. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, I just want to respond to a few things the gentleman from South Carolina said.

Number one, the cap is indexed to inflation at the CPI or another inflation adjuster, such as, in the case of Medicare, medical inflation, Medicare price. So how can he say that it is a cut if each of these programs grows by inflation plus new beneficiaries and the inflation within those kinds of programs?

The problem we have, Mr. Chairman, is when we put most of the Federal Government off limits to budget discipline, it grows out of control. I hope that those who are in charge of discretionary spending in Congress also join with us in trying to control mandatory spending, because if we can control mandatory spending, we can get our hands around the big problem in our budget system in the Federal Government, and that is out-of-control spending. We do this in an honest way, we do this in a sincere way, and we do this in a way to protect those. That is why earned entitlements are off limits, like Social Security and Medicare benefits. We do this in a way that we protect beneficiaries, we protect them from inflation, and we get our hands around the biggest part of our Federal budget, entitlements.

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

In response to the gentleman's statement, it is still my understanding that child care, direct student loans, farm price supports, TRICARE for Life, military health care benefits, and trade adjustment assistance, among other things, would be subject to these automatic cuts. If there was some sort of growth over and above the cap that he has imposed, all of these things would get whacked unless Congress somehow intervened and saved them from being cut by administering cuts elsewhere in the budget.

It is not a good idea. It is not a workable idea. And I continue to oppose the amendment.

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

Mr. HENSARLING. Mr. Chairman, I yield 30 seconds to the gentleman from Pennsylvania (Mr. TOOMEY).

Mr. TOOMEY. Mr. Chairman, I thank the gentleman from Texas for yielding me this time, and I commend him for this amendment.

If we are serious about getting spending under control, we simply have to address the mandatory side. It is as simple as that. In 1963 mandatory spending was 25 percent of the Federal budget. Today it is over 60 percent; and it is on its way up in absolute terms, as a percentage term. It is growing faster than any reasonable measure. And to allow, as this amendment does, for it to grow at the sum of the rate of growth of the population and inflation, allows us to maintain the level of benefits. It just puts a break on the out-of-control spending.

Mr. SPRATT. Mr. Chairman, I yield 1½ minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT of Virginia. Mr. Chairman, I thank the gentleman for yielding me this time.

This amendment points out the difficulty in the one-way PAYGO. If we have a crunch, we can only deal with it by cutting spending. We cannot deal with it any other kind of way. With the one-way PAYGO, if we want to deal with the problem through tax cuts, if we have health care we want to deliver, we can do it in tax cuts. Just give tax credits. There is no limit to what we can do. But if we have a crunch and the budget is tight, we have got to have this mindless across-the-board cut. If we do it through tax cuts, we could have tax cuts at the same time that we are cutting the spending.

This is what happens when we have a two-way PAYGO, that is, if we are going to cut taxes, we have to cut spending. If we increase spending, we have got to raise taxes or any combination. The green was with PAYGO; the red is what happens when we have unlimited tax cuts with PAYGO. This just says we have got to cut mindlessly across the board with spending. If we have a crunch and we have a new need, we cannot make it; we cannot meet it. If we want to meet it, the only way we can do it is through some tax plan where we are unlimited. But if we have a new program, if there is a housing need, if there is a health care need, something new we want to do, we cannot do it. This is why we need a two-way PAYGO and a more sensible way to deal with our budget, not mindless across-the-board tax cuts.

Mr. HENSARLING. Mr. Chairman, I yield the balance of my time to the gentleman from Arizona (Mr. SHADEGG).

Mr. SHADEGG. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in strong support of this amendment. My colleagues on the Committee on Appropriations correctly point out that the engine driving the train here is entitlement spending, not discretionary spending, over which they have control. And they are right.

Every American, I think, understands in their gut that entitlement spending is out of control. It is out of control because there are no restraints on it. I would like to point out, as my colleague from Pennsylvania did just a moment ago, in 1963, not that long ago, 25 percent of our spending was entitlement spending. Today it is over 60 percent of all our spending. We have to control that, and this is a rational basis to do it because it limits the growth to the growth in the population of the constituency plus inflation. That is the only way we can rationally limit spending. And it is not a meat cleaver.

I urge my colleagues to support the amendment.

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

Mr. Chairman, the caps that are being proposed here could create shortfalls of billions of dollars over the next 10 years, triggering huge cuts. And let me tell the Members the programs that would be cut: veterans compensation, veterans pensions, food stamps, Medicaid, children's health insurance, childcare, direct student loans, farm

price supports, TRICARE for Life, military benefits, and trade adjustment assistance among others.

