

The SPEAKER pro tempore. Without objection, the gentlewoman from North Carolina is recognized for 5 minutes.

There was no objection.

Ms. FOXX. Mr. Speaker, it is my honor today to rise and commend the Skyline Membership Corporation for its enormous contributions not only to the Fifth District of North Carolina, but also to our Nation and the global war on terror. It is my pleasure to congratulate them upon receiving the 2006 Employer Support of the Guard and Reserve's Secretary of Defense Employer Support Freedom Award. It is of great note that they are only one of 15 recipients this year.

This award publicly recognizes employers for exceptional support for the National Guard and reservists above Federal law requirements. This award, the ESGR, as it is commonly known, is the highest in a series of Department of Defense awards that honors employers who provide excellent support for their excellent Guard and Reserve employees.

The Skyline Membership Corporation is a local member-owned cooperative established in 1951 to help bring telephone service to rural communities, and I am a member. Since its inception it has grown into the second largest of the nine telephone cooperatives in North Carolina. Today it serves over 360,000 access lines, covering an 840-square-mile area in northwest North Carolina and Tennessee.

Skyline Membership Corporation is governed by a nine-member board of directors and operates with a staff of 125 employees. Today it has expanded to provide a number of telecommunications services and has promoted job growth and economic development. It is a leading example of a prosperous business that also played an integral role in community development.

The ESGR is a Department of Defense agency that was established in 1972 by the Secretary of Defense William Perry with the sole purpose to gain and maintain active support for the National Guard and Reserve from all private and public employers.

I am honored and thrilled that such a fantastic business in North Carolina has been one of the 15 chosen out of thousands of companies across the country. It goes to show that in the Fifth District of North Carolina, we have some of the hardest-working people who are dedicated to our country and have a steadfast resolve to support our Nation. They are committed to shield it from terrorism and ensure our Nation is protected by their brave employees who choose to answer the call of our country.

This is a true honor for Skyline Membership Corporation. It is being recognized alongside major businesses such as DuPont, Starbucks, MGM Mirage and various large public agencies for its contributions to the Guard and Reserve units. This award exemplifies the commitment and leadership of the corporation and their determination to

encourage their employees to answer the call of their Nation in a time of need.

While fighting the global war on terror, companies such as Skyline are inextricably linked to our Nation's security by sharing their most valuable asset, their employees. One example of its steadfast dedication, not only to the global war on terror, is that they ensure their employees have the best possible accommodations overseas.

One example is the recent action the Skyline Membership Corporation took to support their employee's unit overseas in Iraq. Upon learning that an employee's unit was in dire need of lightweight cabin cots for shelter from insects, sand, heat and other elements, the Skyline Corporation sent 44 cots in a matter of days to that employee's units.

Skyline has gone above and beyond the call. That is why they have been chosen for such a prestigious award. It has supported its employees who are serving their country by answering the call to go to such places as Iraq and Afghanistan. Skyline has provided everything from continued benefits during deployment to care packages. Not only are the folks at Skyline making a difference in their employees' lives, but they are supporting our military and Nation's security.

Skyline has been such a successful business because of the strong leadership it has shown. It recognizes that when hiring National Guard and Reserve members, it can expect superior employees whose military training instills them with virtues such as efficiency, dedication, loyalty and teamwork. These employees share dedication to excellence, which has made Skyline a successful business, and, in turn, Skyline has returned the favor by encouraging and supporting its employees in every way possible to serve our country.

Skyline recognizes the importance of national security and serving our Nation. Its actions are truly deserving of the honor of such a prestigious award.

I wish Skyline all the best, and I have a message for them. Keep up the good work. You have made North Carolina and our Nation proud.

I am pleased to be able to commend Skyline Membership Corporation for its tremendous contributions to our Nation and to its employees. In a post 9/11 world their work, support and leadership exemplifies the best there is in North Carolina and highlights the exemplary work of the people of Western NC. Again, I commend The Skyline Corporation for its service, support and dedication.

