United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 111th CONGRESS, FIRST SESSION

Vol. 155 WASHINGTON, WEDNESDAY, JANUARY 14, 2009 No. 8

House of Representatives

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

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
January 14, 2009.

I hereby appoint the Honorable ELLEN O. TAUSCHER to act as Speaker pro tempore on this day.

NANCY PELOSI,
Speaker of the House of Representatives.

PRAYER

Rev. Dr. Silvester S. Beaman, Bethel African Methodist Episcopal Church, Wilmington, Delaware, offered the following prayer:

Almighty God, the focus of our adoration, the hope of our salvation and the source of our strength.

In this immense Hall for which the reverberating echoes of great men and women have raised their voices for the cause of justice, liberty and equality, we pause to surrender to Your sovereign authority.

We invoke Your presence. We petition You for wisdom. We await Your effectual power.

A Nation and world look to this deliberative body to be a voice for the voiceless, help for the hurting, and inspiration for the weary. Give us courage for our times. In the season of celebration, help us to see the transformative light of faith that inspired Mahatma Gandhi, Malcolm X, and Martin Luther King, that transcends the things that divide and help us to hold fast to those universal principles that unite.

God, may our motives, words, actions, and love define us in these, our defining moments, by Your grace and according to Your will.

Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

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

Mr. POE of Texas led the Pledge of Allegiance as follows:

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

MESSAGE FROM THE SENATE

A message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

S. 60. An act to prohibit the sale and counterfeiting of Presidential inaugural tickets.

WELCOMING REV. DR. SILVESTER S. BEAMAN

The SPEAKER pro tempore. Without objection, the gentleman from Delaware, Congressman CASTLE, is recognized for 1 minute.

There was no objection.

Mr. CASTLE. Madam Speaker, it gives me great pleasure to recognize and to thank Rev. Silvester Beaman, pastor of the Bethel African Methodist Episcopal Church in my hometown of Wilmington, Delaware, for leading the House in prayer this morning.

Pastor Beaman's prayer, asking this body to be a voice for the voiceless, to help the hurting and to inspire the weary is a message for all of us which we should carry forward each and every day.

Pastor Beaman is widely known for his passionate and uplifting sermons. When I visit his congregation, I am welcomed with open arms by an enthusiastic group of individuals. He has worked to grow his church to more than 2,000 members, and he oversees a youth mentoring program, a senior citizens ministry and an AIDS task force. His compassion has no limits, and his enthusiasm cannot be contained. It is for these reasons that I have asked him to come before us today and to lead us in prayer.

I would be remiss if I did not recognize Pastor Beaman's wife and childhood sweetheart, Renee, and daughter, Asaiah, who are also with us today.

Pastor Beaman, thank you for being here and for sharing your blessing with the U.S. House of Representatives.

APPOINTMENT OF MEMBERS TO SELECT COMMITTEE ON ENERGY INDEPENDENCE AND GLOBAL WARMING

The SPEAKER pro tempore. Pursuant to section 4(a) of House Resolution 5, 111th Congress, and the order of the House of January 6, 2009, the Chair announces the Speaker's appointment of the following Members of the House to the Select Committee on Energy Independence and Global Warming:

Mr. MARKEY, Massachusetts, Chairman.

Mr. SENSENBRENNER, Wisconsin.

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ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

HONORING THE SOUTH COBB HIGH SCHOOL MARCHING BAND

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

Mr. SCOTT of Georgia. Madam Speaker, I rise today to speak to the Nation and to honor the South Cobb High School marching band—the Blue Eagle Band—for being selected to march for Barack Obama, the first African American to be elected President, in this extraordinary and historic inaugural parade.

This is an extraordinary story, Madam Speaker, but it is not just a Georgia story; it is an American story. For, when these young people were recognized and were selected for marching in this parade, they didn't have the money to come and no means, but people all across this country, from as far away as Arizona and California—over 16,000 donations and over 85 corporations—provided a way for these young people to come, young people who happen to come from the lower end of the economic stream. So you see, Madam Speaker, I am so proud to represent this extraordinary school from Austell, Georgia, from Cobb County, my district.

Next Tuesday, when we're watching this parade and when we see this Georgia high school band go by, it will not just be a Georgia story; it will be an American story. It will not be just a story of small achievement; it will be a story of America. People will say, ''There goes America's band,'' because they got here and made it, because they practiced the values that made this country great with the spirit of the American people behind them.

THE TWIN TRIBES OF TERROR: HAMAS & HEZBOLLAH

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

Mr. POE of Texas. Madam Speaker, the U.N. Human Rights Council, a bastion of hypocritical countries, such as Saudi Arabia, that publicly whip women who have been raped, claiming rape is the woman's fault, has now self-righteously condemned Israel for defending itself from the terror group Hamas.

The U.N. Council condemns Israel and ignores that Hamas has been murdering Israelis for years by firing rockets into civilian areas. Israel has been hit by more than 8,000 missiles, mortars and rockets since 2000 by the group Hamas.

The resolution also failed to condemn Hamas for using Palestinian people as human shields for its war operations against Israel.

Since the Council was established, most of its unfounded resolutions have been related to Israel. However, it disregards major human rights violators, such as the twin tribes of terror—Hamas and Hezbollah. This shows the incompetence of this anti-Israeli council.

By the way, Madam Speaker, Hamas has just reinstituted crucifixion in Palestine. Most humans would agree this is somewhat antisocial conduct. The Human Rights Council is neither concerned about humans nor rights.

And that's just the way it is.

GAINING CONTROL OF AMERICA'S MONETARY SYSTEM

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

Mr. KUCINICH. Instead of using bailout money to help people save their homes, the banks have thwarted $350 billion in TARP funds, have used the money to buy other banks and have created a credit freeze. The banks have been permitted to pyramid debt out of sight. If we bail them out, the government and the corporate state become one and the same.

The wealth of the Nation is being accelerated upwards. We're moving from industrial capitalism to feudal capitalism where the rich get richer while 10 million Americans are out of work, while 10 million Americans face the loss of their homes and while American manufacturing jobs are endangered.

We have to take control of our money system. Put the Federal Reserve under Treasury and the fractional reserve system. We don't have to borrow money from banks, putting ourselves deeper in debt. We can create the money, spend it into circulation for jobs, health care, education, and infrastructure.

Throughout history, those nations have prospered which have had control of their monetary system. I am going to be introducing legislation to help effect exactly that.

SCHIP

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

Mrs. BLACKBURN. Madam Speaker, today, the House is again going to consider the Democrat SCHIP Expansion Act.

This polarizing expansion of the welfare state was stopped by the veto pen last year, and that's where it ought to stay. Once again, the bill fails to ensure that all low-income children will be covered; but, instead, it is going to increase the number of adults on SCHIP. Once again, the bill will grant health care benefits to illegal aliens. The bill will force the taxpayer to pay the health care premiums for children who already have quality, private health insurance. Even though President-elect Obama promised we wouldn't tax anyone making less than $250,000 a year, this bill will impose the most regressive tax on the poor in history with the tobacco tax increase.

It is shameful that the Democrats are playing politics with America's needy children. I urge all of my colleagues to vote against this bill.

SCHIP

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

Ms. GIFFORDS. Madam Speaker, I rise today because signing a robust SCHIP authorization bill into law will truly make this a happy new year for more than 170,000 kids in my home State of Arizona.

The coverage that they receive through Arizona's SCHIP program, known as KidsCare, will change their lives, will change their futures and will change the future of the country.

At the end of 2008, more than one out of every seven or over 16 percent of kids in Arizona were uninsured. That makes Arizona the fourth nationally for the percentage of children in each State that goes without health insurance.

I am deeply concerned about the worsening economic crisis, and what the growing unemployment means for health insurance in our future.

As we work to stabilize our economy, Democrats and Republicans have to stay united for our children. We are their representatives. We are their voices. We have to speak out for the kids of our Nation. In this economic climate, we must not fail to recognize that health care continues to be incredibly expensive, the most costly economic challenge confronting our families and businesses.

I urge my colleagues to vote ''yes'' on the SCHIP reauthorization.

OBJECTIVE MEDIA REPORTING

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

Mr. SMITH of Texas. Madam Speaker, after an election, it's useful to take a brief look back before moving forward. According to the Nonpartisan Project for Excellence in Journalism, during the Presidential campaign, media coverage of Senator MCCAIN was three times more negative than the coverage of Senator Obama. President-elect Obama won by about 7 percent. That means, if the media's one-sided coverage changed the minds of just 4 voters out of 100, the media, because of their bias, determined the outcome of the election.

Now that the election is over, will President-elect Obama get a free ride from his media allies?

One cable news host already is on record as saying it's his job as a journalist to ensure that this presidency is successful. The media can provide a valuable service, but we need to hold them accountable and need to insist on objective reporting.

SCHIP

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

Mr. CARNAHAN. Madam Speaker, today is a great day.

This morning, I woke up with great optimism, knowing that, today, the House will once again take up the Children's Health Insurance Program that will cover 11 million children.

Providing health insurance to children whose families simply cannot afford it has been a top priority for the people I represent in Missouri. With rising unemployment, covering children is even more important than ever, and the need grows each day. No longer will children be forced to visit an emergency room to receive basic medical care. This is commonsense legislation at its best. Now children will be better prepared for learning and for success in today's world economy.

The broad coalition of supporters behind this bill will soon have a friend in the White House. President-elect Barack Obama is committed to making health care readily available to every American, starting with America's children.

This bill will not be voted on today without the leadership of Chairman WAXMAN, Chairman Emeritus DINGELL and Congressman PALLONE. I thank them for their continued leadership. America's children are on the threshold of a healthier future.

□ 1015

WEYERHAEUSER OF ELKIN MARKS ONE MILLION ACCIDENT-FREE HOURS

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

Ms. FOXX. Madam Speaker, bad economic news dominates the headlines every day. But back in the Fifth District of North Carolina, there are still success stories.

Last month, the Weyerhaeuser manufacturing facility in Elkin, North Carolina, was recognized for more than 1 million work hours with no accidents resulting in lost time. This is an impressive feat resulting in Weyerhaeuser executives giving the Elkin plant the Senior Management Gold Award—an honor bestowed only 20 times in the company's 108-year history.

I am pleased to recognize the hardworking Elkin employees at Weyerhaeuser for their impressive accident-free safety record. This accomplishment is more than a milestone. It is a reflection of a commitment to putting employees and their safety first.

That's why, in a time of constant bad news, it's my pleasure to highlight a story of success. Congratulations to everyone at Weyerhaeuser of Elkin, North Carolina, and I hope to be back here soon marking your celebration of 200 million accident-free hours.

SCHIP IS MORE IMPORTANT NOW THAN EVER

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

Mr. WILSON of Ohio. Madam Speaker, I rise today in strong support of the State Children's Health Insurance Program, a program also known as SCHIP.

With both Ohio and our Nation's unemployment level above 7 percent—with job losses expected to continue to rise—it's more important than ever that American families have access to affordable health care. Reauthorizing SCHIP will serve as the first step toward providing hardworking Americans with the help they need to take care of their families during these difficult times.

Children in rural areas, like my district, Ohio's Sixth District, depends on Medicaid or SCHIP for health insurance. Reauthorizing this vital program will ensure that more than 230,000 children in my home State of Ohio can continue to receive quality health care coverage.

At a time when our Nation is facing unprecedented job losses and increased economic strain, it's critical that Congress work together to pass this legislation.

EXPAND SCHIP SENSIBLY

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

Mr. REHBERG. Madam Speaker, the State Children's Health Insurance Program is important to the people of Montana. In fact, in November, we voted to expand eligibility within our State. SCHIP was created by a Republican Congress and a Democrat President in 1997. It was one of those rare government programs that really works like its supposed to, and I am proud to support it.

Unfortunately, as is often the case, when a Federal Government program works, the temptation is to add to it until pretty soon, the original program, the one that worked so well, is overwhelmed by well-intentioned changes. Eventually the good parts of the program are smothered.

So let's expand SCHIP sensibly. Let's do it in a responsible way that does not undermine an effective program. Let's keep the Children's Health Insurance Program about children.

COMPREHENSIVE IMMIGRATION REFORM IS NEEDED

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

Mr. BACA. Madam Speaker, I rise today to speak on behalf of the 14 million undocumented immigrants who otherwise would not have a voice.

Our country is in desperate need of comprehensive immigration reform to ensure the security of America and to bring vulnerable families out of the shadows. We all believe in strong enforcement of our borders and the rule of the law, but we are a Nation rooted in family, faith, in core values.

What should be done about the 12 to 14 million undocumented immigrants in this country? Immigrants are part of American fabric. In fact, the work ethic of immigrants is what built this Nation and still continues to do so.

Immigrant families are facing more than just a failing economy; they live in constant fear of being torn apart. We must work together towards comprehensive immigration reform that respects families and includes family unification.

I urge my colleagues to help these working families by passing comprehensive immigration reform. Let's make America great; let's not divide it.

KEEP THE F–22 PRODUCTION LINE OPEN

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

Mr. GINGREY of Georgia. Madam Speaker, the future of the F–22 will be decided in the coming weeks by the Obama administration. Congress has spoken. The National Defense Authorization Act of fiscal year 2009 passed by Congress and signed by the President contained the funds necessary to continue with F–22 production. However, only a small portion of those funds have been obligated, and thus far, a go/no-go decision on the rest of the funds must be made immediately or the production line will begin shutting down.

For the sake of our Nation's air superiority, we must not let this happen. The Air Force is still nearly 200 F–22s short of its stated requirement, a fact that we must not overlook as Russia and China develop Raptor-like technology. Moreover, over 100,000 jobs in our Nation are directly or indirectly tied to this program.

For these reasons, nearly 100 of our colleagues have joined Representatives Kay Granger, Norman Dicks, David Scott, and myself in a bipartisan letter to President-elect Obama encouraging continued F–22 production. I encourage all Members to show their support for the continued United States air dominance and keeping the F–22 production line open.

REAL CHANGE FOR AMERICA

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

Mr. MORAN of Virginia. Madam Speaker, today it begins: the process of turning the rhetoric of hope into the reality of change. Today we will enfranchise 4 million children with health insurance, many of whose working-poor parents have had to watch their children suffering in bed from an accident or an illness not knowing how serious it is or what to do, only knowing that they couldn't afford to find out.

Now, we have passed this legislation before—twice—only to have it vetoed by President Bush. Why? Because we paid for it with a tobacco tax, which, in itself over the years, will save the lives of millions of people.

But this bill that we pass today will be signed into legislation because that's exactly what President Barack Obama meant when he promised real change for all Americans.

CONGRATULATIONS GATOR NATION

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

Mr. STEARNS. Madam Speaker, once again I come to the House floor to honor the accomplishment of the University of Florida Gators. On Thursday night, the Gators won their second BCS national football championship in the past 3 years by beating a very good Oklahoma team 24–14. Add to this the back-to-back basketball championships in 2006 and 2007, Gainesville is quickly becoming known as the ''City of Champions.''

In their hard-fought victory, the Gators' defense was able to hold Oklahoma—the highest scoring team in modern football history—to 14 points and 363 total yards. On offense, Tim Tebow showed why he is perhaps the best quarterback in the history of college football by finishing with 231 yards passing and 109 yards rushing. Tebow becomes just the fifth player since 1950 to win two national titles and the Heisman Trophy.

I congratulate Coach Urban Meyer and all of the Gator football players for their incredible accomplishments.

Go Gators.

TODAY IS A GOOD DAY FOR AMERICAN FAMILIES

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

Ms. SCHWARTZ. Madam Speaker, today is a good day for American families. Today, we reauthorize the State Children's Health Insurance Program for nearly 7 million children currently covered and to expand coverage to an additional 4 million uninsured children.

My commitment to ensuring health coverage for every child in our great Nation is just as strong today as it was in 1992 when I successfully worked for the early creation of CHIP in Pennsylvania. Yet today, 9 million children are still uninsured—almost 140,000 children in Pennsylvania alone—and the number grows daily.

As the economy continues to suffer and unemployment grows, more and more American families are losing their insurance coverage. Parents without coverage worry that their children will get sick or need to visit the doctor, and they simply do not have the money to pay. So as we work to reverse the economic downturn, we can and we should ensure that our children's health will be protected now and into the future.

Strengthening CHIP for 111 million children is the right thing to do, and in just 6 days, we will have a President who—unlike our outgoing President—will sign this bill and achieve this goal for America's children.

Change is here. It is a good day in America.

SUPPORT AMERICA'S FUTURE BY PASSING SCHIP LEGISLATION

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

Mr. WALZ. Madam Speaker, I, too, rise in support of SCHIP legislation. At a time when million of Americans are losing their jobs and companies are doing everything possible to cut costs, more and more families face the horrible prospect of going without health insurance.

During these uncertain economic times, this Congress should invest in those most vulnerable and hardest hit. For the past 11 years, the Children's Health Insurance Program has done exactly that by reducing the number of uninsured children by providing them access to private health insurance. Without this coverage, many of these children would go without critical health care attention that allows them to live productive and prosperous lives.

Over the last 2 years, this Congress has worked to expand the program by 4 million children. Twice we passed bipartisan legislation that was vetoed by President Bush. But now we have another opportunity to ensure those 11 million children. President-elect Obama has promised to sign this legislation.

Today, this Congress should once again do what's right and help support America's children and our future.

MONEY SPENT ON SCHIP IS MONEY WELL SPENT

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

Mr. MURPHY of Connecticut. Madam Speaker, today the House will debate and pass legislation to extend health care to 4 million more American children.

In the richest country in the world, it simply defies our national conscience to allow any child to go to sleep in his bed at night sick just because his parents can't afford to bring him to a doctor. These kids don't deserve this fate and frankly, neither do their parents because three-fourths of the uninsured come from families with a full-time worker who just happens to work for a company that doesn't or can't provide health care.

The Children's Health Insurance Program Reauthorization Act will give States the confidence they need to improve their health care systems and increase outreach to ensure that all eligible kids have coverage.

This is money well spent. Insuring kids is the right thing to do from both a moral and financial standpoint. It is time for the House to do what it's done twice before and pass legislation that will get 4 million more kids the health care they deserve.

SCHIP LEGISLATION IS VITAL LEGISLATION

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

Ms. SPEIER. Madam Speaker and Members, it is a remarkable day today because we will vote to insure 11 million American children. But the real question is, do we want to continue to be a third world country because we are the only industrialized Nation in the world that does not provide health care to its children.

Twice our outgoing President has vetoed similar bills. But what is the cost of not providing medical coverage to our children? What is the cost of routine medical conditions clogging our emergency rooms? What is the cost of healthy children sharing classrooms and playgrounds with classmates afflicted with undiagnosed and untreated contagious diseases?

Nearly three-quarters of the uninsured children qualify for Medicaid or SCHIP but are not enrolled. And with job losses, multiplying at a record pace, these numbers will only increase.

I urge my colleagues to support this measure because simply put, we cannot afford not to.

CONGRESS NEEDS TO EXPAND HEALTH CARE COVERAGE TO CHILDREN

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

Mr. McMAHON. Madam Speaker and my colleagues, as my eloquent colleague from California just pointed out, the United States is the only developed Nation in the world that does not provide health care for all of our children.

Today, millions of children from modest-income families are not regularly seeing a doctor because they are

not enrolled in the Children's Health Insurance Program even though they are eligible. Today, this Congress has an opportunity to change that by passing legislation that will expand the program to 4 million additional kids.

At a time of rising unemployment, passing this legislation is more important than ever. In this economic recession, more and more parents are having difficulty finding affordable health insurance for their children. The need for this legislation grows every day. And this legislation is fully paid for so it will not increase the Federal deficit.

It is especially important for my home State of New York which has 402,000 uninsured kids. Imagine that. Nearly 10 percent of the national total. And I therefore thank the sponsor, Congressman FRANK PALLONE, and the Chairmen WAXMAN and MILLER for their work on this bill.

Madam Speaker, this legislation has received strong bipartisan support in the past for a reason, and I urge my colleagues to vote for it today.

□ 1030

DATA AMENDMENT

(Mrs. MALONEY asked and was given permission to address the House for 1 minute.)

Mrs. MALONEY. Madam Speaker, taxpayers want to know where the first $350 billion of the bailout TARP money has gone; so does Congress. The independent General Accounting Office concluded that Treasury has not set up any policies and procedures to ensure that TARP funds are being used as intended. I am therefore putting in legislation to require Treasury to collect, analyze and report to the TARP oversight entities data on what recipients of the TARP money are receiving, and to let them analyze exactly where this money is going. I am proposing this in the form of an amendment to H.R. 384, which may be on the floor this week.

This amendment subjects TARP recipients to additional, but appropriate, scrutiny of their activities. It provides the entities charged with overseeing the TARP, including Congress, the tools they need to analyze exactly where our taxpayer money is going. I urge my colleagues to support it.

SCHIP

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

Mr. PETERS. Madam Speaker, today the House will consider legislation to expand the State Children's Health Insurance Program and provide health insurance coverage for more than 11 million children nationwide.

The current recession makes this legislation particularly important. Children living in low-income families in Michigan rose a staggering 40 percent between 2000 and 2007. Parents are losing their jobs and their health insurance. And kids who do not have health coverage forgo regular checkups and preventive t reatments. They miss more school days, and are less likely to finish high school. And untreated health problems can severely impact a young child's development. SCHIP provides a lifeline for children so that they can be healthy kids who have the opportunity to grow into healthy productive adults.

The SCHIP bill we will consider today is fiscally responsible. It is more cost-effective for taxpayers to provide proper care for our kids rather than footing the bill for unnecessary emergency room visits. Passing this legislation is the right thing to do for our Nation's kids.

INVESTING IN AMERICA'S COMPETITIVE ADVANTAGE

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

Mr. PERRIELLO. Madam Speaker, I rise today to support an economic recovery based on investing in America's competitive advantage.

Voters in Virginia's Fifth District sent me here because they recognize two things: First, we need fundamental change to revitalize this country's economy; and second, there are no shortcuts to getting there.

Somewhere along the way the world economy changed, but government responses stayed the same. The result in my district has been years of declining jobs, declining wages, and rising health care costs. These economic woes are now confronting the Nation as a whole, and we face an urgent moment as we lose half a million jobs every month.

We need a recovery strategy immediately, but this plan must be based on investment, not just throwing money at the problem. This crisis reflects a failure of confidence and will only be solved by its restoration. You restore confidence by fixing problems, not by pretending they aren't there.

The distinction between stimulus and recovery means more to economists than to our actual economy. I believe our Nation's economy will recover only through a visionary strategy for rebuilding America's competitive advantage. That means real commitment to investing in our workforce, our infrastructure, our innovation, and the new energy economy, and that must include investment in our small towns and rural communities.

This investment will be the guidance that our constituents need to create American jobs and turn this economy around.

PROVIDING FOR CONSIDERATION OF H.R. 2, CHILDREN'S HEALTH INSURANCE PROGRAM REAUTHORIZATION ACT OF 2009

Mr. HASTINGS of Florida. Madam Speaker, by direction of the Committee on Rules, I call up House Resolution 52 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 52

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 2) to amend title XXI of the Social Security Act to extend and improve the Children's Health Insurance Program and for other purposes. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. The bill shall be considered as read. All points of order against the bill are waived. The previous question shall be considered as ordered on the bill to final passage without intervening motion except: (1) one hour of debate equally divided among and controlled by the chair and ranking minority member of the Committee on Energy and Commerce and the chair and ranking minority member of the Committee on Ways and Means; and (2) one motion to recommit.

The SPEAKER pro tempore. The gentleman from Florida is recognized for 1 hour.

Mr. HASTINGS of Florida. Madam Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas, my friend, Mr. SESSIONS. All time yielded during consideration of the rule is for debate only.

GENERAL LEAVE

Mr. HASTINGS of Florida. I ask unanimous consent, Madam Speaker, that all Members have 5 legislative days within which to revise and extend their remarks and to insert extraneous materials into the RECORD.

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

There was no objection.

Mr. HASTINGS of Florida. I yield myself such time as I may consume.

Madam Speaker, H. Res. 52 provides a closed rule for consideration of H.R. 2, the Children's Health Insurance Program Reauthorization Act of 2009.

I really am honored and privileged to have the opportunity to present this rule to the body. The rule provides 1 hour of debate, equally divided among and controlled by the chairperson and ranking minority member of the Committee on Energy and Commerce and the chairperson and ranking minority member of the Committee on Ways and Means.

Madam Speaker, the SCHIP reauthorization bill of 2009 is a fiscally responsible way to revive our commitment to providing America's low-income children with the quality health care they need and deserve. The bill authorizes $32.3 billion over 4½ years to cover the seven million children who currently rely on SCHIP, and extends coverage to more than four million low-income children who are currently living without health care. The bill offers comprehensive and wide-ranging care that includes mental, dental, prenatal, and maternal health services.

The underlying bill also supports a multifaceted approach to increasing health insurance enrollment. It provides States with incentives to lower

the number of uninsured children and authorizes $100 million in grants for new outreach programs in schools and community-based organizations.

Additionally, the bill fights geographical health disparities by offering additional support to underfunded States that meet these enrollment goals, and improves reporting on State health conditions.

Lastly, this bill has provisions that ensure that SCHIP prioritizes children who legally reside in the United States. The bill prohibits new waivers that would cover parents, phases out SCHIP coverage for parents and childless adults, and includes measures that prevent payments to unlawful immigrants.

Madam Speaker, when all 50 States, the District of Columbia and five territories—and perhaps the sixth, the Northern Marianas, now that they're included—gave children health care under SCHIP, our government exemplified our Nation's commitment to equal opportunity. SCHIP has prevented millions of low-income children from suffering under our country's flawed health care system for over 10 years. And adequately supporting and expanding this valuable program is even more imperative during these hard economic times.

Madam Speaker, the '08 financial crisis exacerbated our longstanding health care crisis. Last year, skyrocketing gas and food prices and the plummeting job market made it difficult for lower and middle income—indeed, for all Americans—to finance their everyday needs, importantly, including health care.

In a country where a large portion of people receive health care insurance through their employer, it comes as no surprise that when the economy and job markets plunge, the number of uninsured Americans soars, and children frequently pay the highest price. Even prior to last year's economic crisis, the number of children who depended on SCHIP and Medicaid was increasing.

Madam Speaker, the facts are clear: One in nine American children are uninsured. And this issue hits close to home. Florida was ranked 45th in the Nation in terms of overall health. Like other low-ranking States, Florida has a large uninsured population and a high rate of child poverty. In fact, Florida has the second largest number of uninsured children in the country.

Although these statistics are inexcusable, our current President's failure to address the alarming number of uninsured children in this country was and is an outrage. The President committed an egregious action, in my opinion, against our children when he repeatedly vetoed the bipartisan SCHIP Reauthorization Act of 2007. For many States, the annual funds allotted to State SCHIP programs were on the verge of depletion, and the welfare of millions of children depended on whether Congress and the President would agree to adequately finance SCHIP. President Bush's action sent a devastating message. The leader of the free world was willing to put the lives and welfare of millions of American children at risk.

Now, in this new Congress, and with a new administration, we have the power, the political will, and the opportunity to make a different choice. Like-minded Democrats and Republicans and independents understand that fighting the epidemic of uninsured people in this country is a fundamental component of restoring our economy. We know that SCHIP and other health care programs decrease costly emergency room visits and invasive medical procedures. We know that extending health care insurance helps to combat the social, economic and health disparities that continue to divide our Nation and hinder our progress. And we know that healthy children are better equipped to compete in school and help America compete in the global market.

Simply put, we cannot have a healthy economy without healthy people. And this must begin with our children. I urge adoption of this rule and passage of the underlying legislation.

Madam Speaker, I reserve the balance of my time.

Mr. SESSIONS. Madam Speaker, I want to thank the gentleman from Florida as we begin a new year and a new Congress with an opportunity to work not only with the gentleman, but also my colleagues from the Rules Committee, and you, Madam Speaker, during this new Congress. And I thank the gentleman for yielding me the time that he has done.

Madam Speaker, I rise today in strong opposition to this rule and to the ill-conceived underlying legislation. I think the premise that I have heard my friends on the other side of the aisle talk about today of making sure that we just expand this program to meet every single need of every single child is not what this program was designed for, and a $35 billion expansion of the program will help bankrupt this country and the States that try and provide the services also.

I do not support this bill or the way it has been brought to the floor either. My Democrat colleagues on the other side of the aisle who promised to be the most open and honest ethical Congress have once again given Republicans absolutely no say in the process, and they are completely disregarding President-elect Obama's promises to work together to solve the problems of this country.

Today, House Democrats have once again chosen to force their own legislation through a biased rule that we are here debating on the floor of the House right now. This bill has been brought to the floor today without one committee hearing or markup. The current SCHIP program expires on March 31, and so I would ask my colleagues, why aren't we having hearings? Why aren't we having input from House Members? Why aren't we consulting Republicans in this process? In fact, Republicans only received the text yesterday morning. And today's rule once again limits the Republican opportunities for any chance of reform or ideas, confirming the Democrats' plans to govern this House without any input from Republicans.

□ 1045

Democrats over the past few years have demonized me and my Republican colleagues for not expanding the current State Children's Health Insurance Program to unprecedented levels, and they continue to cry out that Republicans are anti-children. I would like to remind them that it was a Republican Congress that initiated this program over a decade ago. It was begun to make sure that children that had no health coverage could gain that coverage.

However, my colleagues and I recognized the need for SCHIP, and we see that we need to help low-income, uninsured children whose families earn too much to qualify for Medicaid but not enough to buy private coverage. For that reason SCHIP was created and today covers about 6.7 million children in our country.

However, today we find that the Democrats' proposed $35 billion expansion of a program that has not yet accomplished its original intent is now being taken to unprecedented levels by my friends on the other side of the aisle. My Democrat friends want to continue to push their government-run health care agenda even though this legislation moves some 2.4 million children who are currently on private health insurance to an inferior public program with less access.

I'll repeat that. The numbers that my friends have been talking about of expanding this to children across this country, 2.4 million of them already have private insurance.

That's a mistake. It's a mistake. So now what we're looking at is that Medicaid programs facing extreme shortfalls and physicians who are scaling back on Medicaid and SCHIP patients due to extremely low reimbursement rates will now take on these additional children.

Why would we want to subject 4 to 6 million more children to this kind of care? Madam Speaker, it seems like my Democrat colleagues are putting their agenda first, not our American children.

This legislation turns an innovative idea on its head by increasing government spending exponentially, leaving taxpayers to foot the bill when their budget gimmicks fail to create the necessary ability to fund properly these programs. This bill has no income limits for eligibility. None. And it allows coverage for families making up to $83,000 a year and has no annual authorization limit and allows States to decide who qualifies, leaving adults and illegal immigrants to compete against low-income American children.

Madam Speaker, it should be important that we should meet the current goals of the program and expectations before we expand that program. For that reason some of my Republican colleagues and I sent a letter to our new President-elect, President Obama, and Speaker PELOSI outlining what we think Republicans would like our Democrat colleagues to understand and consider before expanding the current SCHIP program. I would like to include this as part of our deliberations today.

CONGRESS OF THE UNITED STATES,
Washington, DC, January 12, 2009.

President-elect BARACK OBAMA,
Presidential Transition Office,
Washington, DC.

Hon. NANCY PELOSI,
Speaker, U.S. Capitol,
Washington, DC.

DEAR PRESIDENT-ELECT OBAMA AND SPEAKER PELOSI: Thank you for expressing your desire to work with us to address the needs of the American people. We recognize that reauthorizing the State Children's Health Insurance Program (SCHIP) is an early legislative priority, and we hope that you will consider this legislation to be one of the first opportunities for bipartisan cooperation.

During the last Congress, significant efforts were made in an attempt to address concerns raised by House Republicans about how the underlying bills would impact uninsured children. Despite the progress that was made, there are still a few outstanding issues that we hope you agree should be addressed when we work to reauthorize the program this year:

SERVING ELIGIBLE LOW-INCOME CHILDREN FIRST

SCHIP is intended to serve those that are neediest first. As low-income families continue to face more economic insecurity, providing access to affordable health care coverage, regardless of any job change or displacement, should be our first priority. The legislation should demand success from the states in enrolling poor and low-income children below 200 percent of the federal poverty level, especially those who are currently eligible for Medicaid and/or SCHIP, but are not yet enrolled. Demanding success from the states could be as simple as requiring that states meet a threshold of enrollment before further expansions. Nearly all the states have demonstrated over the past year to the Centers for Medicare and Medicaid Services that meeting this standard is indeed possible.

Furthermore, in the current economic environment, several states have indicated that they will be experiencing shortfalls that could impact their ability to provide Medicaid benefits and services. Asking states to expand their SCHIP program before they are able to finance their existing Medicaid program would be a mistake. Expanding SCHIP to higher income families will only exacerbate the real access to care problem in the Medicaid program.

CITIZENSHIP STATUS

We believe that only U.S. citizens and certain legal residents should be permitted to benefit from a program like SCHIP. We also think it is fair to say that both parties believe that our immigration system is broken. That is why it is so important that the legislation include stronger provisions to prevent fraud by including citizenship verification standards to ensure that only eligible U.S. citizens and certain legal residents are enrolled in the program.

PROTECTING PRIVATE INSURANCE OPTIONS

We agree that those with private coverage should not be forced into a government-run plan. SCHIP legislation should focus expansion efforts on children who are currently uninsured instead of moving children who have private health insurance options into government-run health insurance. Moving a child from private health insurance to government-run health insurance should not be part of your stated goal of providing SCHIP for 10 million children, a number we assume to be targeted towards low-income uninsured children.

STABLE FUNDING SOURCE

In order to guarantee access to the program and long term stability, SCHIP should be funded through a stable funding source, not budget gimmicks. Further, the legislation should not include extraneous provisions unrelated to SCHIP that limit patient choice or prohibit access to quality medical care. Our nation's Governors need a stable SCHIP program so they may properly budget. Every American faces the crushing burden of a declining economy. This should not be a time Congress raises taxes, especially on the poorest Americans, to finance program expansions as part of the SCHIP reauthorization bill.

We believe these to be critical elements to improve this vital program that if fully incorporated would dramatically increase bipartisan support for the legislation. Thank you for the consideration of this request. We look forward hearing from you and working with you towards a bipartisan agreement.

Sincerely,

Robert Aderholt, Steve Austria, Michele Bachmann, Spencer Bachus, Gresham Barrett, Roscoe Bartlett, Joe Barton, Judy Biggert, Gus Bilirakis, Rob Bishop, Marsha Blackburn, Roy Blunt, John Boehner, Mary Bono Mack, John Boozman, Charles Boustany, Kevin Brady, Paul Broun, Henry Brown, Ginny Brown-Waite, Michael Burgess, Dan Burton, Steve Buyer, Ken Calvert, Dave Camp, Eric Cantor, John Carter, Bill Cassidy, Jason Chaffetz, Howard Coble, Mike Coffman, Tom Cole, Michael Conaway, Ander Crenshaw, John Culberson, Geoff Davis, Nathan Deal, David Dreier, Mary Fallin, Jeff Flake, John Fleming, Randy Forbes, Jeff Fortenberry, Virginia Foxx, Trent Franks, Rodney Frelinghuysen, Phil Gingrey, Louie Gohmert, Bob Goodlatte, Kay Granger, Sam Graves, Ralph Hall, Doc Hastings, Dean Heller, Jeb Hensarling, Wally Herger, Peter Hoekstra, Duncan Hunter, Bob Inglis, Darrell Issa, Lynn Jenkins, Sam Johnson, Walter Jones, Jim Jordan, Steve King, Jack Kingston, Mark Kirk, John Kline

Doug Lamborn, Christopher Lee, Jerry Lewis, Blaine Luetkemeyer, Cynthia Lummis, Daniel Lungren, Don Manzullo, Kevin McCarthy, Thaddeus McCotter, Patrick McHenry, John McHugh, Cathy McMorris Rodgers, Jeff Miller, Sue Myrick, Devin Nunes, Pete Olson, Erik Paulsen, Mike Pence, Joe Pitts, Todd Platts, Ted Poe, Bill Posey, Tom Price, Adam Putnam, George Radanovich, Hal Rogers, Mike Rogers, Thomas Rooney, Peter Roskam, Paul Ryan, Steve Scalise, Jean Schmidt, Aaron Schock, James Sensenbrenner, Pete Sessions, John Shadegg, John Shimkus, Bill Shuster, Michael Simpson, Adrian Smith, Lamar Smith, Cliff Stearns, John Sullivan, Lee Terry, Glenn Thompson, Patrick Tiberi, Fred Upton, Greg Walden, Zach Wamp, Lynn Westmoreland, Ed Whitfield, Joe Wilson, Robert Wittman

The first priority should be to make our Nation's poorest, uninsured children covered. This is the intent of the program, and we should fulfill that program and that goal. Currently, at least two-thirds of children who do not have health insurance are already eligible for Federal help through either SCHIP or Medicaid. We should enroll these children first before expanding to higher income brackets.

The second priority is to ensure that SCHIP does not replace or significantly impact those who already have private health insurance with a government-run program. Last year Hawaii created a new government-financed program to fill the gap between private and public insurance in an effort to provide universal coverage for children. But State officials soon found that families were dropping private coverage to enroll their children in the government plan. The Governor of Hawaii terminated the plan when she realized Hawaii could not and should not subsidize the cost for children already receiving private health insurance.

Madam Speaker, should this legislation pass, we know that 2.4 million more children will be ''crowded out'' from their private insurance plan and moved to SCHIP. In days where Congress is faced with a second $350 billion bailout plan and a possible $1.3 trillion stimulus package, is the Federal Government in any financial shape to be financing health care costs for children who are already receiving private health insurance?

Lastly, a citizenship verification standard is critical to ensuring that only U.S. citizens and certain legal immigrants are allowed to access the taxpayer-funded benefits, not illegal immigrants. The underlying legislation offers no safeguards to ensure American children come before illegal immigrants.

Republicans understand how important and personal health care decisions are for individuals and families. We believe in freedom of choice, and allowing patients and doctors to make health care decisions, not government bureaucrats, is the direction we should go. Allowing for a tax credit or tax deduction for the purchase of health care insurance would give an individual or a family the choice of an affordable health care plan that fits their needs.

Said another way, a family and their children should be able to choose their own doctor and go to that doctor day in and day out, not simply to have to shop to find what is then available through a government-run program. This would bring the ownership and control back to the individual and the family.

Madam Speaker, additionally, if we allow individuals to purchase health insurance across State lines and let businesses and associations band together to purchase insurance, we guarantee choice, portability, and flexibility for families and employees. Rather than limiting choice like my Democrat colleagues, Republicans strive for quality, affordable health care for every single American.

Madam Speaker, another fatal flaw with this huge government expansion is how our Democrat colleagues are going to pay for this plan. The proposed budget uses gimmicks to comply with PAYGO rules, masking the true cost of the expansion. Democrats will increase taxes on cigarette packs by 61 cents to $1 and included taxes on cigars of up to $3 to come up with the majority of the $35 billion expansion. The problem is that this tobacco tax disproportionately burdens low-income Americans because the majority of smokers are young adults and individuals and families making less than 300 percent of the Federal poverty level. To produce the revenues that Congress needs to fund the $35 billion SCHIP expansion would require a tax for 22.4 million new smokers by 2017 or 80 percent of the beneficiaries would lose coverage in 5 years. That means that we are going to tax these users and rely on that stream of revenue that will be diminishing very quickly. That is not a responsible way to fund the program.

Eliminating physician ownership and health care practices is another way that the Democrats plan to pay for expansion. The current state of our community hospitals is in disarray. Community hospitals are overcrowded and understaffed. Physician-owned hospitals run more efficiently, have higher patient satisfaction and higher quality outcomes than their community counterparts. Yet my friends on the other side of the aisle want to eliminate that option for individuals. So while dumping children in a government-run health care plan, they also want to limit health care choices for everyone by eliminating physician-owned facilities.

Rather than limiting choices, Congress should be in the business of creating more avenues and opportunities for individuals and families to find affordable insurance for their choices that provides them and leads them to quality care. This legislation does the opposite.

I encourage my colleagues to oppose this rule and the underlying legislation.

Madam Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Madam Speaker, I am very pleased to yield 3 minutes to the distinguished gentlewoman from California, my colleague and good friend on the Rules Committee, Ms. MATSUI.

Ms. MATSUI. I thank the gentleman from Florida for yielding me this time.

Madam Speaker, I want to commend Chairman WAXMAN, Chairman DINGELL, and Chairman PALLONE for their efforts in crafting this bill.

Madam Speaker, these are uncertain times. Families are struggling to make ends meet. Medical bankruptcy is on the rise.

While the future may be cloudy, our responsibility to our Nation's children is clear. We are charged with ensuring that every child in America has affordable health care. Democrats in Congress take this responsibility seriously, Madam Speaker. So does President-elect Obama. And so do I.

We take it seriously because of stories like the one told to me by a constituent of mine named Suzy. When Suzy's nephew was 1 year old, his mother no longer qualified for Medicaid. As a result, her little boy could not see a doctor for 6 months. Imagine 6 of anxiety and worry around high fevers, coughs, unexplained rashes, wondering if there was a serious illness involved. But once he was enrolled in SCHIP, Suzy's nephew got the care that he needed. Suzy put it best herself when she said, ''Children should never suffer because their parent or guardian cannot afford medical insurance.''

That is why today's legislation is so critical, Madam Speaker. During one of the most uncertain periods in our country's history, it says to 11 million of America's children that health care for you is guaranteed. It expands coverage for pregnant women and reverses arbitrary rules that keep needy children from health care they deserve. The Children's Health Insurance Program Reauthorization Act is a victory for millions of children and their families. It's also a victory for us as a Nation. For when more of our children grow up healthy, our country is strengthened and the American Dream is preserved.

I urge each of my colleagues to support this legislation.

Mr. SESSIONS. Madam Speaker, at this time I would like to yield 2 minutes to the ranking member of the Rules Committee, the gentleman from San Dimas, California (Mr. DREIER).

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

Mr. DREIER. I thank my friend for yielding.

Madam Speaker, I will say that I don't know of a Democrat or a Republican who has not been inspired by President-elect Barack Obama's statement that he wants to reach out and work in a bipartisan way. I am convinced that he is very sincere in his quest to bring us together to deal with very important challenges that our Nation faces.

What we're dealing with here today is a reversal, frankly, even before he takes the oath of office in 6 days, of exactly what he's trying to do. As my friend from Dallas has pointed out, this is a completely closed process, denying us, Democrat or Republican alike, an opportunity to participate. Let's look at the history of this program.

The State Children's Health Insurance Program was put into place as we proudly in a bipartisan way worked to reform the welfare system in the mid 1990s. And what happened? We wanted to ensure that those who were on Medicaid as they gone onto the first rung of the economic ladder that they would have an opportunity to keep their children with the kind of health care that was needed. Our goal has been to ensure that the children of the working poor have access to quality health care.

And yet this program, unfortunately, as Mr. SESSIONS has just said, takes 2.4 million children who are presently receiving private health care and it incentivizes them to go into a government program. It also takes the adults, people up to the age of 25, and allows them to be part of this program. It imposes a massive tax increase on hospitals, which I think is just plain wrong. And it's a program which creates the potential for people who are in this country illegally to benefit. Now, I know that there are statements that it won't, but many reports have indicated that that is a threat that is there. And it also creates an opportunity for the children of wealthy families, families earning in excess of $80,000 a year, to benefit from this program.

□ 1100

We need to have a good State Children's Health Insurance Program. This is not it.

Mr. HASTINGS of Florida. Madam Speaker, I am very pleased to yield 1 minute to the distinguished gentlewoman from Florida, my colleague on the Rules Committee, who is also going to be on the committee of jurisdiction real soon, and we are going to miss her on the Rules Committee, Ms. CASTOR.

Ms. CASTOR of Florida. I thank my good friend and colleague from Florida.

Madam Speaker, I rise in support of H.R. 2 and this rule that will provide millions of children across America with affordable health care at a time when families have been particularly hard hit by the economy. What good news for all Americans that one of the first bills President Obama will sign will be one that improves access to quality, affordable health care and reduces the cost of health care for families.

More affordable health care is central to our economic recovery and it is fundamental for families. A healthy child is more likely to succeed in life. A healthy child is a healthy student. Healthy students become productive adults. A healthy child means more productive parents who do not miss work.

Here we ensure that newborn babies receive the medical checkups and immunizations they need, ensure that toddlers and children are taken care of as they grow, ensure that we all save money through preventive care, particularly diabetes and asthma. Yet, despite all that we understand about the importance of healthy kids, millions of children and their families cannot afford——

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Mr. HASTINGS of Florida. I yield the gentlelady an additional 15 seconds.

Ms. CASTOR of Florida. Families are working hard to make ends meet, but

they are coming up short when it comes to health care.

I would especially like to thank Speaker NANCY PELOSI, who never gave up and kept her promise that in the first few days of a new Congress with a new President the health of America's kids and the pocketbooks of hard-working American families would be paramount.

Suffering through President Bush's opposition over the past years has been very costly and we have lost ground. In Florida alone, over 800,000 children lack health insurance, and that's the second highest rate in the U.S. It's more than the population of some States and it is growing. The lack of affordable health care for these working families is making it more expensive for everyone.

Families are working hard to make ends meet, but they are coming up short when it comes to health care. This bill makes it easier for parents by eliminating costly bureaucratic red tape. When more kids visit a doctor's office for medical care, we also reduce the strain on crowded local emergency rooms and cost of health care for everyone.

Mr. SESSIONS. Madam Speaker, you know, it's pretty incredible. A number of speakers that we've had here today sat through the hearing yesterday and understood that this bill is not going to become law anytime soon. Yet we are down on the floor of the House of Representatives touting how this will be the first bill that our new President, President Barack Obama, will sign; and yet, testimony in the Rules Committee yesterday, a full admittance that we don't know whether this is all going to make it or not. It will be interesting to see.

Madam Speaker, at this time I would like to yield 2 minutes to the gentlewoman from Energy and Commerce, Mrs. BLACKBURN.

Mrs. BLACKBURN. Madam Speaker, I do rise to oppose the rule and also to oppose H.R. 2 that is covered in this rule.

One of the reasons is, indeed, the process. We have heard mention of it being a closed process and a closed rule, as indeed it is, and that doesn't speak to any type of bipartisanship. I had what I thought was a very germane amendment which was not allowed.

Madam Speaker, what this would have done was to phase out coverage, phase out coverage for nonpregnant adults. Now, this bill is SCHIP, the State Children's health insurance Program. It is to cover low-income children. But we have a majority in charge in this House that is not taking this bill to the health subcommittee. It is not taking it to Energy and Commerce Committee. It is bringing it straight to the floor.

In this bill that you will vote on is coverage, expanded coverage for adults. That, indeed, is unfortunate.

As we have heard, there also are tax increases. There is a $70.8 billion tax increase over the next 10 years in this bill. It is tobacco taxes. The Congressional Research Service, which is nonpartisan, calls tobacco taxes the most regressive of the Federal taxes. That is included as a pay-for in this bill for expanded coverage and changing of a block grant program that has worked successfully for low-income children, changing it to an entitlement program.

There are a list of reasons to oppose this bill. Weakening of eligibility requirements, weakening of section 211, weakening of your proof of citizenship, proof of who you are, weakening those requirements. All of that dilutes the purpose of the SCHIP program. It dilutes the coverage of health care for low-income children.

Oppose this rule. Let's do this right.

Mr. HASTINGS of Florida. Madam Speaker, I am very pleased to yield 2 minutes to my good friend from Ohio, the distinguished gentlewoman, Ms. SUTTON, a member of the Rules Committee, also soon to be a member of the Commerce Committee and will be sorely missed on our Rules Committee.

Ms. SUTTON. I thank the gentleman for the time and for his leadership on this critical issue.

Madam Speaker, I rise in strong support of the Children's Health Insurance Reauthorization Act. This legislation is long overdue for our Nation's children.

I want to share a story about a girl from my district that puts this issue all into perspective. I met Rose and her mother at an event one weekend back in my district in Ohio, and I will never forget the moment her mom introduced her to me. She looked up at me full of hope and she, in a moment, reached out and she hugged me.

After Rose walked away, her mom explained to me that her daughter had cancer and was preparing for a bone marrow transplant. Before I could even digest what her mom was saying that their family was going through, Dawn, her mother, said, when are you guys going to pass SCHIP, because Rose has insurance, but there are a lot of kids in this country who don't, and they deserve the same opportunity for a future.

Dawn was right, nearly 9 million children in this country do not have health insurance. Those kids need the same opportunity to have the health care that they need. In the midst of fighting cancer with her daughter, Dawn found the courage and compassion to look beyond her struggle to stand up for kids across this Nation without health insurance.

I share this story with my colleagues because today we have the opportunity to look beyond all differences to finally pass this legislation. This bill will allow an additional 4 million children across this country, which includes 200,000 children in Ohio, to obtain health insurance.

The urgency could not be more clear. With an ailing economy the population of uninsured is growing, and we know that a 1-percent increase in employment is projected to increase the number of uninsured by 1.1 million kids. In these difficult economic times, the least we can do is make sure that our children have access to the health care they need and deserve.

I am pleased to report that Rose has received her bone marrow transplant and her eyes and her future are bright. Let's do the same for the rest of America's kids.

Mr. SESSIONS. Madam Speaker, at this time I would like to yield 3 minutes to the gentleman from the Energy and Commerce Committee, Dr. GINGREY.

Mr. GINGREY of Georgia. I thank the gentleman for yielding.

Madam Speaker, I rise in strong opposition to the closed rule, as well as the present form of the underlying legislation, H.R. 2, the Children's Health Insurance Reauthorization Act of 2009.

It goes without saying that I am a strong advocate of the original SCHIP. In my nearly 30 years of being an OB/GYN doctor, I delivered over 5,000 children, and I know how important it is that the Federal Government play a role in providing health care to low-income kids.

At the same time, we must pass legislation that first reaches those who are the most in need of assistance, those whose family incomes are between 100 and 200 percent of the Federal poverty level, the original intent of the bill.

But, unfortunately, Madam Speaker, despite the spirit of bipartisanship that both President-elect Obama and Speaker PELOSI have espoused, this bill merely represents business as usual for the Democratic majority. Due to this highly restrictive closed rule, my Republican colleagues and I will not have the opportunity to improve the bill that will affect millions of children across the country and in our districts.

I had such an amendment that was not made in order by the Rules Committee. My amendment would have addressed a very important problem with current law that H.R. 2 overlooks, the practice of States, 13 of them, using loopholes to allow people to disregard significant portions of their income to make them eligible for SCHIP and Medicaid as well. At the same time, some of these very States have been ignoring the children who demonstrate the most need for these programs, those between 100 and 200 percent of the Federal poverty level.

Madam Speaker, my commonsense amendment would do this, it would institute a gross-income cap of 250 percent of the Federal poverty level for SCHIP and Medicaid eligibility, and it would limit any income disregards to a maximum of $250 a month or $3,000 a year. This amendment would grandfather in those individuals already receiving SCHIP and Medicaid funds so that we do not deprive current beneficiaries of health care.

However, we are not going to get the chance, unfortunately, or any other thoughtful amendments that were offered by my Republican and Democratic colleagues, because the Democratic majority leaders wish to contradict the bipartisan spirit that they touted only a week ago.

Therefore, Madam Speaker, I urge all of my colleagues to oppose this closed rule and the underlying legislation. We could have made it better with amendments from both Republicans and Democrats.

Mr. HASTINGS of Florida. Madam Speaker, would you be so kind as to inform both sides as to the remaining amount of time.

The SPEAKER pro tempore. The gentleman from Florida has 18¼ minutes remaining and the gentleman from Texas has 11½ minutes remaining.

Mr. HASTINGS of Florida. Madam Speaker, I am very pleased to yield for his first floor speech to a gentleman that is going to be on the Rules Committee real soon, the distinguished gentleman from Colorado (Mr. POLIS), for 1 minute.

Mr. POLIS of Colorado. Madam Speaker, I can think of no more important issue to make my first floor speech on.

I rise in support of the Children's Health Insurance Program Reauthorization Act, and I want to thank Speaker PELOSI, who has been an unrelenting champion of this issue. I also want to thank Chairman RANGEL and Chairman DINGELL for sponsoring the legislation in the 110th Congress, and Chairman WAXMAN for his leadership on this important issue.

I have already received numerous letters and contacts from constituents who are worried about loss of health care coverage. We have heard from those who have lost their health care coverage or fear they could lose it because they can't afford it. The lack of affordable health care in this country for families is a problem we cannot afford to ignore.

We must ensure that this legislation passes the House and Senate and reaches the new President's desk as soon as possible. This legislation would provide health care coverage for more than 11 million children. In Colorado, there are over 100,000 uninsured children who are eligible for SCHIP and Medicaid but are not yet enrolled. This is critical for our State and for our country.

Children can't help what family they are born into. To ensure that every American has the opportunity to succeed, we need to make sure that children have access to health care insurance regardless of their family background. This is an opportunity to protect millions of children who do not have a voice and safeguard their future, and that's why I urge you to support this legislation.

Mr. SESSIONS. Madam Speaker, at this time I would like to yield 1½ minutes to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. I thank the gentleman, Mr. SESSIONS, for yielding me this time, and I rise in opposition to the rule.

Madam Speaker, as many of my colleagues know, I am a strong supporter of SCHIP and worked for many months during the previous Congress to bring Republicans and Democrats, both House and Senate Members, together to work out a compromise, bipartisan bill that would expand the program of SCHIP responsibly while ensuring that poor American children remain a top priority in all States.

I know that I am not alone in supporting a renewal and expansion of this important program to serve more low-income children, and I know that Members on both sides of the aisle believe that SCHIP should cover our most vulnerable children first. These children are in families 200 percent or lower of the poverty level.

So last night I went to the Rules Committee with an amendment that would do just that, put poor children first, cosponsored by a number of my colleagues, and would do three things.

First, it would require States to collect data on their success in covering these low-income children.

Second, it requires that all States draft and implement a plan that works towards reducing the uninsured rate among low-income children. I would ask the Secretary of Health and Human Services to approve these plans if they are reasonable.

Finally, I would ask States to reduce to 10 percent or less the uninsured rate among children and families, 200 percent and below the poverty level.

Until States have met this 90 percent coverage goal, they would be prohibited from using SCHIP funds to provide benefits to newer populations at higher level incomes. This is a commonsense way that we can ensure that States are using taxpayer dollars wisely and getting health care to the kids that need it most.

Mr. HASTINGS of Florida. Madam Speaker, I am very pleased to yield 2 minutes to my good friend, the distinguished gentleman from Texas (Mr. EDWARDS) who, when this program had its inception in 1997, was an original cosponsor of this legislation.

Mr. EDWARDS of Texas. Madam Speaker, on Monday, 2 days ago, I was visiting in a rural newspaper office in Glen Rose, Texas, in my district. I was discussing the Children's Health Insurance Program when one of the employees there, Lindsey Brewer, heard of our conversation and asked if she could say something.