This is not a good plan. We do not need to put those in jeopardy of automatic cuts, and I oppose the amendment and urge others to do so also.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. HENSARLING).

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

Mr. SPRATT. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas (Mr. HENSARLING) will be postponed.

It is now in order to consider amendment No. 5 printed in House Report 108–566.

AMENDMENT NO. 5 OFFERED BY MR. HENSARLING

Mr. HENSARLING. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. HENSARLING:

At the end, add the following new section:

SEC. . GOVERNMENT SHUTDOWN PROTECTION.

(a) IN GENERAL.—Chapter 13 of title 31, United States Code, is amended by inserting after section 1310 the following new section:

"§ 1311. Continuing appropriations

''(a)(1) If any regular appropriation bill for a fiscal year does not become law before the beginning of such fiscal year or a joint resolution making continuing appropriations is not in effect, there are appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, such sums as may be necessary to continue any project or activity for which funds were provided in the preceding fiscal year—

''(A) in the corresponding regular appropriation Act for such preceding fiscal year; or

''(B) if the corresponding regular appropriation bill for such preceding fiscal year did not become law, then in a joint resolution making continuing appropriations for such preceding fiscal year.

''(2) Appropriations and funds made available, and authority granted, for a project or activity for any fiscal year pursuant to this section shall be at a rate of operations not in excess of the lower of—

''(A) the rate of operations provided for in the regular appropriation Act providing for such project or activity for the preceding fiscal year;

''(B) in the absence of such an Act, the rate of operations provided for such project or activity pursuant to a joint resolution making continuing appropriations for such preceding fiscal year;

''(C) the rate of operations provided for in the regular appropriation bill as passed by the House of Representatives or the Senate for the fiscal year in question, except that the lower of these two versions shall be ignored for any project or activity for which there is a budget request if no funding is provided for that project or activity in either version; or

''(D) the annualized rate of operations provided for in the most recently enacted joint resolution making continuing appropriations for part of that fiscal year or any funding levels established under the provisions of this Act.

''(3) Appropriations and funds made available, and authority granted, for any fiscal year pursuant to this section for a project or activity shall be available for the period beginning with the first day of a lapse in appropriations and ending with the earlier of—

''(A) the date on which the applicable regular appropriation bill for such fiscal year becomes law (whether or not such law provides for such project or activity) or a continuing resolution making appropriations becomes law, as the case may be; or

''(B) the last day of such fiscal year.

''(b) An appropriation or funds made available, or authority granted, for a project or activity for any fiscal year pursuant to this section shall be subject to the terms and conditions imposed with respect to the appropriation made or funds made available for the preceding fiscal year, or authority granted for such project or activity under current law.

''(c) Appropriations and funds made available, and authority granted, for any project or activity for any fiscal year pursuant to this section shall cover all obligations or expenditures incurred for such project or activity during the portion of such fiscal year for which this section applies to such project or activity.

''(d) Expenditures made for a project or activity for any fiscal year pursuant to this section shall be charged to the applicable appropriation, fund, or authorization whenever a regular appropriation bill or a joint resolution making continuing appropriations until the end of a fiscal year providing for such project or activity for such period becomes law.

''(e) This section shall not apply to a project or activity during a fiscal year if any other provision of law (other than an authorization of appropriations)—

''(1) makes an appropriation, makes funds available, or grants authority for such project or activity to continue for such period; or

''(2) specifically provides that no appropriation shall be made, no funds shall be made available, or no authority shall be granted for such project or activity to continue for such period.

''(f) For purposes of this section, the term 'regular appropriation bill' means any annual appropriation bill making appropriations, otherwise making funds available, or granting authority, for any of the following categories of projects and activities:

''(1) Agriculture, rural development, Food and Drug Administration, and related agencies programs.

''(2) The Departments of Commerce, Justice, and State, the Judiciary, and related agencies.

''(3) The Department of Defense.

''(4) The government of the District of Columbia and other activities chargeable in whole or in part against the revenues of the District.

''(5) Energy and water development.

''(6) Foreign operations, export financing, and related programs.

''(7) The Department of Homeland Security.

''(8) The Department of the Interior and related agencies.

''(9) The Departments of Labor, Health and Human Services, and Education, and related agencies.

''(10) The Legislative Branch.

''(11) Military construction, family housing, and base realignment and closure for the Department of Defense.

''(12) The Departments of Transportation and Treasury, and independent agencies.

''(13) The Departments of Veterans Affairs and Housing and Urban Development, and sundry independent agencies, boards, commissions, corporations, and offices.''.

