United States of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, SECOND SESSION

Vol. 148 WASHINGTON, THURSDAY, FEBRUARY 14, 2002 No. 14

# House of Representatives

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

## DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
*February 14, 2002.*

I hereby appoint the Honorable MICHAEL K. SIMPSON to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
*Speaker of the House of Representatives.*

## PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

During times of repentance or in moments of humiliation, as well as times of overwhelming joy or affirmation, You enlighten us by Your spirit, Lord. At such times with the psalmist of old, we see inner depths in ourselves and our relationships, and we pray: ''Out of the depths, I cry to You, O Lord. Lord, hear my voice.''

Trusting this ancient wisdom to guide us further, our Nation and this Congress seeks forgiveness in You, Lord, and counts on Your Word always.

Longing for full resolve of all of the issues and dangers we face as a people, we need to wait, wait for You, O Lord, for the new day You will always show us.

We trust in Your mercy as we search the immediate darkness.

The Capitol Police and guardians of security across this country watch attentively. Like them, each of us must be on alert, tracking the enemy who would destroy us from outside and quietly stirring deeper virtue within until the fullness of redemption is found in You.

With Your Holy Name on our lips we pray, now and forever. Amen.

## THE JOURNAL

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

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

Mr. MCNULTY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER pro tempore. The question is on the Speaker's approval of the Journal.

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

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

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 342, nays 51, answered ''present'' 1, not voting 41, as follows:

[Roll No. 35]

YEAS—342

Ackerman
Akin
Allen
Andrews
Armey
Baca
Bachus
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Bass
Becerra
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Boswell
Boyd
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clayton
Clement
Clyburn
Coble
Collins
Condit
Cooksey
Cramer
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emerson
Engel
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Flake
Fletcher
Foley
Forbes
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Hall (TX)
Harman
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hill
Hinchey
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hunter
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Kanjorski
Kaptur
Keller
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meeks (NY)
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, Jeff
Mink
Mollohan
Moran (VA)
Morella
Nadler
Napolitano
Nethercutt
Northup
Norwood
Nussle
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Pascrell
Paul
Pelosi
Pence
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Pomeroy
Portman
Price (NC)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rivers



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Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Rush
Ryan (WI)
Sanders
Sandlin
Sawyer
Saxton
Schiff
Schrock
Sensenbrenner
Serrano
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Shays
Sherman
Sherwood
Shimkus
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Watts (OK)
Waxman
Weiner
Weldon (FL)
Wexler
Whitfield
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn

NAYS—51

Abercrombie
Aderholt
Baird
Borski
Brady (PA)
Costello
Crane
Doggett
English
Ferguson
Filner
Gutknecht
Hansen
Hastings (FL)
Hefley
Hilleary
Hilliard
Hobson
Hulshof
Jones (NC)
Jones (OH)
Kennedy (MN)
Kucinich
Larsen (WA)
LoBiondo
McDermott
Menendez
Miller, George
Moore
Moran (KS)
Ney
Pallone
Pastor
Peterson (MN)
Platts
Pryce (OH)
Sabo
Sanchez
Schaffer
Schakowsky
Scott
Slaughter
Stupak
Sweeney
Taylor (MS)
Thompson (CA)
Thompson (MS)
Udall (CO)
Visclosky
Weller
Wicker

ANSWERED ''PRESENT''—1

Tancredo

NOT VOTING—41

Barton
Berman
Boucher
Brady (TX)
Clay
Combest
Conyers
Cox
Coyne
Cubin
DeLay
Ehrlich
Ford
Gephardt
Goode
Gordon
Hall (OH)
Herger
Hinojosa
Hyde
Kelly
Meek (FL)
Murtha
Myrick
Neal
Oberstar
Oxley
Payne
Pombo
Riley
Roukema
Ryun (KS)
Sessions
Smith (NJ)
Stark
Traficant
Udall (NM)
Waters
Weldon (PA)
Young (AK)
Young (FL)

□ 1027

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

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

So the Journal was approved.

The result of the vote was announced as above recorded.

Stated for:

Mr. HINOJOSA. Mr. Speaker, on rollcall No. 35, had I been present, I would have voted "yea."

Mrs. MYRICK. Mr. Speaker, I was unable to participate in the following vote. If I had been present, I would have voted as follows: Rollcall vote No. 35, on approving the Journal, I would have voted "yea."

## PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. SIMPSON). Will the gentleman from California (Mr. SCHIFF) come forward and lead the House in the Pledge of Allegiance.

Mr. SCHIFF led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 325. Concurrent Resolution permitting the use of the rotunda of the Capitol for a ceremony as part of the commemoration of the days of remembrance of victims of the Holocaust.

The message also announced that the Senate has passed concurrent resolutions of the following titles in which the concurrence of the House is requested.

S. Con. Res. 96. Concurrent Resolution commending President Pervez Musharraf of Pakistan for his leadership and friendship and welcoming him to the United States.

S. Con. Res. 97. Concurrent Resolution providing for a conditional adjournment or recess of the Senate and a conditional adjournment of the House of Representatives.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair announces that 1-minute speeches will be postponed until the end of the day.

## PROVIDING FOR CONSIDERATION OF SENATE AMENDMENTS TO H.R. 622, HOPE FOR CHILDREN ACT

Mr. HASTINGS of Washington. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 347 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 347

*Resolved*, That upon adoption of this resolution it shall be in order to take from the Speaker's table the bill (H.R. 622) to amend the Internal Revenue Code of 1986 to expand the adoption credit, and for other purposes, with Senate amendments thereto, and to consider in the House, without intervention of any point of order, a single motion offered by the chairman of the Committee on Ways and Means or his designee that the House concur in each of the Senate amendments with the respective amendment printed in the report of the Committee on Rules accompanying this resolution. The Senate amendments and the motion shall be considered as read. The motion shall be debatable for one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The previous question shall be considered as ordered on the motion to final adoption without intervening motion or demand for division of the question.

□ 1030

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from Washington (Mr. HASTINGS) is recognized for 1 hour.

Mr. HASTINGS of Washington. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. FROST), pending which I yield myself such time as I may consume. During consideration of this resolution, all time is yielded for the purpose of debate only.

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

Mr. HASTINGS of Washington. Mr. Speaker, House Resolution 347 provides for a single motion offered by the chairman of the Committee on Ways and Means or his designee that the House concur in each of the Senate amendments with the amendment printed in the report of the Committee on Rules accompanying this resolution.

The resolution waives all points of order against consideration of the motion to concur in the Senate amendments with an amendment. It provides 1 hour of debate in the House, equally divided and controlled by the chairman and ranking member of the Committee on Ways and Means. Finally, the resolution provides that the previous question shall be considered as ordered on the motion to final adoption without intervening motion or demand for division of the question.

Mr. Speaker, the amendment to be included in the motion provided for in this resolution would amend the Internal Revenue Code to: One, provide for supplemental stimulus payments; and, two, accelerate the 25 percent individual income tax rate. It also sets forth provisions specifically applicable to business, including: One, a special depreciation allowance for certain property acquired after September 10, 2001, and before September 11, 2004; two, a temporary increase in section 179 expensing; and, three, an increased carryback period for certain losses.

The amendment extends various expiring provisions including: One, the credits for qualified electrical vehicles, work opportunity credit, and the welfare-to-work credit; and, two, provisions concerning a taxable income limit on percentage depletion for oil and natural gas produced from marginal properties, parity in the application of certain limits to mental health benefits, and the availability of medical savings accounts. The amendment also reauthorizes Temporary Assistance for Needy Families supplemental grants for population increases for fiscal year 2002, and provides special allowances for a designated ''New York Liberty Zone'' for the area damaged in the 9–11–2001 terrorist attacks.

Mr. Speaker, the amendment further provides a program of temporary extended unemployment compensation, establishes a displaced worker insurance credit, and amends the Workforce Investment Act of 1998, with respect to national emergency grants, to authorize grants for employment and training assistance and temporary health care coverage assistance to workers affected

by major economic dislocations. Finally, the amendment provides for temporary State health care assistance.

Mr. Speaker, as my colleagues know, this is our third effort to pass a much-needed stimulus package. Regrettably, the other body has failed thus far to act with equal dispatch on this important legislation. Today we will attempt once again to move forward with a carefully crafted, balanced package of measures designed to stimulate economic recovery and to provide assistance to those affected by the recent economic downturn. It is our hope that the other body will respond in an affirmative fashion to this initiative and that we can quickly move this important legislation to the President's desk as soon as possible.

Accordingly, Mr. Speaker, I urge my colleagues to support both this resolution and the motion to be offered by the gentleman from California (Mr. THOMAS).

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

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

Mr. Speaker, I rise today to strongly oppose this rule because Republican leaders are using this rule to block immediate assistance for the millions of Americans who cannot find work in this recession.

Those are the facts, Mr. Speaker, plain and simple. They are not hard to understand, and, unfortunately, they are not surprising, because Republican leaders have consistently used their power to block bipartisan compromise on economic security.

Mr. Speaker, we want a simple straight up or down vote on a 13-week extension of unemployment benefits. The Republicans, on the other hand, want a 13-week extension, plus a junked-up stimulus package, a package they know has no chance of being passed by the United States Senate. So their cynical action has the effect of denying people the 13 weeks of unemployment benefits. This is not very complicated.

Last Sunday morning I was sitting around at home and I was watching one of my favorite Sunday interview shows, Fox News Sunday, and the Republican leader of the other body was on that show. He was asked a question. He was asked, ''Well, Senator, what about the fact that we are going to have a budget deficit again, that we are going to have a budget deficit of $70 billion, $80 billion or $90 billion this year?''

His response was, ''Don't worry about that budget deficit. We are never going to pass a stimulus package, so we won't have a budget deficit.''

Now, the package that the other side has brought forward, again, has a $70 billion cost, contribution to the deficit, in fiscal year 2002, a $70 billion cost in fiscal 2003, a $175 billion cost over the next 5 years. They know it is not going anywhere.

What we are asking is a straight up or down vote on something that has already passed the Senate, a 13-week extension of unemployment benefits. They have refused to give us that straight up or down vote, and we will resist the rule because of that.

The gentleman from New York (Mr. RANGEL) has asked for the opportunity to offer the measure that passed the Senate. They denied that in the Committee on Rules. We will present that on the floor again this morning. Today, unfortunately, we have done everything we can.

We can stop politics as usual, we as a body, if we want to. We can pass a noncontroversial bipartisan bill to help the millions of Americans who are suffering through this recession. Make no mistake, these hard-working people need help now.

Remember, this recession started last March, nearly 1 full year ago, and a bad economy only got worse after September 11. Since that day, more than 1 million Americans have seen their unemployment assistance expire, and another 2 million workers will exhaust their benefits over the next 6 months. Today, almost 8 million Americans are unemployed and looking for work.

These are people who work hard and play by the rules. But now, through no fault of their own, they are out of work. They have got bills to pay and children to feed. They need a helping hand just to get through until they can find another job to support their families.

Now, Mr. Speaker, in the Committee on Rules last night, the chairman of the Committee on Ways and Means, the gentleman from California (Mr. THOMAS), testified that Republican leaders in the House are trying to help laid-off workers. They have tried before, he said, and they will keep on trying.

Well, as much as one might admire such persistence, Mr. Speaker, Americans who lose their jobs need more than ''trying.'' ''Trying'' will not pay their rent. It will not buy you groceries. And it will not pay for your health care or prescription drugs. The truth is, what Republican leaders call ''trying'' is nothing more than partisan gamesmanship and politics as usual.

Mr. Speaker, Republicans can stop trying today, and instead can act to help laid-off workers. That is what the United States Senate did last week when it acted unanimously to provide 13 additional weeks of unemployment benefits to Americans who have lost their jobs in this recession, and that is what the Congress has done during the past five recessions.

Mr. Speaker, of course House Democrats would like to do much, much more than the simple measure passed by the Senate. We have tried repeatedly to expand eligibility for unemployment insurance and to ensure that you do not lose your health care when you lose your job. We have proposed fiscally responsible tax relief to stimulate the economy and give a boost to small business.

Democrats have reached out to find bipartisan consensus on these ideas. In fact, the gentleman from California (Mr. DOOLEY) came to the Committee on Rules last night with a substitute motion that would have combined business depreciation relief with the extension of unemployment benefits, but Republican leaders refused to budge. They would rather play election-year politics than work together to restore the economy.

Mr. Speaker, we can stop that today. We can fill the most pressing need created by the recession. We can pass extended unemployment assistance so the President can sign it into law tomorrow, but for that to happen, Republicans will have to put politics aside for just a few hours this morning. They will have to stop using out-of-work Americans as pawns for their partisan games. They will have to stop holding laid-off workers hostage to the amendment the gentleman from California (Mr. THOMAS) is offering today, a warmed-over version of the same old Republican plan that has failed twice before in the United States Senate.

Mr. Speaker, that Republican plan is not bipartisan. It will not do much to help the laid-off workers or provide economic stimulus. And because it will put Americans further in debt, it threatens Social Security and Medicare and is just plain dangerous to the economy over the long term.

But Republicans have the majority in the House. They can bring it up any time they want. Today, however, by attaching it to the bill passed by the Senate, Republican leaders are blocking immediate help for those Americans hardest hit by the recession.

Mr. Speaker, the choice we face this morning could not be more simple: Out-of-work Americans have been waiting months for assistance. If you defeat this rule, we can act today to give them the helping hand they need. But if you pass this rule and block the noncontroversial bipartisan Senate bill, you will force laid-off workers to keep on waiting.

Mr. Speaker, I urge my colleagues to show a little heart on this Valentine's Day. Do not hold laid-off workers hostage. Defeat the rule and provide them with the help they need now.

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

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind all Members to avoid improper references to Senators, such as quoting remarks of Senators in the media.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Ohio (Mr. PORTMAN).

Mr. PORTMAN. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I cannot believe that my friend from Texas thinks we should not try, that we should not try, to help those who are currently unemployed because of the events of September 11,

because of the recession, and we should not try to help people get a job.

People want a paycheck. Yes, we got to help those who are currently displaced by the horrible events of September 11 and the worsening economy that resulted, but ultimately we are going to get these people back to work. That is what they want, that is what they deserve, that is where they are going to get the dignity they want and the financial security they want.

On September 11 our economy got a whole lot worse. It was already struggling. Americans are now looking at this body for help. Not politics. They are looking for help, and we are going to try, and we are going to try and try and try.

This is the third time that we have brought to the floor a balanced package that helps those who are displaced. In fact, it helps those who are displaced who have lost their jobs a lot more than the clean unemployment insurance legislation that the gentleman just proposed. It does more than extend for 13 weeks. It does more to take care of their health care.

We are going to hear more about this later, but what we are proposing is something much more generous for those who have been unemployed, but also, very importantly, to get those folks back to work. A million people have lost their jobs.

So we are going to try. We are going to try and try again. Maybe the third time is a charm. Maybe Valentine's Day will bring something special. Maybe we can show a little heart today and help people, not just with their unemployment, but for them to get back to work.

It does two things. First it helps get the consumer back in the business. It helps give people some more money back in their own pockets to get this economy going. The economists we have talked to, and we have talked to dozens of them, all agree. We need to get the consumer back into the business of buying and getting this economy going from the bottom up. It does that.

It helps those who did not get tax relief last year because they do not pay Federal income taxes. Who can use it more than those people? They are going to get out there and spend that money. We want to help them to do it. It also helps those who are middle-income American families by accelerating the tax relief we passed last spring.

Second, it incentivizes businesses to go out and create jobs. Now, when I am home talking to my small-business people, they are very excited about what is in this package. They want to see an immediate expensing of 30 percent of anything that they buy. That is going to help create jobs. Small businesses are going to benefit directly by this.

This is not about politics; this is about jobs. This is a balanced package. I urge my colleagues to help everybody, those who are unemployed, but also help those people who are currently employed whose jobs are at risk, to ensure that we can get people back to work and to do so quickly.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. HASTINGS), a member of the Committee on Rules.

Mr. HASTINGS of Florida. Mr. Speaker, I thank my good friend from Texas, the ranking member, for yielding time.

Two hundred billion dollars and 10 years later, I predict for you that this measure that we are going to vote on in this bad rule will not have given one child hope. I cannot imagine how much cynicism it took to name this the ''Hope for Children Act.''

Last night House Members diligently studied, debated and approved new campaign finance laws for America, and the Committee on Rules, the gentleman from Texas (Mr. FROST) and I and others, met at 11:30 at night and reported out a rule that the majority of Members did not see then and have not seen now. It is a bill that Members are being asked to vote on this morning before they or their staffs have even had a chance to read the text of the bill.

□ 1045

Yesterday afternoon, the talk was that the House was going to vote on an extension of unemployment benefits. That is what the Senate did. This is a plan that is both bipartisan and bicameral that we could pass. In addition, economists and labor experts alike have pointed out that the extension of unemployment benefits is a true economic stimulus.

However, the bill that Members are being asked to vote on today is not just an extension of unemployment benefits; that is something, as I said, that the Senate passed. Instead, the majority has taken an issue as important as the extension of unemployment benefits and wrapped it up in a blanket of tax cuts to those who need them least. This bill is a third example of how the majority insists on playing politics with American lives. It is Lent season that began on yesterday. Maybe you all ought to give up the stimulus package for Lent, because it is not going to pass the Senate, and everybody over there and over here knows that.

At a time when our country's unemployment level is the highest it has been in more than a decade and workers who lost their job in the wake of September 11 will exhaust their 26 weeks of unemployment and insurance benefits beginning mid-March, it is shameful that Congress has not acted. The fact of the matter is, if this bill is approved, it will never go to President Bush's desk. Unemployment benefits will not be extended. On the contrary, the bill will return to the other body where it will meet its death and all of us know that.

My grandmother used to let me listen to a program on the radio called ''Let's Pretend'' and that is exactly what we are doing here. I do not know when it is that we stopped pretending. The gentlewoman from Pennsylvania (Ms. HART) on that side and myself introduced H.R. 2946 that provides for human needs, dealing with education for health care coverage and providing a quality education for these children that this bill is supposed to give some hope to. Our bill extends unemployment and health care benefits, while also providing job training.

Mr. Speaker, we talk about jobs. Evidently that $500 tax cut did not get to K-Mart and Toys-R-Us to be spent by us, because they seem not to be doing business so well.

We have opportunity, Mr. Speaker, to help Americans fulfill their human needs. Defeat this rule.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 1½ minutes to the gentleman from Pennsylvania (Mr. GEKAS).

Mr. GEKAS. Mr. Speaker, I thank the gentleman for yielding me time.

Had we had an opportunity to try to amend this bill that this rule provides for, I would have offered an amendment to lift the income tax on the unemployment compensation that many people have been receiving and, nevertheless, have to pay tax on it. Because of a quirk in the law of 1986, those unemployment benefits, the ones which we are discussing here today, are taxable.

My amendment to this rule would have provided for repealing the tax and make it retroactive through the year 2001. Why? Because in 2001, we began to see a creep-up of unemployment compensation claims as a result of the layoffs that were occurring. And that became exacerbated on September 11 and, what followed, because even more people, by the exigencies of what happened there, applied for unemployment compensation.

So what I plan to do is to entice all of my colleagues to get on a bill that we have introduced to reduce and to eliminate the taxes on unemployment compensation. This has an additional double benefit. If we remove the income taxes from the unemployment compensation benefits back to 2001, it constitutes a tax cut. That is an absolute tax cut in the image of what the President needs to stimulate the economy, because it will be cash remaining in people's pockets, especially those who are unemployed and are on unemployment compensation. Secondly, it is the fair and right thing to do. Why should we see a situation in which a person receives an unemployment compensation check and then has to pay tax on it?

Mr. FROST. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from New York (Mr. RANGEL), the ranking member of the Committee on Ways and Means.

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

Mr. RANGEL. Mr. Speaker, I have been in this august body with great

pride for over 3 decades. I have seen some pretty political things happen on this floor on both sides of the aisle, but this has to be one of the most mean things that I have seen since I have been here.

The reason for that is that we are holding hostage millions of Americans that we promised early on that we were going to help. How many of my colleagues remember when we voted to give $15 billion to bail out the airline industry? How dramatically the minority leader and the Speaker got on the floor and promised that we would provide health benefits and unemployment compensation to those people who, through no fault of their own, have lost their jobs and lost their health benefits. All of a sudden, this was folded into a stimulus package. We did not say that we had to pass obscene tax cuts to help these people. We said that standing alone, these were hard-working Americans that deserved help from their country during time of war and time of recession.

So each time we address this question, we have to find out how many billions of dollars of tax cuts we are prepared to absorb. What are we willing to do in order to bring these people along?

The chairman of the committee says he is going to keep doing it this way until they finally get it. Well, what is it that the other body has to get? Whether they are right, whether they are wrong, whether they are incompetent, the fact is, they have said that they have thrown up their hands in complete surrender as it relates to a stimulus package and sent over here with a unanimous vote the mere benefit of extending unemployment compensation for 13 weeks. Should they be proud of that? I think not. Should we be proud to accept that? I think not.

But worse than just going home and saying, that is all we could do is extend this, there are two things that are worse than that. One would be to do nothing. To say, because it was not enough, we in the Congress felt that we should do nothing. Because we did not provide for health benefits, we should do nothing. That would be worse.

But the second worse thing, the second painful thing is to be hypocritical enough to allow these wretched souls to believe that we are doing something to help them, knowing that this bill has been stacked to leave the House to face defeat because the Senate cannot and will not even take it up. Who knows this? Mr. Speaker, 435 Members of this House of Representatives know today that the Senate will not, and they would claim politically and parliamentarily, cannot take it up.

To give false hopes to these people is one of the meanest things that I have ever seen happen. And who are these people? Are they illegal aliens? Are they people who are not citizens? Are they threats to our national security? Are they terrorists? Are they people that get our vital patriotic juices up so that we are against them? Oh, no. These are people that work every day, that have families, rent to pay, electricity to pay, mortgage payments, tuition. These are families that are breaking up all over America because of the burden of not being able to have the dignity of having a job.

Are we doing enough for them to give them unemployment benefits? Of course not. These people do not want handouts. They want a hand up. They want a job. But just because genius minds on the Republican side decide that the best way to give them a job is to give them refunds of tax benefits that they have paid; the best way to give them jobs is to make permanent the tax system sometime in 2011; the best way to give them jobs is to come up with a new health delivery system that destroys the employer-employee relationship.

Wonderful ideas, but what about the guy and the lady that has a family, that has lost their home, that has lost their hope, that has lost their reason for being and they are waiting for us just to help out a little bit. Are we going to give them sophisticated and complex reasons why we cannot help? What a rough day to be a Member of this House.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means.

Mr. THOMAS. Mr. Speaker, I thank the gentleman for yielding me this time.

I always enjoy my colleague's description of legislation. It is difficult to recognize it when he finishes. I find interesting the fact that we are now reduced to simply saying that 13 weeks of unemployment insurance is the proper response to a Nation in need, not just those who are currently finding themselves, through no fault of their own, unemployed, but a business sector that does create jobs looking for help.

What the gentleman from New York did not tell us was that there are provisions in this bill to provide $13.7 billion to people who do not pay income taxes and perhaps not even payroll taxes. This was a help as a stimulus to individuals who will clearly consume every dollar that they have been provided. The President supported this; we support it. It seems now our friends on the other side of the aisle have decided that is not necessarily a good idea. Oh, it may be a good idea, but it is not worth fighting for. The Senate has defined what it is that we can do. Unemployment insurance is all that we can do.

Well, I will tell my colleagues, on this side of the aisle we find that unacceptable. We provide unemployment insurance in this package in a way in which where, when States have more than 4 percent of unemployment, they do not just get the 13 weeks that the gentleman from New York is pleading for; they get 13 weeks after 13 weeks after 13 weeks, that is, a continued renewed 13 weeks if the State continues to have high unemployment. In other words, it takes unemployment insurance out of the political football category. We sent unemployment payments to the Senate in October of last year. We are now receiving their response in February. Who is at fault? We are. We can devise a system that takes unemployment insurance out of the political football business. If this is to become law, then a State in need for the rest of calendar year 2002 will automatically trigger the ability to receive 100 percent-funded Federal unemployment benefits.

But it seems to me also that the gentleman from New York failed to mention that we have what is called the ''liberty zone package'' here. The people from New York took a hit for all Americans. In this is a provision to help rebuild Lower Manhattan. I guess because the Senate said they did not want to do it, we should set that aside.

What we are really hearing from the other side is that what we ought to do is the lowest common denominator. That is not acceptable. Business needs some help, low-income individuals need some help. Those who are unemployed need some help. This package does it. Why do we not, instead of talking about how little we can do, look at this package as the appropriate response and tell the Senate what the Senate did was not good enough.

Mr. FROST. Mr. Speaker, I yield myself 30 seconds.

I have listened very patiently to my colleague and friend from California. What my colleague from California is urging is the old-fashioned game of chicken. Let us all play chicken with the Senate while people who are out of work do not get the 13 weeks of extended benefits. It is time for those kinds of games to stop.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BENTSEN).

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

□ 1100

Mr. BENTSEN. Mr. Speaker, this bill has two problems. The first problem is that the majority has written a brand-new stimulus bill costing at least $150 billion over 10 years and brought it to the floor on the day that we are recessing for the President's Day holiday or work week. The Senate is, if they have not left already will be leaving soon, and so what happens is even if the House is to adopt this, the Senate is not going to take it up for at least another week and a half or longer. People who have been unemployed since last spring of 2001 are going to get nothing.

Now, we can argue over what should be in a stimulus package and what should not be in there; but the fact is we could very easily extend unemployment compensation for 13 weeks today, and it would be done for the time being until we get back. But the other side

does not want to do that because they want to continue the debate and the bickering that goes on, and I think that is a mistake.

The second problem is that no one is recognizing the fact that in the last year we have lost $4 trillion in surplus value in this country and we are now eating into the Social Security surplus. And here is another $150 billion. There are some good ideas in here. I like some of the ideas. But at some point somebody is going to have to pay for it. The taxpayers are going to have to pay for it. My children will have to pay for it, your children. We are just adding on to the debt again. Last year we were debating how quickly we could pay down the national debt. Now we are talking about adding another $150 billion in debt and digging into Social Security.

In the long run that is not going to do anything. And so much of the stimulus package does not even occur until the out-years. The economy will be well out of a recession, I hope, by 2003, 2004. But this package is cutting into the surplus or what used to be the surplus all through those years.

I think we have two problems here. Let us pass an unemployment compensation extension today that can go to the President's desk today so we can help the people today, and we will come back after the President's Day work week and we can continue to go back and figure out how we do a bill and how we protect the taxpayers from a mounting public debt because of the loss of a surplus.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 3 minutes to the gentlewoman from Washington (Ms. DUNN).

Ms. DUNN. Mr. Speaker, this is the third time we have had to pass this stimulus bill. The gentleman from Texas claims that we are creating a log jam in our process in order to defeat the items in this bill. I think on the other hand it is the Senate that is creating the log jam. The Senate did not have the courage to pass more than 13 weeks of unemployment to this body. How many times are we going to have to pass this bill before we can get the Senate to wake up and break that log jam?

The Senate sent a bill back to us with 13 weeks of unemployment. No potential extension for States like my State, second highest unemployment in this Nation, Washington State. The bill that they sent over had no health care coverage. That is a huge problem. I have a problem, 7.1 percent unemployment in the State of Washington, and the Senate sends over to us a bill that gives those folks 13 weeks of unemployment insurance but no coverage for health care or for anything else.

I want to talk about this bill, Mr. Speaker. This bill contains a $37 billion amount that would be used for retraining of folks who lost their jobs since last March 15, and includes over $13 billion for health coverage alone. And we do not do this coverage just for COBRA people, for people who worked for big companies who get off that job and can buy their own COBRA insurance. We also cover the people who work for small businesses, under 20 people, that do not have access to COBRA. That is very important. Our bill is much broader, much deeper.

Let us talk about these rich people whose marginal tax rate is being reduced. These marginal people are 660,000 entrepreneurs in my State of Washington alone. These rich people who are in the 27 percent rate bracket that we want to bring down immediately to 25, they are that single school teacher who is earning $30,000 a year who cannot even afford to live in the community where her school exists and has to drive miles every day. This is the rich person that our opposition talks about, Mr. Speaker, that we are trying to help. You bet we are trying to help that person. We are trying to help that person in many different ways.

The reality is that the Senate has delayed this bill. For the third time we will send this bill back over to the Senate. We have a President who is willing to sign this bill, a bill that contains rebate checks for low-income working folks who did not get checks last year, a bill that includes accelerated depreciation so small businesses and businesses of every size can catch up and make purchases for their company and buy those computers which would help stimulate that portion of our economy. I would like to put death tax permanence in this bill, but we are keeping this bill clear so we can move it through as fast as possible.

Mr. Speaker, I urge the Senate to get off their chairs, to stand up for the people at home, the people who are going to lose their jobs in my district because of Boeing, the folks who are losing their jobs all over this country. See the wisdom of this bill and the delicate balance we have defined and pass this bill out as we pass it today.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SIMPSON). Members are reminded to not urge action on the part of the other body.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE), who represents a number of unemployed people who used to work for Enron.

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

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished gentleman for yielding me time.

Mr. Speaker, I believe what is recognized by the unemployment assistance provided by the other body is that we are in a crisis. We are in a recession. We helped the airlines; but yet with 12,000 and thousands of employees being laid off we did not help those employees. As the months and weeks got longer and longer, we saw more and more companies across the Nation laying off hard-working Americans.

More than 1 million jobless workers have had their unemployment benefits expire since September 11. And, Mr. Speaker, 2 million will likely exhaust their regular unemployment again in the first half of 2002, inability to pay mortgages and car notes and tuition payments and, most of all, health care.

What we are saying today, Mr. Speaker, if we are truly sincere about the thousands of ex-Enron employees that are laid off and all other employees across this Nation who are telling us that they will have no unemployment insurance, no ability to pay their health care in the next couple of months, let us pass a stand-alone bill.

I had last night, Mr. Speaker, an amendment that would have extended the unemployment benefits for a year. It was not tied to the unemployment percentages in your State. And the reason is if you are unemployed and your State happens to have a 4.10, 4.1, 4.2 unemployment rate, and it is higher than the baseline, you are still hurting. You still need the time. You still are unemployed. Yes, we want jobs. And I would like to join my colleagues on the other side of the aisle in establishing a premise upon which we can secure more jobs. But these are hard-working Americans who were laid off. They had jobs. They want jobs but they need to survive now.

Let us vote up or down on the unemployment stimulus package that deals with unemployment only, and let us make sure we get that passed. I would have wanted this amendment to be in, but it did not happen. And let us avoid exploding and taking away from the Social Security Trust Fund. Let us do it right and work together. I ask my colleagues to defeat the previous question in the rule so we can work on behalf of the workers of the United States of America.

Mr. HASTINGS of Washington. Mr. Speaker, 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. Speaker, I rise in strong support of the rule and of the underlying economic security and worker assistance act.

It is Valentine's Day, Mr. Speaker; but there is obviously not a lot of love in this room. And there should be. One million Americans have fallen into unemployment this year. While Congress focuses on issues that 1 or 2 percent of the American people think are urgent, a million American families are struggling under the weight of this recession. It is our hope on this side of the aisle, Mr. Speaker, that the third time is the charm. But I want to speak specifically to several comments made by the gentleman from Texas in a passionate and typically eloquent way.

He accused this measure offered by the majority of being cynical. And I do not know, Mr. Speaker, I am new to this town, but it seems to me that what is more cynical: Trying to help

people that are unemployed by helping not only the wage earner but also the wage payer, or is it more cynical to offer a stimulus bill that does nothing for the people that you want folks to be hired back by?

And we have been accused of blocking today, Mr. Speaker. Again, I am new to Washington and I am from south of Highway 40, but it seems to me this is the third time we have passed a stimulus bill with benefits for the unemployed in it and it has been blocked, Mr. Speaker, somewhere else. And only in Washington, D.C. would you be accused of having tried thrice to accomplish something and now you are blocking it.

Should we do more? We have been accused by the gentleman from Texas. Well, we are. We are offering not just 13 weeks but we are triggering additional unemployment benefits and vouchers to pay 60 percent of the cost of health insurance coverage. And this business of using laid-off workers as pawns, who uses the hurting family as a pawn, the one who labors to meet their need for assistance today and a job tomorrow, or the person content with accepting uncompromising obstruction that does nothing to help the plight of the unemployed today?

I urge passage of the rule and this measure.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas (Mr. MOORE).

Mr. MOORE. Mr. Speaker, the laid-off workers of America are waiting and waiting and waiting. They are waiting for help they need and have been promised time and time again. But it looks as if they will once again be held hostage by the majority leadership's decision to attach their economic agenda to a worker-relief bill.

In October we were promised, and displaced workers were promised, an assistance package as soon as Congress passed a bill to help the airline industry. Airlines got help; displaced workers did not. Broken promise.

In December we were promised, and displaced workers were promised, they would receive help. It did not happen. Broken promise. Even the President wants this Congress to pass a stand-alone worker-relief bill instead of continuing to play stimulus politics. I have here a chart that shows part of a letter from the President of the United States to me on December 11 on which he called on Congress to send him a stand-alone worker-relief bill regardless of the success or failure of any other elements of the economic stimulus measures now pending.

The last week the Senate passed worker-relief legislation; but instead of fulfilling the promise to displaced workers, House is still trying to get a so-called stimulus package and displaced workers are the victims once again. Broken promise.

Who are these displaced workers? These are people who just need assistance. They lost their jobs through no fault of their own because of the recession or because of September 11. They were taxpayers before, and they will be taxpayers again just as soon as they find a job. But they need to be able to survive until they find that next job. 300,000 workers ran out of unemployment benefits in December. More ran out in January, and each month more will run out until we pass this package and give assistance to these people again.

Today we have the opportunity to expend for 13 weeks unemployed benefits. The President has asked for a stand-alone package. The Senate has passed it. Laid-offer workers deserve it. Let us give them a helping hand. Let us vote against this rule. Promises made, promises broken. The American people are watching and the clock is ticking.

Mr. HASTINGS of Washington. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the distinguished chairman of the Committee on Rules.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding me time.

I am very impressed with the letter that my colleague, the gentleman from Kansas (Mr. MOORE), just placed before us. And I would commend it to my colleagues. He is absolutely right. The President said that by the end of the year he did want a package that would address the unemployment issue. But notice the next line in there. The President also insisted on having a health benefits package.

Guess what? The measure we are going to be voting on right here will help meet the demand that the President has put forward. It seems to me that we need to realize that if we were to wait on the other body for every action that we have taken, we would not have passed Trade Promotion Authority. We would not have passed an energy bill to help us attain domestic energy self-sufficiency. We would not have passed the faith-based legislation. We would not, as I was reminded last night, have passed the very important bipartisan election reform measure that came out of this institution.

It seems to me that we need to realize that the important thing for us to do right now is to focus not only on this very important issue of providing benefits to those who are suffering, those who are hurting, unemployment benefits and health benefits; but also we needs to focus on what it is that will address this issue. And that is what the gentleman from California (Mr. THOMAS) and the members of his committee have done, and that is job creation and economic growth.

We know full well that the President wants that because he understands that the only way that you are going to effectively deal with those who are hurting today is to create an opportunity for a job for them. And so tying the two together is something that is absolutely essential if we are going to address this in a long-run way. So I urge my colleagues to vote for this rule and vote for the package that will allow us to provide unemployment benefits and health benefits for the American people along with the very important job-creation vehicle necessary.

□ 1115

Mr. FROST. Mr. Speaker, I would inquire about the time remaining.

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from Texas (Mr. FROST) has 8½ minutes remaining. The gentleman from Washington (Mr. HASTINGS) has 12½ minutes remaining.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, last night the Republican leadership here in the House kept us until almost 3:00 in the morning in order to try to kill campaign finance reform, and this morning, a few hours later, they offer us this bill—proof positive of how desperate our Nation is for approval of campaign finance reform.

Today, of course, is Valentine's Day, but here in the House almost every day is Valentine's Day for special interest allies of this Republican leadership. They live and die by the motto, ''friends help friends get tax breaks whenever they can.''

Indeed, before the dust had settled over Ground Zero on September 11, within hours, the same folks that are promoting this bill were wrapping their old tax-break rhetoric in red, white and blue and claiming it was necessary in the war on terrorism.

Only a few days later they were working to repeal the alternative minimum tax to ensure that the appeal of President Bush for sacrifice in this Nation would be met by our largest corporations being willing to sacrifice by accepting a tax rebate check. Who do my colleagues suppose was leading that effort in the special interests? None other than Enron.

Cannot my colleagues imagine that call to Houston, ''Kenny Boy, can you accept a mere $254 million of taxes that Enron paid and could not avoid over the last 14 years as your share of sacrifice?'' Is that enough sacrifice for Enron? And this morning, the same folks that were doing that, after a little public scrutiny of their proposed $254 million gift for Enron, decided they could not repeal it. So they determined instead to repeal all the elements of the same tax, and they are willing to hold the unemployed workers of America, including unemployed workers at Enron, hostage so that Ken Lay, who still has six or seven houses to live in, and his company and other companies can share the sacrifice demanded in these difficult times by paying no taxes at all.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Illinois (Mr. WELLER).

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

Mr. WELLER. Mr. Speaker, I rise in support of the rule and the underlying bill. It is interesting to listen to my friends on the Democratic side of the aisle make up excuse after excuse why we should do nothing about getting this economy moving again. We have to remember why we are here. Our Nation is at war against terrorism. We are building our homeland security, and we are in an economic recession, and winning the war against terrorism requires getting our economy moving again.

Almost a million Americans have lost their jobs since the terror attack on September 11, tens of thousands in the area that I represent around Chicago, and we know that terrorists directly attacked our economy.

We have to work in this Congress to help those who are unemployed. The plan that the gentleman from California (Mr. THOMAS) has brought before us is more generous than what we passed before. It is more generous than what the Senate sent over last week, and I would note that no one falls through the cracks under this plan, and this plan also provides the opportunity to give confidence back to investors and consumers who lost it after the terror attacks.

Twice this House has acted to get this economy moving again. We must give workers the opportunity to go back to work, and that is why we need to pass this legislation again today.

Investment drove this economy in the past decade, creating hundreds of thousands of new jobs. The stimulus and economic security package that is before us today rewards investment and the creation of jobs. This plan includes the 30 percent expensing, accelerated depreciation as well as giving small business the opportunity to expense more, up to $40,000, and when my colleagues think about it, what this means to workers is that when a business or employer buys a computer or buys a pickup truck, there is a manufacturing worker somewhere who made that product. There is also someone who is going to install it. There is someone who is going to service it, and, of course, someone who is going to operate that piece of equipment, and accelerated expensing and accelerated depreciation will help. It also helps homeland security, making it easier to afford safety and security equipment.

The bottom line is we need to get the economy moving again. Let us give American workers the opportunity to go back to work. Let us pass this bipartisan economic stimulus and economic security plan.

Mr. FROST. Mr. Speaker, I yield myself 30 seconds.

That is very peculiar logic on the other side. The Senate has sent us a 13-week extension. If the other side does not want the 13-week extension, let us have a vote as the gentleman from New York (Mr. RANGEL) has asked on the 13-week extension, and they can vote no. Let them vote no, but they do not have the courage to do that. Instead they are denying us a vote on the 13-week extension in the guise of we have got something much better.

Well, something much better is not going to happen, and we can argue about whether it is better, but if they do not want the 13 weeks today, then let us have a vote on that, and let them vote no against the 13 weeks extension.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. GEORGE MILLER).

(Mr. GEORGE MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. GEORGE MILLER of California. Mr. Speaker, the bill that is before us today is almost savage in its insensitivity to the plight of American families who have lost their jobs through no fault of their own, the plight of the American worker who lost their job before September 11 and found job-hunting much more difficult after September 11, the people who have lost their job since September 11 and do not qualify for any unemployment benefits because of all of the loopholes that have been riddled in this system. It is savage in its insensitivity to what these families are going through.

I have had an opportunity to meet with unemployed workers in Los Angeles and Indiana and New Jersey, people who have worked for 15 or 20 years, and their job disappeared through no fault of their own because of terrorism, because of an economic downturn, and now they find themselves without any resources. Unemployment is running out, 11,000 people a day. While my colleagues are on recess, 120,000 people will lose their unemployment benefits. More people exhausted their unemployment benefits in December than any time since 1973.

What does this Congress do? What does the Republican leadership do? It insists, it insists upon playing ping-pong back and forth with the future and the lives and the well-being of these American families.

Thirteen weeks of unemployment insurance for those people running out of unemployment who have exhausted their benefit is available today, but the Republican leadership is going to play ping-pong. We are going to send it back to the Senate and go home. Happy Valentine's Day.

Listen to the unemployed. Maybe my colleagues do not spend much time with them. Listen to the people who talk about invading their 401(k)s, their IRAs to try to save the mortgage, to try to say save their automobiles so they can continue to look for work. Listen to these individuals who are lining up never before in their life in food pantries so they can feed their families. Listen to the people who are working at the margins in the hospitality industry. They have no savings. They have no rainy day fund. They have no place to go, no credit. They were working at the margins. When that unemployment check stops, if even they are qualified, the music stops for them and their families.

Listen to the young truck driver out there who is working for Sunkist when it went bankrupt, laid them off, 15 years. He finally bought a house in Los Angeles. Now he was scrambling, begging his extended family, his friends to meet the mortgage payment. He invaded his retirement to make the mortgage payment. All he did was lose much of his retirement value down the road. No insensitivity at all on my colleagues' part for these families, for these workers, for these employees who have been thrust into this system where they get no benefits. No, my colleagues are going to send the bill to the Senate and go home, to go home and turn their back on the American worker.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH. Mr. Speaker, I actually had a written statement to present, but I have been listening to this debate, and frankly I am outraged.

As I listened to the gentleman from California (Mr. GEORGE MILLER) accuse us of turning our backs on the worker, I look at their side of the aisle and have seen how many times since last fall they have voted down or tried to vote down an economic stimulus package. As for the gentleman from Texas (Mr. FROST) and his concern that there is not going to be a vote on that defenestrated piece of legislation that was sent over here from the Senate, let me help him with this.

The Senate will not even allow a vote on our stimulus package. They have been bottling this up now for months and months. Fifty bills held up in the Senate and they will not let them free, and frankly, it is on their heads what is happening to American workers, and I say this because in one region of my district alone the manufacturing sector has been hemorrhaging, a total of more than 4,000 jobs in less than 18 months. These job losses have dealt a $100 million blow to our region's economy, and the picture throughout my district looks like the rest of western Pennsylvania and more and more like the rest of the country.

During a single week in December, the number of workers receiving unemployment benefits who could not find new jobs rose by over 300,000 to over 4 million, the biggest 1-week jump in 27 years, and meanwhile, the Senate and some of our friends on the other side of the aisle are playing the usual political game.

Every day we fail to sign the economic stimulus package into law that the President asked us to pass months ago, it is another day where a worker or a dozen workers or a hundred workers are laid off or a business closes its doors. The statistics do not tell the whole story. American workers need help. They need help now. We have neighbors in need. We should act. Pass

this legislation, get it done, get it to the President's desk as he has requested and as American workers need.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would again remind all Members to refrain from urging action or inaction by the Senate or characterizing Senate action or inaction.

Mr. FROST. Mr. Speaker, let me inquire about the time remaining.

The SPEAKER pro tempore. The gentleman from Texas (Mr. FROST) has 3 minutes remaining. The gentleman from Washington (Mr. HASTINGS) has 8½ minutes remaining.

Mr. FROST. Mr. Speaker, we reserve the balance of our time.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Speaker, I thank the gentleman from Washington (Mr. HASTINGS) for yielding me the time.

Mr. Speaker, what we are trying to accomplish today with the passage of this third stimulus package is to create jobs and help the unemployed. I have just recently read in our local Capitol Hill newspaper that Members from the majority party in the other body want stimulus. They are breaking with their party leadership in asking for stimulus legislation to pass because in their home States they have a lot of people who are losing their jobs. So what we are trying to accomplish today is to give one more chance at it, to give one more crack at it to try and do whatever we can to get Americans back to work, to help grow the economy.

Let us take a look at what is in this piece of legislation. We hear about all these impugned motives. We hear about all these bad consequences. What we are trying to accomplish is to pass the kinds of legislation that when they have passed in the past have grown the economy and gotten people back to work. We want to make it easier for employers to keep people employed. We want to make it easier for employers to invest in their businesses, to invest in their employees and hire people back to work. On top of it, for those people who have lost their jobs, we want to help them with their unemployment insurance and with health insurance.

The Senate failed to respond on these issues. I am sorry the other body, excuse me, Mr. Speaker, the other body failed to address the issue of getting people back to work and in helping dislocated workers pay for their health insurance or they are out of work.

What we are trying to accomplish here is a recognition of a fact that in recessions, unemployment lags on even well after recovery has taken place. In my home State of Wisconsin, we have an unemployment rate that is much higher than the national average. We have lost almost 50,000 jobs just in manufacturing in the State of Wisconsin. We are in trouble in the State of Wisconsin, and we know that even though the Nation's economy may recover, we are still going to have a lot of layoffs, so that is why not just extending unemployment by 13 weeks, but allowing for those States that are still in trouble to extend it another 13 weeks beyond that.

Mr. Speaker, this is the right thing to do for our constituents. It is the right thing to do for the economy. It is common sense, and it is an appeal to the Members of the other body who want bipartisan success to get people back to work.

□ 1130

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SIMPSON). The Chair would remind Members that the Senate and the other body are one and the same.

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

Mr. HASTINGS of Washington. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from Washington State for yielding me this time.

This debate has been very interesting indeed. In fact, one of my friends from Texas came down, and, talking about Valentine's Day, offered his own rhetorical version of a Saint Valentine's Day massacre of the facts as they exist.

You see, my friends, not once, not twice, but on three occasions now we have brought a package that the President requested. My friend from Kansas had the letter. The President asked not only for unemployment benefits but for health benefits.

We cannot control what others on this Hill may do, nor is that our mission. Our responsibility is to produce today the best legislation we can that provides unemployment benefits, with a trigger, in case tough times continue, as the President stipulated, which expands health benefits to get the help to the people my friend from California spoke so eloquently about, and deals with the very people my very good friend from Texas talked about when he engaged in Enronomics.

And, oh, by the way, with all the talk of campaign finances, perhaps it would do good for everyone to listen. From opensecrets.org, my good friend from Texas, who engaged in the rhetorical bloodbath about Enron, has taken in the past few cycles $4,850 from Enron. Those are the facts. And perhaps with his former profession, this is the undeniable evidence and the rest of the story.

As our second President, John Adams said, facts are stubborn things. How ironic it is that those who engage in the rhetorical wailing and gnashing of teeth will do everything, throw up any obstruction, make any excuse, offer any argument, . . . to try to deny the unemployed help.

Support the rule.

Mr. FROST. Mr. Speaker, I demand that the words of the gentleman from Arizona (Mr. HAYWORTH) be taken down.

The SPEAKER pro tempore. The Clerk will report the words.

□ 1145

Mr. HAYWORTH. Mr. Speaker, if any of the words that I offered rendered some offense to anyone in this Chamber, I apologize and ask unanimous consent that they be stricken from the RECORD.

The SPEAKER pro tempore (Mr. SIMPSON). Without objection, the gentleman's words ''arguments that they are, in fact, personally involved in, and up to their necks in'' will be stricken.

There was no objection.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Mr. Speaker, I thank the gentleman for yielding me this time.

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

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

Mr. DOGGETT. Mr. Speaker, this is not really an insult of me or to the House, but to the 11,000 workers added to the rolls every day who are going without unemployment insurance and whose needs are being deliberately neglected by this House, and who will not receive any assistance as a result of the gamesmanship happening here today.

Mr. HINCHEY. Mr. Speaker, there is nobody on this side of the aisle who believes that the extension of a mere 13 weeks of unemployment insurance benefit is a comprehensive response to the present recession, but we do understand that it is an important part of any response, and we do understand, as my colleagues do, it is the only thing that we can do practically at this moment. We have a bill here in this House which extends 13 weeks of unemployment insurance benefits. We could pass that bill now.