In deeply heartfelt words, Lindsey told me that her 9-year-old daughter, Amalie, has had leukemia for the past 2 years. You see, Lindsey and her husband both work, but like millions of hard working Americans, they don't have health insurance because their employers can't afford it.

□ 1115

Despite their modest combined annual income, with both parents working, their income of under $50,000, the Brewers were devastated to find out they were told they were ineligible for the CHIP program. The Brewers are two hardworking, loving parents, who through no fault of theirs or their daughter's are facing medical bills totaling $100,233 and growing every single day.

The Brewers don't want welfare. They want to work and be good role models for Amalie and her two brothers. That is why I consider CHIP to be pro-family and pro-work. I met Amalie this week after hearing her story. This is her photograph. She is a beautiful little third grader, making straight A's and working in karate class.

This bill isn't about all the various rules and procedures that have been discussed. This bill is about Amalie Brewer and her future. It is about her family and their future. It is about honoring the values, the pro-work values of Mr. and Mrs. Brewer and millions of other parents like them.

Madam Speaker, I would ask every Member one question before they vote on this bill today: If Amalie Brewer were your child or your granddaughter, how would you vote? I hope the answer is ''yes,'' because the Brewer family and millions of others like them are waiting to see how we vote.

Vote ''yes'' on expanding the Children's Health Insurance Program. These families deserve no less.

Mr. SESSIONS. Madam Speaker, at this time I would like to yield 1½ minutes to the distinguished gentleman from Miami, Florida (Mr. LINCOLN DIAZ-BALART).

Mr. LINCOLN DIAZ-BALART of Florida. I thank my friend.

It is unfortunate the rule is closed. It is such an important issue we are discussing. For example, a new member of the majority party came before us in the Rules Committee, Mr. KISSELL, with a very thoughtful amendment. It was rejected, not permitted for debate. That is unfortunate and unnecessary.

Now, I had said last year, Madam Speaker, that I wasn't going to support a major expansion of SCHIP until legal immigrant children were included, because we should not discriminate against legal immigrants. I represent South Florida. I represent hundreds of thousands of immigrants. So I made clear, I am not going to support an expansion of SCHIP until they are included.

Well, they are in the legislation that we are going to vote on today and so I am going to vote for it. I commend the leadership for having included it, and I think the Senate has to do the same. As I said before, it was a sine qua non for me. Until legal immigrant children were included, I wasn't going to support an expansion of SCHIP.

So, it is a good day. We are going to have a vote on this program that is going to include thousands of children and their moms who unfairly have been excluded. And, by the way, that affects kids in school and the other children in school. When the children who are sick have to go to the emergency room or when they are sick in the classroom, they affect all the kids in the classroom. It just doesn't make sense. And they are legal in this country.

Anyway, I am going to be supporting the legislation today.

Mr. HASTINGS of Florida. Madam Speaker, I am pleased to yield 2 minutes to my classmate and good friend,

the distinguished gentleman from Michigan (Mr. STUPAK), a member of the Energy and Commerce Committee.

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

I rise today in support of the rule on H.R. 2, the Children's Health Insurance Program Reauthorization Act, the CHIP program. The CHIP program was enacted under President Clinton with bipartisan support to help reduce the number of low-income uninsured children by expanding eligibility levels and simplifying the application process.

In 2006, CHIP provided insurance to 6.7 million children. In Michigan, roughly 31,000 children are enrolled in MIChild, making Michigan one of the States with the fewest number of uninsured children in the country. Eighty-six percent of the children enrolled in MIChild are from working families that are unable to afford private health insurance for their children.

Meanwhile, health care through the CHIP program is cost-effective. According to the Congressional Budget Office, it costs a mere $3.34 a day or $100 a month to cover a child under the CHIP program. Furthermore, CHIP is vitally important to children living in our country's rural regions. Of the 50 counties with the highest rates of uninsured children, 44 are rural counties, with many located in the most remote parts of our country.

Today's legislation would reauthorize and approve the CHIP program to protect and continue coverage for 6.7 million children, plus an additional 4 million children that are eligible but are currently uninsured.

During these difficult economic times, this legislation does not raise income levels for families whose children would be eligible for health care coverage. It is time to cover and support all of our Nation's children.

Again, I support this legislation and urge all my colleagues to support the rule and the underlying legislation.

Mr. SESSIONS. Madam Speaker, we believe we are in agreement with the gentleman from Florida (Mr. HASTINGS) that we will allow their side to catch up at this time.

Mr. HASTINGS of Florida. Madam Speaker, can you tell me again how much time each of us has?

The SPEAKER pro tempore. The gentleman from Florida has 13¼ minutes remaining and the gentleman from Texas has 8½ minutes remaining.

Mr. HASTINGS of Florida. Madam Speaker, I am pleased to yield 1 minute to a new Member, the distinguished gentlewoman from the State of Ohio (Ms. KILROY).

Ms. KILROY. Madam Speaker, I thank the gentleman from Florida for this opportunity to rise today in support of the rule and H.R. 2, the reauthorization and expansion of the Children's Health Insurance Program, a program which has brought health care coverage to over 6 million children.

But there are also millions of children today whose parents do not have the financial ability to purchase health insurance. The parents of 4 million children must worry each time a child is sick if they can afford to take that child to a doctor, if they can afford to treat that child's cancer or leukemia.

My colleagues, many of you have children and know the anguish a parent feels when her or his child is sick. Imagine if you were also unable to obtain health insurance coverage to cover that illness.

Our great country, which despite its economic problems is still a country of great wealth and resources, of compassion and community, can certainly come together in a bipartisan fashion to add 4 million more children to the Child Health Insurance Program.

Mr. HASTINGS of Florida. Madam Speaker, I am very pleased to yield 1½ minutes to yet another of our new Members on the Democratic side, the distinguished gentleman from North Carolina (Mr. KISSELL).

Mr. KISSELL. Madam Speaker, I rise today to offer my full support of SCHIP, but I also rise to question the funding of SCHIP as per the amendment I put forth to the Rules Committee last night.

Having spent the last several years as a high school teacher in a rural poor county, I don't need to be told or to be reminded about the need of taking care of our children in terms of their health care. I am not here today as a spokesman for big tobacco or advocate of the cigarette industry. Indeed, I am here because I was elected to be a spokesman for working families.

The funding that has been chosen to finance this bill with full implementation immediately will cost jobs and will cost revenues. At a time when our working families are struggling, at a time when we are going to be asked to consider measures how to create jobs and create funding, I would propose in my amendment instead of going to full implementation of this tax immediately, that we phase it in over 4 years at 16 cents the first year, then 15 cents each of the following years.

It is important to know that the children that are going to be affected by this bill positively is great, but there are also families that are going to be negatively impacted at a time when we should not be doing that.

I worked in an industry where government actions in textiles cost thousands of jobs. Let's look for a way to soften this blow to our people.

Mr. SESSIONS. We continue to reserve.

Mr. HASTINGS of Florida. Madam Speaker, at this time I am very pleased to yield 1 minute to my classmate and good friend, the distinguished gentleman from Texas (Mr. DOGGETT), a member of the Ways and Means Committee.

Mr. DOGGETT. What progress, when this Congress and our new President accord such a high priority to the health of our children. A healthy body, like an educated mind, is an opportunity that all children should share—an opportunity denied to over 1 million Texas children because of the failures of Governor Bush and culminating in the ignominious vetoes of President Bush.

Good health care also means prevention, preventing the scourge of tobacco-related diseases. By hiking tobacco taxes today, we will reduce childhood nicotine addiction tomorrow. And this bill takes modest steps to reduce tobacco smuggling, while adding a new provision that I authored directing the Treasury Department to move forward promptly on more effective ways to reduce this serious public health and law enforcement problem.

It is ironic that today, once again, the Republican leadership has one complaint: That we Democrats move too fast, to do too much, for too many young children across our country when it comes to health care. We plead guilty. And we will keep pushing to give these children the care they deserve.

Mr. HASTINGS of Florida. Madam Speaker, I yield 1 minute to the distinguished gentleman from Georgia (Mr. SCOTT), my good friend who along with his fellows in the area of Georgia have been champions for children's health insurance.

Mr. SCOTT of Georgia. Madam Speaker, what a great day this is, to be able to finally, finally, pass this much-needed bill.

Madam Speaker, we have over 300,000 Georgia young people and children who desperately need this legislation. We worked hard in the past sessions to be able to get this bill passed, but to no avail. But now we will be able to get this passed, and hopefully it just might be the very first bill that our new President, President Barack Obama, will sign.

But let me just tell you the improvements on this bill and what we have so the American people will know. It will eliminate the 5-year waiting period for low-income people insured to be part of the program. It will add 4 million new additional uninsured low-income children, to bring that total up to 11 million. There will be a 4½-year reauthorization period that extends all the way through 2013. It will add dental and mental health parity, which is so greatly needed, because so many of our health needs and diseases and challenges come when the teeth are not there.

Madam Speaker, it is a great day. I thank the gentleman from Florida (Mr. HASTINGS) for his leadership on this and urge passage.

Mr. SESSIONS. Madam Speaker, I yield 1 minute to the gentleman from Lewisville, Texas (Mr. BURGESS).

Mr. BURGESS. I thank the gentleman for yielding.

Let me say at the start, I support the reauthorization of the State Children's Health Insurance Program. I supported it when I was a physician in private practice in 1997. I supported it in December of 2007 when we provided the

current 18-month extension. But what I don't support is the approach we are taking today of a closed rule.

Ironically, the speaker prior to the previous speaker talked about how Republicans are concerned that the House is now moving too fast. I am not concerned that we are moving too fast. I am concerned that we didn't move when we had the opportunity, that is, the last 18 months, to try to improve the product and try to work through some of the problems that clearly some of us on this side have with the current bill.

I am opposed to a closed rule. I think there are good ideas that come from the Republican side. I think our new administration that is going to be sworn in in less than a week's time has already said he welcomes ideas from both sides of the aisle. What a shame it is that our Rules Committee then cannot see fit to allow good amendments to come from either side of the aisle.

I am also concerned about the stability of the funding in the underlying bill. I am concerned very much about looking to the physician-owned hospital as a source for the funding. Why do we impugn the motives of people who are inherently altruistic? What would we have done if Will and Charlie Mayo had come to us and said they wanted to start an enterprise, and we said no, you cannot do it; the Secretary will not authorize it because it is prohibited under the SCHIP bill?

Mr. HASTINGS of Florida. Madam Speaker, I am very pleased at this time to yield 1 minute to the distinguished gentlewoman from the District of Columbia (Ms. NORTON) who knows this issue extremely well.

Ms. NORTON. Madam Speaker, I thank the gentleman for his kindness in yielding.

However Members voted before, there has been a light year of change since. The world has been turned on its axis by a worldwide recession, leaving virtually no one untouched. Most Americans supported this bill even in a good economy. Imagine today, mortgage delinquencies, job losses, wholesale economic misery. We simply can't say ''no'' today.

□ 1130

America will help any child if he becomes sick enough. The only question is when. Prevent illness and catch it early, or wait until a child needs high cost hospital care.

This bill covers only financially eligible children. Please vote for this rule.

Mr. SESSIONS. Madam Speaker, at this time I would like to yield 2 minutes to the gentleman from Lincoln, Nebraska (Mr. FORTENBERRY).

Mr. FORTENBERRY. Madam Speaker, at the outset, let me say I believe that SCHIP is a very important program that provides quality health care coverage for millions of America's children. I support the program. I support its renewal, and I support its appropriate expansion. However, I do believe that this must be done responsibly, for instance, prioritizing America's most vulnerable children first.

We must also guard against expanding the program to those who may not need it, or risk creating a program that encourages some families to unnecessarily drop their existing insurance coverage for the government program, a move that could jeopardize the program's intent for our neediest children.

As we have learned, the State of Hawaii recently halted its universal child health care program, just 7 months after its inception, because high-income families were dropping private insurance so their children would be eligible for the government program.

The amendment that I offered to the Rules Committee would give vulnerable families the same opportunities as others to purchase health insurance. It would offer eligible families the choice of retaining SCHIP coverage for their children or using SCHIP funds to obtain a health insurance plan for the entire family through premium assistance for their child.

I believe families are in the best position to make health care choices for their children. They should be able to remain together under the same health care coverage if they so choose, and see the family doctor together.

I am disappointed that I am hindered from offering this plan as an amendment, as I believe it would strengthen the current program by empowering family choices, simplifying the process of accessing quality care, making family plans more affordable, and saving taxpayer dollars.

So, Madam Speaker, I will have to oppose this rule.

Mr. HASTINGS of Florida. Madam Speaker, I am very pleased to yield 1 minute to one of the original sponsors of the original SCHIP legislation, the distinguished gentlewoman from Connecticut, my good friend, ROSA DELAURO.

Ms. DELAURO. I rise in strong support of the Children's Health Insurance Program. In this transformational moment, we stand poised to reauthorize this bipartisan program which provides critical health care coverage to more than 6 million children who would otherwise go without care, including more than 13,000 in my home State of Connecticut.

With an economy shedding jobs like never before, we have an economic and a moral responsibility to cover the most vulnerable among us. In this country, where 9 million children are uninsured, we cannot let another day go by without passing this legislation, a smart investment in children, in their health and in their success at school and in life. Dental, mental health care for children, coverage for pregnant women, more efficient administration, higher quality care for children, reducing childhood obesity, meeting our commitment to fiscal responsibility.

The choice before us today is a simple one. It is about fulfilling America's promise as a place of hope, possibility and opportunity for our Nation's children.

Mr. SESSIONS. Madam Speaker, at this time I would like to yield 2 minutes to the gentleman from Louisiana (Mr. SCALISE).

Mr. SCALISE. Madam Speaker, I rise in opposition to the rule that we're discussing right now which prevents any amendments from being brought forward on this legislation. The reason that I've got some real concerns is that, Number 1, there's a big change in current policy that allows for verification of identity and of citizenship that's in current SCHIP law.

What this bill does, H.R. 2 actually deviates very dramatically from that current law. It changes the legislation and takes away any ability for us to verify the citizenship of people that would be eligible for SCHIP.

What that means to the average American people out there is that the taxpayers who will be footing this bill will be having to pay for illegal aliens that will now be able to get benefits under this bill that, under current law, they're not able to get because there is a verification process. Why would the leadership want to take away that verification process, opening the door for fraud and abuse?

We know there will be fraud and abuse if this bill becomes law without the amendment that I brought forward last night that would change and revert back to current law. The current law allows for the verification and identification of citizenship. This bill takes that away.

The Congressional Budget Office actually estimates that this change, the change in H.R. 2 that we'll be voting on later on, will cost the taxpayers up to $5 billion in illegal aliens being able to get SCHIP benefits that, under current law, are not able to get it because there is a verification process. We need to put that verification process back in place to make sure that the hard-working taxpayers out there, especially during these tough economic times, as people are paying those taxes to fund this program, what kind of message does it send to them, many of whom have no insurance of their own, that they're going to have to pay $5 billion of their hard-earned money, so that illegal aliens can now be eligible; not eligible necessarily under the law, because the law at least acknowledges that illegals shouldn't be able to get the money. But the verification has been taken away in this bill.

Mr. HASTINGS of Florida. Madam Speaker, I am very pleased at this time to yield 1 minute to the distinguished majority leader of the Democratic Caucus, Mr. HOYER, my good friend.

Mr. HOYER. I must say, following the last speaker, I think the last speaker is absolutely wrong. I think he misrepresented very substantially the facts of this bill, which strengthens verification.

This administration, the Bush administration, will tell you that, and the governors will tell you that the current verification system is not working, and that, in fact, we strengthen, in this bill, the verification. And of course, although he made it clear that illegal immigrants are not included and are very specifically not included, this bill will make it easier and more facilitate ensuring that objective than the present law.

Mr. SCALISE. Would the gentleman yield?

Mr. HOYER. Very briefly.

Mr. SCALISE. The elimination of section 211 is what I was referring to, and that's the section that even the Congressional Budget Office estimates, by removing that verification process, would open the door to about $5 billion of people who are illegal aliens now being eligible because that verification is taken away.

Mr. HOYER. If, in fact, in other sections the verification process has not been strengthened, that may be accurate. I haven't seen the CBO report to which you refer. However, the strengthening will preclude that objective from happening, in my opinion.

Madam Speaker, I want you to hear the story of Deamonte Driver. This is from the Washington Post from February 28, 2007.

''12-year-old Deamonte Driver died today of a toothache.'' 12 years of age. ''A routine $80 tooth extraction might have saved him. But by the time Deamonte's own aching tooth got any attention, the bacteria from the abscess had spread to his brain, doctors said. After two operations and more than 6 weeks of hospital care, the Prince George's County 12-year-old died.''

If you want a picture of American health care, in all its excellence and in its failures, there it is: The best doctors, the latest technology, 6 weeks of hospital care for a sick boy, at the cost of $250,000, in a country that can't find $80 to fix a toothache.

To paraphrase Adlai Stevenson, American health care swallows tigers whole, but it can choke to death on a gnat. We couldn't find $80, and in the end it cost us a quarter of a million dollars. More importantly, it cost us the life of a young man. A system that makes such errors on a regular basis is both financially foolhardy and morally insupportable.

Yes, on a regular basis, Deamonte Driver's case may be extreme, but it was hardly unique. Every day, uninsured parents are foregoing much cheaper preventive care and using the emergency room as the first line of defense for their children's health. Ironically, the President of the United States, when he vetoed this bill, said that's exactly what they could do, intervene in the most expensive, last ditch intervention in health care. We're all paying for that. We are subsidizing those ER visits, we are dealing with the overburdened hospitals, and we are creating a sicker, less productive work force.

Fixing American health care will take much longer than an afternoon, but if I could pass just one bill today, if I could find the most efficient use of our health care dollars, I'd ensure more children. I think 80 percent of Americans agree with us on that.

One of the previous speakers, a physician on the other side of the aisle, was recognized to speak. I spent, Mr. DINGELL spent, Mr. BACHUS spent, Mr. ROCKEFELLER spent, Mr. GRASSLEY spent some 30 hours in meetings with that doctor trying to reach a compromise. There were a number of other people in that room. Ultimately, there was no, notwithstanding the changes we made in the bill, there was no willingness to compromise to ensure the children.

There's no more medically pivotal time in life than that of a child. Make it through childhood without checkups, without a doctor's care, and you're still facing a lifetime of endangered health. Every other developed nation in the world seems to get that. Every other developed nation in the world provides its children with health care. Every developed nation makes sure all of its children are covered, with the exception of the United States of America.

This bill brings into the State Children's Health Insurance Program 4 million children not covered today because the President vetoed the CHIP bill, and we could not get 15 additional people in this body to override the veto. We got 45 on the Republican side of the aisle, and all the Democrats, but we couldn't get those extra 15. This bill brings in those 4 million children. It does what President Bush promised to do when he ran for re-election in 2004.

Accepting the Republican nomination in 2004, President Bush said this: ''In a new term, we will lead an aggressive effort to enroll millions of poor children who are eligible but not signed up for government health insurance programs.'' That's what he promised.

That's what the House and Senate have been pushing to do, what we passed legislation to do, and what the overwhelming majority of Americans have wanted to do for years.

Madam Speaker, we've tried. President Bush vetoed similar bills twice. But we are confident that President-elect Obama sees the issue differently. The American people saw the issue differently. They wanted change. This bill is going to reflect their desire for and vote for change.

This bill gives States permission to waive an arbitrary waiting period of 5 years to enroll immigrant children who are here legally.

Is there anyone here who wants to check on a sick child and say, we know you're here legally, but you've got to wait 5 years? A 1-year-old or a 2-year-old, that's two or three times their lifetime. It doesn't make moral sense to deny those children health services when their parents already pay payroll taxes. It doesn't make public health sense to keep those kids from getting the basic care they need.

As a parent, as a grandfather, and as a great grandfather, very frankly, I want my child in school with healthy children, from wherever they come. And it doesn't make economic sense to subsidize unnecessary emergency room visits.

Madam Speaker, we all know that we're in a severe recession, and it makes this bill more vital than ever, because when we considered this bill last year, we hadn't lost millions of jobs. Millions of parents had not yet lost their health insurance. This legislation is more necessary than ever. More and more Americans are out of work.

More and more family budgets are strained to the breaking point. Today, health coverage for kids could make the difference between a family's economic ruin and economic stability.

As Yale University's Jacob S. Hacker writes, ''access to affordable health care could be an immediate lifeline for working families.''

It is in our power to throw that lifeline today. It's the right thing to do. It's the right thing to do for our children. It's the right thing to do for our families. It's the right thing to do for our economy, and it is the morally correct thing to do.

Pass this rule, pass this bill, let us send it to President Obama, and he will add the 4 million children, with our help, to health care in the richest land on the face of the Earth.

□ 1145

Mr. SESSIONS. Madam Speaker, the gentleman, the majority leader, indicated he had not had an opportunity to see the Congressional Budget Office report to the gentleman Mr. WAXMAN, dated January 13. I would like to insert this into the transcript of today's debate.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 2—Children's Health Insurance Program Reauthorization Act of 2009

Summary: The legislation would authorize the Children's Health Insurance Program (CHIP) through fiscal year 2013 and increase federal funding for the program above current levels. The bill would provide performance bonus payments to states for enrollment costs resulting from specified enrollment and retention efforts. H.R. 2 would establish a child enrollment contingency fund to cover state CHIP expenditures beyond the amount allotted in statute for the 2009–2013 reauthorization period. The bill also would add an additional state option to use CHIP funding to provide a premium assistance subsidy for children enrolled in a qualified health insurance plan, provide additional funding for outreach grants, and improve access to dental benefits and mental health parity in CHIP plans.

H.R. 2 includes other provisions related to the Medicaid program and CHIP. These provisions include ones that would allow states the authority to waive the restriction on providing Medicaid and CHIP coverage to certain legal immigrants before five years of

residency, provide an alternative citizenship verification process for states when determining Medicaid eligibility, and provide grants for increased outreach and enrollment activities. Finally, the bill would increase the federal excise tax on tobacco products.

The effects on direct spending and revenues over the 2009–2013 and 2009–2018 periods are relevant for enforcing pay-as-you-go rules under the current budget resolution. CBO estimates that enacting H.R. 2 would increase direct spending by approximately $32.3 billion over the 2009–2013 period, and by $65.4 billion over the 2009–2018 period. In addition, the Joint Committee on Taxation (JCT) estimates that certain provisions of the bill would increase federal revenues by $31.3 billion over the 2009–2013 period and $64.7 billion over the 2009–2018 period. Accounting for those effects and other revenue effects stemming from provisions in H.R. 2, CBO estimates that enacting the legislation would reduce deficits by $1.1 billion over the 2009–2013 period and by $1.7 billion over the 2009–2018 period.

CBO has reviewed the nontax provisions of the bill (Title I through Title VI, excluding section 311(a)) and determined that they contain no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO has determined that those provisions contain private-sector mandates on group health plans and issuers of group health insurance. In aggregate, the costs of the mandates on private entities in the nontax provisions of the bill would not exceed the annual threshold established by UMRA for private-sector mandates ($139 million in 2009, adjusted annually for inflation).

Estimated cost to the Federal Government: CBO's estimate of the impact of H.R. 2 on direct spending and revenues is shown in the following table. The costs of this legislation fall within budget function 550 (health).

	By fiscal year in billions of dollars—												
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2009–2014	2009–2019
CHANGES IN DIRECT SPENDING													
Estimated CHIP Allotments	5.6	7.5	8.5	10.0	12.4	1.0	1.0	1.0	1.0	1.0	1.0	44.9	49.9
Estimated Outlays	2.4	4.5	7.3	8.5	9.7	7.1	5.9	6.3	6.7	7.1	7.8	39.4	73.3
CHANGES IN REVENUES													
Estimated On-budget Revenues	3.7	7.2	7.0	7.0	7.6	6.3	6.8	6.7	6.7	6.6	6.4	38.8	72.0
Estimated Off-budget Revenues	*	0.1	0.2	0.3	0.3	0.3	0.1	0.1	0.1	0.1	0.1	1.3	1.6
Total Changes in Revenues	3.8	7.4	7.2	7.2	7.9	6.6	6.9	6.8	6.7	6.7	6.5	40.1	73.6
NET DEFICIT IMPACT [1]													
Net On-Budget Effects	−1.3	−2.8	0.3	1.6	2.1	0.7	−0.9	−0.4	*	0.5	1.4	0.6	1.2
Net On- and Off-Budget Effects	−1.4	−2.9	0.1	1.3	1.8	0.4	−1.0	−0.5	*	0.4	1.3	−0.7	−0.4

[1] Negative numbers denote a reduction in projected deficit; positive numbers denote an increase in projected deficits.

Notes: Components may not sum to totals because of rounding. * = between −$50 million and $50 million.

Basis of estimate: H.R. 2 contains provisions that would both increase and decrease direct spending, as well as increase federal revenues. CBO estimates the net budgetary impact of the legislation will be to reduce deficits by $1.1 billion over the 2009–2013 period, by $1.7 billion over the 2009–2018 period, and by $0.4 billion over the 2009–2019 period.

Direct Spending

Provisions Affecting CHIP Benefits and Administrative Costs. CBO estimates that H.R. 2 would increase CHIP outlays on benefits and administrative costs by about $31.7 billion over the 2009–2014 period and by $36.3 billion over the 2009–2019 period. The increase in CHIP outlays would be associated primarily with increased funding to maintain current program levels and allow states the option to expand their existing CHIP programs. Under CBO's current baseline, funding for CHIP allotments is assumed to continue at approximately $5 billion each year after the program's scheduled expiration on March 31, 2009. H.R. 2 would increase CHIP allotments above that level by a total of $43.9 billion over the 2009–2013 period. In fiscal year 2013, the bill would provide two semi-annual allotments of $3 billion, which are lower than the allotment levels in the four previous years. The first semi-annual allotment in 2013 would be accompanied by onetime funding for the program of approximately $11.4 billion. (The 2013 funding would total $17.4 billion, an increase of $12.4 billion over the current baseline projection.)

Because H.R. 2 would authorize CHIP through 2013, baseline rules established by the Balanced Budget and Emergency Deficit Control Act of 1985 call for extrapolating an annualized level of program funding at the end of authorization for the 2014–2019 period. Consequently, this estimate assumes that funding for CHIP would continue at the extrapolated annual amount of $6 billion ($1 billion per year more than the current baseline amount).

Performance Bonus Payments to States. H.R. 2 would provide funding for performance bonus payments using a two-tiered structure. Those bonus payments are designed to offset additional enrollment costs resulting from specified enrollment and retention efforts. To be eligible for those bonus payments, a state must meet at least four enrollment and retention criteria specified in the bill. The legislation would establish a benchmark level above which states can receive bonus payments for children enrolled in Medicaid. A threshold separating the two payment tiers is set at 10 percent above the benchmark level. States that enroll children who are in the first tier (above the benchmark level and below the 10 percent threshold) would receive bonus payments that are 15 percent of projected per capita state Medicaid expenditures. States that enroll children in the second tier (at or above the 10 percent threshold) would receive bonus payments totaling 62.5 percent of projected per capita state Medicaid expenditures. CBO estimates that performance bonus payments would increase direct spending by $4.4 billion over the 2009–2019 period.

Child Enrollment Contingency Fund. H.R. 2 would provide additional funding, to states to maintain their current program levels over the 2009–2013 period. Such funding would be available to states whose spending exceeds their allotments in any fiscal year of the reauthorization period. CBO estimates that the contingency fund would increase direct spending by $0.8 billion over the 2009–2013 period (with no impact after 2013).

Medicaid Spending Due to Interactions with CHIP. CBO expects an interaction between CHIP and the Medicaid program under H.R. 2. There are three key components to that interaction. CBO estimates that Medicaid spending would decrease as additional funding is provided to CHIP. When available CHIP funding is insufficient to maintain program coverage levels, states may continue to receive federal matching funds for some children at the lower Medicaid matching rate. Therefore, additional funding for CHIP would reduce the number of children shifted to Medicaid. Medicaid spending also would increase as adults move from CHIP to Medicaid coverage. Finally, the bill's bonus payments would lead to increased enrollment of children in Medicaid, further increasing Medicaid spending. CBO estimates that Medicaid spending associated with these interactions would increase by $22.1 billion over the 2009–2019 period.

Verification of Declaration of Citizenship or Nationality for Purposes of Eligibility for Medicaid and CHIP. The bill would provide an alternative citizenship verification process for states when determining Medicaid eligibility. Instead of presenting satisfactory documentary evidence as required under the Deficit Reduction Act of 2005, states could submit the name and Social Security number of the individual to the Commissioner of Social Security. The Commissioner would then determine whether the name and Social Security number provided by the state is consistent with information in the records maintained by the Commissioner. If the information is not consistent, the state would make a reasonable effort to address the causes of the inconsistency. If the inconsistency cannot be resolved, the individual would be disenrolled from the program. The bill also would apply the verification process to the Children's Health Insurance Program.

Because this provision would enable more people to prove eligibility for Medicaid, or enroll in Medicaid sooner, CBO estimates that federal spending for Medicaid would increase by $5.1 billion over the 2009–2019 period. CBO estimates no changes in direct spending for CHIP resulting from this provision. The bill also would provide an appropriation of $5 million to the Commissioner of Social Security to carry out the Commissioner's responsibilities under the bill.

Permitting States to Ensure Coverage without a Five-Year Delay of Certain Children and Pregnant Women under the Medicaid Program and CHIP. The bill would allow states to waive the restriction on providing Medicaid and CHIP coverage to legal immigrants before five years of lawful residency in the United States. The bill would apply only to pregnant women and children. CBO estimates that this provision would increase direct spending under Medicaid by $3.9 billion over the 2009–2019 period.

Medicaid Savings from Increasing the Tobacco Excise Tax. CBO estimates that the increase in the tobacco excise tax would reduce the number of smokers. A decline in smoking among pregnant women would result in fewer low-birth-weight deliveries. CBO estimates that as a result, federal spending for Medicaid would decrease by approximately $0.2 billion over the 2009–2019 period.

Revenues

Tobacco Excise Tax. The legislation contains provisions that would raise several

types of excise taxes on tobacco. Those provisions include language that would raise the federal excise tax on cigarettes from 39 cents a pack to $1.00 a pack, and would also increase taxes on other tobacco products. JCT estimates that those provisions would increase revenues by $31.3 billion over the 2009–2013 period, by $64.7 billion over the 2009–2018 period, and by $71.1 billion over the 2009–2019 period.

Estimated impact on State, local, and tribal governments: CBO has reviewed the nontax provisions (Title I through Title VI, excluding section 311(a)) of the bill and determined that they contain no intergovernmental mandates as defined in UMRA.

An existing provision in the Public Health Service Act would allow state, local, and tribal governments, as employers that provide health benefits to their employees, to opt out of provisions of the bill that amend that act. Consequently, the bill's requirements on employers to comply with provisions associated with premium assistance under the Medicaid and CHIP programs would not be intergovernmental mandates as defined in UMRA. The bill would affect the budgets of those governments only if they choose to comply with the requirements imposed on group health plans.

CBO estimates that enactment of this bill would result in additional net spending by states of about $9.7 billion over the 2009–2013 period for the SCHIP program. In general, state, local, and tribal governments would benefit from the continuation of existing SCHIP grants, the creation of new grants, and broader flexibility and options in the program.

Estimated impact on the private sector: CBO has reviewed the nontax provisions of the bill and determined that they would impose mandates on the private sector as defined in UMRA. CBO estimates that the direct cost of complying with those mandates would not exceed the threshold established by UMRA for private-sector mandates ($139 million in 2009, adjusted annually for inflation).

The bill would require group health plans and issuers of group health insurance in connection with a group health plan to permit employees to enroll in the group health plan if they lose Medicaid or CHIP eligibility or become eligible for premium assistance through Medicaid or CHIP. The bill would also require employers to inform employees of potential premium assistance opportunities, if available.

Estimate prepared by: Federal Costs: Sean Dunbar, Robert Stewart, Kirstin Nelson, Ellen Werble, and Grant Driessen. Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum. Impact on the Private Sector: Keisuke Nakagawa, Patrick Bernhardt, and Stuart Hagen.

Estimate approved by: Peter H. Fontaine, Assistant Director for Budget Analysis.

Also, I would like to just retort to the gentleman that probably every other industrialized nation in the world does have children's health care coverage. It's socialized medicine, and they rank near the bottom of health care coverage. That's why America is the top, because we have a health care system that works, that includes private insurance that today we are trying to raid which we should not raid. We don't want to be at the bottom. We want to be at the top.

Madam Speaker, at this time, I would like to yield 1½ minutes to the gentleman from Georgia (Mr. PRICE).

Mr. PRICE of Georgia. Madam Speaker, we all commend the President-elect for his vision of hope and of bipartisanship. It was with that same spirit of bipartisanship that the original SCHIP bill was adopted in the mid-1990s when Republicans and Democrats recognized together the need for assisting children in low-income families by providing access to health insurance. Remember? Probably not, because it was done quietly and proudly together. That's in stark contrast to now. With overbearing partisanship from the majority's cramming this highly charged bill through today and by ignoring vital problems, this bill will throw 2.4 million kids off private, personal health insurance into government-run bureaucratic medicine.

You talk about immoral. This bill requires over 20 million new smokers, Madam Speaker—new smokers—in order to pay for it. How very cynical. That's a problem, because there were so many positive alternatives.

I introduced with over 20 of my colleagues More Children, More Choices that would have provided up to $42,000 of coverage for the original children, premium assistance of up to $64,000 and then State flexibility beyond that.

Bipartisan rhetoric is hollow if it is not followed with bipartisan action. This bill does not do that. It betrays the spirit of the President-elect, and it betrays all Americans.

I call on the Speaker to begin an open and positive process, respecting all Members and respecting all Americans.

Mr. HASTINGS of Florida. Madam Speaker, may I indulge you again to give us the remaining amount of time.

The SPEAKER pro tempore. The gentleman from Florida has 5¾ minutes. The gentleman from Texas has 1½ minutes remaining.

Mr. HASTINGS of Florida. Madam Speaker, at this time, I am very pleased to yield 1 minute to the distinguished gentlewoman from Pennsylvania, yet another of our new Members, providing new dynamics and new direction, Mrs. DAHLKEMPER.

Mrs. DAHLKEMPER. Madam Speaker, I rise in support of the rule and of the underlying bill, the SCHIP reauthorization bill, before us today.

One of my priorities in running for Congress is to ensure that all eligible children have health care. I am pleased that this legislation will cover an additional 4 million children and will build on the current children's health program to provide care for expectant mothers, allowing our children to begin their lives with the best health outlook possible.

Myself, I gave birth to one of my children without health care. It was due to my having a preexisting condition at the change of a job and with a new health care policy, and that preexisting condition was pregnancy. Certainly, this needs to end in our country. We need to start our children off on the best possible health outlook.

This bill will also give incentive to States to increase enrollment so we can benefit more children and so we can provide them with the health care necessary for their growth and well-being.

Madam Speaker, I encourage my colleagues to support this rule. It is certainly necessary for our children of this country and for the health of this Nation.

Mr. SESSIONS. Madam Speaker, we reserve our time.

Mr. HASTINGS of Florida. Madam Speaker, I am very pleased at this time to yield 1 minute to my good friend, the distinguished gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Allow me to thank the distinguished gentleman as well as the subcommittee Chair, Mr. STARK, and Mr. PALLONE and also the committees of jurisdiction—Ways and Means and, of course, the Energy and Commerce Committee—for their thoughtful way of approaching this calamity in this country.

Madam Speaker, let me quickly speak and suggest to you that the diversity of children that is uninsured is unbelievable: black, 1.7 million; white, 3.4 million; Hispanic, 1.6 million; American Indian, 132,000; Asian Pacific, 390,000. This is a crisis—a calamity—in America, and I support the underlying legislation.

However, I work with my good friend from Oklahoma, Mr. BOREN, to help us protect physician-owned hospitals. Here in my own community, St. Joseph's Hospital was on the verge of closing. I worked with them to keep them open. Interestingly enough, Harris County has 4.5 million people and only 16,000 beds. These hospitals are in the crux of serving the poor and the underserved.

I only hope that, as we move forward, we can work closely with our good friends who have done the right thing, who are going to move this bill to be signed by our President to ensure that those hospitals remain open.

Mr. BOREN and I have an amendment of extension to 2010. I hope we do that. I will submit a letter from the Governor of Texas into the RECORD on this issue.

OFFICE OF THE GOVERNOR,
STATE OF TEXAS,
Austin, TX, January 13, 2009.

Hon. JOE L. BARTON,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE BARTON: In the next few days, the U.S. Congress will address the pressing issue of funding the State Children's Health Insurance Program (SCHIP). I urge you to fight to protect the vital funding that has been allocated to the state for its SCHIP program.

SCRIP was developed by Congress as a program administered by states to serve low-income and uninsured children. In 2000, Texas began enrolling children in a separate SCHIP program that is fiscally responsible and focuses on serving the targeted clients Congress originally authorized. Texas maintains reasonable eligibility requirements, such as only enrolling children whose families make less than 200 percent of the federal poverty level (FPL). Some states experiencing shortfalls cover families whose incomes are as

high as 350 percent of FPL and non-pregnant adults. As you consider impending SCHIP reauthorization legislation, it is imperative that Texas is not penalized for not taking these liberties with its program.

In addition, recent reports have indicated that restrictions on physician-owned hospitals may be used to offset SCHIP budget costs. Congress should not foreclose a health service delivery access point in order to pay for SCHIP state expansions. Texas has approximately 50 physician-owned hospitals, which provide critical services to thousands of patients each year, employ more than 22,000 Texans and have a reported net economic effect of nearly $2.3 billion on the Texas economy. These hospitals play a vital role in health care delivery in the state, a role that is rightfully determined by the needs of Texas communities, not governmental financing maneuvers.

I ask you to consider the consequences of limiting physician-owned hospitals in Texas as you seek to protect Texas' SCHIP current and future allocations. Texas should not be penalized for administering a fiscally responsible program that serves a vital need for the low-income children in our state.

Please let me know how I can be of assistance. I look forward to a positive outcome for the children of Texas.

Sincerely,

RICK PERRY,
Governor.

Madam Speaker, I rise today in strong support for the ''Children's Health Insurance Program Reauthorization Act of 2009.'' We stand today, closer to helping 4 million children without health insurance. No longer will these children be forced to live with fear of getting sick.

Today is a great day. Today we can bring 4 million children in to the fold. Today we can tell those 4 million children that are begging for help that ''Yes we can.''

NATIONALLY AND IN TEXAS

There are an estimated 8.9 million uninsured children in America. Overall, about 11.3 percent of children in the United States are uninsured, but the percentage of uninsured children in each State varies widely. Based on a 3-year average, there were an estimated 20.9 percent of uninsured children, under 19 years of age in Texas, representing 1,454,000 of the State's children.

According to the Institute of Medicine, uninsured people are less likely to use preventive services and receive regular care. They are also more likely to delay care resulting in poorer health and outcomes. Texas has the highest uninsured rates of all 50 States and the District of Columbia, 2005–2007. Almost one-quarter, 24.4 percent, of Texans are uninsured compared to 15.3 percent of the general U.S. population.

Data show that virtually all the net reduction in SCHIP enrollment has been among children in families with incomes below 150 percent FPL. The number of below-poverty children has dropped by more than 68 percent and the number of children between 101–150 percent FPL has dropped by more than one-third since September 2003. I want to share with you just some of the scary health statistics that are affecting children: 74 percent of uninsured children eligible for SCHIP or Medicaid but not enrolled; 11 percent of uninsured children in families not eligible for Medicaid or SCHIP with incomes below; 15 percent of uninsured children in families with incomes over 300 percent of the federal poverty-level who are ineligible for Medicaid and SCHIP; 90 percent of uninsured children that come from families where at least one parent works; 50 percent of two-parent families of uninsured children in which both parents work; 3.4 million uninsured children who are white, non-Hispanic; 1.6 million uninsured children who are African American; 3.3 million uninsured children who are Hispanic; and 670,000 uninsured children of other racial and ethnic backgrounds.

In the great State of Texas there is a young man named Jason who had SCHIP health insurance for years, and the coverage was life saving. When he was in a car accident over a year ago, SCHIP covered his treatment and all the medical bills. His family needs SCHIP because they cannot afford private health coverage. The parents work hard, but the father's employment in pest control is seasonal and provides only about $35,000 annually. Jason's mother is wheelchair-bound with multiple sclerosis and has significant health care expenses.

When Jason lost SCHIP a year ago, his mother suspected they had been denied because of the 2003 Ford truck the family purchased so that she could transport her wheelchair. Prior to last year, she had never had problems renewing coverage and the family's income had not changed. But the income guidelines had changes.

New SCHIP guidelines that took effect in December 2005 do not count children over 18 years of age as family members. Although their full-time student daughter lives at home, she is not counted as part of the family, and, as a result, they are about $50 a month above the income limit for a family of three. So now the entire family is uninsured. This lack of coverage means that when Jason gets sick or hurt, they have to delay paying other bills to pay for medical care.

Lack of coverage also has affected Jason's performance in school. He has been sick quite a bit in the past few years with allergies and has missed many days of school, because his eyes become swollen and he is unable to breathe. School officials had reprimanded the mother about his absences but now realize that Jason has some serious health issues.

Finally we will be able to help people like Jason and assuage his mothers concerns. We are able to insure those who need it most.

PHYSICIAN-OWNED HOSPITALS

Sadly, there is one portion of this bill I did have some trouble with, the restrictions on physician-owned hospitals. Yesterday, my dear friend from Oklahoma, Congressman BOREN and I were able to voice a very real concern that we had with the prohibition on physician-owned hospitals.

As the bill was originally written there was a provision in the bill that would have drastically affected the quality of care available to Houston residents and people in urban communities across the entire country.

The exceptions that exist to grandfather in certain physician-owned hospitals is inadequate and will affect more than 85 hospitals that are currently in development and under construction. It will also restrict sales and transfers of many responsible physician-owned hospitals.

In my district of Houston, Texas the population has grown close to 4.5 million people and there are only approximately 16,000 beds available in the city. Eliminating physician ownership in general acute care hospitals would only contribute to this ever growing problem.

While many specialty hospitals are accused of turning away uninsured and Medicaid patients and practicing only profitable healthcare, responsible physician-owned hospitals do just the opposite.

Physician-owned hospitals like St. Joseph Medical Center in my district provide essential emergency, maternity, and psychiatric care for their patients. They delivered over 6,000 babies in 2008, of which 3,700 were insured by Medicaid. Currently they provide $14 million in uninsured care in the Houston Market. A Houston Institution for 120 years, St. Joseph Medical Center is also a major provider of psychiatric beds as it currently operates 102 of the 800 licensed beds in Houston.

While Members of the Texas delegation have continued to support general acute-care hospitals and their future development; we still believe that general acute-care hospitals still need to be able to:

Maintain a minimum number of physicians available at all times to provide service;

Provide a significant amount of charity care;

Treat at least one-sixth of its outpatient visits for emergency medical conditions on an urgent basis without requiring a previously scheduled appointment;

Maintain at least 10 full time interns or residents-in-training in a teaching program;

Advertise or present themselves to the public as a place which provides emergency care;

Serve as a disproportionate share provider, serving a low income community with a disproportionate share of low income patients; and

Have at least 90 hospital beds available to patients.

This issue is of the utmost importance to me because I, like others in the Democratic Caucus, have hospitals and hospital systems such as University Hospital Systems of Houston in my district that would have been greatly affected by this provision.

ST. JOSEPH MEDICAL CENTER

In 2006, St. Joseph Medical Center, downtown Houston's first and only teaching hospital was on the verge of closing its doors. When I learned that they were going to shut down this hospital and turn it into high-end condominiums, I personally worked with the hospital board, community leaders, and local government to ensure this did not take place. Eventually, after I was assured that it would be responsibly managed and its doors would remain open, I was able to help a hospital corporation, in partnership with physicians, purchase the hospital and it has made the hospital the premier hospital in the region. St. Joseph's doors remain open and its qualified emergency room is responsive to a heavily populated downtown Houston.

This formerly troubled medical center is now in the process of reopening Houston Heights Hospital, the fourth oldest acute care hospital in Houston. Without language that specifically addresses this distinction, this project too will come to an end.

Sadly, it remains unclear if CHIP provides for physician-owned hospitals to still be considered grandfathered if they have a sale or transfer at the same ownership rate or at a different physician-ownership rate.

Between December 2007 and December 2008, the U.S. economy shed about 2.6 million jobs, while Texas made significant gains. Texas' nonfarm employment registered a stable 2.1 percent growth rate over the year,

even as the Nation's job losses reached their worst level since 2003. CBO forecasts the following: a marked contraction in the U.S. economy in calendar year 2009, with real, inflation adjusted, gross domestic product, GDP, falling by 2.2 percent; a slow recovery in 2010, with real GDP growing by only 1.5 percent; an unemployment rate that will exceed 9 percent early in 2010.

The U.S. Bureau of Labor Statistics announced on November 21, 2009, that October's unemployment rate was 6.5 percent, a jump of 0.4 percent, which was double what most economists expected, and its highest level in 14 years. The economy has now lost 1.2 million jobs since the beginning of the year, with nearly half of those losses occurring in the last 3 months alone, pointing to acceleration in the pace of erosion in labor markets. It is more important than ever in this economy that children's healthcare is not sacrificed.

Madam Speaker, my faith is renewed in the process that is so often maligned in the media. Thoughtful and deliberate actions were taken to improve this legislation that would not only help the children of my district and many others across the Nation, but also it was able to address concerns that many of us, myself included have on these specialty hospitals.

I look forward to a day when every child is covered and can play on football fields and jungle gyms without their parents fearing a bankrupting injury to their child. This legislation is piece of mind to 4 million families and I will joyfully cast my vote for passage of this important legislation.

There are currently 85 hospitals under development. An estimated $1,830,909,350 has been expended with $574,358,090 in outstanding financing. The addition of 85 more hospitals would also equate to an estimated 23,000 more jobs. In addition, of the 199 existing physician-owned hospitals, 34 are undergoing major construction with an estimated $357,500,000 in outstanding expenditures that could be affected by legislation.

The following States reported hospitals under development:

Arkansas—4 hospitals, all in District 3.

Arizona—3 hospitals, District 3 (2 hospitals) and District 8.

California—8 hospitals, Districts 2, 16, 18, 19, 45, 48, with 2 Districts unknown.

Colorado—3 hospitals, Districts 1, 3, 7.

Florida—2 hospitals, District 20, with 1 District unknown.

Iowa—1 hospital, District 4.

Idaho—2 hospitals, District 1, with 1 District unknown.

Illinois—1 hospital, District 14.

Indiana—5 hospitals, District 2 (3 hospitals), District 9 (2 hospitals).

Kansas—4 hospitals, District 2, District 4 (2 hospitals), with 1 District unknown.

Louisiana—6 hospitals, Districts 1 (2 hospitals), District 5 (2 hospitals), District 7, with 1 District unknown.

Massachusetts—1 hospital, District 8.

Michigan—2 hospitals, Districts 9, 12.

North Dakota—1 hospital, District 1.

Nebraska—2 hospitals, Districts 1, 2.

Ohio—8 hospitals, Districts 1, 3, 7, District 9 (2 hospitals), 11, 12, 13.

Oklahoma—3 hospitals, Districts 1, 2, 5.

Pennsylvania—3 hospitals, District 15, 19 with 1 District unknown.

South Dakota—3 hospitals, all in District 1.

Texas—51 hospitals, Districts 2 (3 hospitals), 3, 4, 5 (3 hospitals), 6, 7, 8, 9, 10 (2 hospitals), 11, District 12 (4 hospitals), 14, 15, 19, 20 (2 hospitals), 21, 24 (4 hospitals), 25 (3 hospitals), 26 (3 hospitals), 27 (2 hospitals), 29, 30 (9 hospitals), 31, 32 (2 hospitals), with 2 Districts unknown.

Virginia—1 hospital, District 3.

Wisconsin—2 hospitals, both District 5.

Wyoming—1 hospital, District 1.

Mr. SESSIONS. Madam Speaker, we continue to reserve our time.

Mr. HASTINGS of Florida. Madam Speaker, I am very pleased to yield at this time 1 minute to a distinguished new Member who represents those 10 miles from my home, Orlando, Florida (Mr. GRAYSON).

Mr. GRAYSON. Madam Speaker, there is a power that we have as legislators that we don't often discuss, but it's there nonetheless. It is the power of life and death. The power is most apparent when we vote on wars, but it is apparent here today as well.

Today, we vote on life versus death. There are 50,000 American children who died last year. More children in America die every month than the number of Americans who were lost on 9/11. Half of those children never reached their first birthdays. Thousands of them died from cancer. We need to do everything that we can to save them.

I was a very sick child. I had to go to the hospital four times a week for treatment. If it weren't for my parents' union health benefits, I would not be here today for this vote.

Study after study shows that, for life-threatening conditions, uninsured people are three times more likely to die than those who are insured. At this time, there are many, many parents in our country who cannot afford health care for their children, but we cannot let the problems of the parents descend on the children.

By voting ''yes'' today, we save thousands of innocent lives. We won't know who they are. In fact, they won't know who they are, but they will owe their lives to our conscience. Please vote for SCHIP today. Vote for life.

Mr. SESSIONS. Madam Speaker, we will continue to reserve our time.

Mr. HASTINGS of Florida. Madam Speaker, I am very pleased at this time to yield 1 minute to the distinguished gentleman, my friend from Oregon, a member of the Ways and Means Committee, Mr. BLUMENAUER.

Mr. BLUMENAUER. Madam Speaker, I am pleased to rise in support of the rule and of the underlying bill.

This is the first step in this Congress that sends a signal of hope to people around the country. It is not just going to make a difference for 70,000 children in my State of Oregon and for 11 million children across America who will get health insurance. It was important in the last Congress that we had passed this bipartisan legislation, but unfortunately, the roadblocks in the White House and Republican Congress made that impossible to be enacted into law. If it were important in the last session, it is critical in this session with the economy in a free-fall, with families in desperate conditions and with health care fraying at the edges.

This action today is showing the difference of the new leadership in the House, in the Senate and in the White House. Beyond the 70,000 children in Oregon and 11 million children across the country, this is a signal to America about where our Nation is going. This signal of hope can come none too soon.

Mr. SESSIONS. Madam Speaker, we will continue to reserve our time.

Mr. HASTINGS of Florida. Madam Speaker, at this time, I inquire of the gentleman whether or not he is their last speaker. I am prepared to close, and I will be our last speaker.

Mr. SESSIONS. I thank the gentleman. I have no further speakers and would yield myself the balance of my time to close.

The SPEAKER pro tempore. The gentleman from Texas is recognized for 1½ minutes.

Mr. SESSIONS. Madam Speaker, I will be asking for a recorded vote on this closed rule.

With the current program not expiring until March 31 of this year, we have seen enough Members question the underlying legislation, and I think we deserve an open and honest debate in the committees of jurisdiction before we take a vote on such a large expansion—$35 billion more of government programs.

This legislation spends billions of dollars to substitute private health insurance with government-run coverage. It enables illegal aliens to fraudulently enroll in Medicaid and in SCHIP. The bill creates the most regressive tax increase in American history, using funding gained from taxing the poor to pay for expanding SCHIP eligibility to higher income families. This legislation increases the number of adults on SCHIP, allowing even more resources to be taken away from the low-income, uninsured children who need it the most.

Madam Speaker, this legislation moves us closer and closer to a government-run program and further and further away to access for quality health care of our choice.

I encourage all of my colleagues to vote ''no'' on the rule and to vote ''no'' on the underlying legislation. We should ensure that SCHIP meets its original intent and that it covers the poorest children first.

We have been very clear about saying that the Republicans in this body have asked for the opportunity to have regular order to discuss this issue in committee and have asked for the opportunity to have Republicans and Democrats present their ideas and hear them accepted for amendments before the Rules Committee. We object to the way that this Rules Committee has handled this issue.

I yield back the balance of my time.

Mr. HASTINGS of Florida. Madam Speaker, when I hear my good friend from Texas speak of regular order on this particular measure, it would presume, among other things, I guess, that

no one in this body knows that there is a significant number of children who are uninsured and that this measure, once offered in 1997, did begin the process that today we wish to continue and that still does not complete the task that most of us feel is necessary in order to insure all of the children in this country.

Madam Speaker, this is a good rule for a critically important bill. Although this bill cannot repair all of the flaws that are intrinsic in America's health care system, it undoubtedly serves as a strong and honorable prelude to facilitating comprehensive health care reform.

Mahatma Gandhi, among many things, said that you can learn about a country's condition by looking at its most weak and vulnerable people. The alarming rate of uninsured and poverty-stricken children in this country tells us that the richest country on Earth is in poor condition.

I urge my colleagues to vote in favor of this rule so that we may support a bill that will give millions of children the basic right to health so that they can become leaders and productive citizens.

I urge a ''yes'' vote on the previous question and on the rule.

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

The previous question was ordered.

The SPEAKER pro tempore. 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. SESSIONS. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 244, noes 178, not voting 11, as follows:

[Roll No. 14]

AYES—244

Abercrombie
Ackerman
Adler (NJ)
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boccieri
Boren
Boswell
Boyd
Brady (PA)
Braley (IA)
Bright
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Castor (FL)
Chandler
Childers
Clarke
Clay
Cleaver
Clyburn
Cohen
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crowley
Cuellar
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Driehaus
Edwards (MD)
Edwards (TX)
Ellison
Ellsworth
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Foster
Frank (MA)
Fudge
Giffords
Gillibrand
Gonzalez
Gordon (TN)
Grayson
Green, Al
Green, Gene
Griffith
Grijalva
Gutierrez
Hall (NY)
Halvorson
Hare
Harman
Hastings (FL)
Heinrich
Higgins
Himes
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kosmas
Kratovil
Kucinich
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Luján
Lynch
Maffei
Markey (CO)
Markey (MA)
Marshall
Massa
Matheson
Matsui
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McMahon
McNerney
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler (NY)
Napolitano
Neal (MA)
Nye
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor (AZ)
Payne
Perlmutter
Perriello
Peters
Peterson
Pingree (ME)
Polis (CO)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schauer
Schiff
Schrader
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sires
Skelton
Slaughter
Smith (WA)
Space
Speier
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Teague
Thompson (CA)
Thompson (MS)
Tierney
Titus
Tonko
Towns
Tsongas
Van Hollen
Velázquez
Walz
Wasserman Schultz
Watson
Watt
Waxman
Weiner
Welch
Wexler
Wilson (OH)
Woolsey
Wu
Yarmuth

NOES—178

Aderholt
Akin
Alexander
Austria
Bachmann
Bachus
Barrett (SC)
Bartlett
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Bonner
Bono Mack
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp
Campbell
Cantor
Cao
Capito
Carter
Cassidy
Castle
Chaffetz
Coble
Coffman (CO)
Cole
Conaway
Crenshaw
Culberson
Davis (KY)
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dreier
Duncan
Ehlers
Emerson
Fallin
Flake
Fleming
Forbes
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gingrey (GA)
Gohmert
Goodlatte
Granger
Graves
Guthrie
Hall (TX)
Harper
Hastings (WA)
Heller
Hensarling
Herger
Hill
Hoekstra
Hunter
Inglis
Issa
Jenkins
Johnson (IL)
Johnson, Sam
Jones
Jordan (OH)
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Lamborn
Lance
Latham
LaTourette
Latta
Lee (NY)
Lewis (CA)
Linder
LoBiondo
Lucas
Luetkemeyer
Lummis
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul
McClintock
McCotter
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Minnick
Moran (KS)
Murphy, Tim
Myrick
Neugebauer
Nunes
Olson
Paul
Paulsen
Pence
Petri
Pitts
Platts
Poe (TX)
Posey
Price (GA)
Putnam
Radanovich
Rehberg
Reichert
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Scalise
Schmidt
Schock
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuler
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Terry
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden
Wamp
Westmoreland
Whitfield
Wilson (SC)
Wittman
Wolf
Young (AK)

NOT VOTING—11

Boehner
Boucher
Herseth Sandlin
Maloney
Sherman
Snyder
Solis (CA)
Sullivan
Visclosky
Waters
Young (FL)

□ 1225

Messrs. GINGREY of Georgia, BURTON of Indiana and REICHERT changed their vote from ''aye'' to ''no.''