(b) CLERICAL AMENDMENT.—The analysis of chapter 13 of title 31, United States Code, is amended by inserting after the item relating to section 1310 the following new item:

''1311. Continuing appropriations.''

The CHAIRMAN. Pursuant to House Resolution 692, the gentleman from Texas (Mr. HENSARLING) and the gentleman from South Carolina (Mr. SPRATT) each will control 5 minutes.

The Chair recognizes the gentleman from Texas (Mr. HENSARLING).

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

Mr. Chairman, this is a very simple amendment. In the past when this House has not agreed with the other body on a budget, occasionally we have faced a government shutdown, a train wreck. The government has shut down 17 times since 1977, for a total of 109 days. These shutdowns should not happen. They are not good for the American people. Parks close. Applications for visas go unprocessed. Toxic waste clean-up is postponed.

This amendment is very simple. It says if for whatever reason we cannot come to an agreement on the budget, we do not shut down the government. We go back to the last agreement on the table. We put in place a continuing resolution until such time as we can come to agreement so we do not hold the American people hostage.

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

Mr. SPRATT. Mr. Chairman, I yield 2½ minutes to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding me this time.

I will speak quickly because time is so limited. We are dealing with a constitutional issue in what we are talking about today. We have raised that issue many times.

Section 9 of article I is very specific: ''No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law.'' But it goes further to say ''and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.''

If we were to agree to put into place an automatic continuing resolution, we would not follow the Constitution. We put the administration on auto pilot; and we let the Congress say that it is going to be a lot easier to avoid those difficult days and hours, those difficult decisions. Just go on automatic pilot with a CR. Ignore the Constitution.

This is not a good amendment.

□ 1800

This is not a good plan. I supported the first amendment of the gentleman, but I cannot support this amendment. I think it flies in the face of the Constitution.

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

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

Mr. Chairman, this particular amendment could have a perverse and unintended result, and that is it could lower, lessen the incentive for Congress to get its work done, knowing that if we could not come together and pass appropriation bills, all 13 of them, if we could not get them on the President's desk in time, why, it would be automatic. This continuing resolution would just automatically kick into effect.

Anyone bent upon sort of disrupting the process and preventing an appropriations bill that he thought was maybe too much or maybe too little could manipulate this result, manipulate the situation if this rule were in place. So I do not think it helps the process at all.

I think when we have to pass a continuing resolution, it is a bit embarrassing that we have to get up and say to the country and the public, as well as the President, we have not gotten our work done yet, so keep on spending money at the existing level. It gives us a strong incentive to go ahead and finally come to those final compromises that help us close the appropriations process.

So this would probably complicate, prolong the process, and lead to situations where we did not even pass appropriation bills because there would be an automatic reversion to the prior year's spending level.

It is not a good idea. It has been debated before, debated more thoroughly than it has been debated tonight, and there is a good reason it has never become law, it is not a workable or viable idea.

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

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

Mr. Chairman, first I would like to thank the gentleman from Florida for allowing me to bat 500 with him.

Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. TOOMEY).

Mr. TOOMEY. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, this is, I think, just a matter of responsible government. This is a very good amendment. It is responsible because the status quo is not. It is not responsible to have the threat of a government shutdown looming over this process. It is not responsible to have the American people wondering whether or not government services are going to be suspended, whether or not important functions are going to be disrupted. That is what is irresponsible.

What is responsible is to say if we are unable to come to a resolution and pass a new appropriation bill, then we will, by an act of Congress, continue under the previously enacted appropriation bill.

Contrary to my good friend and a colleague I respect, the gentleman from Florida, I do not see any constitutional problem with this whatsoever. It still is an exercise in Congressional authority in establishing the level of appropriations, but it happens to do so at the previous year's level. There is nothing in the Constitution that says we have to change the level of spending from one year to the next, so I tend to disagree with that.

The other problem I have with the status quo and the reason that I like this amendment so much is that in the absence of an automatic continuing CR, let us face it, we know what happens. There is a big game of political chicken that happens.

If we do not have an agreement, there is a big tension, a big question about which side is going to get the blame if there is a government shutdown. If one side thinks there is political gain to be had from precipitating a shutdown, it has an incentive to precipitate one, to cause it. That goes back to the issue of responsible government. That is not the way we ought to be running this place. So that is a second thing.

Here is a third reason why I think this makes a lot of sense, and some of my colleagues do not like this reason. But the fact is sometimes we have operated for months on end with a continuing resolution, continuing spending at the previous year's level. And do you know what we discovered? No huge outcry. No great catastrophe. American society did not collapse, it was not the end of the world. We discovered that basically freezing spending at the previous year's level in many areas was no big deal.