But, Mr. Speaker, the majority side of the aisle will not put that bill on the floor. Instead, Members want to debate tax policy. We are happy to debate tax policy with the other side of the aisle. The other side of the aisle wants to pass a bill that will make it so that profitable corporations in America have no tax liability. They will pay no taxes to the Federal Treasury. Instead, that tax liability under the Republican proposal would inevitably be passed on to middle-income working people.

If my colleagues want to debate those kinds of issues, bring that bill to the floor. We are happy to debate it, but for God's sake, let us do the one thing we can do today to help the people that need help.

Every day 11,000 Americans exhaust their unemployment insurance benefits. We are leaving town today. The Speaker set the schedule. We are going on recess for 12 days. During that period of time, another 130,000 Americans will lose their unemployment insurance benefits. What are those Members

saying to them? Nothing. The other side of the aisle is turning their back on them. Let us do the one thing that we can do now that has practical benefit: Pass the unemployment insurance extender.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 2½ minutes to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I am very impressed with the sudden interest in the economy for the liberal Democratic Party. This is really great. I just wonder, did they not know somehow there was a recession going on in October? Did they not know in December? I mean, what were they thinking when we had these opportunities to get America back to work? I know that the other side of the aisle has a lot of constituents who they think would rather have a government support check rather than a job opportunity.

The America I know would rather be working. The America that I know wants to help those who are unemployed when they need assistance. But the America I know would prefer to be working.

Mr. Speaker, back in October we had a great bill that was passed by this House, but like the energy bill, like the faith-based initiative, like bioterrorism insurance, like so many other things that were passed to the Members across the aisle in the other body, and it was killed in the name of partisanship because there seem to be some folks in Washington who would rather have a bad economy if that helps their particular party in the polls.

I am sad that workers and American people's lives are being played with in such a callous, political manner. This is the difference between two parties, two visions. One wants to get the economy going so there are jobs, like my friend Mark, who worked for International Paper for 18 years. His father had worked for them for 28 years. He got laid off in the downsizing back in July. Fortunately for him, his wife has a job at a bakery. He is working with her right now. They are getting by, but he wants to get back to work. His corporation says this bill would help them.

Or like my friend Bill, who is a small electrical contractor employing six to eight people in Savannah, Georgia. He wants to keep those six to eight people on his payroll working, but they have got to have work out there, jobs to go to. This would give them that opportunity.

This is about real people and real jobs, people who do not have business cards, people who do not give to PACs or necessarily belong and hang out with big unions, and people who do not come to Washington, D.C., and do not consider themselves Republicans or Democrats. They just want to work.

Mr. Speaker, our bill which we passed in October would have given them jobs, would have done it in December. Now we have got our third opportunity. Do not strike out. Do not swing unsuccessfully three times. Let us get this thing done.

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

Mr. Speaker, I urge Members to vote ''no'' on the previous question. If the previous question is defeated, I will offer an amendment to the rule that will allow us to vote on a clean 13-week extension of unemployment benefits.

Mr. Speaker, we will be leaving for the district work period today and will be away for the next week. We need to fix the unemployment situation for the millions of Americans whose benefits have expired or will expire in the next few months.

This is not the time to bring to the floor a whole new stimulus package that the other body will not consider this week. Let us act now and help those who are unemployed in our Nation. Vote ''no'' on the previous question, and help our unemployed workers now.

Mr. Speaker, I ask unanimous consent to insert the text of my amendment just prior to the vote on the previous question.

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

There was no objection.

Mr. HASTINGS of Washington. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I tend to be an optimistic person, and I believe that three times is a charm. We have been in a recession, we found out after the fact, since last March. It seems to me if we are going to get out of a recession in a comprehensive way, we need a comprehensive plan. We cannot be putting Band-Aids on every aspect of our economy.

What has not been said at all in this debate today, notwithstanding the fact that the other side has said that the stimulus package is dead, there were two members of the majority party in the other body that were chairmen, and they said maybe we ought to relook at a stimulus package. I am optimistic that the third time is a charm in this case, and I urge the Members to vote for the previous question and the rule and the underlying bill.

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

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

Strike all after the resolved clause and insert:

That upon the adoption of this resolution the bill (H.R. 622) to amend the Internal Revenue Code of 1986 to expand the adoption credit, and for other purposes, be, and the same is hereby, taken from the Speaker's table to the end that the Senate amendments thereto be, and the same are hereby, agreed to.

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

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

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

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting, if ordered, on the question of adoption of the resolution.

The vote was taken by electronic device, and there were—yeas 216, nays 207, not voting 11, as follows:

[Roll No. 36]

YEAS—216

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NAYS—207

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Lynch
Maloney (CT)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Shows
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—11

Berman
Brady (TX)
Cubin
Maloney (NY)
Moran (VA)
Payne
Riley
Roukema
Stump
Traficant
Weldon (PA)

□ 1218

Ms. McCOLLUM changed her vote from ''yea'' to ''nay.''

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

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. SIMPSON). The question is on the resolution.

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

RECORDED VOTE

Mr. FROST. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

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

The vote was taken by electronic device, and there were—ayes 213, noes 206, not voting 15, as follows:

[Roll No. 37]

AYES—213

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Brown (SC)
Bryant
Burr
Burton
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sununu
Sweeney
Tancredo
Tauzin
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weller
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOES—206

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Shows
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—15

Berman
Brady (TX)
Buyer
Conyers
Lewis (CA)
McCollum
Payne
Riley
Roukema
Stump
Taylor (NC)
Traficant
Watson (CA)
Weldon (PA)
Whitfield

□ 1229

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1230

## HOPE FOR CHILDREN ACT

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 347, I call up the bill (H.R. 622), to amend the Internal Revenue Code of 1986 to expand the adoption credit, and for other purposes, with Senate amendments thereto, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

MOTION OFFERED BY MR. THOMAS

Mr. THOMAS. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore (Mr. QUINN). The Clerk will designate the motion.

The text of the motion is as follows:

Mr. THOMAS moves that the House concur in the Senate amendments with respective amendments as follows:

Senate Amendments:

Strike out all after the enacting clause and insert:

***SECTION 1. SHORT TITLE; TABLE OF CONTENTS.***

*(a) SHORT TITLE.—This Act may be cited as the ''Temporary Extended Unemployment Compensation Act of 2002''.*

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

*Sec. 1. Short title; table of contents.*
*Sec. 2. Federal-State agreements.*
*Sec. 3. Temporary extended unemployment compensation account.*
*Sec. 4. Payments to States having agreements under this Act.*
*Sec. 5. Financing provisions.*
*Sec. 6. Fraud and overpayments.*
*Sec. 7. Definitions.*
*Sec. 8. Applicability.*

***SEC. 2. FEDERAL-STATE AGREEMENTS.***

*(a) IN GENERAL.—Any State which desires to do so may enter into and participate in an agreement under this Act with the Secretary of Labor (in this Act referred to as the ''Secretary''). Any State which is a party to an agreement under this Act may, upon providing 30 days written notice to the Secretary, terminate such agreement.*

*(b) PROVISIONS OF AGREEMENT.—Any agreement under subsection (a) shall provide that the State agency of the State will make payments of temporary extended unemployment compensation to individuals—*

*(1) who—*

*(A) first exhausted all rights to regular compensation under the State law on or after the first day of the week that includes September 11, 2001; or*

*(B) have their 26th week of regular compensation under the State law end on or after the first day of the week that includes September 11, 2001;*

*(2) who do not have any rights to regular compensation under the State law of any other State; and*

*(3) who are not receiving compensation under the unemployment compensation law of any other country.*

*(c) COORDINATION RULES.—*

*(1) TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION TO SERVE AS SECOND-TIER BENEFITS.—Notwithstanding any other provision of law, neither regular compensation, extended compensation, nor additional compensation under any Federal or State law shall be payable to any individual for any week for which temporary extended unemployment compensation is payable to such individual.*

*(2) TREATMENT OF OTHER UNEMPLOYMENT COMPENSATION.—After the date on which a State enters into an agreement under this Act, any regular compensation in excess of 26 weeks, any extended compensation, and any additional compensation under any Federal or State law shall be payable to an individual in accordance with the State law after such individual has exhausted any rights to temporary extended unemployment compensation under the agreement.*

*(d) EXHAUSTION OF BENEFITS.—For purposes of subsection (b)(1)(A), an individual shall be deemed to have exhausted such individual's rights to regular compensation under a State law when—*

*(1) no payments of regular compensation can be made under such law because the individual has received all regular compensation available to the individual based on employment or wages during the individual's base period; or*

*(2) the individual's rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.*

*(e) WEEKLY BENEFIT AMOUNT, TERMS AND CONDITIONS, ETC. RELATING TO TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION.—For purposes of any agreement under this Act—*

*(1) the amount of temporary extended unemployment compensation which shall be payable to an individual for any week of total unemployment shall be equal to the amount of regular compensation (including dependents' allowances) payable to such individual under the State law for a week for total unemployment during such individual's benefit year;*

*(2) the terms and conditions of the State law which apply to claims for regular compensation and to the payment thereof shall apply to claims for temporary extended unemployment compensation and the payment thereof, except where inconsistent with the provisions of this Act or with the regulations or operating instructions of the Secretary promulgated to carry out this Act; and*

*(3) the maximum amount of temporary extended unemployment compensation payable to any individual for whom a temporary extended unemployment compensation account is established under section 3 shall not exceed the amount established in such account for such individual.*

***SEC. 3. TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACCOUNT.***

*(a) IN GENERAL.—Any agreement under this Act shall provide that the State will establish, for each eligible individual who files an application for temporary extended unemployment compensation, a temporary extended unemployment compensation account.*

*(b) AMOUNT IN ACCOUNT.—*

*(1) IN GENERAL.—The amount established in an account under subsection (a) shall be equal to 13 times the individual's weekly benefit amount.*

*(2) WEEKLY BENEFIT AMOUNT.—For purposes of paragraph (1), an individual's weekly benefit amount for any week is an amount equal to the amount of regular compensation (including dependents' allowances) under the State law payable to the individual for such week for total unemployment.*

***SEC. 4. PAYMENTS TO STATES HAVING AGREEMENTS UNDER THIS ACT.***

*(a) GENERAL RULE.—There shall be paid to each State that has entered into an agreement under this Act an amount equal to 100 percent of the temporary extended unemployment compensation paid to individuals by the State pursuant to such agreement.*

*(b) DETERMINATION OF AMOUNT.—Sums under subsection (a) payable to any State by reason of such State having an agreement under this Act shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this Act for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that the Secretary's estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.*

*(c) ADMINISTRATIVE EXPENSES.—There are appropriated out of the employment security administration account (as established by section 901(a) of the Social Security Act (42 U.S.C. 1101(a))) of the Unemployment Trust Fund, without fiscal year limitation, such funds as may be necessary for purposes of assisting States (as provided in title III of the Social Security Act (42 U.S.C. 501 et seq.)) in meeting the costs of administration of agreements under this Act.*

***SEC. 5. FINANCING PROVISIONS.***

*(a) IN GENERAL.—Funds in the extended unemployment compensation account (as established by section 905(a) of the Social Security Act (42 U.S.C. 1105(a))), and the Federal unemployment account (as established by section 904(g) of such Act (42 U.S.C. 1104(g))), of the Unemployment Trust Fund (as established by section 904(a) of such Act (42 U.S.C. 1104(a))) shall be used, in accordance with subsection (b), for the making of payments (described in section 4(a)) to States having agreements entered into under this Act.*

*(b) CERTIFICATION.—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums described in section 4(a) which are payable to such State under this Act. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certification by transfers from the extended unemployment compensation account, as so established (or, to the extent that there are insufficient funds in that account, from the Federal unemployment account, as so established) to the account of such State in the Unemployment Trust Fund (as so established).*

***SEC. 6. FRAUD AND OVERPAYMENTS.***

*(a) IN GENERAL.—If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received any temporary extended unemployment compensation under this Act to which such individual was not entitled, such individual—*

*(1) shall be ineligible for any further benefits under this Act in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation; and*

*(2) shall be subject to prosecution under section 1001 of title 18, United States Code.*

*(b) REPAYMENT.—In the case of individuals who have received any temporary extended unemployment compensation under this Act to which such individuals were not entitled, the State shall require such individuals to repay those benefits to the State agency, except that the State agency may waive such repayment if it determines that—*

*(1) the payment of such benefits was without fault on the part of any such individual; and*

*(2) such repayment would be contrary to equity and good conscience.*

*(c) RECOVERY BY STATE AGENCY.—*

*(1) IN GENERAL.—The State agency may recover the amount to be repaid, or any part thereof, by deductions from any regular compensation or temporary extended unemployment compensation payable to such individual under this Act or from any unemployment compensation payable to such individual under any Federal unemployment compensation law administered by the State agency or under any other Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the 3-year period after the date such individuals received the payment of the temporary extended unemployment compensation to which such individuals were not entitled, except that no single deduction may exceed 50 percent of the weekly benefit amount from which such deduction is made.*

*(2) OPPORTUNITY FOR HEARING.—No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.*

*(d) REVIEW.—Any determination by a State agency under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.*

***SEC. 7. DEFINITIONS.***

*In this Act, the terms ''compensation'', ''regular compensation'', ''extended compensation'', ''additional compensation'', ''benefit year'', ''base period'', ''State'', ''State agency'', ''State*

*law'', and ''week'' have the respective meanings given such terms under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).*

***SEC. 8. APPLICABILITY.***

*An agreement entered into under this Act shall apply to weeks of unemployment—*

*(1) beginning after the date on which such agreement is entered into; and*

*(2) ending before January 6, 2003.*

Amend the title so as to read: ''An Act to provide for temporary unemployment compensation.''.

House Amendments to Senate Amendments:

In lieu of the matter proposed to be inserted by the amendment of the Senate to the text of the bill, insert the following:

**SECTION 1. SHORT TITLE; ETC.**

(a) SHORT TITLE.—This Act may be cited as the ''Economic Security and Worker Assistance Act of 2002''.

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

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; etc.

TITLE I—INDIVIDUAL PROVISIONS

Sec. 101. Supplemental stimulus payments.
Sec. 102. Acceleration of 25 percent individual income tax rate.

TITLE II—BUSINESS PROVISIONS

Sec. 201. Special depreciation allowance for certain property acquired after September 10, 2001, and before September 11, 2004.
Sec. 202. Temporary increase in expensing under section 179.
Sec. 203. Alternative minimum tax reform.
Sec. 204. Carryback of certain net operating losses allowed for 5 years.
Sec. 205. Recovery period for depreciation of certain leasehold improvements.

TITLE III—EXTENSIONS OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Extensions

Sec. 301. Allowance of nonrefundable personal credits against regular and minimum tax liability.
Sec. 302. Credit for qualified electric vehicles.
Sec. 303. Credit for electricity produced from certain renewable resources.
Sec. 304. Work opportunity credit.
Sec. 305. Welfare-to-work credit.
Sec. 306. Deduction for clean-fuel vehicles and certain refueling property.
Sec. 307. Taxable income limit on percentage depletion for oil and natural gas produced from marginal properties.
Sec. 308. Qualified zone academy bonds.
Sec. 309. Cover over of tax on distilled spirits.
Sec. 310. Parity in the application of certain limits to mental health benefits.
Sec. 311. Temporary special rules for taxation of life insurance companies.
Sec. 312. Availability of medical savings accounts.
Sec. 313. Incentives for Indian employment and property on Indian reservations.
Sec. 314. Subpart F exemption for active financing.
Sec. 315. Repeal of requirement for approved diesel or kerosene terminals.

Subtitle B—Temporary Assistance for Needy Families

Sec. 321. Reauthorization of TANF supplemental grants for population increases for fiscal year 2002.
Sec. 322. 1-year extension of contingency fund under the TANF program.

TITLE IV—TAX INCENTIVES FOR NEW YORK CITY AND DISTRESSED AREAS

Sec. 401. Tax benefits for area of New York City damaged in terrorist attacks on September 11, 2001.

TITLE V—MISCELLANEOUS AND TECHNICAL PROVISIONS

Subtitle A—General Miscellaneous Provisions

Sec. 501. Allowance of electronic 1099's.
Sec. 502. Excluded cancellation of indebtedness income of S corporation not to result in adjustment to basis of stock of shareholders.
Sec. 503. Limitation on use of nonaccrual experience method of accounting.
Sec. 504. Exclusion for foster care payments to apply to payments by qualified placement agencies.
Sec. 505. Interest rate range for additional funding requirements.
Sec. 506. Adjusted gross income determined by taking into account certain expenses of elementary and secondary school teachers.

Subtitle B—Technical Corrections

Sec. 511. Amendments related to Economic Growth and Tax Relief Reconciliation Act of 2001.
Sec. 512. Amendments related to Community Renewal Tax Relief Act of 2000.
Sec. 513. Amendments related to the Tax Relief Extension Act of 1999.
Sec. 514. Amendments related to the Taxpayer Relief Act of 1997.
Sec. 515. Amendment related to the Balanced Budget Act of 1997.
Sec. 516. Other technical corrections.
Sec. 517. Clerical amendments.
Sec. 518. Additional corrections.

TITLE VI—UNEMPLOYMENT ASSISTANCE

Sec. 601. Short title.
Sec. 602. Federal-State agreements.
Sec. 603. Temporary extended unemployment compensation account.
Sec. 604. Payments to States having agreements for the payment of temporary extended unemployment compensation.
Sec. 605. Financing provisions.
Sec. 606. Fraud and overpayments.
Sec. 607. Definitions.
Sec. 608. Applicability.
Sec. 609. Special Reed Act transfer in fiscal year 2002.

TITLE VII—DISPLACED WORKER HEALTH INSURANCE CREDIT

Sec. 701. Displaced worker health insurance credit.
Sec. 702. Advance payment of displaced worker health insurance credit.

TITLE VIII—EMPLOYMENT AND TRAINING ASSISTANCE AND TEMPORARY HEALTH CARE COVERAGE ASSISTANCE

Sec. 801. Employment and training assistance and temporary health care coverage assistance.

TITLE IX—TEMPORARY STATE HEALTH CARE ASSISTANCE

Sec. 901. Temporary State health care assistance.

TITLE X—SOCIAL SECURITY HELD HARMLESS; BUDGETARY TREATMENT OF ACT

Sec. 1001. No impact on social security trust funds.
Sec. 1002. Emergency designation.

## TITLE I—INDIVIDUAL PROVISIONS

**SEC. 101. SUPPLEMENTAL STIMULUS PAYMENTS.**

(a) IN GENERAL.—Section 6428 (relating to acceleration of 10 percent income tax rate bracket benefit for 2001) is amended by adding at the end the following new subsection:

''(f) SUPPLEMENTAL STIMULUS PAYMENTS.—

''(1) IN GENERAL.—Each individual who was an eligible individual for such individual's first taxable year beginning in 2000 and who, before October 16, 2001, filed a return of tax imposed by subtitle A for such taxable year shall be treated as having made a payment against the tax imposed by chapter 1 for such first taxable year in an amount equal to the supplemental refund amount for such taxable year.

''(2) SUPPLEMENTAL REFUND AMOUNT.—For purposes of this subsection, the supplemental refund amount is an amount equal to the excess (if any) of—

''(A)(i) $600 in the case of taxpayers to whom section 1(a) applies,

''(ii) $500 in the case of taxpayers to whom section 1(b) applies, and

''(iii) $300 in the case of taxpayers to whom subsections (c) or (d) of section 1 applies, over

''(B) the taxpayer's advance refund amount under subsection (e).

''(3) TIMING OF PAYMENTS.—In the case of any overpayment attributable to this subsection, the Secretary shall, subject to the provisions of this title, refund or credit such overpayment as rapidly as possible.

''(4) NO INTEREST.—No interest shall be allowed on any overpayment attributable to this subsection.''

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 6428(d)(1) is amended by striking ''subsection (e)'' and inserting ''subsections (e) and (f)''.

(2) Subparagraph (B) of section 6428(d)(1) is amended by striking ''subsection (e)'' and inserting ''subsection (e) or (f)''.

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

**SEC. 102. ACCELERATION OF 25 PERCENT INDIVIDUAL INCOME TAX RATE.**

(a) IN GENERAL.—The table contained in paragraph (2) of section 1(i) (relating to reductions in rates after June 30, 2001) is amended—

(1) by striking ''27.0%'' and inserting ''25.0%'', and

(2) by striking ''26.0%'' and inserting ''25.0%''.

(b) REDUCTION NOT TO INCREASE MINIMUM TAX.—

(1) Subparagraph (A) of section 55(d)(1) is amended by striking ''($49,000 in the case of taxable years beginning in 2001, 2002, 2003, and 2004)'' and inserting ''($49,000 in the case of taxable years beginning in 2001, $52,200 in the case of taxable years beginning in 2002 or 2003, and $50,700 in the case of taxable years beginning in 2004)''.

(2) Subparagraph (B) of section 55(d)(1) is amended by striking ''($35,750 in the case of taxable years beginning in 2001, 2002, 2003, and 2004)'' and inserting ''($35,750 in the case of taxable years beginning in 2001, $37,350 in the case of taxable years beginning in 2002 or 2003, and $36,600 in the case of taxable years beginning in 2004)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(d) SECTION 15 NOT TO APPLY.—No amendment made by this section shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

## TITLE II—BUSINESS PROVISIONS

**SEC. 201. SPECIAL DEPRECIATION ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001, AND BEFORE SEPTEMBER 11, 2004.**

(a) IN GENERAL.—Section 168 (relating to accelerated cost recovery system) is amended by adding at the end the following new subsection:

''(k) SPECIAL ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001, AND BEFORE SEPTEMBER 11, 2004.—

''(1) ADDITIONAL ALLOWANCE.—In the case of any qualified property—

''(A) the depreciation deduction provided by section 167(a) for the taxable year in which such property is placed in service shall include an allowance equal to 30 percent of the adjusted basis of the qualified property, and

''(B) the adjusted basis of the qualified property shall be reduced by the amount of such deduction before computing the amount otherwise allowable as a depreciation deduction under this chapter for such taxable year and any subsequent taxable year.

''(2) QUALIFIED PROPERTY.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified property' means property—

''(i)(I) to which this section applies which has a recovery period of 20 years or less or which is water utility property, or

''(II) which is computer software (as defined in section 167(f)(1)(B)) for which a deduction is allowable under section 167(a) without regard to this subsection,

''(ii) the original use of which commences with the taxpayer after September 10, 2001,

''(iii) which is—

''(I) acquired by the taxpayer after September 10, 2001, and before September 11, 2004, but only if no written binding contract for the acquisition was in effect before September 11, 2001, or

''(II) acquired by the taxpayer pursuant to a written binding contract which was entered into after September 10, 2001, and before September 11, 2004, and

''(iv) which is placed in service by the taxpayer before January 1, 2005, or, in the case of property described in subparagraph (B), before January 1, 2006.

''(B) CERTAIN PROPERTY HAVING LONGER PRODUCTION PERIODS TREATED AS QUALIFIED PROPERTY.—

''(i) IN GENERAL.—The term 'qualified property' includes property—

''(I) which meets the requirements of clauses (i), (ii), and (iii) of subparagraph (A),

''(II) which has a recovery period of at least 10 years or is transportation property, and

''(III) which is subject to section 263A by reason of clause (ii) or (iii) of subsection (f)(1)(B) thereof.

''(ii) ONLY PRE-SEPTEMBER 11, 2004, BASIS ELIGIBLE FOR ADDITIONAL ALLOWANCE.—In the case of property which is qualified property solely by reason of clause (i), paragraph (1) shall apply only to the extent of the adjusted basis thereof attributable to manufacture, construction, or production before September 11, 2004.

''(iii) TRANSPORTATION PROPERTY.—For purposes of this subparagraph, the term 'transportation property' means tangible personal property used in the trade or business of transporting persons or property.

''(C) EXCEPTIONS.—

''(i) ALTERNATIVE DEPRECIATION PROPERTY.—The term 'qualified property' shall not include any property to which the alternative depreciation system under subsection (g) applies, determined—

''(I) without regard to paragraph (7) of subsection (g) (relating to election to have system apply), and

''(II) after application of section 280F(b) (relating to listed property with limited business use).

''(ii) ELECTION OUT.—If a taxpayer makes an election under this clause with respect to any class of property for any taxable year, this subsection shall not apply to all property in such class placed in service during such taxable year.

''(iii) QUALIFIED LEASEHOLD IMPROVEMENT PROPERTY.—The term 'qualified property' shall not include any qualified leasehold improvement property (as defined in section 168(e)(6)).

''(D) SPECIAL RULES.—

''(i) SELF-CONSTRUCTED PROPERTY.—In the case of a taxpayer manufacturing, constructing, or producing property for the taxpayer's own use, the requirements of clause (iii) of subparagraph (A) shall be treated as met if the taxpayer begins manufacturing, constructing, or producing the property after September 10, 2001, and before September 11, 2004.

''(ii) SALE-LEASEBACKS.—For purposes of subparagraph (A)(ii), if property—

''(I) is originally placed in service after September 10, 2001, by a person, and

''(II) sold and leased back by such person within 3 months after the date such property was originally placed in service,

such property shall be treated as originally placed in service not earlier than the date on which such property is used under the leaseback referred to in subclause (II).

''(E) COORDINATION WITH SECTION 280F.—For purposes of section 280F—

''(i) AUTOMOBILES.—In the case of a passenger automobile (as defined in section 280F(d)(5)) which is qualified property, the Secretary shall increase the limitation under section 280F(a)(1)(A)(i) by $4,600.

''(ii) LISTED PROPERTY.—The deduction allowable under paragraph (1) shall be taken into account in computing any recapture amount under section 280F(b)(2).''

(b) ALLOWANCE AGAINST ALTERNATIVE MINIMUM TAX.—

(1) IN GENERAL.—Section 56(a)(1)(A) (relating to depreciation adjustment for alternative minimum tax) is amended by adding at the end the following new clause:

''(iii) ADDITIONAL ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001, AND BEFORE SEPTEMBER 11, 2004.—The deduction under section 168(k) shall be allowed.''

(2) CONFORMING AMENDMENT.—Clause (i) of section 56(a)(1)(A) is amended by striking ''clause (ii)'' both places it appears and inserting ''clauses (ii) and (iii)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after September 10, 2001, in taxable years ending after such date.

**SEC. 202. TEMPORARY INCREASE IN EXPENSING UNDER SECTION 179.**

(a) IN GENERAL.—The table contained in section 179(b)(1) (relating to dollar limitation) is amended to read as follows:

| "If the taxable year begins in: | The applicable amount is: |
|---|---|
| 2001 | $24,000 |
| 2002 or 2003 | $40,000 |
| 2004 or thereafter | $25,000.'' |

(b) TEMPORARY INCREASE IN AMOUNT OF PROPERTY TRIGGERING PHASEOUT OF MAXIMUM BENEFIT.—Paragraph (2) of section 179(b) is amended by inserting before the period ''($325,000 in the case of taxable years beginning during 2002 or 2003)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

**SEC. 203. ALTERNATIVE MINIMUM TAX REFORM.**

(a) REPEAL OF PREFERENCE FOR DEPRECIATION.—

(1) Paragraph (1) of section 56(a) is amended by adding at the end the following new subparagraph:

''(E) TERMINATION.—This paragraph shall not apply to property placed in service in taxable years beginning after December 31, 2001.''

(2) Paragraph (5) of section 56(a) is amended by adding at the end: ''This paragraph shall not apply to property placed in service in taxable years beginning after December 31, 2001.''

(b) REPEAL OF 90 PERCENT LIMITATION ON FOREIGN TAX CREDITS.—

(1) Subsection (a) of section 59 is amended by striking paragraph (2) and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(2) Subclause (II) of section 53(d)(1)(B)(i) is amended by striking ''and if section 59(a)(2) did not apply''.

(c) REPEAL OF 90 PERCENT LIMITATION ON NET OPERATING LOSS DEDUCTION.—Subparagraph (A) of section 56(d)(1), as amended by section 204, is amended to read as follows:

''(A) the amount of such deduction shall not exceed alternative minimum taxable income determined without regard to such deduction, and''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

**SEC. 204. CARRYBACK OF CERTAIN NET OPERATING LOSSES ALLOWED FOR 5 YEARS.**

(a) IN GENERAL.—Paragraph (1) of section 172(b) (relating to years to which loss may be carried) is amended by adding at the end the following new subparagraph:

''(H) In the case of a taxpayer which has a net operating loss for any taxable year ending during 2001 or 2002, subparagraph (A)(i) shall be applied by substituting '5' for '2' and subparagraph (F) shall not apply.''

(b) ELECTION TO DISREGARD 5-YEAR CARRYBACK.—Section 172 (relating to net operating loss deduction) is amended by redesignating subsection (j) as subsection (k) and by inserting after subjection (i) the following new subsection:

''(j) ELECTION TO DISREGARD 5-YEAR CARRYBACK FOR CERTAIN NET OPERATING LOSSES.—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(H) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(H). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for such taxable year.''

(c) TEMPORARY SUSPENSION OF 90 PERCENT LIMIT ON CERTAIN NOL CARRYBACKS.—

(1) IN GENERAL.—Subparagraph (A) of section 56(d)(1) (relating to general rule defining alternative tax net operating loss deduction) is amended to read as follows:

''(A) the amount of such deduction shall not exceed the sum of—

''(i) the lesser of—

''(I) the amount of such deduction attributable to net operating losses (other than the deduction attributable to carrybacks described in clause (ii)(I)), or

''(II) 90 percent of alternative minimum taxable income determined without regard to such deduction, plus

''(ii) the lesser of—

''(I) the amount of such deduction attributable to carrybacks of net operating losses for taxable years ending during 2001 or 2002, or

''(II) alternative minimum taxable income determined without regard to such deduction

reduced by the amount determined under clause (i), and''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning before January 1, 2002.

(d) EFFECTIVE DATE.—Except as provided in subsection (c), the amendments made by this section shall apply to net operating losses for taxable years ending after December 31, 2000.

**SEC. 205. RECOVERY PERIOD FOR DEPRECIATION OF CERTAIN LEASEHOLD IMPROVEMENTS.**

(a) 15-YEAR RECOVERY PERIOD.—Subparagraph (E) of section 168(e)(3) (relating to 15-year property) is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', and'', and by adding at the end the following new clause:

''(iv) any qualified leasehold improvement property.''

(b) QUALIFIED LEASEHOLD IMPROVEMENT PROPERTY.—Subsection (e) of section 168 is amended by adding at the end the following new paragraph:

''(6) QUALIFIED LEASEHOLD IMPROVEMENT PROPERTY.—

''(A) IN GENERAL.—The term 'qualified leasehold improvement property' means any improvement to an interior portion of a building which is nonresidential real property if—

''(i) such improvement is made under or pursuant to a lease (as defined in subsection (h)(7))—

''(I) by the lessee (or any sublessee) of such portion, or

''(II) by the lessor of such portion,

''(ii) such portion is to be occupied exclusively by the lessee (or any sublessee) of such portion, and

''(iii) such improvement is placed in service more than 3 years after the date the building was first placed in service.

''(B) CERTAIN IMPROVEMENTS NOT INCLUDED.—Such term shall not include any improvement for which the expenditure is attributable to—

''(i) the enlargement of the building,

''(ii) any elevator or escalator,

''(iii) any structural component benefiting a common area, and

''(iv) the internal structural framework of the building.

''(C) DEFINITIONS AND SPECIAL RULES.—For purposes of this paragraph—

''(i) COMMITMENT TO LEASE TREATED AS LEASE.—A commitment to enter into a lease shall be treated as a lease, and the parties to such commitment shall be treated as lessor and lessee, respectively.

''(ii) RELATED PERSONS.—A lease between related persons shall not be considered a lease. For purposes of the preceding sentence, the term 'related persons' means—

''(I) members of an affiliated group (as defined in section 1504), and

''(II) persons having a relationship described in subsection (b) of section 267; except that, for purposes of this clause, the phrase '80 percent or more' shall be substituted for the phrase 'more than 50 percent' each place it appears in such subsection.

''(D) IMPROVEMENTS MADE BY LESSOR.—

''(i) IN GENERAL.—In the case of an improvement made by the person who was the lessor of such improvement when such improvement was placed in service, such improvement shall be qualified leasehold improvement property (if at all) only so long as such improvement is held by such person.

''(ii) EXCEPTION FOR CHANGES IN FORM OF BUSINESS.—Property shall not cease to be qualified leasehold improvement property under clause (i) by reason of—

''(I) death,

''(II) a transaction to which section 381(a) applies, or

''(III) a mere change in the form of conducting the trade or business so long as the property is retained in such trade or business as qualified leasehold improvement property and the taxpayer retains a substantial interest in such trade or business.

''(iii) TREATMENT OF FAILURES TO MAINTAIN SUBSTANTIAL INTEREST IN TRADE OR BUSINESS.—In the case of property to which clause (ii)(III) would apply but for the failure of the taxpayer to retain a substantial interest in a trade or business, the remaining adjusted basis of such property shall be depreciated under this section over 39 years.''

(c) REQUIREMENT TO USE STRAIGHT LINE METHOD.—Paragraph (3) of section 168(b) is amended by adding at the end the following new subparagraph:

''(G) Qualified leasehold improvement property described in subsection (e)(6).''

(d) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(3)(B) is amended by adding at the end the following new item:

''(E)(iv) ..... 15''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to qualified leasehold improvement property placed in service after September 10, 2001.

## TITLE III—EXTENSIONS OF CERTAIN EXPIRING PROVISIONS

### Subtitle A—Extensions

**SEC. 301. ALLOWANCE OF NONREFUNDABLE PERSONAL CREDITS AGAINST REGULAR AND MINIMUM TAX LIABILITY.**

(a) IN GENERAL.—Paragraph (2) of section 26(a) is amended—

(1) by striking ''RULE FOR 2000 AND 2001.—'' and inserting ''RULE FOR 2000, 2001, 2002, AND 2003.—'', and

(2) by striking ''during 2000 or 2001,'' and inserting ''during 2000, 2001, 2002, or 2003,''.

(b) CONFORMING AMENDMENTS.—

(1) Section 904(h) is amended by striking ''during 2000 or 2001'' and inserting ''during 2000, 2001, 2002, or 2003''.

(2) The amendments made by sections 201(b), 202(f), and 618(b) of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to taxable years beginning during 2002 and 2003.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

**SEC. 302. CREDIT FOR QUALIFIED ELECTRIC VEHICLES.**

(a) IN GENERAL.—Section 30 is amended—

(1) in subsection (b)(2)—

(A) by striking ''December 31, 2001,'' and inserting ''December 31, 2003,'', and

(B) in subparagraphs (A), (B), and (C), by striking ''2002'', ''2003'', and ''2004'', respectively, and inserting ''2004'', ''2005'', and ''2006'', respectively, and

(2) in subsection (e), by striking ''December 31, 2004'' and inserting ''December 31, 2006''.

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (C) of section 280F(a)(1) is amended by adding at the end the following new clause:

''(iii) APPLICATION OF SUBPARAGRAPH.—This subparagraph shall apply to property placed in service after August 5, 1997, and before January 1, 2007.''

(2) Subsection (b) of section 971 of the Taxpayer Relief Act of 1997 is amended by striking ''and before January 1, 2005''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2001.

**SEC. 303. CREDIT FOR ELECTRICITY PRODUCED FROM CERTAIN RENEWABLE RESOURCES.**

(a) IN GENERAL.—Subparagraphs (A), (B), and (C) of section 45(c)(3) are both amended by striking ''2002'' and inserting ''2004''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to facilities placed in service after December 31, 2001.

**SEC. 304. WORK OPPORTUNITY CREDIT.**

(a) IN GENERAL.—Subparagraph (B) of section 51(c)(4) is amended by striking ''2001'' and inserting ''2003''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after December 31, 2001.

**SEC. 305. WELFARE-TO-WORK CREDIT.**

(a) IN GENERAL.—Subsection (f) of section 51A is amended by striking ''2001'' and inserting ''2003''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after December 31, 2001.

**SEC. 306. DEDUCTION FOR CLEAN-FUEL VEHICLES AND CERTAIN REFUELING PROPERTY.**

(a) IN GENERAL.—Section 179A is amended—

(1) in subsection (b)(1)(B)—

(A) by striking ''December 31, 2001,'' and inserting ''December 31, 2003,'', and

(B) in clauses (i), (ii), and (iii), by striking ''2002'', ''2003'', and ''2004'', respectively, and inserting ''2004'', ''2005'', and ''2006'', respectively, and

(2) in subsection (f), by striking ''December 31, 2004'' and inserting ''December 31, 2006''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to property placed in service after December 31, 2001.

**SEC. 307. TAXABLE INCOME LIMIT ON PERCENTAGE DEPLETION FOR OIL AND NATURAL GAS PRODUCED FROM MARGINAL PROPERTIES.**

(a) IN GENERAL.—Subparagraph (H) of section 613A(c)(6) is amended by striking ''2002'' and inserting ''2004''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

**SEC. 308. QUALIFIED ZONE ACADEMY BONDS.**

(a) IN GENERAL.—Paragraph (1) of section 1397E(e) is amended by striking ''2000, and 2001'' and inserting ''2000, 2001, 2002, and 2003''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to obligations issued after the date of the enactment of this Act.

**SEC. 309. COVER OVER OF TAX ON DISTILLED SPIRITS.**

(a) IN GENERAL.—Paragraph (1) of section 7652(f) is amended by striking ''January 1, 2002'' and inserting ''January 1, 2004''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to articles brought into the United States after December 31, 2001.

**SEC. 310. PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.**

(a) IN GENERAL.—Subsection (f) of section 9812, as amended by the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2002, is amended to read as follows:

''(f) APPLICATION OF SECTION.—This section shall not apply to benefits for services furnished—

''(1) on or after September 30, 2001, and before January 10, 2002, and

''(2) after December 31, 2003.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to plan years beginning after December 31, 2000.

**SEC. 311. TEMPORARY SPECIAL RULES FOR TAXATION OF LIFE INSURANCE COMPANIES.**

(a) REDUCTION IN MUTUAL LIFE INSURANCE COMPANY DEDUCTIONS NOT TO APPLY IN CERTAIN YEARS.—Section 809 (relating to reduction in certain deductions of material life insurance companies) is amended by adding at the end the following:

''(j) DIFFERENTIAL EARNINGS RATE TREATED AS ZERO FOR CERTAIN YEARS.—Notwithstanding subsection (c) or (f), the differential earnings rate shall be treated as zero for purposes of computing both the differential earnings amount and the recomputed differential earnings amount for a mutual life insurance company's taxable years beginning in 2001, 2002, or 2003.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

**SEC. 312. AVAILABILITY OF MEDICAL SAVINGS ACCOUNTS.**

(a) IN GENERAL.—Paragraphs (2) and (3)(B) of section 220(i) (defining cut-off year) are each amended by striking ''2002'' each place it appears and inserting ''2003''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 220(j) is amended by striking ''1998, 1999, or 2001'' each place it appears and inserting ''1998, 1999, 2001, or 2002''.

(2) Subparagraph (A) of section 220(j)(4) is amended by striking ''and 2001'' and inserting ''2001, and 2002''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2002.

**SEC. 313. INCENTIVES FOR INDIAN EMPLOYMENT AND PROPERTY ON INDIAN RESERVATIONS.**

(a) EMPLOYMENT.—Subsection (f) of section 45A is amended by striking ''December 31, 2003'' and inserting ''December 31, 2004''.

(b) PROPERTY.—Paragraph (8) of section 168(j) is amended by striking ''December 31, 2003'' and inserting ''December 31, 2004''.

**SEC. 314. SUBPART F EXEMPTION FOR ACTIVE FINANCING.**

(a) IN GENERAL.—

(1) Section 953(e)(10) is amended—

(A) by striking ''January 1, 2002'' and inserting ''January 1, 2007'', and

(B) by striking ''December 31, 2001'' and inserting ''December 31, 2006''.

(2) Section 954(h)(9) is amended by striking ''January 1, 2002'' and inserting ''January 1, 2007''.

(b) LIFE INSURANCE AND ANNUITY CONTRACTS.—

(1) IN GENERAL.—Subparagraph (B) of section 954(i)(4) is amended to read as follows:

''(B) LIFE INSURANCE AND ANNUITY CONTRACTS.—

''(i) IN GENERAL.—Except as provided in clause (ii), the amount of the reserve of a qualifying insurance company or qualifying insurance company branch for any life insurance or annuity contract shall be equal to the greater of—

''(I) the net surrender value of such contract (as defined in section 807(e)(1)(A)), or

''(II) the reserve determined under paragraph (5).

''(ii) RULING REQUEST, ETC.—The amount of the reserve under clause (i) shall be the foreign statement reserve for the contract (less any catastrophe, deficiency, equalization, or similar reserves), if, pursuant to a ruling request submitted by the taxpayer or as provided in published guidance, the Secretary determines that the factors taken into account in determining the foreign statement reserve provide an appropriate means of measuring income.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

**SEC. 315. REPEAL OF REQUIREMENT FOR APPROVED DIESEL OR KEROSENE TERMINALS.**

(a) IN GENERAL.—Subsection (e) of section 4101 is hereby repealed.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2002.

## Subtitle B—Temporary Assistance for Needy Families

**SEC. 321. REAUTHORIZATION OF TANF SUPPLEMENTAL GRANTS FOR POPULATION INCREASES FOR FISCAL YEAR 2002.**

Section 403(a)(3) of the Social Security Act (42 U.S.C. 603(a)(3)) is amended by adding at the end the following:

''(H) REAUTHORIZATION OF GRANTS FOR FISCAL YEAR 2002.—Notwithstanding any other provision of this paragraph—

''(i) any State that was a qualifying State under this paragraph for fiscal year 2001 or any prior fiscal year shall be entitled to receive from the Secretary for fiscal year 2002 a grant in an amount equal to the amount required to be paid to the State under this paragraph for the most recent fiscal year in which the State was a qualifying State;

''(ii) subparagraph (G) shall be applied as if '2002' were substituted for '2001'; and

''(iii) out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal year 2002 such sums as are necessary for grants under this subparagraph.''.

**SEC. 322. 1-YEAR EXTENSION OF CONTINGENCY FUND UNDER THE TANF PROGRAM.**

Section 403(b) of the Social Security Act (42 U.S.C. 603(b)) is amended—

(1) in paragraph (2), by striking ''and 2001'' and inserting ''2001, and 2002''; and

(2) in paragraph (3)(C)(ii), by striking ''2001'' and inserting ''2002''.

## TITLE IV—TAX INCENTIVES FOR NEW YORK CITY AND DISTRESSED AREAS

**SEC. 401. TAX BENEFITS FOR AREA OF NEW YORK CITY DAMAGED IN TERRORIST ATTACKS ON SEPTEMBER 11, 2001.**

(a) IN GENERAL.—Chapter 1 is amended by adding at the end the following new subchapter:

### "Subchapter Y—New York Liberty Zone Benefits

''Sec. 1400L. Tax benefits for New York Liberty Zone.

**"SEC. 1400L. TAX BENEFITS FOR NEW YORK LIBERTY ZONE.**

''(a) EXPANSION OF WORK OPPORTUNITY TAX CREDIT.—

''(1) IN GENERAL.—For purposes of section 51, a New York Liberty Zone business employee shall be treated as a member of a targeted group.

''(2) NEW YORK LIBERTY ZONE BUSINESS EMPLOYEE.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'New York Liberty Zone business employee' means, with respect to any period, any employee of a New York Liberty Zone business if substantially all the services performed during such period by such employee for such business are performed in the New York Liberty Zone.

''(B) INCLUSION OF CERTAIN EMPLOYEES OUTSIDE THE NEW YORK LIBERTY ZONE.—

''(i) IN GENERAL.—In the case of a New York Liberty Zone business described in subclause (II) of subparagraph (C)(i), the term 'New York Liberty Zone business employee' includes any employee of such business (not described in subparagraph (A)) if substantially all the services performed during such period by such employee for such business are performed in the City of New York, New York.

''(ii) LIMITATION.—The number of employees of such a business that are treated as New York Liberty zone business employees on any day by reason of clause (i) shall not exceed the excess of—

''(I) the number of employees of such business on September 11, 2001, in the New York Liberty Zone, over

''(II) the number of New York Liberty Zone business employees (determined without regard to this subparagraph) of such business on the day to which the limitation is being applied.

The Secretary may require any trade or business to have the number determined under subclause (I) verified by the New York State Department of Labor.

''(C) NEW YORK LIBERTY ZONE BUSINESS.—

''(i) IN GENERAL.—The term 'New York Liberty Zone business' means any trade or business which is—

''(I) located in the New York Liberty Zone, or

''(II) located in the City of New York, New York, outside the New York Liberty Zone, as a result of the physical destruction or damage of such place of business by the September 11, 2001, terrorist attack.

''(ii) CREDIT NOT ALLOWED FOR LARGE BUSINESSES.—The term 'New York Liberty Zone business' shall not include any trade or business for any taxable year if such trade or business employed an average of more than 200 employees on business days during the taxable year.

''(D) SPECIAL RULES FOR DETERMINING AMOUNT OF CREDIT.—For purposes of applying subpart F of part IV of subchapter B of this chapter to wages paid or incurred to any New York Liberty Zone business employee—

''(i) section 51(a) shall be applied by substituting 'qualified wages' for 'qualified first-year wages',

''(ii) the rules of section 52 shall apply for purposes of determining the number of employees under subparagraph (B),

''(iii) subsections (c)(4) and (i)(2) of section 51 shall not apply, and

''(iv) in determining qualified wages, the following shall apply in lieu of section 51(b):

''(I) QUALIFIED WAGES.—The term 'qualified wages' means wages paid or incurred by the employer to individuals who are New York Liberty Zone business employees of such employer for work performed during calendar year 2002 or 2003.

''(II) ONLY FIRST $6,000 OF WAGES PER CALENDAR YEAR TAKEN INTO ACCOUNT.—The amount of the qualified wages which may be taken into account with respect to any individual shall not exceed $6,000 per calendar year.

''(b) SPECIAL ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001.—

''(1) ADDITIONAL ALLOWANCE.—In the case of any qualified New York Liberty Zone property—

''(A) the depreciation deduction provided by section 167(a) for the taxable year in which such property is placed in service shall include an allowance equal to 30 percent of the adjusted basis of such property, and

''(B) the adjusted basis of the qualified New York Liberty Zone property shall be reduced by the amount of such deduction before computing the amount otherwise allowable as a depreciation deduction under this chapter for such taxable year and any subsequent taxable year.

''(2) QUALIFIED NEW YORK LIBERTY ZONE PROPERTY.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified New York Liberty Zone property' means property—

''(i)(I) to which section 168 applies which has a recovery period of 20 years or less or which is water utility property,

''(II) which is computer software (as defined in section 167(f)(1)(B)) for which a deduction is allowable under section 167(a) without regard to this subsection, or

''(III) which is nonresidential real property, or residential rental property, which is described in subparagraph (B),

''(ii) substantially all of the use of which is in the New York Liberty Zone and is in the active conduct of a trade or business by the taxpayer in such Zone,

''(iii) the original use of which in the New York Liberty Zone commences with the taxpayer after September 10, 2001,

''(iv) which is acquired by the taxpayer by purchase (as defined in section 179(d)) after September 10, 2001, but only if no written binding contract for the acquisition was in effect before September 11, 2001, and

''(v) which is placed in service by the taxpayer on or before the termination date.

The term 'termination date' means December 31, 2006 (December 31, 2009, in the case of nonresidential real property and residential rental property).

''(B) ELIGIBLE REAL PROPERTY.—Nonresidential real property or residential rental property is described in this subparagraph only to the extent it rehabilitates real property damaged, or replaces real property destroyed or condemned, as a result of the September 11, 2001, terrorist attack. For purposes of the preceding sentence, property shall be treated as replacing real property destroyed or condemned if, as part of an integrated plan, such property replaces real property which is included in a continuous area which includes real property destroyed or condemned.