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.

ELECTING A MINORITY MEMBER TO A STANDING COMMITTEE

Mr. SESSIONS. Madam Speaker, by the direction of the House Republican Conference, I send to the desk a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 59

Resolved, That the following Member is, and is hereby, elected to the following standing committee of the House of Representatives:

COMMITTEE ON RULES—Ms. FOXX.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CHILDREN'S HEALTH INSURANCE PROGRAM REAUTHORIZATION ACT OF 2009

Mr. PALLONE. Madam Speaker, pursuant to House Resolution 52, I call up the bill (H.R. 2) to amend title XXI of the Social Security Act to extend and improve the Children's Health Insurance Program, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2

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

SECTION 1. SHORT TITLE; AMENDMENTS TO SOCIAL SECURITY ACT; REFERENCES; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Children's Health Insurance Program Reauthorization Act of 2009''.

(b) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this Act an amendment 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 that section or other provision of the Social Security Act.

(c) REFERENCES TO CHIP; MEDICAID; SECRETARY.—In this Act:

(1) CHIP.—The term ''CHIP'' means the State Children's Health Insurance Program established under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.).

(2) MEDICAID.—The term ''Medicaid'' means the program for medical assistance established under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

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

Sec. 1. Short title; amendments to Social Security Act; references; table of contents.
Sec. 2. Purpose.
Sec. 3. General effective date; exception for State legislation; contingent effective date; reliance on law.

TITLE I—FINANCING

Subtitle A—Funding

Sec. 101. Extension of CHIP.
Sec. 102. Allotments for States and territories for fiscal years 2009 through 2013.
Sec. 103. Child Enrollment Contingency Fund.
Sec. 104. CHIP performance bonus payment to offset additional enrollment costs resulting from enrollment and retention efforts.
Sec. 105. Two-year initial availability of CHIP allotments.
Sec. 106. Redistribution of unused allotments.
Sec. 107. Option for qualifying States to receive the enhanced portion of the CHIP matching rate for Medicaid coverage of certain children.
Sec. 108. One-time appropriation.
Sec. 109. Improving funding for the territories under CHIP and Medicaid.

Subtitle B—Focus on Low-Income Children and Pregnant Women

Sec. 111. State option to cover low-income pregnant women under CHIP through a State plan amendment.
Sec. 112. Phase-out of coverage for nonpregnant childless adults under CHIP; conditions for coverage of parents.
Sec. 113. Elimination of counting Medicaid child presumptive eligibility costs against title XXI allotment.
Sec. 114. Limitation on matching rate for States that propose to cover children with effective family income that exceeds 300 percent of the poverty line.
Sec. 115. State authority under Medicaid.

TITLE II—OUTREACH AND ENROLLMENT

Subtitle A—Outreach and Enrollment Activities

Sec. 201. Grants and enhanced administrative funding for outreach and enrollment.
Sec. 202. Increased outreach and enrollment of Indians.
Sec. 203. State option to rely on findings from an Express Lane agency to conduct simplified eligibility determinations.

Subtitle B—Reducing Barriers to Enrollment

Sec. 211. Verification of declaration of citizenship or nationality for purposes of eligibility for Medicaid and CHIP.
Sec. 212. Reducing administrative barriers to enrollment.
Sec. 213. Model of Interstate coordinated enrollment and coverage process.
Sec. 214. Permitting States to ensure coverage without a 5-year delay of certain children and pregnant women under the Medicaid program and CHIP.

TITLE III—REDUCING BARRIERS TO PROVIDING PREMIUM ASSISTANCE

Subtitle A—Additional State Option for Providing Premium Assistance

Sec. 301. Additional State option for providing premium assistance.
Sec. 302. Outreach, education, and enrollment assistance.

Subtitle B—Coordinating Premium Assistance With Private Coverage

Sec. 311. Special enrollment period under group health plans in case of termination of Medicaid or CHIP coverage or eligibility for assistance in purchase of employment-based coverage; coordination of coverage.

TITLE IV—STRENGTHENING QUALITY OF CARE AND HEALTH OUTCOMES

Sec. 401. Child health quality improvement activities for children enrolled in Medicaid or CHIP.
Sec. 402. Improved availability of public information regarding enrollment of children in CHIP and Medicaid.
Sec. 403. Application of certain managed care quality safeguards to CHIP.

TITLE V—IMPROVING ACCESS TO BENEFITS

Sec. 501. Dental benefits.
Sec. 502. Mental health parity in CHIP plans.
Sec. 503. Application of prospective payment system for services provided by Federally-qualified health centers and rural health clinics.
Sec. 504. Premium grace period.
Sec. 505. Clarification of coverage of services provided through school-based health centers.

TITLE VI—PROGRAM INTEGRITY AND OTHER MISCELLANEOUS PROVISIONS

Subtitle A—Program Integrity and Data Collection

Sec. 601. Payment error rate measurement (''PERM'').
Sec. 602. Improving data collection.
Sec. 603. Updated Federal evaluation of CHIP.
Sec. 604. Access to records for IG and GAO audits and evaluations.
Sec. 605. No Federal funding for illegal aliens.

Subtitle B—Miscellaneous Health Provisions

Sec. 611. Deficit Reduction Act technical corrections.
Sec. 612. References to title XXI.
Sec. 613. Prohibiting initiation of new health opportunity account demonstration programs.
Sec. 614. Adjustment in computation of Medicaid FMAP to disregard an extraordinary employer pension contribution.
Sec. 615. Clarification treatment of regional medical center.
Sec. 616. Extension of Medicaid DSH allotments for Tennessee and Hawaii.

Subtitle C—Other Provisions

Sec. 621. Outreach regarding health insurance options available to children.
Sec. 622. Sense of the Senate regarding access to affordable and meaningful health insurance coverage.
Sec. 623. Limitation on Medicare exception to the prohibition on certain physician referrals for hospitals.

TITLE VII—REVENUE PROVISIONS

Sec. 701. Increase in excise tax rate on tobacco products.
Sec. 702. Administrative improvements.
Sec. 703. Treasury study concerning magnitude of tobacco smuggling in the United States.
Sec. 704. Time for payment of corporate estimated taxes.

SEC. 2. PURPOSE.

It is the purpose of this Act to provide dependable and stable funding for children's health insurance under titles XXI and XIX of the Social Security Act in order to enroll all six million uninsured children who are eligible, but not enrolled, for coverage today through such titles.

SEC. 3. GENERAL EFFECTIVE DATE; EXCEPTION FOR STATE LEGISLATION; CONTINGENT EFFECTIVE DATE; RELIANCE ON LAW.

(a) GENERAL EFFECTIVE DATE.—Unless otherwise provided in this Act, subject to subsections (b) through (d), this Act (and the amendments made by this Act) shall take effect on April 1, 2009, and shall apply to child health assistance and medical assistance provided on or after that date.

(b) EXCEPTION FOR STATE LEGISLATION.—In the case of a State plan under title XIX or State child health plan under XXI of the Social Security Act, which the Secretary of Health and Human Services determines requires State legislation in order for the respective plan to meet one or more additional requirements imposed by amendments made by this Act, the respective plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet such an additional requirement before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of the session shall be considered to be a separate regular session of the State legislature.

(c) COORDINATION OF CHIP FUNDING FOR FISCAL YEAR 2009.—Notwithstanding any other provision of law, insofar as funds have been appropriated under section 2104(a)(11), 2104(k), or 2104(l) of the Social Security Act, as amended by section 201 of Public Law 110–173, to provide allotments to States under CHIP for fiscal year 2009—

(1) any amounts that are so appropriated that are not so allotted and obligated before April 1, 2009, are rescinded; and

(2) any amount provided for CHIP allotments to a State under this Act (and the amendments made by this Act) for such fiscal year shall be reduced by the amount of such appropriations so allotted and obligated before such date.

(d) RELIANCE ON LAW.—With respect to amendments made by this Act (other than title VII) that become effective as of a date—

(1) such amendments are effective as of such date whether or not regulations implementing such amendments have been issued; and

(2) Federal financial participation for medical assistance or child health assistance furnished under title XIX or XXI, respectively, of the Social Security Act on or after such date by a State in good faith reliance on such amendments before the date of promulgation of final regulations, if any, to carry out such amendments (or before the date of guidance, if any, regarding the implementation of such amendments) shall not be denied

on the basis of the State's failure to comply with such regulations or guidance.

TITLE I—FINANCING

Subtitle A—Funding

SEC. 101. EXTENSION OF CHIP.

Section 2104(a) (42 U.S.C. 1397dd(a)) is amended—

(1) in paragraph (10), by striking ''and'' at the end;

(2) by amending paragraph (11), by striking ''each of fiscal years 2008 and 2009'' and inserting ''fiscal year 2008''; and

(3) by adding at the end the following new paragraphs:

''(12) for fiscal year 2009, $10,562,000,000;

''(13) for fiscal year 2010, $12,520,000,000;

''(14) for fiscal year 2011, $13,459,000,000;

''(15) for fiscal year 2012, $14,982,000,000; and

''(16) for fiscal year 2013, for purposes of making 2 semi-annual allotments—

''(A) $3,000,000,000 for the period beginning on October 1, 2012, and ending on March 31, 2013, and

''(B) $3,000,000,000 for the period beginning on April 1, 2013, and ending on September 30, 2013.''.

SEC. 102. ALLOTMENTS FOR STATES AND TERRITORIES FOR FISCAL YEARS 2009 THROUGH 2013.

Section 2104 (42 U.S.C. 1397dd) is amended—

(1) in subsection (b)(1), by striking ''subsection (d)'' and inserting ''subsections (d) and (m)'';

(2) in subsection (c)(1), by striking ''subsection (d)'' and inserting ''subsections (d) and (m)(4)''; and

(3) by adding at the end the following new subsection:

''(m) ALLOTMENTS FOR FISCAL YEARS 2009 THROUGH 2013.—

''(1) FOR FISCAL YEAR 2009.—

''(A) FOR THE 50 STATES AND THE DISTRICT OF COLUMBIA.—Subject to the succeeding provisions of this paragraph and paragraph (4), the Secretary shall allot for fiscal year 2009 from the amount made available under subsection (a)(12), to each of the 50 States and the District of Columbia 110 percent of the highest of the following amounts for such State or District:

''(i) The total Federal payments to the State under this title for fiscal year 2008, multiplied by the allotment increase factor determined under paragraph (5) for fiscal year 2009.

''(ii) The amount allotted to the State for fiscal year 2008 under subsection (b), multiplied by the allotment increase factor determined under paragraph (5) for fiscal year 2009.

''(iii) The projected total Federal payments to the State under this title for fiscal year 2009, as determined on the basis of the February 2009 projections certified by the State to the Secretary by not later than March 31, 2009.

''(B) FOR THE COMMONWEALTHS AND TERRITORIES.—Subject to the succeeding provisions of this paragraph and paragraph (4), the Secretary shall allot for fiscal year 2009 from the amount made available under subsection (a)(12) to each of the commonwealths and territories described in subsection (c)(3) an amount equal to the highest amount of Federal payments to the commonwealth or territory under this title for any fiscal year occurring during the period of fiscal years 1999 through 2008, multiplied by the allotment increase factor determined under paragraph (5) for fiscal year 2009, except that subparagraph (B) thereof shall be applied by substituting 'the United States' for 'the State'.

''(C) ADJUSTMENT FOR QUALIFYING STATES.—In the case of a qualifying State described in paragraph (2) of section 2105(g), the Secretary shall permit the State to submit a revised projection described in subparagraph (A)(iii) in order to take into account changes in such projections attributable to the application of paragraph (4) of such section.

''(2) FOR FISCAL YEARS 2010 THROUGH 2012.—

''(A) IN GENERAL.—Subject to paragraphs (4) and (6), from the amount made available under paragraphs (13) through (15) of subsection (a) for each of fiscal years 2010 through 2012, respectively, the Secretary shall compute a State allotment for each State (including the District of Columbia and each commonwealth and territory) for each such fiscal year as follows:

''(i) GROWTH FACTOR UPDATE FOR FISCAL YEAR 2010.—For fiscal year 2010, the allotment of the State is equal to the sum of—

''(I) the amount of the State allotment under paragraph (1) for fiscal year 2009; and

''(II) the amount of any payments made to the State under subsection (k), (l), or (n) for fiscal year 2009,

multiplied by the allotment increase factor under paragraph (5) for fiscal year 2010.

''(ii) REBASING IN FISCAL YEAR 2011.—For fiscal year 2011, the allotment of the State is equal to the Federal payments to the State that are attributable to (and countable towards) the total amount of allotments available under this section to the State in fiscal year 2010 (including payments made to the State under subsection (n) for fiscal year 2010 as well as amounts redistributed to the State in fiscal year 2010), multiplied by the allotment increase factor under paragraph (5) for fiscal year 2011.

''(iii) GROWTH FACTOR UPDATE FOR FISCAL YEAR 2012.—For fiscal year 2012, the allotment of the State is equal to the sum of—

''(I) the amount of the State allotment under clause (ii) for fiscal year 2011; and

''(II) the amount of any payments made to the State under subsection (n) for fiscal year 2011,

multiplied by the allotment increase factor under paragraph (5) for fiscal year 2012.

''(3) FOR FISCAL YEAR 2013.—

''(A) FIRST HALF.—Subject to paragraphs (4) and (6), from the amount made available under subparagraph (A) of paragraph (16) of subsection (a) for the semi-annual period described in such paragraph, increased by the amount of the appropriation for such period under section 108 of the Children's Health Insurance Program Reauthorization Act of 2009, the Secretary shall compute a State allotment for each State (including the District of Columbia and each commonwealth and territory) for such semi-annual period in an amount equal to the first half ratio (described in subparagraph (D)) of the amount described in subparagraph (C).

''(B) SECOND HALF.—Subject to paragraphs (4) and (6), from the amount made available under subparagraph (B) of paragraph (16) of subsection (a) for the semi-annual period described in such paragraph, the Secretary shall compute a State allotment for each State (including the District of Columbia and each commonwealth and territory) for such semi-annual period in an amount equal to the amount made available under such subparagraph, multiplied by the ratio of—

''(i) the amount of the allotment to such State under subparagraph (A); to

''(ii) the total of the amount of all of the allotments made available under such subparagraph.

''(C) FULL YEAR AMOUNT BASED ON REBASED AMOUNT.—The amount described in this subparagraph for a State is equal to the Federal payments to the State that are attributable to (and countable towards) the total amount of allotments available under this section to the State in fiscal year 2012 (including payments made to the State under subsection (n) for fiscal year 2012 as well as amounts redistributed to the State in fiscal year 2012), multiplied by the allotment increase factor under paragraph (5) for fiscal year 2013.

''(D) FIRST HALF RATIO.—The first half ratio described in this subparagraph is the ratio of—

''(i) the sum of—

''(I) the amount made available under subsection (a)(16)(A); and

''(II) the amount of the appropriation for such period under section 108 of the Children's Health Insurance Program Reauthorization Act of 2009; to

''(ii) the sum of the—

''(I) amount described in clause (i); and

''(II) the amount made available under subsection (a)(16)(B).

''(4) PRORATION RULE.—If, after the application of this subsection without regard to this paragraph, the sum of the allotments determined under paragraph (1), (2), or (3) for a fiscal year (or, in the case of fiscal year 2013, for a semi-annual period in such fiscal year) exceeds the amount available under subsection (a) for such fiscal year or period, the Secretary shall reduce each allotment for any State under such paragraph for such fiscal year or period on a proportional basis.

''(5) ALLOTMENT INCREASE FACTOR.—The allotment increase factor under this paragraph for a fiscal year is equal to the product of the following:

''(A) PER CAPITA HEALTH CARE GROWTH FACTOR.—1 plus the percentage increase in the projected per capita amount of National Health Expenditures from the calendar year in which the previous fiscal year ends to the calendar year in which the fiscal year involved ends, as most recently published by the Secretary before the beginning of the fiscal year.

''(B) CHILD POPULATION GROWTH FACTOR.—1 plus the percentage increase (if any) in the population of children in the State from July 1 in the previous fiscal year to July 1 in the fiscal year involved, as determined by the Secretary based on the most recent published estimates of the Bureau of the Census before the beginning of the fiscal year involved, plus 1 percentage point.

''(6) INCREASE IN ALLOTMENT TO ACCOUNT FOR APPROVED PROGRAM EXPANSIONS.—In the case of one of the 50 States or the District of Columbia that—

''(A) has submitted to the Secretary, and has approved by the Secretary, a State plan amendment or waiver request relating to an expansion of eligibility for children or benefits under this title that becomes effective for a fiscal year (beginning with fiscal year 2010 and ending with fiscal year 2013); and

''(B) has submitted to the Secretary, before the August 31 preceding the beginning of the fiscal year, a request for an expansion allotment adjustment under this paragraph for such fiscal year that specifies—

''(i) the additional expenditures that are attributable to the eligibility or benefit expansion provided under the amendment or waiver described in subparagraph (A), as certified by the State and submitted to the Secretary by not later than August 31 preceding the beginning of the fiscal year; and

''(ii) the extent to which such additional expenditures are projected to exceed the allotment of the State or District for the year, subject to paragraph (4), the amount of the allotment of the State or District under this subsection for such fiscal year shall be increased by the excess amount described in subparagraph (B)(i). A State or District may only obtain an increase under this paragraph for an allotment for fiscal year 2010 or fiscal year 2012.

''(7) AVAILABILITY OF AMOUNTS FOR SEMI-ANNUAL PERIODS IN FISCAL YEAR 2013.—Each semi-annual allotment made under paragraph (3) for a period in fiscal year 2013 shall

remain available for expenditure under this title for periods after the end of such fiscal year in the same manner as if the allotment had been made available for the entire fiscal year.''.

SEC. 103. CHILD ENROLLMENT CONTINGENCY FUND.

Section 2104 (42 U.S.C. 1397dd), as amended by section 102, is amended by adding at the end the following new subsection:

''(n) CHILD ENROLLMENT CONTINGENCY FUND.—

''(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a fund which shall be known as the 'Child Enrollment Contingency Fund' (in this subsection referred to as the 'Fund'). Amounts in the Fund shall be available without further appropriations for payments under this subsection.

''(2) DEPOSITS INTO FUND.—

''(A) INITIAL AND SUBSEQUENT APPROPRIATIONS.—Subject to subparagraphs (B) and (D), out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Fund—

''(i) for fiscal year 2009, an amount equal to 20 percent of the amount made available under paragraph (12) of subsection (a) for the fiscal year; and

''(ii) for each of fiscal years 2010 through 2012 (and for each of the semi-annual allotment periods for fiscal year 2013), such sums as are necessary for making payments to eligible States for such fiscal year or period, but not in excess of the aggregate cap described in subparagraph (B).

''(B) AGGREGATE CAP.—The total amount available for payment from the Fund for each of fiscal years 2010 through 2012 (and for each of the semi-annual allotment periods for fiscal year 2013), taking into account deposits made under subparagraph (C), shall not exceed 20 percent of the amount made available under subsection (a) for the fiscal year or period.

''(C) INVESTMENT OF FUND.—The Secretary of the Treasury shall invest, in interest bearing securities of the United States, such currently available portions of the Fund as are not immediately required for payments from the Fund. The income derived from these investments constitutes a part of the Fund.

''(D) AVAILABILITY OF EXCESS FUNDS FOR PERFORMANCE BONUSES.—Any amounts in excess of the aggregate cap described in subparagraph (B) for a fiscal year or period shall be made available for purposes of carrying out section 2105(a)(3) for any succeeding fiscal year and the Secretary of the Treasury shall reduce the amount in the Fund by the amount so made available.

''(3) CHILD ENROLLMENT CONTINGENCY FUND PAYMENTS.—

''(A) IN GENERAL.—If a State's expenditures under this title in fiscal year 2009, fiscal year 2010, fiscal year 2011, fiscal year 2012, or a semi-annual allotment period for fiscal year 2013, exceed the total amount of allotments available under this section to the State in the fiscal year or period (determined without regard to any redistribution it receives under subsection (f) that is available for expenditure during such fiscal year or period, but including any carryover from a previous fiscal year) and if the average monthly unduplicated number of children enrolled under the State plan under this title (including children receiving health care coverage through funds under this title pursuant to a waiver under section 1115) during such fiscal year or period exceeds its target average number of such enrollees (as determined under subparagraph (B)) for that fiscal year or period, subject to subparagraph (D), the Secretary shall pay to the State from the Fund an amount equal to the product of—

''(i) the amount by which such average monthly caseload exceeds such target number of enrollees; and

''(ii) the projected per capita expenditures under the State child health plan (as determined under subparagraph (C) for the fiscal year), multiplied by the enhanced FMAP (as defined in section 2105(b)) for the State and fiscal year involved (or in which the period occurs).

''(B) TARGET AVERAGE NUMBER OF CHILD ENROLLEES.—In this paragraph, the target average number of child enrollees for a State—

''(i) for fiscal year 2009 is equal to the monthly average unduplicated number of children enrolled in the State child health plan under this title (including such children receiving health care coverage through funds under this title pursuant to a waiver under section 1115) during fiscal year 2008 increased by the population growth for children in that State for the year ending on June 30, 2007 (as estimated by the Bureau of the Census) plus 1 percentage point; or

''(ii) for a subsequent fiscal year (or semi-annual period occurring in a fiscal year) is equal to the target average number of child enrollees for the State for the previous fiscal year increased by the child population growth factor described in subsection (m)(5)(B) for the State for the prior fiscal year.

''(C) PROJECTED PER CAPITA EXPENDITURES.—For purposes of subparagraph (A)(ii), the projected per capita expenditures under a State child health plan—

''(i) for fiscal year 2009 is equal to the average per capita expenditures (including both State and Federal financial participation) under such plan for the targeted low-income children counted in the average monthly caseload for purposes of this paragraph during fiscal year 2008, increased by the annual percentage increase in the projected per capita amount of National Health Expenditures (as estimated by the Secretary) for 2009; or

''(ii) for a subsequent fiscal year (or semi-annual period occurring in a fiscal year) is equal to the projected per capita expenditures under such plan for the previous fiscal year (as determined under clause (i) or this clause) increased by the annual percentage increase in the projected per capita amount of National Health Expenditures (as estimated by the Secretary) for the year in which such subsequent fiscal year ends.

''(D) PRORATION RULE.—If the amounts available for payment from the Fund for a fiscal year or period are less than the total amount of payments determined under subparagraph (A) for the fiscal year or period, the amount to be paid under such subparagraph to each eligible State shall be reduced proportionally.

''(E) TIMELY PAYMENT; RECONCILIATION.—Payment under this paragraph for a fiscal year or period shall be made before the end of the fiscal year or period based upon the most recent data for expenditures and enrollment and the provisions of subsection (e) of section 2105 shall apply to payments under this subsection in the same manner as they apply to payments under such section.

''(F) CONTINUED REPORTING.—For purposes of this paragraph and subsection (f), the State shall submit to the Secretary the State's projected Federal expenditures, even if the amount of such expenditures exceeds the total amount of allotments available to the State in such fiscal year or period.

''(G) APPLICATION TO COMMONWEALTHS AND TERRITORIES.—No payment shall be made under this paragraph to a commonwealth or territory described in subsection (c)(3) until such time as the Secretary determines that there are in effect methods, satisfactory to the Secretary, for the collection and reporting of reliable data regarding the enrollment of children described in subparagraphs (A) and (B) in order to accurately determine the commonwealth's or territory's eligibility for, and amount of payment, under this paragraph.''.

SEC. 104. CHIP PERFORMANCE BONUS PAYMENT TO OFFSET ADDITIONAL ENROLLMENT COSTS RESULTING FROM ENROLLMENT AND RETENTION EFFORTS.

Section 2105(a) (42 U.S.C. 1397ee(a)) is amended by adding at the end the following new paragraphs:

''(3) PERFORMANCE BONUS PAYMENT TO OFFSET ADDITIONAL MEDICAID AND CHIP CHILD ENROLLMENT COSTS RESULTING FROM ENROLLMENT AND RETENTION EFFORTS.—

''(A) IN GENERAL.—In addition to the payments made under paragraph (1), for each fiscal year (beginning with fiscal year 2009 and ending with fiscal year 2013), the Secretary shall pay from amounts made available under subparagraph (E), to each State that meets the condition under paragraph (4) for the fiscal year, an amount equal to the amount described in subparagraph (B) for the State and fiscal year. The payment under this paragraph shall be made, to a State for a fiscal year, as a single payment not later than the last day of the first calendar quarter of the following fiscal year.

''(B) AMOUNT FOR ABOVE BASELINE MEDICAID CHILD ENROLLMENT COSTS.—Subject to subparagraph (E), the amount described in this subparagraph for a State for a fiscal year is equal to the sum of the following amounts:

''(i) FIRST TIER ABOVE BASELINE MEDICAID ENROLLEES.—An amount equal to the number of first tier above baseline child enrollees (as determined under subparagraph (C)(i)) under title XIX for the State and fiscal year, multiplied by 15 percent of the projected per capita State Medicaid expenditures (as determined under subparagraph (D)) for the State and fiscal year under title XIX.

''(ii) SECOND TIER ABOVE BASELINE MEDICAID ENROLLEES.—An amount equal to the number of second tier above baseline child enrollees (as determined under subparagraph (C)(ii)) under title XIX for the State and fiscal year, multiplied by 62.5 percent of the projected per capita State Medicaid expenditures (as determined under subparagraph (D)) for the State and fiscal year under title XIX.

''(C) NUMBER OF FIRST AND SECOND TIER ABOVE BASELINE CHILD ENROLLEES; BASELINE NUMBER OF CHILD ENROLLEES.—For purposes of this paragraph:

''(i) FIRST TIER ABOVE BASELINE CHILD ENROLLEES.—The number of first tier above baseline child enrollees for a State for a fiscal year under title XIX is equal to the number (if any, as determined by the Secretary) by which—

''(I) the monthly average unduplicated number of qualifying children (as defined in subparagraph (F)) enrolled during the fiscal year under the State plan under title XIX, respectively; exceeds

''(II) the baseline number of enrollees described in clause (iii) for the State and fiscal year under title XIX, respectively;

but not to exceed 10 percent of the baseline number of enrollees described in subclause (II).

''(ii) SECOND TIER ABOVE BASELINE CHILD ENROLLEES.—The number of second tier above baseline child enrollees for a State for a fiscal year under title XIX is equal to the number (if any, as determined by the Secretary) by which—

''(I) the monthly average unduplicated number of qualifying children (as defined in subparagraph (F)) enrolled during the fiscal year under title XIX as described in clause (i)(I); exceeds

''(II) the sum of the baseline number of child enrollees described in clause (iii) for

the State and fiscal year under title XIX, as described in clause (i)(II), and the maximum number of first tier above baseline child enrollees for the State and fiscal year under title XIX, as determined under clause (i).

''(iii) BASELINE NUMBER OF CHILD ENROLLEES.—Subject to subparagraph (H), the baseline number of child enrollees for a State under title XIX—

''(I) for fiscal year 2009 is equal to the monthly average unduplicated number of qualifying children enrolled in the State plan under title XIX during fiscal year 2007 increased by the population growth for children in that State from 2007 to 2008 (as estimated by the Bureau of the Census) plus 4 percentage points, and further increased by the population growth for children in that State from 2008 to 2009 (as estimated by the Bureau of the Census) plus 4 percentage points;

''(II) for each of fiscal years 2010, 2011, and 2012, is equal to the baseline number of child enrollees for the State for the previous fiscal year under title XIX, increased by the population growth for children in that State from the calendar year in which the respective fiscal year begins to the succeeding calendar year (as estimated by the Bureau of the Census) plus 3.5 percentage points;

''(III) for each of fiscal years 2013, 2014, and 2015, is equal to the baseline number of child enrollees for the State for the previous fiscal year under title XIX, increased by the population growth for children in that State from the calendar year in which the respective fiscal year begins to the succeeding calendar year (as estimated by the Bureau of the Census) plus 3 percentage points; and

''(IV) for a subsequent fiscal year is equal to the baseline number of child enrollees for the State for the previous fiscal year under title XIX, increased by the population growth for children in that State from the calendar year in which the fiscal year involved begins to the succeeding calendar year (as estimated by the Bureau of the Census) plus 2 percentage points.

''(D) PROJECTED PER CAPITA STATE MEDICAID EXPENDITURES.—For purposes of subparagraph (B), the projected per capita State Medicaid expenditures for a State and fiscal year under title XIX is equal to the average per capita expenditures (including both State and Federal financial participation) for children under the State plan under such title, including under waivers but not including such children eligible for assistance by virtue of the receipt of benefits under title XVI, for the most recent fiscal year for which actual data are available (as determined by the Secretary), increased (for each subsequent fiscal year up to and including the fiscal year involved) by the annual percentage increase in per capita amount of National Health Expenditures (as estimated by the Secretary) for the calendar year in which the respective subsequent fiscal year ends and multiplied by a State matching percentage equal to 100 percent minus the Federal medical assistance percentage (as defined in section 1905(b)) for the fiscal year involved.

''(E) AMOUNTS AVAILABLE FOR PAYMENTS.—

''(i) INITIAL APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, there are appropriated $3,225,000,000 for fiscal year 2009 for making payments under this paragraph, to be available until expended.

''(ii) TRANSFERS.—Notwithstanding any other provision of this title, the following amounts shall also be available, without fiscal year limitation, for making payments under this paragraph:

''(I) UNOBLIGATED NATIONAL ALLOTMENT.—

''(aa) FISCAL YEARS 2009 THROUGH 2012.—As of December 31 of fiscal year 2009, and as of December 31 of each succeeding fiscal year through fiscal year 2012, the portion, if any, of the amount appropriated under subsection (a) for such fiscal year that is unobligated for allotment to a State under subsection (m) for such fiscal year or set aside under subsection (a)(3) or (b)(2) of section 2111 for such fiscal year.

''(bb) FIRST HALF OF FISCAL YEAR 2013.—As of December 31 of fiscal year 2013, the portion, if any, of the sum of the amounts appropriated under subsection (a)(16)(A) and under section 108 of the Children's Health Insurance Reauthorization Act of 2009 for the period beginning on October 1, 2012, and ending on March 31, 2013, that is unobligated for allotment to a State under subsection (m) for such fiscal year or set aside under subsection (b)(2) of section 2111 for such fiscal year.

''(cc) SECOND HALF OF FISCAL YEAR 2013.—As of June 30 of fiscal year 2013, the portion, if any, of the amount appropriated under subsection (a)(16)(B) for the period beginning on April 1, 2013, and ending on September 30, 2013, that is unobligated for allotment to a State under subsection (m) for such fiscal year or set aside under subsection (b)(2) of section 2111 for such fiscal year.

''(II) UNEXPENDED ALLOTMENTS NOT USED FOR REDISTRIBUTION.—As of November 15 of each of fiscal years 2010 through 2013, the total amount of allotments made to States under section 2104 for the second preceding fiscal year (third preceding fiscal year in the case of the fiscal year 2006, 2007, and 2008 allotments) that is not expended or redistributed under section 2104(f) during the period in which such allotments are available for obligation.

''(III) EXCESS CHILD ENROLLMENT CONTINGENCY FUNDS.—As of October 1 of each of fiscal years 2010 through 2013, any amount in excess of the aggregate cap applicable to the Child Enrollment Contingency Fund for the fiscal year under section 2104(n).

''(IV) UNEXPENDED TRANSITIONAL COVERAGE BLOCK GRANT FOR NONPREGNANT CHILDLESS ADULTS.—As of October 1, 2011, any amounts set aside under section 2111(a)(3) that are not expended by September 30, 2011.

''(iii) PROPORTIONAL REDUCTION.—If the sum of the amounts otherwise payable under this paragraph for a fiscal year exceeds the amount available for the fiscal year under this subparagraph, the amount to be paid under this paragraph to each State shall be reduced proportionally.

''(F) QUALIFYING CHILDREN DEFINED.—For purposes of this subsection, the term 'qualifying children' means children who meet the eligibility criteria (including income, categorical eligibility, age, and immigration status criteria) in effect as of July 1, 2008, for enrollment under title XIX, taking into account criteria applied as of such date under title XIX pursuant to a waiver under section 1115. Such term does not include any children for whom the State has made an election to provide medical assistance under section 1903(v)(4).

''(G) APPLICATION TO COMMONWEALTHS AND TERRITORIES.—The provisions of subparagraph (G) of section 2104(n)(3) shall apply with respect to payment under this paragraph in the same manner as such provisions apply to payment under such section.

''(H) APPLICATION TO STATES THAT IMPLEMENT A MEDICAID EXPANSION FOR CHILDREN AFTER FISCAL YEAR 2008.—In the case of a State that provides coverage under section 115 of the Children's Health Insurance Program Reauthorization Act of 2009 for any fiscal year after fiscal year 2008—

''(i) any child enrolled in the State plan under title XIX through the application of such an election shall be disregarded from the determination for the State of the monthly average unduplicated number of qualifying children enrolled in such plan during the first 3 fiscal years in which such an election is in effect; and

''(ii) in determining the baseline number of child enrollees for the State for any fiscal year subsequent to such first 3 fiscal years, the baseline number of child enrollees for the State under title XIX for the third of such fiscal years shall be the monthly average unduplicated number of qualifying children enrolled in the State plan under title XIX for such third fiscal year.

''(4) ENROLLMENT AND RETENTION PROVISIONS FOR CHILDREN.—For purposes of paragraph (3)(A), a State meets the condition of this paragraph for a fiscal year if it is implementing at least 4 of the following enrollment and retention provisions (treating each subparagraph as a separate enrollment and retention provision) throughout the entire fiscal year:

''(A) CONTINUOUS ELIGIBILITY.—The State has elected the option of continuous eligibility for a full 12 months for all children described in section 1902(e)(12) under title XIX under 19 years of age, as well as applying such policy under its State child health plan under this title.

''(B) LIBERALIZATION OF ASSET REQUIREMENTS.—The State meets the requirement specified in either of the following clauses:

''(i) ELIMINATION OF ASSET TEST.—The State does not apply any asset or resource test for eligibility for children under title XIX or this title.

''(ii) ADMINISTRATIVE VERIFICATION OF ASSETS.—The State—

''(I) permits a parent or caretaker relative who is applying on behalf of a child for medical assistance under title XIX or child health assistance under this title to declare and certify by signature under penalty of perjury information relating to family assets for purposes of determining and redetermining financial eligibility; and

''(II) takes steps to verify assets through means other than by requiring documentation from parents and applicants except in individual cases of discrepancies or where otherwise justified.

''(C) ELIMINATION OF IN-PERSON INTERVIEW REQUIREMENT.—The State does not require an application of a child for medical assistance under title XIX (or for child health assistance under this title), including an application for renewal of such assistance, to be made in person nor does the State require a face-to-face interview, unless there are discrepancies or individual circumstances justifying an in-person application or face-to-face interview.

''(D) USE OF JOINT APPLICATION FOR MEDICAID AND CHIP.—The application form and supplemental forms (if any) and information verification process is the same for purposes of establishing and renewing eligibility for children for medical assistance under title XIX and child health assistance under this title.

''(E) AUTOMATIC RENEWAL (USE OF ADMINISTRATIVE RENEWAL).—

''(i) IN GENERAL.—The State provides, in the case of renewal of a child's eligibility for medical assistance under title XIX or child health assistance under this title, a preprinted form completed by the State based on the information available to the State and notice to the parent or caretaker relative of the child that eligibility of the child will be renewed and continued based on such information unless the State is provided other information. Nothing in this clause shall be construed as preventing a State from verifying, through electronic and other means, the information so provided.

''(ii) SATISFACTION THROUGH DEMONSTRATED USE OF EX PARTE PROCESS.—A State shall be treated as satisfying the requirement of

clause (i) if renewal of eligibility of children under title XIX or this title is determined without any requirement for an in-person interview, unless sufficient information is not in the State's possession and cannot be acquired from other sources (including other State agencies) without the participation of the applicant or the applicant's parent or caretaker relative.

''(F) PRESUMPTIVE ELIGIBILITY FOR CHILDREN.—The State is implementing section 1920A under title XIX as well as, pursuant to section 2107(e)(1), under this title.

''(G) EXPRESS LANE.—The State is implementing the option described in section 1902(e)(13) under title XIX as well as, pursuant to section 2107(e)(1), under this title.''.

SEC. 105. TWO-YEAR INITIAL AVAILABILITY OF CHIP ALLOTMENTS.

Section 2104(e) (42 U.S.C. 1397dd(e)) is amended to read as follows:

''(e) AVAILABILITY OF AMOUNTS ALLOTTED.—

''(1) IN GENERAL.—Except as provided in paragraph (2), amounts allotted to a State pursuant to this section—

''(A) for each of fiscal years 1998 through 2008, shall remain available for expenditure by the State through the end of the second succeeding fiscal year; and

''(B) for fiscal year 2009 and each fiscal year thereafter, shall remain available for expenditure by the State through the end of the succeeding fiscal year.

''(2) AVAILABILITY OF AMOUNTS REDISTRIBUTED.—Amounts redistributed to a State under subsection (f) shall be available for expenditure by the State through the end of the fiscal year in which they are redistributed.''.

SEC. 106. REDISTRIBUTION OF UNUSED ALLOTMENTS.

(a) BEGINNING WITH FISCAL YEAR 2007.—

(1) IN GENERAL.—Section 2104(f) (42 U.S.C. 1397dd(f)) is amended—

(A) by striking ''The Secretary'' and inserting the following:

''(1) IN GENERAL.—The Secretary'';

(B) by striking ''States that have fully expended the amount of their allotments under this section.'' and inserting ''States that the Secretary determines with respect to the fiscal year for which unused allotments are available for redistribution under this subsection, are shortfall States described in paragraph (2) for such fiscal year, but not to exceed the amount of the shortfall described in paragraph (2)(A) for each such State (as may be adjusted under paragraph (2)(C)).''; and

(C) by adding at the end the following new paragraph:

''(2) SHORTFALL STATES DESCRIBED.—

''(A) IN GENERAL.—For purposes of paragraph (1), with respect to a fiscal year, a shortfall State described in this subparagraph is a State with a State child health plan approved under this title for which the Secretary estimates on the basis of the most recent data available to the Secretary, that the projected expenditures under such plan for the State for the fiscal year will exceed the sum of—

''(i) the amount of the State's allotments for any preceding fiscal years that remains available for expenditure and that will not be expended by the end of the immediately preceding fiscal year;

''(ii) the amount (if any) of the child enrollment contingency fund payment under subsection (n); and

''(iii) the amount of the State's allotment for the fiscal year.

''(B) PRORATION RULE.—If the amounts available for redistribution under paragraph (1) for a fiscal year are less than the total amounts of the estimated shortfalls determined for the year under subparagraph (A), the amount to be redistributed under such paragraph for each shortfall State shall be reduced proportionally.

''(C) RETROSPECTIVE ADJUSTMENT.—The Secretary may adjust the estimates and determinations made under paragraph (1) and this paragraph with respect to a fiscal year as necessary on the basis of the amounts reported by States not later than November 30 of the succeeding fiscal year, as approved by the Secretary.''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to redistribution of allotments made for fiscal year 2007 and subsequent fiscal years.

(b) REDISTRIBUTION OF UNUSED ALLOTMENTS FOR FISCAL YEAR 2006.—Section 2104(k) (42 U.S.C. 1397dd(k)) is amended—

(1) in the subsection heading, by striking ''THE FIRST 2 QUARTERS OF'';

(2) in paragraph (1), by striking ''the first 2 quarters of''; and

(3) in paragraph (6)—

(A) by striking ''the first 2 quarters of''; and

(B) by striking ''March 31'' and inserting ''September 30''.

SEC. 107. OPTION FOR QUALIFYING STATES TO RECEIVE THE ENHANCED PORTION OF THE CHIP MATCHING RATE FOR MEDICAID COVERAGE OF CERTAIN CHILDREN.

(a) IN GENERAL.—Section 2105(g) (42 U.S.C. 1397ee(g)) is amended—

(1) in paragraph (1)(A), as amended by section 201(b)(1) of Public Law 110–173—

(A) by inserting ''subject to paragraph (4),'' after ''Notwithstanding any other provision of law,''; and

(B) by striking ''2008, or 2009'' and inserting ''or 2008''; and

(2) by adding at the end the following new paragraph:

''(4) OPTION FOR ALLOTMENTS FOR FISCAL YEARS 2009 THROUGH 2013.—

''(A) PAYMENT OF ENHANCED PORTION OF MATCHING RATE FOR CERTAIN EXPENDITURES.—In the case of expenditures described in subparagraph (B), a qualifying State (as defined in paragraph (2)) may elect to be paid from the State's allotment made under section 2104 for any of fiscal years 2009 through 2013 (insofar as the allotment is available to the State under subsections (e) and (m) of such section) an amount each quarter equal to the additional amount that would have been paid to the State under title XIX with respect to such expenditures if the enhanced FMAP (as determined under subsection (b)) had been substituted for the Federal medical assistance percentage (as defined in section 1905(b)).

''(B) EXPENDITURES DESCRIBED.—For purposes of subparagraph (A), the expenditures described in this subparagraph are expenditures made after the date of the enactment of this paragraph and during the period in which funds are available to the qualifying State for use under subparagraph (A), for the provision of medical assistance to individuals residing in the State who are eligible for medical assistance under the State plan under title XIX or under a waiver of such plan and who have not attained age 19 (or, if a State has so elected under the State plan under title XIX, age 20 or 21), and whose family income equals or exceeds 133 percent of the poverty line but does not exceed the Medicaid applicable income level.''.

(b) REPEAL OF LIMITATION ON AVAILABILITY OF FISCAL YEAR 2009 ALLOTMENTS.—Paragraph (2) of section 201(b) of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Public Law 110–173) is repealed.

SEC. 108. ONE-TIME APPROPRIATION.

There is appropriated to the Secretary, out of any money in the Treasury not otherwise appropriated, $11,406,000,000 to accompany the allotment made for the period beginning on October 1, 2012, and ending on March 31, 2013, under section 2104(a)(16)(A) of the Social Security Act (42 U.S.C. 1397dd(a)(16)(A)) (as added by section 101), to remain available until expended. Such amount shall be used to provide allotments to States under paragraph (3) of section 2104(m) of the Social Security Act (42 U.S.C. 1397dd(i)), as added by section 102, for the first 6 months of fiscal year 2013 in the same manner as allotments are provided under subsection (a)(16)(A) of such section 2104 and subject to the same terms and conditions as apply to the allotments provided from such subsection (a)(16)(A).

SEC. 109. IMPROVING FUNDING FOR THE TERRITORIES UNDER CHIP AND MEDICAID.

(a) REMOVAL OF FEDERAL MATCHING PAYMENTS FOR DATA REPORTING SYSTEMS FROM THE OVERALL LIMIT ON PAYMENTS TO TERRITORIES UNDER TITLE XIX.—Section 1108(g) (42 U.S.C. 1308(g)) is amended by adding at the end the following new paragraph:

''(4) EXCLUSION OF CERTAIN EXPENDITURES FROM PAYMENT LIMITS.—With respect to fiscal years beginning with fiscal year 2009, if Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, or American Samoa qualify for a payment under subparagraph (A)(i), (B), or (F) of section 1903(a)(3) for a calendar quarter of such fiscal year, the payment shall not be taken into account in applying subsection (f) (as increased in accordance with paragraphs (1), (2), and (3) of this subsection) to such commonwealth or territory for such fiscal year.''.

(b) GAO STUDY AND REPORT.—Not later than September 30, 2010, the Comptroller General of the United States shall submit a report to the Committee on Finance of the Senate and the Committee on Energy and Commerce of the House of Representatives regarding Federal funding under Medicaid and CHIP for Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands. The report shall include the following:

(1) An analysis of all relevant factors with respect to—

(A) eligible Medicaid and CHIP populations in such commonwealths and territories;

(B) historical and projected spending needs of such commonwealths and territories and the ability of capped funding streams to respond to those spending needs;

(C) the extent to which Federal poverty guidelines are used by such commonwealths and territories to determine Medicaid and CHIP eligibility; and

(D) the extent to which such commonwealths and territories participate in data collection and reporting related to Medicaid and CHIP, including an analysis of territory participation in the Current Population Survey versus the American Community Survey.

(2) Recommendations regarding methods for the collection and reporting of reliable data regarding the enrollment under Medicaid and CHIP of children in such commonwealths and territories.

(3) Recommendations for improving Federal funding under Medicaid and CHIP for such commonwealths and territories.

Subtitle B—Focus on Low-Income Children and Pregnant Women

SEC. 111. STATE OPTION TO COVER LOW-INCOME PREGNANT WOMEN UNDER CHIP THROUGH A STATE PLAN AMENDMENT.

(a) IN GENERAL.—Title XXI (42 U.S.C. 1397aa et seq.), as amended by section 112(a), is amended by adding at the end the following new section:

"SEC. 2112. OPTIONAL COVERAGE OF TARGETED LOW-INCOME PREGNANT WOMEN THROUGH A STATE PLAN AMENDMENT.

''(a) IN GENERAL.—Subject to the succeeding provisions of this section, a State may elect through an amendment to its State child health plan under section 2102 to provide pregnancy-related assistance under such plan for targeted low-income pregnant women.

''(b) CONDITIONS.—A State may only elect the option under subsection (a) if the following conditions are satisfied:

''(1) MINIMUM INCOME ELIGIBILITY LEVELS FOR PREGNANT WOMEN AND CHILDREN.—The State has established an income eligibility level—

''(A) for pregnant women under subsection (a)(10)(A)(i)(III), (a)(10)(A)(i)(IV), or (l)(1)(A) of section 1902 that is at least 185 percent (or such higher percent as the State has in effect with regard to pregnant women under this title) of the poverty line applicable to a family of the size involved, but in no case lower than the percent in effect under any such subsection as of July 1, 2008; and

''(B) for children under 19 years of age under this title (or title XIX) that is at least 200 percent of the poverty line applicable to a family of the size involved.

''(2) NO CHIP INCOME ELIGIBILITY LEVEL FOR PREGNANT WOMEN LOWER THAN THE STATE'S MEDICAID LEVEL.—The State does not apply an effective income level for pregnant women under the State plan amendment that is lower than the effective income level (expressed as a percent of the poverty line and considering applicable income disregards) specified under subsection (a)(10)(A)(i)(III), (a)(10)(A)(i)(IV), or (l)(1)(A) of section 1902, on the date of enactment of this paragraph to be eligible for medical assistance as a pregnant woman.

''(3) NO COVERAGE FOR HIGHER INCOME PREGNANT WOMEN WITHOUT COVERING LOWER INCOME PREGNANT WOMEN.—The State does not provide coverage for pregnant women with higher family income without covering pregnant women with a lower family income.

''(4) APPLICATION OF REQUIREMENTS FOR COVERAGE OF TARGETED LOW-INCOME CHILDREN.—The State provides pregnancy-related assistance for targeted low-income pregnant women in the same manner, and subject to the same requirements, as the State provides child health assistance for targeted low-income children under the State child health plan, and in addition to providing child health assistance for such women.

''(5) NO PREEXISTING CONDITION EXCLUSION OR WAITING PERIOD.—The State does not apply any exclusion of benefits for pregnancy-related assistance based on any preexisting condition or any waiting period (including any waiting period imposed to carry out section 2102(b)(3)(C)) for receipt of such assistance.

''(6) APPLICATION OF COST-SHARING PROTECTION.—The State provides pregnancy-related assistance to a targeted low-income woman consistent with the cost-sharing protections under section 2103(e) and applies the limitation on total annual aggregate cost sharing imposed under paragraph (3)(B) of such section to the family of such a woman.

''(7) NO WAITING LIST FOR CHILDREN.—The State does not impose, with respect to the enrollment under the State child health plan of targeted low-income children during the quarter, any enrollment cap or other numerical limitation on enrollment, any waiting list, any procedures designed to delay the consideration of applications for enrollment, or similar limitation with respect to enrollment.

''(c) OPTION TO PROVIDE PRESUMPTIVE ELIGIBILITY.—A State that elects the option under subsection (a) and satisfies the conditions described in subsection (b) may elect to apply section 1920 (relating to presumptive eligibility for pregnant women) to the State child health plan in the same manner as such section applies to the State plan under title XIX.

''(d) DEFINITIONS.—For purposes of this section:

''(1) PREGNANCY-RELATED ASSISTANCE.—The term 'pregnancy-related assistance' has the meaning given the term 'child health assistance' in section 2110(a) with respect to an individual during the period described in paragraph (2)(A).

''(2) TARGETED LOW-INCOME PREGNANT WOMAN.—The term 'targeted low-income pregnant woman' means an individual—

''(A) during pregnancy and through the end of the month in which the 60-day period (beginning on the last day of her pregnancy) ends;

''(B) whose family income exceeds 185 percent (or, if higher, the percent applied under subsection (b)(1)(A)) of the poverty line applicable to a family of the size involved, but does not exceed the income eligibility level established under the State child health plan under this title for a targeted low-income child; and

''(C) who satisfies the requirements of paragraphs (1)(A), (1)(C), (2), and (3) of section 2110(b) in the same manner as a child applying for child health assistance would have to satisfy such requirements.

''(e) AUTOMATIC ENROLLMENT FOR CHILDREN BORN TO WOMEN RECEIVING PREGNANCY-RELATED ASSISTANCE.—If a child is born to a targeted low-income pregnant woman who was receiving pregnancy-related assistance under this section on the date of the child's birth, the child shall be deemed to have applied for child health assistance under the State child health plan and to have been found eligible for such assistance under such plan or to have applied for medical assistance under title XIX and to have been found eligible for such assistance under such title, as appropriate, on the date of such birth and to remain eligible for such assistance until the child attains 1 year of age. During the period in which a child is deemed under the preceding sentence to be eligible for child health or medical assistance, the child health or medical assistance eligibility identification number of the mother shall also serve as the identification number of the child, and all claims shall be submitted and paid under such number (unless the State issues a separate identification number for the child before such period expires).

''(f) STATES PROVIDING ASSISTANCE THROUGH OTHER OPTIONS.—

''(1) CONTINUATION OF OTHER OPTIONS FOR PROVIDING ASSISTANCE.—The option to provide assistance in accordance with the preceding subsections of this section shall not limit any other option for a State to provide—

''(A) child health assistance through the application of sections 457.10, 457.350(b)(2), 457.622(c)(5), and 457.626(a)(3) of title 42, Code of Federal Regulations (as in effect after the final rule adopted by the Secretary and set forth at 67 Fed. Reg. 61956–61974 (October 2, 2002)), or

''(B) pregnancy-related services through the application of any waiver authority (as in effect on June 1, 2008).

''(2) CLARIFICATION OF AUTHORITY TO PROVIDE POSTPARTUM SERVICES.—Any State that provides child health assistance under any authority described in paragraph (1) may continue to provide such assistance, as well as postpartum services, through the end of the month in which the 60-day period (beginning on the last day of the pregnancy) ends, in the same manner as such assistance and postpartum services would be provided if provided under the State plan under title XIX, but only if the mother would otherwise satisfy the eligibility requirements that apply under the State child health plan (other than with respect to age) during such period.

''(3) NO INFERENCE.—Nothing in this subsection shall be construed—

''(A) to infer congressional intent regarding the legality or illegality of the content of the sections specified in paragraph (1)(A); or

''(B) to modify the authority to provide pregnancy-related services under a waiver specified in paragraph (1)(B).''.

(b) ADDITIONAL CONFORMING AMENDMENTS.—

(1) NO COST SHARING FOR PREGNANCY-RELATED BENEFITS.—Section 2103(e)(2) (42 U.S.C. 1397cc(e)(2)) is amended—

(A) in the heading, by inserting ''**or pregnancy-related assistance**'' after ''**preventive services**''; and

(B) by inserting before the period at the end the following: ''or for pregnancy-related assistance''.

(2) NO WAITING PERIOD.—Section 2102(b)(1)(B) (42 U.S.C. 1397bb(b)(1)(B)) is amended—

(A) in clause (i), by striking '', and'' at the end and inserting a semicolon;

(B) in clause (ii), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following new clause:

''(iii) may not apply a waiting period (including a waiting period to carry out paragraph (3)(C)) in the case of a targeted low-income pregnant woman provided pregnancy-related assistance under section 2112.''.

SEC. 112. PHASE-OUT OF COVERAGE FOR NONPREGNANT CHILDLESS ADULTS UNDER CHIP; CONDITIONS FOR COVERAGE OF PARENTS.

(a) PHASE-OUT RULES.—

(1) IN GENERAL.—Title XXI (42 U.S.C. 1397aa et seq.) is amended by adding at the end the following new section:

"SEC. 2111. PHASE-OUT OF COVERAGE FOR NONPREGNANT CHILDLESS ADULTS; CONDITIONS FOR COVERAGE OF PARENTS.

''(a) TERMINATION OF COVERAGE FOR NONPREGNANT CHILDLESS ADULTS.—

''(1) NO NEW CHIP WAIVERS; AUTOMATIC EXTENSIONS AT STATE OPTION THROUGH FISCAL YEAR 2010.—Notwithstanding section 1115 or any other provision of this title, except as provided in this subsection—

''(A) the Secretary shall not on or after the date of the enactment of the Children's Health Insurance Program Reauthorization Act of 2009, approve or renew a waiver, experimental, pilot, or demonstration project that would allow funds made available under this title to be used to provide child health assistance or other health benefits coverage to a nonpregnant childless adult; and

''(B) notwithstanding the terms and conditions of an applicable existing waiver, the provisions of paragraphs (2) and (3) shall apply for purposes of any period beginning on or after October 1, 2010, in determining the period to which the waiver applies, the individuals eligible to be covered by the waiver, and the amount of the Federal payment under this title.

