

(Mr. YOUNG); the ranking member, the gentleman from Minnesota (Mr. OBERSTAR); and the Subcommittee on Aviation ranking member, the gentleman from Oregon (Mr. DEFAZIO), in urging immediate passage of this bipartisan bill.

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

Ms. MILLENDER-McDONALD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4226, the Cape Town Treaty Implementation Act of 2004.

The Cape Town Convention and related protocol on aircraft equipment known collectively as the Cape Town Treaty will extend modern commercial finance laws already used in the United States to international transactions involving aircraft and aircraft engines.

Lenders have been reluctant or are chafing more to extend financing for the sale of aircraft or aircraft engines to foreign entities, particularly in developing countries, because certain countries do not recognize the right of a lender with a priority interest in an asset to repossess or otherwise dispose of it if the owner defaults on a loan. The Cape Town Treaty, when ratified, is expected to lower their financial risks and therefore the costs of such financing and bring certainty to the marketplace, thereby increasing sales in aircraft frames and engines abroad.

Importantly, the Cape Town Treaty creates an international registry in which persons with secured credit or leasing interest in highly mobile assets such as aircraft and engines will be able to put other potential lenders on notice of their interest in a particular asset.

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Priority in an asset will be based on a first in time filing with the international registry. The filing of a notice of a security interest in the international registry will also facilitate a secured creditor's ability to repossess, sell, or lease a piece of equipment in the event of a default under the remedies provided by the treaty.

H.R. 4226 makes technical changes to section 44107 of title 49 governing the recordation of security interests with the Federal Aviation Administration, including designating the FAA's civil aircraft registry to be the U.S. entry point to the International Registry. This will enable the FAA to authorize filings with the International Registry related to U.S. registered aircrafts, aircraft engines, and aircraft that have received a U.S. identification number or to prospective interests in such aircraft or engines.

Filings to the International Registry would be valid only if the creditor first files with the FAA full documentation of the security interest as currently required by U.S. law and the FAA authorizes the transmittal of the filing of the notice of the secured interest to the International Registry. Also direct-

ing the FAA to immediately proscribe regulations for the registration and deregistration of aircraft and to complete the rulemaking process by December 31, 2004.

H.R. 4226 also provides that, if necessary, the provisions of the Cape Town Treaty shall apply to the registration and deregistration of aircraft until the FAA regulations are effective or by December 31, 2004, whichever occurs earlier.

In addition, H.R. 4226 states that the amendments to Title 49 made by this bill and any related regulations are effective upon the Cape Town Treaty's coming into force and do not apply to any prior registration or recordation.

To put this in a local perspective, Mr. Speaker, in my district we manufacture aircrafts and this bill opens up markets that have historically been problematic. This treaty brings uniformity to bankruptcy and commercial finance laws by extending current U.S. finance laws to international transactions involving aircrafts and aircraft engines. It lowers the risk to financial lenders and manufacturers alike to engage in new markets. To put it simply, passage of the Cape Town Treaty will help American companies compete in foreign markets. It puts manufacturers in the situation to compete for foreign contracts.

For example, the Boeing 717 built in my district of Long Beach, California, would benefit from the leasing requirements negotiated in this treaty. This translates into jobs and economic activity locally. The Boeing 717 plant in Long Beach employs 3,000 men and women and the plant also contracts with 320 suppliers. Currently, the 717 plant produces one plane a month. I have been told, however, that this plant is capable of producing 60 planes a year. If the 717 plant were to double their production to 24 planes a year, that would translate to upwards of 400 jobs created in Long Beach.

I thank the gentleman from Alaska (Mr. YOUNG) and the ranking member, the gentleman from Minnesota, Mr. OBERSTAR for their strong leadership on this issue, the chairman of the subcommittee, the gentleman from Florida (Mr. MICA), and the ranking member the gentleman from Oregon (Mr. DEFAZIO) for their leadership.

I urge all of my colleagues to support this resolution.

Mr. Speaker, I do not have other speakers, and I yield back the balance of my time.

Mr. MICA. Mr. Speaker, I yield myself the balance of my time to close.

Mr. Speaker and my colleagues, again I ask your support in the passage today of H.R. 4226 as amended. As you heard, this is an implementation technical bill that will implement provisions of the Cape Town Treaty. As you heard in my previous comment and the comments of the gentlewoman from California, this legislation will, in fact, aid our aviation industry which has been, again, so hard hit during the past 2½ years.

This will not only create jobs in Long Beach, California, but Washington and dozens of other States that produce major aircraft in the United States and also assist us to sell engines which are produced in the United States, I believe in Ohio, but not only from Ohio will there be a good results from the implementation of this treaty, but across the United States where additional parts are produced. So it aids manufacturing, it aids the job creation.

And we urge also the other body to act expeditiously in the passage of this legislation so that the full benefits in effect of the Cape Town Treaty when fully implemented can be realized.

So, again, I urge adoption of H.R. 4226.

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

The SPEAKER pro tempore (Mr. GRAVES). The question is on the motion offered by the gentleman from Florida (Mr. MICA) that the House suspend the rules and pass the bill, H.R. 4226, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MICA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 4226, as amended.

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

There was no objection.

WORKING FAMILIES ASSISTANCE ACT OF 2004

Mr. CANTOR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4372) to amend the Internal Revenue Code of 1986 to provide for the carryforward of \$500 of unused benefits in cafeteria plans and flexible spending arrangements for dependent care assistance.

The Clerk read as follows:

H.R. 4372

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Working Families Assistance Act of 2004".

SEC. 2. CARRYFORWARD OF UNUSED BENEFITS IN CAFETERIA PLANS AND FLEXIBLE SPENDING ARRANGEMENTS FOR DEPENDENT CARE ASSISTANCE.

(a) IN GENERAL.—Section 125 of the Internal Revenue Code of 1986 (relating to cafeteria plans) is amended by redesignating subsections (h) and (i) as subsections (i) and (j), respectively, and by inserting after subsection (g) the following new subsection:

"(h) CARRYFORWARD OF CERTAIN UNUSED BENEFITS FOR DEPENDENT CARE.—

"(1) IN GENERAL.—For purposes of this title, a plan or other arrangement shall not