''(C) EXCEPTIONS.—

''(i) ALTERNATIVE DEPRECIATION PROPERTY.—The term 'qualified New York Liberty Zone property' shall not include any property to which the alternative depreciation system under section 168(g) applies, determined—

''(I) without regard to paragraph (7) of section 168(g) (relating to election to have system apply), and

''(II) after application of section 280F(b) (relating to listed property with limited business use).

''(ii) 30 PERCENT ADDITIONAL ALLOWANCE PROPERTY.—Such term shall not include property to which section 168(k) applies.

''(iii) QUALIFIED LEASEHOLD IMPROVEMENT PROPERTY.—Such term shall not include any qualified leasehold improvement property (as defined in section 168(e)(6)).

''(iv) ELECTION OUT.—If a taxpayer makes an election under this clause with respect to any class of property for any taxable year, this subsection shall not apply to all property in such class placed in service during such taxable year.

''(D) SPECIAL RULES.—

''(i) SELF-CONSTRUCTED PROPERTY.—In the case of a taxpayer manufacturing, constructing, or producing property for the taxpayer's own use, the requirements of clause (iv) of subparagraph (A) shall be treated as met if the taxpayer begins manufacturing, constructing, or producing the property after September 10, 2001.

''(ii) SALE-LEASEBACKS.—For purposes of subparagraph (A)(iii), if property—

''(I) is originally placed in service after September 10, 2001, by a person, and

''(II) is sold and leased back by such person within 3 months after the date such property was originally placed in service,

such property shall be treated as originally placed in service not earlier than the date on which such property is used under the leaseback referred to in subclause (II).

''(E) ALLOWANCE AGAINST ALTERNATIVE MINIMUM TAX.—The deduction allowed by this subsection shall be allowed in determining alternative minimum taxable income under section 55.

''(c) 5-YEAR RECOVERY PERIOD FOR DEPRECIATION OF CERTAIN LEASEHOLD IMPROVEMENTS.—

''(1) IN GENERAL.—For purposes of section 168, the term '5-year property' includes any qualified New York Liberty Zone leasehold improvement property.

''(2) QUALIFIED NEW YORK LIBERTY ZONE LEASEHOLD IMPROVEMENT PROPERTY.—For purposes of this section, the term 'qualified New York Liberty Zone leasehold improvement property' means qualified leasehold improvement property (as defined in section 168(e)(6)) if—

''(A) such building is located in the New York Liberty Zone,

''(B) such improvement is placed in service after September 10, 2001, and before January 1, 2007, and

''(C) no written binding contract for such improvement was in effect before September 11, 2001.

''(3) REQUIREMENT TO USE STRAIGHT LINE METHOD.—The applicable depreciation method under section 168 shall be the straight line method in the case of qualified New York Liberty Zone leasehold improvement property.

''(4) 9-YEAR RECOVERY PERIOD UNDER ALTERNATIVE SYSTEM.—For purposes of section 168(g), the class life of qualified New York Liberty Zone leasehold improvement property shall be 9 years.

''(d) TAX-EXEMPT BOND FINANCING.—

''(1) IN GENERAL.—For purposes of this title, any qualified New York Liberty Bond shall be treated as an exempt facility bond.

''(2) QUALIFIED NEW YORK LIBERTY BOND.—For purposes of this subsection, the term 'qualified New York Liberty Bond' means any bond issued as part of an issue if—

''(A) 95 percent or more of the net proceeds (as defined in section 150(a)(3)) of such issue are to be used for qualified project costs,

''(B) such bond is issued by the State of New York or any political subdivision thereof,

''(C) the Governor or the Mayor designates such bond for purposes of this section, and

''(D) such bond is issued after the the date of the enactment of this section and before January 1, 2005.

''(3) LIMITATIONS ON AMOUNT OF BONDS.—

''(A) AGGREGATE AMOUNT DESIGNATED.—The maximum aggregate face amount of bonds which may be designated under this subsection shall not exceed $8,000,000,000, of which not to exceed $4,000,000,000 may be designated by the Governor and not to exceed $4,000,000,000 may be designated by the Mayor.

''(B) SPECIFIC LIMITATIONS.—The aggregate face amount of bonds issued which are to be used for—

''(i) costs for property located outside the New York Liberty Zone shall not exceed $2,000,000,000,

''(ii) residential rental property shall not exceed $1,600,000,000, and

''(iii) costs with respect to property used for retail sales of tangible property and functionally related and subordinate property shall not exceed $800,000,000.

The limitations under clauses (i), (ii), and (iii) shall be allocated proportionately between the bonds designated by the Governor and the bonds designated by the Mayor in proportion to the respective amounts of bonds designated by each.

''(C) MOVABLE PROPERTY.—No bonds shall be issued which are to be used for movable fixtures and equipment.

''(4) QUALIFIED PROJECT COSTS.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified project costs' means the cost of acquisition, construction, reconstruction, and renovation of—

''(i) nonresidential real property and residential rental property (including fixed tenant improvements associated with such property) located in the New York Liberty Zone, and

''(ii) public utility property (as defined in section 168(i)(10)) located in the New York Liberty Zone.

''(B) COSTS FOR CERTAIN PROPERTY OUTSIDE ZONE INCLUDED.—Such term includes the cost of acquisition, construction, reconstruction, and renovation of nonresidential real property (including fixed tenant improvements associated with such property) located outside the New York Liberty Zone but within the City of New York, New York, if such property is part of a project which consists of at least 100,000 square feet of usable office or other commercial space located in a single building or multiple adjacent buildings.

''(5) SPECIAL RULES.—In applying this title to any qualified New York Liberty Bond, the following modifications shall apply:

''(A) Section 146 (relating to volume cap) shall not apply.

''(B) Section 147(d) (relating to acquisition of existing property not permitted) shall be applied by substituting '50 percent' for '15 percent' each place it appears.

''(C) Section 148(f)(4)(C) (relating to exception from rebate for certain proceeds to be used to finance construction expenditures) shall apply to the available construction proceeds of bonds issued under this section.

''(D) Repayments of principal on financing provided by the issue—

''(i) may not be used to provide financing, and

''(ii) must be used not later than the close of the 1st semiannual period beginning after the date of the repayment to redeem bonds which are part of such issue.

The requirement of clause (ii) shall be treated as met with respect to amounts received within 10 years after the date of issuance of the issue (or, in the case of a refunding bond, the date of issuance of the original bond) if such amounts are used by the close of such 10 years to redeem bonds which are part of such issue.

''(E) Section 57(a)(5) shall not apply.

''(6) SEPARATE ISSUE TREATMENT OF PORTIONS OF AN ISSUE.—This subsection shall not apply to the portion of an issue which (if issued as a separate issue) would be treated as a qualified bond or as a bond that is not a private activity bond (determined without regard to paragraph (1)), if the issuer elects to so treat such portion.

''(e) ADVANCE REFUNDINGS OF CERTAIN TAX-EXEMPT BONDS.—

''(1) IN GENERAL.—With respect to a bond described in paragraph (2) issued as part of an issue 90 percent (95 percent in the case of a bond described in paragraph (2)(C)) or more of the net proceeds (as defined in section 150(a)(3)) of which were used to finance facilities located within the City of New York, New York (or property which is functionally related and subordinate to facilities located within the City of New York for the furnishing of water), one additional advanced refunding after the date of the enactment of this section and before January 1, 2005, shall be allowed under the applicable rules of section 149(d) if—

''(A) the Governor or the Mayor designates the advance refunding bond for purposes of this subsection, and

''(B) the requirements of paragraph (4) are met.

''(2) BONDS DESCRIBED.—A bond is described in this paragraph if such bond was outstanding on September 11, 2001, and is—

''(A) a State or local bond (as defined in section 103(c)(1)) which is a general obligation of the City of New York, New York,

''(B) a State or local bond (as so defined) other than a private activity bond (as defined in section 141(a)) issued by the New York Municipal Water Finance Authority or the Metropolitan Transportation Authority of the State of New York, or

''(C) a qualified 501(c)(3) bond (as defined in section 145(a)) which is a qualified hospital bond (as defined in section 145(c)) issued by or on behalf of the State of New York or the City of New York, New York.

''(3) AGGREGATE LIMIT.—For purposes of paragraph (1), the maximum aggregate face amount of bonds which may be designated under this subsection by the Governor shall not exceed $4,500,000,000 and the maximum aggregate face amount of bonds which may be designated under this subsection by the Mayor shall not exceed $4,500,000,000.

''(4) ADDITIONAL REQUIREMENTS.—The requirements of this paragraph are met with respect to any advance refunding of a bond described in paragraph (2) if—

''(A) no advance refundings of such bond would be allowed under any provision of law after September 11, 2001,

''(B) the advance refunding bond is the only other outstanding bond with respect to the refunded bond, and

''(C) the requirements of section 148 are met with respect to all bonds issued under this subsection.

''(f) INCREASE IN EXPENSING UNDER SECTION 179.—

''(1) IN GENERAL.—For purposes of section 179—

''(A) the limitation under section 179(b)(1) shall be increased by the lesser of—

''(i) $35,000, or

''(ii) the cost of section 179 property which is qualified New York Liberty Zone property placed in service during the taxable year, and

''(B) the amount taken into account under section 179(b)(2) with respect to any section 179 property which is qualified New York Liberty Zone property shall be 50 percent of the cost thereof.

''(2) QUALIFIED NEW YORK LIBERTY ZONE PROPERTY.—For purposes of this subsection, the term 'qualified New York Liberty Zone property' has the meaning given such term by subsection (b)(2).

''(3) RECAPTURE.—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified New York Liberty Zone property which ceases to be used in the New York Liberty Zone.

''(g) EXTENSION OF REPLACEMENT PERIOD FOR NONRECOGNITION OF GAIN.—Notwithstanding subsections (g) and (h) of section 1033, clause (i) of section 1033(a)(2)(B) shall be applied by substituting '5 years' for '2 years' with respect to property which is compulsorily or involuntarily converted as a result of the terrorist attacks on September 11, 2001, in the New York Liberty Zone but only if substantially all of the use of the replacement property is in the City of New York, New York.

''(h) NEW YORK LIBERTY ZONE.—For purposes of this section, the term 'New York Liberty Zone' means the area located on or south of Canal Street, East Broadway (east of its intersection with Canal Street), or Grand Street (east of its intersection with East Broadway) in the Borough of Manhattan in the City of New York, New York.

''(i) REFERENCES TO GOVERNOR AND MAYOR.—For purposes of this section, the terms 'Governor' and 'Mayor' mean the Governor of the State of New York and the Mayor of the City of New York, New York, respectively.''

(b) CREDIT ALLOWED AGAINST REGULAR AND MINIMUM TAX.—

(1) IN GENERAL.—Subsection (c) of section 38 (relating to limitation based on amount of tax) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) SPECIAL RULES FOR NEW YORK LIBERTY ZONE BUSINESS EMPLOYEE CREDIT.—

''(A) IN GENERAL.—In the case of the New York Liberty Zone business employee credit—

''(i) this section and section 39 shall be applied separately with respect to such credit, and

''(ii) in applying paragraph (1) to such credit—

''(I) the tentative minimum tax shall be treated as being zero, and

''(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the New York Liberty Zone business employee credit).

''(B) NEW YORK LIBERTY ZONE BUSINESS EMPLOYEE CREDIT.—For purposes of this subsection, the term 'New York Liberty Zone business employee credit' means the portion of work opportunity credit under section 51 determined under section 1400L(a).''

(2) CONFORMING AMENDMENT.—Subclause (II) of section 38(c)(2)(A)(ii) is amended by inserting ''or the New York Liberty Zone business employee credit'' after ''employment credit''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after December 31, 2001.

(c) CLERICAL AMENDMENT.—The table of subchapters for chapter 1 is amended by adding at the end the following new item:

''Subchapter Y—New York Liberty Zone Benefits.''

## TITLE V—MISCELLANEOUS AND TECHNICAL PROVISIONS

### Subtitle A—General Miscellaneous Provisions

**SEC. 501. ALLOWANCE OF ELECTRONIC 1099'S.**

Any person required to furnish a statement under any section of subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 for any taxable year ending after the date of the enactment of this Act, may electronically furnish such statement (without regard to any first class mailing requirement) to any recipient who has consented to the electronic provision of the statement in a manner similar to the one permitted under regulations issued under section 6051 of such Code or in such other manner as provided by the Secretary.

**SEC. 502. EXCLUDED CANCELLATION OF INDEBTEDNESS INCOME OF S CORPORATION NOT TO RESULT IN ADJUSTMENT TO BASIS OF STOCK OF SHAREHOLDERS.**

(a) IN GENERAL.—Subparagraph (A) of section 108(d)(7) (relating to certain provisions to be applied at corporate level) is amended by inserting before the period '', including by not taking into account under section 1366(a) any amount excluded under subsection (a) of this section''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by this section shall apply to discharges of indebtedness after October 11, 2001, in taxable years ending after such date.

(2) EXCEPTION.—The amendment made by this section shall not apply to any discharge of indebtedness before March 1, 2002, pursuant to a plan of reorganization filed with a bankruptcy court on or before October 11, 2001.

**SEC. 503. LIMITATION ON USE OF NONACCRUAL EXPERIENCE METHOD OF ACCOUNTING.**

(a) IN GENERAL.—Paragraph (5) of section 448(d) is amended to read as follows:

''(5) SPECIAL RULE FOR CERTAIN SERVICES.—

''(A) IN GENERAL.—In the case of any person using an accrual method of accounting with respect to amounts to be received for the performance of services by such person, such person shall not be required to accrue any portion of such amounts which (on the basis of such person's experience) will not be collected if—

''(i) such services are in fields referred to in paragraph (2)(A), or

''(ii) such person meets the gross receipts test of subsection (c) for all prior taxable years.

''(B) EXCEPTION.—This paragraph shall not apply to any amount if interest is required to be paid on such amount or there is any penalty for failure to timely pay such amount.

''(C) REGULATIONS.—The Secretary shall prescribe regulations to permit taxpayers to determine amounts referred to in subparagraph (A) using computations or formulas which, based on experience, accurately reflect the amount of income that will not be collected by such person. A taxpayer may adopt, or request consent of the Secretary to change to, a computation or formula that clearly reflects the taxpayer's experience. A request under the preceding sentence shall be approved if such computation or formula clearly reflects the taxpayer's experience.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account over a period of 4 years (or if less, the number of taxable years that the taxpayer used the method permitted under section 448(d)(5) of such Code as in effect before the date of the enactment of this Act) beginning with such first taxable year.

**SEC. 504. EXCLUSION FOR FOSTER CARE PAYMENTS TO APPLY TO PAYMENTS BY QUALIFIED PLACEMENT AGENCIES.**

(a) IN GENERAL.—The matter preceding subparagraph (B) of section 131(b)(1) (defining qualified foster care payment) is amended to read as follows:

''(1) IN GENERAL.—The term 'qualified foster care payment' means any payment made pursuant to a foster care program of a State or political subdivision thereof—

''(A) which is paid by—

''(i) a State or political subdivision thereof, or

''(ii) a qualified foster care placement agency, and''.

(b) QUALIFIED FOSTER INDIVIDUALS TO INCLUDE INDIVIDUALS PLACED BY QUALIFIED PLACEMENT AGENCIES.—Subparagraph (B) of section 131(b)(2) (defining qualified foster individual) is amended to read as follows:

''(B) a qualified foster care placement agency.''

(c) QUALIFIED FOSTER CARE PLACEMENT AGENCY DEFINED.—Subsection (b) of section 131 is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) QUALIFIED FOSTER CARE PLACEMENT AGENCY.—The term 'qualified foster care

placement agency' means any placement agency which is licensed or certified by—

''(A) a State or political subdivision thereof, or

''(B) an entity designated by a State or political subdivision thereof,

for the foster care program of such State or political subdivision to make foster care payments to providers of foster care.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

**SEC. 505. INTEREST RATE RANGE FOR ADDITIONAL FUNDING REQUIREMENTS.**

(a) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.—

(1) SPECIAL RULE.—Clause (i) of section 412(l)(7)(C) (relating to interest rate) is amended by adding at the end the following new subclause:

''(III) SPECIAL RULE FOR 2002 AND 2003.—For a plan year beginning in 2002 or 2003, notwithstanding subclause (I), in the case that the rate of interest used under subsection (b)(5) exceeds the highest rate permitted under subclause (I), the rate of interest used to determine current liability under this subsection may exceed the rate of interest otherwise permitted under subclause (I); except that such rate of interest shall not exceed 120 percent of the weighted average referred to in subsection (b)(5)(B)(ii).''

(2) QUARTERLY CONTRIBUTIONS.—Subsection (m) of section 412 is amended by adding at the end the following new paragraph:

''(7) SPECIAL RULES FOR 2002 AND 2004.—In any case in which the interest rate used to determine current liability is determined under subsection (l)(7)(C)(i)(III)—

''(A) 2002.—For purposes of applying paragraphs (1) and (4)(B)(ii) for plan years beginning in 2002, the current liability for the preceding plan year shall be redetermined using 120 percent as the specified percentage determined under subsection (l)(7)(C)(i)(II).

''(B) 2004.—For purposes of applying paragraphs (1) and (4)(B)(ii) for plan years beginning in 2004, the current liability for the preceding plan year shall be redetermined using 105 percent as the specified percentage determined under subsection (l)(7)(C)(i)(II).''

(b) AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) SPECIAL RULE.—Clause (i) of section 302(d)(7)(C) of such Act (29 U.S.C. 1082(d)(7)(C)) is amended by adding at the end the following new subclause:

''(III) SPECIAL RULE FOR 2002 AND 2003.—For a plan year beginning in 2002 or 2003, notwithstanding subclause (I), in the case that the rate of interest used under subsection (b)(5) exceeds the highest rate permitted under subclause (I), the rate of interest used to determine current liability under this subsection may exceed the rate of interest otherwise permitted under subclause (I); except that such rate of interest shall not exceed 120 percent of the weighted average referred to in subsection (b)(5)(B)(ii).''

(2) QUARTERLY CONTRIBUTIONS.—Subsection (e) of section 302 of such Act (29 U.S.C. 1082) is amended by adding at the end the following new paragraph:

''(7) SPECIAL RULES FOR 2002 AND 2004.—In any case in which the interest rate used to determine current liability is determined under subsection (d)(7)(C)(i)(III)—

''(A) 2002.—For purposes of applying paragraphs (1) and (4)(B)(ii) for plan years beginning in 2002, the current liability for the preceding plan year shall be redetermined using 120 percent as the specified percentage determined under subsection (d)(7)(C)(i)(II).

''(B) 2004.—For purposes of applying paragraphs (1) and (4)(B)(ii) for plan years beginning in 2004, the current liability for the preceding plan year shall be redetermined using 105 percent as the specified percentage determined under subsection (d)(7)(C)(i)(II).''

(c) PBGC.—Clause (iii) of section 4006(a)(3)(E) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(E)) is amended by adding at the end the following new subclause:

''(IV) In the case of plan years beginning after December 31, 2001, and before January 1, 2004, subclause (II) shall be applied by substituting '100 percent' for '85 percent'. Subclause (III) shall be applied for such years without regard to the preceding sentence. Any reference to this clause by any other sections or subsections shall be treated as a reference to this clause without regard to this subclause.''

**SEC. 506. ADJUSTED GROSS INCOME DETERMINED BY TAKING INTO ACCOUNT CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.**

(a) IN GENERAL.—Section 62(a)(2) (relating to certain trade and business deductions of employees) is amended by adding at the end the following:

''(D) CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.—In the case of taxable years beginning during 2002 or 2003, the deductions allowed by section 162 which consist of expenses, not in excess of $250, paid or incurred by an eligible educator in connection with books, supplies (other than nonathletic supplies for courses of instruction in health or physical education), computer equipment (including related software and services) and other equipment, and supplementary materials used by the eligible educator in the classroom.''.

(b) ELIGIBLE EDUCATOR.—Section 62 is amended by adding at the end the following:

''(d) DEFINITION; SPECIAL RULES.—

''(1) ELIGIBLE EDUCATOR.—

''(A) IN GENERAL.—For purposes of subsection (a)(2)(D), the term 'eligible educator' means, with respect to any taxable year, an individual who is a kindergarten through grade 12 teacher, instructor, counselor, principal, or aide in a school for at least 900 hours during a school year.

''(B) SCHOOL.—The term 'school' means any school which provides elementary education or secondary education (kindergarten through grade 12), as determined under State law.

''(2) COORDINATION WITH EXCLUSIONS.—A deduction shall be allowed under subsection (a)(2)(D) for expenses only to the extent the amount of such expenses exceeds the amount excludable under section 135, 529(c)(1), or 530(d)(2) for the taxable year.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

## Subtitle B—Technical Corrections

**SEC. 511. AMENDMENTS RELATED TO ECONOMIC GROWTH AND TAX RELIEF RECONCILIATION ACT OF 2001.**

(a) AMENDMENTS RELATED TO SECTION 101 OF THE ACT.—

(1) IN GENERAL.—Subsection (b) of section 6428 is amended to read as follows:

''(b) CREDIT TREATED AS NONREFUNDABLE PERSONAL CREDIT.—For purposes of this title, the credit allowed under this section shall be treated as a credit allowable under subpart A of part IV of subchapter A of chapter 1.''.

(2) CONFORMING AMENDMENTS.—

(A) Subsection (d) of section 6428 is amended to read as follows:

''(d) COORDINATION WITH ADVANCE REFUNDS OF CREDIT.—

''(1) IN GENERAL.—The amount of credit which would (but for this paragraph) be allowable under this section shall be reduced (but not below zero) by the aggregate refunds and credits made or allowed to the taxpayer under subsection (e). Any failure to so reduce the credit shall be treated as arising out of a mathematical or clerical error and assessed according to section 6213(b)(1).

''(2) JOINT RETURNS.—In the case of a refund or credit made or allowed under subsection (e) with respect to a joint return, half of such refund or credit shall be treated as having been made or allowed to each individual filing such return.''.

(B) Paragraph (2) of section 6428(e) is amended to read as follows:

''(2) ADVANCE REFUND AMOUNT.—For purposes of paragraph (1), the advance refund amount is the amount that would have been allowed as a credit under this section for such first taxable year if—

''(A) this section (other than subsections (b) and (d) and this subsection) had applied to such taxable year, and

''(B) the credit for such taxable year were not allowed to exceed the excess (if any) of—

''(i) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(ii) the sum of the credits allowable under part IV of subchapter A of chapter 1 (other than the credits allowable under subpart C thereof, relating to refundable credits).''

(b) AMENDMENT RELATED TO SECTION 201 OF THE ACT.—Subparagraph (B) of section 24(d)(1) is amended by striking ''amount of credit allowed by this section'' and inserting ''aggregate amount of credits allowed by this subpart''.

(c) AMENDMENTS RELATED TO SECTION 202 OF THE ACT.—

(1) CORRECTIONS TO CREDIT FOR ADOPTION EXPENSES.—

(A) Paragraph (1) of section 23(a) is amended to read as follows:

''(1) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter the amount of the qualified adoption expenses paid or incurred by the taxpayer.''

(B) Subsection (a) of section 23 is amended by adding at the end the following new paragraph:

''(3) $10,000 CREDIT FOR ADOPTION OF CHILD WITH SPECIAL NEEDS REGARDLESS OF EXPENSES.—In the case of an adoption of a child with special needs which becomes final during a taxable year, the taxpayer shall be treated as having paid during such year qualified adoption expenses with respect to such adoption in an amount equal to the excess (if any) of $10,000 over the aggregate qualified adoption expenses actually paid or incurred by the taxpayer with respect to such adoption during such taxable year and all prior taxable years.''

(C) Paragraph (2) of section 23(a) is amended by striking the last sentence.

(D) Paragraph (1) of section 23(b) is amended by striking ''subsection (a)(1)(A)'' and inserting ''subsection (a)''.

(E) Subsection (i) of section 23 is amended by striking ''the dollar limitation in subsection (b)(1)'' and inserting ''the dollar amounts in subsections (a)(3) and (b)(1)''.

(F) Expenses paid or incurred during any taxable year beginning before January 1, 2002, may be taken into account in determining the credit under section 23 of the Internal Revenue Code of 1986 only to the extent the aggregate of such expenses does not exceed the applicable limitation under section 23(b)(1) of such Code as in effect on the day before the date of the enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001.

(2) CORRECTIONS TO EXCLUSION FOR EMPLOYER-PROVIDED ADOPTION ASSISTANCE.—

(A) Subsection (a) of section 137 is amended to read as follows:

''(a) EXCLUSION.—

''(1) IN GENERAL.—Gross income of an employee does not include amounts paid or expenses incurred by the employer for qualified adoption expenses in connection with the adoption of a child by an employee if such amounts are furnished pursuant to an adoption assistance program.

''(2) $10,000 EXCLUSION FOR ADOPTION OF CHILD WITH SPECIAL NEEDS REGARDLESS OF EXPENSES.—In the case of an adoption of a child with special needs which becomes final during a taxable year, the qualified adoption expenses with respect to such adoption for such year shall be increased by an amount equal to the excess (if any) of $10,000 over the actual aggregate qualified adoption expenses with respect to such adoption during such taxable year and all prior taxable years.''

(B) Paragraph (2) of section 137(b) is amended by striking ''subsection (a)(1)'' and inserting ''subsection (a)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2002; except that the amendments made by paragraphs (1)(C), (1)(D), and (2)(B) shall apply to taxable years beginning after December 31, 2001.

(d) AMENDMENTS RELATED TO SECTION 205 OF THE ACT.—

(1) Section 45F(d)(4)(B) is amended by striking ''subpart A, B, or D of this part'' and inserting ''this chapter or for purposes of section 55''.

(2) Section 38(b)(15) is amended by striking ''45F'' and inserting ''45F(a)''.

(e) AMENDMENTS RELATED TO SECTION 301 OF THE ACT.—

(1) Section 63(c)(2) is amended—

(A) in subparagraph (A), by striking ''subparagraph (C)'' and inserting ''subparagraph (D)'',

(B) by striking ''or'' at the end of subparagraph (B),

(C) by redesignating subparagraph (C) as subparagraph (D),

(D) by inserting after subparagraph (B) the following new subparagraph:

''(C) one-half of the amount allowable under subparagraph (A) in the case of a married individual filing a separate return, or'', and

(E) by inserting the following flush sentence at the end:

''If any amount determined under subparagraph (A) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.''

(2)(A) Section 63(c)(4) is amended by striking ''paragraph (2) or (5)'' and inserting ''paragraph (2)(B), (2)(D), or (5)''.

(B) Section 63(c)(4)(B)(i) is amended by striking ''paragraph (2)'' and inserting ''paragraph (2)(B), (2)(D),''.

(C) Section 63(c)(4) is amended by striking the flush sentence at the end (as added by section 301(c)(2) of Public Law 107–17).

(f) AMENDMENT RELATED TO SECTION 401 OF THE ACT.—Section 530(d)(4)(B)(iv) is amended by striking ''because the taxpayer elected under paragraph (2)(C) to waive the application of paragraph (2)'' and inserting ''by application of paragraph (2)(C)(i)(II)''.

(g) AMENDMENTS RELATED TO SECTION 511 OF THE ACT.—

(1) Section 2511(c) is amended by striking ''taxable gift under section 2503,'' and inserting ''transfer of property by gift,''.

(2) Section 2101(b) is amended by striking the last sentence.

(h) AMENDMENT RELATED TO SECTION 532 OF THE ACT.—Section 2016 is amended by striking ''any State, any possession of the United States, or the District of Columbia,''.

(i) AMENDMENTS RELATING TO SECTION 602 OF THE ACT.—

(1) Subparagraph (A) of section 408(q)(3) is amended to read as follows:

''(A) QUALIFIED EMPLOYER PLAN.—The term 'qualified employer plan' has the meaning given such term by section 72(p)(4)(A)(i); except that such term shall also include an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A).''.

(2) Section 4(c) of Employee Retirement Income Security Act of 1974 is amended—

(A) by inserting ''and part 5 (relating to administration and enforcement)'' before the period at the end, and

(B) by adding at the end the following new sentence: ''Such provisions shall apply to such accounts and annuities in a manner similar to their application to a simplified employee pension under section 408(k) of the Internal Revenue Code of 1986.''.

(j) AMENDMENTS RELATING TO SECTION 611 OF THE ACT.—

(1) Section 408(k) is amended—

(A) in paragraph (2)(C) by striking ''$300'' and inserting ''$450'', and

(B) in paragraph (8) by striking ''$300'' both places it appears and inserting ''$450''.

(2) Section 409(o)(1)(C)(ii) is amended—

(A) by striking ''$500,000'' both places it appears and inserting ''$800,000'', and

(B) by striking ''$100,000'' and inserting ''$160,000''.

(3) Section 611(i) of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULE.—In the case of plan that, on June 7, 2001, incorporated by reference the limitation of section 415(b)(1)(A) of the Internal Revenue Code of 1986, section 411(d)(6) of such Code and section 204(g)(1) of the Employee Retirement Income Security Act of 1974 do not apply to a plan amendment that—

''(A) is adopted on or before June 30, 2002,

''(B) reduces benefits to the level that would have applied without regard to the amendments made by subsection (a) of this section, and

''(C) is effective no earlier than the years described in paragraph (2).''.

(k) AMENDMENTS RELATING TO SECTION 613 OF THE ACT.—

(1) Section 416(c)(1)(C)(iii) is amended by striking ''EXCEPTION FOR FROZEN PLAN'' and inserting ''EXCEPTION FOR PLAN UNDER WHICH NO KEY EMPLOYEE (OR FORMER KEY EMPLOYEE) BENEFITS FOR PLAN YEAR''.

(2) Section 416(g)(3)(B) is amended by striking ''separation from service'' and inserting ''severance from employment''.

(l) AMENDMENTS RELATING TO SECTIONS 614 and 616 OF THE ACT.—

(1) Section 404(a)(12) is amended by striking ''(9),'' and inserting ''(9) and subsection (h)(1)(C),''.

(2) Section 404(n) is amended by striking ''subsection (a),'' and inserting ''subsection (a) or paragraph (1)(C) of subsection (h)''.

(3) Section 402(h)(2)(A) is amended by striking ''15 percent'' and inserting ''25 percent''.

(4) Section 404(a)(7)(C) is amended to read as follows:

''(C) PARAGRAPH NOT TO APPLY IN CERTAIN CASES.—

''(i) BENEFICIARY TEST.—This paragraph shall not have the effect of reducing the amount otherwise deductible under paragraphs (1), (2), and (3), if no employee is a beneficiary under more than 1 trust or under a trust and an annuity plan.

''(ii) ELECTIVE DEFERRALS.—If, in connection with 1 or more defined contribution plans and 1 or more defined benefit plans, no amounts (other than elective deferrals (as defined in section 402(g)(3))) are contributed to any of the defined contribution plans for the taxable year, then subparagraph (A) shall not apply with respect to any of such defined contribution plans and defined benefit plans.''.

(m) AMENDMENT RELATING TO SECTION 618 OF THE ACT.—Section 25B(d)(2)(A) is amended to read as follows:

''(A) IN GENERAL.—The qualified retirement savings contributions determined under paragraph (1) shall be reduced (but not below zero) by the aggregate distributions received by the individual during the testing period from any entity of a type to which contributions under paragraph (1) may be made. The preceding sentence shall not apply to the portion of any distribution which is not includible in gross income by reason of a trustee-to-trustee transfer or a rollover distribution.''.

(n) AMENDMENTS RELATING TO SECTION 619 OF THE ACT.—

(1) Section 45E(e)(1) is amended by striking ''(n)'' and inserting ''(m)''.

(2) Section 619(d) of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended by striking ''established'' and inserting ''first effective''.

(o) AMENDMENTS RELATING TO SECTION 631 OF THE ACT.—

(1) Section 402(g)(1) is amended by adding at the end the following:

''(C) CATCH-UP CONTRIBUTIONS.—In addition to subparagraph (A), in the case of an eligible participant (as defined in section 414(v)), gross income shall not include elective deferrals in excess of the applicable dollar amount under subparagraph (B) to the extent that the amount of such elective deferrals does not exceed the applicable dollar amount under section 414(v)(2)(B)(i) for the taxable year (without regard to the treatment of the elective deferrals by an applicable employer plan under section 414(v)).''.

(2) Section 401(a)(30) is amended by striking ''402(g)(1)'' and inserting ''402(g)(1)(A)''.

(3) Section 414(v)(2) is amended by adding at the end the following:

''(D) AGGREGATION OF PLANS.—For purposes of this paragraph, plans described in clauses (i), (ii), and (iv) of paragraph (6)(A) that are maintained by the same employer (as determined under subsection (b), (c), (m) or (o)) shall be treated as a single plan, and plans described in clause (iii) of paragraph (6)(A) that are maintained by the same employer shall be treated as a single plan.''.

(4) Section 414(v)(3)(A)(i) is amended by striking ''section 402(g), 402(h), 403(b), 404(a), 404(h), 408(k), 408(p), 415, or 457'' and inserting ''section 401(a)(30), 402(h), 403(b), 408, 415(c), and 457(b)(2) (determined without regard to section 457(b)(3))''.

(5) Section 414(v)(3)(B) is amended by striking ''section 401(a)(4), 401(a)(26), 401(k)(3), 401(k)(11), 401(k)(12), 403(b)(12), 408(k), 408(p), 408B, 410(b), or 416'' and inserting ''section 401(a)(4), 401(k)(3), 401(k)(11), 403(b)(12), 408(k), 410(b), or 416''.

(6) Section 414(v)(4)(B) is amended by inserting before the period at the end the following: '', except that a plan described in clause (i) of section 410(b)(6)(C) shall not be treated as a plan of the employer until the expiration of the transition period with respect to such plan (as determined under clause (ii) of such section)''.

(7) Section 414(v)(5) is amended—

(A) by striking '', with respect to any plan year,'' in the matter preceding subparagraph (A),

(B) by amending subparagraph (A) to read as follows:

''(A) who would attain age 50 by the end of the taxable year,'', and

(C) in subparagraph (B) by striking ''plan year'' and inserting ''plan (or other applicable) year''.

(8) Section 414(v)(6)(C) is amended to read as follows:

''(C) EXCEPTION FOR SECTION 457 PLANS.—This subsection shall not apply to a participant for any year for which a higher limitation applies to the participant under section 457(b)(3).''.

(9) Section 457(e) is amended by adding at the end the following new paragraph:

''(18) COORDINATION WITH CATCH-UP CONTRIBUTIONS FOR INDIVIDUALS AGE 50 OR OLDER.— In the case of an individual who is an eligible participant (as defined by section 414(v)) and who is a participant in an eligible deferred compensation plan of an employer described in paragraph (1)(A), subsections (b)(3) and (c) shall be applied by substituting for the amount otherwise determined under the applicable subsection the greater of—

''(A) the sum of—

''(i) the plan ceiling established for purposes of subsection (b)(2) (without regard to subsection (b)(3)), plus

''(ii) the applicable dollar amount for the taxable year determined under section 414(v)(2)(B)(i), or

''(B) the amount determined under the applicable subsection (without regard to this paragraph).''.

(p) AMENDMENTS RELATING TO SECTION 632 OF THE ACT.—

(1) Section 403(b)(1) is amended in the matter following subparagraph (E) by striking ''then amounts contributed'' and all that follows and inserting the following:

''then contributions and other additions by such employer for such annuity contract shall be excluded from the gross income of the employee for the taxable year to the extent that the aggregate of such contributions and additions (when expressed as an annual addition (within the meaning of section 415(c)(2))) does not exceed the applicable limit under section 415. The amount actually distributed to any distributee under such contract shall be taxable to the distributee (in the year in which so distributed) under section 72 (relating to annuities). For purposes of applying the rules of this subsection to contributions and other additions by an employer for a taxable year, amounts transferred to a contract described in this paragraph by reason of a rollover contribution described in paragraph (8) of this subsection or section 408(d)(3)(A)(ii) shall not be considered contributed by such employer.''.

(2) Section 403(b) is amended by striking paragraph (6).

(3) Section 403(b)(3) is amended—

(A) in the first sentence by inserting the following before the period at the end: '', and which precedes the taxable year by no more than five years'', and

(B) in the second sentence by striking ''or any amount received by a former employee after the fifth taxable year following the taxable year in which such employee was terminated''.

(4) Section 415(c)(7) is amended to read as follows:

''(7) SPECIAL RULES RELATING TO CHURCH PLANS.—

''(A) ALTERNATIVE CONTRIBUTION LIMITATION.—

''(i) IN GENERAL.—Notwithstanding any other provision of this subsection, at the election of a participant who is an employee of a church or a convention or association of churches, including an organization described in section 414(e)(3)(B)(ii), contributions and other additions for an annuity contract or retirement income account described in section 403(b) with respect to such participant, when expressed as an annual addition to such participant's account, shall be treated as not exceeding the limitation of paragraph (1) if such annual addition is not in excess of $10,000.

''(ii) $40,000 AGGREGATE LIMITATION.—The total amount of additions with respect to any participant which may be taken into account for purposes of this subparagraph for all years may not exceed $40,000.

''(B) NUMBER OF YEARS OF SERVICE FOR DULY ORDAINED, COMMISSIONED, OR LICENSED MINISTERS OR LAY EMPLOYEES.—For purposes of this paragraph—

''(i) all years of service by—

''(I) a duly ordained, commissioned, or licensed minister of a church, or

''(II) a lay person,

as an employee of a church, a convention or association of churches, including an organization described in section 414(e)(3)(B)(ii), shall be considered as years of service for 1 employer, and

''(ii) all amounts contributed for annuity contracts by each such church (or convention or association of churches) or such organization during such years for such minister or lay person shall be considered to have been contributed by 1 employer.

''(C) FOREIGN MISSIONARIES.—In the case of any individual described in subparagraph (D) performing services outside the United States, contributions and other additions for an annuity contract or retirement income account described in section 403(b) with respect to such employee, when expressed as an annual addition to such employee's account, shall not be treated as exceeding the limitation of paragraph (1) if such annual addition is not in excess of the greater of $3,000 or the employee's includible compensation determined under section 403(b)(3).

''(D) ANNUAL ADDITION.—For purposes of this paragraph, the term 'annual addition' has the meaning given such term by paragraph (2).

''(E) CHURCH, CONVENTION OR ASSOCIATION OF CHURCHES.—For purposes of this paragraph, the terms 'church' and 'convention or association of churches' have the same meaning as when used in section 414(e).''.

(5) Section 457(e)(5) is amended to read as follows:

''(5) INCLUDIBLE COMPENSATION.—The term 'includible compensation' has the meaning given to the term 'participant's compensation' by section 415(c)(3).''.

(6) Section 402(g)(7)(B) is amended by striking ''2001.'' and inserting ''2001).''.

(q) AMENDMENTS RELATING TO SECTION 643 OF THE ACT.—

(1) Section 401(a)(31)(C)(i) is amended by inserting ''is a qualified trust which is part of a plan which is a defined contribution plan and'' before ''agrees''.

(2) Section 402(c)(2) is amended by adding at the end the following flush sentence:

''In the case of a transfer described in subparagraph (A) or (B), the amount transferred shall be treated as consisting first of the portion of such distribution that is includible in gross income (determined without regard to paragraph (1)).''.

(r) AMENDMENTS RELATING TO SECTION 648 OF THE ACT.—

(1) Section 417(e) is amended—

(A) in paragraph (1) by striking ''exceed the dollar limit under section 411(a)(11)(A)'' and inserting ''exceed the amount that can be distributed without the participant's consent under section 411(a)(11)'', and

(B) in paragraph (2)(A) by striking ''exceeds the dollar limit under section 411(a)(11)(A)'' and inserting ''exceeds the amount that can be distributed without the participant's consent under section 411(a)(11)''.

(2) Section 205(g) of the Employee Retirement Income Security Act of 1974 is amended—

(A) in paragraph (1) by striking ''exceed the dollar limit under section 203(e)(1)'' and inserting ''exceed the amount that can be distributed without the participant's consent under section 203(e)'', and

(B) in paragraph (2)(A) by striking ''exceeds the dollar limit under section 203(e)(1)'' and inserting ''exceeds the amount that can be distributed without the participant's consent under section 203(e)''.

(s) AMENDMENT RELATING TO SECTION 652 OF THE ACT.—Section 404(a)(1)(D)(iv) is amended by striking ''PLANS MAINTAINED BY PROFESSIONAL SERVICE EMPLOYERS'' and inserting ''SPECIAL RULE FOR TERMINATING PLANS''.

(t) AMENDMENTS RELATING TO SECTION 657 OF THE ACT.—Section 404(c)(3) of the Employee Retirement Income Security Act of 1974 is amended—

(1) by striking ''the earlier of'' in subparagraph (A) the second place it appears, and

(2) by striking ''if the transfer'' and inserting ''a transfer that''.

(u) AMENDMENTS RELATING TO SECTION 659 OF THE ACT.—

(1) Section 4980F is amended—

(A) in subsection (e)(1) by striking ''written notice'' and inserting ''the notice described in paragraph (2)'',

(B) by amending subsection (f)(2)(A) to read as follows:

''(A) any defined benefit plan described in section 401(a) which includes a trust exempt from tax under section 501(a), or'', and

(C) in subsection (f)(3) by striking ''significantly'' both places it appears.

(2) Section 204(h)(9) of the Employee Retirement Income Security Act of 1974 is amended by striking ''significantly'' both places it appears.

(3) Section 659(c)(3)(B) of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended by striking ''(or'' and inserting ''(and''.

(v) AMENDMENTS RELATING TO SECTION 661 OF THE ACT.—

(1) Section 412(c)(9)(B) is amended—

(A) in clause (ii) by striking ''125 percent'' and inserting ''100 percent'', and

(B) by adding at the end the following new clause:

''(iv) LIMITATION.—A change in funding method to use a prior year valuation, as provided in clause (ii), may not be made unless as of the valuation date within the prior plan year, the value of the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)).''.

(2) Section 302(c)(9)(B) of the Employee Retirement Income Security Act of 1974 is amended—

(A) in clause (ii) by striking ''125 percent'' and inserting ''100 percent'', and

(B) by adding at the end the following new clause:

''(iv) A change in funding method to use a prior year valuation, as provided in clause (ii), may not be made unless as of the valuation date within the prior plan year, the value of the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)).''.

(w) AMENDMENTS RELATING TO SECTION 662 OF THE ACT.—

(1) Section 404(k) is amended—

(A) in paragraph (1) by striking ''during the taxable year'',

(B) in paragraph (2)(B) by striking ''(A)(iii)'' and inserting ''(A)(iv)'',

(C) in paragraph (4)(B) by striking ''(iii)'' and inserting ''(iv)'', and

(D) by redesignating subparagraph (B) of paragraph (4) (as amended by subparagraph (C)) as subparagraph (C) of paragraph (4) and by inserting after subparagraph (A) the following new subparagraph:

''(B) REINVESTMENT DIVIDENDS.—For purposes of subparagraph (A), an applicable dividend reinvested pursuant to clause (iii)(II) of paragraph (2)(A) shall be treated as paid in the taxable year of the corporation in which such dividend is reinvested in qualifying employer securities or in which the election

under clause (iii) of paragraph (2)(A) is made, whichever is later.''.

(2) Section 404(k) is amended by adding at the end the following new paragraph:

''(7) FULL VESTING.—In accordance with section 411, an applicable dividend described in clause (iii)(II) of paragraph (2)(A) shall be subject to the requirements of section 411(a)(1).''.

(x) EFFECTIVE DATE.—Except as provided in subsection (c), the amendments made by this section shall take effect as if included in the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 to which they relate.

**SEC. 512. AMENDMENTS RELATED TO COMMUNITY RENEWAL TAX RELIEF ACT OF 2000.**

(a) AMENDMENT RELATED TO SECTION 101 OF THE ACT.—Section 469(i)(3)(E) is amended by striking clauses (ii), (iii), and (iv) and inserting the following:

''(ii) second to the portion of such loss to which subparagraph (C) applies,

''(iii) third to the portion of the passive activity credit to which subparagraph (B) or (D) does not apply,

''(iv) fourth to the portion of such credit to which subparagraph (B) applies, and''.

(b) AMENDMENT RELATED TO SECTION 306 OF THE ACT.—Section 151(c)(6)(C) is amended—

(1) by striking ''FOR EARNED INCOME CREDIT.—For purposes of section 32, an'' and inserting ''FOR PRINCIPAL PLACE OF ABODE REQUIREMENTS.—An'', and

(2) by striking ''requirement of section 32(c)(3)(A)(ii)'' and inserting ''principal place of abode requirements of section 2(a)(1)(B), section 2(b)(1)(A), and section 32(c)(3)(A)(ii)''.

(c) AMENDMENT RELATED TO SECTION 309 OF THE ACT.—Subparagraph (A) of section 358(h)(1) is amended to read as follows:

''(A) which is assumed by another person as part of the exchange, and''.

(d) AMENDMENTS RELATED TO SECTION 401 OF THE ACT.—

(1)(A) Section 1234A is amended by inserting ''or'' after the comma at the end of paragraph (1), by striking ''or'' at the end of paragraph (2), and by striking paragraph (3).

(B)(i) Section 1234B is amended in subsection (a)(1) and in subsection (b) by striking ''sale or exchange'' the first place it appears in each subsection and inserting ''sale, exchange, or termination''.

(ii) Section 1234B is amended by adding at the end the following new subsection:

''(f) CROSS REFERENCE.—

**''For special rules relating to dealer securities futures contracts, see section 1256.''**

(2) Section 1091(e) is amended—

(A) in the heading, by striking ''SECURITIES.—'' and inserting ''SECURITIES AND SECURITIES FUTURES CONTRACTS TO SELL.—'',

(B) by inserting after ''closing of a short sale of'' the following: ''(or a securities futures contract to sell)'',

(C) in paragraph (2), by inserting after ''short sale of'' the following: ''(or securities futures contracts to sell)'', and

(D) by adding at the end the following:

''For purposes of this subsection, the term 'securities futures contract' has the meaning provided by section 1234B(c).''.

(3) Section 1233(e)(2) is amended by striking ''and'' at the end of subparagraph (C), by striking the period and inserting ''; and'' at the end of subparagraph (D), and by adding at the end the following:

''(E) entering into a securities futures contract (as so defined) to sell shall be treated as entering into a short sale, and the sale, exchange, or termination of a securities futures contract to sell shall be treated as the closing of a short sale.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Community Renewal Tax Relief Act of 2000 to which they relate.

**SEC. 513. AMENDMENTS RELATED TO THE TAX RELIEF EXTENSION ACT OF 1999.**

(a) AMENDMENTS RELATED TO SECTION 545 OF THE ACT.—Section 857(b)(7) is amended—

(1) in clause (i) of subparagraph (B), by striking ''the amount of which'' and inserting ''to the extent the amount of the rents'', and

(2) in subparagraph (C), by striking ''if the amount'' and inserting ''to the extent the amount''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 545 of the Tax Relief Extension Act of 1999.

**SEC. 514. AMENDMENTS RELATED TO THE TAXPAYER RELIEF ACT OF 1997.**

(a) AMENDMENTS RELATED TO SECTION 311 OF THE ACT.—Section 311(e) of the Taxpayer Relief Act of 1997 (Public Law 105–34; 111 Stat. 836) is amended—

(1) in paragraph (2)(A), by striking ''recognized'' and inserting ''included in gross income'', and

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

''(5) DISPOSITION OF INTEREST IN PASSIVE ACTIVITY.—Section 469(g)(1)(A) of the Internal Revenue Code of 1986 shall not apply by reason of an election made under paragraph (1).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 311 of the Taxpayer Relief Act of 1997.

**SEC. 515. AMENDMENT RELATED TO THE BALANCED BUDGET ACT OF 1997.**

(a) AMENDMENT RELATED TO SECTION 4006 OF THE ACT.—Section 26(b)(2) is amended by striking ''and'' at the end of subparagraph (P), by striking the period and inserting '', and'' at the end of subparagraph (Q), and by adding at the end the following new subparagraph:

''(R) section 138(c)(2) (relating to penalty for distributions from Medicare+Choice MSA not used for qualified medical expenses if minimum balance not maintained).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in section 4006 of the Balanced Budget Act of 1997.