''(2) TERMINATION OF CHIP COVERAGE UNDER APPLICABLE EXISTING WAIVERS AT THE END OF FISCAL YEAR 2010.—

''(A) IN GENERAL.—No funds shall be available under this title for child health assistance or other health benefits coverage that is provided to a nonpregnant childless adult under an applicable existing waiver after September 30, 2010.

''(B) EXTENSION UPON STATE REQUEST.—If an applicable existing waiver described in

subparagraph (A) would otherwise expire before October 1, 2010, and the State requests an extension of such waiver, the Secretary shall grant such an extension, but only through September 30, 2011.

''(C) APPLICATION OF ENHANCED FMAP.—The enhanced FMAP determined under section 2105(b) shall apply to expenditures under an applicable existing waiver for the provision of child health assistance or other health benefits coverage to a nonpregnant childless adult during fiscal year 2010.

''(3) OPTIONAL 1-YEAR TRANSITIONAL COVERAGE BLOCK GRANT FUNDED FROM STATE ALLOTMENT.—Subject to paragraph (4)(B), each State for which coverage under an applicable existing waiver is terminated under paragraph (2)(A) may elect to provide nonpregnant childless adults who were provided child health assistance or health benefits coverage under the applicable existing waiver at any time during fiscal year 2010 with such assistance or coverage during fiscal year 2011, as if the authority to provide such assistance or coverage under an applicable existing waiver was extended through that fiscal year, but subject to the following terms and conditions:

''(A) BLOCK GRANT SET ASIDE FROM STATE ALLOTMENT.—The Secretary shall set aside for the State an amount equal to the Federal share of the State's projected expenditures under the applicable existing waiver for providing child health assistance or health benefits coverage to all nonpregnant childless adults under such waiver for fiscal year 2010 (as certified by the State and submitted to the Secretary by not later than August 31, 2010, and without regard to whether any such individual lost coverage during fiscal year 2010 and was later provided child health assistance or other health benefits coverage under the waiver in that fiscal year), increased by the annual adjustment for fiscal year 2011 determined under section 2104(m)(5)(A). The Secretary may adjust the amount set aside under the preceding sentence, as necessary, on the basis of the expenditure data for fiscal year 2010 reported by States on CMS Form 64 or CMS Form 21 not later than November 30, 2010, but in no case shall the Secretary adjust such amount after December 31, 2010.

''(B) NO COVERAGE FOR NONPREGNANT CHILDLESS ADULTS WHO WERE NOT COVERED DURING FISCAL YEAR 2010.—

''(i) FMAP APPLIED TO EXPENDITURES.—The Secretary shall pay the State for each quarter of fiscal year 2011, from the amount set aside under subparagraph (A), an amount equal to the Federal medical assistance percentage (as determined under section 1905(b) without regard to clause (4) of such section) of expenditures in the quarter for providing child health assistance or other health benefits coverage to a nonpregnant childless adult but only if such adult was enrolled in the State program under this title during fiscal year 2010 (without regard to whether the individual lost coverage during fiscal year 2010 and was reenrolled in that fiscal year or in fiscal year 2011).

''(ii) FEDERAL PAYMENTS LIMITED TO AMOUNT OF BLOCK GRANT SET-ASIDE.—No payments shall be made to a State for expenditures described in this subparagraph after the total amount set aside under subparagraph (A) for fiscal year 2011 has been paid to the State.

''(4) STATE OPTION TO APPLY FOR MEDICAID WAIVER TO CONTINUE COVERAGE FOR NONPREGNANT CHILDLESS ADULTS.—

''(A) IN GENERAL.—Each State for which coverage under an applicable existing waiver is terminated under paragraph (2)(A) may submit, not later than June 30, 2011, an application to the Secretary for a waiver under section 1115 of the State plan under title XIX to provide medical assistance to a nonpregnant childless adult whose coverage is so terminated (in this subsection referred to as a 'Medicaid nonpregnant childless adults waiver').

''(B) DEADLINE FOR APPROVAL.—The Secretary shall make a decision to approve or deny an application for a Medicaid nonpregnant childless adults waiver submitted under subparagraph (A) within 90 days of the date of the submission of the application. If no decision has been made by the Secretary as of September 30, 2011, on the application of a State for a Medicaid nonpregnant childless adults waiver that was submitted to the Secretary by June 30, 2011, the application shall be deemed approved.

''(C) STANDARD FOR BUDGET NEUTRALITY.—The budget neutrality requirement applicable with respect to expenditures for medical assistance under a Medicaid nonpregnant childless adults waiver shall—

''(i) in the case of fiscal year 2012, allow expenditures for medical assistance under title XIX for all such adults to not exceed the total amount of payments made to the State under paragraph (3)(B) for fiscal year 2011, increased by the percentage increase (if any) in the projected nominal per capita amount of National Health Expenditures for calendar year 2012 over 2011, as most recently published by the Secretary; and

''(ii) in the case of any succeeding fiscal year, allow such expenditures to not exceed the amount in effect under this subparagraph for the preceding fiscal year, increased by the percentage increase (if any) in the projected nominal per capita amount of National Health Expenditures for the calendar year that begins during the fiscal year involved over the preceding calendar year, as most recently published by the Secretary.

''(b) RULES AND CONDITIONS FOR COVERAGE OF PARENTS OF TARGETED LOW-INCOME CHILDREN.—

''(1) TWO-YEAR TRANSITION PERIOD; AUTOMATIC EXTENSION AT STATE OPTION THROUGH FISCAL YEAR 2011.—

''(A) NO NEW CHIP WAIVERS.—Notwithstanding section 1115 or any other provision of this title, except as provided in this subsection—

''(i) the Secretary shall not on or after the date of the enactment of the Children's Health Insurance Program Reauthorization Act of 2009 approve or renew a waiver, experimental, pilot, or demonstration project that would allow funds made available under this title to be used to provide child health assistance or other health benefits coverage to a parent of a targeted low-income child; and

''(ii) notwithstanding the terms and conditions of an applicable existing waiver, the provisions of paragraphs (2) and (3) shall apply for purposes of any fiscal year beginning on or after October 1, 2011, in determining the period to which the waiver applies, the individuals eligible to be covered by the waiver, and the amount of the Federal payment under this title.

''(B) EXTENSION UPON STATE REQUEST.—If an applicable existing waiver described in subparagraph (A) would otherwise expire before October 1, 2011, and the State requests an extension of such waiver, the Secretary shall grant such an extension, but only, subject to paragraph (2)(A), through September 30, 2011.

''(C) APPLICATION OF ENHANCED FMAP.—The enhanced FMAP determined under section 2105(b) shall apply to expenditures under an applicable existing waiver for the provision of child health assistance or other health benefits coverage to a parent of a targeted low-income child during the third and fourth quarters of fiscal year 2009 and during fiscal years 2010 and 2011.

''(2) RULES FOR FISCAL YEARS 2012 THROUGH 2013.—

''(A) PAYMENTS FOR COVERAGE LIMITED TO BLOCK GRANT FUNDED FROM STATE ALLOTMENT.—Any State that provides child health assistance or health benefits coverage under an applicable existing waiver for a parent of a targeted low-income child may elect to continue to provide such assistance or coverage through fiscal year 2012 or 2013, subject to the same terms and conditions that applied under the applicable existing waiver, unless otherwise modified in subparagraph (B).

''(B) TERMS AND CONDITIONS.—

''(i) BLOCK GRANT SET ASIDE FROM STATE ALLOTMENT.—If the State makes an election under subparagraph (A), the Secretary shall set aside for the State for each such fiscal year an amount equal to the Federal share of 110 percent of the State's projected expenditures under the applicable existing waiver for providing child health assistance or health benefits coverage to all parents of targeted low-income children enrolled under such waiver for the fiscal year (as certified by the State and submitted to the Secretary by not later than August 31 of the preceding fiscal year). In the case of fiscal year 2013, the set aside for any State shall be computed separately for each period described in subparagraphs (A) and (B) of section 2104(a)(16) and any reduction in the allotment for either such period under section 2104(m)(4) shall be allocated on a pro rata basis to such set aside.

''(ii) PAYMENTS FROM BLOCK GRANT.—The Secretary shall pay the State from the amount set aside under clause (i) for the fiscal year, an amount for each quarter of such fiscal year equal to the applicable percentage determined under clause (iii) or (iv) for expenditures in the quarter for providing child health assistance or other health benefits coverage to a parent of a targeted low-income child.

''(iii) ENHANCED FMAP ONLY IN FISCAL YEAR 2012 FOR STATES WITH SIGNIFICANT CHILD OUTREACH OR THAT ACHIEVE CHILD COVERAGE BENCHMARKS; FMAP FOR ANY OTHER STATES.—For purposes of clause (ii), the applicable percentage for any quarter of fiscal year 2012 is equal to—

''(I) the enhanced FMAP determined under section 2105(b) in the case of a State that meets the outreach or coverage benchmarks described in any of subparagraph (A), (B), or (C) of paragraph (3) for fiscal year 2011; or

''(II) the Federal medical assistance percentage (as determined under section 1905(b) without regard to clause (4) of such section) in the case of any other State.

''(iv) AMOUNT OF FEDERAL MATCHING PAYMENT IN 2013.—For purposes of clause (ii), the applicable percentage for any quarter of fiscal year 2013 is equal to—

''(I) the REMAP percentage if—

''(aa) the applicable percentage for the State under clause (iii) was the enhanced FMAP for fiscal year 2012; and

''(bb) the State met either of the coverage benchmarks described in subparagraph (B) or (C) of paragraph (3) for 2012; or

''(II) the Federal medical assistance percentage (as so determined) in the case of any State to which subclause (I) does not apply. For purposes of subclause (I), the REMAP percentage is the percentage which is the sum of such Federal medical assistance percentage and a number of percentage points equal to one-half of the difference between such Federal medical assistance percentage and such enhanced FMAP.

''(v) NO FEDERAL PAYMENTS OTHER THAN FROM BLOCK GRANT SET ASIDE.—No payments shall be made to a State for expenditures described in clause (ii) after the total amount

set aside under clause (i) for a fiscal year has been paid to the State.

''(vi) NO INCREASE IN INCOME ELIGIBILITY LEVEL FOR PARENTS.—No payments shall be made to a State from the amount set aside under clause (i) for a fiscal year for expenditures for providing child health assistance or health benefits coverage to a parent of a targeted low-income child whose family income exceeds the income eligibility level applied under the applicable existing waiver to parents of targeted low-income children on the date of enactment of the Children's Health Insurance Program Reauthorization Act of 2009.

''(3) OUTREACH OR COVERAGE BENCHMARKS.—For purposes of paragraph (2), the outreach or coverage benchmarks described in this paragraph are as follows:

''(A) SIGNIFICANT CHILD OUTREACH CAMPAIGN.—The State—

''(i) was awarded a grant under section 2113 for fiscal year 2011;

''(ii) implemented 1 or more of the enrollment and retention provisions described in section 2105(a)(4) for such fiscal year; or

''(iii) has submitted a specific plan for outreach for such fiscal year.

''(B) HIGH-PERFORMING STATE.—The State, on the basis of the most timely and accurate published estimates of the Bureau of the Census, ranks in the lowest ⅓ of States in terms of the State's percentage of low-income children without health insurance.

''(C) STATE INCREASING ENROLLMENT OF LOW-INCOME CHILDREN.—The State qualified for a performance bonus payment under section 2105(a)(3)(B) for the most recent fiscal year applicable under such section.

''(4) RULES OF CONSTRUCTION.—Nothing in this subsection shall be construed as prohibiting a State from submitting an application to the Secretary for a waiver under section 1115 of the State plan under title XIX to provide medical assistance to a parent of a targeted low-income child that was provided child health assistance or health benefits coverage under an applicable existing waiver.

''(c) APPLICABLE EXISTING WAIVER.—For purposes of this section—

''(1) IN GENERAL.—The term 'applicable existing waiver' means a waiver, experimental, pilot, or demonstration project under section 1115, grandfathered under section 6102(c)(3) of the Deficit Reduction Act of 2005, or otherwise conducted under authority that—

''(A) would allow funds made available under this title to be used to provide child health assistance or other health benefits coverage to—

''(i) a parent of a targeted low-income child;

''(ii) a nonpregnant childless adult; or

''(iii) individuals described in both clauses (i) and (ii); and

''(B) was in effect during fiscal year 2009.

''(2) DEFINITIONS.—

''(A) PARENT.—The term 'parent' includes a caretaker relative (as such term is used in carrying out section 1931) and a legal guardian.

''(B) NONPREGNANT CHILDLESS ADULT.—The term 'nonpregnant childless adult' has the meaning given such term by section 2107(f).''.

(2) CONFORMING AMENDMENTS.—

(A) Section 2107(f) (42 U.S.C. 1397gg(f)) is amended—

(i) by striking '', the Secretary'' and inserting '':

''(1) The Secretary'';

(ii) in the first sentence, by inserting ''or a parent (as defined in section 2111(c)(2)(A)), who is not pregnant, of a targeted low-income child'' before the period;

(iii) by striking the second sentence; and

(iv) by adding at the end the following new paragraph:

''(2) The Secretary may not approve, extend, renew, or amend a waiver, experimental, pilot, or demonstration project with respect to a State after the date of enactment of the Children's Health Insurance Program Reauthorization Act of 2009 that would waive or modify the requirements of section 2111.''.

(B) Section 6102(c) of the Deficit Reduction Act of 2005 (Public Law 109–171; 120 Stat. 131) is amended by striking ''Nothing'' and inserting ''Subject to section 2111 of the Social Security Act, as added by section 112 of the Children's Health Insurance Program Reauthorization Act of 2009, nothing''.

(b) GAO STUDY AND REPORT.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study of whether—

(A) the coverage of a parent, a caretaker relative (as such term is used in carrying out section 1931), or a legal guardian of a targeted low-income child under a State health plan under title XXI of the Social Security Act increases the enrollment of, or the quality of care for, children, and

(B) such parents, relatives, and legal guardians who enroll in such a plan are more likely to enroll their children in such a plan or in a State plan under title XIX of such Act.

(2) REPORT.—Not later than 2 years after the date of the enactment of this Act, the Comptroller General shall report the results of the study to the Committee on Finance of the Senate and the Committee on Energy and Commerce of the House of Representatives, including recommendations (if any) for changes in legislation.

SEC. 113. ELIMINATION OF COUNTING MEDICAID CHILD PRESUMPTIVE ELIGIBILITY COSTS AGAINST TITLE XXI ALLOTMENT.

(a) IN GENERAL.—Section 2105(a)(1) (42 U.S.C. 1397ee(a)(1)) is amended—

(1) in the matter preceding subparagraph (A), by striking ''(or, in the case of expenditures described in subparagraph (B), the Federal medical assistance percentage (as defined in the first sentence of section 1905(b)))''; and

(2) by striking subparagraph (B) and inserting the following new subparagraph:

''(B) [reserved]''.

(b) AMENDMENTS TO MEDICAID.—

(1) ELIGIBILITY OF A NEWBORN.—Section 1902(e)(4) (42 U.S.C. 1396a(e)(4)) is amended in the first sentence by striking ''so long as the child is a member of the woman's household and the woman remains (or would remain if pregnant) eligible for such assistance''.

(2) APPLICATION OF QUALIFIED ENTITIES TO PRESUMPTIVE ELIGIBILITY FOR PREGNANT WOMEN UNDER MEDICAID.—Section 1920(b) (42 U.S.C. 1396r–1(b)) is amended by adding after paragraph (2) the following flush sentence:

''The term 'qualified provider' also includes a qualified entity, as defined in section 1920A(b)(3).''.

SEC. 114. LIMITATION ON MATCHING RATE FOR STATES THAT PROPOSE TO COVER CHILDREN WITH EFFECTIVE FAMILY INCOME THAT EXCEEDS 300 PERCENT OF THE POVERTY LINE.

(a) FMAP APPLIED TO EXPENDITURES.—Section 2105(c) (42 U.S.C. 1397ee(c)) is amended by adding at the end the following new paragraph:

''(8) LIMITATION ON MATCHING RATE FOR EXPENDITURES FOR CHILD HEALTH ASSISTANCE PROVIDED TO CHILDREN WHOSE EFFECTIVE FAMILY INCOME EXCEEDS 300 PERCENT OF THE POVERTY LINE.—

''(A) FMAP APPLIED TO EXPENDITURES.—Except as provided in subparagraph (B), for fiscal years beginning with fiscal year 2009, the Federal medical assistance percentage (as determined under section 1905(b) without regard to clause (4) of such section) shall be substituted for the enhanced FMAP under subsection (a)(1) with respect to any expenditures for providing child health assistance or health benefits coverage for a targeted low-income child whose effective family income would exceed 300 percent of the poverty line but for the application of a general exclusion of a block of income that is not determined by type of expense or type of income.

''(B) EXCEPTION.—Subparagraph (A) shall not apply to any State that, on the date of enactment of the Children's Health Insurance Program Reauthorization Act of 2009, has an approved State plan amendment or waiver to provide, or has enacted a State law to submit a State plan amendment to provide, expenditures described in such subparagraph under the State child health plan.''.

(b) RULE OF CONSTRUCTION.—Nothing in the amendments made by this section shall be construed as—

(1) changing any income eligibility level for children under title XXI of the Social Security Act; or

(2) changing the flexibility provided States under such title to establish the income eligibility level for targeted low-income children under a State child health plan and the methodologies used by the State to determine income or assets under such plan.

SEC. 115. STATE AUTHORITY UNDER MEDICAID.

Notwithstanding any other provision of law, including the fourth sentence of subsection (b) of section 1905 of the Social Security Act (42 U.S.C. 1396d) or subsection (u) of such section, at State option, the Secretary shall provide the State with the Federal medical assistance percentage determined for the State for Medicaid with respect to expenditures described in section 1905(u)(2)(A) of such Act or otherwise made to provide medical assistance under Medicaid to a child who could be covered by the State under CHIP.

TITLE II—OUTREACH AND ENROLLMENT

Subtitle A—Outreach and Enrollment Activities

SEC. 201. GRANTS AND ENHANCED ADMINISTRATIVE FUNDING FOR OUTREACH AND ENROLLMENT.

(a) GRANTS.—Title XXI (42 U.S.C. 1397aa et seq.), as amended by section 111, is amended by adding at the end the following:

''SEC. 2113. GRANTS TO IMPROVE OUTREACH AND ENROLLMENT.

''(a) OUTREACH AND ENROLLMENT GRANTS; NATIONAL CAMPAIGN.—

''(1) IN GENERAL.—From the amounts appropriated under subsection (g), subject to paragraph (2), the Secretary shall award grants to eligible entities during the period of fiscal years 2009 through 2013 to conduct outreach and enrollment efforts that are designed to increase the enrollment and participation of eligible children under this title and title XIX.

''(2) TEN PERCENT SET ASIDE FOR NATIONAL ENROLLMENT CAMPAIGN.—An amount equal to 10 percent of such amounts shall be used by the Secretary for expenditures during such period to carry out a national enrollment campaign in accordance with subsection (h).

''(b) PRIORITY FOR AWARD OF GRANTS.—

''(1) IN GENERAL.—In awarding grants under subsection (a), the Secretary shall give priority to eligible entities that—

''(A) propose to target geographic areas with high rates of—

''(i) eligible but unenrolled children, including such children who reside in rural areas; or

''(ii) racial and ethnic minorities and health disparity populations, including those proposals that address cultural and linguistic barriers to enrollment; and

''(B) submit the most demonstrable evidence required under paragraphs (1) and (2) of subsection (c).

''(2) TEN PERCENT SET ASIDE FOR OUTREACH TO INDIAN CHILDREN.—An amount equal to 10 percent of the funds appropriated under subsection (g) shall be used by the Secretary to award grants to Indian Health Service providers and urban Indian organizations receiving funds under title V of the Indian Health Care Improvement Act (25 U.S.C. 1651 et seq.) for outreach to, and enrollment of, children who are Indians.

''(c) APPLICATION.—An eligible entity that desires to receive a grant under subsection (a) shall submit an application to the Secretary in such form and manner, and containing such information, as the Secretary may decide. Such application shall include—

''(1) evidence demonstrating that the entity includes members who have access to, and credibility with, ethnic or low-income populations in the communities in which activities funded under the grant are to be conducted;

''(2) evidence demonstrating that the entity has the ability to address barriers to enrollment, such as lack of awareness of eligibility, stigma concerns and punitive fears associated with receipt of benefits, and other cultural barriers to applying for and receiving child health assistance or medical assistance;

''(3) specific quality or outcomes performance measures to evaluate the effectiveness of activities funded by a grant awarded under this section; and

''(4) an assurance that the eligible entity shall—

''(A) conduct an assessment of the effectiveness of such activities against the performance measures;

''(B) cooperate with the collection and reporting of enrollment data and other information in order for the Secretary to conduct such assessments; and

''(C) in the case of an eligible entity that is not the State, provide the State with enrollment data and other information as necessary for the State to make necessary projections of eligible children and pregnant women.

''(d) DISSEMINATION OF ENROLLMENT DATA AND INFORMATION DETERMINED FROM EFFECTIVENESS ASSESSMENTS; ANNUAL REPORT.—The Secretary shall—

''(1) make publicly available the enrollment data and information collected and reported in accordance with subsection (c)(4)(B); and

''(2) submit an annual report to Congress on the outreach and enrollment activities conducted with funds appropriated under this section.

''(e) MAINTENANCE OF EFFORT FOR STATES AWARDED GRANTS; NO STATE MATCH REQUIRED.—In the case of a State that is awarded a grant under this section—

''(1) the State share of funds expended for outreach and enrollment activities under the State child health plan shall not be less than the State share of such funds expended in the fiscal year preceding the first fiscal year for which the grant is awarded; and

''(2) no State matching funds shall be required for the State to receive a grant under this section.

''(f) DEFINITIONS.—In this section:

''(1) ELIGIBLE ENTITY.—The term 'eligible entity' means any of the following:

''(A) A State with an approved child health plan under this title.

''(B) A local government.

''(C) An Indian tribe or tribal consortium, a tribal organization, an urban Indian organization receiving funds under title V of the Indian Health Care Improvement Act (25 U.S.C. 1651 et seq.), or an Indian Health Service provider.

''(D) A Federal health safety net organization.

''(E) A national, State, local, or community-based public or nonprofit private organization, including organizations that use community health workers or community-based doula programs.

''(F) A faith-based organization or consortia, to the extent that a grant awarded to such an entity is consistent with the requirements of section 1955 of the Public Health Service Act (42 U.S.C. 300x–65) relating to a grant award to nongovernmental entities.

''(G) An elementary or secondary school.

''(2) FEDERAL HEALTH SAFETY NET ORGANIZATION.—The term 'Federal health safety net organization' means—

''(A) a Federally-qualified health center (as defined in section 1905(l)(2)(B));

''(B) a hospital defined as a disproportionate share hospital for purposes of section 1923;

''(C) a covered entity described in section 340B(a)(4) of the Public Health Service Act (42 U.S.C. 256b(a)(4)); and

''(D) any other entity or consortium that serves children under a federally funded program, including the special supplemental nutrition program for women, infants, and children (WIC) established under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), the Head Start and Early Head Start programs under the Head Start Act (42 U.S.C. 9801 et seq.), the school lunch program established under the Richard B. Russell National School Lunch Act, and an elementary or secondary school.

''(3) INDIANS; INDIAN TRIBE; TRIBAL ORGANIZATION; URBAN INDIAN ORGANIZATION.—The terms 'Indian', 'Indian tribe', 'tribal organization', and 'urban Indian organization' have the meanings given such terms in section 4 of the Indian Health Care Improvement Act (25 U.S.C. 1603).

''(4) COMMUNITY HEALTH WORKER.—The term 'community health worker' means an individual who promotes health or nutrition within the community in which the individual resides—

''(A) by serving as a liaison between communities and health care agencies;

''(B) by providing guidance and social assistance to community residents;

''(C) by enhancing community residents' ability to effectively communicate with health care providers;

''(D) by providing culturally and linguistically appropriate health or nutrition education;

''(E) by advocating for individual and community health or nutrition needs; and

''(F) by providing referral and followup services.

''(g) APPROPRIATION.—There is appropriated, out of any money in the Treasury not otherwise appropriated, $100,000,000 for the period of fiscal years 2009 through 2013, for the purpose of awarding grants under this section. Amounts appropriated and paid under the authority of this section shall be in addition to amounts appropriated under section 2104 and paid to States in accordance with section 2105, including with respect to expenditures for outreach activities in accordance with subsections (a)(1)(D)(iii) and (c)(2)(C) of that section.

''(h) NATIONAL ENROLLMENT CAMPAIGN.—From the amounts made available under subsection (a)(2), the Secretary shall develop and implement a national enrollment campaign to improve the enrollment of underserved child populations in the programs established under this title and title XIX. Such campaign may include—

''(1) the establishment of partnerships with the Secretary of Education and the Secretary of Agriculture to develop national campaigns to link the eligibility and enrollment systems for the assistance programs each Secretary administers that often serve the same children;

''(2) the integration of information about the programs established under this title and title XIX in public health awareness campaigns administered by the Secretary;

''(3) increased financial and technical support for enrollment hotlines maintained by the Secretary to ensure that all States participate in such hotlines;

''(4) the establishment of joint public awareness outreach initiatives with the Secretary of Education and the Secretary of Labor regarding the importance of health insurance to building strong communities and the economy;

''(5) the development of special outreach materials for Native Americans or for individuals with limited English proficiency; and

''(6) such other outreach initiatives as the Secretary determines would increase public awareness of the programs under this title and title XIX.

''(i) GRANTS FOR OUTREACH AND ENROLLMENT OF NATIVE AMERICAN BENEFICIARIES.—

''(1) IN GENERAL.—To overcome language and cultural barriers to program access by Native Americans, the Secretary shall establish grant programs to conduct outreach and enrollment efforts to increase the enrollment and participation of eligible individuals in programs of the Social Security Act (42 U.S.C. 1397aa et seq.) and other Federal health and social service programs.

''(2) USE OF TRIBAL BENEFITS-COUNSELORS MODEL.—The grant program under this subsection shall incorporate expansion and stabilization of the tribal benefits-counselors model developed in the State of Washington to overcome language and cultural barriers to Federal programs.

''(3) RECIPIENTS.—In order to qualify for a grant under this subsection, an applicant shall be a national, nonprofit organization with successful and verifiable experience in assisting Native Americans access Federal programs.

''(4) REPORT.—At the end of the period of funding provided under subsection (f), the Secretary shall submit to Congress a report on the grants made under this subsection, including the efficacy of outreach efforts and the cost effectiveness of projects funded by such grants in improving access to Federal programs by Native Americans.''.

(b) ENHANCED ADMINISTRATIVE FUNDING FOR TRANSLATION OR INTERPRETATION SERVICES UNDER CHIP AND MEDICAID.—

(1) CHIP.—Section 2105(a)(1) (42 U.S.C. 1397ee(a)(1)), as amended by section 113, is amended—

(A) in the matter preceding subparagraph (A), by inserting ''(or, in the case of expenditures described in subparagraph (D)(iv), the higher of 75 percent or the sum of the enhanced FMAP plus 5 percentage points)'' after ''enhanced FMAP''; and

(B) in subparagraph (D)—

(i) in clause (iii), by striking ''and'' at the end;

(ii) by redesignating clause (iv) as clause (v); and

(iii) by inserting after clause (iii) the following new clause:

''(iv) for translation or interpretation services in connection with the enrollment of, retention of, and use of services under this title by, individuals for whom English is not their primary language (as found necessary by the Secretary for the proper and efficient administration of the State plan); and''.

(2) MEDICAID.—

(A) USE OF MEDICAID FUNDS.—Section 1903(a)(2) (42 U.S.C. 1396b(a)(2)) is amended by

adding at the end the following new subparagraph:

''(E) an amount equal to 75 percent of so much of the sums expended during such quarter (as found necessary by the Secretary for the proper and efficient administration of the State plan) as are attributable to translation or interpretation services in connection with the enrollment of, retention of, and use of services under this title by, children of families for whom English is not the primary language; plus''.

(B) USE OF COMMUNITY HEALTH WORKERS FOR OUTREACH ACTIVITIES.—

(i) IN GENERAL.—Section 2102(c)(1) of such Act (42 U.S.C. 1397bb(c)(1)) is amended by inserting ''(through community health workers and others)'' after ''Outreach''.

(ii) IN FEDERAL EVALUATION.—Section 2108(c)(3)(B) of such Act (42 U.S.C. 1397hh(c)(3)(B)) is amended by inserting ''(such as through community health workers and others)'' after ''including practices''.

SEC. 202. INCREASED OUTREACH AND ENROLLMENT OF INDIANS.

(a) IN GENERAL.—Section 1139 (42 U.S.C. 1320b–9) is amended to read as follows:

''SEC. 1139. IMPROVED ACCESS TO, AND DELIVERY OF, HEALTH CARE FOR INDIANS UNDER TITLES XIX AND XXI.

''(a) AGREEMENTS WITH STATES FOR MEDICAID AND CHIP OUTREACH ON OR NEAR RESERVATIONS TO INCREASE THE ENROLLMENT OF INDIANS IN THOSE PROGRAMS.—

''(1) IN GENERAL.—In order to improve the access of Indians residing on or near a reservation to obtain benefits under the Medicaid and State children's health insurance programs established under titles XIX and XXI, the Secretary shall encourage the State to take steps to provide for enrollment on or near the reservation. Such steps may include outreach efforts such as the outstationing of eligibility workers, entering into agreements with the Indian Health Service, Indian Tribes, Tribal Organizations, and Urban Indian Organizations to provide outreach, education regarding eligibility and benefits, enrollment, and translation services when such services are appropriate.

''(2) CONSTRUCTION.—Nothing in paragraph (1) shall be construed as affecting arrangements entered into between States and the Indian Health Service, Indian Tribes, Tribal Organizations, or Urban Indian Organizations for such Service, Tribes, or Organizations to conduct administrative activities under such titles.

''(b) REQUIREMENT TO FACILITATE COOPERATION.—The Secretary, acting through the Centers for Medicare & Medicaid Services, shall take such steps as are necessary to facilitate cooperation with, and agreements between, States and the Indian Health Service, Indian Tribes, Tribal Organizations, or Urban Indian Organizations with respect to the provision of health care items and services to Indians under the programs established under title XIX or XXI.

''(c) DEFINITION OF INDIAN; INDIAN TRIBE; INDIAN HEALTH PROGRAM; TRIBAL ORGANIZATION; URBAN INDIAN ORGANIZATION.—In this section, the terms 'Indian', 'Indian Tribe', 'Indian Health Program', 'Tribal Organization', and 'Urban Indian Organization' have the meanings given those terms in section 4 of the Indian Health Care Improvement Act.''.

(b) NONAPPLICATION OF 10 PERCENT LIMIT ON OUTREACH AND CERTAIN OTHER EXPENDITURES.—Section 2105(c)(2) (42 U.S.C. 1397ee(c)(2)) is amended by adding at the end the following:

''(C) NONAPPLICATION TO CERTAIN EXPENDITURES.—The limitation under subparagraph (A) shall not apply with respect to the following expenditures:

''(i) EXPENDITURES TO INCREASE OUTREACH TO, AND THE ENROLLMENT OF, INDIAN CHILDREN UNDER THIS TITLE AND TITLE XIX.—Expenditures for outreach activities to families of Indian children likely to be eligible for child health assistance under the plan or medical assistance under the State plan under title XIX (or under a waiver of such plan), to inform such families of the availability of, and to assist them in enrolling their children in, such plans, including such activities conducted under grants, contracts, or agreements entered into under section 1139(a).''.

SEC. 203. STATE OPTION TO RELY ON FINDINGS FROM AN EXPRESS LANE AGENCY TO CONDUCT SIMPLIFIED ELIGIBILITY DETERMINATIONS.

(a) APPLICATION UNDER MEDICAID AND CHIP PROGRAMS.—

(1) MEDICAID.—Section 1902(e) (42 U.S.C. 1396a(e)) is amended by adding at the end the following:

''(13) EXPRESS LANE OPTION.—

''(A) IN GENERAL.—

''(i) OPTION TO USE A FINDING FROM AN EXPRESS LANE AGENCY.—At the option of the State, the State plan may provide that in determining eligibility under this title for a child (as defined in subparagraph (G)), the State may rely on a finding made within a reasonable period (as determined by the State) from an Express Lane agency (as defined in subparagraph (F)) when it determines whether a child satisfies one or more components of eligibility for medical assistance under this title. The State may rely on a finding from an Express Lane agency notwithstanding any differences in budget unit, disregard, deeming or other methodology, if the following requirements are met:

''(I) PROHIBITION ON DETERMINING CHILDREN INELIGIBLE FOR COVERAGE.—If a finding from an Express Lane agency would result in a determination that a child does not satisfy an eligibility requirement for medical assistance under this title and for child health assistance under title XXI, the State shall determine eligibility for assistance using its regular procedures.

''(II) NOTICE REQUIREMENT.—For any child who is found eligible for medical assistance under the State plan under this title or child health assistance under title XXI and who is subject to premiums based on an Express Lane agency's finding of such child's income level, the State shall provide notice that the child may qualify for lower premium payments if evaluated by the State using its regular policies and of the procedures for requesting such an evaluation.

''(III) COMPLIANCE WITH SCREEN AND ENROLL REQUIREMENT.—The State shall satisfy the requirements under subparagraphs (A) and (B) of section 2102(b)(3) (relating to screen and enroll) before enrolling a child in child health assistance under title XXI. At its option, the State may fulfill such requirements in accordance with either option provided under subparagraph (C) of this paragraph.

''(IV) VERIFICATION OF CITIZENSHIP, NATIONALITY STATUS, OR QUALIFIED ALIEN STATUS.—The State shall satisfy the requirements of sections 1137(d) and 1902(a)(46)(B) for verifications of citizenship, nationality status, or qualified alien status.

''(V) CODING.—The State meets the requirements of subparagraph (E).

''(ii) OPTION TO APPLY TO RENEWALS AND REDETERMINATIONS.—The State may apply the provisions of this paragraph when conducting initial determinations of eligibility, redeterminations of eligibility, or both, as described in the State plan.

''(B) RULES OF CONSTRUCTION.—Nothing in this paragraph shall be construed—

''(i) to relieve a State of the obligation to determine components of eligibility that are not the subject of an Express Lane agency's finding, as described in subparagraph (A);

''(ii) to limit or prohibit a State from taking any actions otherwise permitted under this title or title XXI in determining eligibility for or enrolling children into medical assistance under this title or child health assistance under title XXI; or

''(iii) to modify the limitations in section 1902(a)(5) concerning the agencies that may make a determination of eligibility for medical assistance under this title.

''(C) OPTIONS FOR SATISFYING THE SCREEN AND ENROLL REQUIREMENT.—

''(i) IN GENERAL.—With respect to a child whose eligibility for medical assistance under this title or for child health assistance under title XXI has been evaluated by a State agency using an income finding from an Express Lane agency, a State may carry out its duties under subparagraphs (A) and (B) of section 2102(b)(3) (relating to screen and enroll) in accordance with either clause (ii) or clause (iii).

''(ii) ESTABLISHING A SCREENING THRESHOLD.—

''(I) IN GENERAL.—Under this clause, the State establishes a screening threshold set as a percentage of the Federal poverty level that exceeds the highest income threshold applicable under this title to the child by a minimum of 30 percentage points or, at State option, a higher number of percentage points that reflects the value (as determined by the State and described in the State plan) of any differences between income methodologies used by the program administered by the Express Lane agency and the methodologies used by the State in determining eligibility for medical assistance under this title.

''(II) CHILDREN WITH INCOME NOT ABOVE THRESHOLD.—If the income of a child does not exceed the screening threshold, the child is deemed to satisfy the income eligibility criteria for medical assistance under this title regardless of whether such child would otherwise satisfy such criteria.

''(III) CHILDREN WITH INCOME ABOVE THRESHOLD.—If the income of a child exceeds the screening threshold, the child shall be considered to have an income above the Medicaid applicable income level described in section 2110(b)(4) and to satisfy the requirement under section 2110(b)(1)(C) (relating to the requirement that CHIP matching funds be used only for children not eligible for Medicaid). If such a child is enrolled in child health assistance under title XXI, the State shall provide the parent, guardian, or custodial relative with the following:

''(aa) Notice that the child may be eligible to receive medical assistance under the State plan under this title if evaluated for such assistance under the State's regular procedures and notice of the process through which a parent, guardian, or custodial relative can request that the State evaluate the child's eligibility for medical assistance under this title using such regular procedures.

''(bb) A description of differences between the medical assistance provided under this title and child health assistance under title XXI, including differences in cost-sharing requirements and covered benefits.

''(iii) TEMPORARY ENROLLMENT IN CHIP PENDING SCREEN AND ENROLL.—

''(I) IN GENERAL.—Under this clause, a State enrolls a child in child health assistance under title XXI for a temporary period if the child appears eligible for such assistance based on an income finding by an Express Lane agency.

''(II) DETERMINATION OF ELIGIBILITY.—During such temporary enrollment period, the State shall determine the child's eligibility for child health assistance under title XXI or for medical assistance under this title in accordance with this clause.

''(III) PROMPT FOLLOW UP.—In making such a determination, the State shall take prompt action to determine whether the child should be enrolled in medical assistance under this title or child health assistance under title XXI pursuant to subparagraphs (A) and (B) of section 2102(b)(3) (relating to screen and enroll).

''(IV) REQUIREMENT FOR SIMPLIFIED DETERMINATION.—In making such a determination, the State shall use procedures that, to the maximum feasible extent, reduce the burden imposed on the individual of such determination. Such procedures may not require the child's parent, guardian, or custodial relative to provide or verify information that already has been provided to the State agency by an Express Lane agency or another source of information unless the State agency has reason to believe the information is erroneous.

''(V) AVAILABILITY OF CHIP MATCHING FUNDS DURING TEMPORARY ENROLLMENT PERIOD.—Medical assistance for items and services that are provided to a child enrolled in title XXI during a temporary enrollment period under this clause shall be treated as child health assistance under such title.

''(D) OPTION FOR AUTOMATIC ENROLLMENT.—

''(i) IN GENERAL.—The State may initiate and determine eligibility for medical assistance under the State Medicaid plan or for child health assistance under the State CHIP plan without a program application from, or on behalf of, the child based on data obtained from sources other than the child (or the child's family), but a child can only be automatically enrolled in the State Medicaid plan or the State CHIP plan if the child or the family affirmatively consents to being enrolled through affirmation and signature on an Express Lane agency application, if the requirement of clause (ii) is met.

''(ii) INFORMATION REQUIREMENT.—The requirement of this clause is that the State informs the parent, guardian, or custodial relative of the child of the services that will be covered, appropriate methods for using such services, premium or other cost sharing charges (if any) that apply, medical support obligations (under section 1912(a)) created by enrollment (if applicable), and the actions the parent, guardian, or relative must take to maintain enrollment and renew coverage.

''(E) CODING; APPLICATION TO ENROLLMENT ERROR RATES.—

''(i) IN GENERAL.—For purposes of subparagraph (A)(iv), the requirement of this subparagraph for a State is that the State agrees to—

''(I) assign such codes as the Secretary shall require to the children who are enrolled in the State Medicaid plan or the State CHIP plan through reliance on a finding made by an Express Lane agency for the duration of the State's election under this paragraph;

''(II) annually provide the Secretary with a statistically valid sample (that is approved by Secretary) of the children enrolled in such plans through reliance on such a finding by conducting a full Medicaid eligibility review of the children identified for such sample for purposes of determining an eligibility error rate (as described in clause (iv)) with respect to the enrollment of such children (and shall not include such children in any data or samples used for purposes of complying with a Medicaid Eligibility Quality Control (MEQC) review or a payment error rate measurement (PERM) requirement);

''(III) submit the error rate determined under subclause (II) to the Secretary;

''(IV) if such error rate exceeds 3 percent for either of the first 2 fiscal years in which the State elects to apply this paragraph, demonstrate to the satisfaction of the Secretary the specific corrective actions implemented by the State to improve upon such error rate; and

''(V) if such error rate exceeds 3 percent for any fiscal year in which the State elects to apply this paragraph, a reduction in the amount otherwise payable to the State under section 1903(a) for quarters for that fiscal year, equal to the total amount of erroneous excess payments determined for the fiscal year only with respect to the children included in the sample for the fiscal year that are in excess of a 3 percent error rate with respect to such children.

''(ii) NO PUNITIVE ACTION BASED ON ERROR RATE.—The Secretary shall not apply the error rate derived from the sample under clause (i) to the entire population of children enrolled in the State Medicaid plan or the State CHIP plan through reliance on a finding made by an Express Lane agency, or to the population of children enrolled in such plans on the basis of the State's regular procedures for determining eligibility, or penalize the State on the basis of such error rate in any manner other than the reduction of payments provided for under clause (i)(V).

''(iii) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed as relieving a State that elects to apply this paragraph from being subject to a penalty under section 1903(u), for payments made under the State Medicaid plan with respect to ineligible individuals and families that are determined to exceed the error rate permitted under that section (as determined without regard to the error rate determined under clause (i)(II)).

''(iv) ERROR RATE DEFINED.—In this subparagraph, the term 'error rate' means the rate of erroneous excess payments for medical assistance (as defined in section 1903(u)(1)(D)) for the period involved, except that such payments shall be limited to individuals for which eligibility determinations are made under this paragraph and except that in applying this paragraph under title XXI, there shall be substituted for references to provisions of this title corresponding provisions within title XXI.

''(F) EXPRESS LANE AGENCY.—

''(i) IN GENERAL.—In this paragraph, the term 'Express Lane agency' means a public agency that—

''(I) is determined by the State Medicaid agency or the State CHIP agency (as applicable) to be capable of making the determinations of one or more eligibility requirements described in subparagraph (A)(i);

''(II) is identified in the State Medicaid plan or the State CHIP plan; and

''(III) notifies the child's family—

''(aa) of the information which shall be disclosed in accordance with this paragraph;

''(bb) that the information disclosed will be used solely for purposes of determining eligibility for medical assistance under the State Medicaid plan or for child health assistance under the State CHIP plan; and

''(cc) that the family may elect to not have the information disclosed for such purposes; and

''(IV) enters into, or is subject to, an interagency agreement to limit the disclosure and use of the information disclosed.

''(ii) INCLUSION OF SPECIFIC PUBLIC AGENCIES.—Such term includes the following:

''(I) A public agency that determines eligibility for assistance under any of the following:

''(aa) The temporary assistance for needy families program funded under part A of title IV.

''(bb) A State program funded under part D of title IV.

''(cc) The State Medicaid plan.

''(dd) The State CHIP plan.

''(ee) The Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.).

''(ff) The Head Start Act (42 U.S.C. 9801 et seq.).

''(gg) The Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.).

''(hh) The Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

''(ii) The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

''(jj) The Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 et seq.).

''(kk) The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.).

''(ll) The Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.).

''(II) A State-specified governmental agency that has fiscal liability or legal responsibility for the accuracy of the eligibility determination findings relied on by the State.

''(III) A public agency that is subject to an interagency agreement limiting the disclosure and use of the information disclosed for purposes of determining eligibility under the State Medicaid plan or the State CHIP plan.

''(iii) EXCLUSIONS.—Such term does not include an agency that determines eligibility for a program established under the Social Services Block Grant established under title XX or a private, for-profit organization.

''(iv) RULES OF CONSTRUCTION.—Nothing in this paragraph shall be construed as—

''(I) exempting a State Medicaid agency from complying with the requirements of section 1902(a)(4) relating to merit-based personnel standards for employees of the State Medicaid agency and safeguards against conflicts of interest); or

''(II) authorizing a State Medicaid agency that elects to use Express Lane agencies under this subparagraph to use the Express Lane option to avoid complying with such requirements for purposes of making eligibility determinations under the State Medicaid plan.

''(v) ADDITIONAL DEFINITIONS.—In this paragraph:

''(I) STATE.—The term 'State' means 1 of the 50 States or the District of Columbia.

''(II) STATE CHIP AGENCY.—The term 'State CHIP agency' means the State agency responsible for administering the State CHIP plan.

''(III) STATE CHIP PLAN.—The term 'State CHIP plan' means the State child health plan established under title XXI and includes any waiver of such plan.

''(IV) STATE MEDICAID AGENCY.—The term 'State Medicaid agency' means the State agency responsible for administering the State Medicaid plan.

''(V) STATE MEDICAID PLAN.—The term 'State Medicaid plan' means the State plan established under title XIX and includes any waiver of such plan.

''(G) CHILD DEFINED.—For purposes of this paragraph, the term 'child' means an individual under 19 years of age, or, at the option of a State, such higher age, not to exceed 21 years of age, as the State may elect.

''(H) APPLICATION.—This paragraph shall not apply to with respect to eligibility determinations made after September 30, 2013.''.

(2) CHIP.—Section 2107(e)(1) (42 U.S.C. 1397gg(e)(1)) is amended by redesignating subparagraphs (B), (C), and (D) as subparagraphs (C), (D), and (E), respectively, and by inserting after subparagraph (A) the following new subparagraph:

''(B) Section 1902(e)(13) (relating to the State option to rely on findings from an Express Lane agency to help evaluate a child's eligibility for medical assistance).''.

(b) EVALUATION AND REPORT.—

(1) EVALUATION.—The Secretary shall conduct, by grant, contract, or interagency agreement, a comprehensive, independent evaluation of the option provided under the

amendments made by subsection (a). Such evaluation shall include an analysis of the effectiveness of the option, and shall include—

(A) obtaining a statistically valid sample of the children who were enrolled in the State Medicaid plan or the State CHIP plan through reliance on a finding made by an Express Lane agency and determining the percentage of children who were erroneously enrolled in such plans;

(B) determining whether enrolling children in such plans through reliance on a finding made by an Express Lane agency improves the ability of a State to identify and enroll low-income, uninsured children who are eligible but not enrolled in such plans;

(C) evaluating the administrative costs or savings related to identifying and enrolling children in such plans through reliance on such findings, and the extent to which such costs differ from the costs that the State otherwise would have incurred to identify and enroll low-income, uninsured children who are eligible but not enrolled in such plans; and

(D) any recommendations for legislative or administrative changes that would improve the effectiveness of enrolling children in such plans through reliance on such findings.

(2) REPORT TO CONGRESS.—Not later than September 30, 2012, the Secretary shall submit a report to Congress on the results of the evaluation under paragraph (1).

(3) FUNDING.—

(A) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to the Secretary to carry out the evaluation under this subsection $5,000,000 for the period of fiscal years 2009 through 2012.

(B) BUDGET AUTHORITY.—Subparagraph (A) constitutes budget authority in advance of appropriations Act and represents the obligation of the Federal Government to provide for the payment of such amount to conduct the evaluation under this subsection.

(c) ELECTRONIC TRANSMISSION OF INFORMATION.—Section 1902 (42 U.S.C. 1396a) is amended by adding at the end the following new subsection:

''(dd) ELECTRONIC TRANSMISSION OF INFORMATION.—If the State agency determining eligibility for medical assistance under this title or child health assistance under title XXI verifies an element of eligibility based on information from an Express Lane Agency (as defined in subsection (e)(13)(F)), or from another public agency, then the applicant's signature under penalty of perjury shall not be required as to such element. Any signature requirement for an application for medical assistance may be satisfied through an electronic signature, as defined in section 1710(1) of the Government Paperwork Elimination Act (44 U.S.C. 3504 note). The requirements of subparagraphs (A) and (B) of section 1137(d)(2) may be met through evidence in digital or electronic form.''.

(d) AUTHORIZATION OF INFORMATION DISCLOSURE.—

(1) IN GENERAL.—Title XIX is amended by adding at the end the following new section:

''SEC. 1942. AUTHORIZATION TO RECEIVE RELEVANT INFORMATION.

''(a) IN GENERAL.—Notwithstanding any other provision of law, a Federal or State agency or private entity in possession of the sources of data directly relevant to eligibility determinations under this title (including eligibility files maintained by Express Lane agencies described in section 1902(e)(13)(F), information described in paragraph (2) or (3) of section 1137(a), vital records information about births in any State, and information described in sections 453(i) and 1902(a)(25)(I)) is authorized to convey such data or information to the State agency administering the State plan under this title, to the extent such conveyance meets the requirements of subsection (b).

''(b) REQUIREMENTS FOR CONVEYANCE.—Data or information may be conveyed pursuant to subsection (a) only if the following requirements are met:

''(1) The individual whose circumstances are described in the data or information (or such individual's parent, guardian, caretaker relative, or authorized representative) has either provided advance consent to disclosure or has not objected to disclosure after receiving advance notice of disclosure and a reasonable opportunity to object.

''(2) Such data or information are used solely for the purposes of—

''(A) identifying individuals who are eligible or potentially eligible for medical assistance under this title and enrolling or attempting to enroll such individuals in the State plan; and

''(B) verifying the eligibility of individuals for medical assistance under the State plan.

''(3) An interagency or other agreement, consistent with standards developed by the Secretary—

''(A) prevents the unauthorized use, disclosure, or modification of such data and otherwise meets applicable Federal requirements safeguarding privacy and data security; and

''(B) requires the State agency administering the State plan to use the data and information obtained under this section to seek to enroll individuals in the plan.

''(c) PENALTIES FOR IMPROPER DISCLOSURE.—

''(1) CIVIL MONEY PENALTY.—A private entity described in the subsection (a) that publishes, discloses, or makes known in any manner, or to any extent not authorized by Federal law, any information obtained under this section is subject to a civil money penalty in an amount equal to $10,000 for each such unauthorized publication or disclosure. The provisions of section 1128A (other than subsections (a) and (b) and the second sentence of subsection (f)) shall apply to a civil money penalty under this paragraph in the same manner as such provisions apply to a penalty or proceeding under section 1128A(a).

''(2) CRIMINAL PENALTY.—A private entity described in the subsection (a) that willfully publishes, discloses, or makes known in any manner, or to any extent not authorized by Federal law, any information obtained under this section shall be fined not more than $10,000 or imprisoned not more than 1 year, or both, for each such unauthorized publication or disclosure.

''(d) RULE OF CONSTRUCTION.—The limitations and requirements that apply to disclosure pursuant to this section shall not be construed to prohibit the conveyance or disclosure of data or information otherwise permitted under Federal law (without regard to this section).''.

(2) CONFORMING AMENDMENT TO TITLE XXI.—Section 2107(e)(1) (42 U.S.C. 1397gg(e)(1)), as amended by subsection (a)(2), is amended by adding at the end the following new subparagraph:

''(F) Section 1942 (relating to authorization to receive data directly relevant to eligibility determinations).''.

(3) CONFORMING AMENDMENT TO PROVIDE ACCESS TO DATA ABOUT ENROLLMENT IN INSURANCE FOR PURPOSES OF EVALUATING APPLICATIONS AND FOR CHIP.—Section 1902(a)(25)(I)(i) (42 U.S.C. 1396a(a)(25)(I)(i)) is amended—

(A) by inserting ''(and, at State option, individuals who apply or whose eligibility for medical assistance is being evaluated in accordance with section 1902(e)(13)(D))'' after ''with respect to individuals who are eligible''; and

(B) by inserting ''under this title (and, at State option, child health assistance under title XXI)'' after ''the State plan''.

(e) AUTHORIZATION FOR STATES ELECTING EXPRESS LANE OPTION TO RECEIVE CERTAIN DATA DIRECTLY RELEVANT TO DETERMINING ELIGIBILITY AND CORRECT AMOUNT OF ASSISTANCE.—The Secretary shall enter into such agreements as are necessary to permit a State that elects the Express Lane option under section 1902(e)(13) of the Social Security Act to receive data directly relevant to eligibility determinations and determining the correct amount of benefits under a State child health plan under CHIP or a State plan under Medicaid from the following:

(1) The National Directory of New Hires established under section 453(i) of the Social Security Act (42 U.S.C. 653(i)).

(2) Data regarding enrollment in insurance that may help to facilitate outreach and enrollment under the State Medicaid plan, the State CHIP plan, and such other programs as the Secretary may specify.

(f) EFFECTIVE DATE.—The amendments made by this section are effective on the date of the enactment of this Act.

Subtitle B—Reducing Barriers to Enrollment

SEC. 211. VERIFICATION OF DECLARATION OF CITIZENSHIP OR NATIONALITY FOR PURPOSES OF ELIGIBILITY FOR MEDICAID AND CHIP.

(a) ALTERNATIVE STATE PROCESS FOR VERIFICATION OF DECLARATION OF CITIZENSHIP OR NATIONALITY FOR PURPOSES OF ELIGIBILITY FOR MEDICAID.—

(1) ALTERNATIVE TO DOCUMENTATION REQUIREMENT.—

(A) IN GENERAL.—Section 1902 (42 U.S.C. 1396a), as amended by section 203(c), is amended—

(i) in subsection (a)(46)—

(I) by inserting ''(A)'' after ''(46)'';

(II) by adding ''and'' after the semicolon; and

(III) by adding at the end the following new subparagraph:

''(B) provide, with respect to an individual declaring to be a citizen or national of the United States for purposes of establishing eligibility under this title, that the State shall satisfy the requirements of—

''(i) section 1903(x); or

''(ii) subsection (ee);''; and

(ii) by adding at the end the following new subsection:

''(ee)(1) For purposes of subsection (a)(46)(B)(ii), the requirements of this subsection with respect to an individual declaring to be a citizen or national of the United States for purposes of establishing eligibility under this title, are, in lieu of requiring the individual to present satisfactory documentary evidence of citizenship or nationality under section 1903(x) (if the individual is not described in paragraph (2) of that section), as follows:

''(A) The State submits the name and social security number of the individual to the Commissioner of Social Security as part of the program established under paragraph (2).

''(B) If the State receives notice from the Commissioner of Social Security that the name or social security number, or the declaration of citizenship or nationality, of the individual is inconsistent with information in the records maintained by the Commissioner—

''(i) the State makes a reasonable effort to identify and address the causes of such inconsistency, including through typographical or other clerical errors, by contacting the individual to confirm the accuracy of the name or social security number submitted or declaration of citizenship or nationality and by taking such additional actions as the Secretary, through regulation

or other guidance, or the State may identify, and continues to provide the individual with medical assistance while making such effort; and

''(ii) in the case such inconsistency is not resolved under clause (i), the State—

''(I) notifies the individual of such fact;

''(II) provides the individual with a period of 90 days from the date on which the notice required under subclause (I) is received by the individual to either present satisfactory documentary evidence of citizenship or nationality (as defined in section 1903(x)(3)) or resolve the inconsistency with the Commissioner of Social Security (and continues to provide the individual with medical assistance during such 90-day period); and

''(III) disenrolls the individual from the State plan under this title within 30 days after the end of such 90-day period if no such documentary evidence is presented or if such inconsistency is not resolved.

''(2)(A) Each State electing to satisfy the requirements of this subsection for purposes of section 1902(a)(46)(B) shall establish a program under which the State submits at least monthly to the Commissioner of Social Security for comparison of the name and social security number, of each individual newly enrolled in the State plan under this title that month who is not described in section 1903(x)(2) and who declares to be a United States citizen or national, with information in records maintained by the Commissioner.