Now, if you are interested in more spending, that is a problem. But if you are interested in getting spending under control, this is a very good amendment, and I urge my colleagues to support it.

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

The CHAIRMAN. The gentleman from Texas has 2 minutes remaining.

Mr. HENSARLING. Mr. Chairman, I yield 30 seconds to the gentleman from Iowa (Mr. NUSSLE), the esteemed chairman of the Committee on the Budget.

Mr. NUSSLE. Mr. Chairman, I support the gentleman's amendment.

More than anything else, I just want to make an observation: There has been a lot of coming to the floor and saying the budget process is broken. Part of the reason that this amendment is being offered is because it is the appropriations process that cannot get done on time.

We have had so many years when appropriations do not get done on time, and, because of that, the threat hangs over for government shutdown. It is the reason why we are looking, grappling for a way to make sure that does not happen. But it is because of the appropriations process that with the budget process and other processes around here have some challenges.

So do not come down and just talk about the budget. It is also the appropriations process that has challenges.

Mr. HENSARLING. Mr. Chairman, I yield 30 seconds to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, I just would like to bring some illumination to this with numbers. This brinksmanship that this process brings us to has brought us a lot of extra spending. In fiscal year 2002, the discretionary spending level in the budget resolution was $661 billion. We spent $734 billion.

In FY 2003, the discretionary spending level was set out in the budget resolution at $750 billion. We ended up spending $849 billion.

In FY 2004, the discretionary spending was $784 billion. We ended up spending $873 billion.

This brinksmanship brings us to this overspending limit. This amendment stops that.

Mr. HENSARLING. Mr. Chairman, I yield 30 seconds to the gentleman from Arizona (Mr. SHADEGG).

Mr. SHADEGG. Mr. Chairman, I thank the gentleman for yielding me time, and I rise in support of this amendment.

Mr. Chairman, the reality is, it is a common-sense amendment. I was here in 1995 when the government shut down. My colleague from South Carolina said look, it is simply not needed. The current process works and this process helps us.

Since 1977, in 27 years, we have shut this government down 17 different times for a total of 109 days. What that means to the American people is that in 1995, 368 national parks closed, 7 million visitors were turned away, a loss of $14 million in tourism revenue, and 20,000 to 30,000 applications for visas went unprocessed every single day.

It is not a yielding of our constitutional authority, it is indeed a rational way to deal with the process. We need to do our budget work, and if we cannot get it done in time, we need a process to keep the government open and running to serve the people.

Mr. Chairman, I urge my colleagues to support the amendment.

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

Mr. Chairman, I have the greatest amount of respect for the gentleman from Florida, the chairman of the Committee on Appropriations, and the ranking member on the Committee on the Budget, but it seems to me rarely has an amendment been endowed with such common sense as this one. Why do we shut down the government if we cannot get our business done? Do we understand the implications to the average American out there in the street?

This is common sense. It needs to get done. On behalf of the people of America, I would urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. HENSARLING).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. HENSARLING. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas (Mr. HENSARLING) will be postponed.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendment No. 1 offered by Mr. BRADY of Texas; amendment No. 2 offered by Mr. CHOCOLA of Indiana; amendment No. 3 offered by Mr. CASTLE of Delaware; amendment No. 4 offered by Mr. HENSARLING of Texas; and amendment No. 5 offered by Mr. HENSARLING of Texas.

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 1 OFFERED BY MR. BRADY OF TEXAS

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Texas (Mr. BRADY) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 15-minute vote, followed by four 5-minute votes.

The vote was taken by electronic device, and there were—ayes 272, noes 140, not voting 21, as follows:

[Roll No. 305]

AYES—272

Aderholt
Akin
Alexander
Baca
Bachus
Baird
Ballenger
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Bell
Berry
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boyd
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Cardoza
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Coble
Cole
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis (TN)
Davis, Jo Ann
Deal (GA)
DeFazio
DeLay
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doggett
Dooley (CA)
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emerson
English
Everett
Feeney
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graves
Green (TX)
Green (WI)
Gutknecht
Hall
Harman
Hart
Hayes
Hayworth
Hefley
Hensarling
Herger
Herseth
Hill
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Hooley (OR)
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Israel
Issa
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Lampson
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
Marshall
Matheson
McCotter
McCrery
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Moore
Moran (KS)
Murphy
Musgrave
Myrick
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Ortiz
Osborne
Otter
Oxley
Pascrell
Paul
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Porter
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Royce
Ruppersberger
Ryan (WI)
Ryun (KS)
Sandlin
Saxton
Schiff
Schrock
Scott (GA)
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Stearns
Stenholm
Sullivan
Sweeney
Tancredo
Tanner
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Turner (TX)
Udall (NM)
Upton
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (SC)
Wu
Young (AK)