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.)

BAD FAITH ACTIONS AND POLICIES OF STATE FARM INSURANCE IN MISSISSIPPI

Mr. TAYLOR of Mississippi. Mr. Speaker, I ask unanimous consent to speak out of order and to address the House for 5 minutes.

The SPEAKER pro tempore. Without objection, the gentleman from Mississippi is recognized for 5 minutes.

There was no objection.

Mr. TAYLOR of Mississippi. Mr. Speaker, on Wednesday of this week, Mr. Edward Rust, Jr., the CEO of State Farm Insurance Company, was supposed to be in Washington. I had hoped that I would have the opportunity to speak to him on behalf of the people of south Mississippi.

State Farm is one of three firms that for thousands of south Mississippians has denied their claims on wind policy, some of them for over \$1 million; have said that they are not going to give a dime as a result of what happened at Hurricane Katrina.

Had Mr. Rust been there, I also would have had the opportunity to tell him that last Saturday I met with two whistleblowers, two sisters, Cori and Carey Rigsby, who walked away from jobs that paid well over \$200,000 a year, investigating claims for State Farm, because they felt that company was abusing the people who paid for their policies, that their company was engaging in fraudulent behavior by denying these claims. Instead of being rewarded by that subcontractor to State Farm for telling the truth, they are being sued by that subcontractor for telling the truth.

So, Mr. Rust, if you had been there, I would have presented you with this letter, detailing what I think you have done to the taxpayers and to the people of south Mississippi. But since you were not there, I am going to put it in the CONGRESSIONAL RECORD and mail you a copy.

But there are two things I want you to know. You see, when you didn't pay people's wind claims in south Mississippi, you hurt them individually. You hurt average Joes like Joe Dee Benvenutti, who, interestingly enough, is also an insurance salesman; or guys like Mike Chapoton, who is a banker; or Dr. Leroy McFarland, who was my family's physician when I was a kid, and now in his 70s has been denied over \$1 million claim.

But you also denied guys like Senator TRENT LOTT and U.S. Judge Lou Guirola. It is one thing to tell a banker or a former corrugated box salesman that you can't read a policy, but I think it is something else to tell a Federal judge that he couldn't read his policy, to tell a U.S. Senator with a law degree from the University of Mississippi apparently he can't read his policy.

If they are doing that to the average Joes, I am sorry, if they are doing that to the bigshots like U.S. Senators and Federal judges, then the question is, what are they doing to grandmothers?

What are they doing to corrugated box salesman? What are they doing to high school teachers who don't have a prayer and who have been told that their cases could take years to be heard?

Mr. Rust, you not only denied those people, but, in my opinion, you also stole from the taxpayers. Let me walk the taxpayers through this. Flood insurance is paid through you, the taxpayers. It is heavily subsidized this year to the tune of over \$20 billion. According to the Rigsby sisters, your agents were instructed to walk on a piece of property, and, without looking at any of the evidence, blame it all on the water. It was all water; offer to pay that water claim immediately, and say, we will get back to you on the wind, knowing full well that an investigation would not take place on the wind policy, and that the only check those people are going to get would be from the taxpayers.

You see, that broke the law, because under the False Claims Act, when you ask your Nation to pay a bill that it should not pay, you are liable for triple damages and a \$10,000-per-incident fine. I think that is exactly what went on. This House has passed language asking the inspector general of the Homeland Security Department to look into that. Unfortunately, the other body has not acted on that. Senator LOTT, for his part, has passed the funding for that investigation for \$3 million, but this House has not voted on that.

So, in return for your behavior towards the people of south Mississippi, where over 1,000 south Mississippi families feel like the only chance they have of any justice is to go to court, I am going to try to do three things in my time remaining as a Member of this House.

Number one, I am going to push for that investigation, because I am confident in my heart that you stole from the taxpayers when you did that.