''(B) In establishing the State program under this paragraph, the State may enter into an agreement with the Commissioner of Social Security—

''(i) to provide, through an on-line system or otherwise, for the electronic submission of, and response to, the information submitted under subparagraph (A) for an individual enrolled in the State plan under this title who declares to be citizen or national on at least a monthly basis; or

''(ii) to provide for a determination of the consistency of the information submitted with the information maintained in the records of the Commissioner through such other method as agreed to by the State and the Commissioner and approved by the Secretary, provided that such method is no more burdensome for individuals to comply with than any burdens that may apply under a method described in clause (i).

''(C) The program established under this paragraph shall provide that, in the case of any individual who is required to submit a social security number to the State under subparagraph (A) and who is unable to provide the State with such number, shall be provided with at least the reasonable opportunity to present satisfactory documentary evidence of citizenship or nationality (as defined in section 1903(x)(3)) as is provided under clauses (i) and (ii) of section 1137(d)(4)(A) to an individual for the submittal to the State of evidence indicating a satisfactory immigration status.

''(3)(A) The State agency implementing the plan approved under this title shall, at such times and in such form as the Secretary may specify, provide information on the percentage each month that the inconsistent submissions bears to the total submissions made for comparison for such month. For purposes of this subparagraph, a name, social security number, or declaration of citizenship or nationality of an individual shall be treated as inconsistent and included in the determination of such percentage only if—

''(i) the information submitted by the individual is not consistent with information in records maintained by the Commissioner of Social Security;

''(ii) the inconsistency is not resolved by the State;

''(iii) the individual was provided with a reasonable period of time to resolve the inconsistency with the Commissioner of Social Security or provide satisfactory documentation of citizenship status and did not successfully resolve such inconsistency; and

''(iv) payment has been made for an item or service furnished to the individual under this title.

''(B) If, for any fiscal year, the average monthly percentage determined under subparagraph (A) is greater than 3 percent—

''(i) the State shall develop and adopt a corrective plan to review its procedures for verifying the identities of individuals seeking to enroll in the State plan under this title and to identify and implement changes in such procedures to improve their accuracy; and

''(ii) pay to the Secretary an amount equal to the amount which bears the same ratio to the total payments under the State plan for the fiscal year for providing medical assistance to individuals who provided inconsistent information as the number of individuals with inconsistent information in excess of 3 percent of such total submitted bears to the total number of individuals with inconsistent information.

''(C) The Secretary may waive, in certain limited cases, all or part of the payment under subparagraph (B)(ii) if the State is unable to reach the allowable error rate despite a good faith effort by such State.

''(D) Subparagraphs (A) and (B) shall not apply to a State for a fiscal year if there is an agreement described in paragraph (2)(B) in effect as of the close of the fiscal year that provides for the submission on a real-time basis of the information described in such paragraph.

''(4) Nothing in this subsection shall affect the rights of any individual under this title to appeal any disenrollment from a State plan.''.

(B) COSTS OF IMPLEMENTING AND MAINTAINING SYSTEM.—Section 1903(a)(3) (42 U.S.C. 1396b(a)(3)) is amended—

(i) by striking ''plus'' at the end of subparagraph (E) and inserting ''and'', and

(ii) by adding at the end the following new subparagraph:

''(F)(i) 90 percent of the sums expended during the quarter as are attributable to the design, development, or installation of such mechanized verification and information retrieval systems as the Secretary determines are necessary to implement section 1902(ee) (including a system described in paragraph (2)(B) thereof), and

''(ii) 75 percent of the sums expended during the quarter as are attributable to the operation of systems to which clause (i) applies, plus''.

(2) LIMITATION ON WAIVER AUTHORITY.—Notwithstanding any provision of section 1115 of the Social Security Act (42 U.S.C. 1315), or any other provision of law, the Secretary may not waive the requirements of section 1902(a)(46)(B) of such Act (42 U.S.C. 1396a(a)(46)(B)) with respect to a State.

(3) CONFORMING AMENDMENTS.—Section 1903 (42 U.S.C. 1396b) is amended—

(A) in subsection (i)(22), by striking ''subsection (x)'' and inserting ''section 1902(a)(46)(B)''; and

(B) in subsection (x)(1), by striking ''subsection (i)(22)'' and inserting ''section 1902(a)(46)(B)(i)''.

(4) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Commissioner of Social Security $5,000,000 to remain available until expended to carry out the Commissioner's responsibilities under section 1902(ee) of the Social Security Act, as added by subsection (a).

(b) CLARIFICATION OF REQUIREMENTS RELATING TO PRESENTATION OF SATISFACTORY DOCUMENTARY EVIDENCE OF CITIZENSHIP OR NATIONALITY.—

(1) ACCEPTANCE OF DOCUMENTARY EVIDENCE ISSUED BY A FEDERALLY RECOGNIZED INDIAN TRIBE.—Section 1903(x)(3)(B) (42 U.S.C. 1396b(x)(3)(B)) is amended—

(A) by redesignating clause (v) as clause (vi); and

(B) by inserting after clause (iv), the following new clause:

''(v)(I) Except as provided in subclause (II), a document issued by a federally recognized Indian tribe evidencing membership or enrollment in, or affiliation with, such tribe (such as a tribal enrollment card or certificate of degree of Indian blood).

''(II) With respect to those federally recognized Indian tribes located within States having an international border whose membership includes individuals who are not citizens of the United States, the Secretary shall, after consulting with such tribes, issue regulations authorizing the presentation of such other forms of documentation (including tribal documentation, if appropriate) that the Secretary determines to be satisfactory documentary evidence of citizenship or nationality for purposes of satisfying the requirement of this subsection.''.

(2) REQUIREMENT TO PROVIDE REASONABLE OPPORTUNITY TO PRESENT SATISFACTORY DOCUMENTARY EVIDENCE.—Section 1903(x) (42 U.S.C. 1396b(x)) is amended by adding at the end the following new paragraph:

''(4) In the case of an individual declaring to be a citizen or national of the United States with respect to whom a State requires the presentation of satisfactory documentary evidence of citizenship or nationality under section 1902(a)(46)(B)(i), the individual shall be provided at least the reasonable opportunity to present satisfactory documentary evidence of citizenship or nationality under this subsection as is provided under clauses (i) and (ii) of section 1137(d)(4)(A) to an individual for the submittal to the State of evidence indicating a satisfactory immigration status.''.

(3) CHILDREN BORN IN THE UNITED STATES TO MOTHERS ELIGIBLE FOR MEDICAID.—

(A) CLARIFICATION OF RULES.—Section 1903(x) (42 U.S.C. 1396b(x)), as amended by paragraph (2), is amended—

(i) in paragraph (2)—

(I) in subparagraph (C), by striking ''or'' at the end;

(II) by redesignating subparagraph (D) as subparagraph (E); and

(III) by inserting after subparagraph (C) the following new subparagraph:

''(D) pursuant to the application of section 1902(e)(4) (and, in the case of an individual who is eligible for medical assistance on such basis, the individual shall be deemed to have provided satisfactory documentary evidence of citizenship or nationality and shall not be required to provide further documentary evidence on any date that occurs during or after the period in which the individual is eligible for medical assistance on such basis); or''; and

(ii) by adding at the end the following new paragraph:

''(5) Nothing in subparagraph (A) or (B) of section 1902(a)(46), the preceding paragraphs of this subsection, or the Deficit Reduction Act of 2005, including section 6036 of such Act, shall be construed as changing the requirement of section 1902(e)(4) that a child born in the United States to an alien mother for whom medical assistance for the delivery of such child is available as treatment of an emergency medical condition pursuant to subsection (v) shall be deemed eligible for medical assistance during the first year of such child's life.''.

(B) STATE REQUIREMENT TO ISSUE SEPARATE IDENTIFICATION NUMBER.—Section 1902(e)(4) (42 U.S.C. 1396a(e)(4)) is amended by adding

at the end the following new sentence: ''Notwithstanding the preceding sentence, in the case of a child who is born in the United States to an alien mother for whom medical assistance for the delivery of the child is made available pursuant to section 1903(v), the State immediately shall issue a separate identification number for the child upon notification by the facility at which such delivery occurred of the child's birth.''.

(4) TECHNICAL AMENDMENTS.—Section 1903(x)(2) (42 U.S.C. 1396b(x)) is amended—

(A) in subparagraph (B)—

(i) by realigning the left margin of the matter preceding clause (i) 2 ems to the left; and

(ii) by realigning the left margins of clauses (i) and (ii), respectively, 2 ems to the left; and

(B) in subparagraph (C)—

(i) by realigning the left margin of the matter preceding clause (i) 2 ems to the left; and

(ii) by realigning the left margins of clauses (i) and (ii), respectively, 2 ems to the left.

(c) APPLICATION OF DOCUMENTATION SYSTEM TO CHIP.—

(1) IN GENERAL.—Section 2105(c) (42 U.S.C. 1397ee(c)), as amended by section 114(a), is amended by adding at the end the following new paragraph:

''(9) CITIZENSHIP DOCUMENTATION REQUIREMENTS.—

''(A) IN GENERAL.—No payment may be made under this section with respect to an individual who has, or is, declared to be a citizen or national of the United States for purposes of establishing eligibility under this title unless the State meets the requirements of section 1902(a)(46)(B) with respect to the individual.

''(B) ENHANCED PAYMENTS.—Notwithstanding subsection (b), the enhanced FMAP with respect to payments under subsection (a) for expenditures described in clause (i) or (ii) of section 1903(a)(3)(F) necessary to comply with subparagraph (A) shall in no event be less than 90 percent and 75 percent, respectively.''.

(2) NONAPPLICATION OF ADMINISTRATIVE EXPENDITURES CAP.—Section 2105(c)(2)(C) (42 U.S.C. 1397ee(c)(2)(C)), as amended by section 202(b), is amended by adding at the end the following:

''(ii) EXPENDITURES TO COMPLY WITH CITIZENSHIP OR NATIONALITY VERIFICATION REQUIREMENTS.—Expenditures necessary for the State to comply with paragraph (9)(A).''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this section shall take effect on October 1, 2009.

(B) TECHNICAL AMENDMENTS.—The amendments made by—

(i) paragraphs (1), (2), and (3) of subsection (b) shall take effect as if included in the enactment of section 6036 of the Deficit Reduction Act of 2005 (Public Law 109–171; 120 Stat. 80); and

(ii) paragraph (4) of subsection (b) shall take effect as if included in the enactment of section 405 of division B of the Tax Relief and Health Care Act of 2006 (Public Law 109–432; 120 Stat. 2996).

(2) RESTORATION OF ELIGIBILITY.—In the case of an individual who, during the period that began on July 1, 2006, and ends on October 1, 2009, was determined to be ineligible for medical assistance under a State Medicaid plan, including any waiver of such plan, solely as a result of the application of subsections (i)(22) and (x) of section 1903 of the Social Security Act (as in effect during such period), but who would have been determined eligible for such assistance if such subsections, as amended by subsection (b), had applied to the individual, a State may deem the individual to be eligible for such assistance as of the date that the individual was determined to be ineligible for such medical assistance on such basis.

(3) SPECIAL TRANSITION RULE FOR INDIANS.—During the period that begins on July 1, 2006, and ends on the effective date of final regulations issued under subclause (II) of section 1903(x)(3)(B)(v) of the Social Security Act (42 U.S.C. 1396b(x)(3)(B)(v)) (as added by subsection (b)(1)(B)), an individual who is a member of a federally-recognized Indian tribe described in subclause (II) of that section who presents a document described in subclause (I) of such section that is issued by such Indian tribe, shall be deemed to have presented satisfactory evidence of citizenship or nationality for purposes of satisfying the requirement of subsection (x) of section 1903 of such Act.

SEC. 212. REDUCING ADMINISTRATIVE BARRIERS TO ENROLLMENT.

Section 2102(b) (42 U.S.C. 1397bb(b)) is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph:

''(4) REDUCTION OF ADMINISTRATIVE BARRIERS TO ENROLLMENT.—

''(A) IN GENERAL.—Subject to subparagraph (B), the plan shall include a description of the procedures used to reduce administrative barriers to the enrollment of children and pregnant women who are eligible for medical assistance under title XIX or for child health assistance or health benefits coverage under this title. Such procedures shall be established and revised as often as the State determines appropriate to take into account the most recent information available to the State identifying such barriers.

''(B) DEEMED COMPLIANCE IF JOINT APPLICATION AND RENEWAL PROCESS THAT PERMITS APPLICATION OTHER THAN IN PERSON.—A State shall be deemed to comply with subparagraph (A) if the State's application and renewal forms and supplemental forms (if any) and information verification process is the same for purposes of establishing and renewing eligibility for children and pregnant women for medical assistance under title XIX and child health assistance under this title, and such process does not require an application to be made in person or a face-to-face interview.''.

SEC. 213. MODEL OF INTERSTATE COORDINATED ENROLLMENT AND COVERAGE PROCESS.

(a) IN GENERAL.—In order to assure continuity of coverage of low-income children under the Medicaid program and the State Children's Health Insurance Program (CHIP), not later than 18 months after the date of the enactment of this Act, the Secretary of Health and Human Services, in consultation with State Medicaid and CHIP directors and organizations representing program beneficiaries, shall develop a model process for the coordination of the enrollment, retention, and coverage under such programs of children who, because of migration of families, emergency evacuations, natural or other disasters, public health emergencies, educational needs, or otherwise, frequently change their State of residency or otherwise are temporarily located outside of the State of their residency.

(b) REPORT TO CONGRESS.—After development of such model process, the Secretary of Health and Human Services shall submit to Congress a report describing additional steps or authority needed to make further improvements to coordinate the enrollment, retention, and coverage under CHIP and Medicaid of children described in subsection (a).

SEC. 214. PERMITTING STATES TO ENSURE COVERAGE WITHOUT A 5-YEAR DELAY OF CERTAIN CHILDREN AND PREGNANT WOMEN UNDER THE MEDICAID PROGRAM AND CHIP.

(a) PURPOSE.—In order to promote the health of needy children and pregnant women residing lawfully in the United States, States should be permitted to waive certain restrictions which result in a 5-year delay for coverage of necessary health services for such children and women under the Medicaid program and CHIP.

(b) MEDICAID PROGRAM.—Section 1903(v) of the Social Security Act (42 U.S.C. 1396b(v)) is amended—

(1) in paragraph (1), by striking ''paragraph (2)'' and inserting ''paragraphs (2) and (4)''; and

(2) by adding at the end the following new paragraph:

''(4)(A) A State may elect (in a plan amendment under this title) to provide, notwithstanding sections 401(a), 402(b), 403, and 421 of Public Law 104–193, medical assistance under a State plan under this title to children and pregnant women who are lawfully residing in the United States (including battered individuals described in section 431(c) of such Act) and are otherwise eligible for such assistance.

''(B) Such election may be made only with respect to either or both of the following categories of individuals:

''(i) Children.

''(ii) Pregnant women.

''(C) In this paragraph:

''(i) The term 'pregnant women' means women during pregnancy (and during the 60-day period beginning on the last day of the pregnancy).

''(ii) The term 'children' means individuals under age 19 (or such higher age as the State has elected under section 1902(l)(1)(D)), including optional targeted low-income children described in section 1905(u)(2)(B).''.

(c) CHIP.—Section 2107(e)(1) of such Act (42 U.S.C. 1397gg(e)(1)), as amended by section 203(a)(2) and 203(d)(2), is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively and by inserting after subparagraph (D) the following new subparagraph:

''(E) Paragraph (4) of section 1903(v), insofar as it relates to the category of children or pregnant women (as such terms are defined in such paragraph), but only if the State has elected to apply such paragraph with respect to such category of children or pregnant women under title XIX and only if, in the case of pregnant women, the State has elected the option under section 2111 to provide assistance for pregnant women under this title.''.

(d) CONFORMING AMENDMENT.—Section 423(d)(1) of Public Law 104–193 is amended by inserting before the period the following: ''and medical or child health assistance furnished under section 1903(v)(4) or 2107(e)(1)(E), respectively, of the Social Security Act''.

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

TITLE III—REDUCING BARRIERS TO PROVIDING PREMIUM ASSISTANCE

Subtitle A—Additional State Option for Providing Premium Assistance

SEC. 301. ADDITIONAL STATE OPTION FOR PROVIDING PREMIUM ASSISTANCE.

(a) CHIP.—

(1) IN GENERAL.—Section 2105(c) (42 U.S.C. 1397ee(c)), as amended by sections 114(a) and 211(c), is amended by adding at the end the following:

''(10) STATE OPTION TO OFFER PREMIUM ASSISTANCE.—

''(A) IN GENERAL.—A State may elect to offer a premium assistance subsidy (as defined in subparagraph (C)) for qualified employer-sponsored coverage (as defined in subparagraph (B)) to all targeted low-income children who are eligible for child health assistance under the plan and have access to such coverage in accordance with the requirements of this paragraph. No subsidy shall be provided to a targeted low-income child under this paragraph unless the child (or the child's parent) voluntarily elects to receive such a subsidy. A State may not require such an election as a condition of receipt of child health assistance.

''(B) QUALIFIED EMPLOYER-SPONSORED COVERAGE.—

''(i) IN GENERAL.—Subject to clause (ii), in this paragraph, the term 'qualified employer-sponsored coverage' means a group health plan or health insurance coverage offered through an employer—

''(I) that qualifies as creditable coverage as a group health plan under section 2701(c)(1) of the Public Health Service Act;

''(II) for which the employer contribution toward any premium for such coverage is at least 40 percent; and

''(III) that is offered to all individuals in a manner that would be considered a nondiscriminatory eligibility classification for purposes of paragraph (3)(A)(ii) of section 105(h) of the Internal Revenue Code of 1986 (but determined without regard to clause (i) of subparagraph (B) of such paragraph).

''(ii) EXCEPTION.—Such term does not include coverage consisting of—

''(I) benefits provided under a health flexible spending arrangement (as defined in section 106(c)(2) of the Internal Revenue Code of 1986); or

''(II) a high deductible health plan (as defined in section 223(c)(2) of such Code), without regard to whether the plan is purchased in conjunction with a health savings account (as defined under section 223(d) of such Code).

''(C) PREMIUM ASSISTANCE SUBSIDY.—

''(i) IN GENERAL.—In this paragraph, the term 'premium assistance subsidy' means, with respect to a targeted low-income child, the amount equal to the difference between the employee contribution required for enrollment only of the employee under qualified employer-sponsored coverage and the employee contribution required for enrollment of the employee and the child in such coverage, less any applicable premium cost-sharing applied under the State child health plan (subject to the limitations imposed under section 2103(e), including the requirement to count the total amount of the employee contribution required for enrollment of the employee and the child in such coverage toward the annual aggregate cost-sharing limit applied under paragraph (3)(B) of such section).

''(ii) STATE PAYMENT OPTION.—A State may provide a premium assistance subsidy either as reimbursement to an employee for out-of-pocket expenditures or, subject to clause (iii), directly to the employee's employer.

''(iii) EMPLOYER OPT-OUT.—An employer may notify a State that it elects to opt-out of being directly paid a premium assistance subsidy on behalf of an employee. In the event of such a notification, an employer shall withhold the total amount of the employee contribution required for enrollment of the employee and the child in the qualified employer-sponsored coverage and the State shall pay the premium assistance subsidy directly to the employee.

''(iv) TREATMENT AS CHILD HEALTH ASSISTANCE.—Expenditures for the provision of premium assistance subsidies shall be considered child health assistance described in paragraph (1)(C) of subsection (a) for purposes of making payments under that subsection.

''(D) APPLICATION OF SECONDARY PAYOR RULES.—The State shall be a secondary payor for any items or services provided under the qualified employer-sponsored coverage for which the State provides child health assistance under the State child health plan.

''(E) REQUIREMENT TO PROVIDE SUPPLEMENTAL COVERAGE FOR BENEFITS AND COST-SHARING PROTECTION PROVIDED UNDER THE STATE CHILD HEALTH PLAN.—

''(i) IN GENERAL.—Notwithstanding section 2110(b)(1)(C), the State shall provide for each targeted low-income child enrolled in qualified employer-sponsored coverage, supplemental coverage consisting of—

''(I) items or services that are not covered, or are only partially covered, under the qualified employer-sponsored coverage; and

''(II) cost-sharing protection consistent with section 2103(e).

''(ii) RECORD KEEPING REQUIREMENTS.—For purposes of carrying out clause (i), a State may elect to directly pay out-of-pocket expenditures for cost-sharing imposed under the qualified employer-sponsored coverage and collect or not collect all or any portion of such expenditures from the parent of the child.

''(F) APPLICATION OF WAITING PERIOD IMPOSED UNDER THE STATE.—Any waiting period imposed under the State child health plan prior to the provision of child health assistance to a targeted low-income child under the State plan shall apply to the same extent to the provision of a premium assistance subsidy for the child under this paragraph.

''(G) OPT-OUT PERMITTED FOR ANY MONTH.—A State shall establish a process for permitting the parent of a targeted low-income child receiving a premium assistance subsidy to disenroll the child from the qualified employer-sponsored coverage and enroll the child in, and receive child health assistance under, the State child health plan, effective on the first day of any month for which the child is eligible for such assistance and in a manner that ensures continuity of coverage for the child.

''(H) APPLICATION TO PARENTS.—If a State provides child health assistance or health benefits coverage to parents of a targeted low-income child in accordance with section 2111(b), the State may elect to offer a premium assistance subsidy to a parent of a targeted low-income child who is eligible for such a subsidy under this paragraph in the same manner as the State offers such a subsidy for the enrollment of the child in qualified employer-sponsored coverage, except that—

''(i) the amount of the premium assistance subsidy shall be increased to take into account the cost of the enrollment of the parent in the qualified employer-sponsored coverage or, at the option of the State if the State determines it cost-effective, the cost of the enrollment of the child's family in such coverage; and

''(ii) any reference in this paragraph to a child is deemed to include a reference to the parent or, if applicable under clause (i), the family of the child.

''(I) ADDITIONAL STATE OPTION FOR PROVIDING PREMIUM ASSISTANCE.—

''(i) IN GENERAL.—A State may establish an employer-family premium assistance purchasing pool for employers with less than 250 employees who have at least 1 employee who is a pregnant woman eligible for assistance under the State child health plan (including through the application of an option described in section 2112(f)) or a member of a family with at least 1 targeted low-income child and to provide a premium assistance subsidy under this paragraph for enrollment in coverage made available through such pool.

''(ii) ACCESS TO CHOICE OF COVERAGE.—A State that elects the option under clause (i) shall identify and offer access to not less than 2 private health plans that are health benefits coverage that is equivalent to the benefits coverage in a benchmark benefit package described in section 2103(b) or benchmark-equivalent coverage that meets the requirements of section 2103(a)(2) for employees described in clause (i).

''(iii) CLARIFICATION OF PAYMENT FOR ADMINISTRATIVE EXPENDITURES.—Nothing in this subparagraph shall be construed as permitting payment under this section for administrative expenditures attributable to the establishment or operation of such pool, except to the extent that such payment would otherwise be permitted under this title.

''(J) NO EFFECT ON PREMIUM ASSISTANCE WAIVER PROGRAMS.—Nothing in this paragraph shall be construed as limiting the authority of a State to offer premium assistance under section 1906 or 1906A, a waiver described in paragraph (2)(B) or (3), a waiver approved under section 1115, or other authority in effect prior to the date of enactment of the Children's Health Insurance Program Reauthorization Act of 2009.

''(K) NOTICE OF AVAILABILITY.—If a State elects to provide premium assistance subsidies in accordance with this paragraph, the State shall—

''(i) include on any application or enrollment form for child health assistance a notice of the availability of premium assistance subsidies for the enrollment of targeted low-income children in qualified employer-sponsored coverage;

''(ii) provide, as part of the application and enrollment process under the State child health plan, information describing the availability of such subsidies and how to elect to obtain such a subsidy; and

''(iii) establish such other procedures as the State determines necessary to ensure that parents are fully informed of the choices for receiving child health assistance under the State child health plan or through the receipt of premium assistance subsidies.

''(L) APPLICATION TO QUALIFIED EMPLOYER-SPONSORED BENCHMARK COVERAGE.—If a group health plan or health insurance coverage offered through an employer is certified by an actuary as health benefits coverage that is equivalent to the benefits coverage in a benchmark benefit package described in section 2103(b) or benchmark-equivalent coverage that meets the requirements of section 2103(a)(2), the State may provide premium assistance subsidies for enrollment of targeted low-income children in such group health plan or health insurance coverage in the same manner as such subsidies are provided under this paragraph for enrollment in qualified employer-sponsored coverage, but without regard to the requirement to provide supplemental coverage for benefits and cost-sharing protection provided under the State child health plan under subparagraph (E).

''(M) SATISFACTION OF COST-EFFECTIVENESS TEST.—Premium assistance subsidies for qualified employer-sponsored coverage offered under this paragraph shall be deemed to meet the requirement of subparagraph (A) of paragraph (3).''.

(2) DETERMINATION OF COST-EFFECTIVENESS FOR PREMIUM ASSISTANCE OR PURCHASE OF FAMILY COVERAGE.—

(A) IN GENERAL.—Section 2105(c)(3)(A) (42 U.S.C. 1397ee(c)(3)(A)) is amended by striking ''relative to'' and all that follows through the comma and inserting ''relative to

''(i) the amount of expenditures under the State child health plan, including administrative expenditures, that the State would

have made to provide comparable coverage of the targeted low-income child involved or the family involved (as applicable); or

''(ii) the aggregate amount of expenditures that the State would have made under the State child health plan, including administrative expenditures, for providing coverage under such plan for all such children or families.''.

(B) NONAPPLICATION TO PREVIOUSLY APPROVED COVERAGE.—The amendment made by subparagraph (A) shall not apply to coverage the purchase of which has been approved by the Secretary under section 2105(c)(3) of the Social Security Act prior to the date of enactment of this Act.

(b) MEDICAID.—Title XIX is amended by inserting after section 1906 the following new section:

''PREMIUM ASSISTANCE OPTION FOR CHILDREN

''SEC. 1906A. (a) IN GENERAL.—A State may elect to offer a premium assistance subsidy (as defined in subsection (c)) for qualified employer-sponsored coverage (as defined in subsection (b)) to all individuals under age 19 who are entitled to medical assistance under this title (and to the parent of such an individual) who have access to such coverage if the State meets the requirements of this section.

''(b) QUALIFIED EMPLOYER-SPONSORED COVERAGE.—

''(1) IN GENERAL.—Subject to paragraph (2)), in this paragraph, the term 'qualified employer-sponsored coverage' means a group health plan or health insurance coverage offered through an employer—

''(A) that qualifies as creditable coverage as a group health plan under section 2701(c)(1) of the Public Health Service Act;

''(B) for which the employer contribution toward any premium for such coverage is at least 40 percent; and

''(C) that is offered to all individuals in a manner that would be considered a nondiscriminatory eligibility classification for purposes of paragraph (3)(A)(ii) of section 105(h) of the Internal Revenue Code of 1986 (but determined without regard to clause (i) of subparagraph (B) of such paragraph).

''(2) EXCEPTION.—Such term does not include coverage consisting of—

''(A) benefits provided under a health flexible spending arrangement (as defined in section 106(c)(2) of the Internal Revenue Code of 1986); or

''(B) a high deductible health plan (as defined in section 223(c)(2) of such Code), without regard to whether the plan is purchased in conjunction with a health savings account (as defined under section 223(d) of such Code).

''(3) TREATMENT AS THIRD PARTY LIABILITY.—The State shall treat the coverage provided under qualified employer-sponsored coverage as a third party liability under section 1902(a)(25).

''(c) PREMIUM ASSISTANCE SUBSIDY.—In this section, the term 'premium assistance subsidy' means the amount of the employee contribution for enrollment in the qualified employer-sponsored coverage by the individual under age 19 or by the individual's family. Premium assistance subsidies under this section shall be considered, for purposes of section 1903(a), to be a payment for medical assistance.

''(d) VOLUNTARY PARTICIPATION.—

''(1) EMPLOYERS.—Participation by an employer in a premium assistance subsidy offered by a State under this section shall be voluntary. An employer may notify a State that it elects to opt-out of being directly paid a premium assistance subsidy on behalf of an employee.

''(2) BENEFICIARIES.—No subsidy shall be provided to an individual under age 19 under this section unless the individual (or the individual's parent) voluntarily elects to receive such a subsidy. A State may not require such an election as a condition of receipt of medical assistance. State may not require, as a condition of an individual under age 19 (or the individual's parent) being or remaining eligible for medical assistance under this title, apply for enrollment in qualified employer-sponsored coverage under this section.

''(3) OPT-OUT PERMITTED FOR ANY MONTH.—A State shall establish a process for permitting the parent of an individual under age 19 receiving a premium assistance subsidy to disenroll the individual from the qualified employer-sponsored coverage.

''(e) REQUIREMENT TO PAY PREMIUMS AND COST-SHARING AND PROVIDE SUPPLEMENTAL COVERAGE.—In the case of the participation of an individual under age 19 (or the individual's parent) in a premium assistance subsidy under this section for qualified employer-sponsored coverage, the State shall provide for payment of all enrollee premiums for enrollment in such coverage and all deductibles, coinsurance, and other cost-sharing obligations for items and services otherwise covered under the State plan under this title (exceeding the amount otherwise permitted under section 1916 or, if applicable, section 1916A). The fact that an individual under age 19 (or a parent) elects to enroll in qualified employer-sponsored coverage under this section shall not change the individual's (or parent's) eligibility for medical assistance under the State plan, except insofar as section 1902(a)(25) provides that payments for such assistance shall first be made under such coverage.''.

(c) GAO STUDY AND REPORT.—Not later than January 1, 2010, the Comptroller General of the United States shall study cost and coverage issues relating to any State premium assistance programs for which Federal matching payments are made under title XIX or XXI of the Social Security Act, including under waiver authority, and shall submit a report to the Committee on Finance of the Senate and the Committee on Energy and Commerce of the House of Representatives on the results of such study.

SEC. 302. OUTREACH, EDUCATION, AND ENROLLMENT ASSISTANCE.

(a) REQUIREMENT TO INCLUDE DESCRIPTION OF OUTREACH, EDUCATION, AND ENROLLMENT EFFORTS RELATED TO PREMIUM ASSISTANCE SUBSIDIES IN STATE CHILD HEALTH PLAN.—Section 2102(c) (42 U.S.C. 1397bb(c)) is amended by adding at the end the following new paragraph:

''(3) PREMIUM ASSISTANCE SUBSIDIES.—In the case of a State that provides for premium assistance subsidies under the State child health plan in accordance with paragraph (2)(B), (3), or (10) of section 2105(c), or a waiver approved under section 1115, outreach, education, and enrollment assistance for families of children likely to be eligible for such subsidies, to inform such families of the availability of, and to assist them in enrolling their children in, such subsidies, and for employers likely to provide coverage that is eligible for such subsidies, including the specific, significant resources the State intends to apply to educate employers about the availability of premium assistance subsidies under the State child health plan.''.

(b) NONAPPLICATION OF 10 PERCENT LIMIT ON OUTREACH AND CERTAIN OTHER EXPENDITURES.—Section 2105(c)(2)(C) (42 U.S.C. 1397ee(c)(2)(C)), as amended by section 211(c)(2), is amended by adding at the end the following new clause:

''(iii) EXPENDITURES FOR OUTREACH TO INCREASE THE ENROLLMENT OF CHILDREN UNDER THIS TITLE AND TITLE xix THROUGH PREMIUM ASSISTANCE SUBSIDIES.—Expenditures for outreach activities to families of children likely to be eligible for premium assistance subsidies in accordance with paragraph (2)(B), (3), or (10), or a waiver approved under section 1115, to inform such families of the availability of, and to assist them in enrolling their children in, such subsidies, and to employers likely to provide qualified employer-sponsored coverage (as defined in subparagraph (B) of such paragraph), but not to exceed an amount equal to 1.25 percent of the maximum amount permitted to be expended under subparagraph (A) for items described in subsection (a)(1)(D).''.

Subtitle B—Coordinating Premium Assistance With Private Coverage

SEC. 311. SPECIAL ENROLLMENT PERIOD UNDER GROUP HEALTH PLANS IN CASE OF TERMINATION OF MEDICAID OR CHIP COVERAGE OR ELIGIBILITY FOR ASSISTANCE IN PURCHASE OF EMPLOYMENT-BASED COVERAGE; COORDINATION OF COVERAGE.

(a) AMENDMENTS TO INTERNAL REVENUE CODE OF 1986.—Section 9801(f) of the Internal Revenue Code of 1986 (relating to special enrollment periods) is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULES RELATING TO MEDICAID AND CHIP.—

''(A) IN GENERAL.—A group health plan shall permit an employee who is eligible, but not enrolled, for coverage under the terms of the plan (or a dependent of such an employee if the dependent is eligible, but not enrolled, for coverage under such terms) to enroll for coverage under the terms of the plan if either of the following conditions is met:

''(i) TERMINATION OF MEDICAID OR CHIP COVERAGE.—The employee or dependent is covered under a Medicaid plan under title XIX of the Social Security Act or under a State child health plan under title XXI of such Act and coverage of the employee or dependent under such a plan is terminated as a result of loss of eligibility for such coverage and the employee requests coverage under the group health plan not later than 60 days after the date of termination of such coverage.

''(ii) ELIGIBILITY FOR EMPLOYMENT ASSISTANCE UNDER MEDICAID OR CHIP.—The employee or dependent becomes eligible for assistance, with respect to coverage under the group health plan under such Medicaid plan or State child health plan (including under any waiver or demonstration project conducted under or in relation to such a plan), if the employee requests coverage under the group health plan not later than 60 days after the date the employee or dependent is determined to be eligible for such assistance.

''(B) EMPLOYEE OUTREACH AND DISCLOSURE.—

''(i) OUTREACH TO EMPLOYEES REGARDING AVAILABILITY OF MEDICAID AND CHIP COVERAGE.—

''(I) IN GENERAL.—Each employer that maintains a group health plan in a State that provides medical assistance under a State Medicaid plan under title XIX of the Social Security Act, or child health assistance under a State child health plan under title XXI of such Act, in the form of premium assistance for the purchase of coverage under a group health plan, shall provide to each employee a written notice informing the employee of potential opportunities then currently available in the State in which the employee resides for premium assistance under such plans for health coverage of the employee or the employee's dependents. For purposes of compliance with this clause, the employer may use any State-specific model notice developed in accordance with section 701(f)(3)(B)(i)(II) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1181(f)(3)(B)(i)(II)).

''(II) OPTION TO PROVIDE CONCURRENT WITH PROVISION OF PLAN MATERIALS TO EMPLOYEE.—An employer may provide the model notice applicable to the State in which an employee resides concurrent with the furnishing of materials notifying the employee of health plan eligibility, concurrent with materials provided to the employee in connection with an open season or election process conducted under the plan, or concurrent with the furnishing of the summary plan description as provided in section 104(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1024).

''(ii) DISCLOSURE ABOUT GROUP HEALTH PLAN BENEFITS TO STATES FOR MEDICAID AND CHIP ELIGIBLE INDIVIDUALS.—In the case of a participant or beneficiary of a group health plan who is covered under a Medicaid plan of a State under title XIX of the Social Security Act or under a State child health plan under title XXI of such Act, the plan administrator of the group health plan shall disclose to the State, upon request, information about the benefits available under the group health plan in sufficient specificity, as determined under regulations of the Secretary of Health and Human Services in consultation with the Secretary that require use of the model coverage coordination disclosure form developed under section 311(b)(1)(C) of the Children's Health Insurance Program Reauthorization Act of 2009, so as to permit the State to make a determination (under paragraph (2)(B), (3), or (10) of section 2105(c) of the Social Security Act or otherwise) concerning the cost-effectiveness of the State providing medical or child health assistance through premium assistance for the purchase of coverage under such group health plan and in order for the State to provide supplemental benefits required under paragraph (10)(E) of such section or other authority.''.

(b) CONFORMING AMENDMENTS.—

(1) AMENDMENTS TO EMPLOYEE RETIREMENT INCOME SECURITY ACT.—

(A) IN GENERAL.—Section 701(f) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1181(f)) is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULES FOR APPLICATION IN CASE OF MEDICAID AND CHIP.—

''(A) IN GENERAL.—A group health plan, and a health insurance issuer offering group health insurance coverage in connection with a group health plan, shall permit an employee who is eligible, but not enrolled, for coverage under the terms of the plan (or a dependent of such an employee if the dependent is eligible, but not enrolled, for coverage under such terms) to enroll for coverage under the terms of the plan if either of the following conditions is met:

''(i) TERMINATION OF MEDICAID OR CHIP COVERAGE.—The employee or dependent is covered under a Medicaid plan under title XIX of the Social Security Act or under a State child health plan under title XXI of such Act and coverage of the employee or dependent under such a plan is terminated as a result of loss of eligibility for such coverage and the employee requests coverage under the group health plan (or health insurance coverage) not later than 60 days after the date of termination of such coverage.

''(ii) ELIGIBILITY FOR EMPLOYMENT ASSISTANCE UNDER MEDICAID OR CHIP.—The employee or dependent becomes eligible for assistance, with respect to coverage under the group health plan or health insurance coverage, under such Medicaid plan or State child health plan (including under any waiver or demonstration project conducted under or in relation to such a plan), if the employee requests coverage under the group health plan or health insurance coverage not later than 60 days after the date the employee or dependent is determined to be eligible for such assistance.

''(B) COORDINATION WITH MEDICAID AND CHIP.—

''(i) OUTREACH TO EMPLOYEES REGARDING AVAILABILITY OF MEDICAID AND CHIP COVERAGE.—

''(I) IN GENERAL.—Each employer that maintains a group health plan in a State that provides medical assistance under a State Medicaid plan under title XIX of the Social Security Act, or child health assistance under a State child health plan under title XXI of such Act, in the form of premium assistance for the purchase of coverage under a group health plan, shall provide to each employee a written notice informing the employee of potential opportunities then currently available in the State in which the employee resides for premium assistance under such plans for health coverage of the employee or the employee's dependents.

''(II) MODEL NOTICE.—Not later than 1 year after the date of enactment of the Children's Health Insurance Program Reauthorization Act of 2009, the Secretary and the Secretary of Health and Human Services, in consultation with Directors of State Medicaid agencies under title XIX of the Social Security Act and Directors of State CHIP agencies under title XXI of such Act, shall jointly develop national and State-specific model notices for purposes of subparagraph (A). The Secretary shall provide employers with such model notices so as to enable employers to timely comply with the requirements of subparagraph (A). Such model notices shall include information regarding how an employee may contact the State in which the employee resides for additional information regarding potential opportunities for such premium assistance, including how to apply for such assistance.

''(III) OPTION TO PROVIDE CONCURRENT WITH PROVISION OF PLAN MATERIALS TO EMPLOYEE.—An employer may provide the model notice applicable to the State in which an employee resides concurrent with the furnishing of materials notifying the employee of health plan eligibility, concurrent with materials provided to the employee in connection with an open season or election process conducted under the plan, or concurrent with the furnishing of the summary plan description as provided in section 104(b).

''(ii) DISCLOSURE ABOUT GROUP HEALTH PLAN BENEFITS TO STATES FOR MEDICAID AND CHIP ELIGIBLE INDIVIDUALS.—In the case of a participant or beneficiary of a group health plan who is covered under a Medicaid plan of a State under title XIX of the Social Security Act or under a State child health plan under title XXI of such Act, the plan administrator of the group health plan shall disclose to the State, upon request, information about the benefits available under the group health plan in sufficient specificity, as determined under regulations of the Secretary of Health and Human Services in consultation with the Secretary that require use of the model coverage coordination disclosure form developed under section 311(b)(1)(C) of the Children's Health Insurance Program Reauthorization Act of 2009, so as to permit the State to make a determination (under paragraph (2)(B), (3), or (10) of section 2105(c) of the Social Security Act or otherwise) concerning the cost-effectiveness of the State providing medical or child health assistance through premium assistance for the purchase of coverage under such group health plan and in order for the State to provide supplemental benefits required under paragraph (10)(E) of such section or other authority.''.

(B) CONFORMING AMENDMENT.—Section 102(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1022(b)) is amended—

(i) by striking ''and the remedies'' and inserting '', the remedies''; and

(ii) by inserting before the period the following: '', and if the employer so elects for purposes of complying with section 701(f)(3)(B)(i), the model notice applicable to the State in which the participants and beneficiaries reside''.

(C) WORKING GROUP TO DEVELOP MODEL COVERAGE COORDINATION DISCLOSURE FORM.—

(i) MEDICAID, CHIP, AND EMPLOYER-SPONSORED COVERAGE COORDINATION WORKING GROUP.—

(I) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Secretary of Health and Human Services and the Secretary of Labor shall jointly establish a Medicaid, CHIP, and Employer-Sponsored Coverage Coordination Working Group (in this subparagraph referred to as the ''Working Group''). The purpose of the Working Group shall be to develop the model coverage coordination disclosure form described in subclause (II) and to identify the impediments to the effective coordination of coverage available to families that include employees of employers that maintain group health plans and members who are eligible for medical assistance under title XIX of the Social Security Act or child health assistance or other health benefits coverage under title XXI of such Act.

(II) MODEL COVERAGE COORDINATION DISCLOSURE FORM DESCRIBED.—The model form described in this subclause is a form for plan administrators of group health plans to complete for purposes of permitting a State to determine the availability and cost-effectiveness of the coverage available under such plans to employees who have family members who are eligible for premium assistance offered under a State plan under title XIX or XXI of such Act and to allow for coordination of coverage for enrollees of such plans. Such form shall provide the following information in addition to such other information as the Working Group determines appropriate:

(aa) A determination of whether the employee is eligible for coverage under the group health plan.

(bb) The name and contract information of the plan administrator of the group health plan.

(cc) The benefits offered under the plan.

(dd) The premiums and cost-sharing required under the plan.

(ee) Any other information relevant to coverage under the plan.

(ii) MEMBERSHIP.—The Working Group shall consist of not more than 30 members and shall be composed of representatives of—

(I) the Department of Labor;

(II) the Department of Health and Human Services;

(III) State directors of the Medicaid program under title XIX of the Social Security Act;

(IV) State directors of the State Children's Health Insurance Program under title XXI of the Social Security Act;

(V) employers, including owners of small businesses and their trade or industry representatives and certified human resource and payroll professionals;

(VI) plan administrators and plan sponsors of group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974);

(VII) health insurance issuers; and

(VIII) children and other beneficiaries of medical assistance under title XIX of the Social Security Act or child health assistance or other health benefits coverage under title XXI of such Act.

(iii) COMPENSATION.—The members of the Working Group shall serve without compensation.

(iv) ADMINISTRATIVE SUPPORT.—The Department of Health and Human Services and the Department of Labor shall jointly provide appropriate administrative support to the Working Group, including technical assistance. The Working Group may use the services and facilities of either such Department, with or without reimbursement, as jointly determined by such Departments.

(v) REPORT.—

(I) REPORT BY WORKING GROUP TO THE SECRETARIES.—Not later than 18 months after the date of the enactment of this Act, the Working Group shall submit to the Secretary of Labor and the Secretary of Health and Human Services the model form described in clause (i)(II) along with a report containing recommendations for appropriate measures to address the impediments to the effective coordination of coverage between group health plans and the State plans under titles XIX and XXI of the Social Security Act.

(II) REPORT BY SECRETARIES TO THE CONGRESS.—Not later than 2 months after receipt of the report pursuant to subclause (I), the Secretaries shall jointly submit a report to each House of the Congress regarding the recommendations contained in the report under such subclause.

(vi) TERMINATION.—The Working Group shall terminate 30 days after the date of the issuance of its report under clause (v).

(D) EFFECTIVE DATES.—The Secretary of Labor and the Secretary of Health and Human Services shall develop the initial model notices under section 701(f)(3)(B)(i)(II) of the Employee Retirement Income Security Act of 1974, and the Secretary of Labor shall provide such notices to employers, not later than the date that is 1 year after the date of enactment of this Act, and each employer shall provide the initial annual notices to such employer's employees beginning with the first plan year that begins after the date on which such initial model notices are first issued. The model coverage coordination disclosure form developed under subparagraph (C) shall apply with respect to requests made by States beginning with the first plan year that begins after the date on which such model coverage coordination disclosure form is first issued.

(E) ENFORCEMENT.—Section 502 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132) is amended—

(i) in subsection (a)(6), by striking ''or (8)'' and inserting ''(8), or (9)''; and

(ii) in subsection (c), by redesignating paragraph (9) as paragraph (10), and by inserting after paragraph (8) the following:

''(9)(A) The Secretary may assess a civil penalty against any employer of up to $100 a day from the date of the employer's failure to meet the notice requirement of section 701(f)(3)(B)(i)(I). For purposes of this subparagraph, each violation with respect to any single employee shall be treated as a separate violation.

''(B) The Secretary may assess a civil penalty against any plan administrator of up to $100 a day from the date of the plan administrator's failure to timely provide to any State the information required to be disclosed under section 701(f)(3)(B)(ii). For purposes of this subparagraph, each violation with respect to any single participant or beneficiary shall be treated as a separate violation.''.

(2) AMENDMENTS TO PUBLIC HEALTH SERVICE ACT.—Section 2701(f) of the Public Health Service Act (42 U.S.C. 300gg(f)) is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULES FOR APPLICATION IN CASE OF MEDICAID AND CHIP.—

''(A) IN GENERAL.—A group health plan, and a health insurance issuer offering group health insurance coverage in connection with a group health plan, shall permit an employee who is eligible, but not enrolled, for coverage under the terms of the plan (or a dependent of such an employee if the dependent is eligible, but not enrolled, for coverage under such terms) to enroll for coverage under the terms of the plan if either of the following conditions is met:

''(i) TERMINATION OF MEDICAID OR CHIP COVERAGE.—The employee or dependent is covered under a Medicaid plan under title XIX of the Social Security Act or under a State child health plan under title XXI of such Act and coverage of the employee or dependent under such a plan is terminated as a result of loss of eligibility for such coverage and the employee requests coverage under the group health plan (or health insurance coverage) not later than 60 days after the date of termination of such coverage.

''(ii) ELIGIBILITY FOR EMPLOYMENT ASSISTANCE UNDER MEDICAID OR CHIP.—The employee or dependent becomes eligible for assistance, with respect to coverage under the group health plan or health insurance coverage, under such Medicaid plan or State child health plan (including under any waiver or demonstration project conducted under or in relation to such a plan), if the employee requests coverage under the group health plan or health insurance coverage not later than 60 days after the date the employee or dependent is determined to be eligible for such assistance.

''(B) COORDINATION WITH MEDICAID AND CHIP.—

''(i) OUTREACH TO EMPLOYEES REGARDING AVAILABILITY OF MEDICAID AND CHIP COVERAGE.—

''(I) IN GENERAL.—Each employer that maintains a group health plan in a State that provides medical assistance under a State Medicaid plan under title XIX of the Social Security Act, or child health assistance under a State child health plan under title XXI of such Act, in the form of premium assistance for the purchase of coverage under a group health plan, shall provide to each employee a written notice informing the employee of potential opportunities then currently available in the State in which the employee resides for premium assistance under such plans for health coverage of the employee or the employee's dependents. For purposes of compliance with this subclause, the employer may use any State-specific model notice developed in accordance with section 701(f)(3)(B)(i)(II) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1181(f)(3)(B)(i)(II)).

''(II) OPTION TO PROVIDE CONCURRENT WITH PROVISION OF PLAN MATERIALS TO EMPLOYEE.—An employer may provide the model notice applicable to the State in which an employee resides concurrent with the furnishing of materials notifying the employee of health plan eligibility, concurrent with materials provided to the employee in connection with an open season or election process conducted under the plan, or concurrent with the furnishing of the summary plan description as provided in section 104(b) of the Employee Retirement Income Security Act of 1974.

''(ii) DISCLOSURE ABOUT GROUP HEALTH PLAN BENEFITS TO STATES FOR MEDICAID AND CHIP ELIGIBLE INDIVIDUALS.—In the case of an enrollee in a group health plan who is covered under a Medicaid plan of a State under title XIX of the Social Security Act or under a State child health plan under title XXI of such Act, the plan administrator of the group health plan shall disclose to the State, upon request, information about the benefits available under the group health plan in sufficient specificity, as determined under regulations of the Secretary of Health and Human Services in consultation with the Secretary that require use of the model coverage coordination disclosure form developed under section 311(b)(1)(C) of the Children's Health Insurance Reauthorization Act of 2009, so as to permit the State to make a determination (under paragraph (2)(B), (3), or (10) of section 2105(c) of the Social Security Act or otherwise) concerning the cost-effectiveness of the State providing medical or child health assistance through premium assistance for the purchase of coverage under such group health plan and in order for the State to provide supplemental benefits required under paragraph (10)(E) of such section or other authority.''.

TITLE IV—STRENGTHENING QUALITY OF CARE AND HEALTH OUTCOMES

SEC. 401. CHILD HEALTH QUALITY IMPROVEMENT ACTIVITIES FOR CHILDREN ENROLLED IN MEDICAID OR CHIP.

(a) DEVELOPMENT OF CHILD HEALTH QUALITY MEASURES FOR CHILDREN ENROLLED IN MEDICAID OR CHIP.—Title XI (42 U.S.C. 1301 et seq.) is amended by inserting after section 1139 the following new section:

''SEC. 1139A. CHILD HEALTH QUALITY MEASURES.

''(a) DEVELOPMENT OF AN INITIAL CORE SET OF HEALTH CARE QUALITY MEASURES FOR CHILDREN ENROLLED IN MEDICAID OR CHIP.—

''(1) IN GENERAL.—Not later than January 1, 2010, the Secretary shall identify and publish for general comment an initial, recommended core set of child health quality measures for use by State programs administered under titles XIX and XXI, health insurance issuers and managed care entities that enter into contracts with such programs, and providers of items and services under such programs.

''(2) IDENTIFICATION OF INITIAL CORE MEASURES.—In consultation with the individuals and entities described in subsection (b)(3), the Secretary shall identify existing quality of care measures for children that are in use under public and privately sponsored health care coverage arrangements, or that are part of reporting systems that measure both the presence and duration of health insurance coverage over time.

''(3) RECOMMENDATIONS AND DISSEMINATION.—Based on such existing and identified measures, the Secretary shall publish an initial core set of child health quality measures that includes (but is not limited to) the following:

''(A) The duration of children's health insurance coverage over a 12-month time period.

''(B) The availability and effectiveness of a full range of—

''(i) preventive services, treatments, and services for acute conditions, including services to promote healthy birth, prevent and treat premature birth, and detect the presence or risk of physical or mental conditions that could adversely affect growth and development; and

''(ii) treatments to correct or ameliorate the effects of physical and mental conditions, including chronic conditions, in infants, young children, school-age children, and adolescents.

''(C) The availability of care in a range of ambulatory and inpatient health care settings in which such care is furnished.

''(D) The types of measures that, taken together, can be used to estimate the overall national quality of health care for children, including children with special needs, and to perform comparative analyses of pediatric health care quality and racial, ethnic, and socioeconomic disparities in child health and health care for children.

''(4) ENCOURAGE VOLUNTARY AND STANDARDIZED REPORTING.—Not later than 2 years after the date of enactment of the Children's Health Insurance Program Reauthorization Act of 2009, the Secretary, in consultation with States, shall develop a standardized format for reporting information and procedures and approaches that encourage States to use the initial core measurement set to voluntarily report information regarding the quality of pediatric health care under titles XIX and XXI.

''(5) ADOPTION OF BEST PRACTICES IN IMPLEMENTING QUALITY PROGRAMS.—The Secretary shall disseminate information to States regarding best practices among States with respect to measuring and reporting on the quality of health care for children, and shall facilitate the adoption of such best practices. In developing best practices approaches, the Secretary shall give particular attention to State measurement techniques that ensure the timeliness and accuracy of provider reporting, encourage provider reporting compliance, encourage successful quality improvement strategies, and improve efficiency in data collection using health information technology.

''(6) REPORTS TO CONGRESS.—Not later than January 1, 2011, and every 3 years thereafter, the Secretary shall report to Congress on—

''(A) the status of the Secretary's efforts to improve—

''(i) quality related to the duration and stability of health insurance coverage for children under titles XIX and XXI;

''(ii) the quality of children's health care under such titles, including preventive health services, health care for acute conditions, chronic health care, and health services to ameliorate the effects of physical and mental conditions and to aid in growth and development of infants, young children, school-age children, and adolescents with special health care needs; and

''(iii) the quality of children's health care under such titles across the domains of quality, including clinical quality, health care safety, family experience with health care, health care in the most integrated setting, and elimination of racial, ethnic, and socioeconomic disparities in health and health care;

''(B) the status of voluntary reporting by States under titles XIX and XXI, utilizing the initial core quality measurement set; and

''(C) any recommendations for legislative changes needed to improve the quality of care provided to children under titles XIX and XXI, including recommendations for quality reporting by States.

''(7) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance to States to assist them in adopting and utilizing core child health quality measures in administering the State plans under titles XIX and XXI.

''(8) DEFINITION OF CORE SET.—In this section, the term 'core set' means a group of valid, reliable, and evidence-based quality measures that, taken together—

''(A) provide information regarding the quality of health coverage and health care for children;

''(B) address the needs of children throughout the developmental age span; and

''(C) allow purchasers, families, and health care providers to understand the quality of care in relation to the preventive needs of children, treatments aimed at managing and resolving acute conditions, and diagnostic and treatment services whose purpose is to correct or ameliorate physical, mental, or developmental conditions that could, if untreated or poorly treated, become chronic.

''(b) ADVANCING AND IMPROVING PEDIATRIC QUALITY MEASURES.—

''(1) ESTABLISHMENT OF PEDIATRIC QUALITY MEASURES PROGRAM.—Not later than January 1, 2011, the Secretary shall establish a pediatric quality measures program to—

''(A) improve and strengthen the initial core child health care quality measures established by the Secretary under subsection (a);

''(B) expand on existing pediatric quality measures used by public and private health care purchasers and advance the development of such new and emerging quality measures; and

''(C) increase the portfolio of evidence-based, consensus pediatric quality measures available to public and private purchasers of children's health care services, providers, and consumers.

''(2) EVIDENCE-BASED MEASURES.—The measures developed under the pediatric quality measures program shall, at a minimum, be—

''(A) evidence-based and, where appropriate, risk adjusted;

''(B) designed to identify and eliminate racial and ethnic disparities in child health and the provision of health care;

''(C) designed to ensure that the data required for such measures is collected and reported in a standard format that permits comparison of quality and data at a State, plan, and provider level;

''(D) periodically updated; and

''(E) responsive to the child health needs, services, and domains of health care quality described in clauses (i), (ii), and (iii) of subsection (a)(6)(A).