**SEC. 516. OTHER TECHNICAL CORRECTIONS.**

(a) COORDINATION OF ADVANCED PAYMENTS OF EARNED INCOME CREDIT.—

(1) Section 32(g)(2) is amended by striking ''subpart'' and inserting ''part''.

(2) The amendment made by this subsection shall take effect as if included in section 474 of the Tax Reform Act of 1984.

(b) DISCLOSURE BY SOCIAL SECURITY ADMINISTRATION TO FEDERAL CHILD SUPPORT AGENCIES.—

(1) Section 6103(l)(8) is amended—

(A) in the heading, by striking ''STATE AND LOCAL'' and inserting ''FEDERAL, STATE, AND LOCAL'', and

(B) in subparagraph (A), by inserting ''Federal or'' before ''State or local''.

(2) The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(c) TREATMENT OF SETTLEMENTS UNDER PARTNERSHIP AUDIT RULES.—

(1) The following provisions are each amended by inserting ''or the Attorney General (or his delegate)'' after ''Secretary'' each place it appears:

(A) Paragraphs (1) and (2) of section 6224(c).

(B) Section 6229(f)(2).

(C) Section 6231(b)(1)(C).

(D) Section 6234(g)(4)(A).

(2) The amendments made by this subsection shall apply with respect to settlement agreements entered into after the date of the enactment of this Act.

(d) AMENDMENT RELATED TO PROCEDURE AND ADMINISTRATION.—

(1) Section 6331(k)(3) (relating to no levy while certain offers pending or installment agreement pending or in effect) is amended to read as follows:

''(3) CERTAIN RULES TO APPLY.—Rules similar to the rules of—

''(A) paragraphs (3) and (4) of subsection (i), and

''(B) except in the case of paragraph (2)(C), paragraph (5) of subsection (i),

shall apply for purposes of this subsection.''.

(2) The amendment made by this subsection shall take effect on the date of the enactment of this Act.

(e) MODIFIED ENDOWMENT CONTRACTS.—Paragraph (2) of section 318(a) of the Community Renewal Tax Relief Act of 2000 (114 Stat. 2763A–645) is repealed, and clause (ii) of section 7702A(c)(3)(A) shall read and be applied as if the amendment made by such paragraph had not been enacted.

**SEC. 517. CLERICAL AMENDMENTS.**

(1) The subsection (g) of section 25B that relates to termination is redesignated as subsection (h).

(2) Section 51A(c)(1) is amended by striking ''51(d)(10)'' and inserting ''51(d)(11)''.

(3) Section 172(b)(1)(F)(i) is amended—

(A) by striking ''3 years'' and inserting ''3 taxable years'', and

(B) by striking ''2 years'' and inserting ''2 taxable years''.

(4) Section 351(h)(1) is amended by inserting a comma after ''liability''.

(5) Section 741 is amended by striking ''which have appreciated substantially in value''.

(6) Section 857(b)(7)(B)(i) is amended by striking ''subsection 856(d)'' and inserting ''section 856(d)''.

(7) Section 1394(c)(2) is amended by striking ''subparagraph (A)'' and inserting ''paragraph (1)''.

(8)(A) Section 6227(d) is amended by striking ''subsection (b)'' and inserting ''subsection (c)''.

(B) Section 6228 is amended—

(i) in subsection (a)(1), by striking ''subsection (b) of section 6227'' and inserting ''subsection (c) of section 6227'',

(ii) in subsection (a)(3)(A), by striking ''subsection (b) of'', and

(iii) in subsections (b)(1) and (b)(2)(A), by striking ''subsection (c) of section 6227'' and inserting ''subsection (d) of section 6227''.

(C) Section 6231(b)(2)(B)(i) is amended by striking ''section 6227(c)'' and inserting ''section 6227(d)''.

(9) Section 1221(b)(1)(B)(i) is amended by striking ''1256(b))'' and inserting ''1256(b)))''.

(10) Section 618(b)(2) of the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107–16; 115 Stat. 108) is amended—

(A) in subparagraph (A) by striking ''203(d)'' and inserting ''202(f)'', and

(B) in subparagraphs (C), (D), and (E) by striking ''203'' and inserting ''202(f)''.

(11)(A) Section 525 of the Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106–170; 113 Stat. 1928) is amended by striking ''7200'' and inserting ''7201''.

(B) Section 532(c)(2) of such Act (113 Stat. 1930) is amended—

(i) in subparagraph (D), by striking ''341(d)(3)'' and inserting ''341(d)'', and

(ii) in subparagraph (Q), by striking ''954(c)(1)(B)(iii) and inserting ''954(c)(1)(B)''.

**SEC. 518. ADDITIONAL CORRECTIONS.**

(a) AMENDMENTS RELATED TO SECTION 202 OF THE ECONOMIC GROWTH AND TAX RELIEF RECONCILIATION ACT OF 2001.—

(1) Subsection (h) of section 23 is amended—

(A) by striking ''subsection (a)(1)(B)'' and inserting ''subsection (a)(3)'', and

(B) by adding at the end the following new flush sentence:

''If any amount as increased under the preceding sentence is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10.''

(2) Subsection (f) of section 137 is amended by adding at the end the following new flush sentence:

''If any amount as increased under the preceding sentence is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10.''

(b) AMENDMENTS RELATED TO SECTION 204 OF THE ECONOMIC GROWTH AND TAX RELIEF RECONCILIATION ACT OF 2001.—Section 21(d)(2) is amended—

(1) in subparagraph (A) by striking ''$200'' and inserting ''$250'', and

(2) in subparagraph (B) by striking ''$400'' and inserting ''$500''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 to which they relate.

## TITLE VI—UNEMPLOYMENT ASSISTANCE

### SEC. 601. SHORT TITLE.

This title may be cited as the ''Temporary Extended Unemployment Compensation Act of 2002''.

### SEC. 602. FEDERAL-STATE AGREEMENTS.

(a) IN GENERAL.—Any State which desires to do so may enter into and participate in an agreement under this title with the Secretary of Labor (in this title referred to as the ''Secretary''). Any State which is a party to an agreement under this title may, upon providing 30 days' written notice to the Secretary, terminate such agreement.

(b) PROVISIONS OF AGREEMENT.—Any agreement under subsection (a) shall provide that the State agency of the State will make payments of temporary extended unemployment compensation to individuals who—

(1) have exhausted all rights to regular compensation under the State law or under Federal law with respect to a benefit year (excluding any benefit year that ended before March 15, 2001);

(2) have no rights to regular compensation or extended compensation with respect to a week under such law or any other State unemployment compensation law or to compensation under any other Federal law;

(3) are not receiving compensation with respect to such week under the unemployment compensation law of Canada; and

(4) filed an initial claim for regular compensation on or after March 15, 2001.

(c) EXHAUSTION OF BENEFITS.—For purposes of subsection (b)(1), an individual shall be deemed to have exhausted such individual's rights to regular compensation under a State law when—

(1) no payments of regular compensation can be made under such law because such individual has received all regular compensation available to such individual based on employment or wages during such individual's base period; or

(2) such individual's rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(d) WEEKLY BENEFIT AMOUNT, ETC.—For purposes of any agreement under this title—

(1) the amount of temporary extended unemployment compensation which shall be payable to any individual for any week of total unemployment shall be equal to the amount of the regular compensation (including dependents' allowances) payable to such individual during such individual's benefit year under the State law for a week of total unemployment;

(2) the terms and conditions of the State law which apply to claims for regular compensation and to the payment thereof shall apply to claims for temporary extended unemployment compensation and the payment thereof, except—

(A) that an individual shall not be eligible for temporary extended unemployment compensation under this title unless, in the base period with respect to which the individual exhausted all rights to regular compensation under the State law, the individual had 20 weeks of full-time insured employment or the equivalent in insured wages, as determined under the provisions of the State law implementing section 202(a)(5) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note); and

(B) where otherwise inconsistent with the provisions of this title or with the regulations or operating instructions of the Secretary promulgated to carry out this title; and

(3) the maximum amount of temporary extended unemployment compensation payable to any individual for whom a temporary extended unemployment compensation account is established under section 603 shall not exceed the amount established in such account for such individual.

(e) ELECTION BY STATES.—Notwithstanding any other provision of Federal law (and if State law permits), the Governor of a State that is in an extended benefit period may provide for the payment of temporary extended unemployment compensation in lieu of extended compensation to individuals who otherwise meet the requirements of this section. Such an election shall not require a State to trigger off an extended benefit period.

### SEC. 603. TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACCOUNT.

(a) IN GENERAL.—Any agreement under this title shall provide that the State will establish, for each eligible individual who files an application for temporary extended unemployment compensation, a temporary extended unemployment compensation account with respect to such individual's benefit year.

(b) AMOUNT IN ACCOUNT.—

(1) IN GENERAL.—The amount established in an account under subsection (a) shall be equal to the lesser of—

(A) 50 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law, or

(B) 13 times the individual's average weekly benefit amount for the benefit year.

(2) WEEKLY BENEFIT AMOUNT.—For purposes of this subsection, an individual's weekly benefit amount for any week is the amount of regular compensation (including dependents' allowances) under the State law payable to such individual for such week for total unemployment.

(c) SPECIAL RULE.—

(1) IN GENERAL.—Notwithstanding any other provision of this section, if, at the time that the individual's account is exhausted, such individual's State is in an extended benefit period (as determined under paragraph (2)), then, such account shall be augmented by an amount equal to the amount originally established in such account (as determined under subsection (b)(1)).

(2) EXTENDED BENEFIT PERIOD.—For purposes of paragraph (1), a State shall be considered to be in an extended benefit period if, at the time of exhaustion (as described in paragraph (1))—

(A) such a period is then in effect for such State under the Federal-State Extended Unemployment Compensation Act of 1970; or

(B) such a period would then be in effect for such State under such Act if section 203(d) of such Act were applied as if it had been amended by striking ''5'' each place it appears and inserting ''4''.

### SEC. 604. PAYMENTS TO STATES HAVING AGREEMENTS FOR THE PAYMENT OF TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION.

(a) GENERAL RULE.—There shall be paid to each State that has entered into an agreement under this title an amount equal to 100 percent of the temporary extended unemployment compensation paid to individuals by the State pursuant to such agreement.

(b) TREATMENT OF REIMBURSABLE COMPENSATION.—No payment shall be made to any State under this section in respect of any compensation to the extent the State is entitled to reimbursement in respect of such compensation under the provisions of any Federal law other than this title or chapter 85 of title 5, United States Code. A State shall not be entitled to any reimbursement under such chapter 85 in respect of any compensation to the extent the State is entitled to reimbursement under this title in respect of such compensation.

(c) DETERMINATION OF AMOUNT.—Sums payable to any State by reason of such State having an agreement under this title shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this title for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that the Secretary's estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

### SEC. 605. FINANCING PROVISIONS.

(a) IN GENERAL.—Funds in the extended unemployment compensation account (as established by section 905(a) of the Social Security Act (42 U.S.C. 1105(a)) of the Unemployment Trust Fund (as established by section 904(a) of such Act (42 U.S.C. 1104(a)) shall be used for the making of payments to States having agreements entered into under this title.

(b) CERTIFICATION.—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this title. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certification, by transfers from the extended unemployment compensation account (as so established) to the account of such State in the Unemployment Trust Fund (as so established).

(c) ASSISTANCE TO STATES.—There are appropriated out of the employment security administration account (as established by section 901(a) of the Social Security Act (42 U.S.C. 1101(a)) of the Unemployment Trust Fund, without fiscal year limitation, such funds as may be necessary for purposes of assisting States (as provided in title III of the Social Security Act (42 U.S.C. 501 et seq.)) in meeting the costs of administration of agreements under this title.

(d) APPROPRIATIONS FOR CERTAIN PAYMENTS.—There are appropriated from the general fund of the Treasury, without fiscal

year limitation, to the extended unemployment compensation account (as so established) of the Unemployment Trust Fund (as so established) such sums as the Secretary estimates to be necessary to make the payments under this section in respect of—

(1) compensation payable under chapter 85 of title 5, United States Code; and

(2) compensation payable on the basis of services to which section 3309(a)(1) of the Internal Revenue Code of 1986 applies.

Amounts appropriated pursuant to the preceding sentence shall not be required to be repaid.

**SEC. 606. FRAUD AND OVERPAYMENTS.**

(a) IN GENERAL.—If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of temporary extended unemployment compensation under this title to which he was not entitled, such individual—

(1) shall be ineligible for further temporary extended unemployment compensation under this title in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation; and

(2) shall be subject to prosecution under section 1001 of title 18, United States Code.

(b) REPAYMENT.—In the case of individuals who have received amounts of temporary extended unemployment compensation under this title to which they were not entitled, the State shall require such individuals to repay the amounts of such temporary extended unemployment compensation to the State agency, except that the State agency may waive such repayment if it determines that—

(1) the payment of such temporary extended unemployment compensation was without fault on the part of any such individual; and

(2) such repayment would be contrary to equity and good conscience.

(c) RECOVERY BY STATE AGENCY.—

(1) IN GENERAL.—The State agency may recover the amount to be repaid, or any part thereof, by deductions from any temporary extended unemployment compensation payable to such individual under this title or from any unemployment compensation payable to such individual under any Federal unemployment compensation law administered by the State agency or under any other Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the 3-year period after the date such individuals received the payment of the temporary extended unemployment compensation to which they were not entitled, except that no single deduction may exceed 50 percent of the weekly benefit amount from which such deduction is made.

(2) OPPORTUNITY FOR HEARING.—No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

(d) REVIEW.—Any determination by a State agency under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.

**SEC. 607. DEFINITIONS.**

In this title, the terms ''compensation'', ''regular compensation'', ''extended compensation'', ''additional compensation'', ''benefit year'', ''base period'', ''State'', ''State agency'', ''State law'', and ''week'' have the respective meanings given such terms under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

**SEC. 608. APPLICABILITY.**

An agreement entered into under this title shall apply to weeks of unemployment—

(1) beginning after the date on which such agreement is entered into; and

(2) ending before January 1, 2003.

**SEC. 609. SPECIAL REED ACT TRANSFER IN FISCAL YEAR 2002.**

(a) REPEAL OF CERTAIN PROVISIONS ADDED BY THE BALANCED BUDGET ACT OF 1997.—

(1) IN GENERAL.—The following provisions of section 903 of the Social Security Act (42 U.S.C. 1103) are repealed:

(A) Paragraph (3) of subsection (a).

(B) The last sentence of subsection (c)(2).

(2) SAVINGS PROVISION.—Any amounts transferred before the date of enactment of this Act under the provision repealed by paragraph (1)(A) shall remain subject to section 903 of the Social Security Act, as last in effect before such date of enactment.

(b) SPECIAL TRANSFER IN FISCAL YEAR 2002.—Section 903 of the Social Security Act is amended by adding at the end the following:

''Special Transfer in Fiscal Year 2002

''(d)(1) The Secretary of the Treasury shall transfer (as of the date determined under paragraph (5)) from the Federal unemployment account to the account of each State in the Unemployment Trust Fund the amount determined with respect to such State under paragraph (2).

''(2)(A) The amount to be transferred under this subsection to a State account shall (as determined by the Secretary of Labor and certified by such Secretary to the Secretary of the Treasury) be equal to—

''(i) the amount which would have been required to have been transferred under this section to such account at the beginning of fiscal year 2002 if—

''(I) section 609(a)(1) of the Temporary Extended Unemployment Compensation Act of 2002 had been enacted before the close of fiscal year 2001, and

''(II) section 5402 of Public Law 105–33 (relating to increase in Federal unemployment account ceiling) had not been enacted,

minus

''(ii) the amount which was in fact transferred under this section to such account at the beginning of fiscal year 2002.

''(B) Notwithstanding the provisions of subparagraph (A)—

''(i) the aggregate amount transferred to the States under this subsection may not exceed a total of $8,000,000,000; and

''(ii) all amounts determined under subparagraph (A) shall be reduced ratably, if and to the extent necessary in order to comply with the limitation under clause (i).

''(3)(A) Except as provided in paragraph (4), amounts transferred to a State account pursuant to this subsection may be used only in the payment of cash benefits—

''(i) to individuals with respect to their unemployment, and

''(ii) which are allowable under subparagraph (B) or (C).

''(B)(i) At the option of the State, cash benefits under this paragraph may include amounts which shall be payable as—

''(I) regular compensation, or

''(II) additional compensation, upon the exhaustion of any temporary extended unemployment compensation (if such State has entered into an agreement under the Temporary Extended Unemployment Compensation Act of 2002), for individuals eligible for regular compensation under the unemployment compensation law of such State.

''(ii) Any additional compensation under clause (i) may not be taken into account for purposes of any determination relating to the amount of any extended compensation for which an individual might be eligible.

''(C)(i) At the option of the State, cash benefits under this paragraph may include amounts which shall be payable to 1 or more categories of individuals not otherwise eligible for regular compensation under the unemployment compensation law of such State, including those described in clause (iii).

''(ii) The benefits paid under this subparagraph to any individual may not, for any period of unemployment, exceed the maximum amount of regular compensation authorized under the unemployment compensation law of such State for that same period, plus any additional compensation (described in subparagraph (B)(i)) which could have been paid with respect to that amount.

''(iii) The categories of individuals described in this clause include the following:

''(I) Individuals who are seeking, or available for, only part-time (and not full-time) work.

''(II) Individuals who would be eligible for regular compensation under the unemployment compensation law of such State under an alternative base period.

''(D) Amounts transferred to a State account under this subsection may be used in the payment of cash benefits to individuals only for weeks of unemployment beginning after the date of enactment of this subsection.

''(4) Amounts transferred to a State account under this subsection may be used for the administration of its unemployment compensation law and public employment offices (including in connection with benefits described in paragraph (3) and any recipients thereof), subject to the same conditions as set forth in subsection (c)(2) (excluding subparagraph (B) thereof, and deeming the reference to 'subsections (a) and (b)' in subparagraph (D) thereof to include this subsection).

''(5) Transfers under this subsection shall be made within 10 days after the date of enactment of this paragraph.''

(c) LIMITATIONS ON TRANSFERS.—Section 903(b) of the Social Security Act shall apply to transfers under section 903(d) of such Act (as amended by this section). For purposes of the preceding sentence, such section 903(b) shall be deemed to be amended as follows:

(1) By substituting ''the transfer date described in subsection (d)(5)'' for ''October 1 of any fiscal year''.

(2) By substituting ''remain in the Federal unemployment account'' for ''be transferred to the Federal unemployment account as of the beginning of such October 1''.

(3) By substituting ''fiscal year 2002 (after the transfer date described in subsection (d)(5))'' for ''the fiscal year beginning on such October 1''.

(4) By substituting ''under subsection (d)'' for ''as of October 1 of such fiscal year''.

(5) By substituting ''(as of the close of fiscal year 2002)'' for ''(as of the close of such fiscal year)''.

(d) TECHNICAL AMENDMENTS.—(1) Sections 3304(a)(4)(B) and 3306(f)(2) of the Internal Revenue Code of 1986 are amended by inserting ''or 903(d)(4)'' before ''of the Social Security Act''.

(2) Section 303(a)(5) of the Social Security Act is amended in the second proviso by inserting ''or 903(d)(4)'' after ''903(c)(2)''.

(e) REGULATIONS.—The Secretary of Labor may prescribe any operating instructions or regulations necessary to carry out this section and the amendments made by this section.

**TITLE VII—DISPLACED WORKER HEALTH INSURANCE CREDIT**

**SEC. 701. DISPLACED WORKER HEALTH INSURANCE CREDIT.**

(a) IN GENERAL.—Subchapter B of chapter 65 is amended by inserting after section 6428 the following new section:

**"SEC. 6429. DISPLACED WORKER HEALTH INSURANCE CREDIT.**

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by subtitle A an amount equal to 60 percent of the amount paid during the taxable year for coverage for the taxpayer, the taxpayer's spouse, and dependents of the taxpayer under qualified health insurance during eligible coverage months.

''(b) ONLY 12 ELIGIBLE COVERAGE MONTHS.—The number of eligible coverage months taken into account under subsection (a) for all taxable years shall not exceed 12.

''(c) ELIGIBLE COVERAGE MONTH.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible coverage month' means any month during 2002 or 2003 if, as of the first day of such month—

''(A) the taxpayer is unemployed,

''(B) the taxpayer is covered by qualified health insurance,

''(C) the premium for coverage under such insurance for such month is paid by the taxpayer, and

''(D) the taxpayer does not have other specified coverage.

''(2) SPECIAL RULES.—

''(A) TREATMENT OF FIRST MONTH OF EMPLOYMENT.—The taxpayer shall be treated as meeting the requirement of paragraph (1)(A) for the first month beginning on or after the date that the taxpayer ceases to be unemployed by reason of beginning work for an employer.

''(B) INITIAL CLAIM MUST BE AFTER MARCH 15, 2001.—The taxpayer shall not be treated as meeting the requirement of paragraph (1)(A) with respect to any unemployment if the initial claim for regular compensation for such unemployment is filed on or before March 15, 2001.

''(C) JOINT RETURNS.—In the case of a joint return, the requirements of paragraph (1) shall be treated as met if at least 1 spouse satisfies such requirements.

''(3) OTHER SPECIFIED COVERAGE.—For purposes of this subsection, an individual has other specified coverage for any month if, as of the first day of such month—

''(A) SUBSIDIZED COVERAGE.—

''(i) IN GENERAL.—Such individual is covered under any qualified health insurance under which at least 50 percent of the cost of coverage (determined under section 4980B) is paid or incurred by an employer (or former employer) of the taxpayer or the taxpayer's spouse.

''(ii) TREATMENT OF CAFETERIA PLANS AND FLEXIBLE SPENDING ACCOUNTS.—For purposes of clause (i), the cost of benefits—

''(I) which are chosen under a cafeteria plan (as defined in section 125(d)), or provided under a flexible spending or similar arrangement, of such an employer, and

''(II) which are not includible in gross income under section 106,

shall be treated as borne by such employer.

''(B) COVERAGE UNDER MEDICARE, MEDICAID, OR SCHIP.—Such individual—

''(i) is entitled to benefits under part A of title XVIII of the Social Security Act or is enrolled under part B of such title, or

''(ii) is enrolled in the program under title XIX or XXI of such Act.

''(C) CERTAIN OTHER COVERAGE.—Such individual—

''(i) is enrolled in a health benefits plan under chapter 89 of title 5, United States Code, or

''(ii) is entitled to receive benefits under chapter 55 of title 10, United States Code.

''(4) DETERMINATION OF UNEMPLOYMENT.—For purposes of paragraph (1), an individual shall be treated as unemployed during any period—

''(A) for which such individual is receiving unemployment compensation (as defined in section 85(b)), or

''(B) for which such individual is certified by a State agency (or by any other entity designated by the Secretary) as otherwise being entitled to receive unemployment compensation (as so defined) but for—

''(i) the termination of the period during which such compensation was payable, or

''(ii) an exhaustion of such individual's rights to such compensation.

''(d) QUALIFIED HEALTH INSURANCE.—For purposes of this section, the term 'qualified health insurance' means insurance which constitutes medical care; except that such term shall not include any insurance if substantially all of its coverage is of excepted benefits described in section 9832(c).

''(e) COORDINATION WITH ADVANCE PAYMENTS OF CREDIT.—

''(1) RECAPTURE OF EXCESS ADVANCE PAYMENTS.—If any payment is made by the Secretary under section 7527 during any calendar year to a provider of qualified health insurance for an individual, then the tax imposed by this chapter for the individual's last taxable year beginning in such calendar year shall be increased by the aggregate amount of such payments.

''(2) RECONCILIATION OF PAYMENTS ADVANCED AND CREDIT ALLOWED.—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit (other than the credit allowed by subsection (a)) allowable under part IV of subchapter A of chapter 1.

''(f) SPECIAL RULES.—

''(1) COORDINATION WITH OTHER DEDUCTIONS.—Amounts taken into account under subsection (a) shall not be taken into account in determining any deduction allowed under section 162(l) or 213.

''(2) MSA DISTRIBUTIONS.—Amounts distributed from an Archer MSA (as defined in section 220(d)) shall not be taken into account under subsection (a).

''(3) DENIAL OF CREDIT TO DEPENDENTS.—No credit shall be allowed under this section to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

''(4) CREDIT TREATED AS REFUNDABLE CREDIT.—For purposes of this title, the credit allowed under this section shall be treated as a credit allowable under subpart C of part IV of subchapter A of chapter 1.

''(5) REGULATIONS.—The Secretary may prescribe such regulations and other guidance as may be necessary or appropriate to carry out this section and section 7527.''.

(b) INCREASED ACCESS TO HEALTH INSURANCE FOR INDIVIDUALS ELIGIBLE FOR TAX CREDIT THROUGH USE OF GUARANTEED ISSUE, QUALIFIED HIGH RISK POOLS, AND OTHER APPROPRIATE STATE MECHANISMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, in applying section 2741 of the Public Health Service Act (42 U.S.C. 300gg–41)) and any alternative State mechanism under section 2744 of such Act (42 U.S.C.300gg–44)), in determining who is an eligible individual (as defined in section 2741(b) of such Act) in the case of an individual who may be covered by insurance for which credit is allowable under section 6429 of the Internal Revenue Code of 1986 for an eligible coverage month, if the individual seeks to obtain health insurance coverage under such section during an eligible coverage month under such section—

(A) paragraph (1) of such section 2741(b) shall be applied as if any reference to 18 months is deemed a reference to 12 months, and

(B) paragraphs (4) and (5) of such section 2741(b) shall not apply.

(2) PROMOTION OF STATE HIGH RISK POOLS.—Title XXVII of the Public Health Service Act is amended by inserting after section 2744 the following new section:

**"SEC. 2745. PROMOTION OF QUALIFIED HIGH RISK POOLS.**

''(a) SEED GRANTS TO STATES.—The Secretary shall provide from the funds appropriated under subsection (c)(1) a grant of up to $1,000,000 to each State that has not created a qualified high risk pool as of the date of the enactment of this section for the State's costs of creation and initial operation of such a pool.

''(b) MATCHING FUNDS FOR OPERATION OF POOLS.—

''(1) IN GENERAL.—In the case of a State that has established a qualified high risk pool that restricts premiums charged under the pool to no more than 150 percent of the premium for applicable standard risk rates and that offers a choice of two or more coverage options through the pool, from the funds appropriated under subsection (c)(2) and allotted to the State under paragraph (2), the Secretary shall provide a grant of up to 50 percent of the losses incurred by the State in connection with the operation of the pool.

''(2) ALLOTMENT.—The amounts appropriated under subsection (c)(2) for a fiscal year shall be made available to the States in accordance with a formula that is based upon the number of uninsured individuals in the States.

''(3) CONSTRUCTION.—Nothing in this subsection shall be construed as preventing a State from supplementing the funds made available under this subsection for the support and operation of qualified high risk pools.

''(c) FUNDING.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated—

''(1) $20,000,000 for fiscal year 2002 to carry out subsection (a); and

''(2) $40,000,000 for each of fiscal years 2002 and 2003.

Funds appropriated under this subsection for a fiscal year shall remain available for obligation through the end of the following fiscal year. Nothing in this section shall be construed as providing a State with an entitlement to a grant under this section.

''(d) QUALIFIED HIGH RISK POOL AND STATE DEFINED.—For purposes of this section, the term 'qualified high risk pool' has the meaning given such term in section 2744(c)(2) and the term 'State' means any of the 50 States and the District of Columbia.''.

(3) CONSTRUCTION.—Nothing in this subsection shall be construed as affecting the ability of a State to use mechanisms, described in sections 2741(c) and 2744 of the Public Health Service Act, as an alternative to applying the guaranteed availability provisions of section 2741(a) of such Act.

(c) INFORMATION REPORTING.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by inserting after section 6050S the following new section:

**"SEC. 6050T. RETURNS RELATING TO DISPLACED WORKER HEALTH INSURANCE CREDIT.**

''(a) REQUIREMENT OF REPORTING.—Every person—

''(1) who, in connection with a trade or business conducted by such person, receives

payments during any calendar year from any individual for coverage of such individual or any other individual under qualified health insurance (as defined in section 6429(d)), and

''(2) who claims a reimbursement for an advance credit amount,

shall, at such time as the Secretary may prescribe, make the return described in subsection (b) with respect to each individual from whom such payments were received or for whom such a reimbursement is claimed.

''(b) FORM AND MANNER OF RETURNS.—A return is described in this subsection if such return—

''(1) is in such form as the Secretary may prescribe, and

''(2) contains—

''(A) the name, address, and TIN of each individual referred to in subsection (a),

''(B) the aggregate of the advance credit amounts provided to such individual and for which reimbursement is claimed,

''(C) the number of months for which such advance credit amounts are so provided, and

''(D) such other information as the Secretary may prescribe.

''(c) STATEMENTS TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under subsection (a) shall furnish to each individual whose name is required to be set forth in such return a written statement showing—

''(1) the name and address of the person required to make such return and the phone number of the information contact for such person, and

''(2) the information required to be shown on the return with respect to such individual.

The written statement required under the preceding sentence shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) is required to be made.

''(d) ADVANCE CREDIT AMOUNT.—For purposes of this section, the term 'advance credit amount' means an amount for which the person can claim a reimbursement pursuant to a program established by the Secretary under section 7527.''

(2) ASSESSABLE PENALTIES.—

(A) Subparagraph (B) of section 6724(d)(1) (relating to definitions) is amended by redesignating clauses (xi) through (xvii) as clauses (xii) through (xviii), respectively, and by inserting after clause (x) the following new clause:

''(xi) section 6050T (relating to returns relating to displaced worker health insurance credit),''.

(B) Paragraph (2) of section 6724(d) is amended by striking ''or'' at the end of subparagraph (Z), by striking the period at the end of subparagraph (AA) and inserting '', or'', and by adding after subparagraph (AA) the following new subparagraph:

''(BB) section 6050T (relating to returns relating to displaced worker health insurance credit).''

(3) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6050S the following new item:

''Sec. 6050T. Returns relating to displaced worker health insurance credit.''

(d) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period '', or from section 6429 of such Code''.

(2) The table of sections for subchapter B of chapter 65 is amended by adding at the end the following new item:

''Sec. 6429. Displaced worker health insurance credit.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

**SEC. 702. ADVANCE PAYMENT OF DISPLACED WORKER HEALTH INSURANCE CREDIT.**

(a) IN GENERAL.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

**''SEC. 7527. ADVANCE PAYMENT OF DISPLACED WORKER HEALTH INSURANCE CREDIT.**

''(a) GENERAL RULE.—The Secretary shall establish a program for making payments on behalf of eligible individuals to providers of health insurance for such individuals.

''(b) ELIGIBLE INDIVIDUAL.—For purposes of this section, the term 'eligible individual' means any individual for whom a qualified health insurance credit eligibility certificate is in effect.

''(c) QUALIFIED HEALTH INSURANCE CREDIT ELIGIBILITY CERTIFICATE.—For purposes of this section, a qualified health insurance credit eligibility certificate is a statement certified by a State agency (or by any other entity designated by the Secretary) which—

''(1) certifies that the individual was unemployed (within the meaning of section 6429) as of the first day of any month, and

''(2) provides such other information as the Secretary may require for purposes of this section.''

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end the following new item:

''Sec. 7527. Advance payment of displaced worker health insurance credit.''

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

## TITLE VIII—EMPLOYMENT AND TRAINING ASSISTANCE AND TEMPORARY HEALTH CARE COVERAGE ASSISTANCE

**SEC. 801. EMPLOYMENT AND TRAINING ASSISTANCE AND TEMPORARY HEALTH CARE COVERAGE ASSISTANCE.**

(a) IN GENERAL.—Section 173(a) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(a)) is amended—

(1) in paragraph (2), by striking ''and'' at the end;

(2) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(4) to the Governor of any State or outlying area who applies for assistance under subsection (f) to provide employment and training assistance and temporary health care coverage assistance to workers affected by major economic dislocations, such as plant closures, mass layoffs, or multiple layoffs, including those dislocations caused by the terrorist attacks of September 11, 2001.''.

(b) REQUIREMENTS.—Section 173 of the Workforce Investment Act of 1998 (29 U.S.C. 2918) is amended by adding at the end the following:

''(f) ADDITIONAL RELIEF FOR MAJOR ECONOMIC DISLOCATIONS.—

''(1) GRANT RECIPIENT ELIGIBILITY.—

''(A) IN GENERAL.—To be eligible to receive a grant under subsection (a)(4), a Governor shall submit an application, for assistance described in subparagraph (B), to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(B) TYPES OF ASSISTANCE.—

''(i) IN GENERAL.—Assistance described in this subparagraph is—

''(I) employment and training assistance, including employment and training activities described in section 134; and

''(II) temporary health care coverage assistance described in paragraph (4).

''(ii) MINIMUM ALLOCATION TO TEMPORARY HEALTH CARE COVERAGE ASSISTANCE.—Not less than 30 percent of the cost of assistance requested in any application submitted under this subsection shall consist of the cost for temporary health care coverage assistance described in paragraph (4).

''(iii) ENCOURAGEMENT OF CERTAIN TYPES OF HEALTH CARE COVERAGE.—In publishing requirements for applications under this subsection, the Secretary shall encourage the use of private health coverage alternatives.

''(C) MINIMUM AWARD REQUIREMENT FOR ELIGIBLE STATES AND OUTLYING AREAS.—

''(i) REQUIREMENTS.—In any case in which the requirements of this section are met in connection with one or more applications of the Governor of any State or outlying area for assistance described in subparagraph (B), the Governor—

''(I) shall be awarded at least 1 grant under subsection (a)(4) pursuant to such applications, and

''(II) except as provided in clause (ii), shall be awarded not less than $5,000,000 in total grants awarded under (a)(4).

''(ii) EXCEPTION TO MINIMUM GRANT REQUIREMENTS.—The Secretary may award to a Governor a total amount less than the minimum total amount specified in clause (i)(II), as appropriate, if the Governor—

''(I) requests less than such minimum total amount, or

''(II) fails to demonstrate to the Secretary that there are a sufficient number of eligible recipients to justify the awarding of grants in such minimum total amount.

''(2) STATE ADMINISTRATION.—The Governor may designate one or more local workforce investment boards or other entities with the capability to respond to the circumstances relating to the particular closure, layoff, or other dislocation to administer the grant under subsection (a)(4).

''(3) PARTICIPANT ELIGIBILITY.—An individual shall be eligible to receive assistance described in paragraph (1)(B) under a grant awarded under subsection (a)(4) if such individual is a dislocated worker and the Governor has certified that a major economic dislocation, such as a plant closure, mass layoff, or multiple layoff, including a dislocation caused by the terrorist attacks of September 11, 2001, contributed importantly to the dislocation.

''(4) TEMPORARY HEALTH CARE COVERAGE ASSISTANCE.—

''(A) IN GENERAL.—Temporary health care coverage assistance described in this paragraph consists of health care coverage premium assistance provided to qualified individuals under this paragraph with respect to premiums for coverage for themselves, for their spouses, for their dependents, or for any combination thereof, other than premiums for excluded health insurance coverage.

''(B) QUALIFIED INDIVIDUALS.—For purposes of this paragraph—

''(i) IN GENERAL.—Subject to clause (ii), a qualified individual is an individual who—

''(I) is a dislocated worker referred to in paragraph (3) with respect to whom the Governor has made the certification regarding the dislocation as required under such paragraph, and

''(II) is receiving or has received employment and training assistance as described in paragraph (1)(B)(i)(I).

''(ii) LIMITATION.—An individual shall not be treated as a qualified individual if—

''(I) such individual is eligible for coverage under the program under title XIX of the Social Security Act applicable in the State or outlying area, or

''(II) such individual is eligible for coverage under the program under title XXI of such Act applicable in the State or outlying area,

unless such eligibility is effective solely in connection with eligibility for health care coverage premium assistance under a program established by the Governor in connection with temporary health care coverage assistance received under this subsection.

''(iii) CONSTRUCTION.—

''(I) PERMITTING COVERAGE THROUGH ENROLLMENT IN MEDICAID OR SCHIP.—Nothing in this subsection shall be construed as preventing a State from using funds made available by reason of subsection (a)(4) to provide health care coverage through enrollment in the program under title XIX (relating to medicaid) or in the program under title XXI (relating to SCHIP) of the Social Security Act, but only in the case of individuals who are not otherwise eligible for coverage under either such program.

''(II) NOT AFFECTING ELIGIBILITY FOR ASSISTANCE.—An individual shall not be treated for purposes of this subsection as being eligible for coverage under either such program (and thereby not eligible for assistance under this subsection) merely on the basis that the State provides assistance under this subsection through coverage under either such program.

''(C) LIMITATION ON ENTITLEMENT.—Nothing in this subsection shall be construed as establishing any entitlement of qualified individuals to premium assistance under this subsection.

''(D) CONCURRENCE AND CONSULTATION.—In connection with any temporary health care coverage assistance provided pursuant to this paragraph—

''(i) if the Secretary determines that health care coverage premium assistance provided through title XIX or XXI of the Social Security Act is a substantial component of the assistance provided, the Secretary shall act in concurrence with the Secretary of Health and Human Services, and

''(ii) in any other case, the Secretary shall consult with the Secretary of Health and Human Services to the extent that such assistance affects programs administered by or under the Secretary of Health and Human Services.

''(E) USE OF FUNDS.—Temporary health care coverage assistance provided pursuant to this subsection shall supplement and may not supplant any other State or local funds used to provide health care coverage and may not be included in determining the amount of non-Federal contributions required under any program.

''(F) DEFINITIONS.—For purposes of this paragraph—

''(i) EXCLUDED HEALTH CARE COVERAGE.—The term 'excluded health care coverage' means coverage under—

''(I) title XVIII of the Social Security Act,

''(II) chapter 55 of title 10, United States Code,

''(III) chapter 17 of title 38, United States Code,

''(IV) chapter 89 of title 5, United States Code (other than coverage which is comparable to continuation coverage under section 4980B of the Internal Revenue Code of 1986), or

''(V) the Indian Health Care Improvement Act.

Such term also includes coverage under a qualified long-term care insurance contract and excepted benefits described in section 733(c) of the Employee Retirement Income Security Act of 1974.

''(ii) PREMIUM.—The term 'premium' means, in connection with health care coverage, the premium which would (but for this section) be charged for the cost of coverage.

''(5) APPROPRIATIONS.—

''(A) IN GENERAL.—There is hereby appropriated, from any amounts in the Treasury not otherwise appropriated, $3,900,000,000 for the period consisting of fiscal years 2002, 2003, and 2004 for the award of grants under subsection (a)(4) in accordance with this section.

''(B) AVAILABILITY.—Amounts appropriated pursuant to subparagraph (A) for each fiscal year—

''(i) are in addition to amounts made available under section 132(a)(2)(A) or any other provision of law to carry out this section; and

''(ii) notwithstanding section 189(g)(1), shall remain available for obligation by the Secretary from the date of the enactment of this subsection through each succeeding fiscal year, except that, notwithstanding section 189(g)(2), no funds are hereby available for expenditure after June 30, 2004.''.

## TITLE IX—TEMPORARY STATE HEALTH CARE ASSISTANCE

### SEC. 901. TEMPORARY STATE HEALTH CARE ASSISTANCE.

(a) IN GENERAL.—Title XXI of the Social Security Act is amended by adding at the end the following new section:

### ''SEC. 2111. TEMPORARY STATE HEALTH CARE ASSISTANCE.

''(a) IN GENERAL.—For the purpose of providing allotments to States under this section, there are hereby appropriated, out of any funds in the Treasury not otherwise appropriated, $4,599,667,448. Such funds shall be available for expenditure by the State through the end of 2002. This section constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide for the payment to States of amounts provided under this section.

''(b) ALLOTMENT.—Funds appropriated under subsection (a) shall be allotted by the Secretary among the States in accordance with the following table:

| ''State | Allotment (in dollars) |
|---|---|
| Alabama | 50,746,770 |
| Alaska | 31,934,026 |
| Arizona | 68,594,677 |
| Arkansas | 38,203,601 |
| California | 482,591,746 |
| Colorado | 37,469,775 |
| Connecticut | 60,039,005 |
| Delaware | 10,355,807 |
| District of Columbia | 18,321,834 |
| Florida | 164,619,369 |
| Georgia | 118,754,564 |
| Hawaii | 12,827,163 |
| Idaho | 13,031,700 |
| Illinois | 175,505,956 |
| Indiana | 66,067,368 |
| Iowa | 31,521,201 |
| Kansas | 27,288,967 |
| Kentucky | 82,759,133 |
| Louisiana | 83,907,301 |
| Maine | 22,650,838 |
| Maryland | 60,347,066 |
| Massachusetts | 121,971,140 |
| Michigan | 156,479,213 |
| Minnesota | 113,966,453 |
| Mississippi | 55,335,225 |
| Missouri | 74,675,436 |
| Montana | 10,224,652 |
| Nebraska | 31,582,786 |
| Nevada | 14,695,973 |
| New Hampshire | 15,482,962 |
| New Jersey | 115,880,093 |
| New Mexico | 39,204,714 |
| New York | 573,999,663 |
| North Carolina | 189,333,723 |
| North Dakota | 8,915,675 |
| Ohio | 166,006,936 |
| Oklahoma | 48,914,626 |
| Oregon | 71,160,353 |
| Pennsylvania | 227,183,255 |
| Rhode Island | 45,001,680 |
| South Carolina | 94,789,740 |
| South Dakota | 19,951,788 |
| Tennessee | 102,845,128 |
| Texas | 289,526,532 |
| Utah | 30,860,915 |
| Vermont | 10,291,090 |
| Virginia | 67,232,217 |
| Washington | 110,377,264 |
| West Virginia | 31,120,804 |
| Wisconsin | 93,089,086 |
| Wyoming | 12,030,459 |

''(c) USE OF FUNDS.—

''(1) IN GENERAL.—Funds appropriated under this section may be used by a State only to provide health care items and services (other than types of items and services for which Federal financial participation is prohibited under this title or title XIX).

''(2) LIMITATION.—Funds so appropriated may not be used to match other Federal expenditures or in any other manner that results in the expenditure of Federal funds in excess of the amounts provided under this section.

''(d) PAYMENT TO STATES.—Funds made available under this section shall be paid to the States in a form and manner and time specified by the Secretary, based upon the submission of such information as the Secretary may require. There is no requirement for the expenditure of any State funds in order to qualify for receipt of funds under this section. The previous sections of this title shall not apply with respect to funds provided under this section.

''(e) DEFINITION.—For purposes of this section, the term 'State' means the 50 States and the District of Columbia.''.

(b) REPEAL.—Effective as of January 1, 2003, section 2111 of the Social Security Act, as inserted by subsection (a), is repealed.

## TITLE X—SOCIAL SECURITY HELD HARMLESS; BUDGETARY TREATMENT OF ACT

### SEC. 1001. NO IMPACT ON SOCIAL SECURITY TRUST FUNDS.

(a) IN GENERAL.—Nothing in this Act (or an amendment made by this Act) shall be construed to alter or amend title II of the Social Security Act (or any regulation promulgated under that Act).

(b) TRANSFERS.—

(1) ESTIMATE OF SECRETARY.—The Secretary of the Treasury shall annually estimate the impact that the enactment of this Act has on the income and balances of the trust funds established under section 201 of the Social Security Act (42 U.S.C. 401).

(2) TRANSFER OF FUNDS.—If, under paragraph (1), the Secretary of the Treasury estimates that the enactment of this Act has a negative impact on the income and balances of the trust funds established under section 201 of the Social Security Act (42 U.S.C. 401), the Secretary shall transfer, not less frequently than quarterly, from the general revenues of the Federal Government an amount sufficient so as to ensure that the income and balances of such trust funds are not reduced as a result of the enactment of this Act.

### SEC. 1002. EMERGENCY DESIGNATION.

Congress designates as emergency requirements pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 the following amounts:

(1) An amount equal to the amount by which revenues are reduced by this Act below the recommended levels of Federal revenues for fiscal year 2002, the total of fiscal years 2002 through 2006, and the total of fiscal years 2002 through 2011, provided in the conference report accompanying H. Con. Res. 83, the concurrent resolution on the budget for fiscal year 2002.

(2) Amounts equal to the amounts of new budget authority and outlays provided in this Act in excess of the allocations under section 302(a) of the Congressional Budget Act of 1974 to the Committee on Finance of the Senate for fiscal year 2002, the total of fiscal years 2002 through 2006, and the total of fiscal years 2002 through 2011.

In lieu of the matter proposed to be inserted by the amendment of the Senate to the title of the bill, insert the following:

To provide tax incentives for economic recovery and assistance to displaced workers.

The SPEAKER pro tempore. Pursuant to House Resolution 347, the gentleman from California (Mr. THOMAS) and the gentleman from California (Mr. MATSUI) each will control 30 minutes.

The Chair recognizes the gentleman from California (Mr. THOMAS).

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

It was not too long ago that we all gathered on the floor of the House and listened to President Bush on his State of the Union message. It was a remarkable speech because it was interrupted by a number of standing applauses for the statements that the President made.

One of those that I listened carefully to was one that elicited a significant amount of response. It was when he talked about his economic recovery program. He said, ''I can explain it in one word: jobs.'' When we talk about economic recovery, we have got to talk about the job-creating machines in this country called business.

What we have in front of us today, Mr. Speaker, is an economic security and worker assistance act. Because frankly, during this recession, with the complications added by September 11, the fact is that we do not have enough jobs and we have people without jobs.

We are going to hear a discussion on the floor today about the fact that we should simply allow the Senate to do our thinking for us; that whatever is the common denominator that can get out of the Senate should be what it is that we accept over here in the House.

I think one of the things that we have to focus on is the fact that the President indicated, given his program, there will be a year or two in which the budget is not in balance; but in following his program, we will return to surpluses. There is a fairly easy explanation for those who do not get it. It goes something like this: if people do not have jobs, they do not pay much in taxes. The government gets its revenue from taxes, and then we get less in than we anticipated. We went from a surplus; we are moving to a deficit. If we have a program which creates jobs, people then are paying taxes, the government's revenue goes up, and we move from a deficit to a surplus. And what we have in front of us is a program to create more jobs.

It helps those who are in need. It assists in consumer demand; $13.7 billion, as the President has outlined available for those individuals at the lower end of the economic spectrum. No one believes that they will not consume that money provided to them. That alone provides a modest economic stimulus.

We talked about a very popular provision which is included in this package encouraging businesses to buy equipment now and not tomorrow. It is called the 30 percent expensing, and it encourages decisions that may be made later to be made today, so that the economic effect occurs now and not later. That is a pretty good definition of a stimulus.

But it does more than that. When workers are unemployed, oftentimes they lose their health insurance benefits. This package addresses those who are unemployed by saying, we want to end the political football of unemployment insurance between the House and the Senate. If this becomes law, the tug of war is over, because we have provided the innovative structure which says the President's new trigger for assistance, not the statutory 5 percent unemployment rate in States, but the President's suggested 4 percent trigger should be utilized as a determiner of whether or not a State gets 13 weeks additional unemployment assistance. Every State would get the first 13 weeks. But if this becomes law, the trigger would determine whether a State would get an additional 13 weeks of assistance, based upon its unemployment rate; and then, after that 13 weeks, if the State still had high unemployment, it would trigger an additional 13 weeks and so on. We could resolve the unemployment issue for the rest of calendar year 2002 by moving this legislation.

In addition to that, I hope people have not forgotten the commitment to assist the City of New York. They took it on the chin for all Americans. In this bill is the ''liberty provision'' to assist in the rebuilding of downtown Manhattan. That is a promise that we made. This bill will be a promise that we deliver.

It seems to me that when someone decides that someone else ought to do the thinking for us, we have given up on trying to be creative and responsive. This bill is different than the one that we sent to the Senate in October; it is different than the one that we sent the Senate in December. It is different in positive ways. It helps more people, more meaningfully, and it ought to be passed.

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

Mr. MATSUI. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I just have to say that I am not sure if the gentleman and I are reading from the same bill, because he talks about stimulating the economy; but as I read these tax provisions for corporations, that is not what this does. He has a provision in there that would eliminate the alternative minimum tax, not for individuals, but for corporations. As the Congressional Budget Office has said, this helps corporations from their past activities, it does not stimulate the economy.