The second thing is I am going to work to remove your antitrust exemption. I bet you it would surprise the average American to know that if the two hardware stores in town called each other up and said, let's charge this much money for a gallon of paint, if they were caught doing that, they would go to jail. But Allstate can call State Farm, who can call Nationwide, who can call Farm Bureau, and they can say, this is how much we are going to charge for an insurance premium, and this is what the benefit is going to be. Yes, let us all play hardball and not pay any claims. It is perfectly legal. Check my facts on that, it is perfectly legal.

Look at your own pay stub. I would guarantee probably that at least the fourth biggest expenditure in every American family is insurance. Do you want to know one reason why it is so expensive? There is no real competition. They are exempt from the antitrust laws. No one should be above the laws. I am going to work to take away that exemption.

Third thing is I am going to work to pass an all-peril policy so that the people of Mississippi, Florida, Alabama or Texas don't have to stay in their house with a video camera to record how their house was destroyed to get some justice out of you.

Lastly, I am going to work for Federal legislation because you have picked the States apart. You are picking on 50 little States, 50 sets of rules. You are taking advantage of the citizens of this country when you ought to be dealing with our Nation's government.

Mr. Speaker, I submit for printing in the CONGRESSIONAL RECORD a copy of a letter from me to Mr. Edward B. Rust, CEO, State Farm Insurance Companies, dated September 20, 2006.

HOUSE OF REPRESENTATIVES,  
Washington, DC, September 20, 2006.

Mr. EDWARD B. RUST, JR.,  
CEO, State Farm Insurance Companies, Bloomington, IL.

DEAR MR. RUST: I am writing to make you fully aware of the consequences of the bad faith actions and policies that State Farm has carried out against the people of South Mississippi since Hurricane Katrina.

First, allow me to establish a few basic facts about Katrina's damage in Mississippi. There is no property in Mississippi that was damaged solely by flooding. More than 300,000 properties, including many that were hundreds of miles inland, sustained wind damages but no flooding. Properties nearest the coastline were damaged or destroyed by some combination of hurricane winds and storm surge.

State Farm's assertion that hundreds of coastal homes were destroyed without suffering any wind damage has been easily and overwhelmingly refuted by every meteorologist, engineer, eyewitness, or investigator who is not on the payroll of an insurance company or an insurance company's contractor. Every community on the Mississippi Coast suffered four or five hours of high hurricane winds and powerful gusts before the surge. High winds continued to cause additional damage during the surge, and the wind and water in combination caused the worst destruction.

State Farm recently reported that it has handled more than 84,700 property claims in Mississippi, yet requested engineering reports for only 1,100 of the claims. Since engineering reports are needed for the purpose of determining whether damage was caused by wind or by water, State Farm must have acknowledged that other 83,600 properties were damaged by winds alone. In other words, State Farm has paid claims for wind damage far inland where you could not blame flooding, while denying wind claims on the coast where the winds were much stronger, but where you could blame flooding.

Many homeowners near the coastline had flood insurance, but not for the full value of their properties. Hundreds of homeowners who bought every property insurance policy that was available to them—homeowners, windstorm, and flood—are nevertheless left with huge uncovered losses because State Farm and other insurers have decided that only the federal flood insurance program, and federal taxpayers, should pay on homes that were destroyed by the combination of wind and water.

State Farm's twisted legal argument that the anti-concurrent causation language in your policies allows you to deny wind claims, even where you acknowledge that wind was a cause of the damage, is an especially cynical and despicable act.

Your company's betrayal of its policyholders has had horrible financial consequences for families and communities at their time of greatest need. Some policyholders will file bankruptcy and default on their mortgages. The lucky ones will recover only after depleting their savings and retirement accounts and assuming large new debts. Worst of all, I fear that your actions will result in unnecessary deaths in future disasters. If you succeed in establishing that the burden of proof is on policyholders to prove that wind and wind alone caused damage, I am convinced that some people who should evacuate will stay behind next time to record the damage.