''(3) PROCESS FOR PEDIATRIC QUALITY MEASURES PROGRAM.—In identifying gaps in existing pediatric quality measures and establishing priorities for development and advancement of such measures, the Secretary shall consult with—

''(A) States;

''(B) pediatricians, children's hospitals, and other primary and specialized pediatric health care professionals (including members of the allied health professions) who specialize in the care and treatment of children, particularly children with special physical, mental, and developmental health care needs;

''(C) dental professionals, including pediatric dental professionals;

''(D) health care providers that furnish primary health care to children and families who live in urban and rural medically underserved communities or who are members of distinct population sub-groups at heightened risk for poor health outcomes;

''(E) national organizations representing children, including children with disabilities and children with chronic conditions;

''(F) national organizations representing consumers and purchasers of children's health care;

''(G) national organizations and individuals with expertise in pediatric health quality measurement; and

''(H) voluntary consensus standards setting organizations and other organizations involved in the advancement of evidence-based measures of health care.

''(4) DEVELOPING, VALIDATING, AND TESTING A PORTFOLIO OF PEDIATRIC QUALITY MEASURES.—As part of the program to advance pediatric quality measures, the Secretary shall—

''(A) award grants and contracts for the development, testing, and validation of new, emerging, and innovative evidence-based measures for children's health care services across the domains of quality described in clauses (i), (ii), and (iii) of subsection (a)(6)(A); and

''(B) award grants and contracts for—

''(i) the development of consensus on evidence-based measures for children's health care services;

''(ii) the dissemination of such measures to public and private purchasers of health care for children; and

''(iii) the updating of such measures as necessary.

''(5) REVISING, STRENGTHENING, AND IMPROVING INITIAL CORE MEASURES.—Beginning no later than January 1, 2013, and annually thereafter, the Secretary shall publish recommended changes to the core measures described in subsection (a) that shall reflect the testing, validation, and consensus process for the development of pediatric quality measures described in subsection paragraphs (1) through (4).

''(6) DEFINITION OF PEDIATRIC QUALITY MEASURE.—In this subsection, the term 'pediatric quality measure' means a measurement of clinical care that is capable of being examined through the collection and analysis of relevant information, that is developed in order to assess 1 or more aspects of pediatric health care quality in various institutional and ambulatory health care settings, including the structure of the clinical care system, the process of care, the outcome of care, or patient experiences in care.

''(7) CONSTRUCTION.—Nothing in this section shall be construed as supporting the restriction of coverage, under title XIX or XXI or otherwise, to only those services that are evidence-based.

''(c) ANNUAL STATE REPORTS REGARDING STATE-SPECIFIC QUALITY OF CARE MEASURES APPLIED UNDER MEDICAID OR CHIP.—

''(1) ANNUAL STATE REPORTS.—Each State with a State plan approved under title XIX or a State child health plan approved under title XXI shall annually report to the Secretary on the—

''(A) State-specific child health quality measures applied by the States under such plans, including measures described in subparagraphs (A) and (B) of subsection (a)(6); and

''(B) State-specific information on the quality of health care furnished to children under such plans, including information collected through external quality reviews of managed care organizations under section 1932 of the Social Security Act (42 U.S.C. 1396u–4) and benchmark plans under sections 1937 and 2103 of such Act (42 U.S.C. 1396u–7, 1397cc).

''(2) PUBLICATION.—Not later than September 30, 2010, and annually thereafter, the Secretary shall collect, analyze, and make publicly available the information reported by States under paragraph (1).

''(d) DEMONSTRATION PROJECTS FOR IMPROVING THE QUALITY OF CHILDREN'S HEALTH CARE AND THE USE OF HEALTH INFORMATION TECHNOLOGY.—

''(1) IN GENERAL.—During the period of fiscal years 2009 through 2013, the Secretary shall award not more than 10 grants to States and child health providers to conduct demonstration projects to evaluate promising ideas for improving the quality of children's health care provided under title XIX or XXI, including projects to—

''(A) experiment with, and evaluate the use of, new measures of the quality of children's health care under such titles (including testing the validity and suitability for reporting of such measures);

''(B) promote the use of health information technology in care delivery for children under such titles;

''(C) evaluate provider-based models which improve the delivery of children's health care services under such titles, including care management for children with chronic

conditions and the use of evidence-based approaches to improve the effectiveness, safety, and efficiency of health care services for children; or

''(D) demonstrate the impact of the model electronic health record format for children developed and disseminated under subsection (f) on improving pediatric health, including the effects of chronic childhood health conditions, and pediatric health care quality as well as reducing health care costs.

''(2) REQUIREMENTS.—In awarding grants under this subsection, the Secretary shall ensure that—

''(A) only 1 demonstration project funded under a grant awarded under this subsection shall be conducted in a State; and

''(B) demonstration projects funded under grants awarded under this subsection shall be conducted evenly between States with large urban areas and States with large rural areas.

''(3) AUTHORITY FOR MULTISTATE PROJECTS.—A demonstration project conducted with a grant awarded under this subsection may be conducted on a multistate basis, as needed.

''(4) FUNDING.—$20,000,000 of the amount appropriated under subsection (i) for a fiscal year shall be used to carry out this subsection.

''(e) CHILDHOOD OBESITY DEMONSTRATION PROJECT.—

''(1) AUTHORITY TO CONDUCT DEMONSTRATION.—The Secretary, in consultation with the Administrator of the Centers for Medicare & Medicaid Services, shall conduct a demonstration project to develop a comprehensive and systematic model for reducing childhood obesity by awarding grants to eligible entities to carry out such project. Such model shall—

''(A) identify, through self-assessment, behavioral risk factors for obesity among children;

''(B) identify, through self-assessment, needed clinical preventive and screening benefits among those children identified as target individuals on the basis of such risk factors;

''(C) provide ongoing support to such target individuals and their families to reduce risk factors and promote the appropriate use of preventive and screening benefits; and

''(D) be designed to improve health outcomes, satisfaction, quality of life, and appropriate use of items and services for which medical assistance is available under title XIX or child health assistance is available under title XXI among such target individuals.

''(2) ELIGIBILITY ENTITIES.—For purposes of this subsection, an eligible entity is any of the following:

''(A) A city, county, or Indian tribe.

''(B) A local or tribal educational agency.

''(C) An accredited university, college, or community college.

''(D) A Federally-qualified health center.

''(E) A local health department.

''(F) A health care provider.

''(G) A community-based organization.

''(H) Any other entity determined appropriate by the Secretary, including a consortia or partnership of entities described in any of subparagraphs (A) through (G).

''(3) USE OF FUNDS.—An eligible entity awarded a grant under this subsection shall use the funds made available under the grant to—

''(A) carry out community-based activities related to reducing childhood obesity, including by—

''(i) forming partnerships with entities, including schools and other facilities providing recreational services, to establish programs for after school and weekend community activities that are designed to reduce childhood obesity;

''(ii) forming partnerships with daycare facilities to establish programs that promote healthy eating behaviors and physical activity; and

''(iii) developing and evaluating community educational activities targeting good nutrition and promoting healthy eating behaviors;

''(B) carry out age-appropriate school-based activities that are designed to reduce childhood obesity, including by—

''(i) developing and testing educational curricula and intervention programs designed to promote healthy eating behaviors and habits in youth, which may include—

''(I) after hours physical activity programs; and

''(II) science-based interventions with multiple components to prevent eating disorders including nutritional content, understanding and responding to hunger and satiety, positive body image development, positive self-esteem development, and learning life skills (such as stress management, communication skills, problemsolving and decisionmaking skills), as well as consideration of cultural and developmental issues, and the role of family, school, and community;

''(ii) providing education and training to educational professionals regarding how to promote a healthy lifestyle and a healthy school environment for children;

''(iii) planning and implementing a healthy lifestyle curriculum or program with an emphasis on healthy eating behaviors and physical activity; and

''(iv) planning and implementing healthy lifestyle classes or programs for parents or guardians, with an emphasis on healthy eating behaviors and physical activity for children;

''(C) carry out educational, counseling, promotional, and training activities through the local health care delivery systems including by—

''(i) promoting healthy eating behaviors and physical activity services to treat or prevent eating disorders, being overweight, and obesity;

''(ii) providing patient education and counseling to increase physical activity and promote healthy eating behaviors;

''(iii) training health professionals on how to identify and treat obese and overweight individuals which may include nutrition and physical activity counseling; and

''(iv) providing community education by a health professional on good nutrition and physical activity to develop a better understanding of the relationship between diet, physical activity, and eating disorders, obesity, or being overweight; and

''(D) provide, through qualified health professionals, training and supervision for community health workers to—

''(i) educate families regarding the relationship between nutrition, eating habits, physical activity, and obesity;

''(ii) educate families about effective strategies to improve nutrition, establish healthy eating patterns, and establish appropriate levels of physical activity; and

''(iii) educate and guide parents regarding the ability to model and communicate positive health behaviors.

''(4) PRIORITY.—In awarding grants under paragraph (1), the Secretary shall give priority to awarding grants to eligible entities—

''(A) that demonstrate that they have previously applied successfully for funds to carry out activities that seek to promote individual and community health and to prevent the incidence of chronic disease and that can cite published and peer-reviewed research demonstrating that the activities that the entities propose to carry out with funds made available under the grant are effective;

''(B) that will carry out programs or activities that seek to accomplish a goal or goals set by the State in the Healthy People 2010 plan of the State;

''(C) that provide non-Federal contributions, either in cash or in-kind, to the costs of funding activities under the grants;

''(D) that develop comprehensive plans that include a strategy for extending program activities developed under grants in the years following the fiscal years for which they receive grants under this subsection;

''(E) located in communities that are medically underserved, as determined by the Secretary;

''(F) located in areas in which the average poverty rate is at least 150 percent or higher of the average poverty rate in the State involved, as determined by the Secretary; and

''(G) that submit plans that exhibit multisectoral, cooperative conduct that includes the involvement of a broad range of stakeholders, including—

''(i) community-based organizations;

''(ii) local governments;

''(iii) local educational agencies;

''(iv) the private sector;

''(v) State or local departments of health;

''(vi) accredited colleges, universities, and community colleges;

''(vii) health care providers;

''(viii) State and local departments of transportation and city planning; and

''(ix) other entities determined appropriate by the Secretary.

''(5) PROGRAM DESIGN.—

''(A) INITIAL DESIGN.—Not later than 1 year after the date of enactment of the Children's Health Insurance Program Reauthorization Act of 2009, the Secretary shall design the demonstration project. The demonstration should draw upon promising, innovative models and incentives to reduce behavioral risk factors. The Administrator of the Centers for Medicare & Medicaid Services shall consult with the Director of the Centers for Disease Control and Prevention, the Director of the Office of Minority Health, the heads of other agencies in the Department of Health and Human Services, and such professional organizations, as the Secretary determines to be appropriate, on the design, conduct, and evaluation of the demonstration.

''(B) NUMBER AND PROJECT AREAS.—Not later than 2 years after the date of enactment of the Children's Health Insurance Program Reauthorization Act of 2009, the Secretary shall award 1 grant that is specifically designed to determine whether programs similar to programs to be conducted by other grantees under this subsection should be implemented with respect to the general population of children who are eligible for child health assistance under State child health plans under title XXI in order to reduce the incidence of childhood obesity among such population.

''(6) REPORT TO CONGRESS.—Not later than 3 years after the date the Secretary implements the demonstration project under this subsection, the Secretary shall submit to Congress a report that describes the project, evaluates the effectiveness and cost effectiveness of the project, evaluates the beneficiary satisfaction under the project, and includes any such other information as the Secretary determines to be appropriate.

''(7) DEFINITIONS.—In this subsection:

''(A) FEDERALLY-QUALIFIED HEALTH CENTER.—The term 'Federally-qualified health center' has the meaning given that term in section 1905(l)(2)(B).

''(B) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given that term in section

4 of the Indian Health Care Improvement Act (25 U.S.C. 1603).

''(C) SELF-ASSESSMENT.—The term 'self-assessment' means a form that—

''(i) includes questions regarding—

''(I) behavioral risk factors;

''(II) needed preventive and screening services; and

''(III) target individuals' preferences for receiving follow-up information;

''(ii) is assessed using such computer generated assessment programs; and

''(iii) allows for the provision of such ongoing support to the individual as the Secretary determines appropriate.

''(D) ONGOING SUPPORT.—The term 'ongoing support' means—

''(i) to provide any target individual with information, feedback, health coaching, and recommendations regarding—

''(I) the results of a self-assessment given to the individual;

''(II) behavior modification based on the self-assessment; and

''(III) any need for clinical preventive and screening services or treatment including medical nutrition therapy;

''(ii) to provide any target individual with referrals to community resources and programs available to assist the target individual in reducing health risks; and

''(iii) to provide the information described in clause (i) to a health care provider, if designated by the target individual to receive such information.

''(8) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection, $25,000,000 for the period of fiscal years 2009 through 2013.

''(f) DEVELOPMENT OF MODEL ELECTRONIC HEALTH RECORD FORMAT FOR CHILDREN ENROLLED IN MEDICAID OR CHIP.—

''(1) IN GENERAL.—Not later than January 1, 2010, the Secretary shall establish a program to encourage the development and dissemination of a model electronic health record format for children enrolled in the State plan under title XIX or the State child health plan under title XXI that is—

''(A) subject to State laws, accessible to parents, caregivers, and other consumers for the sole purpose of demonstrating compliance with school or leisure activity requirements, such as appropriate immunizations or physicals;

''(B) designed to allow interoperable exchanges that conform with Federal and State privacy and security requirements;

''(C) structured in a manner that permits parents and caregivers to view and understand the extent to which the care their children receive is clinically appropriate and of high quality; and

''(D) capable of being incorporated into, and otherwise compatible with, other standards developed for electronic health records.

''(2) FUNDING.—$5,000,000 of the amount appropriated under subsection (i) for a fiscal year shall be used to carry out this subsection.

''(g) STUDY OF PEDIATRIC HEALTH AND HEALTH CARE QUALITY MEASURES.—

''(1) IN GENERAL.—Not later than July 1, 2010, the Institute of Medicine shall study and report to Congress on the extent and quality of efforts to measure child health status and the quality of health care for children across the age span and in relation to preventive care, treatments for acute conditions, and treatments aimed at ameliorating or correcting physical, mental, and developmental conditions in children. In conducting such study and preparing such report, the Institute of Medicine shall—

''(A) consider all of the major national population-based reporting systems sponsored by the Federal Government that are currently in place, including reporting requirements under Federal grant programs and national population surveys and estimates conducted directly by the Federal Government;

''(B) identify the information regarding child health and health care quality that each system is designed to capture and generate, the study and reporting periods covered by each system, and the extent to which the information so generated is made widely available through publication;

''(C) identify gaps in knowledge related to children's health status, health disparities among subgroups of children, the effects of social conditions on children's health status and use and effectiveness of health care, and the relationship between child health status and family income, family stability and preservation, and children's school readiness and educational achievement and attainment; and

''(D) make recommendations regarding improving and strengthening the timeliness, quality, and public transparency and accessibility of information about child health and health care quality.

''(2) FUNDING.—Up to $1,000,000 of the amount appropriated under subsection (i) for a fiscal year shall be used to carry out this subsection.

''(h) RULE OF CONSTRUCTION.—Notwithstanding any other provision in this section, no evidence based quality measure developed, published, or used as a basis of measurement or reporting under this section may be used to establish an irrebuttable presumption regarding either the medical necessity of care or the maximum permissible coverage for any individual child who is eligible for and receiving medical assistance under title XIX or child health assistance under title XXI.

''(i) APPROPRIATION.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated for each of fiscal years 2009 through 2013, $45,000,000 for the purpose of carrying out this section (other than subsection (e)). Funds appropriated under this subsection shall remain available until expended.''.

(b) INCREASED MATCHING RATE FOR COLLECTING AND REPORTING ON CHILD HEALTH MEASURES.—Section 1903(a)(3)(A) (42 U.S.C. 1396b(a)(3)(A)), is amended—

(1) by striking ''and'' at the end of clause (i); and

(2) by adding at the end the following new clause:

''(iii) an amount equal to the Federal medical assistance percentage (as defined in section 1905(b)) of so much of the sums expended during such quarter (as found necessary by the Secretary for the proper and efficient administration of the State plan) as are attributable to such developments or modifications of systems of the type described in clause (i) as are necessary for the efficient collection and reporting on child health measures; and''.

SEC. 402. IMPROVED AVAILABILITY OF PUBLIC INFORMATION REGARDING ENROLLMENT OF CHILDREN IN CHIP AND MEDICAID.

(a) INCLUSION OF PROCESS AND ACCESS MEASURES IN ANNUAL STATE REPORTS.—Section 2108 (42 U.S.C. 1397hh) is amended—

(1) in subsection (a), in the matter preceding paragraph (1), by striking ''The State'' and inserting ''Subject to subsection (e), the State''; and

(2) by adding at the end the following new subsection:

''(e) INFORMATION REQUIRED FOR INCLUSION IN STATE ANNUAL REPORT.—The State shall include the following information in the annual report required under subsection (a):

''(1) Eligibility criteria, enrollment, and retention data (including data with respect to continuity of coverage or duration of benefits).

''(2) Data regarding the extent to which the State uses process measures with respect to determining the eligibility of children under the State child health plan, including measures such as 12-month continuous eligibility, self-declaration of income for applications or renewals, or presumptive eligibility.

''(3) Data regarding denials of eligibility and redeterminations of eligibility.

''(4) Data regarding access to primary and specialty services, access to networks of care, and care coordination provided under the State child health plan, using quality care and consumer satisfaction measures included in the Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey.

''(5) If the State provides child health assistance in the form of premium assistance for the purchase of coverage under a group health plan, data regarding the provision of such assistance, including the extent to which employer-sponsored health insurance coverage is available for children eligible for child health assistance under the State child health plan, the range of the monthly amount of such assistance provided on behalf of a child or family, the number of children or families provided such assistance on a monthly basis, the income of the children or families provided such assistance, the benefits and cost-sharing protection provided under the State child health plan to supplement the coverage purchased with such premium assistance, the effective strategies the State engages in to reduce any administrative barriers to the provision of such assistance, and, the effects, if any, of the provision of such assistance on preventing the coverage provided under the State child health plan from substituting for coverage provided under employer-sponsored health insurance offered in the State.

''(6) To the extent applicable, a description of any State activities that are designed to reduce the number of uncovered children in the State, including through a State health insurance connector program or support for innovative private health coverage initiatives.''.

(b) STANDARDIZED REPORTING FORMAT.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary shall specify a standardized format for States to use for reporting the information required under section 2108(e) of the Social Security Act, as added by subsection (a)(2).

(2) TRANSITION PERIOD FOR STATES.—Each State that is required to submit a report under subsection (a) of section 2108 of the Social Security Act that includes the information required under subsection (e) of such section may use up to 3 reporting periods to transition to the reporting of such information in accordance with the standardized format specified by the Secretary under paragraph (1).

(c) ADDITIONAL FUNDING FOR THE SECRETARY TO IMPROVE TIMELINESS OF DATA REPORTING AND ANALYSIS FOR PURPOSES OF DETERMINING ENROLLMENT INCREASES UNDER MEDICAID AND CHIP.—

(1) APPROPRIATION.—There is appropriated, out of any money in the Treasury not otherwise appropriated, $5,000,000 to the Secretary for fiscal year 2009 for the purpose of improving the timeliness of the data reported and analyzed from the Medicaid Statistical Information System (MSIS) for purposes of providing more timely data on enrollment and eligibility of children under Medicaid and CHIP and to provide guidance to States with respect to any new reporting requirements related to such improvements. Amounts appropriated under this paragraph shall remain available until expended.

(2) REQUIREMENTS.—The improvements made by the Secretary under paragraph (1) shall be designed and implemented (including with respect to any necessary guidance for States to report such information in a complete and expeditious manner) so that, beginning no later than October 1, 2009, data regarding the enrollment of low-income children (as defined in section 2110(c)(4) of the Social Security Act (42 U.S.C. 1397jj(c)(4)) of a State enrolled in the State plan under Medicaid or the State child health plan under CHIP with respect to a fiscal year shall be collected and analyzed by the Secretary within 6 months of submission.

(d) GAO STUDY AND REPORT ON ACCESS TO PRIMARY AND SPECIALITY SERVICES.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study of children's access to primary and specialty services under Medicaid and CHIP, including—

(A) the extent to which providers are willing to treat children eligible for such programs;

(B) information on such children's access to networks of care;

(C) geographic availability of primary and specialty services under such programs;

(D) the extent to which care coordination is provided for children's care under Medicaid and CHIP; and

(E) as appropriate, information on the degree of availability of services for children under such programs.

(2) REPORT.—Not later than 2 years after the date of enactment of this Act, the Comptroller General shall submit a report to the Committee on Finance of the Senate and the Committee on Energy and Commerce of the House of Representatives on the study conducted under paragraph (1) that includes recommendations for such Federal and State legislative and administrative changes as the Comptroller General determines are necessary to address any barriers to access to children's care under Medicaid and CHIP that may exist.

SEC. 403. APPLICATION OF CERTAIN MANAGED CARE QUALITY SAFEGUARDS TO CHIP.

(a) IN GENERAL.—Section 2103(f) of Social Security Act (42 U.S.C. 1397bb(f)) is amended by adding at the end the following new paragraph:

''(3) COMPLIANCE WITH MANAGED CARE REQUIREMENTS.—The State child health plan shall provide for the application of subsections (a)(4), (a)(5), (b), (c), (d), and (e) of section 1932 (relating to requirements for managed care) to coverage, State agencies, enrollment brokers, managed care entities, and managed care organizations under this title in the same manner as such subsections apply to coverage and such entities and organizations under title XIX.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to contract years for health plans beginning on or after July 1, 2009.

TITLE V—IMPROVING ACCESS TO BENEFITS

SEC. 501. DENTAL BENEFITS.

(a) COVERAGE.—

(1) IN GENERAL.—Section 2103 (42 U.S.C. 1397cc) is amended—

(A) in subsection (a)—

(i) in the matter before paragraph (1), by striking ''subsection (c)(5)'' and inserting ''paragraphs (5) and (7) of subsection (c)''; and

(ii) in paragraph (1), by inserting ''at least'' after ''that is''; and

(B) in subsection (c)—

(i) by redesignating paragraph (5) as paragraph (7); and

(ii) by inserting after paragraph (4), the following:

''(5) DENTAL BENEFITS.—

''(A) IN GENERAL.—The child health assistance provided to a targeted low-income child shall include coverage of dental services necessary to prevent disease and promote oral health, restore oral structures to health and function, and treat emergency conditions.

''(B) PERMITTING USE OF DENTAL BENCHMARK PLANS BY CERTAIN STATES.—A State may elect to meet the requirement of subparagraph (A) through dental coverage that is equivalent to a benchmark dental benefit package described in subparagraph (C).

''(C) BENCHMARK DENTAL BENEFIT PACKAGES.—The benchmark dental benefit packages are as follows:

''(i) FEHBP CHILDREN'S DENTAL COVERAGE.—A dental benefits plan under chapter 89A of title 5, United States Code, that has been selected most frequently by employees seeking dependent coverage, among such plans that provide such dependent coverage, in either of the previous 2 plan years.

''(ii) STATE EMPLOYEE DEPENDENT DENTAL COVERAGE.—A dental benefits plan that is offered and generally available to State employees in the State involved and that has been selected most frequently by employees seeking dependent coverage, among such plans that provide such dependent coverage, in either of the previous 2 plan years.

''(iii) COVERAGE OFFERED THROUGH COMMERCIAL DENTAL PLAN.—A dental benefits plan that has the largest insured commercial, non-medicaid enrollment of dependent covered lives of such plans that is offered in the State involved.''.

(2) ASSURING ACCESS TO CARE.—Section 2102(a)(7)(B) (42 U.S.C. 1397bb(c)(2)) is amended by inserting ''and services described in section 2103(c)(5)'' after ''emergency services''.

(3) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to coverage of items and services furnished on or after October 1, 2009.

(b) DENTAL EDUCATION FOR PARENTS OF NEWBORNS.—The Secretary shall develop and implement, through entities that fund or provide perinatal care services to targeted low-income children under a State child health plan under title XXI of the Social Security Act, a program to deliver oral health educational materials that inform new parents about risks for, and prevention of, early childhood caries and the need for a dental visit within their newborn's first year of life.

(c) PROVISION OF DENTAL SERVICES THROUGH FQHCS.—

(1) MEDICAID.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(A) by striking ''and'' at the end of paragraph (70);

(B) by striking the period at the end of paragraph (71) and inserting ''; and''; and

(C) by inserting after paragraph (71) the following new paragraph:

''(72) provide that the State will not prevent a Federally-qualified health center from entering into contractual relationships with private practice dental providers in the provision of Federally-qualified health center services.''.

(2) CHIP.—Section 2107(e)(1) (42 U.S.C. 1397g(e)(1)), as amended by subsections (a)(2) and (d)(2) of section 203, is amended by inserting after subparagraph (B) the following new subparagraph (and redesignating the succeeding subparagraphs accordingly):

''(C) Section 1902(a)(72) (relating to limiting FQHC contracting for provision of dental services).''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on January 1, 2009.

(d) REPORTING INFORMATION ON DENTAL HEALTH.—

(1) MEDICAID.—Section 1902(a)(43)(D)(iii) (42 U.S.C. 1396a(a)(43)(D)(iii)) is amended by inserting ''and other information relating to the provision of dental services to such children described in section 2108(e)'' after ''receiving dental services,''.

(2) CHIP.—Section 2108 (42 U.S.C. 1397hh) is amended by adding at the end the following new subsection:

''(e) INFORMATION ON DENTAL CARE FOR CHILDREN.—

''(1) IN GENERAL.—Each annual report under subsection (a) shall include the following information with respect to care and services described in section 1905(r)(3) provided to targeted low-income children enrolled in the State child health plan under this title at any time during the year involved:

''(A) The number of enrolled children by age grouping used for reporting purposes under section 1902(a)(43).

''(B) For children within each such age grouping, information of the type contained in questions 12(a)–(c) of CMS Form 416 (that consists of the number of enrolled targeted low income children who receive any, preventive, or restorative dental care under the State plan).

''(C) For the age grouping that includes children 8 years of age, the number of such children who have received a protective sealant on at least one permanent molar tooth.

''(2) INCLUSION OF INFORMATION ON ENROLLEES IN MANAGED CARE PLANS.—The information under paragraph (1) shall include information on children who are enrolled in managed care plans and other private health plans and contracts with such plans under this title shall provide for the reporting of such information by such plans to the State.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall be effective for annual reports submitted for years beginning after date of enactment.

(e) IMPROVED ACCESSIBILITY OF DENTAL PROVIDER INFORMATION TO ENROLLEES UNDER MEDICAID AND CHIP.—The Secretary shall—

(1) work with States, pediatric dentists, and other dental providers (including providers that are, or are affiliated with, a school of dentistry) to include, not later than 6 months after the date of the enactment of this Act, on the Insure Kids Now website (http://www.insurekidsnow.gov/) and hotline (1–877–KIDS–NOW) (or on any successor websites or hotlines) a current and accurate list of all such dentists and providers within each State that provide dental services to children enrolled in the State plan (or waiver) under Medicaid or the State child health plan (or waiver) under CHIP, and shall ensure that such list is updated at least quarterly; and

(2) work with States to include, not later than 6 months after the date of the enactment of this Act, a description of the dental services provided under each State plan (or waiver) under Medicaid and each State child health plan (or waiver) under CHIP on such Insure Kids Now website, and shall ensure that such list is updated at least annually.

(f) INCLUSION OF STATUS OF EFFORTS TO IMPROVE DENTAL CARE IN REPORTS ON THE QUALITY OF CHILDREN'S HEALTH CARE UNDER MEDICAID AND CHIP.—Section 1139A(a), as added by section 401(a), is amended—

(1) in paragraph (3)(B)(ii), by inserting ''and, with respect to dental care, conditions requiring the restoration of teeth, relief of pain and infection, and maintenance of dental health'' after ''chronic conditions''; and

(2) in paragraph (6)(A)(ii), by inserting ''dental care,'' after ''preventive health services,''.

(g) GAO STUDY AND REPORT.—

(1) STUDY.—The Comptroller General of the United States shall provide for a study that examines—

(A) access to dental services by children in underserved areas;

(B) children's access to oral health care, including preventive and restorative services, under Medicaid and CHIP, including—

(i) the extent to which dental providers are willing to treat children eligible for such programs;

(ii) information on such children's access to networks of care, including such networks that serve special needs children; and

(iii) geographic availability of oral health care, including preventive and restorative services, under such programs; and

(C) the feasibility and appropriateness of using qualified mid-level dental health providers, in coordination with dentists, to improve access for children to oral health services and public health overall.

(2) REPORT.—Not later than 18 months year after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report on the study conducted under paragraph (1). The report shall include recommendations for such Federal and State legislative and administrative changes as the Comptroller General determines are necessary to address any barriers to access to oral health care, including preventive and restorative services, under Medicaid and CHIP that may exist.

SEC. 502. MENTAL HEALTH PARITY IN CHIP PLANS.

(a) ASSURANCE OF PARITY.—Section 2103(c) (42 U.S.C. 1397cc(c)), as amended by section 501(a)(1)(B), is amended by inserting after paragraph (5), the following:

''(6) MENTAL HEALTH SERVICES PARITY.—

''(A) IN GENERAL.—In the case of a State child health plan that provides both medical and surgical benefits and mental health or substance use disorder benefits, such plan shall ensure that the financial requirements and treatment limitations applicable to such mental health or substance use disorder benefits comply with the requirements of section 2705(a) of the Public Health Service Act in the same manner as such requirements apply to a group health plan.

''(B) DEEMED COMPLIANCE.—To the extent that a State child health plan includes coverage with respect to an individual described in section 1905(a)(4)(B) and covered under the State plan under section 1902(a)(10)(A) of the services described in section 1905(a)(4)(B) (relating to early and periodic screening, diagnostic, and treatment services defined in section 1905(r)) and provided in accordance with section 1902(a)(43), such plan shall be deemed to satisfy the requirements of subparagraph (A).''.

(b) CONFORMING AMENDMENTS.—Section 2103 (42 U.S.C. 1397cc) is amended—

(1) in subsection (a), as amended by section 501(a)(1)(A)(i), in the matter preceding paragraph (1), by inserting '', (6),'' after ''(5)''; and

(2) in subsection (c)(2), by striking subparagraph (B) and redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

SEC. 503. APPLICATION OF PROSPECTIVE PAYMENT SYSTEM FOR SERVICES PROVIDED BY FEDERALLY-QUALIFIED HEALTH CENTERS AND RURAL HEALTH CLINICS.

(a) APPLICATION OF PROSPECTIVE PAYMENT SYSTEM.—

(1) IN GENERAL.—Section 2107(e)(1) (42 U.S.C. 1397gg(e)(1)), as amended by section 501(c)(2) is amended by inserting after subparagraph (C) the following new subparagraph (and redesignating the succeeding subparagraphs accordingly):

''(D) Section 1902(bb) (relating to payment for services provided by Federally-qualified health centers and rural health clinics).''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to services provided on or after October 1, 2009.

(b) TRANSITION GRANTS.—

(1) APPROPRIATION.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to the Secretary for fiscal year 2009, $5,000,000, to remain available until expended, for the purpose of awarding grants to States with State child health plans under CHIP that are operated separately from the State Medicaid plan under title XIX of the Social Security Act (including any waiver of such plan), or in combination with the State Medicaid plan, for expenditures related to transitioning to compliance with the requirement of section 2107(e)(1)(D) of the Social Security Act (as added by subsection (a)) to apply the prospective payment system established under section 1902(bb) of the such Act (42 U.S.C. 1396a(bb)) to services provided by Federally-qualified health centers and rural health clinics.

(2) MONITORING AND REPORT.—The Secretary shall monitor the impact of the application of such prospective payment system on the States described in paragraph (1) and, not later than October 1, 2011, shall report to Congress on any effect on access to benefits, provider payment rates, or scope of benefits offered by such States as a result of the application of such payment system.

SEC. 504. PREMIUM GRACE PERIOD.

(a) IN GENERAL.—Section 2103(e)(3) (42 U.S.C. 1397cc(e)(3)) is amended by adding at the end the following new subparagraph:

''(C) PREMIUM GRACE PERIOD.—The State child health plan—

''(i) shall afford individuals enrolled under the plan a grace period of at least 30 days from the beginning of a new coverage period to make premium payments before the individual's coverage under the plan may be terminated; and

''(ii) shall provide to such an individual, not later than 7 days after the first day of such grace period, notice—

''(I) that failure to make a premium payment within the grace period will result in termination of coverage under the State child health plan; and

''(II) of the individual's right to challenge the proposed termination pursuant to the applicable Federal regulations.

For purposes of clause (i), the term 'new coverage period' means the month immediately following the last month for which the premium has been paid.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to new coverage periods beginning on or after the date of the enactment of this Act.

SEC. 505. CLARIFICATION OF COVERAGE OF SERVICES PROVIDED THROUGH SCHOOL-BASED HEALTH CENTERS.

Section 2103(c) (42 U.S.C. 1397cc(c)), as amended by section 501(a)(1)(B), is amended by adding at the end the following new paragraph:

''(8) AVAILABILITY OF COVERAGE FOR ITEMS AND SERVICES FURNISHED THROUGH SCHOOL-BASED HEALTH CENTERS.—Nothing in this title shall be construed as limiting a State's ability to provide child health assistance for covered items and services that are furnished through school-based health centers.''.

TITLE VI—PROGRAM INTEGRITY AND OTHER MISCELLANEOUS PROVISIONS

Subtitle A—Program Integrity and Data Collection

SEC. 601. PAYMENT ERROR RATE MEASUREMENT ("PERM").

(a) EXPENDITURES RELATED TO COMPLIANCE WITH REQUIREMENTS.—

(1) ENHANCED PAYMENTS.—Section 2105(c) (42 U.S.C. 1397ee(c)), as amended by section 301(a), is amended by adding at the end the following new paragraph:

''(11) ENHANCED PAYMENTS.—Notwithstanding subsection (b), the enhanced FMAP with respect to payments under subsection (a) for expenditures related to the administration of the payment error rate measurement (PERM) requirements applicable to the State child health plan in accordance with the Improper Payments Information Act of 2002 and parts 431 and 457 of title 42, Code of Federal Regulations (or any related or successor guidance or regulations) shall in no event be less than 90 percent.''.

(2) EXCLUSION OF FROM CAP ON ADMINISTRATIVE EXPENDITURES.—Section 2105(c)(2)(C) (42 U.S.C. 1397ee(c)(2)C)), as amended by section 302(b)), is amended by adding at the end the following:

''(iv) PAYMENT ERROR RATE MEASUREMENT (PERM) EXPENDITURES.—Expenditures related to the administration of the payment error rate measurement (PERM) requirements applicable to the State child health plan in accordance with the Improper Payments Information Act of 2002 and parts 431 and 457 of title 42, Code of Federal Regulations (or any related or successor guidance or regulations).''.

(b) FINAL RULE REQUIRED TO BE IN EFFECT FOR ALL STATES.—Notwithstanding parts 431 and 457 of title 42, Code of Federal Regulations (as in effect on the date of enactment of this Act), the Secretary shall not calculate or publish any national or State-specific error rate based on the application of the payment error rate measurement (in this section referred to as ''PERM'') requirements to CHIP until after the date that is 6 months after the date on which a new final rule (in this section referred to as the ''new final rule'') promulgated after the date of the enactment of this Act and implementing such requirements in accordance with the requirements of subsection (c) is in effect for all States. Any calculation of a national error rate or a State specific error rate after such new final rule in effect for all States may only be inclusive of errors, as defined in such new final rule or in guidance issued within a reasonable time frame after the effective date for such new final rule that includes detailed guidance for the specific methodology for error determinations.

(c) REQUIREMENTS FOR NEW FINAL RULE.—For purposes of subsection (b), the requirements of this subsection are that the new final rule implementing the PERM requirements shall—

(1) include—

(A) clearly defined criteria for errors for both States and providers;

(B) a clearly defined process for appealing error determinations by—

(i) review contractors; or

(ii) the agency and personnel described in section 431.974(a)(2) of title 42, Code of Federal Regulations, as in effect on September 1, 2007, responsible for the development, direction, implementation, and evaluation of eligibility reviews and associated activities; and

(C) clearly defined responsibilities and deadlines for States in implementing any corrective action plans; and

(2) provide that the payment error rate determined for a State shall not take into account payment errors resulting from the State's verification of an applicant's self-declaration or self-certification of eligibility for, and the correct amount of, medical assistance or child health assistance, if the State process for verifying an applicant's self-declaration or self-certification satisfies the requirements for such process applicable

under regulations promulgated by the Secretary or otherwise approved by the Secretary.

(d) OPTION FOR APPLICATION OF DATA FOR STATES IN FIRST APPLICATION CYCLE UNDER THE INTERIM FINAL RULE.—After the new final rule implementing the PERM requirements in accordance with the requirements of subsection (c) is in effect for all States, a State for which the PERM requirements were first in effect under an interim final rule for fiscal year 2007 or under a final rule for fiscal year 2008 may elect to accept any payment error rate determined in whole or in part for the State on the basis of data for that fiscal year or may elect to not have any payment error rate determined on the basis of such data and, instead, shall be treated as if fiscal year 2010 or fiscal year 2011 were the first fiscal year for which the PERM requirements apply to the State.

(e) HARMONIZATION OF MEQC AND PERM.—

(1) REDUCTION OF REDUNDANCIES.—The Secretary shall review the Medicaid Eligibility Quality Control (in this subsection referred to as the ''MEQC'') requirements with the PERM requirements and coordinate consistent implementation of both sets of requirements, while reducing redundancies.

(2) STATE OPTION TO APPLY PERM DATA.—A State may elect, for purposes of determining the erroneous excess payments for medical assistance ratio applicable to the State for a fiscal year under section 1903(u) of the Social Security Act (42 U.S.C. 1396b(u)) to substitute data resulting from the application of the PERM requirements to the State after the new final rule implementing such requirements is in effect for all States for data obtained from the application of the MEQC requirements to the State with respect to a fiscal year.

(3) STATE OPTION TO APPLY MEQC DATA.—For purposes of satisfying the requirements of subpart Q of part 431 of title 42, Code of Federal Regulations, relating to Medicaid eligibility reviews, a State may elect to substitute data obtained through MEQC reviews conducted in accordance with section 1903(u) of the Social Security Act (42 U.S.C. 1396b(u)) for data required for purposes of PERM requirements, but only if the State MEQC reviews are based on a broad, representative sample of Medicaid applicants or enrollees in the States.

(f) IDENTIFICATION OF IMPROVED STATE-SPECIFIC SAMPLE SIZES.—The Secretary shall establish State-specific sample sizes for application of the PERM requirements with respect to State child health plans for fiscal years beginning with fiscal year 2009, on the basis of such information as the Secretary determines appropriate. In establishing such sample sizes, the Secretary shall, to the greatest extent practicable—

(1) minimize the administrative cost burden on States under Medicaid and CHIP; and

(2) maintain State flexibility to manage such programs.

SEC. 602. IMPROVING DATA COLLECTION.

(a) INCREASED APPROPRIATION.—Section 2109(b)(2) (42 U.S.C. 1397ii(b)(2)) is amended by striking ''$10,000,000 for fiscal year 2000'' and inserting ''$20,000,000 for fiscal year 2009''.

(b) USE OF ADDITIONAL FUNDS.—Section 2109(b) (42 U.S.C. 1397ii(b)), as amended by subsection (a), is amended—

(1) by redesignating paragraph (2) as paragraph (4); and

(2) by inserting after paragraph (1), the following new paragraphs:

''(2) ADDITIONAL REQUIREMENTS.—In addition to making the adjustments required to produce the data described in paragraph (1), with respect to data collection occurring for fiscal years beginning with fiscal year 2009, in appropriate consultation with the Secretary of Health and Human Services, the Secretary of Commerce shall do the following:

''(A) Make appropriate adjustments to the Current Population Survey to develop more accurate State-specific estimates of the number of children enrolled in health coverage under title XIX or this title.

''(B) Make appropriate adjustments to the Current Population Survey to improve the survey estimates used to determine the child population growth factor under section 2104(m)(5)(B) and any other data necessary for carrying out this title.

''(C) Include health insurance survey information in the American Community Survey related to children.

''(D) Assess whether American Community Survey estimates, once such survey data are first available, produce more reliable estimates than the Current Population Survey with respect to the purposes described in subparagraph (B).

''(E) On the basis of the assessment required under subparagraph (D), recommend to the Secretary of Health and Human Services whether American Community Survey estimates should be used in lieu of, or in some combination with, Current Population Survey estimates for the purposes described in subparagraph (B).

''(F) Continue making the adjustments described in the last sentence of paragraph (1) with respect to expansion of the sample size used in State sampling units, the number of sampling units in a State, and using an appropriate verification element.

''(3) AUTHORITY FOR THE SECRETARY OF HEALTH AND HUMAN SERVICES TO TRANSITION TO THE USE OF ALL, OR SOME COMBINATION OF, ACS ESTIMATES UPON RECOMMENDATION OF THE SECRETARY OF COMMERCE.—If, on the basis of the assessment required under paragraph (2)(D), the Secretary of Commerce recommends to the Secretary of Health and Human Services that American Community Survey estimates should be used in lieu of, or in some combination with, Current Population Survey estimates for the purposes described in paragraph (2)(B), the Secretary of Health and Human Services, in consultation with the States, may provide for a period during which the Secretary may transition from carrying out such purposes through the use of Current Population Survey estimates to the use of American Community Survey estimates (in lieu of, or in combination with the Current Population Survey estimates, as recommended), provided that any such transition is implemented in a manner that is designed to avoid adverse impacts upon States with approved State child health plans under this title.''.

SEC. 603. UPDATED FEDERAL EVALUATION OF CHIP.

Section 2108(c) (42 U.S.C. 1397hh(c)) is amended by striking paragraph (5) and inserting the following:

''(5) SUBSEQUENT EVALUATION USING UPDATED INFORMATION.—

''(A) IN GENERAL.—The Secretary, directly or through contracts or interagency agreements, shall conduct an independent subsequent evaluation of 10 States with approved child health plans.

''(B) SELECTION OF STATES AND MATTERS INCLUDED.—Paragraphs (2) and (3) shall apply to such subsequent evaluation in the same manner as such provisions apply to the evaluation conducted under paragraph (1).

''(C) SUBMISSION TO CONGRESS.—Not later than December 31, 2011, the Secretary shall submit to Congress the results of the evaluation conducted under this paragraph.

''(D) FUNDING.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $10,000,000 for fiscal year 2010 for the purpose of conducting the evaluation authorized under this paragraph. Amounts appropriated under this subparagraph shall remain available for expenditure through fiscal year 2012.''.

SEC. 604. ACCESS TO RECORDS FOR IG AND GAO AUDITS AND EVALUATIONS.

Section 2108(d) (42 U.S.C. 1397hh(d)) is amended to read as follows:

''(d) ACCESS TO RECORDS FOR IG AND GAO AUDITS AND EVALUATIONS.—For the purpose of evaluating and auditing the program established under this title, or title XIX, the Secretary, the Office of Inspector General, and the Comptroller General shall have access to any books, accounts, records, correspondence, and other documents that are related to the expenditure of Federal funds under this title and that are in the possession, custody, or control of States receiving Federal funds under this title or political subdivisions thereof, or any grantee or contractor of such States or political subdivisions.''.

SEC. 605. NO FEDERAL FUNDING FOR ILLEGAL ALIENS.

Nothing in this Act allows Federal payment for individuals who are not lawfully residing in the United States. Titles XI, XIX, and XXI of the Social Security Act provide for the disallowance of Federal financial participation for erroneous expenditures under Medicaid and under CHIP, respectively.

Subtitle B—Miscellaneous Health Provisions

SEC. 611. DEFICIT REDUCTION ACT TECHNICAL CORRECTIONS.

(a) CLARIFICATION OF REQUIREMENT TO PROVIDE EPSDT SERVICES FOR ALL CHILDREN IN BENCHMARK BENEFIT PACKAGES UNDER MEDICAID.—Section 1937(a)(1) (42 U.S.C. 1396u–7(a)(1)), as inserted by section 6044(a) of the Deficit Reduction Act of 2005 (Public Law 109–171, 120 Stat. 88), is amended—

(1) in subparagraph (A)—

(A) in the matter before clause (i)—

(i) by striking ''Notwithstanding any other provision of this title'' and inserting ''Notwithstanding section 1902(a)(1) (relating to statewideness), section 1902(a)(10)(B) (relating to comparability) and any other provision of this title which would be directly contrary to the authority under this section and subject to subsection (E)''; and

(ii) by striking ''enrollment in coverage that provides'' and inserting ''coverage that'';

(B) in clause (i), by inserting ''provides'' after ''(i)''; and

(C) by striking clause (ii) and inserting the following:

''(ii) for any individual described in section 1905(a)(4)(B) who is eligible under the State plan in accordance with paragraphs (10) and (17) of section 1902(a), consists of the items and services described in section 1905(a)(4)(B) (relating to early and periodic screening, diagnostic, and treatment services defined in section 1905(r)) and provided in accordance with the requirements of section 1902(a)(43).'';

(2) in subparagraph (C)—

(A) in the heading, by striking ''**wrap-around**'' and inserting ''**additional**''; and

(B) by striking ''wrap-around or''; and

(3) by adding at the end the following new subparagraph:

''(E) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed as—

''(i) requiring a State to offer all or any of the items and services required by subparagraph (A)(ii) through an issuer of benchmark coverage described in subsection (b)(1) or benchmark equivalent coverage described in subsection (b)(2);

''(ii) preventing a State from offering all or any of the items and services required by

subparagraph (A)(ii) through an issuer of benchmark coverage described in subsection (b)(1) or benchmark equivalent coverage described in subsection (b)(2); or

''(iii) affecting a child's entitlement to care and services described in subsections (a)(4)(B) and (r) of section 1905 and provided in accordance with section 1902(a)(43) whether provided through benchmark coverage, benchmark equivalent coverage, or otherwise.''.

(b) CORRECTION OF REFERENCE TO CHILDREN IN FOSTER CARE RECEIVING CHILD WELFARE SERVICES.—Section 1937(a)(2)(B)(viii) (42 U.S.C. 1396u–7(a)(2)(B)(viii)), as inserted by section 6044(a) of the Deficit Reduction Act of 2005, is amended by striking ''aid or assistance is made available under part B of title IV to children in foster care and individuals'' and inserting ''child welfare services are made available under part B of title IV on the basis of being a child in foster care or''.

(c) TRANSPARENCY.—Section 1937 (42 U.S.C. 1396u–7), as inserted by section 6044(a) of the Deficit Reduction Act of 2005, is amended by adding at the end the following:

''(c) PUBLICATION OF PROVISIONS AFFECTED.—With respect to a State plan amendment to provide benchmark benefits in accordance with subsections (a) and (b) that is approved by the Secretary, the Secretary shall publish on the Internet website of the Centers for Medicare & Medicaid Services, a list of the provisions of this title that the Secretary has determined do not apply in order to enable the State to carry out the plan amendment and the reason for each such determination on the date such approval is made, and shall publish such list in the Federal Register and not later than 30 days after such date of approval.''.

(d) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) of this section shall take effect as if included in the amendment made by section 6044(a) of the Deficit Reduction Act of 2005.

SEC. 612. REFERENCES TO TITLE XXI.

Section 704 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999, as enacted into law by division B of Public Law 106–113 (113 Stat. 1501A–402) is repealed.

SEC. 613. PROHIBITING INITIATION OF NEW HEALTH OPPORTUNITY ACCOUNT DEMONSTRATION PROGRAMS.

After the date of the enactment of this Act, the Secretary of Health and Human Services may not approve any new demonstration programs under section 1938 of the Social Security Act (42 U.S.C. 1396u–8).

SEC. 614. ADJUSTMENT IN COMPUTATION OF MEDICAID FMAP TO DISREGARD AN EXTRAORDINARY EMPLOYER PENSION CONTRIBUTION.

(a) IN GENERAL.—Only for purposes of computing the FMAP (as defined in subsection (e)) for a State for a fiscal year (beginning with fiscal year 2006) and applying the FMAP under title XIX of the Social Security Act, any significantly disproportionate employer pension or insurance fund contribution described in subsection (b) shall be disregarded in computing the per capita income of such State, but shall not be disregarded in computing the per capita income for the continental United States (and Alaska) and Hawaii.

(b) SIGNIFICANTLY DISPROPORTIONATE EMPLOYER PENSION AND INSURANCE FUND CONTRIBUTION.—

(1) IN GENERAL.—For purposes of this section, a significantly disproportionate employer pension and insurance fund contribution described in this subsection with respect to a State is any identifiable employer contribution towards pension or other employee insurance funds that is estimated to accrue to residents of such State for a calendar year (beginning with calendar year 2003) if the increase in the amount so estimated exceeds 25 percent of the total increase in personal income in that State for the year involved.

(2) DATA TO BE USED.—For estimating and adjustment a FMAP already calculated as of the date of the enactment of this Act for a State with a significantly disproportionate employer pension and insurance fund contribution, the Secretary shall use the personal income data set originally used in calculating such FMAP.

(3) SPECIAL ADJUSTMENT FOR NEGATIVE GROWTH.—If in any calendar year the total personal income growth in a State is negative, an employer pension and insurance fund contribution for the purposes of calculating the State's FMAP for a calendar year shall not exceed 125 percent of the amount of such contribution for the previous calendar year for the State.

(c) HOLD HARMLESS.—No State shall have its FMAP for a fiscal year reduced as a result of the application of this section.

(d) REPORT.—Not later than May 15, 2009, the Secretary shall submit to the Congress a report on the problems presented by the current treatment of pension and insurance fund contributions in the use of Bureau of Economic Affairs calculations for the FMAP and for Medicaid and on possible alternative methodologies to mitigate such problems.

(e) FMAP DEFINED.—For purposes of this section, the term ''FMAP'' means the Federal medical assistance percentage, as defined in section 1905(b) of the Social Security Act (42 U.S.C. 1396(d)).

SEC. 615. CLARIFICATION TREATMENT OF REGIONAL MEDICAL CENTER.

(a) IN GENERAL.—Nothing in section 1903(w) of the Social Security Act (42 U.S.C. 1396b(w)) shall be construed by the Secretary of Health and Human Services as prohibiting a State's use of funds as the non-Federal share of expenditures under title XIX of such Act where such funds are transferred from or certified by a publicly-owned regional medical center located in another State and described in subsection (b), so long as the Secretary determines that such use of funds is proper and in the interest of the program under title XIX.

(b) CENTER DESCRIBED.—A center described in this subsection is a publicly-owned regional medical center that—

(1) provides level 1 trauma and burn care services;

(2) provides level 3 neonatal care services;

(3) is obligated to serve all patients, regardless of ability to pay;

(4) is located within a Standard Metropolitan Statistical Area (SMSA) that includes at least 3 States;

(5) provides services as a tertiary care provider for patients residing within a 125-mile radius; and

(6) meets the criteria for a disproportionate share hospital under section 1923 of such Act (42 U.S.C. 1396r–4) in at least one State other than the State in which the center is located.

SEC. 616. EXTENSION OF MEDICAID DSH ALLOTMENTS FOR TENNESSEE AND HAWAII.

Section 1923(f)(6) (42 U.S.C. 1396r–4(f)(6)), as amended by section 202 of the Medicare Improvements for Patients and Providers Act of 2008 (Public Law 110–275) is amended—

(1) in the paragraph heading, by striking ''2009 AND THE FIRST CALENDAR QUARTER OF FISCAL YEAR 2010'' and inserting ''2011 AND THE FIRST CALENDAR QUARTER OF FISCAL YEAR 2012'';

(2) in subparagraph (A)—

(A) in clause (i)—

(i) in the second sentence—

(I) by striking ''and 2009'' and inserting '', 2009, 2010, and 2011''; and

(II) by striking ''such portion of''; and

(ii) in the third sentence, by striking ''2010 for the period ending on December 31, 2009'' and inserting ''2012 for the period ending on December 31, 2011'';

(B) in clause (ii), by striking ''or for a period in fiscal year 2010'' and inserting ''2010, 2011, or for period in fiscal year 2012''; and

(C) in clause (iv)—

(i) in the clause heading, by striking ''2009 AND THE FIRST CALENDAR QUARTER OF FISCAL YEAR 2010'' and inserting ''2011 AND THE FIRST CALENDAR QUARTER OF FISCAL YEAR 2012''; and

(ii) in each of subclauses (I) and (II), by striking '' or for a period in fiscal year 2010'' and inserting ''2010, 2011, or for a period in fiscal year 2012''; and

(3) in subparagraph (B)—

(A) in clause (i)—

(i) in the first sentence, by striking ''2009'' and inserting ''2011''; and

(ii) in the second sentence, by striking ''2010 for the period ending on December 31, 2009'' and inserting ''2012 for the period ending on December 31, 2011''.

Subtitle C—Other Provisions

SEC. 621. OUTREACH REGARDING HEALTH INSURANCE OPTIONS AVAILABLE TO CHILDREN.

(a) DEFINITIONS.—In this section—

(1) the terms ''Administration'' and ''Administrator'' means the Small Business Administration and the Administrator thereof, respectively;

(2) the term ''certified development company'' means a development company participating in the program under title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.);

(3) the term ''Medicaid program'' means the program established under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

(4) the term ''Service Corps of Retired Executives'' means the Service Corps of Retired Executives authorized by section 8(b)(1) of the Small Business Act (15 U.S.C. 637(b)(1));

(5) the term ''small business concern'' has the meaning given that term in section 3 of the Small Business Act (15 U.S.C. 632);

(6) the term ''small business development center'' means a small business development center described in section 21 of the Small Business Act (15 U.S.C. 648);

(7) the term ''State'' has the meaning given that term for purposes of title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.);

(8) the term ''State Children's Health Insurance Program'' means the State Children's Health Insurance Program established under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.);

(9) the term ''task force'' means the task force established under subsection (b)(1); and

(10) the term ''women's business center'' means a women's business center described in section 29 of the Small Business Act (15 U.S.C. 656).

(b) ESTABLISHMENT OF TASK FORCE.—

(1) ESTABLISHMENT.—There is established a task force to conduct a nationwide campaign of education and outreach for small business concerns regarding the availability of coverage for children through private insurance options, the Medicaid program, and the State Children's Health Insurance Program.

(2) MEMBERSHIP.—The task force shall consist of the Administrator, the Secretary of Health and Human Services, the Secretary of Labor, and the Secretary of the Treasury.

(3) RESPONSIBILITIES.—The campaign conducted under this subsection shall include—

(A) efforts to educate the owners of small business concerns about the value of health coverage for children;

(B) information regarding options available to the owners and employees of small

business concerns to make insurance more affordable, including Federal and State tax deductions and credits for health care-related expenses and health insurance expenses and Federal tax exclusion for health insurance options available under employer-sponsored cafeteria plans under section 125 of the Internal Revenue Code of 1986;

(C) efforts to educate the owners of small business concerns about assistance available through public programs; and

(D) efforts to educate the owners and employees of small business concerns regarding the availability of the hotline operated as part of the Insure Kids Now program of the Department of Health and Human Services.