NOES—140

Abercrombie
Ackerman
Allen
Andrews
Baker
Baldwin
Becerra
Berkley
Bishop (GA)
Bishop (NY)
Blumenauer
Boucher
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Chandler
Clay
Clyburn
Conyers
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doyle
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frelinghuysen
Greenwood
Grijalva
Gutierrez
Hinchey
Holt
Honda
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kolbe
Kucinich
LaHood
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Lynch
Majette
Maloney
Markey
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McGovern
Meek (FL)
Menendez
Michaud
Miller (MI)
Miller (NC)
Miller, George
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ose
Owens
Pallone
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Scott (VA)
Serrano
Sherman
Simpson
Slaughter
Solis
Spratt
Stark
Strickland
Stupak
Tauscher
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Van Hollen
Visclosky
Waters
Watson
Watt
Waxman
Weiner
Wexler
Wilson (NM)
Wolf
Woolsey
Wynn
Young (FL)

NOT VOTING—21

Barton (TX)
Bereuter
Berman
Carson (IN)
Collins
Davis, Tom
Deutsch
Gephardt
Granger
Harris
Hastings (FL)
Hastings (WA)
Jefferson
Jones (OH)
McDermott
Meeks (NY)
Mollohan
Rothman
Roybal-Allard
Tauzin
Velázquez

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1837

Ms. JACKSON-LEE of Texas, Ms. CORRINE BROWN of Florida, Ms. DeGETTE, Ms. McCARTHY of Missouri, Mr. EVANS, and Mr. CROWLEY changed their vote from ''aye'' to ''no.''

Mrs. EMERSON, and Messrs. LEWIS of California, BOEHNER, PETERSON of Pennsylvania, GILCHREST, WICKER, RUPPERSBERGER, SNYDER and EHLERS changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Ms. HARRIS. Mr. Chairman, on rollcall No. 305 I was unavoidably detained. Had I been present, I would have voted "aye."

AMENDMENT NO. 2 OFFERED BY MR. CHOCOLA

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Indiana (Mr. CHOCOLA) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 126, noes 290, not voting 17, as follows:

[Roll No. 306]

AYES—126

Akin
Bachus
Ballenger
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Boozman
Boswell
Brady (TX)
Burgess
Burns
Burton (IN)
Camp
Cannon
Carter
Castle
Chabot
Chocola
Coble
Cole
Cox
Crane
Cubin
Davis, Jo Ann
Deal (GA)
DeLay
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Duncan
Dunn
Ehlers
Feeney
Flake
Foley
Forbes
Fossella
Franks (AZ)
Garrett (NJ)
Gerlach
Gingrey
Goode
Goodlatte
Green (TX)
Green (WI)
Greenwood
Gutknecht
Harris
Hart
Hayworth
Hensarling
Herger
Hoekstra

Holden
Hostettler
Houghton
Hulshof
Isakson
Johnson (CT)
Johnson, Sam
Jones (NC)
Keller
Kennedy (MN)
King (IA)
Kirk
Kline
Leach
Manzullo
McCrery
McInnis
McKeon
Miller (FL)
Miller, Gary
Moore
Moran (KS)
Murtha
Musgrave
Myrick
Neugebauer
Ney
Norwood
Otter
Pearce
Pence
Petri
Pitts
Platts
Pryce (OH)
Radanovich
Ramstad
Reynolds
Rogers (AL)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shimkus
Shuster
Smith (MI)
Smith (WA)
Souder
Stearns
Sullivan
Tancredo
Thornberry
Tiberi
Toomey
Upton
Vitter
Weller
Wilson (NM)
Wilson (SC)