There is a provision in there that encourages corporations to keep their earnings overseas and not invest in the United States. That costs about $13 billion or $14 billion over the next 10 years. That does nothing to stimulate the economy. In fact, it works in the opposite direction.

The tax provisions in this particular bill do very little to stimulate the economy of the United States. In fact, they are really corporate handouts as a result of a commitment made to the U.S. Chamber of Commerce last year when the chamber decided not to put corporate tax breaks on their individual tax cut bill. So what they are doing is using as a bootstrap the unemployment benefits, aid to New York in order to get these corporate tax breaks. In fact, the corporate tax breaks and the acceleration of the 28 percent rate, which helps basically the higher-income people, is about two-thirds of the $175 billion in tax cuts over the next 10 years.

The real tragedy is the Senate, the other body, passed their bill to give an additional 13 weeks' unemployment benefits to the American unemployed unanimously. Democrats and Republicans alike worked together to do this.

Think about this for a minute. There are 8 million people unemployed today; there are a million that have lost their benefits since September 11, and in the next 6 months there will be another 2 million. They are losing them at a rate of 77,000 a year. The gentleman from California, the Chair of the Committee on Ways and Means, knows that the Senate will not act on this bill. So we are basically telling the unemployed that because of politics, because they want to help their corporate friends, we are not going to be able to help the unemployed in America.

I want to conclude by making one other observation about this, Mr. Speaker. This money, this money that is being used to pay $175 billion worth of corporate tax breaks over the next 10 years comes from the payroll taxes of the average American, the waitress that serves us in the House dining room, the elevator operator that gets us up to the second floor so we can vote. These are the people that the money is coming from. The payroll taxes are paying for corporate tax cuts, mainly because we are now in a deficit. We had $5.6 trillion worth of surpluses. We have eaten them all up. It is gone. At the end of this fiscal year, we are going to have deficit spending.

So this is not a fiscal stimulus bill; this is a bill to help the corporate tax breaks of America.

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

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Missouri (Mr. HULSHOF).

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

Mr. HULSHOF. Mr. Speaker, I continue to be puzzled by this cowering in

the shadow of the other body. Last night we heard that we could not try to make some genuine changes to campaign finance reform because we might somehow fall out of favor with the other body. Mr. Speaker, have we relinquished our constitutional authority over to unanimous consent requests?

I think what I would like to say, first of all, is to set the record straight on the AMT, on the alternative minimum tax. This bill, just like the one in December, does not repeal the alternative minimum tax that corporations must pay. We do, however, make some crucial reforms in the AMT to maximize the impact of, for instance, the bonus depreciation investment incentives.

Let me just talk about a real-life story to the gentleman from California who says that this stimulus bill would just help corporations. Recently the St. Louis business community was sent reeling with news that Ford announced a closure of a plant in Hazelwood, Missouri. About 3,000 workers' jobs are now in peril, not to mention the surrounding community, and not to mention the surrounding businesses that depend upon those workers to stay in business.

A handful of political leaders, including the Democratic leader, journeyed to Detroit to meet with corporate headquarters to try to convince the automaker not to shut down this worthwhile plant in St. Louis. What if? And I do not have the answer to this, Mr. Speaker. It is a rhetorical question. What if we had passed this economic stimulus bill last fall? What if we had provided some real relief, this penalty and this counter-cyclical punishment of corporations that have to face this alternative minimum tax? What if we had been able to provide that economic help back last fall or even as far back as December? Would those workers, those 3,000 auto workers' jobs still be in jeopardy?

Again, I do not have the answer to that; but to me, as we debate this, inaction continues to be not an option.

Mr. Speaker, I urge passage of this bill.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, this is a very easy issue for people to understand. If we concur in the Senate amendments, we send a bill to the President today extending unemployment insurance for 13 weeks for the people who have exhausted their benefits.

Mr. Speaker, there are currently 8 million people who are unemployed looking for work in this country. If we pass the motion that is suggested by the chairman of the committee, we will get nothing done. Nothing will occur. It is the same old bill that we tried to do once before, twice before. The only thing certain is that we are going to go home for the Presidents' Day recess and it will be 2 weeks before we are really back here doing work again; and during that 2 weeks, there is going to be another 150,000 people in this country who will have exhausted their unemployment insurance benefits and cannot find employment. That is what is going to happen.

It is not about the pride of whether we accept what the Senate wants, the other body wants, or whether we have the right to add or subtract to it. That is not what is in question here. The question is whether we are going to hold the displaced workers, those who have lost their jobs, hostage to the Republican tax agenda to cut business taxes.

During the last five recessions, we have been able to work on a bipartisan basis to extend unemployment compensation benefits. We did that without holding it hostage to other agendas in this body. We should do that again.

There are more than 1 million jobless workers who have had their unemployment insurance expire since September 11. The number of workers who have exhausted their regular UI benefits is expected to be 750,000 higher in the first half of 2002 than it was in the first half of 2001. The FUTA taxes, money we have set aside, equal $40 billion for this purpose, so the money is there. Make no mistake about it, we have an option to do something today; and if we do not, the responsibility rests solely with the Republican leadership in this body.

□ 1245

Mr. THOMAS. Mr. Speaker, I yield myself 15 seconds.

It is amazing how swiftly someone can place blame. If, in fact, we did what the gentleman said, there would be no health insurance for displaced workers, no New York assistance, no low-income help, no small business help. It is interesting we are to blame when in December we sent the Senate unemployment and only now it is coming back.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the gentleman for yielding me time.

First of all, I do not understand why my colleagues think going home having extended unemployment 13 weeks is help. Why is it not better to go home and have extended unemployment 13 weeks, put in an automatic trigger so unemployed people cannot be held hostage by the other body if the recession lasts? Why is it not better to go home and provide health benefits for those who are unemployed? The first time in our entire history that we have ever said to the unemployed that health security is just as important as income security when you are unemployed. Why is it that Members think, and I have had Members say to me, well, the New York aid, we will do that later. Do they not understand the other body is not capable of doing it later? They would have done it if they could have done it. Why did they not add it into the extension? It is very important. What about the extenders? My colleagues have all voted for extenders many times. Do Members not care that the welfare-to-work tax credit is going to expire? Do Members not care that the work-opportunities tax credit that helps people coming off of welfare, to get employed, to stay employed, prisoners coming out of prison to get employed and stay employed, are Members not thinking that consistent predictable tax policy protects jobs, reduces the number of unemployed? The provisions in this bill, I could go on and on.

Why, after September 11, do we not want to change the carry-back of losses when we see losses all across the country in certain sector of the economy? Do Members not have any sense of fairness and responsibility? Does not the other body? Why did they send us this? Are they not thinking about people's lives? Do they not care? Do they not care about unemployment compensation, about health benefits for the unemployed, about jobs for the people coming off of welfare?

Get your minds focused. The other body is not capable of action. The only thing they will ever act on is on the extension of unemployment benefits, and it is our job to put in there the essential things, help for New York, certain extenders.

When we look at the tax provision, extension of mental health parity. After all we have talked about mental health benefits? Listen, needless to say, I am heated up. I can only say do not hide behind the alternative minimum tax. We do not even repeal it. What we do to fix it will help individuals as well as businesses.

I know the politics of Enron and the politics of alternative minimum tax. I also know every company that pays those taxes pays them when they are in a downturn and gets them back when they are in an upturn. We know that there is not one new dollar of Federal revenue either lost or gained. So do not distort that issue and hide behind it when the unemployeds' well-being is at stake, when women coming off of welfare will lose their jobs because that tax credit is gone.

I urge Members to think, put on this unemployment comp provision, exactly what we need, so that we can do that in conference and Members can help us in conference. But we cannot let the Senate say compassion and caring is just 13 weeks long.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. QUINN). The Chair would remind all Members in the Chamber to avoid improper references to the Senate.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from the State of Michigan (Mr. LEVIN).

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

Mr. LEVIN. Mr. Speaker, I think the basic point is if people really care they would sit down on a bipartisan basis in this House and try to work out a package. There has been zero effort to do that in this House. Zero.

I favor a stimulus package, but it should not hold up action on unemployment compensation. Five months ago the Speaker stood in this House and promised the House would act on unemployment compensation. The time to keep that promise is long overdue. And as I said, we have had no bipartisan discussions meaningfully in this House on a stimulus package.

We need to work out specific tax provisions. For example, on the acceleration of tax rates, CBO has said that the proposal in this package would generate little stimulus relative to its total revenue loss; that the stimulus is probably small. And as to the AMT, CBO has said eliminating the AMT as done here does little by itself to change the near-term incentive for businesses to invest; its bang for its buck is small. So why not sit down and work out a package on a bipartisan basis? The time has come to do both. To pass unemployment compensation relief today, and then to sit down on a bipartisan basis in the Committee on Ways and Means and work out a stimulus package. That is the way to go.

The way we are going today is a dead end for the workers of this country and for the businesses of this Nation.

Mr. THOMAS. Mr. Speaker, I yield myself 30 seconds.

Once again we have heard those words ''we eliminate alternative minimum tax.'' They just cannot get over it. It is not true and no matter how many times they say it, it will not be true. If the gentleman wants his promise kept, all he has to do is go back and read the trade adjustment assistance tax. What we did, this House passed over to the Senate a provision that said that if someone lost their job based upon September 11, they would be elevated for benefits as though it was related to trade. That promise was kept. It is a problem that Members have such short memories and it does not fit your political agenda. People who lost their jobs because of September 11 have been taken care of in a House-passed bill and the Senate has not done a dang thing about it.

Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. HOUGHTON), a very valued member of the committee, the author of the New York Liberty Bill.

Mr. HOUGHTON. Mr. Speaker, thank the gentleman for yielding me time.

We are going to be talking at cross purposes here as we come from different bases. We have different philosophies. We have set in concrete certain impressions that we got.

I will state how I come out on this thing. I think we have three issues. First of all, the economy is still in trouble. Secondly, people need unemployment insurance, an extension of that; and, thirdly, we have a hole right in the City of New York and we have got to fill it. Now what is not clear is how we go about fixing these things. Members can say the alternative minimum tax is a boondoggle and it does not help economic recovery. But I could say it does. But the important thing is we get investment and people back to work. Now, that is a difficult situation. When times are good, we do not do anything. When times are bad, there is the point when the government has to step in. And frankly, something has to be done. And I do not know whether it will be resolved here or whether it will be resolved in conference. But something has to be done by the United States Government to try to put a little juice and a little impetus back into the economic recovery. If not, we are just going to be languishing and waiting.

Secondly, as far as up employment insurance, I do not think there is any question about it. I think we ought to do it. I do not think there is any argument on it.

As far as the Liberty Zone in New York, the only thing I can comment on there is time is of the importance there. There are a lot of people making decisions about where they will reestablish themselves, what buildings they will go into, and we have 20 million square feet that was destroyed down there. Maybe some of the head offices of the larger financial firms will stay there, but what about the support staff? Time is terribly, terribly important.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from the State of Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, I would say to my friend from New York (Mr. HOUGHTON) if he were the chairman of this committee we would probably have a bill here we could pass. But when we have a situation where the chairman of the committee talks for about 5 minutes about this bill, tells us it will be on the floor tomorrow, we never have a hearing on it, we do not know what is in it, how could we possibly know what is in it? We must have hearings.

Now, this bill for those Members on my side who cannot figure it out, this does two things. This is a fund-raising stimulus bill. That is all it is. They do it just before they go home so they can stimulate fund-raising when they are back in the district. That is why they did it in December when they did it. But also this is a bill for PR. If we do not get this out of here in the next half hour, a lot of those press releases that have already gone out about what we have done for the unemployed will be a little bit premature.

The fact is that if Members wanted to do something about the 8 million people who are unemployed and the 11,000 per day that are going to be exhausting their unemployment insurance and the 2,000,000 that are expected to exhaust their unemployment benefits by the end of the first 6 months, Members would have accepted the Senate bill and do something about it. We all know that 62 percent of the people who are unemployed are not even covered by the unemployment insurance. If they want to make reform in unemployment insurance, we are glad to sit down and talk. But do not wrap it in this stuff and tell us that we have to eat all these fund-raising deals to get it for the unemployed. That is simply DOA. This bill is dead on arrival. It is DOA when it arrives in the other body.

Now, do they want to do something for people who are unemployed or not? It apparently has not occurred to them that if they do something twice and it has not worked, doing it a third time is not going to work. That is a sign of mental illness, that they do the same thing over and over again and expect a different result.

Mr. THOMAS. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. COLLINS), a member of the committee.

Mr. COLLINS. Mr. Speaker, I thank the gentleman for yielding me time.

The more I hear, the better I understand that talk is cheap. I want to remind those who say that the Senate, the other body, is going to accept this as dead on arrival. I also want to remind Members of this: the majority Members of the other body support a stimulus package. It is the supermajority leader who does not and want to have an issue for the fall rather than a solution today. People who are unemployed are not so much interested in a UI check.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman will kindly suspend.

I know the Chair has made this reminder before; but again, all Members are reminded not to make characterizations of Members of the other body and their motives or motivation in enacting legislation.

The gentleman may proceed.

Mr. COLLINS. Mr. Speaker, I could not understand all you said.

The SPEAKER pro tempore. It is inappropriate under the rules of the House during the course of debate for Members to make reference to or characterize the inaction or action of a Member of the other body. The Chair took the gentleman's remarks to do such.

PARLIAMENTARY INQUIRIES

Mr. THOMAS. Mr. Speaker, parliamentary inquiry.

That ruling is one that is made regardless of whether or not the statements made are factual; is that correct?

The SPEAKER pro tempore. The truth is not a defense. The remark is out of order.

Mr. THOMAS. Mr. Speaker, so the truth is not the criteria for determining that you cannot make the statements that the gentleman from Georgia (Mr. COLLINS) made?

The SPEAKER pro tempore. The rule is a matter of bicameral comity. The rules of the House prohibit those references.

Mr. RANGEL. Mr. Speaker, parliamentary inquiry.

Should parliamentary inquires be used by the majority to make political statements rather than to actually make an inquiry?

The SPEAKER pro tempore. Parliamentary inquiry may be directed to the Chair to determine where in the course of the proceedings we are currently located and also to explain rulings the Chair might have made; and that is how the Chair took the gentleman from California's (Mr. THOMAS) observations.

Mr. RANGEL. Mr. Speaker, well, whether the truth or falsity of a statement, if it is a derogatory remark made by a Member in the other body——

Mr. THOMAS. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The Chair will hear from the gentleman from New York (Mr. RANGEL) first.

Mr. THOMAS. Mr. Speaker, is he making a parliamentary inquiry?

The SPEAKER pro tempore. The Chair would ask for order and comity.

If the gentleman has an inquiry, the Chair's happy to hear it.

Mr. RANGEL. Mr. Speaker, my inquiry would be, are you stating the inquiry made in a parliamentary fashion by the gentleman from California (Mr. THOMAS) was not a political statement?

□ 1300

The SPEAKER pro tempore (Mr. LATOURETTE). The Chair tries to take the inquiry propounded by any Member in the best possible light, first of all.

The Chair, second of all, understood the gentleman to ask a question, whether or not a reference to the motivation of a Member in the other body has any relevance to whether it is a true observation or not.

The Chair, taking that in the best possible light, concluded that it was an appropriate inquiry.

Mr. RANGEL. Mr. Speaker, taken in its best possible light, I agree with the Chair.

The SPEAKER pro tempore. The Chair thanks the gentleman.

Does the gentleman from California (Mr. THOMAS) still have an inquiry before we go back to the gentleman from Georgia?

The gentleman from Georgia may resume.

Mr. COLLINS. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentleman may state his inquiry.

Mr. COLLINS. Mr. Speaker, is it proper procedure for me to state that, in my opinion, the statement I made was factual?

The SPEAKER pro tempore. The Chair will again indicate that it is not appropriate, and as we have learned from the inquiry by the gentleman from California (Mr. THOMAS), it is not appropriate to characterize or give characterization to action or nonaction taken in the other body or to ascribe motives to an individual Member of the other body as to why they have acted or not acted in a manner, and the Chair felt that the gentleman's comments tread upon that ground.

Mr. COLLINS. Mr. Speaker, further parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his inquiry.

Mr. COLLINS. Mr. Speaker, in regards to the other body, my statement was then factual to me and to this body. I thank the Chair.

The SPEAKER pro tempore. The Chair does not consider that to be an inquiry. The gentleman may proceed on his time.

Mr. COLLINS. Mr. Speaker, as I was stating, people who are unemployed are more interested in a job even though they know when they do need some subsidy, such jobs are created again or opened back up.

Last year before the Committee on the Budget, the Chairman of the Federal Reserve was asked a question about interest rates: Do you think you've raised interest rates too quick and too high? His answer was: No. What we were trying to do was slow down the capital investments of corporations.

He succeeded because now he states what we need are capital investments of corporations, of business, and we are not talking about just large corporations. We are talking about all corporations.

We see that interest rates have been lowered to a record level in many years, but it is not working. Low interest rates are good for borrowers if someone wants to borrow or if someone wants that cheap money. I tell my colleagues who it is not good for. It is not good for those who have invested in the money market, and I guarantee my colleagues, those people will remember in November what their interest bearing is on their CD and their money market accounts.

So I would advise my colleagues to not drag this thing out again.

How does stimulus relate to the market and the economy? I have been in transportation for over 39 years. Everything at some point moves by truck. Inventories are lower, they are not being replenished because they have been moved out, and people are turning those inventories to cash.

I have seen the ups and downs of the economy. I have also heard a lot about tax credits for creating a job. In 39 years I never hired a person because of a tax credit, but I bought a lot of equipment because of tax deference. There is nothing in this bill that exempts a corporation from tax. It defers a tax so that it encourages them to invest, and it does away with the punishment clause that causes a company to prepay tax even in a year when they have a bad year. That is the alternative minimum tax, and that is how it works.

This will work. I will give my colleagues an example of a small business. Had this bill reached the President's desk in December or in October, there is a small business, I talked to the owner in Georgia, who was prepared to buy and invest a quarter of a million dollars before January 1, 2002, in equipment and plans to buy and purchase over the next 3 years $1 million a year because he has seen the ups and downs of the economy and how tax relief, tax deference has worked for the marketplace and has encouraged people in the marketplace to spend money which creates jobs.

If my colleagues really want to do something for the unemployed, they will also support this stimulus package. If my colleagues want to send a message to the other body, they will support this and have a larger number of yes votes.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, talk may be cheap, but this bill is not. In fact, it is expensive, fiscally irresponsible and unfair. This bill is unfair to our children and grandchildren because it will add billions of dollars to the already huge $6 trillion national debt that will burden them for the rest of their lives.

It is unfair to senior citizens because it takes tens of billions of dollars over the years ahead from the Social Security and Medicare Trust Funds.

It is unfair to the Army soldiers in my district who, as we speak here today, are overseas in harm's way, sacrificing for their country, while special interests walk around the halls of Congress with their hands out and special deals.

This bill is unfair to unemployed workers because it delays the extension of unemployed insurance, which we could pass today and send on to the President and help those families in the days ahead. This bill is unfair to workers, to small businesses and family farmers because while they work hard, pay their bills and pay their taxes, huge profitable corporations are saying they should not have to pay taxes.

So much for shared sacrifice. We should vote no on this bill.

Mr. THOMAS. Mr. Speaker, could I request a determination of the time remaining, please.

The SPEAKER pro tempore. The gentleman from California (Mr. THOMAS) has 14 minutes remaining. The gentleman from California (Mr. MATSUI) has 20 minutes remaining.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. ARMEY), the majority leader of the House of Representatives.

Mr. ARMEY. Mr. Speaker, I thank the gentleman from California (Mr. THOMAS) for yielding me the time.

Mr. Speaker, it seems every now and then we have to stop and just remind

ourselves what the debate is about here. It seems to me there is too much confusion with respect to whether or not this debate is about cutting taxes, leaving money in the coffers of the Federal Government as opposed to the hands of the American people who earned it in the first place, and whether or not it is fair and correct to deny this poor, beleaguered, suffering government more of our tax revenues.

Mr. Speaker, that is not what this debate is about. This debate is about whether or not this Government of the United States will exercise its responsibility to do everything it can to help unemployed American workers get back to work. It is about jobs. It is about opportunity. It is about a chance to stay on the job, get a promotion on the job, get a job in a thriving, growing economy; a thriving, growing economy that has been serving the American people well, and one that got locked into a bit of a cock hat first by the misguided, ill-advised case against the Microsoft company earlier last year that compressed the equity markets to the point of economic downturn, and then secondly by the attack on America on September 11.

What are we to do about that? Sit back, call upon the Federal Reserve to do all they can, and we do nothing? Or are we to join the effort to try to put America back to work?

Twice already we have tried to put an economic stimulus package through this body to the other body and to the President that is designed for the purpose of putting people back to work. Twice now, despite the fact that a majority of the Members of the other body were ready to vote to approve that package, it was stopped. That is a shame.

Finally, after having done nothing, the other body sends us a paltry, paltry, stingy, shortsighted, self-serving, insensitive 13 weeks unemployment compensation extension and then has the audacity to applaud themselves for their generosity.

Mr. Speaker, does this great government, with all its resources, all its resourcefulness, all its keen minds, we have nothing to offer an unemployed American worker except more weeks of unemployment? If that is the least we can do, let us at least be humble about it. Let us not brag about it. Let us not strut and pretend we have done something good here.

Let us understand, we failed my colleagues and Mr. and Mrs. American worker; if all we had to offer was more weeks to stay unemployed, we failed them. We do not deserve applause. We certainly do not deserve appreciation.

This House of Representatives cannot do only the least we can do for people out of a job in America. We are committing to doing the best we can do, and the best we can do is to cut taxes in a smart way to allow incentives for investment and growth in employment and jobs and opportunity. Again, for the third time, we tried to do that policy which was proven to us to be a policy that works time after time after time.

Very simple question, do my colleagues want to stand up with pride and say, Mr. and Mrs. America, we tried to put you back to work, or do my colleagues want to really go home and say, we just decided to take care of our politics in Washington, and we were content for workers to stay unemployed for another 13 weeks, and we had nothing else to offer?

Shame on us if that is all we can do. Shame on us if we have nothing in our hearts for people out of a job in America except stay out of a job for a little bit longer so that we can continue to have the money of those people who are fortunate to stay working. Shame on us if we fail them.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would again remind all Members to refrain from urging action by the Senate or characterizing Senate action or inaction.

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. KLECZKA).

Mr. KLECZKA. Mr. Speaker, the chairman of the committee, the gentleman from California (Mr. THOMAS), in his opening remarks said the reason we need this bill comes with a very easy explanation. In fact, it is one word called jobs.

I will give my colleagues an easier explanation as to why we need this bill, but it is two words. It is called campaign contributions. Last year we already passed an economic stimulus bill. It totaled $1.3 trillion in tax cuts, and many of us argued that that is too much, the surplus that we thought would be there might not materialize, and lo and behold it has not. So compliments of the party of fiscal discipline, this Federal Government is now in a deficit.

After we passed this massive tax break, the bulk of which folks are not going to get, we passed a $15 billion bailout for the airlines, and we were told at that time by the Speaker and the minority leader the next bill or very shortly we are going to take care of the unemployed workers. That was months ago.

Then the House brought up a bill to bail out the insurance industry. Again, nothing done for the unemployed worker.

Today, we have an opportunity to finally take care of the unemployed worker. Pending before the House is a clean, simple Senate-passed bill that provides a 13-week extension for the unemployed worker, but the majority leader says we do more because that worker needs a job. That worker needs an extension because he wants his old job back, whether he or she has the seniority or he or she has a 401 or retirement program.

We can do today what we have not done for months. We can pass this bill and have it to the President this afternoon by passing the Senate bill. Why must we do it today? Because today Congress goes on vacation. We are going on vacation for a week, and as Members are going to be scurrying off to Andrews Air Force Base to board those beautiful Air Force jets that workers paid for, taking them to exotic places, the workers of this country get nothing, the unemployed workers get nothing.

Mr. Speaker, today we can send this valentine to the unemployed workers of America, and we are going to sign it, regards, the people's House.

□ 1315

Not the ''Special Interest House,'' not the ''Business Only House,'' this is for the unemployed workers from the ''People's House.'' That is what we can do today.

But my Republican colleagues are saying, okay, we will give this to the unemployed workers, but we have to give this valentine to our corporate business friends. Signed, Love, the Republicans.

Mr. Speaker let us not blackmail the unemployed workers of America.

Mr. THOMAS. Mr. Speaker, I yield myself 15 seconds.

I know the gentleman has his speaking points that have been passed out, and he is trying to stay on them; but I really wish he would realize that this House, back in December, passed trade adjustment authority, which had a provision for workers who lost their jobs because of September 11. It is the Senate that has failed to deliver on providing help for those who, through no fault of their own, lost their jobs.

It is a fact. I know the gentleman does not like it, but it is true.

Mr. MATSUI. Mr. Speaker, I yield 30 seconds to the gentleman from Wisconsin (Mr. KLECZKA), for a grand total of 4 minutes.

Mr. KLECZKA. Mr. Speaker, it is also true that last October we passed a ''stimulus'' bill, a bill which repealed the alternative minimum tax for businesses, but made it retroactive to 1986, giving IBM one check for $1.4 billion, GM a check for $850 million, and Enron $250 million.

And my colleague wonders why the Senate did not pass his bill? The gentleman poisoned the well with that type of nonsense.

Mr. MATSUI. Mr. Speaker, I yield 2½ minutes to the distinguished gentleman from Tennessee (Mr. TANNER).

Mr. TANNER. Mr. Speaker, I would like to make two points, I think.

In business, when I was in business at home, if we could agree on some future course of action, we set that aside and went ahead with it; and those matters that we could not agree on what was best for our employees and ourselves we would discuss further.

I think the facts are pretty simple here. We all say we agree on unemployment benefits, so why do we not go ahead and do that? That is what reasonable people would do, I think, in

this country. Unfortunately, we get in here and get carried away with the politics of the moment. But reasonable people, I think across the country, would say we can agree on this, so let us do that today, then let us come back and talk further about what we cannot agree on.

Now, speaking personally, there are a lot of things in the package, above and beyond the unemployment provisions, that I think are pretty good public policy. What I disagree on and what the Blue Dogs have talked about forever is the fact that we continue to pile on debt after debt after debt, with no attempt to look at the 10-year budget window and figure out a way to pay for this stimulus package, so-called stimulus package. We do not even make an attempt to do so.

This package is going to put another $175 billion of debt on us. We already know we have another $1 trillion of interest coming in the next 10 years, if the projections hold. We tried to warn last year that we should not put out a 10-year package, where fully 70 percent of the expected surplus is not even going to get here for 5 years. That is not how we should run the business of this country, and it is foolish to try to say that that is going to be the case.

But beyond all that, people in this country understand borrowing money, and they understand paying interest; and this is terribly unfair what we are doing when we make no attempt to pay for it. None whatsoever. There are some things in there, as I said, that I think are good public policy, and I would like to work on and try to figure out how to accomplish them.

We have paid up to now about $140 billion this year in interest payments. That is as much as this bill costs almost for the next 5 years. That shows what kind of unbelievable, almost un-Godly thing we are doing to the next generation when we make no attempt to pay for these matters.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from the State of California (Mr. BECERRA).

Mr. BECERRA. Mr. Speaker, I thank the gentleman for yielding me this time.

My colleagues, there is a legitimate difference of opinion on what constitutes sound economic stimulus for this economy. We all support emergency help for the unemployed Americans, over a million that have exhausted their benefits. There is even widespread support for the tax extenders, such as the work opportunity tax credits. And there is even majority support in the body for the accelerated depreciation of company assets. But there is not bipartisan, bicameral support to pass massive tax cuts that benefit large corporations like Enron and the well-to-do in America, especially when those tax cuts are paid for by workers' contributions to Social Security.

These tax cuts raid the Social Security Trust Fund and deepen the deficit by $72 billion this year alone. So let us pass what we all say we agree on: help and relief for the unemployed American. And then let us come back and do the other good, reasonable work on economic stimulus. But do not hold Americans hostage while we bicker.

We toyed with Americans back in September when we passed this airline bailout bill of billions of dollars for corporations, and we were told it would help American workers. It did not. My colleagues toyed last night, the Republican leadership in this House, with campaign finance reform; but we were successful in getting it through. Even Enron toyed with its workers by making them lose all their money in their pension funds and displacing them and now having them unemployed.

It is time to stop toying with the American worker. It is time for us to do some work. There are adults who are unemployed; let us act like adults and get some work done. Unanimously the Senate said let us at least do unemployment relief for American workers. We can do the same thing. Let us be big enough to know there are differences of opinion. Let us come together and do what is right for the American worker and then come back and do what else is right for the American economy. But do not hold the American workers hostage.

I hope my colleagues will not vote for this because they think it is going to help. It is a sham and it will not work. Let us help American workers today.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. Mr. Speaker, I thank the gentleman for yielding me this time, and I want to commend my colleague from California for putting together a great package. This is similar to the package we passed back in December.

The most important thing we can do, obviously, for the economy is to stimulate, and that is why this package is a good one. It actually has stimulation. It ought to stimulate the economy. And the notion that simply extending someone's unemployment benefits will somehow stimulate the economy is absurd. We have to get away from that.

We see the other side trot out packages, gifts, Valentines that we are supposedly sending out. I would submit that that is the problem. We take the money and will only give it back by giving it as a gift, a gift that we can bestow, our almightiness here; we can bestow a gift on the American people by giving them back some of their money. It is their money. We ought to not take so much of it. If we want to stimulate the economy, we should not.

That is why this bill is a good one, and that is why I would urge support. It is not unfair to let people keep their own money.

I urge support of the bill.

Mr. MATSUI. Mr. Speaker, I yield 2½ minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, this bill is really the Republican ''Tale of Two Cities.'' The best of times for some: first-class treatment for the Kenny-boys of the world. And the worst of times for others: third-class treatment for the now unemployed Enron mail room attendant.

And it is a ''Tale of Two Cities'' in another way. The year 2001, a historically bad year for Enron in Houston, was a wonderful year for Enron here in Washington on tax policy in this House.

Let's review the year: (1) Enron successfully gets favorable treatment in that collection of subsidies and preferences called an ''energy bill.'' (2) Enron successfully supported efforts to block an international crackdown on offshore tax havens. (3) Enron's accounting firm, Arthur Andersen, successfully opposes my bill and all legislation to crack down on abusive corporate tax shelters. And (4) Enron successfully led the coalition that deals with the centerpiece of what we are debating now, the change in the alternative minimum corporate tax.

Instead of contributing a dime to the cost of the war on terrorism, Enron wanted $254 million back in a government check. That was the Republican leadership's idea—the idea of Enron's Republican allies regarding the true meaning of sacrifice—they would take while others gave.

Indeed, the Secretary of the Treasury told the Ways and Means Committee only last week that he could not find a tax break that Enron asked for last year that the administration did not attempt to give them.

If the bill before us today is approved, just like Enron, others of the most profitable, largest corporations in this country, will not contribute a dime to our national security. The Republicans are not just taking the Kenny-boy approach, but they said it was a ''New York'' bill. Well, it is. It is the Leona Helmsley approach—''Taxes are for the little people.'' That is what Republicans have been telling us all last year: ''Taxes are for the little people.''

And so is shared sacrifice. The little people out there in America, the unemployed, the people that work hard to build this country, they can share the sacrifice while the Kenny-boys will take their checks and go their own way. To add insult to injury, they are paying for all their tax breaks by redirecting Social Security payroll taxes to finance more tax breaks for those at the very top so that these rich corporations do not have to share in the cost of our national security.

How many times do my colleagues have to pass this bill? Just once. Just once, done fairly, without arrogance, done in a bipartisan way, instead of passing it at three in the morning like last time in December, or squeaking through with arm twisting on a two-vote victory in October.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2½ minutes to the

gentleman from Louisiana (Mr. McCRERY), a valued member of the Committee on Ways and Means.

Mr. McCRERY. Mr. Speaker, I thank the chairman for yielding me this time.

I am going to try to get through my talk here without screaming, although it is difficult in the atmosphere that has been created here. It is an atmosphere all too often of hyperbole and even demagoguery, and I think it is time that those who might be listening to this debate are given some facts without hyperbole and certainly without demagoguery.

This package that we are going to pass today to try to stimulate the economy, to generate economic growth, to create jobs, to get people back to work consists of about $150 billion over 10 years. The fact is that about two-thirds of this package, two-thirds of it, about $100 billion, are either tax cuts or benefits for not big corporations, not business, but individuals: workers, the unemployed. Two-thirds, $100 billion of the package, goes to individuals. One-third, about $50 billion, goes to corporations and other businesses, partnerships, sole proprietorships, small businesses and the like.

Those are the facts. Despite all the yelling, the screaming, the demagoguery and the finger-pointing, those are the facts.

Unemployment insurance. We go further than the Senate did in their package. We not only provide an additional 13 weeks of unemployment benefits to the 26 weeks that are already in place under the law for the unemployed, but we use an idea that came from President Bush in his budget this year to say we are going to lower the required trigger for extended benefits to 4 percent of the uninsured rate for any State.

It does not have to be nationwide, like the current law; any State that exceeds the 4 percent unemployment insured rate automatically gets extended benefits. That is in our bill. It is not in the Senate bill. So we are trying to do more for the unemployed and their unemployment benefits.

□ 1330

Mr. Speaker, let me point out quickly, nobody in this bill or any other bill is raiding the Social Security trust fund, which has been said erroneously by more than one Member today. Yes, we are using surpluses generated by the payroll tax to pay for other things in government, but nobody is raiding the trust fund. Every penny that is supposed to be going into the Social Security trust fund is going, and will continue to go.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. ROEMER).

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

Mr. ROEMER. Mr. Speaker, this bill is dripping and glowing red, not the red of compassion of Valentine's Day, but the red of deficits and the red ink that is not paid for and will cost taxpayers across the country.

This will cost taxpayers $180 billion over 5 years, and the Bush budget has an $80 billion shortfall.

I voted for a tax cut that puts money in workers' pockets last July. I would vote for a bipartisan package of depreciation allowance and unemployment benefits for our workers today. But this bill has things in it such as subpart F. Does that help our workers? No, that is for banks and insurance companies who operate overseas. If they put it here domestically, they lose the benefit. How is that a stimulus?

Mr. Speaker, we have passed bipartisan education reform. We have passed bipartisan campaign finance reform. Let us work together with a bipartisan stimulus that helps our workers and helps our economy.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentlewoman from Michigan (Ms. KILPATRICK).

(Ms. KILPATRICK asked and was given permission to revise and extend her remarks.)

Ms. KILPATRICK. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, leadership, that is what this country wants. Leadership. Millions of Americans have lost their jobs from KMart to Ford Motor Company, and everything in between across the country. Here we sit as 435 and 535 of the most powerful people in the world and cannot come together on a package that would stimulate the economy, save families, give hope to our children, and protect the seniors who built this country.

Leadership, Mr. Speaker, that is what this country needs. If we can give $100 billion to the terrorism debacle that we find ourselves in, over $50 billion for the airline industry, over $35 billion to the insurance industry, can we not find the dollars that families in America needs to take care of their children, the people who played by the rules, raised their children, did everything we said they should do?

I am appalled by this Congress, as we sit here today, the richest country in the world, which was in recession before September 11, and then the tragedy of September 11, and cannot come together as leaders. Come on, men, 56 women, let us do what is right. Let us come together. The Senate passed the unemployment benefit insurance extension. Rise up and build, America is at stake.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, I encourage my colleague from Louisiana, my neighboring State, to look at these numbers. This is from published Treasury reports. The gentleman said this money comes out of payroll taxes. That is right. Most of the folks I represent pay more in Social Security taxes than they do in income taxes. We would raid the Social Security trust fund to pay for this.

Right now we owe the Social Security trust fund $1.230 trillion unfunded liability. That is nothing but an IOU. Members profess to be for the military. We owe the military trust fund $171 billion right now unfunded liability. That is money that was taken, set aside allegedly to pay their retirement. It is gone, just like that Social Security money.

We owe the civil servants, the Border Patrol folks, $534 billion.

How can Members come to this floor and say there is a surplus when we have increased the debt, mostly through tax breaks and a downturn in the economy, by $221,158,156,000 in the past 12 months? What is the benefit of this versus the cost, because I know the cost is that we never repay those people whose Social Security taxes we have robbed, whose Civil Service retirement we have robbed, whose military retirement we have robbed, and whose Medicare we have robbed.

Mr. Speaker, I do not think that it adds up. The gentleman from California (Mr. THOMAS) gave us some bad numbers last year when the gentleman said we had surpluses as far as the eye can see. I am giving Members the facts right now.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Ohio (Mrs. JONES).

(Mrs. JONES of Ohio asked and was given permission to revise and extend her remarks.)

Mrs. JONES of Ohio. Mr. Speaker, I keep hearing that the third time is a charm. This was a bad bill the first time; it is a bad bill the second time; and it is a bad bill the third time. The American people are not going to be charmed about this bill, even on Valentine's Day. They do not want candy. They want jobs and benefits.

In Cleveland, Ohio, we just lost 3,000 jobs from LTV Steel because of overcapacity of steel in our Nation, and we lost it because this government did not come up with a steel stimulus package that would allow the steel industry to benefit.

We lost 1,000 jobs with TRW, and another 3,000 jobs with Ford. I came through the airport the other day. Something I had on buzzed, and I looked up and I was being wanded by a former LTV worker who said to me, Congresswoman, we are here working in the airport because we no longer have jobs at LTV.

I suggest this morning that the problem we have is that this is not a bill that will help unemployed workers, nor do we have a budget that is going to help unemployed workers. If we were going to help them, we would not have reduced Pell grants, reduced dollars to elementary and secondary education. If we were going to help them, we would not have reduced dollars for job training programs. If we were going to help the unemployed workers, we would not

have reduced dollars for affordable urban and rural housing.

Mr. Speaker, I suggest we need to come together and sit down and stop playing with the unemployed, but help them.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Speaker, as it has been said before, this is the same song in the third verse. I respect my colleagues on the other side of the aisle, but they are wrong in this third effort. In fact, there is a country western song called, ''What Part of No Don't You Understand?'' ''No'' to the AMT tax cuts, ''no'' to the other tax cuts that will not help the economy.

I am surprised that my Republican colleagues insist on making the thousands of unemployed Americans continue to suffer. We could pass the bill that passed the Senate last week, an additional 13 weeks, by unanimous consent today; but no, Members want to add to this Christmas tree because they want to send it to the Senate one more time so it can die like the last two. Members are using this like a political weapon instead of being concerned about the American people.

Like most of our Nation, I have constituents who are unemployed, in my own town of Houston, just the Enron employees who have lost their jobs because of mismanagement and corruption. My constituents need this extension now. The idea of just playing with it like we are doing here is outrageous to the people who need this help.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentlewoman from Washington (Ms. DUNN), a member of the Committee on Ways and Means.

Ms. DUNN. Mr. Speaker, I have an overwhelming sense of deja vu. This is the third time the House has taken up a bill to help workers and boost the economic recovery. Some of my colleagues in the opposition prefer platitudes and promises instead of action. They would rather talk about helping the unemployed and promoting economic growth rather than putting together a workable plan. Their motto ought to be ''Just say no.''

Mr. Speaker, with all due respect, wishing for a stronger economy will not make it so. Congress needs to act. Our constituents might justifiably wonder why we are voting on this bill a third time. They ought to know that 2 months ago the House passed a generous, fair-minded bill that provided $37 billion in unemployment coverage, health coverage for the unemployed, tax incentives for businesses, and tax relief for the middle-income families. But the other body objected. Why? We just recently heard it from the gentleman from California, because they said that tax relief would help the rich.

What does that mean? The rich like the schoolteacher who lives in my district who makes $30,000 a year and cannot afford housing in her own district and drives an hour to get to work? She is in the 27 percent bracket; they do not want to lower it. Is she one of the rich they are referring to?

The other body also objects to our health care provisions. Why? They did not agree with the way that we cover the unemployed. They would like to help the folks who work only for big business. They do not want to help the employees in small businesses who do not have access to health care coverage when they are laid off.

Mr. Speaker, these arguments are lost on the American public. In my part of the Nation, we have not yet felt the full impact of the 30,000 Boeing workers who expect to be laid off, and yet unemployment in Washington State is over 7 percent, number 2 in the Nation and climbing.

This bill would provide additional unemployment to the 13 weeks we already provide in this bill because my State of Washington qualifies under that 4 percent unemployment rate. We are at 7.1 percent. Further delay is unacceptable.

Mr. Speaker, I urge Members to act now. Let us get this bill passed and over to the Senate. Let us get the job done so we can get help to our folks at home.

Mr. THOMAS. Mr. Speaker, I yield the balance my time to the gentleman from Ohio (Mr. PORTMAN), and ask unanimous consent that he control the balance of the time.

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

There was no objection.

Mr. MATSUI. Mr. Speaker, I yield such time as she may consume 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. Speaker, I rise in opposition to H.R. 622 for the 187,000 that are losing their jobs, and the Enron employees in my district that are desperately in trouble because of the Enron collapse.

I rise in strong opposition to this ''economic stimulus package'' because it is a deviation from the bipartisan precedents set in recent months by Congress, and represents misguided priorities.

Today's consideration of a motion to concur in the Senate amendments with an amendment to H.R. 622—Hope for Children Act allows for a raid on the bipartisan 13 week extension of worker unemployment compensation passed by the Senate.

The Senate package, which passed by a unanimous vote, provides a 13-week extension of unemployment benefits for people whose regular benefits have been exhausted. This represents real and responsible stimulus for those who need it most. This is crucial because it is estimated that 2 million working Americans will exhaust their regular benefits in the first 6 months of this year. In fact, very few of them are now currently eligible for an extension of those benefits to ensure they have income to replace their lost wages while they are seeking either reemployment or new employment.

Instead, this bill substitutes that compromise with a highly partisan Republican bill that excludes the Minority from this process, raids the Social Security and Medicare trust fund, and sacrifices American workers in need.

Substantively, this bill precludes the Minority from offering a substitute, any amendments, or a motion to recommit, which effectively eviscerates the fragile bipartisan compromise reached in the Senate. But the American people must be told the trust about this travesty of process.

I, along with my Democratic colleagues in Congress, have stood shoulder-to-shoulder and toe-to-toe with the President in the war against terrorism. We have been steadfast in our bipartisan support. As a result we've strengthened our security and protected America from future attacks. But for the state of our union to truly be sound, we must stand together today for a real economic stimulus package that helps all Americans. Sadly, the bill before us puts partisanship and the special interests above the millions of workers affected by the recession. As a member of Congress from Houston which has been so severely hit by recent events, I take particular exception to this.

Today, I urge Congress to take up a real economic stimulus and worker relief package that will help the 5,000 ex-Enron employees in and around Houston who have lost their jobs and their hard-earned pensions. Today, I urge Congress to take up real economic stimulus and worker relief package that helps the 89,000 American manufacturing workers who lost their jobs last month; the 54,000 American construction workers who lost their jobs last month; the 100,000 airlines workers who have lost their jobs since September 11, 12,000 of which were from Continental Airlines alone; the 192,000 American service industry employees who lost their jobs in the fourth quarter; the 211,000 American transportation and public utilities workers who lost their jobs over the past seven months; and the 1.4 million Americans who lost their jobs since last March.

Mr. Speaker, America needs a temporary plan that stimulates the economy by focusing on unemployment and the 2,496,784 initial claimants reported by the Bureau of Labor Statistics in December 2001. In Texas alone, the number of unemployed was 539,947, or 5.1 percent in December 2001. Clearly, these numbers are far higher today. The bill before us fails to give the relief that is needed. The bill before us is not temporary. It does not target relief to businesses hurt by the recession; it enacts tax reductions for the wealthy and corporations, and does very little to help middle income workers whose extra spending would serve to stimulate the economy. In fact, the bill before us repeals the corporate minimum tax which ensures that corporations can not use tax shelters and loopholes to avoid taxes. Furthermore, it accelerates a cut in the 28 percent tax bracket even though 75 percent of American households would receive no benefit from this cut because they do not have enough income to be in this tax bracket.

Perhaps most disturbingly, all of the costs of the bill are paid out of Social Security and Medicare surpluses. Clearly, permanent and expensive tax cuts like those included in this package will increase the deficit and risk increasing long-term interest rates.

Mr. Speaker, America needs a stand-alone worker relief bill that helps the 1 million U.S.

employees who have just lost their unemployment, and the 2 million who will lose their benefits by the end of 2002.

In my State of Texas I called and worked with the Department of Labor to set up a rapid response team to help displaced workers find the jobs that they need. But much more needs to be done. Last night I had an amendment that would have extended unemployment benefits for 1 year. That would have gone a long way toward helping Americans and stimulating the economy. Today, I urge an up or down vote on an economic stimulus package that is responsible and targets unemployed workers only.

Mr. MATSUI. Mr. Speaker, I yield such time as she may consume to the gentlewoman from North Carolina (Mrs. CLAYTON).

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

Mrs. CLAYTON. Mr. Speaker, we have many unemployed persons in my district. In North Carolina alone we have 28,000 people who have exhausted their insurance already. We have experienced an increase of 105 percent in unemployment. We need to stop the bickering, stop the shenanigans between the two Chambers of Congress and do something for the millions of Americans who need our help.

Mr. Speaker, after 8 years of economic prosperity, and budget surpluses, the nation's economy is spiraling downward. Consumer confidence is declining, unemployment is rising, and deficit spending is returning.

Today, we are considering a bill that would extend for 13 weeks unemployment benefits for displaced workers. During the past year, more than 1.5 million jobs were lost. Many unemployed persons have exhausted their unemployment benefits.

In my State, North Carolina, more than 28,000 people have exhausted their unemployment benefits, and we have experienced an increase of 105 percent in unemployment. Others were not eligible for unemployment compensation or health care benefits because they worked for short periods of time, or in temporary or part-time jobs.

A national economic stimulus package must provide additional relief for unemployed workers. Helping unemployed workers is the first thing to do and it is the smart policy to address the economic slowdown. This certainly is more effective than more huge tax cuts for large corporations and wealthy individuals. Unfortunately, this $81 billion bill only provides about $10 billion in benefits for workers and their families. Most of the relief provided would benefit wealthy individuals and large corporations. Most economists agree that in a recession, we should increase consumer confidence and their ability to purchase necessary goods and services. Unemployed workers lack such confidence and purchasing capacity.

Simply paying money to state governments for unemployment compensation programs without requiring some adjustments in program administration would not be wise. Many states, like the Federal Government, are financially distressed. They cannot afford to match federal contributions, to expand coverage periods beyond 26 weeks, or to increase categories of eligible workers such as part-time workers. The current crisis calls for these changes plus adjusting the federal/state match from 50/50 to a larger federal share, perhaps 75/25. Expanding unemployment compensation benefits offers another advantage—it provides economic stimulus when it is needed without causing damage to the long-term economic condition of the country.

Congress has passed bills to help airlines, insurance companies, and big businesses. It should pass a meaningful economic stimulus bill to help families of displaced workers. The Republican leadership of the House should rise above partisan posturing and bickering with the Senate and simply pass provide unemployment insurance and health benefits now for those millions of Americans who desperately need them.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. NEAL).

□ 1345

Mr. NEAL of Massachusetts. Mr. Speaker, today I am reminded of the disappointment that Charlie Brown feels on Valentine's Day when that cute little redhead did not give him a valentine. Many of us had great hopes that we could simply take up relief for unemployed workers, a bill which passed the Senate unanimously last week; but just like Charlie Brown, we keep checking the mailbox and unfortunately come away again filled with disappointment.

The Republican bill today is composed mainly of some old, worn-out tax items that have been around for a long time. It reflects the tired philosophy of trickle-down economics, take care of the large and powerful corporations and eventually the rest will trickle down to us. But it is wrong to hold this bill hostage to temporary tax relief for the unemployed who, but for the sake of this debate, will find themselves on the outside looking in again for a few more weeks.