(4) IMPLEMENTATION.—In carrying out this subsection, the task force may—

(A) use any business partner of the Administration, including—

(i) a small business development center;

(ii) a certified development company;

(iii) a women's business center; and

(iv) the Service Corps of Retired Executives;

(B) enter into—

(i) a memorandum of understanding with a chamber of commerce; and

(ii) a partnership with any appropriate small business concern or health advocacy group; and

(C) designate outreach programs at regional offices of the Department of Health and Human Services to work with district offices of the Administration.

(5) WEBSITE.—The Administrator shall ensure that links to information on the eligibility and enrollment requirements for the Medicaid program and State Children's Health Insurance Program of each State are prominently displayed on the website of the Administration.

(6) REPORT.—

(A) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, and every 2 years thereafter, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on the status of the nationwide campaign conducted under paragraph (1).

(B) CONTENTS.—Each report submitted under subparagraph (A) shall include a status update on all efforts made to educate owners and employees of small business concerns on options for providing health insurance for children through public and private alternatives.

SEC. 622. SENSE OF THE SENATE REGARDING ACCESS TO AFFORDABLE AND MEANINGFUL HEALTH INSURANCE COVERAGE.

(a) FINDINGS.—The Senate finds the following:

(1) There are approximately 45 million Americans currently without health insurance.

(2) More than half of uninsured workers are employed by businesses with less than 25 employees or are self-employed.

(3) Health insurance premiums continue to rise at more than twice the rate of inflation for all consumer goods.

(4) Individuals in the small group and individual health insurance markets usually pay more for similar coverage than those in the large group market.

(5) The rapid growth in health insurance costs over the last few years has forced many employers, particularly small employers, to increase deductibles and co-pays or to drop coverage completely.

(b) SENSE OF THE SENATE.—The Senate—

(1) recognizes the necessity to improve affordability and access to health insurance for all Americans;

(2) acknowledges the value of building upon the existing private health insurance market; and

(3) affirms its intent to enact legislation this year that, with appropriate protection for consumers, improves access to affordable and meaningful health insurance coverage for employees of small businesses and individuals by—

(A) facilitating pooling mechanisms, including pooling across State lines, and

(B) providing assistance to small businesses and individuals, including financial assistance and tax incentives, for the purchase of private insurance coverage.

SEC. 623. LIMITATION ON MEDICARE EXCEPTION TO THE PROHIBITION ON CERTAIN PHYSICIAN REFERRALS FOR HOSPITALS.

(a) IN GENERAL.—Section 1877 (42 U.S.C. 1395nn) is amended—

(1) in subsection (d)(2)—

(A) in subparagraph (A), by striking ''and'' at the end;

(B) in subparagraph (B), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following new subparagraph:

''(C) in the case where the entity is a hospital, the hospital meets the requirements of paragraph (3)(D).'';

(2) in subsection (d)(3)—

(A) in subparagraph (B), by striking ''and'' at the end;

(B) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following new subparagraph:

''(D) the hospital meets the requirements described in subsection (i)(1).''; and

(3) by adding at the end the following new subsection:

''(i) REQUIREMENTS FOR HOSPITALS TO QUALIFY FOR RURAL PROVIDER AND HOSPITAL EXCEPTION TO OWNERSHIP OR INVESTMENT PROHIBITION.—

''(1) REQUIREMENTS DESCRIBED.—For purposes of subsection (d)(3)(D), the requirements described in this paragraph for a hospital are as follows:

''(A) PROVIDER AGREEMENT.—The hospital had—

''(i) physician ownership or investment on January 1, 2009; and

''(ii) a provider agreement under section 1866 in effect on such date.

''(B) PROHIBITION ON PHYSICIAN OWNERSHIP OR INVESTMENT.—The percentage of the total value of the ownership or investment interests held in the hospital, or in an entity whose assets include the hospital, by physician owners or investors in the aggregate does not exceed such percentage as of the date of enactment of this subsection.

''(C) PROHIBITION ON EXPANSION OF FACILITY CAPACITY.—Except as provided in paragraph (3), the number of operating rooms, procedure rooms, and beds of the hospital at any time on or after the date of the enactment of this subsection are no greater than the number of operating rooms, procedure rooms, and beds as of such date.

''(D) PREVENTING CONFLICTS OF INTEREST.—

''(i) The hospital submits to the Secretary an annual report containing a detailed description of—

''(I) the identity of each physician owner and physician investor and any other owners or investors of the hospital; and

''(II) the nature and extent of all ownership and investment interests in the hospital.

''(ii) The hospital has procedures in place to require that any referring physician owner or investor discloses to the patient being referred, by a time that permits the patient to make a meaningful decision regarding the receipt of care, as determined by the Secretary—

''(I) the ownership or investment interest, as applicable, of such referring physician in the hospital; and

''(II) if applicable, any such ownership or investment interest of the treating physician.

''(iii) The hospital does not condition any physician ownership or investment interests either directly or indirectly on the physician owner or investor making or influencing referrals to the hospital or otherwise generating business for the hospital.

''(iv) The hospital discloses the fact that the hospital is partially owned by physicians—

''(I) on any public website for the hospital; and

''(II) in any public advertising for the hospital.

''(E) ENSURING BONA FIDE OWNERSHIP AND INVESTMENT.—

''(i) Any ownership or investment interests that the hospital offers to a physician owner or investor are not offered on more favorable terms than the terms offered to a person who is not a physician owner or investor.

''(ii) The hospital (or any investors in the hospital) does not directly or indirectly provide loans or financing for any physician owner or investor in the hospital.

''(iii) The hospital (or any investors in the hospital) does not directly or indirectly guarantee a loan, make a payment toward a loan, or otherwise subsidize a loan, for any individual physician owner or investor or group of physician owners or investors that is related to acquiring any ownership or investment interest in the hospital.

''(iv) Ownership or investment returns are distributed to each owner or investor in the hospital in an amount that is directly proportional to the ownership or investment interest of such owner or investor in the hospital.

''(v) Physician owners and investors do not receive, directly or indirectly, any guaranteed receipt of or right to purchase other business interests related to the hospital, including the purchase or lease of any property under the control of other owners or investors in the hospital or located near the premises of the hospital.

''(vi) The hospital does not offer a physician owner or investor the opportunity to purchase or lease any property under the control of the hospital or any other owner or investor in the hospital on more favorable terms than the terms offered to an individual who is not a physician owner or investor.

''(F) PATIENT SAFETY.—The hospital has the capacity to—

''(i) provide assessment and initial treatment for patients; and

''(ii) refer and transfer patients to hospitals with the capability to treat the needs of the patient involved.

''(G) LIMITATION ON APPLICATION TO CERTAIN CONVERTED FACILITIES.—The hospital was not converted from an ambulatory surgical center to a hospital on or after the date of enactment of this subsection.

''(2) PUBLICATION OF INFORMATION REPORTED.—The Secretary shall publish, and update on an annual basis, the information submitted by hospitals under paragraph (1)(D)(i) on the public Internet website of the Centers for Medicare & Medicaid Services.

''(3) EXCEPTION TO PROHIBITION ON EXPANSION OF FACILITY CAPACITY.—

''(A) PROCESS.—

''(i) ESTABLISHMENT.—The Secretary shall establish and implement a process under which an applicable hospital (as defined in subparagraph (E)) may apply for an exception from the requirement under paragraph (1)(C).

''(ii) OPPORTUNITY FOR COMMUNITY INPUT.—The process under clause (i) shall provide individuals and entities in the community in which the applicable hospital applying for an exception is located with the opportunity to provide input with respect to the application.

''(iii) TIMING FOR IMPLEMENTATION.—The Secretary shall implement the process under clause (i) on July 1, 2010.

''(iv) REGULATIONS.—Not later than June 1, 2010, the Secretary shall promulgate regulations to carry out the process under clause (i).

''(B) FREQUENCY.—The process described in subparagraph (A) shall permit an applicable hospital to apply for an exception up to once every 2 years.

''(C) PERMITTED INCREASE.—

''(i) IN GENERAL.—Subject to clause (ii) and subparagraph (D), an applicable hospital granted an exception under the process described in subparagraph (A) may increase the number of operating rooms, procedure rooms, and beds of the applicable hospital above the baseline number of operating rooms, procedure rooms, and beds of the applicable hospital (or, if the applicable hospital has been granted a previous exception under this paragraph, above the number of operating rooms, procedure rooms, and beds of the hospital after the application of the most recent increase under such an exception).

''(ii) 100 PERCENT INCREASE LIMITATION.—The Secretary shall not permit an increase in the number of operating rooms, procedure rooms, and beds of an applicable hospital under clause (i) to the extent such increase would result in the number of operating rooms, procedure rooms, and beds of the applicable hospital exceeding 200 percent of the baseline number of operating rooms, procedure rooms, and beds of the applicable hospital.

''(iii) BASELINE NUMBER OF OPERATING ROOMS, PROCEDURE ROOMS, AND BEDS.—In this paragraph, the term 'baseline number of operating rooms, procedure rooms, and beds' means the number of operating rooms, procedure rooms, and beds of the applicable hospital as of the date of enactment of this subsection.

''(D) INCREASE LIMITED TO FACILITIES ON THE MAIN CAMPUS OF THE HOSPITAL.—Any increase in the number of operating rooms, procedure rooms, and beds of an applicable hospital pursuant to this paragraph may only occur in facilities on the main campus of the applicable hospital.

''(E) APPLICABLE HOSPITAL.—In this paragraph, the term 'applicable hospital' means a hospital—

''(i) that is located in a county in which the percentage increase in the population during the most recent 5-year period (as of the date of the application under subparagraph (A)) is at least 150 percent of the percentage increase in the population growth of the State in which the hospital is located during that period, as estimated by Bureau of the Census and available to the Secretary;

''(ii) whose annual percent of total inpatient admissions that represent inpatient admissions under the program under title XIX is equal to or greater than the average percent with respect to such admissions for all hospitals located in the county in which the hospital is located;

''(iii) that does not discriminate against beneficiaries of Federal health care programs and does not permit physicians practicing at the hospital to discriminate against such beneficiaries;

''(iv) that is located in a State in which the average bed capacity in the State is less than the national average bed capacity; and

''(v) that has an average bed occupancy rate that is greater than the average bed occupancy rate in the State in which the hospital is located.

''(F) PROCEDURE ROOMS.—In this subsection, the term 'procedure rooms' includes rooms in which catheterizations, angiographies, angiograms, and endoscopies are performed, except such term shall not include emergency rooms or departments (exclusive of rooms in which catheterizations, angiographies, angiograms, and endoscopies are performed).

''(G) PUBLICATION OF FINAL DECISIONS.—Not later than 60 days after receiving a complete application under this paragraph, the Secretary shall publish in the Federal Register the final decision with respect to such application.

''(H) LIMITATION ON REVIEW.—There shall be no administrative or judicial review under section 1869, section 1878, or otherwise of the process under this paragraph (including the establishment of such process).

''(4) COLLECTION OF OWNERSHIP AND INVESTMENT INFORMATION.—For purposes of subparagraphs (A)(i) and (B) of paragraph (1), the Secretary shall collect physician ownership and investment information for each hospital.

''(5) PHYSICIAN OWNER OR INVESTOR DEFINED.—For purposes of this subsection, the term 'physician owner or investor' means a physician (or an immediate family member of such physician) with a direct or an indirect ownership or investment interest in the hospital.

''(6) PATIENT SAFETY REQUIREMENT.—In the case of a hospital to which the requirements of paragraph (1) apply, insofar as the hospital described in this subsection admits a patient and does not have any physician available on the premises to provide services during all hours in which the hospital is providing services to such patient, before admitting the patient—

''(A) the hospital shall disclose such fact to a patient; and

''(B) following such disclosure, the hospital shall receive from the patient a signed acknowledgment that the patient understands such fact.

''(7) CLARIFICATION.—Nothing in this subsection shall be construed as preventing the Secretary from revoking a hospital's provider agreement if not in compliance with regulations implementing section 1866.''.

(b) ENFORCEMENT.—

(1) ENSURING COMPLIANCE.—The Secretary of Health and Human Services shall establish policies and procedures to ensure compliance with the requirements described in subsections (i)(1) and (i)(7) of section 1877 of the Social Security Act, as added by subsection (a)(3), beginning on the date such requirements first apply. Such policies and procedures may include unannounced site reviews of hospitals.

(2) AUDITS.—Beginning not later than July 1, 2011, the Secretary of Health and Human Services shall conduct audits to determine if hospitals violate the requirements referred to in paragraph (1).

TITLE VII—REVENUE PROVISIONS

SEC. 701. INCREASE IN EXCISE TAX RATE ON TOBACCO PRODUCTS.

(a) CIGARS.—

(1) SMALL CIGARS.—Paragraph (1) of section 5701(a) of the Internal Revenue Code of 1986 is amended to read as follows:

''(1) SMALL CIGARS.—On cigars, weighing not more than 3 pounds per thousand, the amount determined in accordance with the following table:

''Cigars Removed During Calendar Year—	Tax Rate Per Thousand—
2009 or 2010	$12.50
2011 or 2012	$25.00
2013 or 2014	$37.50
2015 or thereafter	$50.00.''.

(2) LARGE CIGARS.—Paragraph (2) of section 5701(a) of such Code is amended—

(A) by striking ''20.719 percent (18.063 percent on cigars removed during 2000 or 2001)'' and inserting ''52.4 percent'', and

(B) by striking ''$48.75 per thousand ($42.50 per thousand on cigars removed during 2000 or 2001)'' and inserting ''40 cents per cigar''.

(b) CIGARETTES.—Section 5701(b) of such Code is amended—

(1) by striking ''$19.50 per thousand ($17 per thousand on cigarettes removed during 2000 or 2001)'' in paragraph (1) and inserting ''$50.00 per thousand'', and

(2) by striking ''$40.95 per thousand ($35.70 per thousand on cigarettes removed during 2000 or 2001)'' in paragraph (2) and inserting ''$105.00 per thousand''.

(c) CIGARETTE PAPERS.—Section 5701(c) of such Code is amended by striking ''1.22 cents (1.06 cents on cigarette papers removed during 2000 or 2001)'' and inserting ''3.13 cents''.

(d) CIGARETTE TUBES.—Section 5701(d) of such Code is amended by striking ''2.44 cents (2.13 cents on cigarette tubes removed during 2000 or 2001)'' and inserting ''6.26 cents''.

(e) SMOKELESS TOBACCO.—Section 5701(e) of such Code is amended—

(1) by striking ''58.5 cents (51 cents on snuff removed during 2000 or 2001)'' in paragraph (1) and inserting ''$1.50'', and

(2) by striking ''19.5 cents (17 cents on chewing tobacco removed during 2000 or 2001)'' in paragraph (2) and inserting ''50 cents''.

(f) PIPE TOBACCO.—Section 5701(f) of such Code is amended by striking ''$1.0969 cents (95.67 cents on pipe tobacco removed during 2000 or 2001)'' and inserting ''$2.8126''.

(g) ROLL-YOUR-OWN TOBACCO.—Section 5701(g) of such Code is amended by striking ''$1.0969 cents (95.67 cents on roll-your-own tobacco removed during 2000 or 2001)'' and inserting ''$24.62''.

(h) FLOOR STOCKS TAXES.—

(1) IMPOSITION OF TAX.—On tobacco products (other than cigars described in section 5701(a)(2) of the Internal Revenue Code of 1986) and cigarette papers and tubes manufactured in or imported into the United States which are removed before any tax increase date and held on such date for sale by any person, there is hereby imposed a tax in an amount equal to the excess of—

(A) the tax which would be imposed under section 5701 of such Code on the article if the article had been removed on such date, over

(B) the prior tax (if any) imposed under section 5701 of such Code on such article.

(2) CREDIT AGAINST TAX.—Each person shall be allowed as a credit against the taxes imposed by paragraph (1) an amount equal to $500. Such credit shall not exceed the amount of taxes imposed by paragraph (1) on such date, for which such person is liable.

(3) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(A) LIABILITY FOR TAX.—A person holding tobacco products, cigarette papers, or cigarette tubes on any tax increase date, to which any tax imposed by paragraph (1) applies shall be liable for such tax.

(B) METHOD OF PAYMENT.—The tax imposed by paragraph (1) shall be paid in such manner as the Secretary shall prescribe by regulations.

(C) TIME FOR PAYMENT.—

(i) IN GENERAL.—The tax imposed by paragraph (1) shall be paid on or before August 1, 2009.

(ii) SPECIAL RULE FOR SMALL CIGARS.—In the case of small cigars, the tax imposed by paragraph (1) on or after January 1, 2011, shall be paid on or before April 1 following any tax increase date.

(4) ARTICLES IN FOREIGN TRADE ZONES.—Notwithstanding the Act of June 18, 1934 (commonly known as the Foreign Trade Zone Act, 48 Stat. 998, 19 U.S.C. 81a et seq.) or any other provision of law, any article which is located in a foreign trade zone on any tax increase date shall be subject to the tax imposed by paragraph (1) if—

(A) internal revenue taxes have been determined, or customs duties liquidated, with respect to such article before such date pursuant to a request made under the 1st proviso of section 3(a) of such Act, or

(B) such article is held on such date under the supervision of an officer of the United States Customs and Border Protection of the Department of Homeland Security pursuant to the 2d proviso of such section 3(a).

(5) DEFINITIONS.—For purposes of this subsection—

(A) IN GENERAL.—Any term used in this subsection which is also used in section 5702 of the Internal Revenue Code of 1986 shall have the same meaning as such term has in such section.

(B) TAX INCREASE DATE.—The term ''tax increase date'' means April 1, 2009, January 1, 2011, January 1, 2013, and January 1, 2015.

(C) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury or the Secretary's delegate.

(6) CONTROLLED GROUPS.—Rules similar to the rules of section 5061(e)(3) of such Code shall apply for purposes of this subsection.

(7) OTHER LAWS APPLICABLE.—All provisions of law, including penalties, applicable with respect to the taxes imposed by section 5701 of such Code shall, insofar as applicable and not inconsistent with the provisions of this subsection, apply to the floor stocks taxes imposed by paragraph (1), to the same extent as if such taxes were imposed by such section 5701. The Secretary may treat any person who bore the ultimate burden of the tax imposed by paragraph (1) as the person to whom a credit or refund under such provisions may be allowed or made.

(i) EFFECTIVE DATE.—The amendments made by this section shall apply to articles removed (as defined in section 5702(j) of the Internal Revenue Code of 1986) after March 31, 2009.

SEC. 702. ADMINISTRATIVE IMPROVEMENTS.

(a) PERMIT, INVENTORIES, REPORTS, AND RECORDS REQUIREMENTS FOR MANUFACTURERS AND IMPORTERS OF PROCESSED TOBACCO.—

(1) PERMIT.—

(A) APPLICATION.—Section 5712 of the Internal Revenue Code of 1986 is amended by inserting ''or processed tobacco'' after ''tobacco products''.

(B) ISSUANCE.—Section 5713(a) of such Code is amended by inserting ''or processed tobacco'' after ''tobacco products''.

(2) INVENTORIES, REPORTS, AND PACKAGES.—

(A) INVENTORIES.—Section 5721 of such Code is amended by inserting '', processed tobacco,'' after ''tobacco products''.

(B) REPORTS.—Section 5722 of such Code is amended by inserting '', processed tobacco,'' after ''tobacco products''.

(C) PACKAGES, MARKS, LABELS, AND NOTICES.—Section 5723 of such Code is amended by inserting '', processed tobacco,'' after ''tobacco products'' each place it appears.

(3) RECORDS.—Section 5741 of such Code is amended by inserting '', processed tobacco,'' after ''tobacco products''.

(4) MANUFACTURER OF PROCESSED TOBACCO.—Section 5702 of such Code is amended by adding at the end the following new subsection:

''(p) MANUFACTURER OF PROCESSED TOBACCO.—

''(1) IN GENERAL.—The term 'manufacturer of processed tobacco' means any person who processes any tobacco other than tobacco products.

''(2) PROCESSED TOBACCO.—The processing of tobacco shall not include the farming or growing of tobacco or the handling of tobacco solely for sale, shipment, or delivery to a manufacturer of tobacco products or processed tobacco.''.

(5) CONFORMING AMENDMENT.—Sections 5702(j), 5702(k), and 5704(h) of such Code is amended by inserting '', or any processed tobacco,'' after ''nontaxpaid tobacco products or cigarette papers or tubes''.

(6) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on April 1, 2009.

(b) BASIS FOR DENIAL, SUSPENSION, OR REVOCATION OF PERMITS.—

(1) DENIAL.—Paragraph (3) of section 5712 of such Code is amended to read as follows:

''(3) such person (including, in the case of a corporation, any officer, director, or principal stockholder and, in the case of a partnership, a partner)—

''(A) is, by reason of his business experience, financial standing, or trade connections or by reason of previous or current legal proceedings involving a felony violation of any other provision of Federal criminal law relating to tobacco products, processed tobacco, cigarette paper, or cigarette tubes, not likely to maintain operations in compliance with this chapter,

''(B) has been convicted of a felony violation of any provision of Federal or State criminal law relating to tobacco products, processed tobacco, cigarette paper, or cigarette tubes, or

''(C) has failed to disclose any material information required or made any material false statement in the application therefor.''.

(2) SUSPENSION OR REVOCATION.—Subsection (b) of section 5713 of such Code is amended to read as follows:

''(b) SUSPENSION OR REVOCATION.—

''(1) SHOW CAUSE HEARING.—If the Secretary has reason to believe that any person holding a permit—

''(A) has not in good faith complied with this chapter, or with any other provision of this title involving intent to defraud,

''(B) has violated the conditions of such permit,

''(C) has failed to disclose any material information required or made any material false statement in the application for such permit,

''(D) has failed to maintain his premises in such manner as to protect the revenue,

''(E) is, by reason of previous or current legal proceedings involving a felony violation of any other provision of Federal criminal law relating to tobacco products, processed tobacco, cigarette paper, or cigarette tubes, not likely to maintain operations in compliance with this chapter, or

''(F) has been convicted of a felony violation of any provision of Federal or State criminal law relating to tobacco products, processed tobacco, cigarette paper, or cigarette tubes,

the Secretary shall issue an order, stating the facts charged, citing such person to show cause why his permit should not be suspended or revoked.

''(2) ACTION FOLLOWING HEARING.—If, after hearing, the Secretary finds that such person has not shown cause why his permit should not be suspended or revoked, such permit shall be suspended for such period as the Secretary deems proper or shall be revoked.''.

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

(c) APPLICATION OF INTERNAL REVENUE CODE STATUTE OF LIMITATIONS FOR ALCOHOL AND TOBACCO EXCISE TAXES.—

(1) IN GENERAL.—Section 514(a) of the Tariff Act of 1930 (19 U.S.C. 1514(a)) is amended by striking ''and section 520 (relating to refunds)'' and inserting ''section 520 (relating to refunds), and section 6501 of the Internal Revenue Code of 1986 (but only with respect to taxes imposed under chapters 51 and 52 of such Code)''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to articles imported after the date of the enactment of this Act.

(d) EXPANSION OF DEFINITION OF ROLL-YOUR-OWN TOBACCO.—

(1) IN GENERAL.—Section 5702(o) of the Internal Revenue Code of 1986 is amended by inserting ''or cigars, or for use as wrappers thereof'' before the period at the end.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to articles removed (as defined in section 5702(j) of the Internal Revenue Code of 1986) after March 31, 2009.

(e) TIME OF TAX FOR UNLAWFULLY MANUFACTURED TOBACCO PRODUCTS.—

(1) IN GENERAL.—Section 5703(b)(2) of such Code is amended by adding at the end the following new subparagraph:

''(F) SPECIAL RULE FOR UNLAWFULLY MANUFACTURED TOBACCO PRODUCTS.—In the case of any tobacco products, cigarette paper, or cigarette tubes manufactured in the United States at any place other than the premises of a manufacturer of tobacco products, cigarette paper, or cigarette tubes that has filed the bond and obtained the permit required under this chapter, tax shall be due and payable immediately upon manufacture.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect on the date of the enactment of this Act.

(f) DISCLOSURE.—

(1) IN GENERAL.—Paragraph (1) of section 6103(o) of such Code is amended by designating the text as subparagraph (A), moving

such text 2 ems to the right, striking ''Returns'' and inserting ''(A) IN GENERAL.—Returns'', and by inserting after subparagraph (A) (as so redesignated) the following new subparagraph:

''(B) USE IN CERTAIN PROCEEDINGS.—Returns and return information disclosed to a Federal agency under subparagraph (A) may be used in an action or proceeding (or in preparation for such action or proceeding) brought under section 625 of the American Jobs Creation Act of 2004 for the collection of any unpaid assessment or penalty arising under such Act.''.

(2) CONFORMING AMENDMENT.—Section 6103(p)(4) of such Code is amended by striking ''(o)(1)'' both places it appears and inserting ''(o)(1)(A)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply on or after the date of the enactment of this Act.

(g) TRANSITIONAL RULE.—Any person who—

(1) on April 1 is engaged in business as a manufacturer of processed tobacco or as an importer of processed tobacco, and

(2) before the end of the 90-day period beginning on such date, submits an application under subchapter B of chapter 52 of such Code to engage in such business, may, notwithstanding such subchapter B, continue to engage in such business pending final action on such application. Pending such final action, all provisions of such chapter 52 shall apply to such applicant in the same manner and to the same extent as if such applicant were a holder of a permit under such chapter 52 to engage in such business.

SEC. 703. TREASURY STUDY CONCERNING MAGNITUDE OF TOBACCO SMUGGLING IN THE UNITED STATES.

Not later than one year after the date of the enactment of this Act, the Secretary of the Treasury shall conduct a study concerning the magnitude of tobacco smuggling in the United States and submit to Congress recommendations for the most effective steps to reduce tobacco smuggling. Such study shall also include a review of the loss of Federal tax receipts due to illicit tobacco trade in the United States and the role of imported tobacco products in the illicit tobacco trade in the United States.

SEC. 704. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

The percentage under subparagraph (C) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 in effect on the date of the enactment of this Act is increased by 1 percentage point.

The SPEAKER pro tempore. Pursuant to House Resolution 52, the gentleman from New Jersey (Mr. PALLONE), the gentleman from Missouri (Mr. BLUNT), the gentleman from New York (Mr. RANGEL), and the gentleman from California (Mr. HERGER) each will control 15 minutes.

The Chair recognizes the gentleman from New Jersey.

GENERAL LEAVE

Mr. PALLONE. Madam Speaker, I ask unanimous consent that every Member have 5 legislative days in which to revise and extend their remarks and include extraneous material on the legislation now before us.

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

There was no objection.

Mr. PALLONE. Madam Speaker, I yield myself 1 minute.

Madam Speaker, we have been working to reauthorize the Children's Health Insurance Program for the past 2 years. In the last Congress, we passed legislation that enjoyed bipartisan support in both the House and Senate as well as the support of the American people. Unfortunately, it did not enjoy the support of the President, who vetoed our bill not once, but twice, and went on to proclaim that uninsured children can simply go to the emergency room to have their medical needs met.

But this is a new day in Washington. Soon we will have a new President who has committed himself to reforming our Nation's health care system so every American can access affordable and quality health care. The bill we are considering today makes a down payment on that promise by putting the health and well-being of our children first.

Madam Speaker, this bill will make critical improvements to CHIP. There will be more resources for States to enroll eligible children. There will be better benefits. As a result, there will be 11 million children who will have access to the quality health coverage they need and deserve.

□ 1230

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. PALLONE. Madam Speaker, I yield myself another 15 seconds.

After 2 years of trying to get this bill enacted, we are now nearing the finish line and with not a moment to spare. As the Nation moves deeper into a recession and unemployment rates continue to rise, millions of Americans are joining the ranks of the uninsured, many of whom are children. We can't delay. We must enact this legislation now.

Madam Speaker, I reserve the balance of my time.

Mr. BLUNT. Madam Speaker, I yield myself 2 minutes.

As I have returned to a more active role in the Energy and Commerce Committee, Madam Speaker, in this Congress, I will say I was surprised not to have a markup of this bill.

We don't have to reauthorize this program until April. Certainly I'm for, as almost all the Members are for, a reauthorization of the current program and even for discussing how we can make that program better. But we didn't have a markup. We didn't see the bill, at least I haven't seen it, until today. And I have concerns about this bill. Certainly there are several reasons to look at this bill and think we could have improved it, bring it to the floor.

Poor kids first, poor children first being served was the reason to have SCHIP, for children whose families couldn't afford insurance. This bill doesn't require the States to meet any kind of threshold standard that would ensure that States were doing everything they could to find kids who needed insurance before they begin to spend money to find kids who may not have the same need.

Under the bill several thousands of American families would be poor enough to qualify for SCHIP and have the government pay for their health care, but they'd be rich enough to still be required to pay the alternative minimum tax. The bill changes welfare participation laws by eliminating the 5-year waiting period for legal immigrants to lawfully reside in the country before they can participate in this program. The bill significantly weakens provisions in current law requiring citizenship verification standards before an individual can be enrolled in this particular program. The bill will ship 2.4 million privately insured children to a government-run program.

We think we have a better response. While there will be debate about how this bill is paid for, the biggest problem in the paid-for is in the 10th year, the final year, we assume that 65 percent of the people who are receiving the benefit——

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BLUNT. Madam Speaker, I yield myself 30 more seconds.

In the final bill, we assume that 65 percent of the children receiving the benefit wouldn't get the benefit anymore.

It seems to me this bill needs more work, would have benefited from a committee hearing. It doesn't prioritize poor kids to ensure that they get health care first.

I look forward to the debate today.

Madam Speaker, I reserve the balance of my time.

Mr. RANGEL. Madam Speaker, I yield myself such time as I may consume, and that won't be long.

This is a great opportunity for Members who have returned to this Congress, but it's a better opportunity for the new Members.

I won't be speaking on this bill because so many people want to be associated with this on our side. And I'm convinced it's not a Republican/Democratic issue. It's an issue of whether the families of 11 million kids are going to get health care. You cannot say in dollars and cents what it's worth. We had overwhelming support in the other Congress. Now we don't have the threat of a veto.

So I hope that you consider the children and not technical things that you're seeking in perfection.

Madam Speaker, I yield the balance of my time over to PETE STARK, who for over a year has attempted to perfect this bill to reach the popularity and support it's gained on both sides of the aisle. I thank Chairman WAXMAN for the work that his committee and Mr. DINGELL have made to make certain that we all read from the same page. And I look forward to this being the beginning where one day this Congress can say that no child will be able to say they're not covered by a decent health care program. So by unanimous consent I do hope that you will allow me to turn the balance of my time and

my thanks to Chairman STARK, who brought us to this point once again.

The SPEAKER pro tempore. Without objection, the gentleman from California will control the time.

There was no objection.

Mr. BLUNT. Madam Speaker, I yield 1 minute to a member of the Health Subcommittee of the full committee, Mr. SHADEGG from Arizona.

Mr. SHADEGG. Madam Speaker, this is a sad day. It's a sad day because we are about to adopt a radically different bill than the bills that were before with no hearings and no amendments. I would suggest democracy deserves better.

About an hour ago, the Democratic majority leader told the tragic story of Deamonte Driver, a 12-year-old Maryland boy who died in 2007 from complications resulting from what started as a simple toothache. The majority leader used Deamonte's story to argue that we need to expand SCHIP.

Stunningly, however, Deamonte Driver's story is a story of a government health care program that failed. This was a child that went into a government health care program. It failed him so miserably, he died.

Several colleagues on the opposite side of the aisle argue that Republicans don't care about health care. That's dead wrong. We care about health care for America's poor and America's children. What we are against and adamantly against is promising Americans health care but failing to live up to that promise. That is what this bill will do.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BLUNT. Madam Speaker, I yield the gentleman an additional 30 seconds.

Mr. SHADEGG. The Republican alternative is to give every single American family, every single one, the ability to buy a health care plan of their choice, not just the rich, not just the poor, but even those who don't respond to a government request that they enroll. We want to put them in a position to buy the health care they need by their choice from the doctor they choose.

That's not good enough for the other side. They want to expand government programs that in the tragic story of Deamonte Driver resulted in the death of a 12-year-old boy from a problem that started as a toothache.

Mr. PALLONE. Madam Speaker, I yield 1 minute to the gentleman from California, the chairman of the Energy and Commerce Committee (Mr. WAXMAN).

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

Mr. WAXMAN. Madam Speaker, I want to thank the gentleman from New Jersey, a very able chairman of the subcommittee of the Energy and Commerce Committee, for his authorship and managing this bill today.

This is an important bill, and I want to commend Chairman Emeritus JOHN DINGELL for all the work he has done on this legislation.

This bill and everything that's in it has already passed the House in the last 2 years; so we're not talking about anything new. What we are talking about is legislation that President Bush vetoed twice even though there was a strong bipartisan majority in the House and the Senate to try to get this legislation into law. The original program was a bipartisan program adopted in 1998, and it's going to be expiring; so we need to reauthorize it.

This bill is a down payment, a down payment on health care for all Americans. But at least we will start covering millions of low-income children, children who are right above the poverty line.

I urge support for the legislation.

Ten years ago, a Democratic President and Republican Congress worked together to pass a landmark program to provide health care to children who had fallen through the cracks of our health care system.

That program—CHIP—expires in less than 3 months. This bill extends and improves that program and makes the largest investment in children's health since the original CHIP law was enacted.

It provides new outreach tools and bonus payments to states that find and enroll these children.

The bill provides a new option to cover pregnant women in CHIP. It provides states the ability to ensure that children don't have to wait 5 years for health care just because they are legal immigrants residing in this country.

This bill is not the end but the beginning of a health reform effort that will ensure all children and all Americans will have health care coverage.

I urge my colleagues to support this bill. Let's send to incoming President Obama legislation that will make all the difference in the lives of millions of children across this Nation.

Mr. BLUNT. Madam Speaker, I yield 1 minute to the gentleman from Texas, Dr. Burgess, who is on our committee and on the subcommittee.

Mr. BURGESS. I thank the gentleman for yielding.

Madam Speaker, the bill before us today is going to harm access to high-quality hospital care by prohibiting physician ownership of hospitals.

In past Congresses there have been attempts to prohibit physician ownership, and they have been struck down due in large part by the recognition of many Members of Congress across the aisle and on this side that these few physician-owned hospitals are doing a great job. Patients like going there. Physicians and nurses like working there. And I will just tell you as someone who has worked in a physician-owned facility, there's nothing like the pride of ownership in helping you deliver first class care.

The bill before us today will put rural Americans at risk. Physician-owned hospitals also provide care in many rural areas of this country where patients have few health care options.

The attack on physician-owned hospitals will hurt the economy in a number of States. It's estimated up to $4 billion is generated in activity in these facilities in eight States in the country including my own home State of Texas.

During this time of economic downturn, it is simply irresponsible to shut down a strong stream of economic activity in these States while shutting down patient access to care.

Mr. STARK. Madam Speaker, I am delighted to yield 1 minute to the distinguished gentleman from Washington, Dr. MCDERMOTT.

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

Mr. MCDERMOTT. Madam Speaker, I rise in strong support for SCHIP reauthorization legislation, and I want to thank Speaker PELOSI for her leadership in bringing this bill to the floor as the first bill.

H.R. 2 clearly says that change has arrived for our country and our children. Instead of a veto pen that was used last year by the outgoing President to deny health care to children, our new President will sign this legislation and in so doing to begin a new chapter in America's commitment to its children and our future.

H.R. 2 is a real down payment on our efforts to get universal access to affordable health care for all Americans. It builds on a successful model that has expanded access to millions of children nationwide.

Health care should be a right, not a privilege for the rich in America. This legislation affirms the commitment of the new Congress to serve all the people, not merely those with means who can pay any price for health care while the Nation pays a steep price for not covering its children. H.R. 2 represents an additional 4 million children who will get health care.

It's time to act, now.

H.R. 2 means an additional 4 million children will have access to health care. It will provide access to preventive health care and this alone means America will raise healthier children who will grow to become healthier and more productive adults.

The American people have spoken. They want a more compassionate response to our Nation's problems. Today, we are voting with our heads and hearts to do just that. This is not about ideology or party. It is about providing health care to children. H.R. 2 represents real change.

I am proud to represent a State that took the lead on expanded access for children. In 1994, 3 years before the enactment of the original SCHIP, Washington State expanded access to children up to 200 percent of the Federal poverty level.

This was a huge commitment and clearly my State took the lead. As a result we have fewer children uninsured. We have a healthier population and more integrated primary care. It's a commitment that worked for all of us in the State.

H.R. 2 recognizes Washington State's efforts and includes language that will allow the State to access a more than $30 million to maintain this commitment. H.R. 2 rewards States like Washington who knew early on

that providing quality affordable health care to children was a sound and humane investment.

H.R. 2 will also allow Washington State to expand our successful program to cover more uninsured children in working families. The bill provides greater flexibility and will allow the State to meet the needs of our low income working families.

I am also grateful that this legislation includes important access for legal immigrant children who are currently denied coverage—children who are born in the U.S. and are legal U.S. citizens. In Washington State we have provided coverage for these children. But the State is doing this alone without the full partnership of the Federal Government. H.R. 2 corrects this error and will allow Washington State to maintain coverage for more than 3,000 children.

Madam Speaker, we need to do the right thing. Providing universal coverage for children is an objective that we should all support. This legislation takes us one step closer to meeting this goal. I urge my colleagues to support this bill.

Mr. BLUNT. Madam Speaker, I yield 1 minute to the gentleman from Texas, a member of the Ways and Means Committee (Mr. CULBERSON).

Mr. CULBERSON. Madam Speaker, the most open, allegedly transparent Congress in the history of America has begun this session by throwing out a bill that may cost upwards of $100 billion over 10 years that was written in secret. This bill has never had a committee hearing, not allowed amendments. There are no amendments allowed on the floor of the House.

No one would consider buying a house, buying a car without reading the contract; yet you're asking the American people to spend borrowed money, up to $100 billion of borrowed money—every dollar we spend from this day forward is borrowed money—asking us to spend up to $100 billion over 10 years and not knowing what's in the bill. This is a blind ''yes'' vote for all of you.

We all support health insurance for children, but we must remember the $62 trillion of unfunded liability that our children and grandchildren are facing today. The money we spend today is going to be passed on to future generations, and it's essential that the public be given the right to read these bills. This bill was not even posted up on the Web site publicly until about 24 hours ago. What are you afraid of?

Let the sunshine in and let the public read your legislation.

Mr. PALLONE. Madam Speaker, I yield 1 minute to the gentleman from Michigan, the chairman emeritus of the Energy and Commerce Committee (Mr. DINGELL).

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

Mr. DINGELL. I thank the gentleman for yielding.

Madam Speaker, I stand in strong support of H.R. 2, the Children's Health Insurance Program Reauthorization Act of 2009. This bill was passed twice last year by overwhelming votes, with the support of large numbers of my Republican colleagues.

Since its inception CHIP has covered more than 7 million children who otherwise would not have had health care. H.R. 2 would extend coverage to 4 million more children identically situated.

Since last year when this bill passed, more than 1 million children have lost their health coverage because parents were laid off and lost employer-based coverage. My own State is particularly hard hit with over 150,000 uninsured children. These children are our treasure and we must see to it that they are protected, educated, nurtured, and properly fed.

The bill is only a beginning. I look forward to working with the new administration towards reforming our health care system. We must not stop until all Americans qualify for quality, affordable health care.

I urge my colleagues to vote again for the CHIP Reauthorization Act of 2009. This bill will be signed into law, and it will help 4 million kids that without this bill would have no health care.

Mr. BLUNT. Madam Speaker, I yield 1 minute to the gentleman from Michigan, a member of the Health Subcommittee, Mr. ROGERS.

□ 1245

Mr. ROGERS of Michigan. Madam Speaker, we have seen pictures of children on the floor, certainly touched our hearts. We have heard stories, I think from the new gentleman, the new Member from Colorado, who talked about the 100,000 kids who are eligible and not enrolled.

But what we haven't heard today, or we haven't seen, are the faces of hundreds of thousands of senior citizens who will be told, when this is signed into law, you cannot go get your cancer care. You cannot go get your pain care at the hospital of your choice that your doctor has referred you to.

We found one hospital in Washington where 90,000 Medicare seniors will not be able to get the care that they have and the relationship that they have with their doctors. We can do better.

We should not pit kids against seniors. We don't have to do that. And what you say to that family in Colorado is, you may be a family of four making $21,000, and we haven't found you yet to get connected to the services you deserve, but we think we are going to go out and find that family in New Jersey making $80,000. Apparently that $80,000 family is more important than that Colorado $21,000 family.

Let's get our priorities right. Let's not pit kids against seniors.

I would urge a strong ''no'' vote against the bill.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members are reminded to heed the gavel and conclude their remarks within the time yielded.

Mr. STARK. Madam Speaker, I am pleased to recognize the distinguished gentleman from Georgia (Mr. LEWIS) for 1 minute, and Mr. LEWIS understands that the AARP has endorsed this bill.

Mr. LEWIS of Georgia. Madam Speaker, I want to thank the chairman for yielding.

Madam Speaker, at long last we will do what is right for our Nation's poorest children. Today we will expand SCHIP to 4 million more children. We have a mission, an obligation and a mandate to provide health insurance for all Americans and now we have a Congress and a President who will meet that obligation for our children.

It has taken too long. This Nation has been wrong to choose war and greed over children and health. Children need our help. They have a right to health care.

Today we will do what is right and pass this expansion of SCHIP.

Mr. BLUNT. Madam Speaker, I yield 1 minute to the newest member of our committee, who is going to add a lot on health care issues, Dr. GINGREY from Georgia.

Mr. GINGREY of Georgia. Madam Speaker, I rise in opposition to H.R. 2, not because of the 4 million children expansion, as my colleague from Georgia on the other side of the aisle, the distinguished Representative JOHN LEWIS just said. It's not that; it's that we are expanding beyond the original intent of the bill. And the chairman, Mr. WAXMAN, said in his remarks, right above the poverty line.

Indeed, 200 percent of the Federal poverty level is the intent of the bill, and yet there are States, 13 of them, who are using a gimmick called ''income disregard'' to lower the income of a family so that they become eligible, not only for this program but for Medicaid. That's wrong. That's gaming the system.

If you had allowed a modified open rule so that we could have brought amendments to correct that and other things, then I would certainly be very comfortable and enthusiastic in supporting this bill and supporting the expansion. But, no, you wouldn't allow that, so I am going to have to regretfully oppose the bill.

Mr. PALLONE. Madam Speaker, I yield 1 minute to the gentlewoman from Colorado, the vice chair of our committee, Ms. DEGETTE.

(Ms. DEGETTE asked and was given permission to revise and extend her remarks.)

Ms. DEGETTE. Madam Speaker, 6 million children in this country who are currently eligible for SCHIP and Medicaid do not have health insurance. These children's parents work, but they cannot afford to ensure that their children have well-child care, and they have to resort to the emergency room for even the most basic services, like treatment for an ear infection. This is wrong.

Today's bill will help these families, but with a number of changes that vastly improve the legislation. It allows States to give coverage to pregnant women and people who are here

legally. It preserves simplified outreach and enrollment procedures.

Madam Speaker, in the face of the current economic downturn, it is even more vital that we enact this bill. Sharp increases in unemployment are adding to the ranks of the uninsured, while at the same time State budgets are shrinking, and the safety net is struggling to meet this increased demand.

Because, Madam Speaker, we need to provide this care for our kids because in the most civilized country in the world, no child should go without health care.

Mr. BLUNT. Madam Speaker, I yield 1 minute to the gentlelady from Tennessee (Mrs. BLACKBURN).

Mrs. BLACKBURN. Madam Speaker, you know, it is so interesting as we have this debate, SCHIP, as it was originally put in place, is something that we are all for. That program as a block grant program worked well.

But, Madam Speaker, here is a 285-page bill that the Democrat majority laid on the table yesterday about 1:00.

In that bill, it allows for expansion of coverage to adults. We know that there were over 700,000 adults on this program at some point in 2006. We also know I had an amendment that would have removed, phased out all non-pregnant adults from this program and that amendment was not allowed.

This bill, this bill, will actually crowd out a lot of the low-income children who have benefited from being on the SCHIP program, and I find that very unfortunate that we will reduce the amount of health care available to the children of the working poor and allow the expansion of adults and middle-income children.

Mr. STARK. Madam Speaker, I am pleased to yield 1 minute to the distinguished gentleman from New Jersey (Mr. PASCRELL) who understands that many of the adults on the program last year were pregnant women.

Mr. PASCRELL. Madam Speaker, you can't have it both ways. You can't be for it and then you are going to vote against it.

I am listening to the many people on the other side. Substance is more important than process. You don't get it. You don't understand it.

So I am in strong support as a proud cosponsor of the Children's Health Insurance Program which does reauthorize and is fiscally responsible, reasonable. This is long overdue.

Ensuring health coverage for our Nation's children is a critical first step in any health reform effort. In fact, it's the least we can do. If we can't have universal care automatically right now, then we need to at least take care of the children of our country. You say you agree with it, then you ought to vote for it.

Taking swift and decisive action on this legislation has become critically important. As unemployment climbs, the ranks of the uninsured swell, and the roles of our safety-net programs grow. I am particularly proud that this bill provides flexibility in determining eligibility criteria that makes sense for individual States.

Higher income eligibilities, for example, are common sense in States like New Jersey where a dollar simply doesn't go as far.

In New Jersey, we have set out on an ambitious endeavor to cover every child by July of this year, including the 267,000 currently uninsured children in our State.

It is estimated that as many as 130,000 of these children are eligible for FamilyCare, New Jersey's CHIP plan, but are not currently enrolled.

Passing the important legislation that is before us will help States like mine to take the steps necessary to ensure that every child has access to affordable, quality health care.

The stakes are bigger now than ever, so it is time to cast aside political games and pass this bill.

Mr. BLUNT. Madam Speaker, I yield 1 minute to the gentleman from Nebraska, a member of our committee, Mr. TERRY.

Mr. TERRY. Madam Speaker, under this legislation, physician-owned hospitals would be banned in the future. This includes the Bellevue Medical Center currently under construction in my congressional district.

This first photo is a view of the finished—this is 48 hours old, this photo here, showing a nice steel structure and a half-completed building. If this bill would pass today, construction on this facility has to stop because it's 40 percent owned by physicians. The other partner in here is a hospital. We have two facilities like this in my district.

Now, not only is it appalling that we are going to have to shut down construction on it or else not accept Medicare patients, but the fact is the community that this is being built in is a town, it's incorporated within the Omaha area, about 50, 60,000 people and also has a base, an Air Force base on it. There are no other medical facilities in this general area. This will be it, and we will be shutting this down.

Madam Speaker, I rise today in opposition to this SCHIP bill.

Under this legislation, physician-owned hospitals would be banned in the future. This includes the Bellevue Medical Center currently under construction in my congressional district. Also, the Midwest Neuroscience Center and Nebraska Orthopedic Hospital, which are both specialty hospitals that would not be allowed to expand under this legislation. The Bellevue Medical Center, to be located at Highway 370 and 25th Street in Bellevue, will have 60 inpatient and observation beds which will all be private rooms. Potential future expansion can allow for additional 60 beds. In addition to general medical services, the hospital will provide labor and delivery care, emergency care, inpatient and outpatient surgery and intensive care. Facilities will feature state-of-the-art diagnostic services and equipment, including a cardiac catheterization lab, radiology, lab testing and pharmacy on premises. There will be a medical office building adjacent to hospital which will house patient clinics.

Construction of the Bellevue Medical Center is ongoing. It started late in 2007 and is expected to be completed later this year with a total cost of $135 million. Sixty percent of this hospital will be owned by the Nebraska Medical Center, which is a community hospital, and up to 40 percent of this hospital will be owned by community physicians and faculty of the University of Nebraska College of Medicine. Unfortunately, under Sec. 623, Bellevue Medical Center would have had to have their Medicare Agreement signed by January 1, 2009, in order to be compliant. This is very unfortunate for a number of reasons, but none larger than the community in which this hospital will serve.

The location in which the hospital is being built is an ideal location for a new hospital since there is a population of almost 100,000 people who can take advantage of it. This would include the city of Bellevue, Offutt Air Force Base and Plattsmouth. In particular, the Bellevue Medical Center would have a strong focus on serving the healthcare needs of the following military related personnel in the Bellevue area: 10,000 active duty personnel, 20,000 dependents of active duty personnel and 11,000 military retirees.

Bellevue's other medical facility, Ehrling Bergquist Clinic, located at Offutt Air Force Base, no longer has inpatient services and has limited outpatient services. Operations at this clinic include same-day surgery, and urgent care. As a result, the Bellevue Medical Center is needed to meet the hospital needs of the Offutt community. The Bellevue Medical Center will also serve as a training area for Air Force physicians, including approximately one-third of the Air Forces's complement of family practice physicians.

This hospital is also needed to serve the fast-growing population of Sarpy county, which according to the U.S. Census Bureau, is the fastest growing county by population in Nebraska and western Iowa. Nebraska Governor Dave Heineman and the Bellevue Chamber of Commerce support the Bellevue Medical Center.

Madam Speaker, this is one of the major reasons that I cannot support this legislation and will be voting against it today.

Mr. PALLONE. Madam Speaker, I yield 1 minute to the gentlewoman from California (Ms. ESHOO).

Ms. ESHOO. Madam Speaker, I thank the chairman of our subcommittee, Mr. PALLONE, also Mr. DINGELL, Mr. WAXMAN, and everyone that's been involved in shaping this legislation.

Senator Hubert Humphrey was very fond of saying that a society is measured on how it treats those in the autumn of their lives and how it treats those in the spring of their lives.

Today we rise to honor the young in our country with legislation that will provide for them what is one of the great necessities of life, and that is health care. We will not have healthy adults in our country unless we have healthy children.

Today we put down a magnificent down payment to ensure health care for 11 million children in our country. This is a smartly drafted bill. Why? Because it is responsible, because it is paid for.

Over 90 percent of the providers are private sector. So I think today is not only a profound moment in the Congress, but a sacred one. I look forward

to its passage and what it will do to strengthen our country and strengthening our country's children.

Mr. BLUNT. Madam Speaker, I yield 1 minute to the gentleman from Indiana (Mr. BUYER).

Mr. BUYER. I thank the gentleman for yielding.

Madam Speaker, a lot of my colleagues, some of whom were here in 1997, voted against the Balanced Budget Act of 1997, actually voted against the SCHIP program.

So you are coming here to the floor now accusing Republicans saying if you are going to go vote against this you are voting against children.

When we passed this on a bipartisan basis, please don't do that. I am not going to come here to the floor and say, oh, you were against children because you voted against the Balanced Budget Act. So let's be really accurate with regard to our language.

One thing that does concern me right now is when you look at the number of adults that are on the SCHIP program, every time an adult is in that program, over 700,000 of them, it costs more money.

So what we should be doing is saying in agreement here SCHIP is a good program. Republicans created the SCHIP program. When we worked with Bill Clinton in doing welfare reform, we said we are going to put people to work. We are going to take care of those children.

The States then got all overeager and excited in a good economy and expanded the eligibility.

Now, as the economy turns down, now we have President-elect Obama——

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BLUNT. Madam Speaker, I yield the gentleman an additional 30 seconds.

Mr. BUYER. He is now proposing in the stimulus plan to say well, gee, let's go to the Federal Government. We don't want to change our program. Let's go to the Federal Government and ask for 200 billion-plus to bail out those judgments of the past.

So what, we are going to stimulate the past as now we are going to add to exacerbate the problem here on the House floor? Let's stop and pause and think about what we are doing here, folks. Let's look at this program to actually cover children. You are about to say of the 700,000 adults that are on the program, by 2013 we could have over 1.4 million in the program.

For every adult that is in this program, we are taking away more money that actually could cover children.

Mr. STARK. Madam Speaker, I am delighted to yield 1 minute to the distinguished Congresswoman from Florida (Ms. KOSMAS).

Ms. KOSMAS. Thank you, Mr. Chairman.

Madam Speaker, I am pleased today to rise, my first time on the floor of the House, to speak in favor of the State Children's Health Insurance Program Reauthorization Act.

This bill, for me, is an opportunity for working families in my district to provide health care to their children. Let me say it again, it's an opportunity for parents to provide health care, working families to provide health care for their children. In these tough economic times, we have more and more families which are unemployed or underemployed, and this gives them an opportunity to give their children the health care that they need and deserve.

With many of them providing health care to their children through emergency rooms, as opposed to having this access to quality care, we are losing both an efficiency factor and an economic factor.

So I rise again, as I say, to speak in favor of this bill. Providing health care to children is not just the right thing to do, but this is an economic investment that we are making in the future of those who will carry us forward into the next generation.

Mr. BLUNT. Madam Speaker, I yield 1 minute to the gentleman from Indiana (Mr. BURTON).

Mr. BURTON of Indiana. I don't want to discuss things that have already been discussed, but the things that concern me are things like this will be a magnet for more illegal aliens coming into this country because it's going to provide a mechanism for illegals to get coverage under this bill.

It's going to cost $44 billion more than the baseline. It's going to involve a tax increase.

You know, one of the things that really concerns me about what we are doing is we passed a bailout bill for $700 billion. We are going to pass another bill here, a supplemental, it's going to be $1.2 trillion. We spent $14 billion for the auto industry.

This is going to cost $44 billion over the baseline. Where do you think all this money is coming from? And I wish my colleagues would start thinking about the kids in the future as well as what we are talking about today. Because the inflation problem they are going to face is going to be huge.

You have got to print this money. It has got to come from someplace. And the kids of kids of today and tomorrow are going to have to pay through the nose for the things we are doing today. We don't have all the money to do these things, and yet we are spending. That will lead to hyperinflation down the road and severe economic problems.

□ 1300

Mr. PALLONE. Madam Speaker, I yield 1 minute to the gentleman from Texas (Mr. GENE GREEN).

(Mr. GENE GREEN of Texas asked and was given permission to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Madam Speaker, I thank our Chair of our subcommittee.

I rise in strong support and as a cosponsor of H.R. 2, the Children's Health Insurance Program Reauthorization Act, or CHIPRA. During the 110th Congress, we made two attempts to reauthorize the SCHIP program. Unfortunately, both these bills were vetoed by the President.

With 6 million American children currently eligible yet unenrolled, the passage of this bill is overdue. CHIPRA reauthorizes SCHIP through 2013 and extends SCHIP coverage to 7 million children already enrolled, but the SCHIP program covers 4 million more children. Eleven million children will be covered under SCHIP when we pass this bill.

The bill includes a provision that I am proud is in there, H.R. 465, the Immigrant Children's Health Improvement Act, which gives the States the option to cover children and pregnant women of lawfully residing children in our country. These are not illegal immigrants. They are children who go to school and go to daycare with our children and our grandchildren. Those children ought to have health care to protect our own children.