NOES—290

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Andrews
Baca
Baird
Baker
Baldwin
Becerra
Bell
Berkley
Berry
Bishop (GA)
Bishop (NY)
Boehlert
Bonilla
Bonner
Bono
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burr
Buyer
Calvert
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (OK)
Case
Chandler
Clay
Clyburn
Conyers
Cooper
Costello
Cramer
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Edwards
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Ford
Frank (MA)
Frelinghuysen
Frost
Gallegly
Gibbons
Gilchrest
Gillmor
Gonzalez
Gordon
Goss
Graves
Grijalva
Gutierrez
Hall
Harman
Hayes
Hefley
Herseth
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Holt
Honda
Hooley (OR)
Hoyer
Hunter
Hyde
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (IL)
Johnson, E. B.
Kanjorski
Kaptur
Kelly
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (NY)
Kingston
Kleczka
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McGovern
McHugh
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, George
Moran (VA)
Murphy
Nadler
Napolitano
Neal (MA)
Nethercutt
Northup
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Peterson (MN)
Peterson (PA)
Pickering
Pombo
Pomeroy
Porter
Portman
Price (NC)
Putnam
Quinn
Rahall
Rangel
Regula
Rehberg
Renzi
Reyes
Rodriguez
Rogers (KY)
Ross
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Shays
Sherman
Sherwood
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Sweeney
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Tiahrt
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Whitfield
Wicker
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—17

Barton (TX)
Bereuter
Berman
Blumenauer
Carson (IN)
Collins
Davis, Tom
Deutsch
Gephardt
Granger
Hastings (FL)
Hastings (WA)
Jones (OH)
McDermott
Mollohan
Rothman
Tauzin

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN (during the vote). Members are advised 2 minutes remain in this vote.

□ 1845

Mr. RADANOVICH changed his vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 3 OFFERED BY MR. CASTLE

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Delaware (Mr. CASTLE) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 185, noes 230, not voting 18, as follows:

[Roll No. 307]

AYES—185

Akin
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Bradley (NH)
Brady (TX)
Brown (SC)
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Carter
Castle
Chabot
Chocola
Cole
Cox
Crane
Crenshaw
Culberson
Davis (TN)
Deal (GA)
DeLay
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Feeney
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Green (TX)
Green (WI)
Greenwood
Gutknecht
Hall
Harman
Harris
Hart
Hayworth
Hensarling
Herger
Herseth
Hoekstra
Holden
Hostettler
Hulshof
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
Kingston
Kirk
Kline
Knollenberg
Kolbe
Latham
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Manzullo
McCrery
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Murtha
Musgrave
Myrick
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nussle
Osborne
Ose
Paul
Pearce
Pence
Petri
Pickering
Pitts
Platts
Portman
Pryce (OH)
Putnam
Ramstad
Regula
Rehberg
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Simmons
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Souder
Stearns
Stenholm
Sullivan
Sweeney
Tancredo
Tanner
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Upton
Vitter
Walden (OR)
Wamp
Weldon (PA)
Whitfield
Wicker
Wilson (SC)

NOES—230

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Andrews
Baca
Baird
Baldwin
Becerra
Bell
Berkley
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Brown-Waite, Ginny
Capito
Capps
Capuano
Cardin
Cardoza
Carson (OK)
Chandler
Clay
Clyburn
Coble
Cooper
Costello
Cramer
Crowley
Cubin
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graves
Grijalva
Gutierrez
Hayes
Hefley
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Holt
Honda
Hooley (OR)
Houghton
Hoyer
Hunter
Inslee
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (IL)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (NY)
Kleczka
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (OK)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McGovern
McHugh
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, George
Moore
Moran (VA)
Murphy
Nadler
Napolitano
Neal (MA)
Nunes
Oberstar
Obey
Olver
Ortiz
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Peterson (PA)
Pombo
Pomeroy
Porter
Price (NC)
Quinn
Radanovich
Rahall

Rangel
Renzi
Reyes
Rodriguez
Ross
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Sherman
Sherwood
Simpson
Slaughter
Smith (NJ)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Tauscher
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walsh
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weller
Wexler
Wilson (NM)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—18

Barton (TX)
Bereuter
Berman
Carson (IN)
Case
Collins
Conyers
Davis, Tom
Deutsch
Gephardt
Granger
Hastings (FL)
Hastings (WA)
Jones (OH)
McDermott
Mollohan
Rothman
Tauzin

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN (during the vote). Members are advised 2 minutes remain in this vote.