State Farm and other insurers have contracts with the National Flood Insurance Program that permit you to sell flood policies and adjust flood claims that are backed by federal taxpayers. When your adjusters assigned all damage to flooding, I believe you committed fraud against the United States government. State Farm's contract with NFIP obligates your company to apply the same standards to flood claims as you apply to your own claims. The federal regulations do not empower you to assume flood damage anywhere it is possible, while denying wind claims unless no other cause is possible.

I believe that State Farm and other companies violated the False Claims Act by manipulating damage assessments to bill the federal government instead of the companies. I have written the Justice Department to recommend that the Katrina Fraud Task Force investigate whether insurance companies defrauded federal taxpayers by assigning damages to the federal flood program that should have paid by the insurers' wind policies.

In late June, the House approved my amendment to the Flood Insurance Reform and Modernization Act to instruct the Inspector General of the Department of Homeland Security to investigate the Katrina claims practices of the insurance companies that adjusted flood claims. Sen. Trent Lott added a similar provision to the Homeland Security Appropriations Act.

Even before Katrina, I was an original co-sponsor of legislation introduced by Rep. Peter DeFazio to repeal the antitrust exemption that was granted to the business of insurance by the McCarran Ferguson Act. After Katrina, this issue will be much higher on my agenda. It is obvious that the large insurance companies conspired together to manipulate the claims process. It also is clear that state resources were inadequate to protect consumers from underhanded insurance practices on such a large scale.

In the decades since enactment of McCarran Ferguson, the federal government has assumed responsibility for insuring some risks that the insurance industry refuses to cover. Medicare and Flood Insurance are obvious examples. The federal government also provides disaster assistance and loans to individuals, businesses, and communities to help offset their uninsured losses. It does not make sense for the federal government to fill in the gaps left behind by the insurance industry and yet have very little role in regulating and investigating insurance companies and their practices.

In the next session of Congress, I plan to press for a vote on legislation to have the federal government take responsibility for regulation of insurance. It is ridiculous for the industry to claim that insurance is not "interstate commerce" rightfully under federal jurisdiction when companies stop issuing policies in New York and Florida because of claims in Mississippi and Louisiana. Congress and federal regulators should have clear responsibility for oversight of the insurance industry.

I also pledge to work tirelessly to enact a natural disaster insurance program that provides for all-perils insurance coverage. There is no reasonable way to distinguish the wind damage from the water damage from a major hurricane. The worst destruction almost always results from the combination of the two. The division of wind and flood coverage guarantees that legal disputes will consume millions and millions of dollars for engineering reports and legal fees instead of going to pay damage claims.

I cannot support plans to provide federal reinsurance for the current system that allows insurance companies to shift their liabilities to taxpayers and property owners. Any effort to provide a federal reinsurance backstop for insurance losses must insist on elimination of the exclusions and gaps in property coverage. Homeowners need to be able to purchase insurance and know that disaster damage will be covered.

Finally, I will continue to urge the leadership and my colleagues in Congress to undertake detailed hearings and investigations of insurance industry practices. Please know that the actions of your company have helped make the case that Congress and the federal government must move to regulate and investigate your industry in order to protect consumers and taxpayers.

Sincerely,

GENE TAYLOR,  
*Member of Congress.*

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair must remind Members to direct remarks in debate to the Chair, not to others in the second person.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. HULSHOF) is recognized for 5 minutes.

(Mr. HULSHOF addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. ZOE LOFGREN) is recognized for 5 minutes.

(Ms. ZOE LOFGREN of California addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. MACK) is recognized for 5 minutes.

(Mr. MACK addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. ALLEN) is recognized for 5 minutes.

(Mr. ALLEN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. CUMMINGS) is recognized for 5 minutes.

(Mr. CUMMINGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

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#### THE ISSUES AFFECTING AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, the gentleman from Ohio (Mr. RYAN) is recognized for 60 minutes as the designee of the minority leader.