The disappointment I feel today is not in the same league with the disappointment that many hard-working Americans are going to feel, however. By slapping on a $150 billion tax cut in the dead of night, the leadership has ensured that this bill will not reach the President's desk this weekend. Two million Americans are approaching or already have exhausted their unemployment benefits and cannot be assured that any relief is in sight. That disappointment is one that I hoped the Congress would not be delivering on this Valentine's Day.

Reject the bill in front of us. Let us go back to work. Pass a simple, clean extension of benefits for the unemployed and their families who depend upon them and today who depend upon us.

Mr. PORTMAN. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma (Mr. WATKINS), a valued member of the Committee on Ways and Means.

(Mr. WATKINS of Oklahoma asked and was given permission to revise and extend his remarks.)

Mr. WATKINS of Oklahoma. Mr. Speaker, I rise in support of this bill. Let me say, as my colleague from Louisiana said, two-thirds of it goes to individuals. Let no mistake be made about that. Another third goes to business and industry that produces jobs.

Let me say, I am flabbergasted at a lot of the folks who get up and say it does not help other people, only the big corporations. Let me tell you who it helps, also. The suspension of net income limitation helps support those hundreds of thousands of small stripper wells in Texas, the roughnecks out there, the oil patch workers who are losing their jobs. I am amazed that many of them did not know that over on this side.

But let me tell you also who it hurts. My heart goes out to those people who say they lost a job. I will do everything to build jobs, let me tell you; but I am here also trying to help those who have never had a job, many of them Native Americans. Native Americans would be helped by this bill. They will be able to have possible manufacturing jobs and many of the others developed with accelerated depreciation on their lands. We need to be helping those folks, also.

Let me assure you, this bill does more than help the big industries. I resent the fact that you state that you are doing it for political purposes, because I do not plan to come back.

Mr. PORTMAN. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Arizona (Mr. HAYWORTH), a member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, at the end of the day this afternoon, we are faced with a fundamental question. Implicit in the criticism from our friends in the minority is the notion that there is only one course of action here and that is 13 weeks' unemployment and that is it. What we do here is improve the legislation, not only 13 weeks' unemployment but an economic trigger for those States that are having challenges.

Moreover, provisions for health benefits. Recall our friend from Kansas brought a letter down a little while ago from the President asking not only for unemployment benefits but for health benefits. It is our role in the Congress of the United States to take legislation from the other body and improve it and we do so.

And there is something else that is important. This bill also provides tax relief that fires the engines of economic opportunity. We passed it once. We have passed it a second time. On this third occasion, we give the other body the opportunity to join us in an effective plan to put people back to work and to provide for those who have lost their jobs.

I ask my colleagues to support the measure.

Mr. PORTMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN), a valued member of the Committee on Ways and Means.

Mr. RYAN of Wisconsin. I thank the gentleman for yielding time.

Mr. Speaker, this debate today has been rather unfortunate. We have heard a lot of emotions, a lot of fear, a lot of envy. What we are trying to accomplish is simply this: let us take stock in what our Nation is facing right now. We are in the midst of a war, we have a homeland security crisis, and we are in recession. We have a lot of laid-off workers and more layoffs are occurring. And we know as a historical fact that even if our economy begins to slowly recover, that unemployment is going to linger on and on and on well after that recovery takes place.

What we have been trying to do, starting in October, then in December and now, is to try and get people back to work. The things we are trying to pass in this bill are the time-tested, proven, bipartisan solutions to get businesses to stop laying off people, to hire people back, and to help those people who have lost their jobs.

It is more than just giving someone an unemployment check. It is also helping those people with their health insurance while they have lost their jobs, and, more important than just that unemployment check is to do what we can to give people a paycheck. We have got to get the engine of economic growth growing again, because we now know because of recession, we do not have the revenues we wanted to, we do not have the revenues we need to fix Medicare, to fix Social Security, to fix these issues. We have got to get Americans back to work, then the surpluses come back, then the jobs come back. That is the constructive answer we are trying to accomplish here on, yes, a bipartisan basis.

I urge Members to drop the demagoguery and to pass this bill to help us work together to get the American people back to work and help those people who have lost their jobs.

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

Mr. Speaker, we can handle this very logically and expeditiously. I think the gentleman from New York (Mr. HOUGHTON) mentioned that there are three issues here: Obviously, how we deal with the New York problem; how we deal with the unemployment benefit; and how we stimulate the economy. We agree on the first two. We should just pass a bill right now that would take care of New York's problem. We could do it and send it over to the other body. They will pass it. We can actually take care of that issue. That is simple. No one is going to object to that.

Unemployment benefits. In terms of the discussion that went on today, no Member in that 1 hour of debate has said that they do not want to give unemployed benefits to the 8 million unemployed Americans. Why not just take the other body's bill and just agree to it? We could do that by unanimous consent, vote it on the suspension calendar.

We do have a difference, because the other side wants to give corporate tax cuts; and we think that in order to deal with the economy and stimulate it, we have to create more consumer demand. There is a big difference there. Obviously, we do not agree. We should not hold New York and we should not hold the unemployed hostage. We should pass those and then let us debate. Let us see if we can come up with a bipartisan proposal on how we stimulate the economy through either tax cuts for major corporations or how we try to create more consumer demand.

I hope that we vote ''no'' on this motion.

Mr. PORTMAN. Mr. Speaker, I yield the balance of my time to the distinguished Speaker of the House, the gentleman from Illinois (Mr. HASTERT).

Mr. HASTERT. Mr. Speaker, to my colleagues on this side of the Chamber, and to my colleagues on this side of the Chamber, I first want to say that yesterday was an incredible day. It was an incredible debate. Reformers came to this Chamber. They changed some of the rules on how we do things, how we elect our officials. This House worked its will. That is the way it should be.

But now we need to look at other needs. We need to look at the needs of the American people. We are in recession. We are in a war. We are in a time of terrorist threat within this country, within our own Nation as well as around the world.

In October, we passed an unemployment compensation extension. In December, we passed a stimulus package. We knew that people were out of work. We knew that people were losing jobs.

What we tried to do during this time frame was to do three simple things. Number one, because every American family who had some substantive savings, wealth in 401(k)s and the stock market, to get the confidence back in the stock markets, to get the confidence back in people putting money in those securities. This bill helps do that.

We also said that we needed to be able to get some consumer confidence. When you talk about the Fortune 500 companies, they said we need people with money out there to start buying our products. This bill does it. It puts money in people's pockets right away.

Finally, there are people out there who lost their jobs. They need unemployment compensation. They need health care. It is in this bill. But they also, more than that unemployment compensation check, they would like to have a job. And so you need to concentrate that capital where companies are putting that money back into creating jobs, building buildings, buying machinery, putting money in new ideas. This bill does it.

I heard the previous speaker say, ''Don't hold these people hostage. Don't hold New York hostage.'' We are not. We take care of New York in this bill. We are not holding the unemployed hostage. We take care of them in this bill just as we have done two times previous. But, ladies and gentlemen, let us not hold America hostage. Let us get this legislation done. Let us give people confidence in the markets. Let us give people confidence that they are going to get a paycheck. Let us give them the confidence that they can have a job so that they can pay their house payment and their car payment.

It is time to get this job done. It is time to quit playing political games. It is time to get a stimulus package for the people of the United States. Vote for this motion.

Mr. PASTOR. Mr. Speaker, I rise in strong opposition to this misguided attempt to stimulate our economy.

Today, the House of Representatives leadership is lining unemployed Americans against a wall for another St. Valentine's Day Massacre.

While pretending to pass an economic stimulus package, they are holding the unemployed hostage in hopes of passing larger tax breaks for wealthy individuals and large corporations.

The Senate has passed legislation to extend Unemployment Compensation for the 1 million people who have exhausted their unemployment benefits since September 11. Yet, the House leadership has chosen to ignore the plight of these people, and the more than 2 million workers who will exhaust their benefits over the next 6 months, and attach a misguided ''economic stimulus'' package to the bill that will do nothing to stimulate the economy. I call on the House leadership to consider the clean bill passed by the Senate so we can help the 8 million people in America who are looking for jobs.

According to sources, 11,000 people are exhausting their Unemployment Compensation each and every day. With Congressional District Work Period starting today, more than 120,000 Americans will have lost their benefits by the time we return to Washington on February 26. We should stop playing partisan politics with these people's lives.

But, there are other serious problems with this ''stimulus package.'' Any more tax cuts would continue to erode the Social Security and Medicare Trust Fund by almost $80 billion. It is time to stop threatening our elderly just to make the 15 percent of wealthiest Americans even wealthier.

Valentine's Day is a time for us to open our hearts and to give of ourselves. But this legislation will only serve to break the hearts of those unemployed Americans who need our help.

Mr. MALONEY of Connecticut. Mr. Speaker, for the third time in 4 months, the House of Representatives will consider a deeply flawed economic stimulus package.

In January 2001, the nonpartisan Congressional Budget Office projected that the Federal Government would end fiscal year 2002 with a $106 billion surplus. At that time, I advocated a fiscally responsible plan of equally dividing the surplus between tax cuts, paying down our Nation's debt, and investing in important priorities like education and health care. Unfortunately, in June legislation was passed—over my strong objections—that cut taxes more than we could afford. I have long supported tax relief, but it must be in balance with what we can afford in our budget. We are now facing large, multiyear budget deficits that threaten our long-term economic security.

Any stimulus bill must be fiscally responsible and provide assistance to families and small businesses experiencing the effects of the recession. The bill we are considering today, as did the previous versions, includes provisions that I strongly support, but these positive elements cannot make up for its fundamental flaws. Those positive elements, include providing a supplemental rebate to those who received only a partial or no rebate as a result of last spring's tax cut, providing small businesses a bonus depreciation of 30 percent over 3 years, and reducing the recovery period for making improvements to leased properties. Additionally, I support a permanent rate cut for low- and moderate-income earners.

In addition, I strongly support extending unemployment benefits to the approximately 2 million Americans who have lost their jobs as a result of the recession and the September 11 attacks. In the middle of March, those individuals and families who have lost their jobs because of the attacks of September 11 will begin losing their unemployment benefits. We also need to include provisions that assist families in continuing their health care coverage. We must pass a bill that provides substantial relief to those families, and will get to the President's desk. Unfortunately, this bill does not provide that help.

Moreover, this bill virtually eliminates the Alternative Minimum Tax (AMT) liability for the Nation's largest and wealthiest corporations. The AMT is designed to ensure that corporations cannot avoid paying their fair share using deductions to entirely eliminate all or almost all of their tax liability. The bill before us today would allow corporations to claim deductions against their AMT liability that they currently are not allowed to take. This will provide little, if any, stimulus to the economy, but will certainly exacerbate the budget difficulties we now face. Worse yet, the bill pays for this corporate AMT tax giveaway by taking the funds from the Social Security and Medicare Trust Funds.

In this time of budget deficits we cannot and must not continue to raid the Social Security and Medicare Trust Funds to pay for tax cuts for wealthy corporations. Over the past few weeks, many have spoken of protecting our Nation's economic security. I suggest that passing legislation that threatens the Social Security and Medicare Trust Funds threatens the very foundation of our economic security.

Mr. Speaker, I urge my colleagues to pass a bill that provides fiscally responsible stimulus to our economy and relief to displaced workers. Unfortunately, the bill before us today will both further extend the deficits we are facing and also deplete the Social Security and Medicare Trust Funds. Long-term economic security depends on long-term fiscal responsibility. We owe our citizens a bill that provides a short-term stimulus, substantial assistance to the unemployed, and ensures long-term growth. The bill before us today fails to meet all three of these standards.

Mrs. WILSON. Mr. Speaker, I rise today to talk about the state of the economy and jobs. In June, July, and August when we passed the first stimulus bill, we were all hoping that if we dipped into recession at all that we would have a soft landing. September 11 changed all that. When we saw those planes crash into the towers in New York and the planes crash in Pennsylvania and here in Washington, DC, we saw and felt a shudder through the American economy.

It was not only travel and tourism that was hurt, but also consumer confidence. For 5 consecutive months after September 11, consumer confidence fell. But we are coming back. Consumer confidence rose for the second consecutive month in 2002, and we need to encourage this growth by passing an economic security bill.

In October, the President called for a stimulus package and the House of Representatives responded. We passed a second one in December. We are now working on our third. The other body will not even let a vote be taken on the issue. The economic stimulus bills in the House are not perfect. There are things about them I did not like as an individual legislator. There is almost no bill here that everybody can say, ''By gosh, that's something that I can support a hundred percent. There's not a work that I would change.'' It is not the nature of this body, but we moved the bills forward. We moved the process along for a good reason.

Since September 11, over 1 million Americans have lost their jobs. We have over 1 million families who are worried about where the next paycheck will come from. All of those families are worried about their health insurance. What if they do not get another job before that COBRA runs out? What happens if the unemployment benefits run out? What happens if we do not get back to growing jobs in this country? Those families are hurting and we need to help them. Last year we passed an economic stimulus bill in the House that provided 13 weeks of extended benefits to those who have lost their jobs, and today we will again pass another stimulus bill with that exact same measure.

What do we want to see in an economic stimulus bill? Certainly first and foremost, we need to create capital to create jobs. Most of the jobs created in this country are created by small business. That means we have to include provisions like accelerated depreciation in the stimulus bill. As a former small business owner I was always amazed when I did my books at the end of the year, figuring out what my profit or loss was and how much corporate tax I had to pay. One year I bought new computers for my entire office, costing me about $20,000 to $30,000 for the new computer system. Under section 179, I was only able to claim $10,000, even though I paid that business expense., That did not seem right, or fair and it certainly discouraged me from getting $35,000 worth of computers at one time. Certainly one of the things we need to do for small business is to raise those limits so that a small business looking at buying equipment, going and doing some construction, or expanding their computer setup, can do so. This will stimulate our economy and create jobs.

The second thing we are going to need to do is extend health care benefits and unemployment benefits so that people who have lost their jobs due to the slowdown in the economy can make it through. All of us know neighbors who are worried about losing their job sometime this year and all of us are willing to say, ''Look, we're going to help you over the hump. We're going to make sure that this awful time for you is not made worse because you can't feed your family or that you lost your health insurance.'' So, we must have health care coverage and unemployment insurance extenders in any economic stimulus bill.

The third thing our economic stimulus bill has to do is restore consumer confidence. About two-thirds of the American economy comes from consumer spending. We need to continue to restore confidence in the public so that we do not have a further collapse in retail sales. We have to restore faith in consumers and in the markets. If you talk to people about their retirement plans, most Americans now have 401(k)s or IRAs or pension plans. We are now investors in the stock market. One hundred million Americans own stocks, mostly in IRAs and 401(k)s, pension plans through work of Thrift Savings accounts. All of us have seen the value of our retirement savings go way down because of the economic slowdown. We need to reestablish confidence in the stock market, turn our economy around, and get back to creating jobs.

Ms. SCHAKOWSKY. Mr. Speaker, I rise to express my deep disappointment in the bill before us today.

Today, we had the opportunity to follow the lead of the Senate by passing a 13-week extension for Americans who have been unable to find work but whose unemployment benefits have run out. I have received many, many letters from constituents who are concerned about losing their homes, paying for their health bills, and buying food for their children. Today, we had the opportunity to help them by passing the Senate provision and sending it to the President's desk. Instead, the Republican leadership chose to play politics with the lives of unemployed persons and their families, once again putting forth a bill that they know cannot be enacted into law.

In the last quarter of 2001, nearly 860,000 unemployed men and women exhausted their unemployment benefits. In December alone unemployment benefits ran out for 300,000 workers. In my State of Illinois, 42,299 workers exhausted their benefits in the last 3 months of last year—an increase of 88 percent from the previous year. Faced with serious fiscal pressures, no state has stepped forward to extend assistance as they have in the past. Hundreds of thousands of Americans are now struggling to pay their bills as they look for work in the middle of a recession.

I believe that we need a real economic stimulus plan and that we can do a great deal more than we're doing to create jobs and prevent additional layoffs. We should be providing assistance to States, funding the construction and repair of housing and schools, expanding transportation options, and investing in clean water projects. We should be assisting laid-off workers and their families and obtaining affordable health coverage through COBRA and Medicaid.

My colleagues on the other side of the aisle don't agree with those job stimulus proposals. They would rather give money to the wealthy and mega-corporations than invest in targeted and proven job creation initiatives. They would rather provide unemployed men and women with an insufficient tax voucher than guarantee health coverage through Medicaid.

We disagree on those questions and it will take time to resolve them. In the meantime, we should take a simple action today. We should pass a 13-week benefits extension that will provide immediate relief to over 1 million workers.

We could take that step. Sadly for this institution and tragically for those workers, the House leadership has decided it would rather make a political point than make a difference in people's lives.

Mr. SMITH of New Jersey. Mr. Speaker, it is with great pride and pleasure that I rise to urge the enactment of H.R. 622, The Economic Security and Worker Assistance Act of 2002, also known as the Hope for Children Act.

I cannot overemphasize how proud I am to be an original cosponsor of the Hope for Children Act. Mr. DEMINT deserves our thanks and praise for his work on this bill.

Mr. Speaker, throughout my 21 years in Congress, I have worked tirelessly with a broad, bipartisan group of colleagues, to protect children. Encouraging adoption has been among our primary concerns. Along those ends, I have introduced my own legislation that designated National Adoption Week, and I worked to help establish the current $5,000 tax credit for adopting parents. The $5,000 tax credit, which was incorporated into the ''Contract with America,'' passed by Congress, and later signed into law, is helping many families that have adopted a child.

But there is still so much to be done. There are so many children that need to be adopted. There are so many infertile couples who desperately want to raise children. This legislation today is needed. H.R. 622 seeks to double the adoption tax credit to $10,000 for all adoptions and double the employer adoption assistance exclusion to $10,000. The legislation also increases the income cap at which the credit begins to phase out from $75,000 to $150,000.

The fact of the matter is that adoptions are very costly, ranging from $8,000 to $30,000 per year. There are many families who would like to open their home to a child, but are prevented or delayed on doing so by the high cost of adoption. H.R. 622 helps to ease this financial burden to ensure that children quickly find a permanent, loving home—so that no child is left behind to end up in the foster care system permanently.

The empirical evidence shows conclusively that the tax credit must be increased. Just take a look at the tax return data. According to the Committee report accompanying this bill, half of the taxpayers who received income tax benefits for adoption expenses in 1998 reported expenses in excess of $5,000, while 25 percent of taxpayers receiving tax benefits for adoption reported expenses totaling more than $10,000.

It is important to note that the $5,000 tax credit expires this year and the current $5,000 employer adoption assistance exclusion also expires—it is vital that we enact this important legislation to help defray these costs.

The Hope for Children Act is a solid start to ensuring that more children find a loving home. While some adoptions will cost well over $10,000—the data suggests that as many as 25 percent of all adoptions fall into this category—raising the limit will aid more families in their efforts to adopt a child in need. If the President signs the Hope for Children Act into law this year, families could claim the $10,000 tax credit beginning with their 2003 tax returns.

One final note. Virtually every well-conducted social research study that has examined the impact of adoption on a child concludes that adoption is far more preferable than state custody. The adoption of a child into a traditional two-parent, man and woman family, has profoundly positive social consequences for both the child, as well as for our society. A recent Heritage Foundation analysis of the adoption research literature shows that adopted children raised in a two-parent family, measure as well as, if not better than, a biological child on virtually every social, educational, and health indicator assessed.

The route by which the Hope for Children Act has arrived here in the House again deserves some discussion. On May 17, 2001, this bill was agreed to by a vote of 420–0. On February 6, 2002, the Senate passed the measure with an amendment to add tax relief and economic stimulus language. Today we are adding some additional tax relief provisions, so that unemployment insurance benefits will be extended to all displaced workers regardless of how their job losses occurred.

New Jersey's economy was hit very hard by terrorism. First we lost approximately 700 New Jerseyans on September 11, including nearly 50 from my own Fourth District. In addition to the unbearable loss of life, there were tens of thousands of jobs held by people from New Jersey that disappeared into the great cloud of fire, smoke, and ash of the collapsing Twin Towers. Entire businesses and departments were wiped out in an instant.

Before the shock waves of September 11, had even faded, New Jersey was plunged into another unprecedented crisis, as the first major biological weapons attack in U.S. history took place on New Jersey soil. Our mail system ground to a halt. Items frozen in the mail included everything from an engagement ring to credit card bills. Thousands of lives were turned upside down. Another wave of jobs were lost. To this day, the John K. Rafferty Post Office in Hamilton has not reopened, and hundreds of postal workers who work there are now scattered all over the state in makeshift accommodations.

Mr. Speaker, New Jersey's residents need a helping hand. We need this stimulus package. People are hurting. I think the Senate should move promptly and pass H.R. 622. It is time to put the interests of the American people ahead of partisan calculations.

Mr. Speaker, I urge the unanimous passage of the Hope for Children Act.

Ms. KILPATRICK. Mr. Speaker, once again, the Republicans are attempting to shove forward several tax provisions for the wealthy and big businesses without adequate consideration for the unemployed and low-income.

This is the third time in five months that an economic stimulus package has been to the House floor. Not once out of the three times, has there been sufficient assistance in the form of health insurance converge and unemployment benefits for the unemployed and low-income families. Not once have Republican considered the long-term effect of the unnecessary tax cuts. Not once have they considered anything else but their special interests, the wealthy.

We need a bill that will give better backing for COBRA insurance. The tax credit that this bill provides will do nothing for the families and individuals who cannot afford to pay upfront for the insurance packages. While Democrats have been fighting to help the jobless and low-wage workers, the number of those in need has grown and each individual has been without federal income support since March, when this recession officially started.

While we stand in the midst of a recession, we have Members of Congress who contritely confess their sincere desire to help the American people, but simultaneously provide help for only approximately 25 percent of the American people, who happen to be very wealthy. The rest of the nation will suffer because they are not wealthy enough or because they are not highly compensated executives in the corporate world.

This bill follows the pattern this Congress established when it passed the airline bailout bill last October. We provided $15 billion in financial assistance to financially strapped airlines following the September 11th attack, but the leadership of this Chamber did nothing for rank-and-file workers who were laid off by the airlines. Last November, this Chamber bailed out the insurance industry, which covered the airline industry we bailed out the month before, but the leadership did nothing for rank-and-file workers who were laid off by the airlines or as a result of the economic recession.

This bill today, like the others before, is another tax break bill for people who do very well in good times and bad, but it does very little for the people who need the most help—the jobless and low wage workers. Once again, this bill, like the others before, puts those most in need as a last priority. That's unacceptable. For that reason, I will vote ''no''. Mr. Speaker, we can do better than this. It's unfortunate that the other side of the aisle does not negotiate in good faith. No one saw this bill before it came to the House floor. It did not go through the committee process. This is a product of an autocratic procedure. It is put out for us to take or leave. That's it. I urge my colleagues to join me in rejecting this bill.

Mr. GILMAN. Mr. Speaker, I rise today in support of H.R. 622, the Hope For Children Act which will increase the adoption tax credit for families. I am an original cosponsor of this legislation and I commend the gentleman from South Carolina, Mr. DEMINT for his leadership on this important issue.

I am particularly pleased that with today's vote we will be adding a provision to temporarily extend unemployment compensation for an additional 13 weeks for individuals who have exhausted their 26 weekly benefits, and will provide needs assistance to New York under the Liberty Program.

As our nation begins to rebound economically it is important that we provide American's who have been adversely affected by the events of September 11th and the subsequent economic downturn with the means to provide for their families. Representing numerous individuals affected by the slow down of the airline, travel, and tourism industry in New York, I know how important this extension will be in assisting these hard working individuals. This economic package is a major step to regaining a healthy economy. Each of the components will help us stimulate different areas of the economy and promote growth and jobs. Our economy has weathered turbulence in the past during times of war and times of peace. But a sound, reasoned economic growth package, such as the one we are working to pass, will put us on the right track back to prosperity.

Accordingly, I urge my colleagues to support this important measure.

Mr. BLUMENAUER. Mr. Speaker, on this Valentine's Day the Republican leadership is presenting America's largest corporations and wealthiest individuals with another sweetheart

deal, while people and families in Oregon and across the nation continue to wait for a meaningful economic stimulus package.

The State of Oregon continues to lead the nation in unemployment, so it is frustrating to see Republican proposals that continue to focus on people who need the Federal Government's help the least. Even more exasperating is the fact that these corporate tax credits and tax cuts will be paid by Social Security and Medicare surpluses.

A true economic stimulus package would directly put people back to work and not last longer than necessary. The bill before us today is not an economic stimulus package, is not temporary, and does not target relief to businesses hurt by the recession.

The most significant and appropriate response to help the American people would be accomplished by increasing funding for ready-to-go public works projects that will reduce unemployment, while benefiting communities across the country. Every state in the nation has transportation, water, environmental clean-up, and other infrastructure projects that could immediately employ people to make our communities safer and healthier.

This bill is the third attempt by the Republican leadership to use a weakened economy as an excuse for permanent tax breaks for their favored few. Until a fair and sensible economic stimulus package is presented to the House, I must withhold my support.

Mr. STARK. Mr. Speaker, I rise today in opposition to H.R. 622, the Economic Support and Worker Assistance Act.

The Republican Majority's actions on the economic stimulus package are making me feel like Bill Murray in the movie, Groundhog Day. Just as Bill Murray had the same bad day over and over again, we keep getting the same bad bill over and over again. Unfortunately, for the millions of Americans who are unemployed, this is not a movie, but real life—and it is turning out to be a tragedy, rather than a comedy.

The Senate passed legislation to extend unemployment benefits by 13 weeks for the more than 1 million people who lost their jobs in recent months. We should be approving that same legislation so it can be sent to the President for his signature today. We are about to go into recess for nearly 2 weeks. If we do not send a bill to the President today, we will take no action for a minimum of 12 days—and during that time, more than 120,000 people will lose their benefits.

Passage of a clean bill to extend unemployment benefits would give unemployed Americans and their families some immediate financial relief. Such action is supported by wide, bipartisan majorities in Congress, so there is no excuse for delay. Unfortunately, the House Republican leadership refuses to do what is right to protect America's workers. Instead, they insist on continually giving bigger and more outrageous tax cuts to their corporate friends, while millions of unemployed Americans are desperately trying to feed their families and search for new jobs.

I urge my colleagues to vote for a 13-week extension of unemployment insurance benefits and to vote against tax breaks for big business and the wealthy. By doing otherwise on Valentine's Day, we will do more than break the hearts of the American people, we will break their banks.

Mrs. MALONEY. Mr. Speaker, on February 6 the Senate passed a 13-week extension of unemployment insurance by unanimous consent. Fifty Democratic, 49 Republican and one Independent Senator recognized that while our country is at war and our economy is in a downturn it is time to lend a hand to individuals who are out of work. After weeks of attempting to pass a comprehensive stimulus the Senate came together and acknowledged that political differences should not prevent the government from helping America's most needy at this critical time.

Unfortunately, the bill before the House today fails to follow the bipartisan spirit of the Senate and instead subjects people who will soon be without jobs and without unemployment insurance to a Washington political game. People out of work around the country deserve better treatment by Congress. The victims of today's House action are hard-working Americans out of work through no fault of their own. In my own City of New York recovery from the terrorist attack has made the unemployment situation particularly grim. I continually encounter people who are victims of economic circumstance like the woman who approached me last Friday on Lexington Ave and urged me as a Member of the House to follow the Senate's lead. This House should know that our constituents are watching and they can clearly see that unemployment insurance is falling victim to a political agenda.

Finally, the Majority bill was crafted in the middle of the night last night and represents such an amalgamation of provisions that we do not even know hour much it will cost. The President's budget proposal recognizes that we are not eating into the Social Security surplus. I do not disagree with every provision in the bill but it is irresponsible to vote on a substantial tax package like this without knowing all of its long-term ramifications.

Mr. DINGELL. Mr. Speaker, yet again, we are involved in a most curious proceeding. The Republican majority is bringing forth, for a third time, an economic stimulus bill that cannot be passed in the Senate and is being brought up only for partisan reasons. Many of my colleagues in the Republican leadership talk about the obstructionism in the Senate. I say this exercise is the height of obstructionism. The House Republican leadership seems intent on doing things ''my way or the highway.'' And each time they pass the same old bill, they keep millions of unemployed Americans from getting the help they need. In fact, by their delay, more than 11,000 workers each day exhaust their unemployment benefits and therefore would immediately benefit from the Senate's unemployment extension.

But the Republican leadership will not allow a vote on any other bill than their own. We can't even vote for the stimulus amendment on unemployment assistance that passed the Senate by voice vote. That is neither bipartisan nor responsible. In fact, at no time have my Republican colleagues reached out to me or other Democrats to work on an economic stimulus bill. At the one and only meeting we had on the stimulus health pieces in which the Republican leadership allowed Members to show up, we were told that they had to ''just say no'' to anything we had to discuss. That too is neither bipartisan nor responsible.

So, here I am again, for the third time, telling you why this is a bad bill. The Republican leadership bill is supposed to provide immediate stimulus. So why do many of the tax provisions cost billions after 2002, in years when the economy is expected to be in recovery and stimulus is no longer needed? And why does this bill provide no meaningful immediate help for the millions of Americans without work and without health insurance coverage?

For example, why can't we truly held laid-off workers continue COBRA coverage? The Republicans promise assistance for workers to continue coverage under COBRA. But, the 60 percent tax credit is inadequate to allow families to afford coverage; millions of workers would not even be eligible because of restrictive definitions; and the Republican leadership program sets the stage for complete gutting of the employer-sponsored insurance—something Republicans have long tried to do. This tax credit is even more meaningless for workers who don't quality for COBRA, as they tend to be working in lower paying jobs and would find it even more difficult to afford coverage, particularly in the indivdual market where in most instances there are no protections on cost or availability of coverage.

Also, why can't we help laid-off workers who are not eligible for COBRA coverage? Presented with an option of building on a program, Medicaid, that already provides guaranteed, affordable health insurance coverage for nearly 44 million Americans and a program that currently does not provides health insurance to anyone, Republicans chose the program that has no experience providing coverage. Worse yet, they don't even guarantee any of the money would be used for health care. And, in attempt to counter some of our arguments, they provide funding to state high-risk pools, presumably to give people a place to spend their ''meaningless'' tax credits. Unfortunately, they are a day late and a dollar short: $40 million won't even cover 50% of these pools' costs for the two years it is available.

Had we had a chance to offer a substitute, the Democrats would have offered something that truly helps laid-off workers. The Democratic proposal would reach 5.1 million Americans. The Democratic proposal would provide additional financial assistance to states to help them meet the increases in Medicaid enrollment as a result of the economic downturn. As millions join the ranks of the uninsured, we need to ensure states preserve, not limit, eligibility for coverage.

The Democratic proposal would shore up health care providers as well. Providers are being hard hit by the economic downturn. The Democratic proposal would prevent physicians from taking a 5.4 percent reduction in their Medicare payments this coming year. It also includes bipartisan legislation to reduce regulatory obstacles in the Medicare program for providers. Both of these proposals should make it easier for providers to weather the economic downturn and continue providing quality care to seniors.

But the Republican leadership has barred votes on any alternative proposals today. What are they afraid of? We want to put choices before the American public—they do not. We want to help displaced workers and shore up the health system to weather the economic downturn—they do not. We want to provide targeted, responsible stimulus—they do not.

This Republican process is an outrage, serving only to obstruct help for unemployed Americans.

Mr. UNDERWOOD. Mr. Speaker, while we debate today's latest House Republican economic stimulus proposal, I would like to once again speak up on behalf of my home district of Guam and the U.S. territories, all of which have been experiencing double digit unemployment rates and have seen a down-turn in our tourism-dependent economies.

I am grateful for the assistance of Representative JOHN BOEHNER, Chairman of the House Education and Workforce Committee, for ensuring that the territories are eligible under the National Emergency Grants provision of the Republican stimulus bill. However, I was hoping that the Government of Guam would be provided economic relief for individual tax rebates and to see increases for Medicaid funding that we have sought, and that were included in Democratic proposals.

The bill before us today does nothing for the territories, especially for Guam. In fact, it may hurt. It provides more tax cuts which are reflected in Guam through a ''mirror tax code.'' This has the effect of reducing local revenues at a time when Government of Guam leaders are exploring the possibility of cutting worker salaries by 10 percent. It ignores our plight because we are not included in the additional 13 weeks of unemployment insurance. We should assist people who truly need help and local governments who are suffering through the most difficult times in the nation.

After all is said or done between the various competing proposals, however, it is clear to me that the territories will not be provided with the economic relief necessary, and that a targeted insular areas economic relief package is direly needed. Unlike the rest of the country, we in the territories have been struggling economically for the last few years. Prior to the September 11 attacks, Guam's economy, alone, was already struggling as a result of the Asian economic crisis. For the last 3 years, Guam's unemployment rate has averaged over 15 percent. This rate is three times the national average.

Over the last several months, I have been in discussion with other territorial delegates, Administration officials, Congressional leaders from the Ways and Means and Resources Committees, and local political and business leaders in the territories, on the need for an insular areas economic relief package.

Legislative items which should be considered include:

Increasing the waiver of local matching requirements for the territories;

Ensuring that the territories are included in the National Emergency Grants Program;

Lifting the cap on Medicaid funding for the territories or increasing the level of Medicaid funding;

Establishing empowerment zones in the territories;

Extending the supplement grant for population increases and contingency fund for welfare programs to the territories;

Providing unemployment assistance to the smaller territories from FEMA's Disaster Unemployment Assistance Program;

Extending supplemental security income benefits to Guam and the Virgin Islands;

Providing Federal guaranteed bonds for infrastructure projects in the territories; and

Generating increased GovGuam revenues with military personnel on temporary duty on Guam.

I look forward to working with my colleagues on ways to provide economic relief to the U.S. territories.

Mr. UDALL of Colorado. Mr. Speaker, I think today's action on the House floor is exactly the kind of thing that makes people cynical about Congress and the political process.

As our businesses are struggling to recover from recession, unemployment insurance is running out for thousands of people who have lost their jobs. Extending those benefits is something they need and something that will help the economy because it will enable them to continue paying their bills.

Those are the facts. There should be no partisan disagreement about them—which is why the Senate unanimously approved the bill before us, which would extend those benefits for 13 weeks.

And there should be no disagreement about what we should be doing today as we prepare to adjourn and leave town for more than a week. We should be passing that bill—the bill supported by every Senator, regardless of party—and sending it to the President so he can sign it into law.

But we aren't doing that. Instead, the Republicans leadership is insisting on holding that bill hostage—which means holding hostage everyone who need the extension of unemployment coverage—by sending it back to the Senate loaded down with a bulging grab bag of other legislation that the House has already passed before.

No wonder people are cynical about Congress.

Mr. Speaker, I am not saying that none of the things in this legislative package is any good. As a matter of fact, there are a number of items that I support. For example, I strongly support the extension of the clean-energy production credits and the work-opportunity credit. I also support a number of provisions to give tax relief to small businesses and to shorten the period for depreciating leasehold improvements. And I definitely think we need to change the way the alternative minimum tax is applied to individuals.

But all those provisions were already included in legislation that the House passed last year. There is no need to hijack this bill—a bill to provide urgently-needed help to thousands of Americans—to get them to the Senate, because they are already there.

I understand that the Republican leadership here in the House wants the Senate to act on a stimulus bill—and I agree that a sound stimulus bill would be good for the economy and good for the country. But I cannot agree to their strategy. I cannot agree to holding hard-pressed Americans hostage to try to coerce our colleagues in the other body. So, I cannot support this motion.

Mr. BOEHNER. Mr. Speaker, I rise in strong support of this economic stimulus package. In particular, I'd like to highlight the part of this bill that addresses the needs of working Americans and their families.

I'd also like to thank SAM JOHNSON of Texas and BUCK MCKEON of California, who helped craft the National Emergency Grant provisions, which we originally introduced as part of the ''Back-to-Work Act'' to respond to the needs of displaced workers.

As everyone knows, the September 11 terrorist attacks precipitated a downturn in our economy, and thousands of workers are now jobless. The proposal before us will help every worker return to work as quickly as possible—and in the meantime, that they and their families have access to quality health insurance as well as employment and job training resources.

Last year, the Labor Department acted decisively to mobilize the existing safety net for displaced workers and their families. And Secretary Elaine Chao testified before my committee on how Congress can work with the Administration to further strengthen the safety net for these workers—which is what this worker relief package would do.

As Secretary Chao said, and I quote, ''This Administration is committed to going even further than current programs allow to help families, industries and regions that have been hardest-hit by the terrorist attacks and their aftermath. Workers need help regardless of what industry they work in—not just a chosen few. The President's plan gets money to wherever people are hurting.''

The proposal before us is one that can be implemented quickly, flexibly, and without creating new bureaucracy. It's designed to do three things: (1) help those who have lost their jobs because of the economic downturn; (2) put people back to work to help get the economy moving again; and (3) ensure that displaced workers have access to health care.

Specifically, this bill would expand the National Emergency Grant program and authorize and appropriate $3.9 billion to help dislocated workers. Under the bill, grants may be used by states to help ensure that dislocated workers: (1) maintain health insurance coverage; (2) receive some form of income support during the recovery period; and (3) return to work as quickly as possible with the help of employment training and job search assistance.

Mr. Speaker, this proposal is a compassionate one—not just because it provides workers in need with flexibility and resources, but because it recognizes that a displaced worker's true goal, ultimately, is to return to work. A government program can help a worker survive. But until a worker returns to work, no economic recovery is complete.

On behalf of our nation's workers, I urge my colleagues to vote ''yes'' on this economic stimulus package.

Mrs. MCCARTHY of New York. Mr. Speaker, today, the House of Representatives will vote on another stimulus package that comes closer to the immediate needs of the country. We are all facing a sagging economy, escalating unemployment levels, and close to my home on Long Island, our concerns also include reconstruction efforts. Although this bill does not include everything I would have preferred, it is an improvement from the previous versions I opposed.

Although I support the provision extending unemployment benefits for an additional 13 weeks, this bill neglects the immediate unemployed health insurance needs of displaced workers. This bill provides a temporary tax credit equal to 60 percent of the cost of health insurance purchased by unemployed workers. This is a step in the right direction, but displaced workers need health insurance assistance now; not when they file their taxes next year.

New York is in dire straights because of the September 11 attacks. The sudden spike in unemployment levels has placed an enormous strain on unemployment rolls and other assistance programs. I was pleased the bill included $3.9 billion in national emergency grants to states for health care and reemployment assistance for displaced workers, as well as an

additional $4.6 billion for health care expenses.

In addition, this measure includes a number of temporary tax provisions for reconstruction incentives to businesses located in the New York Liberty Zone surrounding the World Trade Center. Among these provisions includes $8 billion in tax-exempt bonds over the next three years for reconstruction in the areas of New York City damaged by the September 11 attacks. Also included are several measures intended to attract businesses back to New York City.

Nonetheless, I am disturbed over the procedural games this bill must endure. We had an opportunity to pass a Senate cleared unemployment extension measure on its merits which would have passed the House and been sent to the president. Unfortunately, several tax provisions were added to the bill, essentially making it impossible to pass the Senate.

Since September 11th, more than one million have seen their unemployment benefits expire. Another two million workers will exhaust their benefits over the next 6 months. Yet we continue to play partisan and procedural games holding the unemployed hostage. It's unfortunate that some of the positive measures of this bill will never see the president's desk.

America needs an economic stimulus package that prioritizes the needs of this country during this difficult time. Therefore we must address the needs of our workers as well as providing our businesses with stimulating tax cuts that provide the temporary relief they need. However, this will never be achieved if the same procedural games are played.

Ms. BALDWIN. Mr. Speaker, this past Tuesday the State of Wisconsin did something no other state has done, and something this chamber has failed to do. Wisconsin did what was right and decided to help unemployed workers by extending their unemployment insurance benefits for an additional 8 weeks. They did it without playing political games or attaching controversial measures intended to score political points but not help America's workers.

Only a few short days after September 11, Congress quickly rushed to rescue the airline industry and provided a $15 billion package. This package provided airline executives with a guarantee that their million dollar salaries were safe, but included no provisions that helped the thousands of airline workers who were being laid off at an alarming pace.

The economic downturn, combined with the terrorist attacks, has caused many people to lose their jobs. Our unemployment is at its highest rate in about a decade. Yet, the House passed an economic stimulus bill that included millions of dollars is special tax breaks for big corporations, including Enron, but left behind those who needed financial help the most—Americans who have lost their jobs.

I applaud the State of Wisconsin for providing unemployed workers financial help for an additional 2 months while they look for a job. That means the people of Wisconsin will also have another 2 months to make their car payment, pay their house mortgage, and feed their families. I believe we must extend this assistance to all out-of-work Americans. It is our responsibility, our duty, to make sure that all unemployed or displaced workers have their benefits extended.

Today, this House had an opportunity to pass a bill that would have extended unemployment benefits to unemployed workers and gotten a prompt signature from the President. Sadly, tying unemployment benefits to another so-called economic stimulus bill will cause it to meet the fate of the previous 2 bills this House passed—it will go nowhere. We should follow Wisconsin's example and pass legislation that extends unemployment insurance benefits for at least another 13 weeks in a stand-alone bill. To do so otherwise is to turn our backs on the American people.

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

Pursuant to House Resolution 347, the previous question is ordered.

PARLIAMENTARY INQUIRIES

Mr. RANGEL. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman may state his inquiry.

Mr. RANGEL. Mr. Speaker, what would be the appropriate time for me to move that we concur with the Senate amendment to extend the unemployment compensation?

The SPEAKER pro tempore. The previous question is ordered on this motion to final adoption without intervening motion so there is no opportunity at this time.

Mr. RANGEL. Mr. Speaker, I have an additional parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. RANGEL. Will the minority have an opportunity to offer a substitute to the majority position?

The SPEAKER pro tempore. There is no such opportunity. The previous question is ordered to final adoption.

Mr. RANGEL. Mr. Speaker, my further and last parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. RANGEL. Does the minority have an opportunity to make a motion to recommit the majority's rule?

The SPEAKER pro tempore. The previous question is ordered to final adoption without intervening motion. The answer is no.

The question is on the motion offered by the gentleman from California (Mr. THOMAS).

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

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

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 225, nays 199, not voting 11, as follows:

[Roll No. 38]

YEAS—225

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Israel
Issa
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCarthy (NY)
McCrery
McHugh
McInnis
McKeon
Mica
Miller, Gary
Miller, Jeff
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sununu
Sweeney
Tancredo
Tauzin
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NAYS—199

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barrett
Becerra
Bentsen
Berkley
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel

| | | |
|---|---|---|
| Holden | McGovern | Rush |
| Holt | McIntyre | Sabo |
| Honda | McKinney | Sanchez |
| Hooley | McNulty | Sanders |
| Hoyer | Meehan | Sandlin |
| Inslee | Meek (FL) | Sawyer |
| Jackson (IL) | Meeks (NY) | Schakowsky |
| Jackson-Lee (TX) | Menendez | Schiff |
| Jefferson | Millender-McDonald | Scott |
| Johnson, E. B. | Miller, George | Serrano |
| Jones (OH) | Mink | Sherman |
| Kanjorski | Mollohan | Skelton |
| Kaptur | Moore | Slaughter |
| Kennedy (RI) | Moran (VA) | Smith (WA) |
| Kildee | Morella | Snyder |
| Kilpatrick | Murtha | Solis |
| Kind (WI) | Nadler | Spratt |
| Kleczka | Napolitano | Stark |
| Kucinich | Neal | Strickland |
| LaFalce | Oberstar | Stupak |
| Lampson | Obey | Tanner |
| Langevin | Olver | Tauscher |
| Lantos | Ortiz | Taylor (MS) |
| Larsen (WA) | Owens | Thompson (CA) |
| Larson (CT) | Pallone | Thompson (MS) |
| Lee | Pascrell | Thurman |
| Levin | Pastor | Tierney |
| Lewis (GA) | Pelosi | Towns |
| Lofgren | Peterson (MN) | Turner |
| Lowey | Phelps | Udall (CO) |
| Luther | Pomeroy | Udall (NM) |
| Lynch | Price (NC) | Velazquez |
| Maloney (CT) | Rahall | Visclosky |
| Maloney (NY) | Rangel | Waters |
| Markey | Reyes | Watson (CA) |
| Mascara | Rivers | Watt (NC) |
| Matheson | Rodriguez | Waxman |
| Matsui | Roemer | Weiner |
| McCarthy (MO) | Ross | Wexler |
| McCollum | Rothman | Woolsey |
| McDermott | Roybal-Allard | Wu |
| | | Wynn |

NOT VOTING—11

| | | |
|---|---|---|
| Berman | Riley | Taylor (NC) |
| Brady (TX) | Roukema | Traficant |
| Miller, Dan | Stenholm | Weldon (PA) |
| Payne | Stump | |

□ 1417

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the motion just agreed to.

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

There was no objection.

## RECESS OF SENATE FROM THURSDAY, FEBRUARY 14, 2002, OR FRIDAY, FEBRUARY 15, 2002, TO MONDAY, FEBRUARY 25, 2002, AND ADJOURNMENT OF HOUSE FROM THURSDAY, FEBRUARY 14, 2002, TO TUESDAY, FEBRUARY 26, 2002

The SPEAKER pro tempore laid before the House the following privileged Senate concurrent resolution (S. Con. Res. 97) providing for a conditional adjournment or recess of the Senate and a conditional adjournment of the House of Representatives.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 97

*Resolved by the Senate (the House of Representatives concurring)*, That when the Senate recesses or adjourns at the close of business on Thursday, February 14, 2002, or Friday, February 15, 2002, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until 12:00 noon on Monday, February 25, 2002, or until such other time on that day as may be specified by its Majority Leader or his designee in the motion to recess or adjourn, or until Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the House adjourns on the legislative day of Thursday, February 14, 2002, it stand adjourned until 2:00 p.m. on Tuesday, February 26, 2002, or until Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Majority Leader of the Senate and the Speaker of the House, acting jointly after consultation with the Minority Leader of the Senate and the Minority Leader of the House, shall notify the Members of the Senate and House, respectively, to reassemble at such place and time as they may designate whenever, in their opinion, the public interest shall warrant it.

The SPEAKER pro tempore. Without objection, the Senate concurrent resolution is concurred in.

There was no objection.

A motion to reconsider was laid on the table.

## AUTHORIZING THE SPEAKER, MAJORITY LEADER, AND MINORITY LEADER TO ACCEPT RESIGNATIONS AND TO MAKE APPOINTMENTS AUTHORIZED BY LAW OR BY THE HOUSE, NOTWITHSTANDING ADJOURNMENT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Tuesday, February 26, 2002, the Speaker, majority leader, and minority leader be authorized to accept resignations, to make appointments authorized by law or by the House.

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

There was no objection.

## APPOINTMENT OF MEMBERS TO REPRESENT THE HOUSE OF REPRESENTATIVES AT APPROPRIATE CEREMONIES FOR THE OBSERVANCE OF GEORGE WASHINGTON'S BIRTHDAY

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that it shall be in order for the Speaker to appoint two Members of the House, one upon the recommendation of the minority leader, to represent the House of Representatives at appropriate ceremonies for the observance of George Washington's birthday to be held on Friday, February 22, 2002.

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

There was no objection.

## DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, FEBRUARY 27, 2002

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, February 27, 2002.

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

There was no objection.

## APPOINTMENT OF HON. FRANK R. WOLF TO ACT AS SPEAKER PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS THROUGH FEBRUARY 26, 2002

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

WASHINGTON, DC,
*February 14, 2002.*

I hereby appoint the Honorable FRANK R. WOLF to act as Speaker pro tempore to sign enrolled bills and joint resolutions through February 26, 2002.

J. DENNIS HASTERT,
*Speaker of the House of Representatives.*

The SPEAKER pro tempore. Without objection, the designation is approved.

There was no objection.

## AMERICAN HEART MONTH

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

Mr. SHIMKUS. Mr. Speaker, I rise today in support of American Heart Month.

Sudden cardiac arrests lead to the death of over 230,000 Americans each year, including children. Take the case of Sean Morley, a 13-year-old boy from Buffalo Grove, Illinois. Playing baseball one day, a pitcher hurled a fast ball way inside and hit Sean in the chest. He immediately went into cardiac arrest. Thankfully, a nearby police officer was equipped with an automatic external defibrillator and was able to restore a normal heartbeat to the young ball player.