□ 1852

Ms. HARMAN changed her vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 4 OFFERED BY MR. HENSARLING

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Texas (Mr. HENSARLING) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 96, noes 317, not voting 20, as follows:

[Roll No. 308]

AYES—96

Akin
Ballenger
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Bishop (UT)
Blackburn
Blunt
Boehner
Brady (TX)
Burgess
Burns
Cannon
Cantor
Carter
Chabot
Chocola
Coble
Cole
Cox
Crane
Cubin
Culberson
Deal (GA)
DeLay
DeMint
Diaz-Balart, M.
Doolittle
Duncan
Dunn
Feeney
Flake
Forbes
Franks (AZ)
Garrett (NJ)
Gibbons
Gingrey
Goode
Goodlatte
Green (WI)
Gutknecht
Hall
Harris
Hayworth
Hefley
Hensarling
Hoekstra
Hostettler
Isakson
Istook
Johnson, Sam
Keller
Kennedy (MN)
King (IA)
Kingston
Kline
Manzullo
McKeon
Miller (FL)
Moran (KS)
Murphy
Musgrave
Myrick
Neugebauer
Norwood
Ose
Otter
Paul
Pearce
Pence
Pitts
Pombo
Putnam
Rohrabacher
Royce
Ryan (WI)
Ryun (KS)
Schrock
Sensenbrenner
Sessions
Shadegg
Shimkus
Smith (MI)
Souder
Stearns
Sullivan
Tancredo
Taylor (NC)
Thornberry
Tiahrt
Toomey
Vitter
Wamp
Weldon (FL)
Wilson (SC)

NOES—317

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Becerra
Bell
Berkley
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Blumenauer
Boehlert
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burr
Burton (IN)
Buyer
Calvert
Camp
Capito
Capps
Capuano
Cardin
Cardoza
Carson (OK)
Case
Castle
Chandler
Clay
Clyburn
Conyers
Cooper
Costello
Cramer
Crenshaw
Crowley
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
DeFazio
DeGette
Delahunt
DeLauro
Diaz-Balart, L.
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Dreier
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Foley
Ford
Fossella
Frank (MA)
Frelinghuysen
Frost
Gallegly
Gerlach
Gilchrest
Gillmor
Gonzalez
Gordon
Goss
Graves
Green (TX)
Greenwood
Grijalva
Gutierrez
Harman
Hayes
Herseth
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Jones (NC)
Kanjorski
Kaptur
Kelly
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (NY)
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McGovern
McHugh
McInnis
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Nethercutt
Ney
Northup
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Platts
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Ross
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Shaw
Shays
Sherman
Sherwood
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Sweeney
Tanner
Tauscher
Taylor (MS)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Tiberi
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh
Waters
Watson
Watt
Waxman
Weiner
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—20

Barton (TX)
Bereuter
Berman
Carson (IN)
Collins
Davis, Tom
Deutsch
Gephardt
Granger
Hart
Hastings (FL)
Hastings (WA)
Herger
Issa
Jones (OH)
McDermott
Mollohan
Ros-Lehtinen
Rothman
Tauzin

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN (during the vote). Members are advised 2 minutes remain in this vote.

□ 1859

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated for:

Ms. HART. Mr. Chairman, on rollcall No. 308 I was unavoidably detained. Had I been present, I would have voted ''aye.''

Mr. HERGER. Mr. Chairman, on rollcall No. 308 I was unavoidably detained. Had I been present, I would have voted ''aye.''

Stated against:

Ms. ROS-LEHTINEN. Mr. Chairman, on rollcall No. 308 I was unavoidably detained. Had I been present, I would have voted ''no.''

AMENDMENT NO. 5 OFFERED BY MR. HENSARLING

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Texas (Mr. HENSARLING) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 111, noes 304, not voting 18, as follows:

[Roll No. 309]

AYES—111

Akin
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Bilirakis
Bishop (UT)
Blackburn
Boehner
Brady (TX)
Brown-Waite, Ginny
Burr
Cannon
Cantor
Chabot
Chocola
Coble
Cole
Cox
Crane
Cubin
Dunn
English
Feeney
Flake
Foley
Forbes
Fossella
Franks (AZ)
Garrett (NJ)
Gibbons
Gillmor
Gingrey
Goode
Goodlatte
Green (WI)
Greenwood
Gutknecht
Harris
Hart
Hayworth
Hefley

Hensarling
Herger
Hoekstra
Hostettler
Hulshof
Isakson
Issa
Johnson, Sam
Keller
Kennedy (MN)
King (IA)
Kline
Linder
Manzullo
McCrery
McInnis
McKeon
Mica
Miller (FL)
Moran (KS)
Musgrave
Myrick
Neugebauer
Norwood
Nunes
Nussle
Ose
Otter
Paul
Pence
Pitts
Pombo
Radanovich
Ramstad
Reynolds
Rohrabacher
Royce
Ryan (WI)
Ryun (KS)
Schrock
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Smith (MI)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thomas
Tiberi
Toomey
Upton
Vitter
Walden (OR)
Wilson (NM)
Wilson (SC)