Mr. RYAN of Ohio. Mr. Speaker, I thank you for the opportunity, and I would like to thank Leader PELOSI and STENY HOYER, JIM CLYBURN and also JOHN LARSON, our Vice Chair, the leaders of our caucus, for the opportunity to come down here and speak to other Members of this body about the issues of the day.

Day in and day out, as we continue to have debates here on the floor of the House of Representatives, one of the main topics here and back in our districts is the issue of the war in Iraq, the issue of the standing, on the stature of the United States of America and the opinion of those around the world of us, and the need for us to build coalitions across the globe in order to fight this global war on terror.

We have major differences. We have had major differences, and we continue to have major differences in this body, in the body that is created by Article I, section 1 of the United States Constitution, as to how we should administer and execute this war on terror.

The Bush administration has tried to implement their philosophy with the war in Iraq, and I must say, Mr. Speaker, that their actions have created more terrorists in the world, it has made the bull's eye on the United States bigger, and it has completely almost eliminated the goodwill that was given to this country from around the globe after 9/11.

Many Members of this Chamber can remember the editorials and foreign newspapers where some were saying that today we are all Americans after 9/11. Today we are all Americans. That political capital that we had, that goodwill that we had, was squandered by a very divisive policy, a policy that was based on misinformation, was misleading.

As the days and the weeks and the months go by, we continue to see time and time and time again how this administration misled the Congress and misled the American people. And if we had a huge intelligence failure on 9/11, it only makes sense to be very, very careful before believing the intelligence that is then being presented to you for the war in Iraq.

This issue is the defining issue. The President can continue to try, Mr. Speaker, to somehow change the topic, somehow try to change the debate to something that may be more favorable. But when you look at what is happening with our foreign policy and with our domestic policy, you will see that

the American people are moving in a direction away from the President of the United States. They no longer, as Mort Zuckerman said, they no longer give the President the benefit of the doubt. And when the President loses the benefit of the doubt, the President loses the kind of authority and persuasive nature, basic nature of the office.

So let's talk about what is going on here. This war in Iraq has made us less safe. It has given us more terrorists in the world. It has increased the polarization. And if you look just on the front page where we have the President being called a devil, which I don't necessarily agree with, being called a devil at the United Nations, now, we can all at least say that that kind of rhetoric, although it is not helpful, signals the kind of discontent that there is out there in the world for the United States of America.

When you are fighting a global war on terror, Mr. Speaker, you need friends. You need people who are going to help you. You need assistance from all quarters, whether you are a Democrat or whether you are a Republican, whether you are a Member of the United States Congress or you are a member of a parliament in Europe or South America. You need help. We can't fight this global war on terror by ourselves, so we need to engage the international community. We need to engage the international community.

I want to share with the American people some of what is going on. We are going to start with what is going on with the money.

We can see here what the war in Iraq is currently costing the American taxpayers, \$8.4 billion per month. It is costing the American people, this war on terror, \$1.9 billion per week, \$275 million per day, \$11.5 million per hour. This is to fund what is going on in Iraq.

And this has basically put us in the middle of a civil war. Only about 7 percent of the fighters in Iraq are al Qaeda types. The rest are Sunni and Shia, and they are fighting with each other, with the American soldiers right in the middle of the mix.

We found out 2 weeks ago that Secretary Rumsfeld said that he would fire the next person who asked for a post-war plan.

Now, Mr. Speaker, we can agree and disagree on a lot of things here, but when you have the Secretary of Defense say to some of his underlings that the next person that asks me about a post-war plan will be fired, that goes right to the heart of the leadership of the Pentagon, the leadership of the Defense Department.

How do you go into a war with no post-war plan? This was a mistake to begin with. And then at the end of the day you start hearing about all the ties between al Qaeda and Iraq that didn't end up to be true. Then you find out the Secretary of Defense didn't want anybody to submit any kind of post-war plan at all to him, or the next one that did would be fired. It goes to the