Like Sean Morley, more lives could be saved if communities had access to automatic external defibrillators and were trained to use them.

I have introduced legislation, along with my colleague, the gentlewoman from California (Mrs. CAPPS), which would provide grants to communities to establish public access to defibrillator programs. The Senate unanimously passed companion legislation last Friday, and I urge the House to quickly bring this legislation to the floor.

Mr. Speaker, 50,000 lives could be saved each year if more people implemented the chain of survival which includes the use of AEDs, or automatic external defibrillators.

## PRAYERS FOR THE BURNHAMS

(Mr. TIAHRT asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. TIAHRT. Mr. Speaker, today marks the 264th day that Martin and Gracia Burnham have been held captive by Muslim terrorists in the Philippines.

Today is Valentine's Day, a day focused on celebrating love 365 days a year, not just on February 14.

The Burnhams have a beautiful marriage and were on a trip celebrating their 18th anniversary when taken hostage by the Abu Sayaf group. Since then they have continued to remain devoted to each other. Martin often gives his food to Gracia, though neither of them has enough to eat. In a video in November, Gracia describes how she shouts ''I love you'' to Martin when they are caught in gun fire. She wants to be sure she gets to say it one last time.

Martin and Gracia also greatly love their three beautiful children, Jeff, Mindy and Zach. They have missed Father's Day, Thanksgiving, Christmas, each child's birthday, and now this day, to celebrate love. In letters they have expressed their devastation at being separated from their children.

Even during this awful nightmare, they have shared their love with each other and with others. Fellow hostages who have been released relate the Burnhams' attempts to encourage and comfort other captives. Gracia recited home recipes with other hostages to take their minds off the situation.

As we contact our loved ones today, let us not forget Martin and Gracia Burnham. I ask that my colleagues join me in praying for their release so that they may continue to share their love with their children, their family, their friends, and others they meet.

## SPECIAL ORDERS

The SPEAKER pro tempore (Mr. LATOURETTE). Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

## ENRON SCANDAL CAUSES UNBEARABLE GRIEF, ANGER, AND FINANCIAL HARDSHIP FOR ENRON EMPLOYEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. GANSKE) is recognized for 5 minutes.

Mr. GANSKE. Mr. Speaker, employees, pensioners, and investors who have seen their nest eggs disappear from Enron's bankruptcy speak of ''unbearable grief.'' They are also really angry that Enron's executives cashed out while, in many cases, they were locked in. One man told a congressional hearing, ''I could understand now why people jumped out of windows in the Great Depression.'' Several of my fellow Iowans who used to work for the Nebraska and Western Iowa Natural Gas Company that merged with Houston Natural Gas to become Enron have told me they have lost most of their life savings. I recently gave a talk to a Des Moines Rotary and two-thirds of the 200 people there have lost money in Enron, either directly or through their mutual funds.

The personal toll has been enormous. There has even been a suicide by one of Enron's former executives who left the country with millions, but could not deal with the collapse of the company.

The bankruptcy of Enron is the country's largest business failure. Its demise is rippling across our economy at a time when investor confidence was already shaky. What makes the Enron scandal so serious is that it is not an isolated case of corporate greed and fraud. Global Crossing and Elan also gave money to someone else, took some of it back, and counted the income as revenue without counting the outgo as expense. Amazon also resorted to ''pro forma'' accounting when it did not like GAAP. Shares in Tyco International dropped 50 percent on questions about its accounting.

My congressional committee, the Committee on Energy and Commerce, is holding hearings even as I speak on this Enron implosion and what happened and how can we avoid future collapses. My committee exposed the shredding of documents by both Enron managers and Arthur Andersen accountants. We are hearing today about the woman, Sherry Watkins, who wrote the ''smoking gun'' memo in which Enron President Ken Lay was informed of sham transactions with partnerships controlled by its own employees that were designed to accomplish favorable financial statement results in order to conceal large losses resulting from Enron's merchant investments. She warned Mr. Lay of ''impending implosion.''

Mr. Lay and others sold millions of dollars of Enron stock, even though insiders are prohibited from selling if they have material nonpublic information. Ken Lay and the chief financial officer, Andrew Fastow, have now taken the fifth before Congress, and Enron CEO Jeffrey Skilling very well may have not been totally honest with my committee when he testified. Arthur Andersen Accounting Company is in deep financial trouble too. Its Enron accountants' actions are under investigation, as well as activities at Andersen headquarters. The Justice Department is investigating whether crimes were committed, and these people may go to jail.

But that is small consolation to people who have lost their life savings. They want to know who is to blame for corporate America's largest bankruptcy, and there is much blame to go around: executives with no ethics, conflicts of interest on Enron's board, auditors who do not ask tough questions, investment banks that kept high-risk leverage off the books, stock analysts without the vaguest understanding of Enron's schemes. The failure of the Securities and Exchange Commission and the Financial Accounting Standards Board, FASB, on rules for subsidiaries, and maybe even Congress, should share some of the blame for failing to support stricter rules.

□ 1430

A couple of years ago then-SEC Chairman Arthur Levitt pushed for stronger rules to separate accounting from consulting by the same firms. I am thankful now that I supported his efforts. The public outrage over this economic tragedy is real, and that is why I am hopeful Congress will act. Congress is considering the multifaceted nature of this problem.

The 1929 stock market crash prompted legislation to force publicly traded companies to submit regular reports that met certain standards. Former Treasury Secretary Larry Summers has said that no innovation has been more important to the success of U.S. capital markets than generally accepted accounting principals.

The transparency and accuracy of corporate reports inspired investor confidence. Unfortunately, with compensation more closely tied to stock prices, the incentives for corporate managers to distort the information they provide investors has grown.

It seems to me accounting firms must raise their standards and adopt new rules requiring that subsidiaries be included in a company's financial statements. Those standards should be enforceable by FASB and that the funding of this regulatory board should be independent from accounting firms it oversees.

Investors rely on stock analysts. We need to do many things to fix this problem. Last week Paul Volcker said, Accounting and auditing are in a state of crisis. Mr. Chairman, to the millions of Americans who are depending on their investments for their retirement or their children's college educations, Mr. Volcker's statement is not hyperbole.

Employees, pensioners and investors who have seen their nest egg disappear from Enron's bankruptcy speak of ''unbearable grief.'' They are also really angry that Enron's executives cashed out while, in many cases, they were locked in.

''I could understand now why people jumped out of windows in the Great Depression,'' one man told a congressional hearing. Several Iowans who used to work for the Nebraska and western Iowa natural gas company that merged with Houston Natural Gas to become Enron have told me they have lost most of their life savings. I recently gave a talk to a

Des Moines Rotary and two-thirds of the 200 people there had lost money in Enron either directly or through their mutual funds.

The personal toll has been enormous! There has even been a suicide by one of Enron's former executives who left the company with millions but could not deal with the collapse of the company.

The bankruptcy of Enron is the country's largest business failure. Its demise is rippling across our economy at a time when investor confidence was already shaky. What makes the Enron scandal so serious is that it is not an isolated case of corporate greed and fraud. Global Crossing and Elan also gave the money to someone else, took some of it back and counted the income as revenue without counting the outgo as expense. Amazon also resorted to ''pro forma'' accounting when it didn't like GAAP. Shares in Tyco International dropped 50 percent on questions about its accounting.

My congressional committee, the Energy and Commerce Committee, is holding hearings into how this ''Enron implosion'' happened and how can we avoid future collapses. The committee exposed the shredding of documents by both Enron managers and Arthur Andersen accountants. We have discovered the ''smoking gun'' memo in which Enron vice-president, Sherry Watkins, warned Enron President Ken Lay of sham transactions with partnerships controlled by its own employees that were designed to accomplish favorable financial statements results in order to conceal large losses resulting from Enron's merchant investments. She warned Mr. Lay of ''impending implosion.''

Mr. Lay, and others, sold millions of dollars of Enron stock even through insiders are prohibited from selling if they have material nonpublic information. Ken Lay and Chief Financial Officer Andrew Fastow have now taken ''the fifth'' before Congress and Enron CEO Jeffrey Skilling very well may have committed perjury before my committee. Arthur Andersen accounting company is in deep financial trouble, too. Its Enron accountant's actions are under investigation, as well as activities at Andersen headquarters. The Justice Department is investigating whether crimes were committed and these people may go to jail.

But that is small consolation to people who have lost their life savings. They want to know who is to blame for corporate America's largest bankruptcy?

My committee is holding wide-ranging hearings. There is much blame to go around: executives with no ethics, conflicts of interest on Enron's board, auditors who don't ask tough questions, investment banks that kept high-risk leverage off the books, stock analysts without the vaguest understanding of Enron's schemes, the failure of the Securities Exchange Commission (SEC) and Financial Accounting Standards Board (FASB) on rules for subsidiaries.

Maybe even Congress shares blame for failing to support stricter rules. A couple years ago, then-SEC Chairman Arthur Levitt pushed for stronger rules to separate accounting from consulting by the same firms. I am thankful now that I supported his efforts.

The public outrage over this economic tragedy is real and that is why I am hopeful Congress will act. Congress is considering the multifaceted nature of this problem.

The 1929 stock market crash prompted legislation to force publicly traded companies to submit regular reports that met certain standards. Former Treasury Secretary Larry Summers has said that no innovation has been more important to the success of U.S. capital markets than ''generally accepted accounting principles (GAAP).'' The transparency and accuracy of corporate reports inspired investor confidence.

Unfortunately, with compensation more closely tied to stock prices the incentives for corporate managers to distort the information they provide investors has grown.

It seems to me that accounting firms must raise their standards and adopt new rules requiring that subsidiaries be included in a company's financial statements, that those standards should be enforceable by FASB, and that the funding of this regulatory board be independent from the accounting firms it oversees.

Investors rely on stock analysts, Do the analysts, or their firms, have a personal stake in seeing a stock do well? The National Association of Securities Dealers and the SEC should require Wall Street analysts to disclose whether they own stock they recommend and whether their pay is based on the investment banking work their firms provide.

For several years I have recommended increased funding for the SEC.

Corporate executives should disclose more quickly when they buy and sell their company's stock. Boards should be strengthened and limits should be put on stock options for board members.

Congress should consider reasonable limits on exposure to single stocks in employee pensions. I know several Iowa corporations that put limits on how much of their company's stock accounts for an employee's pension because they are concerned about their employees having all their investment eggs in one basket. Peoples' pensions should be vested in a reasonable time and diversified. Executives and employees should operate under the same rules on 410k ''lock-outs'' against selling stock.

These are just a few of the ideas being floated in Congress. I believe there is some urgency for Congress to act. This crisis needs to be resolved before investors lose faith in the integrity of the markets. We can already see investors skittish about a stock if there is even a hint of accounting shenanigans.

Last week Paul Volcker, Jr., the former Chairman of the Federal Reserve said, ''Accounting and auditing in this country is in a state of crisis.'' To the millions of Americans who are depending on their investments for their retirement or their children's college education, Mr. Volcker's statement isn't hyperbole!

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The SPEAKER pro tempore (Mr. CANTOR). Under a previous order of the House, the gentleman from California (Mr. GEORGE MILLER) is recognized for 5 minutes.

(Mr. GEORGE MILLER of California addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

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## LITHUANIAN INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. SHIMKUS) is recognized for 5 minutes.

Mr. SHIMKUS. Mr. Speaker, as an American of Lithuanian descent, I always come down to the floor around this time of year to commemorate Lithuanian Independence Day.

The 16th of February is the most important national holiday for Lithuanians. Eighty-four years ago Lithuania declared their independence from Germany. At this time its government held two main principles, restore statehood and the right to national self-determination.

Even after 50 plus years of Soviet occupation, these principles still hold true for Lithuania today. As soon as they established their independence in 1991, they have been working towards their goal towards NATO, the North Atlantic Treaty Organization.

I am pleased that Lithuania has shown as much tenacity and discipline in its membership action plan program as it did towards achieving freedom. All indications show it will be a significant contributor towards the Alliance.

Since 1994, over 1,000 Lithuania troops have served in NATO-led missions in the Balkans. Lithuania has expressed strong political and diplomatic support for the U.S. antiterrorist campaign, and it is ready to contribute its military and medical unit as part of the Czech hospital to the operation in Afghanistan and a military security unit within the Danish contingent to Kyrgyzstan as its practical contribution to the ''Enduring Peace'' operation.

Moreover, Lithuania's current experience and positive relations with its neighbor, Russia, are poised to only get better once Lithuania receives an invitation to join NATO.

I congratulate the people of Lithuania on their Independence Day for their hard work and perseverance, and I extend these greetings to all Americans of Lithuanian descent.

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The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

(Mr. DAVIS of Illinois addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

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## AMERICAN HEART MONTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FOLEY) is recognized for 5 minutes.

Mr. FOLEY. Mr. Speaker, I know how proud the residents of the Old Dominion, Richmond, Virginia, are to see you in this chair leading this great Congress today. I also want to wish a happy Valentine's Day to all of the employees of our Capitol complex and their families.

As we continue to work on issues that are important to America, I wanted to talk about, since today is Valentine's Day, some issues we are identifying by the Congressional Heart and

Stroke Coalition for American Heart Month.

The heart, of course, represents Valentine's Day, and it is more important to the body than anybody can ever imagine.

Let me give you a little background. About 62 million Americans suffer from some form of cardiovascular disease. One million die from such conditions each year. One American every 33 seconds dies of cardiovascular disease. Heart disease is the number one killer in the United States, followed by cancer, Alzheimer's and HIV and AIDS.

For women heart disease is the number one killer of American women. Heart disease and stroke kill more American women than men, and one in five women have some form of cardiovascular disease.

Economic burden: Heart disease and stroke are expected to cost the U.S. $392.2 billion in 2002.

Though heart disease was once considered an inevitable consequence, if you will, of aging, today these diseases can be treated aggressively with a variety of procedures. Treatment options include medicines for high blood pressure, a leading risk factor of heart disease and stroke; medicines that lower cholesterol; clot-buster medicines that can save the lives of heart attack patients; and drugs that can prevent second heart attacks from occurring.

Education of the American public is still necessary. Over 61 percent of the American public is considered overweight by the U.S. Surgeon General. We must enforce the idea of including diet and exercise into daily living.

I would like to talk about a few things I cosponsored along with Senator BOB GRAHAM of Florida, and one is House Resolution 2508, which is the Medicare Wellness Act of 2001. Congress added, due to our legislation, the first preventative benefits to Medicare in the Balanced Budget Act of 1997. Medicare Wellness Act of 2001 seeks to add more benefits. Among other things, the bill provides for Medicare coverage of cholesterol screening and medical nutrition therapy for those with cardiovascular disease. The bill has been referred to the Committee on Ways and Means, and I will work with the gentleman from Michigan (Mr. LEVIN) and, of course, the gentleman from California (Mr. THOMAS) and the House leadership to try to move that bill forward this year.

The greatest challenge will be the cost of the bill, but let me suggest that cost of doing nothing is enormous, as I mentioned that $300-plus billion tab that we are paying one way or the other.

Another bill we have filed is H.R. 630, which is the Teaching Children to Save Lives Act, and that authorizes the Secretary of Education to make grants to State agencies to award grants to local agencies in targeted schools or school districts for cardiopulmonary resuscitation, CPR, training in targeted localities; requires such training to use nationally recognized training courses and to be in the public schools which includes students of any age between the ages of grades 6 through 12. Grants must be to ensure in conjunction with local efforts that training sites have the ability to start up and foster community partnership among public and private agencies to help provide such training.

I work with the gentlewoman from California (Mrs. CAPPS), my cochairman of the caucus, in which to see this legislation come to fruition.

Health care is probably the number one domestic issue facing Congress this year. The President articulated it in his State of the Union message, and he also spoke about it while he was in Wisconsin, and he continues to remind the public of the importance of health care as we deliberate the important issues of the day.

We must continue to provide funding for research to stop the number one killer of Americans this year. And I will continue to work as cochair of the Congressional Heart and Stroke Coalition to increase awareness of heart disease and stroke among the Members of Congress and the administration.

## SUPPORTING PAKISTAN

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from New York (Mr. OWENS) is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, at Congress the highs are very high, and the depths can be very low. We certainly ended the session last night on a high note. It was 2:30 in the morning with you, but we finally passed a campaign finance reform, a piece of legislation that is likely to survive in concert with the other body. And also I think that there is a rumor the President may sign it. So I think the American people have a lot to applaud along with the Members of this House for our work this week.

We go into Valentine's Day, a day of love of all kinds. I hope everybody feels many different forms, kind of love and is willing to exhibit that love and compassion. Unfortunately we sank to a new low on Valentine's Day by refusing to pass a stimulus package which addressed the sufferings of working families in America. It would have been so easy for us to celebrate this day by addressing the immediate problem of the unemployed workers. Whether they are unemployed because of the fact of the tragedy on September 11, or they were unemployed because of the creeping recession that was on the way before, we still should have addressed those problems.

We should have addressed those proposals that were made by the Progressive Caucus that were made for some 3 or 4 months that not only should we have increased the amounts of weeks that unemployed workers can receive unemployment insurance, but we should also increase the amounts of money available, because in many States they have reduced the amount of money available in the unemployment insurance payments. We also suggested that, pushed hard for a combination of health benefits to go along with the unemployment insurance benefits so that workers losing their jobs temporarily, we hope it is temporary, would be able to maintain for 6 months a health care plan which would carry their families during that period.

These are very compassionate and humane considerations, and it is a pity that on Valentine's Day, in the process of playing games with a stimulus package, what we call a stimulus package, we would not address the needs of working families in America.

It might be noted that we still have not addressed the needs of the immediate airline workers who were laid off as a result of a constrictions within the airline industry. We addressed the industry and the executives and their needs. We appropriated billions of dollars for immediate cash to make up for any losses they might have experienced as a result of the September 11 tragedy, and we also set up an $11 billion low-interest loan fund.

We did a great deal for the airline industry, and the executives will profit a great deal, and the shareholders will profit a great deal. We made a promise that we will come back and take care of the airline industry workers who were laid off, the estimated number being about 100,000. We have not made good on that promise either. It would have been great if on Valentine's Day it could have been made good on that promise.

I want to talk today about the matter of failing to show compassion and sympathy to the Americans who need it most, those people who now need a safety net, that failure of compassion and where it fits into a number of different issues and problems that we are considering now in the country as a whole. I want to talk about a conversion of issues, and this issue of compassion for those who were on the bottom, compassion for those who need safety nets is a key at the heart of the discussion of all of these other items that I want to mention.

I want to include the fact that in this conversion of issues, that it is important that we have here on the Hill today the President of Pakistan, President Musharraf. President Musharraf was here as a major ally in the war against terrorism, a country which certainly had to think for a long time and think hard before joining the alliance against terrorism because it had a great deal at stake has come down firmly on the side of those of us who care about democracy, those of us who care about liberties and freedom, those of us who care about women being treated equally. They have come down on the side of a coalition which was proposed by President Bush.

They are taking great risk; the President of Pakistan and his government are taking great risk. They are right on the border of Afghanistan. They are right in the heart of two nations that are Islamic. They are threatened on the other hand by India that is hostile for various reasons. I will not go into all the of them at this point.

They are in a precarious position, but once again, Pakistan has come to the aid of the United States. They have always done this. During the Cold War they were there. When the Russians attacked Afghanistan, they were there. We have always relied heavily on the goodwill and participation in an alliance by Pakistan. Unfortunately, we have not rewarded Pakistan when the need for their services has been over. We have too often neglected to follow through and show our appreciation.

In fact, today as I met with the Committee on International Relations in their session with President Musharraf, President Musharraf used the phrase that he said somebody had mentioned yesterday he was not so familiar with that term, but he assumed what it meant. Somebody said, Are you worried about when the United States will again dump Pakistan; will they dump Pakistan again? He assumed that this meant abandon Pakistan, and he is correct. But ''dump'' somehow is a more poignant word which gets to the heart of the matter.

□ 1445

We have repeatedly dumped Pakistan after using Pakistan. I hope it does not happen again, but that significant attempt is a convergence of issues I want to talk about today.

Our success against the Taliban in Afghanistan would have not been possible without the help of Pakistan. They have gone to great lengths to provide maximum help to the United States in that fight against the Taliban. The success against the Taliban is something we ought to take a look at and understand the implications of that. Why were we so successful so swiftly? I think at the heart of that success is the fact that the Taliban never had the population of Afghanistan on their side.

It relates very much to another issue that I am going to discuss later and that is Haiti. The Taliban was an example of what happened in Haiti. We have a group of 4- or 5,000 armed thugs who have command of the tanks and the guns and the bullets. They can take over a nation, and they can rule that nation, although they are only a tiny percentage of the nation. It happened in Haiti with its 7 million people, and we had to work for 3 years in order to get back into Haiti the democratically elected President, and in the final analysis it took troops.

President Clinton had to have the guts to order the troops to go into Haiti to restore democracy. When our troops landed, not a single shot was fired. If we think the Taliban was easy in Afghanistan, remember Haiti. Not a single shot was fired. No lives were lost. We went on for quite a long time before even a soldier was killed by accident in Haiti because the people of Haiti were not in favor of the government they had. The people would not stand against it. The so-called military were cowards, and they would terrorize the people, but once they were confronted, they melted away.

That is the lesson we ought to bear in mind as we look at the Taliban and the implications of the Taliban. We are now concerned about now that the Taliban have been defeated, what are we going to do in terms of helping Afghanistan become a strong nation, let Afghanistan become a strong nation so that never again will a bin Laden or someone like that attempt to take over the country and use the country as a base for terrorism.

The whole concept of nation-building, which was much maligned just a few years ago, has now become a positive concept as it always should have been. Nation-building should not be a dirty phrase, and we are beginning to understand that, and beyond nation-building we ought to take a look at the possibility of nation preservation. The nations that already exist who are on wobbly legs, who are in deep trouble, deserve some help in being able to maintain legal, constitutional, democratically elected governments, which brings me to another issue that I want to put in this mix of issues.

That is the war against drugs in Colombia. Colombia was allocated a billion dollars for the war against drugs there. It is a military war. Military expenditures and military wars are the most expensive ways to fight drugs, to fight for the integrity of a country. We could have done so much more with less money if we had given economic aid to Colombia 5 or 10 years ago, but right now Colombia is a nation very much like Afghanistan. There is a back and forth with guerrillas, and the guerrillas may take over and they may become friendly with a government that is not necessarily threatening America with terrorism, but with a more steady flow of drugs and with relationships with other nations in the hemisphere, small islands in the Caribbean, Haiti.

The Colombian drug trade has the potential to spread its tentacles out with such enormous amounts of money at the command of the drug lords that it will impact among many nations in the hemisphere, and we may find ourselves surrounded by a circle of nations run by drug lords which will be a far greater threat to America than the Taliban in Afghanistan.

The growing influence of drug lords in the Western Hemisphere is a major problem we should be concerned with, which brings me to the questions in Haiti.

Haiti, at the time that the Army of Haiti staged a coup and kicked out the lawfully elected, democratically elected President, kicked him out, he had to run for his life. At that time the drug lords were very much in control in Haiti, and for a long time, the people in charge, Michel Francois and Raoul Cedras were the beneficiaries of an inflow of drug money from the drug czars so that every time one went to the bargaining table with them to try to get them to be reasonable and accept the democratically elected president returning to Haiti, they were very strong because they had a source of money, so far as income, which kept them well-heeled despite the fact that we had imposed an economic embargo on Haiti. And we were certainly making the people of Haiti in general suffer, but those guys never suffered a day in their lives because they had an influx of money from drug lords.

The same thing is happening now in Haiti. The drug lords are becoming stronger and stronger every day because since the return of a democratic government in Haiti, the policies of the United States have been very backwards, hostile, mean-spirited, hateful. There is a small cabal of very powerful leaders in America who literally hate the Government of Haiti at this point. They hate President Aristide and all he stands for. I have never seen such personal venom directed to a nation or its leader, and we are making foreign policy toward Haiti on the basis of those powerful people who will not live up to promises of aid.

They have promised $200 million in aid as a kingpin part of a package, that was supposed to be the kingpin and lead to a domino effect that was positive, and other nations like France and Canada and Great Britain, everybody was going to contribute to an effort that depended on being started by the $200 million the United States would supply. Powerful forces here in Washington, sometimes single individuals, have blocked the flow of that money to Haiti, and then Haiti has experienced a great deal of suffering.

The people who had such high optimism for their democratically elected government have now begun to sink into a great deal of despair, and the old problems are coming back in terms of more and more violence. That appears to be the only answer for those who really want to weigh out and want to take shortcuts.

So the strangling of a nation is taking place right before our eyes in this hemisphere with respect to Haiti. We need a global policy with immediate focus on this hemisphere, global policy which deals with Haiti first, a policy which deals with the fact the drug lords may have a great deal of influence in the nations surrounding us in the Caribbean islands other than Haiti, a policy which deals with this hemisphere in terms of something better in Colombia than the present military war which we are losing, and, even if we win, will not lead to any permanent eradication of Colombia as a major base for drugs.

I forgot to point out that the Taliban in Afghanistan were primarily funded

through the movement of drugs, just as their people who helped us to liberate the population from the Taliban, the Northern Alliance, also depend heavily on drugs and the flow of drugs, the drug trade, to finance them.

Drugs are a major problem in our fight against terrorism. It may not be so overt at this point, but if countries are eventually controlled by drug lords in this hemisphere, they will not necessarily have an agenda of hate against the United States for political reasons or religious reasons. They have their own selfish reasons for doing whatever they do, and they certainly would be available and for sale for enemies with bigger agendas, or they themselves would be an enemy that we should fear a great deal because of the way they would allow drugs to flow into our country with greater and greater ease and lower and lower prices, addicting more and more of our population. All of these problems are inevitably interwoven.

I am going to yield in a few minutes to a colleague of mine who particularly wants to discuss the problems in Haiti and the kinds of needed emergency that we are faced with here and the fact that the Secretary of State Colin Powell, who himself is of Jamaican descent, visited with the members of Caricom.

Caricom is an economic organization consisting of all the various Caribbean governments, and he visited with them, and they had a long discussion, and one of the great problems that was put forth by the heads of Caribbean states was that they are being overwhelmed by a great number of Haitian refugees. We have in the Clinton administration boatloads of Haitian refugees directed at this country and coming in at large numbers, ships sinking at sea, and finally we had to interdict and carry people off, and at one point we had 19,000 people at Guantanamo Naval Base, Haitian refugees, the problem was that big, until President Clinton finally moved to ease the pressure by restoring democracy in Haiti.

People went home and they stayed home because they had hope. Now that hope is being lost, they are not coming to this country again because probably the Coast Guard is out there very aware and very, probably very effective in stopping the movement of boats in this direction, maybe deadly so. We do not know, but they know the problem because they had it before. So instead of coming into this country, the refugees are going to targets which are easier to get into, and that is the other countries of the Caribbean.

I want to yield to my colleague from Florida if she would like to speak on the issue of Haiti at this point.

As I said before, all these problems are inevitably interwoven. We have a need for a vision and a comprehensive policy to deal with these problems, and human affairs is as complicated or more complicated than nuclear physics. So a complicated policy which understands how these issues relate to each other is needed; some vision is needed by this administration. We have but one enemy out there to fight, and that is the enemy that is against democracy or against liberty and against our constitutional civilization. These enemies, whether they come in the form of drug lords or Taliban spouting hatred on a religious basis, they are still enemies.

Haiti is a particular case where an elected government, democratically elected, is being harassed, ignored, neglected and abandoned by our own policies here in this country, and we need to move to deal with putting pressure on our administration to move in a more humane manner in order to save a nation. We do not have to build a nation in Haiti. We have to preserve a nation.

I yield to my colleague, the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Mr. Speaker, I want to thank my friend and very academic Representative, the gentleman from New York (Mr. OWENS), for reserving this time today and for leadership over the years on behalf of the nation of Haiti.

When I came to the Congress in 1992, the gentleman from New York (Mr. OWENS) was the person at that time who inspired me to keep up this fight for Haiti. I represent a great number of Haitians in this country. I am from Miami, Florida, and we do have a very large representation, almost as large as the gentleman from New York's representation.

Mr. OWENS. Mr. Speaker, I think the gentlewoman from Florida (Mrs. MEEK) represents the larger Haitian population, contrary to my congressional district.

Mrs. MEEK of Florida. Mr. Speaker, this is a subject that I know something about. One of the neighbors in my district, one of the largest neighborhoods is called Little Haiti, and it is one of the largest concentrations of Haitians in the world outside of Haiti itself.

While Haiti is an abstraction for many Americans, to many of my constituents it is their place of birth, the place of birth of their mothers and fathers, and still home to friends and family.

The human suffering in Haiti in this hemisphere, the poorest in the world, is something that no American would be proud of if they really understood what Haiti is going through and what the people in Haiti are going through.

Let me give my colleagues just a little background as to why we should be more aware of what is going on in Haiti and try to help America understand the plight of this country. Sixty percent of 8.2 million people are undernourished. Think of it, 60 percent of the people who live there. Their illiteracy rate is 48 percent, and 85 percent of Haitian adults are illiterate.

The United States has made some efforts in Haiti, not enough, but we are here today to say that the efforts that have been made are not in jeopardy.

Only 40 percent of the population has access to clean water. Think of it. We take all of these things for granted, but only 40 percent of the population in Haiti has access to clean water.

□ 1500

The per capita income of people living in Haiti is only $460 per year. What a dismal thing when we think of what is going on in Haiti. AIDS is the leading cause of death in Haiti, and infant mortality is more than twice the regional average. Life expectancy is 54 years of age, compared to a regional average of 70.

Clearly, Haiti's problems far exceed the resources it has to address them. That is why I am so grateful today that my colleague brought Haiti to the attention of this country.

Let us talk a little bit about the loans that were supposed to go to Haiti. The problems are being made worse because of decisions that are made by our own government. Just last week, Secretary of State Colin Powell said that the United States would oppose the $200 million in loans for the Inter-American Development Bank until the Haitian Government and its opposition find a way to settle their dispute. That stems from local and legislative elections held in 2000.

Now, think of this picture. Colin Powell has said they are going to hold back the loans that are to go to Haiti until they straighten out the legislative elections held in 2000. How long are they going to keep food, clean water, and clean air from the children who are suffering in Haiti?

Secretary Powell said he was terribly concerned about the political unrest in Haiti and that he does not believe that enough has been done to move the political process forward. That is another challenge. But, still, the children are dying, they are going without food, they are going without proper clothing, and we must wait until the political process moves forward.

Secretary Powell said he felt he had to hold President Aristide and the Haitian Government to ''fairly high levels of performance'' before we could simply allow funds to flow into the country. My question is, my esteemed colleague, what does Secretary Powell expect from the poorest country in the hemisphere, where people routinely go hungry, where children have no school, where health care is reserved for the wealthy and the economy is in shambles?

Haiti returned to constitutional government in 1994, following decades of the brutal dictatorships of Papa Doc and Baby Doc Duvalier and the military powerhouse which was directed against a brief period of democratic rule. Mr. Speaker, democracy is a very difficult form of government. Ask me, I know about it, even in the best of circumstances. We know this from our own experience here in the United States where we have every advantage.

Imagine how difficult it is to make democracy work when 85 percent of the

adults cannot read, unemployment is in double digits, and inflation hovers around 15 percent. I submit that American democracy would be sorely tested under such conditions.

It is clear that Haitian progress and political stability is tied very closely to the release of $200 million in Inter-American Development Bank loans which the United States is blocking. Because of the United States Government's action, the European Union has also withheld funds from Haiti. Two great nations, the United States and the European Union.

Our small island neighbors in the Caribbean, called Caricom, have criticized our government because it is depriving the Aristide government of the resources it desperately needs to alleviate human suffering, move the economy and stabilize their society. I think it is ironic that our government has agreed to $380 million in United States taxpayer guaranteed loans to keep American West Airlines in business, but they will not approve $200 million in loans for the Inter-American Development Bank to keep the country of Haiti from collapsing.

I plan to visit Haiti again next week. The gentleman from New York (Mr. OWENS) and I, and several members of the Congressional Black Caucus, have visited Haiti many times. Next week, we plan to go over there on a CODEL with the gentleman from Michigan (Mr. CONYERS), ranking member of the House Committee on the Judiciary, and others of my colleagues. We are trying to seek a way out of this impasse.

It is my hope that the administration will stop treating the nation of Haiti as an enemy. Haiti is not an enemy of the United States, they are not terrorists either, and instead begin to see Haiti for what it is, a poor and fledgling democracy, a needy neighbor, a nation filled with desperate people who, like poor and desperate people all over the world, look to the richest and most powerful Nation on the Earth for help.

We need help. It is in the pipeline for Haiti. And I want to thank my colleague very much for giving me this opportunity to speak just a little while about the poor people of Haiti and about the people in Miami I represent and what their feelings are toward helping this Nation.

Mr. OWENS. I thank my colleague from Florida, and I wish she could remain a minute to have a brief colloquy with me.

Mrs. MEEK of Florida. Yes.

Mr. OWENS. Since I think most Americans do not know it, could the gentlewoman tell us how far away or how close Haiti is to the American mainland?

Mrs. MEEK of Florida. It is very close. I think it is about 90 miles. It takes just an hour by plane from Miami to Haiti. It is the closest democracy to us. Mile-wise, I am not sure exactly the mileage.

Mr. OWENS. Could the gentlewoman also tell us about the Haitian community in Miami? To what extent does the gentlewoman see influences of the drug lords there from Haiti?

Mrs. MEEK of Florida. Well, drugs are a problem in Miami, in that drugs are now being routed into Haiti because it is a poor country, it is a depressed country. Something needs to be done about interdiction. I think our government should intervene in Haiti to keep the drug lords from taking over Haiti. It is very close to the Dominican Republic. They have trouble with the Haitian infusion there. Nassau, the Bahamas, is having trouble because the people in Haiti are very poor.

To answer the question, the Haitian community in Miami is well aware of these problems. They are organizing every day to try to bring these problems we have discussed to the light of this country. So the drug problem is great.

Also, immigration is a problem. And, of course, if situations continue to get worse and worse in Haiti, then they are going to try to migrate to the United States. And when they do that, they come in boats, they come in any way they can get there, and many of them lose their lives. Many of them are washed up on the shores of Miami Beach.

It makes a very bad picture to see these pictures of people who are running from a very poor and deprived country coming to another country, where there is all the good, when America could be extending the loans and the help which they should be giving to Haiti now. Because it would stop people from dying, and it would stop the drug lords from looking at Haiti as being a very lucrative place to peddle their drugs.

So it is a big problem. It is a security risk as long as we allow the drug lords to operate in and out of there. It is a country that has a lot of water around it, and they can deal in drugs and cause drugs to go there.

So we are trying to plead to this country that the $200 million or more that they are holding up is really a detriment. It is not worth it when we could give some relief to that country and sort of delay the infusion of drugs that are there.

So the Haitian community in Miami is a very intelligent community. They are working very hard. They are very industrious. They are also very nationalistic. They love America. They want to become a part of our society, and they have in the past, and they will continue to do so.

I guess what I am saying is that they are aware of these problems. They have really appealed to the government, and my colleague has been a big part of it. When we came up here to appeal to the Clinton administration to do something about the situation in Haiti, they did try. They did send monies to Haiti. They tried to develop a police force.

But I go back to the point that this is a very fledgling democracy, and democracy is not easy. We cannot just give up and back out the first time we have some problems there. And it appears that President Aristide seems to be a problem with many of the people here in the United States, even here in this Congress. It is a very unfair assessment of President Aristide.

Mr. OWENS. If the gentlewoman will answer one more question. It is my opinion that the hostile forces here in Washington, hostile people, the four or five key people with a lot of power, very hostile towards President Aristide's government, are using the election as an excuse, the technicalities of an election, which was not a bad election at all, in my opinion.

The gentlewoman is closer to what happened in Florida, the heartbreaking Presidential election fiasco in Florida. Can the gentlewoman tell us whether she thinks what happened in Florida was far more outrageous and complicated and probably controversial than what happened in the Haitian elections; and that we are moving on and nobody dares to chastise us or penalize us for the election problems that we had in the Presidential election related to Florida.

Mrs. MEEK of Florida. As a matter of fact, I thank the gentleman for that question. The election in Florida was a quagmire of confusion and delusion, in that the election in Florida cannot even be compared to Haiti's elections.

Haiti elections were much better run than the election in Florida. There were so many circumstances that happened in Florida, in this Nation. In this Nation, where we have all the technology in the world, in this Nation where we have all of the leadership in the world, to have an election that some people were denied the right to vote is a travesty of democracy.

The Haitian election was much better run. But did we censor this country because of it? Were we able to get any redress of our grievances? No. Were we able to come before this very Congress to show the situation in the election and show them what a bad situation it was, how it defied democracy? No, we could not get any redress. And it was a well-kept secret, the many, many problems in Florida.

So it is so difficult to even compare it with Haiti. It does not even come up to the standards of the election in Haiti and some of the other underdeveloped countries as well.

So, no, I do not see why we would use that. We are making it a political football because we do not want to help Haiti, and it is strictly political. There are people even in our own Congress who have fought against Haiti for the entire 10 years I have been here.

I have never been so wrought up in my life as I have been coming to this Congress appealing for some help for Haiti. We can get it for other countries, and many of them, in my opinion, who do not deserve as much help as they are getting. But Haiti, one of

the poorest countries in the world, cannot get any because of the political nuances or the political deep-seated feelings and hate and despise people have for Haiti.

I cannot understand it. And it is important that we help America understand that these few people are keeping their foot on the necks of Haiti.

Mr. OWENS. Does the gentlewoman have any immediate recommendations for action that she thinks we could take? I know there will be a CODEL visiting Haiti soon. Are there any other things she thinks we should do right away?

Mrs. MEEK of Florida. Well, I think we should undertake things we undertook in 1992, and we have been working on it for the last 10 years. We should continue to bring this to the forefront of our government, to help our President and his cabinet understand the importance of paying attention to Haiti.

I think it is a matter of helping America understand that we cannot sweep this condition under the rug. We cannot continue to let four or five well-meaning people, who are deliberately, because of their feelings about Haiti, cause people to die in Haiti, cause children to not have clothing.

I think we should continue with the kinds of things the gentleman is doing this afternoon, the kinds of things we do in our meetings back home, the kinds of things we do when we go on the radio, appealing for help. We have to let our leaders understand how important help is to Haiti, how important help is to a nation that is struggling to become a democracy. Haiti is a democracy, and it is a small democracy that is struggling to keep democracy alive. And I repeat, it is not easy.

So what we need to do is to continue to help this country and the leaders in this Congress understand, and our administration. I think they will be better able to help us if we continue to stress it. We must not lean away from it and ease up on the pressure.

So I guess my recommendation is that we keep the pressure on; that groups such as the Congressional Black Caucus, the Congressional Hispanic Caucus, and all the caucuses in this Congress should continue to put pressure. There was a time when we were pressing on the Attorney General of this country to help. I think we should go back again to Attorney General Ashcroft and give him the same kind of briefings that we gave Attorney General Reno and continue that effort to help America understand.

I am saying, in full, that we cannot cease our pressure on the government. That is the only way. We must also continue to seek the Haitian people in this country, in the gentleman's district and in my district, and say to them, look, you must continue to petition your government. It is your government, you must continue to petition them. They cannot sit back and wait on those of us in Congress to do all the work. They must continue the things that they started in 1990–1992 in general.

We do need people to discuss this, to talk about it, to bring it to light in the world. We cannot allow any more to sit back and rest. We are going to Haiti again; we are going to have CODELs there. We are going to come back to the Congress and talk about the situation there.

There is a woman in Miami, a very fine woman, a white woman, who went to Haiti, and she saw what was going on over there.

□ 1515

She came back and she is using her own money because she saw what was going on in Haiti. She is raising money and helping the children in Haiti. She has been here to talk to us. I hope to bring her before a committee to hear what she has done. This is one woman who has undertaken this because of her humanitarian feeling toward the people of Haiti.

Mr. Speaker, if we continue to expose this to our government and appeal to this administration, as we did the past administration, if we continue to ask Haitians who are here in this country who have become Haitian Americans to continue to speak out, I think Haiti will come back to what we think is a true democracy.

Mr. OWENS. Mr. Speaker, I thank the gentlewoman from Florida (Mrs. MEEK).

I would like to emphasize a few points, and that is that Haiti is a democracy right now. They have the most democratic government that Haiti has ever had since Haiti was founded. In this hemisphere, Haiti was the second independent nation after the United States became independent. Haiti wanted its independence. The only slave revolt in history that was successful in keeping the oppressors out and establishing their own nation, but it was not democratically run for most of the years of its existence, including the 32 years that the United States Government, the United States Army occupied Haiti.

Then came Francois Duvalier and his son Baby Doc Duvalier, and they were dictators of the worst kind, and yet our government cooperated with them for almost 40 years.

Now we have a democratically elected government, and because of a technicality related to some of the precincts and some of the things that did not go right in the election, we are using that as an excuse for withholding $200 million that was promised 8 years ago when Aristide was first restored as the President of Haiti. That promise was there. And the failure of the Western powers, the United States in the lead, to act has meant that hope has been lost and despair has set in, and now we have an erosion of the faith of the people in constitutional and democratic government. People are desperate, and they are taking out on the high seas to find another place and putting a great deal of pressure on other nations within the hemisphere.

We have not been noble at all in our conduct toward Haiti. The whole United States of America, the great country that it is, has allowed a number of people which I can put on one hand, less than 5 people are responsible for the bottlenecks that have blocked any aid to Haiti. Their own hatred and hostility have held up aid to this nation because of the hostility and personal peeve of a handful of powerful Americans.

Haiti came to our aid in the War of 1812. And throughout the history of Haiti, World War I and World War II, nobody has been able to use Haiti as a base for sabotage to harm the United States.

Like Pakistan, the President used the term that he heard from an American, are we going to get dumped again? Pakistan has had a history of certainly being loyal to the American cause, supporting us in alliances, and the great question is are we going to be ignoble in our behavior towards Pakistan.

President Musharraf has good reason to be concerned. We have done some terrible things to Pakistan. We have held up funds that they had paid for certain fighter airplanes. We did not give them the airplanes back or the money back. They still have not resolved the issue of getting the money back. We should do one or the other. That is a well-known contemptuous act toward the Government of Pakistan that ought to be corrected.

In a broader sense and a more important sense, we have abandoned Pakistan's legitimate request that the question of Kashmir, the territory between India and Pakistan, be settled in accordance with a United Nations mandate. The United Nations called for elections where the population of Kashmir would have the right to determine what they wanted to do, whether they wanted to be an independent state, annexed to India, or annexed to Pakistan. That is a United Nations mandate that is more than 50 years old.

Pakistan is still willing to abide by that mandate. They are willing to take their chances, take the risk of their interests not being dealt with appropriately, but they are willing to have internationally supervised elections. India is not, and our United States of America has abandoned the legal, moral position of asking India to live up to the United Nations mandate.

We are willing to leave the issue on the table and let it be silent. We are not raising it or demanding that something be done immediately. So we have an escalating problem in that area of the world which throws Pakistan off base and keeps it in a position where it has to spend a far greater amount of money on its military than it should be spending; and at the same time, it threatens now the possibility of a nuclear conflict.

Instead of waiting until there is an explosion and something that forces us to pay greater attention to it, why not be noble and moral, why not call for an implementation of the United Nations mandate of supervised elections in Kashmir and take Kashmir off the table as an explosive issue in that area of the world.

Pakistan has a lot of problems. We hope that we are sincere about the aid that is now being designated for Pakistan. I understand that it is between $800 million and $1 billion, which is part of a package related to fighting terrorism, Pakistan's role in our effort to fight terrorism, which is a key role. Without Pakistan's help, I am certain that the present defeat of the Taliban would not have been accomplished with such low cost in terms of human life and American sacrifices.

So Pakistan deserves to be rewarded. We have the package of between $800 million and $1 billion. Are they really going to get it, and are we going to make certain that it flows in a timely manner? The government needs to be boosted right now. The general is here and he is saying, we need economic aid. We need to have something to hold out to our people so that the fringe elements, and there are elements that are very strong. Pakistan is an Islamic Nation. General Musharraf stressed today that it is not a theocracy, but it is an Islamic nation. It has pressure on it from the rest of the Islamic world.

A question was raised with President Musharraf about the fact that the madrasahs, those schools in Pakistan that are run by the clerics, are they going to continue to exist in large numbers, because at those schools we have evidence that the Koran and the basics of literacy are taught, but the only other subject that gets any attention is hatred of the West, and many of the people who ended up in the Taliban camps came out of the madrasahs at an early age in Pakistan. The madrasahs fill a vacuum in Pakistan.

I was in Pakistan for a week because I have a lot of Pakistani American population in my district, and they had asked me to visit Pakistan for some time. I spent a week there. I visited Kashmir as well as several cities in Pakistan. I was primarily interested in visiting schools and observing what is going on in education. We visited the Ministry of Education and a number of different areas where education policy was made.

I must truthfully report that the first and obvious observation is that the Pakistanis use a very small percentage of their budget for education. Education has traditionally suffered in Pakistan. The military gobbles up almost 60 percent of the budget. For many years before that, there was a lot of education on the books that really does not exist by admission of the authorities themselves. They have what they call phantom schools and teachers who were sent checks by the government, but they were not teaching. They have a lot of problems.

They have to come to grips with those problems. For the aid that we give Pakistan, we should get assurances that a large part of that aid will go into education, because the future of the country lies with the improvement of the education of the population starting with literacy, but certainly beyond literacy they have to acquire high-tech skills in order to exist in this modern-day world.

So Pakistan deserves to have as rapidly as possible a deliverance on the aid that has been promised. Pakistan deserves to have as much assistance from the United States Government as we can give. It deserves not to be hidebound and roadblocked by an obsolete approach of AID. AID must take a new approach and be able to be more creative and accept some improvisation.

The President himself pointed out that a Pakistani group outside the country has put together a trustee fund, a fund that will be overseen by private trustees, and that fund is for education. His fund has put 2 billion rupees into that fund, and the fund will be transparent. The public will be able to see how the funds are being spent on education.

I would like to see our government contribute to that fund, regardless of how unorthodox that may be. They should move immediately to try to meet the Pakistanis halfway and try to move the issue of education forward as fast as possible.

The challenge is not nation-building in Pakistan, the challenge is nation preservation. The President of Pakistan has committed himself to moving forward with elections in October. He said this morning that he would not be a candidate, which removes a great deal of tension from the process, but they will have elections in October.

The preservation of democracy in Pakistan would go a long ways toward meeting the objectives of this country in terms of fighting terrorism, and, beyond that, creating a more just, a more civil, a freer world where greater numbers of people have opportunity is the best way to guarantee our own freedom, our own security.

The tragedy of September 11 certainly demonstrated to us how powerful a small group can be in this complex, modern world of ours. You can hit a nerve center like the World Trade Center, and one can cause all kinds of havoc in terms of immediate lives that are destroyed and telecommunications disrupted and impact on a whole business area that may never come back again employing thousands of people. There is an impact on a city in terms of taking revenue away so that New York City has a budget shortfall of at least $4 billion. With one hit, a small group was able to accomplish all this.

We want to minimize these threats. We will never get rid of all of the fanatics in the world. We will have to go to war at some points. We had no choice but to go to war after the attacks at the World Trade Center. Violent war, military war is the only way to deal with fanatics. But we can do so much more to eliminate the possibility of such groups arising either in the international arena or at home, and we are at danger at home of having psychofanatics, people like the bomber of the Oklahoma Federal Building who had no reason that we can clearly see except his mind was all messed up. Psychofanatics do a lot of harm, or we can have small groups that have political agendas or religious agendas out on the fringe who can do a great deal of harm.

□ 1530

We want to minimize the number of people like that. We want to deny those kinds of fanatical groups a breeding ground by having large numbers of people who are positive, who see themselves as having a piece of the American dream, by having unemployed workers who know that their government will not fail them, will come to their aid at a time when they are needed with unemployment insurance, with health benefits. You can remove a festering environment out there where these diseased movements and groups may take place and do it at a low cost.