NOES—304

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baldwin
Becerra
Bell
Berkley
Berry
Biggert
Bishop (GA)
Bishop (NY)
Blumenauer
Blunt
Boehlert
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brown (OH)
Brown (SC)
Brown, Corrine
Burgess
Burns
Burton (IN)
Buyer
Calvert
Camp
Capito
Capps
Capuano
Cardin
Cardoza
Carson (OK)
Carter
Case
Castle
Chandler
Clay
Clyburn
Conyers
Cooper
Costello
Cramer
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Edwards
Ehlers
Emanuel
Emerson
Engel
Eshoo
Etheridge
Everett
Farr
Fattah
Ferguson
Filner
Ford
Frank (MA)
Frelinghuysen
Frost
Gallegly
Gerlach
Gilchrest
Gonzalez
Gordon
Goss
Graves
Green (TX)
Grijalva
Gutierrez
Hall
Harman
Hayes
Herseth
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Houghton
Hoyer
Hunter
Hyde
Inslee
Israel
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Jones (NC)
Kanjorski
Kaptur
Kelly
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McGovern
McHugh
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Moore
Moran (VA)
Murphy
Murtha
Nadler
Napolitano
Neal (MA)
Nethercutt
Ney
Northup
Oberstar
Obey
Olver
Ortiz
Osborne
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Platts
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Rahall
Rangel
Regula
Rehberg
Renzi
Reyes
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Ros-Lehtinen
Ross
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Shaw
Sherman
Sherwood
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Sweeney
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walsh
Wamp
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—18

Barton (TX)
Bereuter
Berman
Carson (IN)
Collins
Davis, Tom
Deutsch
Evans
Gephardt
Granger
Hastings (FL)
Hastings (WA)
Jones (OH)
McDermott
Mollohan
Rothman
Tauzin
Waters

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN (during the vote). There are 2 minutes remaining in this vote.

□ 1906

Mr. NUNES changed his vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. NUSSLE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. TERRY) having assumed the chair, Mr. LATOURETTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4663) to amend part C of the Balanced Budget and Emergency Deficit Control Act of 1985 to establish discretionary spending limits and a pay-as-you-go requirement for mandatory spending, had come to no resolution thereon.

PERMISSION FOR AMENDMENT NO. 18 TO BE CONSIDERED OUT OF SEQUENCE AND WITHDRAWN AFTER DEBATE DURING FURTHER CONSIDERATION OF H.R. 4663, SPENDING CONTROL ACT OF 2004

Mr. DREIER. Mr. Speaker, I ask unanimous consent that during further consideration of H.R. 4663 pursuant to House Resolution 692, amendment No. 18 in House Report 108–566 may be considered out of sequence in the Committee of the Whole, and that the amendment may be withdrawn by its proponent after debate thereon.

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

There was no objection.

SPENDING CONTROL ACT OF 2004

The SPEAKER pro tempore. Pursuant to House Resolution 692 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4663.

□ 1905

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4663) to amend part C of the Balanced Budget and Emergency Deficit Control Act of 1985 to establish discretionary spending limits and a pay-as-you-go requirement for mandatory spending, with Mr. BASS (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose earlier today, amendment No. 5 printed in House Report 108–566 offered by the gentleman from Texas (Mr. HENSARLING) had been disposed of.

Pursuant to the order of the House of today, amendment No. 18 printed in the report may be considered out of sequence and may be withdrawn by its proponent after debate thereon.

AMENDMENT NO. 18 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN pro tempore. The Clerk will designate the amendment in the nature of a substitute.

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

Amendment No. 18 in the nature of a substitute No. 18 offered by Mr. YOUNG of Florida:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Spending Control Act of 2004''.

SEC. 2. EXTENSION OF DIRECT SPENDING CONTROLS.

(a) PURPOSE.—Section 252(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

''(a) PURPOSE.—The purpose of this section is to assure that any legislation that causes a net increase in direct spending will trigger an offsetting sequestration.''.

(b) TIMING.—Section 252(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''any net deficit increase'' and all that follows through ''2002,'' and by inserting ''any net increase in direct spending,''.

(c) CALCULATION OF DIRECT SPENDING INCREASE.—(1) Section 252(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

''(2) CALCULATION OF DIRECT SPENDING INCREASE.—OMB shall calculate the amount of increase or decrease in direct spending. If, in the President's budget submission pursuant to section 1105(a) of title 31, United States Code, baseline estimates for direct spending for the current year exceed the direct spending baseline estimates for the current year assumed in the previous year's budget as a result of legislation enacted since the previous budget, that shall be treated as an increase in direct spending for purposes of this section.