The war in Colombia is a very expensive war. Americans should pay attention to it. We have appropriated and talked in terms of $1 billion. If you will take a couple of hundred million and move it to Haiti right now, you could avert any possibility of Haiti ever degenerating to the point of where you would have to go remove drug lords in Haiti with military force. There is Jamaica, a large nation, one of the largest nations in the Caribbean after Haiti. They recently had gun battles on the street. The drug lords supplied criminals with weapons, and they were able to drive the police off the street. They had more modern weapons. They had submachine guns and various weapons that frightened the police. You have that kind of situation.

You had another Caribbean nation that despite the fact that the man was a known drug lord, he threw a birthday party and all the top officials of the nation went to the birthday party of the drug lord. He obviously invited them to make a point and he made the point. There is another small nation where a drug lord was responsible for the death of a sheriff. Everybody knows who did it, but they cannot get a jury together. They cannot get a group together to really deal with an indictment and punishment.

The coming power of drug lords in this hemisphere is so great until it deserves special attention and ought to be put on the agenda as we consider a global policy for guaranteeing freedom, justice and constitutional democracy all over the world. It is the best way to fight the Taliban types, the Taliban syndrome. The Taliban syndrome exists in many more places than in Afghanistan in one way or another. It exists in places other than Somalia. It

exists in places other than Iraq, in the ''evil axis'' that has been named. It is only in small quantities now, it will grow, and it need not be. They always depend on chaos that results from people having no more hope, from people refusing to bow in allegiance to any authority, any government.

We know the formula. The formula for fighting the Taliban syndrome is to provide more of our aid and assistance in every way possible short of the military. The military is to be the last resort.

Mr. Speaker, I want to conclude my remarks with a piece that I had written to be placed in the Extension of Remarks in case I did not get this opportunity today. I had written it sometime ago, just finally finished it. It is based on a phrase that President Bush used in his State of the Union address. That phrase has not really been picked up that much. I would like to see it looked at in new terms.

Mr. Speaker, President Bush included several memorable lines in his State of the Union address; however, the phrase which I found most impressive was one that has been largely ignored by the conservative media. He said, ''Let's roll. Let's roll. Let's roll, America.'' I hope that we can all recognize that this is the cry of the lead hero on the passenger jet where unprecedented bravery was exhibited by ordinary Americans.

Remember, there was a jetliner headed for Washington; and the passengers counterattacked against the hijackers, and they forced the plane as a result of their counterattack to crash in a wooded area near Pittsburgh instead of crashing into the White House or maybe the Capitol. We were not sure where that plane was on course for in Washington. At a critical moment, ''let's roll'' was a call to action by a courageous young and modern American mind. I think the phrase ''let's roll'' was captured on the cell phone that that young man was on at the time they made the decision to move against the hijackers.

President Bush was quoting that. I think it went over the heads of a lot of people. I think the symbolism of it is very important. In his address, the President made a broad and sweeping interpretation. He was summing up all that he had said before in his speech when he got to the ''let's roll'' part. You could take everything he said and put it together and say, ''Let's roll on all these fronts. Let's roll in all these areas.''

The tragedy of September 11 has forced America to a crossroads where we must assume the role naturally bequeathed to us as the most powerful Nation that has ever existed. We have recognized now as never before that our way of life, our democracy, our constitutional civilization cannot remain secure unless we address the problem of freedom and justice throughout the world.

As much as it is a military call to action, ''let's roll'' must also be a call for rolling our know-how and technology across the world along with the investment of our enormous amounts of surplus capital. And we must roll our megatons of grain across the world to feed the hungry. By striving to become the most compassionate Nation ever to exist, America has the opportunity to grow and lead mankind forever.

I have condensed my strongly felt sentiments on this matter into an appropriately titled rap poem which I would like to recite. It is called ''Let's Roll America.''

Let's roll America!
Set the tracks of destiny straight,
Don't look back
But close the gate,
Toast the past
But change the cast.
In every language of the earth
To the country of all nations
We have proudly given birth.
At the Olympics of forever
We will win all the races;
We are Great Angels of tomorrow
With magic mongrel faces.
Let's roll America!
Into the grand canyons
Of great deeds to come,
Up to the Sierra's highest peaks;
Be generous philanthropy geeks,
Be fanatic democracy freaks,
All the Founders dared to seek;
Sing loud the hallelujah note,
All our races and women can vote.
America, let's roll!
Stand navy out to sea,
Off we go flying to stay free,
War never leaves us thrilled
But maniacs demand to be killed.
Saddam Hussein Satan's tutored underboss—
Hitler minus the crooked cross
Gleefully calculates the victim loss.
Patrons of peace permitted no breath,
Ayatollahs eat dinner with death,
Bin Laden is the monster of stealth.
The spirit of Gettysburg calls —
Forward to the Normandy walls;
Descendants of John Brown;
Fascists under any flag
We swear to drown.
War never leaves us thrilled
But maniacs demand to be killed.
Let's roll America!
Let kindergartners take a poll,
Full baby bellies
Is our favorite goal,
Usher in the age of soul.
Toast the past
But change the cast;
Come register for the test—
Only the next generation can rest;
God is our honored guest.
Don't look back
But close the gate,
Greed is not great —
Hang the blacksmiths of hate.
Resolve globally to be kind
Leave isolated arrogance behind.
The Romans did fail
Cause their hearts went stale.
Let's roll America!
Full baby bellies
Is our favorite goal,
Usher in the age of soul.
Sing loud the hallelujah note—
All our races and women can vote.
Let's roll America!
Rev up the freedom of Internets,
Focus food cargo on speeding jets,
Roll under dangerous skies
With great grit that never dies.
Volunteer saturation funding
With wasted wealth rotting in locked accounts,
Fortunes mushrooming toward infinite amounts,
Carry capital deep into jungles
Where only Bibles once bothered to go;
Insure the risks of toiling mothers;
Time to help schools and clinics grow,
Pay off some debts that we don't owe.
Compassion tells a star spangled story,
Grandchildren will applaud a new brand of glory.
Let's roll America!
In every language on the earth
To the country of all nations
We have proudly given birth.
At the Olympics of forever
We will win all the races;
We are Great Angels of tomorrow
With magic mongrel faces.
Let's roll America!
Everywhere children at tables smiling
Is our non-negotiable goal,
Usher in the age of soul.
America let's roll!

## AMERICA'S STEEL CRISIS

The SPEAKER pro tempore (Mr. CANTOR). Under the Speaker's announced policy of January 3, 2001, the gentleman from Pennsylvania (Mr. ENGLISH) is recognized for 60 minutes as the designee of the majority leader.

GENERAL LEAVE

Mr. ENGLISH. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the subject of my Special Order.

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

There was no objection.

Mr. ENGLISH. Mr. Speaker, I rise today as chairman of the Congressional Steel Caucus to bring before this body the grim crisis facing a major sector of our manufacturing base, a sector which if we allow it to be washed away, if we allow it to leave, if we allow it to go offshore will permanently affect our ability to manufacture within the United States. The crisis that is today facing the American steel industry is one that will be seen and has been seen in many other areas of manufacturing; and I believe in coming years if we do not resolve the steel crisis, if we do not resolve it to the satisfaction of all of those Americans who work in the industry, then I believe we run the great risk of seeing other industries challenged in a similar way.

The domestic steel industry and its current workforce, retirees and their

dependents are at a vital crossroads, Mr. Speaker. Thirty-one steel companies have declared bankruptcy since the steel crisis began in 1998, creating an uncertain future for 62,000 American workers. Thousands of steel workers have already lost their jobs. Pension and health care benefits are in jeopardy for hundreds of thousands of retirees. And now is the time to address this issue and to provide relief for this beleaguered industry.

I want to credit up front the Bush administration for being willing to directly take on this issue, as I will describe in a few minutes. Relief for this industry must be strong and swift in order to stave off a permanent liquidation of the domestic industry. Inaction or a weak action would silence many steel plants, destroy workers' livelihoods, affect their families and their communities while dealing a blow to our national economy and our national security.

I want to applaud the Bush administration for developing a comprehensive steel policy that began with the initiation of a much-needed 201 investigation, using a provision in our law which has been long recognized within the WTO framework. The Bush administration last year launched an investigation under the International Trade Commission to determine the causes and the likely consequences of the crisis facing domestic steel. I want to credit them for having done that, particularly since their predecessors had not been willing to launch a 201 investigation.

But the investigation part, which is now complete, is just the beginning. The 201 action needs to be followed by a concrete plan for reducing overcapacity and dealing with nonmarket forces. And the International Trade Commission's decision as it was handed down by the various commissioners gives the Bush administration the tools that it needs to deal with this problem. Again, I have to congratulate the President for his understanding of this issue and his foresight in bringing together under the OECD many of the producing nations with the objective of coming up with a way of rationalizing our global problem.

But beyond that, we must look at ways to address the industry's legacy cost and clear the way for a renaissance in the American steel industry. Ensuring the viability of the domestic steel industry is going to require a continuation of the cooperative efforts that have developed between Congress and the administration working together with both management and labor.

Let us take a look at the problem, Mr. Speaker. The fundamental cause of the current steel crisis is a massive global, but primarily foreign, overcapacity. The livelihoods of thousands of American steelworkers and their families have been devastated as 31 American steel companies have been forced into bankruptcy, largely as the result of this overcapacity and its effects. Massive foreign steel overcapacity, created and sustained by abusive government subsidies, protected markets and anticompetitive practices and nurtured by soft monetary policies have resulted in a diversion of excess steel products to the United States market. The American steel industry and its workers have over the past many years done a great deal to become more efficient, to become more productive, to become world class; and they have made the sacrifices and the capital investments necessary to do that.

□ 1545

They have taken dramatic steps to reduce capacity and modernize operations, to become a high quality, low cost and efficient steel producer. They have invested more than $60 billion in steel plant modernization to become among the most productive steel producers in the world, with fewer than two man hours needed per ton of steel produced.

One of the red herrings I hear in discussion of steel issues has to do with the allegation by some of our trading partners, and even some among American opinion makers, that the whole problem is one of domestic inefficiency and inability to compete in the world market. That simply is not true. But what is needed is a leveling of the playing field and an opportunity for these companies to compete on a fair basis.

Having made that kind of investment to achieve these advances in productivity, the U.S. steel industry closed numerous inefficient mills, significantly cut jobs and reduced capacity by over 23 million tons. As a result, U.S. productivity as measured by output per worker has nearly tripled since 1980, and that effectively debunks some of the conventional wisdom. But when competing with the unfair trading practices of our foreign competitors, even this is not enough.

In 1999, foreign excess raw steel making capacity was more than two times greater than the total annual U.S. consumption of steel. That is an extraordinary disparity. Much of the world's major steel markets have formal steel import barriers to foreign steel or are subject to international market sharing arrangements by foreign steel exporters.

As a result, the United States has become the dumping ground for the world's excesses of steel, effectively allowing many of our trading partners to export their economic problems to our shores. That is not fair.

The United States, to understand, are, from the standpoint of the world market, the good guys. We let in foreign steel, and normally our market is designed so we would expect to normally import about 20 percent of our steel needs. That is a good thing, and that has helped many of our trading partners. But under the current circumstances, we have seen the level of imports rise to the point that they constitute nearly one-third of our domestic market, and, in this context, the recession has been particularly painful.

As domestic steel consumption has declined, the imports have become more worrisome, and between the Sylla of imports and the Caribdis of decline and consumption, many American steel companies have fallen victim.

Obviously, Mr. Speaker, the steel industry is the victim of predatory trade practices, and we desperately need relief under Section 201 of the U.S. trade laws. The investigation, followed by a strong tariff ruling, represents a milestone in a shift toward a stronger trade policy that insists on a level playing field of trade for domestic producers. This is a huge shift in policy because this Section 201 was initiated by the administration. This initiative also gives the administration the big stick that it needs to bring those countries with excess steel capacity to the negotiating table to fix what is clearly a global problem and to rationalize the global steel market.

I realize many hearing this will wonder, how does that tie in to free trade?

Please, realize I am very strongly pro-trade, Mr. Speaker. But we need to realize that when it comes to steel, we are looking at one of the most distorted market places in the world, and the only place in steel where free trade has been in existence in recent years has been, in effect, in the classroom.

Initiating a broad 201 investigation by the administration firmly underscores the commitment to protecting our steel industry from unfair imports. This administration has clearly shown its willingness to stand up for steel, and we are beginning to see the benefits of that.

Section 201 of the Trade Act of 1974 was established to address cases where domestic industries have been seriously injured or are threatened with serious injury by increased imports. This is allowed under the WTO framework, and it is clearly one of our legitimate trade policy options.

Once petitioned by the impacted industry, Congressional committee or segment of the administration, the ITC determines whether a product is being imported at levels that have or could harm the domestic industry. Section 201 does not require a finding of unfair trade practice, but, rather, depends only on a finding that increased imports are damaging the industry.

In this case, the International Trade Commission determined that damage has indeed occurred and made recommendations for tariffs to the President. The President will make the final decision whether to provide relief and the nature of the relief, meaning granting relief is completely discretionary.

The March 6 deadline for the Bush Administration to make that decision is fast approaching. I call upon the President to look at the needs of our domestic industry, recognize the scope of this problem, and recognize that if

we do not draw a line in the sand here, if we do not stand up for our domestic manufacturers and demand for them a fair break, then steel is not going to be the last industry to be hollowed out.

It is now up to the President to end the abuse of the American market by enacting a strong remedy such as those recommended by Commissioners Bragg and Devaney. Strong relief is necessary in order to return steel prices to their normal pre-crisis levels, and allow American steel companies to make the necessary investments to remain viable and competitive in the future, while providing good-paying jobs for the American worker.

Tariff rates must be substantial in order to ensure that import prices return to market-based levels. The Section 201 remedy must be enforced for at least 4 years to allow the domestic steel industry to make the necessary adjustments to import competition. A shorter duration, I feel, will be ineffective.

Section 201 relief must not replace existing orders under the anti-dumping and countervailing duty laws. Those hard-won concessions under our laws, won by those domestic companies, need to be left in place. If these orders were set aside, any remedy will perversely reward those foreign producers that engage in unfair trade. That is something, Mr. Speaker, we do not in any case want to do.

I believe that relief needs to be comprehensive. We need to apply a consistent tariff-based remedy across all that is essential to the domestic industry and as representing the only fair way to impose relief.

Disallowing the continued abuse of the open U.S. market will give the President the leverage needed during multilateral steel talks and force foreign producers to cut back excess production capacity.

The imposition of tariffs for a 4 year period will demonstrate to foreign producers and governments that the administration is serious about addressing the problem of foreign excess steel capacity. Any talks that are conducted without enforcement capabilities will lack the incentives needed to achieve measurable results.

An effective remedy is the only way to stimulate foreign governments and steel producers to make the difficult decisions that U.S. producers already have made to modernize, eliminate inefficient capacity, and bring stability and balance to the global steel market.

Increases in steel prices have minimal effect on the price of end products because steel constitutes only a small share of the total cost of most products that contain steel. Accordingly, we need not be overly concerned that by providing a measure of fairness to American steel, we are making steel products that we manufacture uncompetitive.

For a typical American car, for example, the increase caused by the imposition of a 40 percent tariff would be about $60. For a refrigerator, the increase would be about $3. That is something that we can afford to pay.

As measured by the Commerce Department, steel's share of total cost is 0.8 percent for construction, 3.4 percent for motor vehicles and parts, 5.4 percent for other transport equipment, 6.8 percent for household appliances, 4.6 percent for electrical industrial apparatus, and, for the highest of Commerce's categories, fabricated metal products, steel's share of total cost is only 15.9 percent.

Since 1995, the price of finished goods has risen 11 percent, while the cost of steel mill products has declined 16 percent. The steel consuming industries who have suggested that relief under Section 201 will not return profitability to the domestic steel industry by raising prices, while arguing that relief will raise consumer prices to prohibitive levels, I believe are arguing an inherent contradiction. But in fact this is simply not true at all.

Their own study has found the complete opposite. A tariff rate quota would artificially set import lids of foreign steel and apply a tariff on any imports above the set limits. Such a remedy would be detrimental to the domestic carbon steel industry and its workers.

Let us look at the impact overall on the industry of this crisis. Entire American communities have been devastated by this import crisis, and we have seen that in Western Pennsylvania. In my district, which is one of the cradles of the modern steel industry in the world, we have seen a significant loss of jobs and other jobs very much at risk. Regions already experiencing hardship as a result of the current recession are being dealt a devastating blow by the massive levels of low-priced imports.

The ripple effect of each lost job in the steel sector is simply tremendous in these communities. The loss of good-paying steel industry jobs directly impacts thousands of workers in other sectors that depend on the steel industry.

The steel industry's use of goods and services in its production process generates considerable economic activity at the intermediate levels. The multiplier effect, for example, the U.S. manufacturing sector, including the steel industry, has one of the highest multiplier effects. For every $1 of a manufactured product sold to an end user, an additional $1.19 of intermediate activity is generated. The multiplier effect for the service sector is a mere 77 cents for every $1 sale.

The steel industry is a major consumer of computers and other high-tech equipment. It is also a major user of transportation industries, such as rail, trucking and shipping, and we have seen a direct impact resulting from the decline of steel on those industries.

Steel-generated demand for key raw materials, coal, coke, iron ore and limestone, provides employment in a number of regions where other jobs are scarce.

Mr. Speaker, the steel industry is also a major contributor to the U.S. tax base, including the tax base of State and local governments.

There is another issue here that is all too frequently overlooked. The steel industry is a significant asset to our national security. At a time when we are effectively at war, this ought to be central to many of our considerations. A healthy domestic steel industry is a cornerstone of our national defense. Steel is an indispensable component of many weapons and weapons systems, as well as the ships, tanks and other vehicles that carry these systems and carry our dedicated troops into battle.

□ 1600

In my district, as an example, Erie Forge and Steel is the sole producer of propeller shafts that are used in Navy ships. They have had a bout with chapter XI bankruptcy, and I am glad to see they have a purchaser; and they appear ready to move on and survive. But many others are facing immediate liquidation.

The President and many other U.S. Government leaders recognize that steel and national security go hand in hand. It is vital to U.S. national economic security, and as well to our homeland security, that America does not become dangerously dependent on offshore sources of supply. For steel, for example, that goes into our energy infrastructure, such as petroleum refineries, oil and gas pipelines, storage tanks, electricity, power generating plants, electric power transmission towers and utility distribution; for steel that goes into our transportation security infrastructure, such as highways, bridges, railroads, mass transit systems, airports, seaports, and navigation systems. For the steel that goes into our health and public safety infrastructure such as dams and reservoirs, waste and sewage treatment plant facilities, and the public water supply system, and for the steel, Mr. Speaker, that goes into our commercial, industrial and institutional complexes such as manufacturing plants, schools, commercial buildings, chemical processing plants, hospitals, retail stores, hotels, houses of worship, and government buildings. We must maintain a viable domestic steel industry if our Nation is truly to be secure.

There is another issue, and we need to recognize it, and it is central to this crisis and that is the issue of legacy costs, one that does not fall evenly on all parts of the steel industry but, nevertheless, is important and vital and central and necessary to be addressed. Two decades of downsizing have created a domestic steel industry that is highly efficient with modern facilities; but the downsizing that occurred to achieve this goal has placed an enormous burden on the industry. That burden includes legacy costs.

Health and pension liabilities for steel workers who lost their jobs or who retired and lost their jobs in some cases as a result of the massive industry downsizing which occurred especially during the 1980s. Legacy costs have put the industry overall at a competitive disadvantage versus foreign competitors whose governments assume these same costs and continue to assume these same costs through socialized medical systems. Congress, the administration, and the industry must continue to work together to address these costs which serve as a critical barrier to industry consolidation. What company is going to buy out and fold into another company if huge legacy costs come with it?

While this is a time of enormous crisis for the industry, it is also a time of unique opportunity. The government often played a part in the initial negotiation of the contracts that build up legacy costs, and so the government should be willing to play a constructive role today in addressing this problem. This is a chance to facilitate important restructuring, allow for significant capacity reduction, and help create an industry poised to compete over the long run with any competitor in the world.

The administration needs to take the lead in developing a plan to address these critical legacy costs which are preventing the industry from restructuring. As chairman of the steel caucus, I think I can fairly say that on a bipartisan basis, we are prepared to work with this administration to try to address that problem.

In conclusion, we have reached a pivotal point in stabilizing the American steel industry and ensuring good-paying jobs for its workers. The Bush administration took the monumental first step, standing up for steel, by initiating a section 201 investigation, which is a critical first step in its overall steel policy. Now, I urge the administration to enact tough tariffs that will truly provide relief for a besieged industry and its struggling employees.

Many of our manufacturers face growing and cumulative competitive disadvantages in the international market. The plight of the steel industry is grim, but both Congress and the administration need to work together and work hard on a bipartisan basis to give employers the tools that they need to be competitive in the global market. Unfortunately, nothing will solve, quote unquote, today's steel crisis, because the damage is already done. Instead, we must seek to apply the lessons learned in today's crisis, put reforms into place so that nothing like this can ever happen again with steel or any other part of our manufacturing base.

Mr. Speaker, I look forward to working with the administration. I hope the President will look at this issue; and I challenge the administration to join us, come up with a creative policy for making this industry viable in the 21st century.

Mr. EHRLICH. Mr. Speaker, I want to commend my Steel Caucus colleagues, especially PHIL ENGLISH and PETE VISCLOSKY, for their efforts to resolve the steel import crisis. This is an issue of great importance to me, my constituents, and the domestic steel industry.

On June 5, 2001, domestic steel producers finally received some good news in their struggle to remain a viable, competitive industry. On that day, President George W. Bush announced a comprehensive initiative to resolve the steel crisis. As part of this important initiative, President Bush directed USTR Representative Bob Zoellick to initiate an investigation under Section 201 of the Trade Act of 1974 regarding the impact of steel imports on the U.S. steel industry.

After conducting an extensive investigation, the International Trade Commission (ITC) confirmed what I and many others have been observing for years: illegal steel imports have caused substantial injury to the American steel industry. Now that the ITC has made its recommendations (most by a unanimous vote), President Bush must decide by March 6, 2002, on the appropriate remedies for our domestic industry.

As a free trader who recently voted for Trade Promotion Authority, I believe the steel crisis provides President Bush with a unique opportunity to save an important American industry, and to put the world on notice that free trade with America does not confer the right to violate U.S. trade laws with impunity. Further, President Bush's enormous credibility and free trade credentials make him the only person capable of resolving the steel import crisis. Accordingly, I have strongly urged President Bush to impose appropriately high tariffs.

In addition to illegal steel imports, the domestic industry must also address legacy costs—the health care obligations of steelworker retirees.

Mr. Speaker, overwhelming retiree health care costs are a result of the massive layoffs that occurred during the 1970s and 1980s. During this time, labor accepted a series of downsizing agreements in exchange for commitments on health care for retirees. In addition, technological advances, which have played a part in making the U.S. steel industry more efficient, have also served to diminish the workforce. Accordingly, more steel is produced today than during World War II, with only 10 percent of the labor pool.

Today, integrated steel producers in the U.S. are at a competitive disadvantage against foreign manufacturers whose governments subsidize health care as well as other elements of their business plans. Equally important is the fact that legacy costs pose a major impediment to the consolidation and restructuring needed for our domestic steel industry to survive.

In sum, under the current financial situation, our domestic steel industry cannot remain competitive in the global market while sustaining its health care commitments. Hopefully, the International Trade Commission's (ITC) recent finding that foreign steel has been illegally imported into America and the expected imposition of high tariffs will provide a foundation for the ultimate resolution of this legacy cost issue.

Mr. Speaker, illegal foreign trade has helped drive 31 American steel companies into bankruptcy causing 16 of them to shut down, and eliminating more than 46,000 jobs. Now more than ever, I urge my colleagues to stand up for the steel industry.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3090. An act to provide tax incentives for economic recovery.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PAYNE (at the request of Mr. GEPHARDT) for today on account of a death in the family.

Mrs. ROUKEMA (at the request of Mr. ARMEY) for today on account of illness.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. OWENS) to revise and extend their remarks and include extraneous material:)

Mr. PALLONE, for 5 minutes, today.

Mr. GEORGE MILLER of California, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

(The following Members (at the request of Mr. FOLEY) to revise and extend their remarks and include extraneous material:)

Mr. FOLEY, for 5 minutes, today.

## ADJOURNMENT

Mr. ENGLISH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore (Mr. CANTOR). Pursuant to the provisions of Senate Concurrent Resolution 97 of the 107th Congress, the House stands adjourned until 2 p.m., Tuesday, February 26, 2002.

Thereupon (at 4 o'clock and 6 minutes p.m.), pursuant to Senate Concurrent Resolution 97, the House adjourned until Tuesday, February 26, 2002 at 2 p.m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

5519. A letter from the Director, Office of Regulations Management, Department of Veterans' Affairs, transmitting the Department's final rule—Interest in Rates Payable Under the Montgomery GI Bill-Selected Reserve (RIN: 2900–AK99) received February 12, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

5520. A letter from the Director, Regulations Policy and Management Staff, Department of Health and Human Services, transmitting the Department's final rule—Indirect Food Additives: Paper and Paperboard

Components [Docket No. 99F–1581] received February 4, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5521. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans: Revision of the Visibility FIP for Nevada [NV034–FIP; FRL–7140–6] received February 5, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5522. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval of Revision to State Implementation Plan; New Mexico; Dona Ana County State Implementation Plan for Ozone; Emission Inventory; Permits; Approval of Waiver of Nitrogen Oxides Control Requirements; Volatile Organic Compounds, Nitrogen Oxides, Ozone [NM–36–1–7372a; FRL–7140–4] received February 5, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5523. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Revisions to the California State Implementation Plan, South Coast Air Quality Management District [CA249–0324; FRL–7134–4] received February 5, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5524. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of the FY 2000 Inventory of Programs, produced by the Interagency Working Group and the FY 2001 Annual Report; to the Committee on International Relations.

5525. A letter from the Mayor, District of Columbia, transmitting a copy of the report entitled, ''The Comprehensive Annual Financial Report Fiscal Year 2001,'' pursuant to D.C. Code section 47—119(c); to the Committee on Government Reform.

5526. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Committee's final rule—Additions to and Deletions from the Procurement List—received February 12, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

5527. A letter from the Managing Director, Federal Communications Commission, transmitting a copy of the FY 2001 commercial inventory submission; to the Committee on Government Reform.

5528. A letter from the Executive Director for Operations, Nuclear Regulatory Commission, transmitting a report on Year 2001 Commercial Activities Inventory; to the Committee on Government Reform.

5529. A letter from the Director, Office of Personnel Management, transmitting the Office's report entitled, ''The Pay of Bureau of Prisons Federal Wage System Employees'' prepared in response to House Report 107–152, which accompanied H.R. 2590 (enacted as Public Law 107–67, November 12, 2001); to the Committee on Government Reform.

5530. A letter from the Acting Director, Fish and Wildlife Service, Department of the Interior, transmitting the Department's final rule—Endangered and Threatened Wildlife and Plants; Determination of Endangered Status for the Washington Plant Hackelia venusta (Showy Stickseed) (RIN: 1018–AF75) received February 4, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5531. A letter from the Deputy Assistant Administrator for Ocean Services and Coastal Zone Management, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Announcement of Funding Opportunity to submit proposals for the South Florida Ecosystem Research and Monitoring Program (SFP) [Docket No. 000202024–1248–02; I.D. 100401B] (RIN: 0648–ZA79) received February 11, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5532. A letter from the Deputy Assistant Administrator for Ocean Services and Coastal Zone Management, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—General Grant Administration Terms and Conditions of the Coastal Ocean Program: Announcement of Opportunity [Docket No. 000817236–1268–03; I.D. 100401C] received February 5 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5533. A letter from the Administrator, Office of Workforce Security, Department of Labor, transmitting the Department's final rule—Disaster Unemployment Assistance Program; Interim Final Rule; Request for Comments (RIN: 1205–AB31) received February 6, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5534. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Alternate Compliance Program; Incorporation of Offshore Supply Vessels [USCG–2001–10164] (RIN: 2115–AG17) received February 11, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5535. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Right to Appeal; Director, Great Lakes Pilotage [USCG 2001–8894] (RIN: 2115–AG11) received February 11, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5536. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operating Regulation; Mississippi River, Wisconsin and Minnesota [CGD08–01–050] (RIN: 2115–AE47) received February 11, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5537. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operating Regulation; Mississippi River, Iowa and Illinois [CGD08–02–002] (RIN: 2115–AE47) received February 11, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5538. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations: Cheesequake Creek, N.J. [CGD01–01–225] received February 11, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5539. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Security Zones; Port Everglades, Fort Lauderdale, Florida [COTP MIAMI–01–122] (RIN: 2116–AA97) received February 11, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5540. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Security Zones; San Pedro Bay, California [COTP Los Angeles-Long Beach 02–002] (RIN: 2115–AA97) received February 11, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5541. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Security Zones; Hutchinson Island, St Lucia, Florida and Turkey Point Biscayne Bay, Florida City, Florida [COTP MIAMI–01–142] (RIN: 2115–AA97) received February 11, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5542. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Security Zone; San Diego Bay, CA [CGD11–98–003] (RIN: 2115–AA97) received February 11, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5543. A letter from the Director, Office of Regulations Management, Department of Veterans' Affairs, transmitting the Department's final rule—Claims Based on Exposure to Ionizing Radiation (RIN: 2900–AK87) received February 12, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

5544. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Coordinated Issue Mining Industry Receding Face Deduction—received February 12, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

5545. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property [Rev. Rul. 2001–52] received February 12, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

5546. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Coordinated Issue Foreign Tax Credit Retroactive Claims to Elect the FMV Method of Interest Expense Apportionment—received February 12, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

## REPORTED BILL SEQUENTIALLY PEFERRED

Under clause 2 of rule XII, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. HANSEN: Committee on Resources. H.R. 3208. A bill to authorize funding through the Secretary of the Interior for the implementation of a comprehensive program in California to achieve increased water yield and environmental benefits, a well as improved water system reliability, water quality, water use efficiency, watershed management, water transfers, and levee protection, with an amendment (Rept. 107–360 Part I); referred to the Committee on Education and the Workforce for a period ending not later than March 14, 2002, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(e), rule X.

## TIME LIMITATION OF REFERRED BILL

Pursuant to clause 2 of rule XII the following action was taken by the Speaker:

H.R. 3208. Referral to the Committees on Transportation and Infrastructure and Education and the Workforce extended for a period ending not later than March 14, 2002.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. MCINTYRE:

H.R. 3761. A bill to establish a program to provide assistance to institutions of higher education serving members of Indian tribes; to the Committee on Education and the Workforce.

By Mr. BOEHNER (for himself, Mr. SAM JOHNSON of Texas, Mr. OXLEY, Mr. FLETCHER, Mr. PETRI, Mrs. ROUKEMA, Mr. MCKEON, Mr. CASTLE, Mr. UPTON, Mr. TANCREDO, Mrs. BIGGERT, Mr. KELLER, Mr. CULBERSON, Mr. CALVERT, Mr. KING, Mr. LATOURETTE, Mr. HILL, Mr. REHBERG, Mr. BOOZMAN, and Mr. WILSON of South Carolina):

H.R. 3762. A bill to amend title I of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to provide additional protections to participants and beneficiaries in individual account plans from excessive investment in employer securities and to promote the provision of retirement investment advice to workers managing their retirement income assets, and to amend the Securities Exchange Act of 1934 to prohibit insider trades during any suspension of the ability of plan participants or beneficiaries to direct investment away from equity securities of the plan sponsor; to the Committee on Education and the Workforce, and in addition to the Committees on Ways and Means, and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. OXLEY (for himself, Mr. BAKER, Mr. BOEHNER, Mrs. ROUKEMA, Mr. BEREUTER, Mr. BACHUS, Mrs. KELLY, Mr. CASTLE, Mr. ROYCE, Mr. NEY, Mr. GILLMOR, Mr. COX, Mr. LATOURETTE, Mr. MANZULLO, Mr. JONES of North Carolina, Mr. OSE, Mr. GREEN of Wisconsin, Mr. TOOMEY, Mr. SHADEGG, Mr. FOSSELLA, Mr. CANTOR, Ms. HART, Mr. FERGUSON, Mr. ROGERS of Michigan, and Mr. TIBERI):

H.R. 3763. A bill to protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws, and for other purposes; to the Committee on Financial Services.

By Mr. OXLEY (for himself, Mr. BAKER, Mr. BOEHNER, Mrs. ROUKEMA, Mr. BEREUTER, Mr. BACHUS, Mrs. KELLY, Mr. CASTLE, Mr. NEY, Mr. GILLMOR, Mr. COX, Mr. LATOURETTE, Mr. MANZULLO, Mr. JONES of North Carolina, Mr. OSE, Mr. GREEN of Wisconsin, Mr. SHADEGG, Mr. FOSSELLA, Mr. CANTOR, Ms. HART, Mr. FERGUSON, Mr. ROGERS of Michigan, and Mr. TIBERI):

H.R. 3764. A bill to authorize appropriations for the Securities and Exchange Commission; to the Committee on Financial Services.

By Mr. GEORGE MILLER of California (for himself, Mr. THOMPSON of California, Ms. PELOSI, Ms. ESHOO, Mr. HONDA, Ms. LEE, Mr. MATSUI, Mr. SCHIFF, Ms. WOOLSEY, Mr. SHERMAN, Mrs. CAPPS, Mr. FARR of California, and Mr. LANTOS):

H.R. 3765. A bill to designate the John L. Burton Trail in the Headwaters Forest Reserve, California; to the Committee on Resources.

By Mr. LAFALCE (for himself and Mrs. JONES of Ohio):

H.R. 3766. A bill to establish an Office of the National Insurers within the Department of the Treasury to authorize the issuance of Federal charters for carrying out the underwriting and sale of insurance or any other insurance operations, and for other purposes; to the Committee on Financial Services, and in addition to the Committees on the Judiciary, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. VELAZQUEZ:

H.R. 3767. A bill to amend section 11 of the Housing Opportunity Program Extension Act of 1996 to facilitate the use of certain assistance made available for self-help housing providers; to the Committee on Financial Services.

By Mr. BALDACCI:

H.R. 3768. A bill to amend the Internal Revenue Code of 1986 to provide tax credits for hiring workers retrained in Trade Adjustment Assistance programs; to the Committee on Ways and Means.

By Mr. BENTSEN:

H.R. 3769. A bill to require disclosure of the sale of securities by an officer, director, affiliate, or principal shareholder of an issuer of the securities of such issuer to be made available to the Commission and to the public in electronic form, and for other purposes; to the Committee on Financial Services.

By Mr. CRANE (for himself, Mr. KLECZKA, Mr. EHRLICH, Mr. STRICKLAND, Mr. HAYWORTH, Mr. CAMP, Mrs. THURMAN, Mr. HONDA, Mr. WYNN, Mr. WHITFIELD, Mr. TIAHRT, Mr. KIRK, Mr. MCNULTY, Mr. MCDERMOTT, Mr. LEWIS of Georgia, and Mrs. WILSON of New Mexico):

H.R. 3770. A bill to amend title XVIII of the Social Security Act to provide coverage for kidney disease education services under the Medicare Program, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CROWLEY:

H.R. 3771. A bill to amend title 38, United States Code, to provide that monetary benefits paid to veterans by States and municipalities shall be excluded from consideration as income for purposes of pension benefits paid by the Secretary of Veterans Affairs; to the Committee on Veterans' Affairs.

By Mr. GORDON:

H.R. 3772. A bill to amend title 38, United States Code, to provide that veterans who are otherwise eligible for health care provided by the Department of Veterans Affairs shall not lose that eligibility by reason of being held as a prisoner in a county or city jail; to the Committee on Veterans' Affairs.

By Mr. HAYES (for himself, Mr. MCINTYRE, Mr. SHIMKUS, Mr. PAUL, Mr. NORWOOD, Mr. JONES of North Carolina, Mr. BROWN of South Carolina, Mr. BALLENGER, Mr. GOODE, Mrs. MYRICK, Mr. OTTER, Mr. PICKERING, and Mr. BURR of North Carolina):

H.R. 3773. A bill to amend the Internal Revenue Code of 1986 to provide an incentive for expanding employment in rural areas by allowing employers the work opportunity credit for hiring residents of rural areas; to the Committee on Ways and Means.

By Mr. JEFFERSON (for himself and Mr. RANGEL):

H.R. 3774. A bill to amend the Internal Revenue Code of 1986 to provide a credit to promote homeownership among low-income individuals; to the Committee on Ways and Means.

By Ms. EDDIE BERNICE JOHNSON of Texas:

H.R. 3775. A bill to designate the facility of the United States Postal Service located at 1502 East Kiest Boulevard in Dallas, Texas, as the ''Dr. Caesar A.W. Clark, Sr. Post Office Building''; to the Committee on Government Reform.

By Mr. KOLBE:

H.R. 3776. A bill to amend sections 562 and 563 of the Immigration Reform and Immigrant Responsibility Act of 1996 to provide for direct Federal payment to hospitals and emergency ambulance service providers of emergency medical care and certain emergency ambulance services for illegal immigrants; to the Committee on Energy and Commerce.

By Mr. MEEKS of New York (for himself and Mr. SOUDER):

H.R. 3777. A bill to amend the Higher Education Act of 1965 to restrict the disqualification of students for drug offenses to those students who committed offenses while receiving student financial aid; to the Committee on Education and the Workforce.

By Mrs. MORELLA:

H.R. 3778. A bill to provide for direct billing for water and sanitary sewer furnished to Federal agencies by the District of Columbia, and direct payment by those agencies to the District of Columbia; to the Committee on Government Reform.

By Mrs. MORELLA (for herself, Mr. TOM DAVIS of Virginia, and Ms. NORTON):

H.R. 3779. A bill to amend title 31, United States Code, to allow Federal agencies (including the government of the District of Columbia) to use passenger carriers, owned or leased by the Government, to provide transportation to employees between their place of employment and mass transit facilities, and for other purposes; to the Committee on Government Reform.

By Mrs. MORELLA (for herself, Mr. TOM DAVIS of Virginia, and Ms. NORTON):

H.R. 3780. A bill to clarify the ability of members of the National Capital Planning Commission to serve after the expiration of their terms until successor members are appointed, and for other purposes; to the Committee on Government Reform.

By Mrs. MORELLA (for herself, Mr. GILMAN, Mr. JONES of North Carolina, Mr. HORN, Mr. PALLONE, Mr. HINCHEY, and Mr. LANTOS):

H.R. 3781. A bill to prevent the slaughter of horses in and from the United States for human consumption by prohibiting the slaughter of horses for human consumption and by prohibiting the trade and transport of horseflesh and live horses intended for human consumption, and for other purposes; to the Committee on Agriculture, and in addition to the Committees on International Relations, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. OSE (for himself, Mr. SOUDER, Mr. CALVERT, Mr. CANNON, Mr. RADANOVICH, Mr. BACA, Mr. BEREUTER, Ms. BERKLEY, Mr. BLUNT, Mr. CARSON of Oklahoma, Mr. CONDIT, Mr. GILMAN, Mr. GRAVES, Mr. GREEN of Wisconsin, Mr. HERGER, Mr. HORN, Mr. NETHERCUTT, Mr. OSBORNE, Mr. PETERSON of Pennsylvania, Ms. SANCHEZ, Mrs. TAUSCHER, Mr. TIAHRT, and Mr. GOODLATTE):

H.R. 3782. A bill to respond to the illegal production, distribution, and use of methamphetamines in the United States, and for other purposes; to the Committee on Energy and Commerce, and in addition to

the Committees on Agriculture, Resources, Transportation and Infrastructure, Education and the Workforce, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. REHBERG (for himself and Mrs. EMERSON):

H.R. 3783. A bill to provide clarification regarding the market name for bison and compliance with section 403 of the Federal Food, Drug, and Cosmetic Act, and for other purposes; to the Committee on Energy and Commerce.

By Mrs. BONO:

H. Con. Res. 331. Concurrent resolution commending the Secretary of Transportation and the Nation's air traffic controllers for their actions to avert further tragedy following the terrorist attacks on September 11, 2001; to the Committee on Transportation and Infrastructure.

By Mr. SHIMKUS (for himself, Mr. HINCHEY, Mrs. TAUSCHER, Mr. TAYLOR of North Carolina, Mr. MCHUGH, and Mrs. KELLY):

H. Con. Res. 332. Concurrent resolution recognizing the United States Military Academy on its bicentennial; to the Committee on Armed Services.

By Ms. ROS-LEHTINEN (for herself, Mr. ROHRABACHER, Mr. CROWLEY, Mr. PITTS, Mr. BROWN of Ohio, and Mrs. JO ANN DAVIS of Virginia):

H. Res. 348. A resolution expressing the sense of the House of Representatives with respect to violations in Pakistan of the freedom of individuals to profess and practice religion or belief; to the Committee on International Relations.

## ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 498: Mr. BARR of Georgia, Mr. GONZALEZ, Ms. WATSON, Mr. TERRY, Mr. STUMP, Mr. SHADEGG, and Mr. HINCHEY.

H.R. 600: Mr. TIAHRT and Mr. WOLF.

H.R. 674: Mr. CROWLEY.

H.R. 690: Mr. THOMPSON of California.

H.R. 746: Mr. LAMPSON.

H.R. 781: Mr. ROSS and Mr. DOGGETT.

H.R. 858: Mr. BARCIA and Mrs. JONES of Ohio.

H.R. 914: Mr. HOBSON.

H.R. 939: Mr. BARCIA.

H.R. 952: Mr. WILSON of South Carolina and Mr. KING.

H.R. 968: Ms. MCCOLLUM.

H.R. 1051: Mr. PRICE of North Carolina.

H.R. 1053: Mr. PRICE of North Carolina.

H.R. 1109: Mr. BROWN of South Carolina, Mrs. MYRICK, and Mr. JONES of North Carolina.

H.R. 1212: Mr. WILSON of South Carolina and Mr. SPRATT.

H.R. 1256: Mr. HINOJOSA, Mr. PALLONE, and Ms. HARMAN.

H.R. 1296: Mr. DEAL of Georgia.

H.R. 1360: Mr. ANDREWS, Mr. PAYNE, and Mr. FERGUSON.

H.R. 1390: Ms. NORTON.

H.R. 1433: Ms. SLAUGHTER.

H.R. 1434: Mrs. MCCARTHY of New York and Mr. HINCHEY.

H.R. 1471: Mr. GANSKE.

H.R. 1475: Mr. KIRK and Mr. STEARNS.

H.R. 1556: Mr. MENENDEZ.

H.R. 1582: Mr. CLYBURN.

H.R. 1723: Mr. THOMPSON of California.

H.R. 1795: Mr. GUTIERREZ and Mr. STUPAK.

H.R. 1810: Mr. LANTOS and Mr. THOMPSON of Mississippi.

H.R. 1994: Mr. ROTHMAN.

H.R. 2001: Mr. BUYER.

H.R. 2051: Mrs. BONO.

H.R. 2114: Mr. TERRY.

H.R. 2117: Mr. PLATTS, Mr. DIAZ-BALART, Mr. LIPINSKI, and Mr. JENKINS.

H.R. 2125: Mr. LARSEN of Washington and Mr. HONDA.

H.R. 2162: Mr. PASTOR.

H.R. 2332: Mr. HILLEARY.

H.R. 2341: Mrs. JOHNSON of Connecticut, Mr. BROWN of South Carolina, Mr. CANTOR, Mr. FORBES, and Mr. SCHROCK.

H.R. 2395: Ms. NORTON.

H.R. 2508: Mr. PLATTS.

H.R. 2537: Ms. CARSON of Indiana, Mr. STUPAK, and Ms. RIVERS.

H.R. 2610: Mr. NADLER, Ms. RIVERS, and Ms. DEGETTE.

H.R. 2629: Mr. ACKERMAN and Mr. BENTSEN.

H.R. 2638: Ms. SANCHEZ, Mr. PALLONE, Mr. RODRIGUEZ, Mrs. BONO, Mr. SOUDER, and Mr. ROSS.

H.R. 2643: Mr. SMITH of Washington.

H.R. 2663: Mr. CANNON and Mr. MATHESON.

H.R. 2695: Mr. OSE.

H.R. 2710: Mr. DICKS and Mr. LIPINSKI.

H.R. 2723: Mr. LANGEVIN.

H.R. 2829: Mr. DUNCAN, Mr. RADANOVICH, Mr. STUMP, Mr. MCINNIS, Mr. CANNON, Mr. OTTER, Mr. TIAHRT, and Mr. SCHAFFER.

H.R. 2868: Mr. LAMPSON and Mr. ENGLISH.

H.R. 2974: Mr. UDALL of Colorado.

H.R. 3113: Mr. ENGEL.

H.R. 3131: Mr. BLUMENAUER.

H.R. 3192: Mr. SERRANO, Mr. TAYLOR of Mississippi, Mr. FROST, and Ms. MCCOLLUM.

H.R. 3236: Mr. DAVIS of Illinois.

H.R. 3238: Ms. BALDWIN and Mr. CAPUANO.

H.R. 3244: Mr. PITTS and Mr. MOORE.

H.R. 3375: Ms. LOFGREN and Mr. CONYERS.

H.R. 3389: Mr. LAFALCE, Ms. ROS-LEHTINEN, and Mrs. LOWEY.

H.R. 3415: Mr. OBERSTAR.

H.R. 3443: Mr. UNDERWOOD.

H.R. 3445: Mr. LANTOS.

H.R. 3446: Mr. LANTOS.

H.R. 3463: Mr. LAMPSON and Mr. WATT of North Carolina.

H.R. 3494: Ms. CARSON of Indiana.

H.R. 3626: Mr. ISAKSON.

H.R. 3634: Mrs. MALONEY of New York.

H.R. 3639: Ms. CARSON of Indiana.

H.R. 3644: Mr. ABERCROMBIE.

H.R. 3657: Mr. KENNEDY of Rhode Island and Mr. HINOJOSA.

H.R. 3670: Mr. NEAL of Massachusetts, Mr. MCGOVERN, Mr. WU, Mr. OLVER, and Mr. UDALL of New Mexico.

H.R. 3671: Mr. FILNER and Mr. FATTAH.

H.R. 3687: Mr. HOLDEN.

H.R. 3694: Mr. HOSTETTLER, Mr. BRADY of Texas, Mr. CANTOR, Mr. OWENS, Mr. LUCAS of Kentucky, Mr. STARK, Ms. SANCHEZ, Mr. BERMAN, Mr. CONDIT, Mrs. NAPOLITANO, Mr. LEVIN, Ms. SCHAKOWSKY, Mr. ACEVEDO-VILA, Mr. SWEENEY, Mr. ANDREWS, Mr. RODRIGUEZ, Mr. ORTIZ, Mr. PALLONE, Mr. HOLT, Mr. ISRAEL, Mrs. MCCARTHY of New York, Mr. ACKERMAN, Mr. WEINER, Ms. VELAZQUEZ, Mrs. MALONEY of New York, Mr. RANGEL, Mr. ENGEL, Ms. SLAUGHTER, Mr. LAFALCE, Mr. HINCHEY, Mr. SERRANO, Mrs. LOWEY, Mr. CARDIN, Mr. GREEN of Texas, Mr. SAWYER, and Mr. UDALL of New Mexico.

H.R. 3717: Mr. LATOURETTE.

H.R. 3741: Mr. MCGOVERN, Mr. MCHUGH, and Mr. LATOURETTE.

H. Con. Res. 177: Mr. LANTOS and Mr. ENGEL.

H. Con. Res. 245: Mr. GEKAS.

H. Con. Res. 290: Ms. NORTON.

H. Con. Res. 291: Mr. FLETCHER.

H. Con. Res. 316: Mr. GARY G. MILLER of California and Mrs. MYRICK.

H. Con. Res. 328: Mr. WATT of North Carolina.

H. Con. Res. 329: Mr. PLATTS and Mr. BAIRD.

H. Res. 295: Mr. MASCARA.

H. Res. 313: Mr. SERRANO.