CHIPRA also includes language from another bill of mine, H.R. 1238, which provides one year of emergency Medicaid coverage for children born in the U.S. and their mothers, which is crucial in protecting the health and wellness of newborns born in this country.

I do have to express my disappointment that the bill did not include the provision that was included in the first SCHIP bill we passed which would guarantee that children in families earning less than 200 percent of the poverty level will have 12 months of continuous eligibility under SCHIP.

The outreach and enrollment package includes an incentive for States to provide this eligibility guarantee.

But for a State like mine, we need to ensure that the State of Texas does right by Texas children and doesn't use the flexibility inherent in the program to kick them off the rolls on a budgetary whim.

The 175,000 Texas children who were kicked off the rolls in 2003 know all too well of the State's willingness to balance the State budget on their backs, and I hoped that this bill would take away the State's ability to do that in the future.

However, the need to reauthorize SCHIP before the program expires on March 31st is more important than political battles.

I hope my colleagues will join me in supporting this legislation and sending a strong message to the President that we must abandon partisan politics and reauthorize SCHIP for America's low-income children.

Mr. BLUNT. Madam Speaker, I yield 1 minute to the gentleman from Iowa (Mr. LATHAM).

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

Mr. LATHAM. Madam Speaker, I thank the gentleman.

Madam Speaker, there is no question the State Children's Health Insurance Program needs to be reauthorized to provide the funds necessary to maintain current coverage and enroll currently eligible low-income children.

In the past I have supported bipartisan legislation that represented the

input of both parties to reauthorize the SCHIP program, H.R. 976 and H.R. 3963, including legislation that was vetoed by President Bush. However, I cannot support this partisan legislation before us today because Democrats have radically departed from the bipartisan agreement that had been reached.

First, they have removed the provision that would have capped eligibility for SCHIP for families making over 300 percent of the Federal poverty line, or roughly $63,000 per family of four, allowing unlimited expansion of the program in the future. Furthermore, there are no requirements that a certain level of coverage for low-income children be met before expanding eligibility to higher income groups.

Second, they have rescinded a requirement in current law that noncitizens who are here must legally wait 5 years to become eligible for the SCHIP program.

The bill also reduces citizenship verification requirements for the Medicaid program, potentially allowing illegal aliens to game the system to obtain taxpayer-funded welfare benefits.

At a time when nearly 70 percent of uninsured American children are already eligible for Medicaid or SCHIP, our economy is weak and the budget deficit is soaring, it makes no sense to put non-citizens or wealthier children ahead of poor American children from hard-working, tax paying families who desperately need access to these programs.''

Mr. STARK. Madam Speaker, I yield 1 minute to the distinguished gentleman from Maryland (Mr. VAN HOLLEN).

Mr. VAN HOLLEN. I thank my colleague.

Madam Speaker, this is a moment of important substance and important symbolism. The substance and merits of this bill are clear. We are going to preserve health coverage for 7 million American children and expand it to another 4 million children from working families who earn too much to qualify for Medicaid, but do not earn enough to be able to afford the very high costs of private health insurance.

Taking this bill up right now also sends a very important signal that change has come to Washington, DC as a result of the last election. President Bush twice vetoed this legislation on children's health. We will soon have a new President, President Barack Obama, who as one of his first acts as President will sign this legislation, a President who understands the hardships American families are struggling under at a time when more than 2 million Americans have lost their jobs in just 2 months.

The difference could not be clearer. The current President used his mighty veto pen to say ''no,'' to veto and protect the status quo. The new President will use that pen to say ''yes,'' to change the status quo and provide health care to 4 million new American children as we continue to protect 7 million American children. That is change we can believe in.

Mr. BLUNT. Can I ask how much time is remaining on each side?

The SPEAKER pro tempore. The gentleman from Missouri (Mr. BLUNT) has 90 seconds remaining; the gentleman from California (Mr. HERGER) has 15 minutes remaining; the gentleman from New Jersey (Mr. PALLONE) has 8¾ minutes remaining; and the gentleman from California (Mr. STARK) has 9 minutes remaining.

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

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

Madam Speaker, I rise in support of SCHIP and believe its reauthorization is critical to millions of children, but I am opposed to the bill before us today. This legislation does nothing to make private health coverage more affordable. By expanding a program that severely underpays doctors in my State of California, it may result in higher costs for private coverage. And assuming that the increased tobacco tax achieves the goal of discouraging smoking, it commits an irrational policy of financing a growing program through a declining revenue source.

In addition, this new version would effectively shut down physician-owned hospitals currently under construction, including a $40 million project in my district in Yuba City, California, scheduled to open in a couple of months. This will be a severe blow to a small county that has long had one of the highest unemployment rates in California.

Madam Speaker, in the middle of the worst economic downturn in decades, this provision would destroy jobs in Yuba City and in dozens of other cities across America.

I would urge all of my colleagues to ask themselves, do you believe that a corporate board halfway across the country would do a better job of holding down costs and ensuring high quality care than a team of local doctors, and, if so, are you certain enough that you are willing to deny your constituents the opportunity to make that choice?

I urge rejection of this misguided provision and a ''no'' vote.

I reserve the balance of my time.

Mr. PALLONE. Madam Speaker, I yield to the gentlewoman from New York (Mrs. MALONEY) for the purpose of a unanimous consent request.

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

Mrs. MALONEY. Madam Speaker, I rise in strong support of this bill.

Madam Speaker, if history is any guide, the current recession will lead to a substantial increase in the demand for children's health care coverage under SCHIP and Medicaid.

Rising unemployment and staggering job losses have left many families without health insurance. The high cost of private coverage means more and more Americans are turning to state programs for assistance.

But state budgets are already strained by the recession, and many have already enacted budget cuts that would reduce funding for these programs.

My home state of New York has been forced to propose such cuts.

Unprecedented need combined with a shortage of funding is creating a perfect storm—a storm that can only be avoided if Congress votes to reauthorize the Children's Health Insurance Program.

Over the next 4½ years, our bill, H.R. 2, would preserve coverage for the more than 7 million children currently covered by SCHIP, and extend coverage to nearly 4 million children who are currently uninsured.

Passing SCHIP reauthorization would guarantee sufficient funding levels for the Children's Health Insurance Program to serve future enrollment needs. It would bring much needed stability to the program, giving states fiscal security to plan for expansions and make improvements in advance of broader health care reform.

This legislation will make covering children the top priority for SCHIP, while also giving states the option to enroll mothers during pregnancy. And under the bill all children enrolled in SCHIP will have dental coverage and access to mental health services.

We are in an economic crisis as serious as any this nation has ever faced. As families struggle to make ends meet, and states are forced to make difficult budget cuts, we cannot afford to leave millions of children without the health insurance they so critically need.

We have the opportunity now to make good on our commitment to helping America's families in these tough economic times.

I urge my colleagues to vote ''yes'' on H.R. 2.

Mr. PALLONE. Madam Speaker, I yield 1 minute to the gentleman from Georgia (Mr. BARROW).

Mr. BARROW. Madam Speaker, I thank the gentleman.

Madam Speaker, I am proud to be up here today to support H.R. 2, the Children's Health Insurance Program Reauthorization Act of 2009. It has been a long time coming. I am glad we are considering this bill on the floor so early in this Congress, when we spent most of the last 2 years trying to enact it. I think it says something very positive about the commitment of this new Congress and of our new President to improving health care for all Americans.

H.R. 2 will allow us to enroll 4 million more kids in programs like Georgia's PeachCare who are just as eligible as the 7 million kids already enrolled. It is not a free lunch. Parents will still have to pay what they can afford to pay, but the kids will be able to go to the doctor, where they get good preventive care at the lowest cost, and keep them out of the emergency room, where they get the least effective care at the greatest possible cost to the taxpayer. That is more health care, better outcomes, at less cost. It is not only the right thing to do, it is the smart thing to do, and that is why I am proud to be a cosponsor of this legislation and urge all of my colleagues to support it.

Mr. HERGER. Madam Speaker, I yield 2 minutes to the gentleman from Texas (Mr. SAM JOHNSON), a member of the Health Subcommittee.

(Mr. SAM JOHNSON of Texas asked and was given permission to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Madam Speaker, I rise today in strong opposition to a provision in this bill that would have drastic consequences for hospitals in my district and hospitals around the Nation. Everyone in this Chamber can agree that health care in this country needs transformation. America has always been a leader when it comes to medical research, training the best, the brightest, and providing superior care. We need to make sure that tradition continues.

Physicians across the country have decided they can provide better health care to more people by engaging in the process. Some doctors have decided to play a role in the care delivered in the hospitals in their community, and studies show that this has resulted in higher quality care and higher patient satisfaction.

Physician-owned hospitals employ highly skilled workers. They are an engine in the local economy, and language in this bill will devastate most of them. I say most, because a handful of hospitals located in special congressional districts will have rights that hospitals in my district and the majority of others will not. Why do only a handful of Members of Congress receive the privilege of a carve-out for their hospitals?

Many facilities have poured millions of dollars into constructing hospitals that will be forced to shut down because of this bill. Baylor Hospital in particular in my district is in the process of adding additional operating rooms and hospital beds to serve the community needs. This local hospital won't be able to complete the project because of this bill.

I ask my colleagues on both sides of the aisle to work with me to see that all existing hospitals and those under development are treated the same in this legislation. No carve-outs, no special privileges. It has to be all fair and all the same. Physician-owned hospitals have proven over and over again they spur greater choice and offer higher quality care to patients. These hospitals all deserve the right to be able to continue to serve their community. That is the American way.

Mr. STARK. Madam Speaker, at this time I am pleased to yield 1 minute to the distinguished gentlewoman from Nevada (Ms. BERKLEY).

Ms. BERKLEY. I thank the gentleman for yielding.

I rise in support of this long-overdue legislation. Coming from a State with one of the highest percentages of uninsured children, it is essential to reauthorize SCHIP to extend the program to cover more low-income uninsured children.

In 2007, more than 40,000 youngsters benefited from the Nevada Check Up program. This bill will enable Nevada to continue coverage for these children and to reach out to a portion of the 70,000 children currently eligible who remain uninsured. This bill also includes funding to improve outreach to eligible populations. Increased funding and the focus on outreach and enrollment will help extend coverage to thousands of additional Nevada children and an additional 4 million kids nationwide.

I urge my colleagues to support this bill. I look forward to having a President in the White House that is anxious to sign it.

Mr. HERGER. Madam Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN), a member of the Health Subcommittee.

(Mr. RYAN of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. RYAN of Wisconsin. Madam Speaker, today is the beginning of a new Congress. Our new President hasn't even taken the oath of office and we are throwing fiscal discipline out the door. This whole idea of PAYGO is gone. It doesn't exist. It is a charade.

Let's take a look at what this bill actually does. This bill proposes to add all these new kids on the SCHIP program, and then in the out-years it shoves them off a cliff, taking 7 million children off of the SCHIP program. They do this only to carve and jam this bill into compliance with PAYGO.

I received a letter from the CBO just this morning that if this bill was actually carried through, if you didn't kick all of these children off of this program, it would cost $42 billion more. This bill has a $42 billion deficit hole in it. The spending increase in SCHIP in this bill increases on average 23 percent a year. Madam Speaker, Medicare is going bankrupt according to the trustees, and that increases at 6.5 percent a year.

We are being deprived of a bipartisan opportunity to extend the current SCHIP program, which would have an enormous vote here if you brought a bipartisan bill to the table. That is not what is happening. Budget gimmicks, fiscal irresponsibility, a $42 billion deficit, and the creation of a brand new entitlement program. And what is worse, we are committing our taxpayer dollars, which are so precious in this difficult economic time, to pay for insurance that people already have. 2.4 million people who already have private health insurance are going to get kicked off of their private health insurance and the taxpayers are going to pick up the tab. That is not fiscal responsibility.

Let's solve the uninsured problem. Let's come together and fix the health care problems in America. Let's not bankrupt the country. Let's not play budget gimmicks. Let's not throw PAYGO out the window. And let's not take away the health insurance that people already have and make them have government-sponsored health insurance. We should reject this bill.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, January 14, 2009.

Hon. PAUL RYAN,
Ranking Member, Committee on the Budget, House of Representatives, Washington, DC.

DEAR CONGRESSMAN: As you requested, the Congressional Budget Office (CBO) has estimated the budgetary effects of modifying H.R. 2, the Children's Health Insurance Program Reauthorization Act of 2009, to extend the program's authorization through 2019 in a manner that would provide sufficient funding to allow states to meet demand for increasing enrollment within the program's parameters. If H.R. 2 were changed to authorize the Children's Health Insurance Program (CHIP) through 2019 and to provide sufficient funding for such increasing enrollment throughout that period, CBO estimates that enacting that alternative version of the bill would increase deficits by $41.6 billion over the 2009–2019 period. In contrast, CBO estimates that the version of H.R. 2 introduced in the House of Representatives on January 13, 2009, would result in a net reduction in deficits of $0.4 billion over that 11-year period.

The introduced version of H.R. 2 would authorize CHIP through 2013 and would provide significant funding increases over the next few years, leading up to a total funding level of $17.4 billion in 2013. The program's funding for the second half of fiscal year 2013 would be $3 billion. Under baseline rules, that amount annualized—$6 billion—would be projected for each subsequent year. The estimated cost of the bill assumes that funding level for CHIP for fiscal years 2014 through 2019. On that basis, CBO estimates that the introduced version of H.R. 2 would increase federal direct spending by $73.3 billion through 2019, including the costs of other provisions in the bill. (That spending would be offset by increases in federal tax revenues totaling $73.6 billion over the same period, primarily from increases in the excise taxes levied on tobacco products.)

As an alternative to the introduced version of H.R. 2, you requested that CBO assume the CHIP rules and structure as currently delineated in H.R. 2 would remain unchanged through 2019 and that sufficient funding would be made available after 2013 to accommodate projected enrollment growth. The projected enrollment growth is based on expected growth in the total population, as well as changes in the health insurance market and the economy as a whole. Under those assumptions, CBO estimates that average monthly enrollment in CHIP would rise from about 9 million in 2013 to about 12 million in 2019.

Based on the assumptions you specified, CBO estimates total changes in direct spending of $115.2 billion, as compared with the $73.3 billion increase we estimate for the introduced version of H.R. 2. (Revenue increases would remain unchanged.) Thus, the net budget impact of a modified version of H.R. 2, as you specified, would be an increase in deficits totaling $41.6 billion over the 2009–2019 period.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Robert Stewart and Sean Dunbar.

Sincerely,

ROBERT A. SUNSHINE,
Acting Director.

Mr. PALLONE. Madam Speaker, I yield 30 seconds to the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Madam Speaker, I have 30 seconds to explain why H.R. 2, the State Children's Health Insurance Program, means everything to a school nurse.

□ 1315

And I'll just tell you, I can see the faces of the children I cared for as best as I could who would have benefited so dramatically from this program. And I'll tell you what this feels like now, as so many moms and dads are losing their jobs and need this program even more. And my State, California, is cutting even the children who presently are served so dramatically.

And give States the option of covering pregnant women. That is the greatest thing we can do for the health of a child is to cover the mom.

Mr. HERGER. Madam Speaker, I yield 3 minutes to the ranking member of the Ways and Means Committee, the gentleman from Michigan (Mr. CAMP).

Mr. CAMP. Madam Speaker, I believe every child in America should have access to quality health care. The Children's Health Insurance Program has done just that for those in families without the means to provide or buy insurance on their own.

SCHIP was created as a bipartisan program, and it was one I was proud to support. The bill before us today, however, not only threatens the core mission of the program, which is providing health care to low-income children, but creates a new entitlement that will demand higher taxes on all Americans in just a few short years.

Let me first state the obvious problem with this bill. A children's health program should not be used to cover adults, noncitizens, potentially illegal immigrants and those making $80,000 a year.

There's another problem with the bill, one the majority hopes you ignore. This bill blatantly attempts to hide the true cost of the bill to the American taxpayer. It's irresponsible and untenable to fund a children's health program with the revenue stream that's fast drying up. Increasing the cigarette tax, regardless of your support for such an idea, does not, will not, and cannot cover the cost of this program.

The Democrats are blowing a giant cloud of smoke into the face of the American taxpayers, and I believe the impending tax increases that must come to cover this program will have us all in a severe coughing fit.

The Democrats want you to ignore the fact that the percentage of Americans who smoke has been dropping for decades. But research and logic both show that raising the prices of cigarettes will lead to less smoking and fewer tax dollars coming into the Federal Treasury. Yet, the only way for this funding scheme to work is if the majority finds 22.4 million new smokers. I can't wait to see the look on Senator Daschle's face when the Speaker tells the soon to be Health and Human Services Secretary that little tidbit.

But in all seriousness, with its funding base declining, SCHIP costs will increase exponentially. CBO predicts that SCHIP spending will more than double under the Democrats proposal. The resulting gap between program spending and revenue becomes staggering, a gap the Democrats will soon ask the American taxpayers to fill.

In closing, I'd like to add one final note. This bill represents a broken promise to lower- and middle-income Americans. President-elect Obama promised that no one making less than $250,000 per year would see their taxes go up; yet, under this proposal, a working-class family with two adult smokers would face hundreds of dollars in additional Federal tobacco taxes each year.

We haven't made it to Inauguration Day, and House leaders are already breaking this campaign promise. That might be a record, even here in Washington, D.C.

Let's keep SCHIP focused on low-income children. Let's not ask 22.4 million Americans to start smoking, and let's demand a better bipartisan bill.

I ask my colleagues to vote ''no'' on this bill.

Mr. STARK. Madam Speaker, I am pleased to recognize Mr. SCHAUER from Michigan for 1 minute.

Mr. SCHAUER. Madam Speaker, I came to Washington to be a voice for those in my State who are hurting.

H.R. 2 will help children and families who are victims of our economic crisis; 100,000 children in Michigan lack health insurance. That is immoral and weakens our economy. This bill ensures comprehensive health care coverage for children, and is an investment in prevention and approved overall health status for America.

With Michigan's economy in crisis, with our Nation's economy struggling, with our families losing health insurance due to this recession and unfair trade, now is exactly the right time, colleagues, to act, to cover 11 million children with the health care coverage they deserve and need.

Mr. HERGER. Madam Speaker, I yield 1 minute to the gentleman from Louisiana (Mr. BOUSTANY), who is a physician.

Mr. BOUSTANY. Madam Speaker, as a physician, we all recognize the importance of high quality health care for all children in this country. In addition to the declining source of revenue as a means to pay for this, which I believe is an irresponsible way to legislate on health care, there's a serious other problem that needs to be discussed and that is, does this bill provide real access to quality health care?

Too often children on Medicaid and SCHIP receive fewer visits from primary care providers than those with private coverage. That's clear. And they are much more likely to seek care in the emergency room when it's late. They don't get the necessary screenings and vaccinations.

GAO criticized government-run programs like SCHIP for disregarding patients' access problems.

It's disappointing to me, as a physician, that the majority rushed this flawed bill to the floor without permitting any opportunity for improvements. I offered an amendment that went to Rules which was not allowed, which would have encouraged States to measure and report provider access problems for SCHIP programs. It would also require States to report their plans to limit ''crowd out'' of private coverage.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BOUSTANY. I would like to include the rest of my statement in the RECORD.

In section 402 of their bill, Majority leaders failed to address the access problems I brought to their attention last year.

Their vague language does not require states to uniformly report primary care visits.

It does not mention surveying parents on whether sick children received needed care quickly.

It also fails to require states to describe their plans to avoid displacing children's private coverage.

We need to help poor children first.

A plastic government coverage card that delays access to needed care is an insult to low-income families.

Congress has a duty to help enrolled children who—despite being covered—still can't find a doctor to treat them when they're sick.

Mr. PALLONE. Madam Speaker, I would yield 1 minute to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Madam Speaker, I rise in strong support of the bill. I am so proud that under our new administration we'll finally enact a comprehensive, robust reauthorization of the SCHIP program which will provide health care to over 11 million low-income children. No more playing politics with our children, no more Presidential vetoes of this bill. We are finally going to do what is right for our Nation.

It simply makes economic sense to cover the uninsured. When we fail to provide our citizens with primary and preventive care, routine health problems compound into emergency conditions.

New York, my home State, operates a separate stand-alone program under SCHIP called Child Health Plus. As of December 2006, nearly 400,000 children were enrolled and receiving comprehensive health care coverage in the program. As the third largest SCHIP program in the Nation, New York reduced the number of uninsured children in the State by 40 percent. We are only one of seven States to do that. And New York's program has increased enrollment by over a quarter of a million children since the start of SCHIP. SCHIP also contributed to a nearly 30 percent increase in children enrolled in Medicaid.

This is necessary. It is good. We should all support this bill.

The SPEAKER pro tempore. The gentleman from California (Mr. HERGER) has 5 minutes remaining. The gentleman from New Jersey (Mr. PALLONE) has 6¼ minutes remaining. The gentleman from California (Mr. STARK) has 7 minutes remaining.

Mr. HERGER. Madam Speaker, I yield 1 minute to the gentleman from Georgia (Mr. LINDER).

Mr. LINDER. Madam Speaker, when SCHIP first passed about a dozen years ago, Georgia's program was called Peach Care. It was open to large numbers of people, and millions signed up, many of whom came off private health insurance to do so. A friend of mine, who made $150,000 a year, signed up too. She never used it. But you could sign up by the Internet.

Some of that's been tightened up, but this bill opens that back up again. You're eligible by just stating your Social Security Number, no need to prove who you are.

The 5-year waiting period that's always been in place for legal immigrants who come here sponsored, is erased. And we all know that sooner or later we're going to have an amnesty for those 20 million illegals, and that will dwarf this system.

I was in dental school in 1936 when Lyndon Johnson delivered the great society speech; and he said, using easily quantifiable user statistics, we know that by 1990, Medicare will cost $9 billion, and Medicaid will cost $1 billion. He was wrong. And this will be abused also.

Mr. STARK. Madam Speaker, at this time I am delighted to yield 1 minute to the distinguished gentleman from California (Mr. THOMPSON).

Mr. THOMPSON of California. Madam Speaker, I rise in strong support of this bill because investing in children's health care is one of the wisest choices we can make. Children have to be healthy to get an education and to achieve their full potential as adults. When kids see the doctor more regularly, they receive the preventive services that keep them healthier longer, and they are less likely to end up in the emergency room, which saves everyone money.

Almost a quarter of a million children in my State of California are uninsured. That's simply not acceptable. In contrast to President Bush's multiple vetoes of similar bills, today, with President-elect Obama's enthusiastic support, the House will vote to provide coverage for 4 million, 4 million additional children.

Madam Speaker, that truly is change we can believe in.

Mr. HERGER. How much time do we have, Madam Speaker?

The SPEAKER pro tempore. The gentleman from California (Mr. HERGER) has 4 minutes remaining; the gentleman from New Jersey has 6¼ minutes; the gentleman from California (Mr. STARK) has 6 minutes; and the gentleman from Missouri has 90 seconds.

Mr. PALLONE. Madam Speaker, I yield 30 seconds to the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN).

Mrs. CHRISTENSEN. Madam Speaker, I am proud today to rise for the 11 million children who will have health coverage when we pass H.R. 2 for the first time and it's finally signed into law by the incoming President.

CHIPRA will make a significant down payment on President-elect Obama's and our promise to insure all of our children. And it rightfully refuses to leave out children and pregnant woman legally admitted into our country.

It includes dental and mental health care, and will help eliminate health disparities because many of those covered children will be children of color. Healthy children have a better chance to also become healthy adults.

It's the right thing to do. It should not have take this long, and I urge my colleagues to pass it for the good of our children and the good of our country.

Mr. HERGER. Madam Speaker, I continue to reserve my time.

Mr. STARK. Madam Speaker, I am delighted to yield 1 minute to the distinguished gentlewoman from Colorado (Ms. MARKEY).

Ms. MARKEY of Colorado. Madam Speaker, I rise today in support of H.R. 2, the reauthorization of SCHIP.

When our Nation faces tough economic times, we must look beyond the grim statistics to see the true cost of our struggles. Seven percent of this Nation is unemployed, which leaves too many families without health insurance. 170,000 children in Colorado alone have no health coverage. That's more than one in eight.

How we as a Nation approach health care for our children speaks not just to our economic priorities but to our moral priorities.

Colorado ranks seventh worst nationally in the rate of uninsured children. As the mother of three kids who knows the worry and heartache that comes with caring late into the night for a sick child, that is one statistic I hope I have a hand in changing.

I as all of my colleagues on both sides of the aisle to pledge their support for our children and vote for this bill.

Mr. STARK. Madam Speaker, at this time I am delighted to yield 1 minute to the distinguished gentleman from Georgia (Mr. SCOTT).

Mr. SCOTT of Georgia. Madam Speaker, I represent Georgia, which has 300,000 children who badly need coverage in this legislation. Let me take a part of my moment here, if I may, to respond to what I think are some misstatements from the other side because this is, indeed, a children's health program, and they've mentioned about adults being on this program.

One category of adults, Madam Speaker, is pregnant women. Of all adults, a pregnant woman with child in her womb, they need care. They should be and are covered in this.

As far as the other category, here's what the bill says as far as parents. No new waivers to cover parents in the CHIP program will be allowed. That's in this bill.

What about childless adults who don't have? The bill says the current law, that prohibition on waivers to cover coverage of childless adults is retained. Childless adults are prohibited in this law.

Issue of illegal immigration; only legal immigrant children and their pregnant immigrant legal immigrant women are covered under this bill.

□ 1330

Mr. PALLONE. Madam Speaker, I yield 1 minute to the gentleman from Illinois (Mr. FOSTER).

Mr. FOSTER. Madam Speaker, I rise in strong support of H.R. 2, the Children's Health Insurance Program Reauthorization Act of 2009.

This historic legislation renews and improves SCHIP. It extends coverage to 4 million uninsured children who are currently eligible for but who are not enrolled in SCHIP and in Medicaid.

As a fiscal conservative, I am also proud that even in today's financial storm and even under scoring rules that do not fully reflect the long-term fiscal benefits of providing adequate health care to children that the bill is fully paid for. With a modest increase in tobacco sales tax providing a bulk of the funding, we are able to provide coverage to millions of children and not add to the deficit.

This bill honors our moral commitment to help our youngest children in their health while ensuring that this legislation does not hinder their future by saddling them with huge debts.

The bill could not come at a better time. Our economy continues to worsen, and more and more people are at risk of losing their health care. This program will help give millions of parents the peace of mind that their children at least will have access to health care.

Mr. HERGER. Madam Speaker, I yield 1 minute to the gentlewoman from Florida (Ms. GINNY BROWN-WAITE).

Ms. GINNY BROWN-WAITE of Florida. Madam Speaker, first of all, let me state that I support health insurance for children. As a matter of fact, it was my bill on the floor of the Senate where we created KidCare.

Where did the money come from? It was from a historic vote that I cast to be able to go after the tobacco companies for settlement. That's where the money came from originally for the SCHIP program, but the bill we have before us today is not a bill that taxpayers can support.

First of all, there is no prohibition against crowd-out. In other words, it pushes children off of private insurance onto the government program, and it does allow States to continue for at least 2 years the enrollment of adults. It actually does nothing to prohibit illegal aliens from being on the program, and that's something that taxpayers are very concerned about. Additionally, Madam Speaker, there is no incentive here, really, to go after and to have low-income children covered by this bill.

For those reasons, I oppose it.

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

Mr. PALLONE. Madam Speaker, I would yield 30 seconds to the gentlewoman from New Hampshire (Ms. SHEA-PORTER).

Ms. SHEA-PORTER. Madam Speaker, I support H.R. 2, the Children's Health Insurance Program Reauthorization Act of 2009.

We have children in New Hampshire and in America who need us to fight for them. Unemployment is rising. Even working families are losing their health insurance. Providing more money now will give 4 million more children health insurance. This is a moral issue. We are the only nation in the world that does not provide health care to all of its children. This is simply unconscionable.

I am proud to support this legislation to help New Hampshire's children and America's children.

Mr. HERGER. Madam Speaker, I yield 2 minutes to the Republican whip, the gentleman from Virginia (Mr. CANTOR).

Mr. CANTOR. Madam Speaker, I rise today to underscore that all of us, Republicans and Democrats alike, desire to ensure that all children of low-income working families have access to high-quality, affordable health care. But at this time in our economy when deficits threaten to climb to $1.6 trillion, without Republican input or without any debate, the majority has rushed a bill to the floor that substantially expands the reach of this program beyond its original intended purpose. All the while, a substantial portion of the existing target population has never been reached.

It is with much disappointment that I stand in opposition to this bill today, because it could have had significant bipartisan support had the majority opened the process to our substantive ideas.

Before our ideas and solutions were shut out at the Rules Committee, we sent President-elect Obama and Speaker PELOSI a letter which outlined four central issues that we had hoped would be addressed.

First: We believe that the SCHIP bill should follow the original intent of the law. That is to cover children in low-income working families.

Second: We Republicans believe that expanding SCHIP should not shift children away from private health insurance options into government-run programs that are funded exclusively by the taxpayers. Instead, we should be providing families who are currently uninsured with more affordable options to better meet their needs, not a one-size-fits-all government solution.

Third: We Republicans believe that the legislation should include meaningful provisions to prevent fraudulent activity by those who seek to illegally gain access to this program.

Finally, Madam Speaker, when Congress reauthorizes the program, we must do so responsibly. The budget gimmicks included in this bill suggest that the majority is not seriously trying to comply with PAYGO. This bill will only put the States and the Federal Government into further debt. I don't think there is any question that many in this House want to do the right thing. Unfortunately, Madam Speaker, I feel this bill doesn't quite reach this mark.

Mr. PALLONE. Madam Speaker, we inquire of the time that is remaining.

The SPEAKER pro tempore. The gentleman from New Jersey has 4¼ minutes remaining. The gentleman from California (Mr. STARK) has 4 minutes remaining. The gentleman from California (Mr. HERGER) has 1 minute remaining. The gentleman from Missouri has 90 seconds remaining.

Mr. PALLONE. Madam Speaker, at this time, I would yield 30 seconds to the gentleman from New York (Mr. MASSA).

Mr. MASSA. Madam Speaker, I am compelled to observe that, while Rome burns, my friends and colleagues across the aisle argue process.

We were elected to come here and make a difference in the lives of the people who we represent. Today, I will proudly cast a vote in the affirmative for the expanded State Children's Health Insurance Program Reauthorization Act of 2009 to do exactly that.

We are in a time of financial and economic crisis, and we cannot ignore the individuals who have sent us here to help them. It is a plain and clear call to action. It is wrong to say that you support children's health care and, at the same time, vote against it. This is not about process. It is about standing with America's children, and I am proud to do so today.

The SPEAKER pro tempore. The Chair will recognize in reverse order the managers for closing comments. That would be Mr. HERGER, followed by Mr. STARK, followed by Mr. BLUNT, followed by Mr. PALLONE.

Mr. PALLONE. Madam Speaker, I have some additional speakers, though.

I yield 30 seconds to the gentleman from Virginia (Mr. CONNOLLY).

Mr. CONNOLLY of Virginia. Madam Speaker, this vote is about values. If you are an uninsured kid in America and you have appendicitis, the chance of death is five times that of a kid who is insured. This is about values. We are the only developed country in the world that does not extend full health insurance to its children. History has shown no nation can truly consider itself great without providing for the well-being of its most vulnerable.

I urge my colleagues to support this legislation.

Madam Speaker, I rise in support of the bill. It is clear that the Congress sees value in this critical investment in our Nation's children, having passed a similar measure not once but twice in its last session. Thankfully, we will now have a President who shares that same compassion and commitment to our low- and middle-income working families.

Given the ongoing economic crisis, the number of at-risk children will only continue to increase. The number of Americans who are now unemployed, and ostensibly now without health care, has increased by more than half in the past year, from 4.7 percent to 7.2 percent nationally. When you factor in the skyrocketing costs of health care, coupled with the economic pinch being placed on people's pocketbooks, today's American families are being bled dry and countless children are being left without health care. In that context, we are making a critical investment in the health of our Nation by adding these 4 million children to the 7 million already covered by SCHIP.

The long-term risk of not making this investment now will surely cost us more. Let me cite just one example: It is my understanding that an uninsured child diagnosed with appendicitis is 5 times more likely to die as a result of lack of access to medical attention than a child who is has been insured. By expanding access to more working families, we begin to lay the foundation for the principles by which we hope to overhaul our Nation's health care system.

As my colleagues may be aware, the United States is the only developed nation in the world that does not provide health care for all of its children. That is unconscionable. As history has proven, no nation can truly consider itself great without providing for the well-being of its most vulnerable.

Mr. PALLONE. Madam Speaker, I would yield 30 seconds to the gentleman from Iowa (Mr. LOEBSACK).

Mr. LOEBSACK. Madam Speaker, we have voted for similar SCHIP measures in the past, but those efforts were thwarted time and time again. I believe today is a new day.

Today, we will send a clear message to those who need our help the most—our children. This Congress and the new administration will tell the 38,000 uninsured children in Iowa and the millions more across the country that we care and that we will no longer leave them without the health care they need.

I look forward to casting my vote in strong support of this legislation. I urge my colleagues to do the same.

Mr. STARK. Madam Speaker, at this time, I am delighted to recognize for 1 minute the distinguished gentleman from Illinois (Mr. DAVIS).

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. Madam Speaker, I am pleased to rise in strong support of the Children's Health Insurance Program Reauthorization Act of 2009.

I am pleased to note that my State, the State of Illinois, has made it possible for every child to receive access to health care and to see that this action takes place across the country so that every child, no matter who he or she might be, has an opportunity to grow and develop to become the kind of person that his or her potential provides.

It is a great day for the United States of America. It is a great day for this Congress. It is a great day for all of the children in America.

Mr. STARK. Madam Speaker, if I may, I will yield myself 2 minutes.

I just want to rise and ask my colleagues to support H.R. 2. It has done a lot of things. It expands insurance coverage to another 4 million children. You can argue one way or the other that they may have insurance someplace else, but this will guarantee that those 4 million additional children will get the medical care or the insurance and, without which, they will not get first-class medical care in this country.

We've passed this bill in several different forms in the past, and I want to thank the 40 or 50 Members from across the aisle who have supported it in the past. We've made some changes, and we've acknowledged the legitimacy of all legal residents in our Nation by giving States the option to cover them if they choose.

I am glad to report that the bill is fully financed. We can argue about what happens 4 or 5 years out, but I am sure we'll have more of an argument on whether the very rich should enjoy escaping the capital gains tax or whether we should do away with the inheritance tax, which will bother many of the opponents much more than the idea of the tobacco tax or, indeed, the prohibition on the unethical kickbacks that physicians receive from ownership hospitals, most of which are of questionable safety and quality. This legislation expands health coverage to our Nation's children, and it is worthy of our support.

I would like to take just a moment to thank the staff members who have worked so hard over the past almost 2 years. From the staff on the Committee on Energy and Commerce: Bridgett Taylor, Karen Nelson, Andy Schneider, Amy Hall, Purvee Kempf, Tim Gronninger, Hasan Sansour, and Bobby Clark.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. STARK. Madam Speaker, I yield myself an additional 10 seconds.

From our own staff on the Committee on Ways and Means Health Subcommittee: our staff director—Cybele Bjorklund—Jennifer Friedman, Debbie Curtis, Karen McAfee, Chiquita Brooks-LaSure, and Drew Dawson.

I urge the passage of H.R. 2.

I reserve the balance of my time.

Mr. BLUNT. Inquiring, does the gentleman have any additional speakers besides his closing comments?

Mr. PALLONE. I do not, but I was going to ask how much time remains.

The SPEAKER pro tempore. The gentleman from Missouri has 90 seconds remaining. The gentleman from California (Mr. HERGER) has 1 minute remaining. The gentleman from California (Mr. STARK) has 1 minute remaining. The gentleman from New Jersey has 2¾ minutes remaining.

Mr. PALLONE. Madam Speaker, I would yield myself a minute and a half.

I just want to stress how important this bill is and also that it is, essentially, the same bill that we passed in the last Congress. It was bipartisan. It was passed in both houses with a fairly large margin. The only thing that stood in the way was President Bush's veto.

Now we do have a new President. We know that he has supported the legislation. It is so crucial for the children of this country, for the 4 million or so now who are eligible but for whom there is no funding, who will be covered by this legislation. It is fully paid for.

Particularly now, when we have a recession and when we know that so many people are losing their jobs and, as a consequence, their health insurance for themselves and for their families, what could be more important than making sure that those families' children are covered by this legislation?

□ 1345

I must say I'm very proud of the fact that we are here in the first week, essentially, of this new Congress passing this bill. I know the other body is about to pass it as well and that we will be able to send it to the President and have it be one of the first accomplishments of his Presidency and of this Congress.

I know Mr. STARK already thanked the various staff members, so I won't thank them again. But I do want to pay particular attention to Bridgett Taylor because I know that she worked on this legislation for 2 years or more and was even there when we first passed the SCHIP bill 10 years before that. And it has always been one of the things that she cares so much about. But I want to thank all of the staff people and all of my colleagues for all of the work that they've done on this legislation.

Mr. HERGER. Madam Speaker, I reserve the 1 minute I have to close, but I would yield to the gentleman from Missouri (Mr. BLUNT) for the time that he has that he controls.

Mr. BLUNT. Madam Speaker, I yield my minute-and-a-half to the ranking member of the Health Subcommittee on Energy and Commerce, the gentleman from Georgia (Mr. DEAL).

Mr. DEAL of Georgia. I appreciate the gentleman yielding.

Madam Speaker, very few bills come to the floor of this House with so much rhetoric disassociated from facts as we have heard in this bill.

Now, let's talk about a few of the real facts.

First of all, the program was designed, at its outset, to insure children that were above the Medicaid level of poverty but below 200 percent of poverty. All of the stories that we have heard today—from both sides of the aisle, quite frankly—as to examples of children who are uninsured, in almost every one of those instances are children that should have been insured under the current law under either SCHIP or Medicaid but are unenrolled.

One of the amendments that I offered that was not allowed was an amendment that said before you can go up the poverty scale, you should have a 90-percent saturation of those children that are below 200 percent of poverty. Many States that are well above the 300 percent of poverty still have not covered a quarter of their children that are below the 200 percent of poverty level.

So ''poor children first'' is not in this bill.

Secondly, with regard to the issue of illegal immigration. Now, you can say that illegal immigrants will not be allowed, but you are removing the requirements of certification of eligibility. And by the way, pregnant women, regardless of their immigration status, are considered ''children'' under the SCHIP bill in everybody's version of the law.

Now, if you're not acknowledging that illegals are going to be enrolled in this program by virtue of the change you're making in this bill, then you ought to talk to CBO because CBO says in the next 10 years that the Federal Government will spend $5.1 billion and States will spend $3.85 billion on people who are illegally in this country.

Mr. STARK. Madam Speaker, I'm delighted to recognize the Speaker of the House, the distinguished gentlelady from California (Ms. PELOSI).

The SPEAKER pro tempore. The gentlewoman from California is recognized for 1 minute.

Ms. PELOSI. Madam Speaker, I thank the gentleman from California for yielding.

My colleagues, this is a day of triumph for America's children. With what I expect to be a strong bipartisan vote, the House will bring us one step closer to providing health care for 11 million children in America.

With this action and with the legislation last week to ensure equal pay for equal work for women, Congress makes clear that we put women and children first. It is important that we have this legislation up so soon in this new Congress because children are our top priority. We like to be considered a Congress for the children, a Congress for the future.

At a time of economic crisis, nothing could be more essential than ensuring that children of hardworking families receive the quality health care they deserve. Many of these children are from families of hardworking Americans who have lost their jobs through no fault of their own. It's sad to say that America lost 2.6 million jobs last year. Over half a million jobs were lost in the month of December—500,000 jobs in the month of December alone. It was actually 526,000 jobs. Each month, until we have an economic recovery initiative, we will continue to lose at least 500,000 jobs per month.

With such job loss, America sees the health care coverage that we all need for our children disappear. For every 1 percent increase in the unemployment rate, it is estimated that as many as 1.5 million Americans will lose their

health care coverage. A record 47 million Americans, including nearly 9 million children, are without health insurance now.

Ensuring that children have access to affordable health care just makes sense. It's not just about addressing their health needs when they are sick. It's about keeping them healthy in advance. It's about prevention. It's about diet, not diabetes; it's about prevention, not amputation. It's about a healthier America.

Contrary to the views of some, an emergency room is not good health care on a regular basis. An emergency room is, as it describes, for emergencies—not for ongoing health care. So for those who say that all people in our country have access to health care, that they can go to an emergency room, I don't know what they could be thinking.

By ensuring health care coverage for 11 million children, families will have regular doctor visits and preventative care. We will ensure that children get the care they need and the health care costs are not inflated due to expensive emergency room care.

That is why more than 80 percent of the American people support this legislation. It's bipartisan. It is fully paid for by a 61-cent tax on a pack of cigarettes as the major part of its funding, and it represents a new direction because, again, it is good health care for America's children. It is paid for.

We have fought in the last Congress together, Democrats and Republicans, in the House and in the Senate to pass this legislation—which we did—but it was vetoed. At the time, President Bush said that we could not afford this legislation, that we could not afford to insure America's children. Forty days in Iraq equals over 10 million children in America insured for 1 year. Forty days in Iraq, 1 year insuring over 10 million children. We certainly can afford to do that.

We look forward to bringing this legislation to President Obama's desk as one of the first bills that he will sign. And when we do, we owe a great deal of gratitude to Chairman HENRY WAXMAN of the Energy and Commerce Committee, Chairman RANGEL of the Ways and Means Committee, Chairman Emeritus JOHN DINGELL, who's worked on this issue for a very long time and engineered it through the last Congress. Thank you, Mr. DINGELL. Congressman PALLONE, the Chair of the subcommittee; Congressman STARK, the Chair of the appropriate Committee on Ways and Means; the Congressional Hispanic Caucus, which led the fight to make sure that legal immigrant children are covered under this legislation, and our Congressional Black Caucus. All elements of our Congress, a coalition, and on the outside, because we could not succeed with just our inside maneuvering on legislation so important and so pervasive in its impact.

Without the support of more than 300 organizations, from AARP to the YMCA and everything in between, the March of Dimes, Easter Seals, almost every organization you can name supports this SCHIP; and they support providing quality, affordable health care to America's children, and they support doing it by the passage of the State Children's Health Insurance Program legislation that we have before us today.

So I thank all of those in the Congress for their leadership in making this important day possible for America's children. It's important to children because of their health. It's important because it's paid for. We do something great for children without adding to our deficit and delivering mountains of debt to future generations.

So this, all in all, is great for kids. Let's keep our reputation going as a Congress for children and give a strong bipartisan vote to this important legislation.

Mr. HERGER. Madam Speaker, I yield the remainder of our time to the minority leader, the gentleman from Ohio (Mr. BOEHNER).

The SPEAKER pro tempore. The gentleman from Ohio is recognized for 1 minute.

Mr. BOEHNER. Madam Speaker, let me thank my colleague from California for yielding.

I rise today in opposition to this bill, frankly because of my strong support for the SCHIP program.

In 1997, Republicans here in Congress worked with our Democrat colleagues to create the State Children's Health Insurance Program. I was there, and many of you were here as well. And throughout that process it was bipartisan, it was fair, and open discussion and open debate. And unfortunately today, the voices of millions of Americans who want to provide input into this proposal have been silenced in the process.

Earlier this week, I wrote to Speaker PELOSI and President-elect Obama expressing our willingness to work together on this critical issue. We outlined our principles for this program's reauthorization. The principles are nothing new. In fact, they're the same principles that led to the creation of SCHIP in 1997.

And they are this: This program ought to cover poor children first. Unfortunately in many States, more than two-thirds of those enrolled in the SCHIP program are adults. And there is nothing in this bill that really does ensure that poor children will be brought into the program first.

Secondly, taxpayer funds for this program should not be used to fund benefits for illegal immigrants. And there's been this big debate about whether it does or it doesn't, but the fact is that while the bill says we will not cover illegal immigrants in this bill, the whole verification process that should be in here to ensure that only American citizens and legal residents are entitled to these benefits, no verification to speak of is contained in the bill.

And we also believe that SCHIP should not force children with private insurance into a State-run health insurance program. Last year in this proposal, there was language that made it clear that children with a private health insurance program, that they should stay in that private program and not be pushed into the State-run program. Unfortunately, the bill before us does not reflect these principles, the same ones that have guided this program since its creation.

I believe that the bill before us would undermine the original intent of the SCHIP program by expanding the program to adults, illegal immigrants, and upper-income families who already have access to private health insurance.

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I think taxpayers deserve better, and, more importantly, our Nation's children deserve better. That's why today Republicans will offer a better way.

I said on the opening day, when I gave the gavel to Ms. PELOSI, that Republicans would not just be the party of ''no,'' that we would come to this floor with better solutions. And the better solution that we will offer here soon is a program that would reauthorize SCHIP for 7 years, not the 4½ years that we see in the majority's bill; it will reflect our principles, and make it clear that poor children should be covered first; and it will fully fund the SCHIP program without raising taxes on American families across our country.

Madam Speaker, Federal funds targeted for low-income children should benefit low-income children, period. Only one measure on the floor today will serve those children's interests, and that's what the motion to recommit will contain. So I would urge my colleagues to vote ''yes'' on the motion to recommit and ''no'' on the underlying bill.

Mr. MARKEY of Massachusetts. Madam Speaker, I rise today in strong support of the Children's Health Insurance Program Reauthorization Act of 2009.

I am proud to be an original cosponsor of this important legislation to expand the highly successful State Children's Health Insurance Program (SCHIP). This bill will allow the program to provide health insurance to an additional 4 million low-income children on top of the nearly 7 million who already benefit from the program.

In my home State, SCHIP enrollment is part of the reason why Massachusetts has the lowest rate of uninsured children in the country. More than 180,000 Massachusetts children receive health coverage through SCHIP, and this reauthorization will allow the state to cover even more children who currently do not have health insurance.

It is unfortunate that the previous two attempts to reauthorize SCHIP were vetoed by President Bush, who chose to side with big corporations over children. With the current economic crisis causing significant job losses,

millions of Americans also are losing their health coverage, making today's vote even more urgent.

While President Bush twice dashed the hopes of millions of low-income families in need of health care for their children, the incoming Obama administration recognizes the value of ensuring that all low-income children get the health care they need.

I urge my colleagues to stand with the hard working families who want to provide their children with the health care they need. Vote yes on this critical legislation.

Mrs. BACHMANN. Madam Speaker, today I rise in opposition to H.R. 2, the Children's Health Insurance Reauthorization Act of 2009. While I support the State Children's Health Insurance Program, SCHIP, and its continued reauthorization, the proposal before the House today reauthorizes this program in an irresponsible manner, at a time when the American people need responsible government more than ever.

As you know, I recently joined many of my Republican colleagues in a letter to you, Madam Speaker, and to President-elect Obama asking that any reauthorization of SCHIP contain commonsense provisions to ensure that the program's mission is fulfilled. For instance, SCHIP is meant to ensure that children without means can gain access to health care. The program is designed to cover them first, before extending coverage to children whose families may be able to afford coverage. Unfortunately, the bill with which we have been presented includes no requirement that states focus the funds in this bill on low-income children. There is a likelihood that the failure to include such a provision will lead to funds being diverted from the children who need them most, particularly in the states that have expanded their SCHIP programs most dramatically.

Another concern that I have is the impact of this legislation on the private insurance market and the families who depend upon it. In scoring this legislation, the Congressional Budget Office (CBO) estimated that 2.4 million people will drop their existing private insurance, opting instead for the public program. This "crowding out" will constrict the health insurance pool and further increase the cost of private insurance for millions more. Given the ranks of Americans who already cannot afford health insurance, this is the last thing the American people need.

There are other concerns that I have with this bill and with the way it is being pushed through with so little debate and no opportunity for amendment. While the House leadership has again promised that it will work in a bipartisan fashion, bringing both sides of the aisle together to build consensus legislation, this promise has turned out to be nothing more than empty to the American public. I urge my colleagues to join me in opposing this legislation.

Mr. POMEROY. Madam Speaker, I rise today in strong support of H.R. 2, the Children's Health Insurance Program Reauthorization Act of 2009.

We were all deeply disappointed that President Bush vetoed bipartisan legislation that would have reauthorized the popular State Children's Health Insurance Program, SCHIP, not once, but twice during the 110th Congress. However, under a new Congress and a new incoming President, I am pleased that we can finally move forward with bringing health care to 11 million needy low-income children.

In my own State of North Dakota, there are roughly 14,000 children who lack health care coverage. Under this legislation, the nearly 3,600 children who are already covered under the Healthy Steps program will continue to obtain the care they need and there is the potential to cover many more given the $100 million in outreach and enrollment grants as well as the $3.2 billion in performance grants to states to help enroll needy children who are eligible but currently enrolled in SCHIP.

Our Nation's current economic crisis illustrates just how urgent the need is to reauthorize SCHIP. With 2 million jobs lost in 2008, more and more needy children are finding themselves without health care coverage this year. That is why I urge my colleagues to join me in standing up for 11 million children and pass this important bipartisan piece of legislation.

Ms. EDDIE-BERNICE JOHNSON of Texas. Madam Speaker, I rise in support of H.R. 2, the Children's Health Insurance Program Reauthorization Act of 2009.

Texas ranks last in the Nation in terms of taking care of its children. A report released in 2009 by the organization called, "Texans Care for Children" contains dismal statistics.

For example:

Texas continues to rank 50th out of 50 among the States in health coverage for children.

Infant mortality rates have steadily climbed in Texas this decade, while remaining unchanged in the Nation as a whole.

Texas still ranks near the bottom in child hunger, child poverty, and child deaths from abuse or neglect.

The State of Texas continues to be ineffective at resolving the problem of uninsured children in our State.

I am sympathetic to States' needs to avoid revenue shortfalls regarding SCHIP, and so I support Congress allocating the funds needed to cover children in need.

Today's legislation is similar to a bill passed by Congress in 2007 and vetoed by the President.

It would provide health care coverage to 11 million children in this country who currently have none.

I support a generous expansion of this program.

Children with health insurance are more likely to be up to date on immunizations and to receive treatment for sore throats, ear aches and other illnesses.

Good health means fewer sick days and better school performance—and less burden on our emergency rooms.

As a nurse, I can not over-emphasize how important it is for young people to have a medical home.

Having a family physician can prevent so many minor illnesses from developing into serious, expensive illnesses.

Health care coverage of children just makes good sense.

I urge my colleagues to avoid delay in passing this bill, as it is critical for the health of so many children.

Mr. MORAN of Virginia. Madam Speaker, I rise today in strong support of H.R. 2, the Children's Health Insurance Program Reauthorization Act of 2009. Truly, we face a health care crisis in this country—in the richest country on Earth; 47 million Americans do not have health insurance, including 9 million children. The need is even greater in these sad economic times. With rising unemployment, more families are losing their health insurance. This bill will go a long way to provide health care for uninsured children and fulfilling our moral obligation to them.

In my home State of Virginia, the CHIP program currently provides coverage to 144,163 low-income children each year. The CHIP Reauthorization Act will help us cover an additional 75,000 children. It will ensure that these children have access to high quality health care, including the preventative services that children need to be healthy and successful in school and later in life. This bill will provide dental and mental health benefits on par with medical and surgical services—truly ensuring that the whole child's health is provided for.

The CHIP Reauthorization Act does this without increasing the deficit, primarily by increasing the Federal excise tax on cigarettes. In my view as Chairman of the Congressional Prevention Caucus, an increase in the Federal tobacco tax is sound public health policy. It provides a reliable revenue source to offset the costs of expanding coverage to low-income children and it will reduce health care costs in this country by reducing the prevalence of chronic disease.

In the past, there has been misleading and false information regarding the bill's treatment of illegal aliens. Critics of the legislation seem to ignore existing Federal law and provisions in the CHIP Reauthorization Act that prevent federal funds from being spent to provide benefits for illegal immigrants. What H.R. 2 does do is offer an opportunity for States to waive a five year waiting period on legal non citizens. Current law requires a five-year waiting period before legal immigrants are eligible for CHIP. Allowing State flexibility in this regard is sound public health policy that would enable thousands of American children access to vital health services to help them live better, healthier, and more productive lives. The bill does not mandate the change, but leaves it to the states to make their own decisions.

Reauthorizing SCHIP is sound public health policy—research shows that children who have access to health insurance are substantially more likely to access key preventative services, miss fewer days of school due to illness, get better grades, and grow to become healthy and productive adults. Moreover, the financial benefits of covering children vastly outweigh the costs—one need only compare the cost of a visit to a primary care provider to the cost of a night spent in the emergency room. Ultimately, covering all our children is a moral imperative—it is the only possible humane, responsible course of action. I urge a yes vote on H.R. 2.

Mr. CARSON of Indiana. Madam Speaker, I rise today on behalf of the thousands of uninsured children in Indianapolis, Indiana.

In this recession, many of my constituents can no longer afford the skyrocketing cost of health care. Without checkups or medication for their children, they sit powerless.

So, I implore those who oppose this bill to think of the uninsured children in their congressional districts. Should they be made to suffer from rising health care costs and an unstable job market? And should your constituents suffer because their children hang between Medicaid and private insurance? The

answer to both of these questions should be an unwavering no.

There are few opportunities in this body where the right decision is so obvious. Support our children by voting yes on SCHIP.

Mr. SMITH of Texas. Madam Speaker, I oppose this bill for many reasons. In my role as the ranking member of the Judiciary Committee I want to point out a few immigration provisions that undermine personal responsibility and burden American taxpayers.

In the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Congress, with the overwhelming support of the American people, required that legal immigrants wait 5 years after coming to the United States before receiving welfare benefits.

It's only fair that American taxpayers not foot the medical bills of foreign nationals who arrive with a sponsor's pledge not to become a ''public charge.''

H.R. 2, changes current law and allows immigrants to get medical benefits at the expense of U.S. taxpayers.

Immigrants, both legal and illegal, already have a federally mandated right to emergency medical care. That mandate has helped bankrupt hospitals all over the United States.

Federal law requires that the American sponsor of new immigrants sign an affidavit of support stating that they will be responsible for any public costs incurred by the immigrant. Unfortunately, those affidavits have never been enforced and immigrant sponsors know they will not be held accountable if the immigrants receive welfare and become public charges.

The 5-year waiting period for immigrants to receive government benefits is the last line of defense for the U.S. taxpayer. It should not be repealed or altered in any way

Prior to laws enacted in 1996, the cost of welfare for immigrants had jumped to $8 billion a year. The number of noncitizens on Supplemental Security Income increased more than 600 percent between 1982 and 1995. Both of those numbers will be much higher if H.R. 2 is enacted.

At a time when government spending is out of control, and when States, cities and American citizens are struggling to make ends meet, the last thing we need is to change good policy and further burden U.S. taxpayers.

This legislation should be opposed.

Mr. KLEIN of Florida. Madam Speaker, I rise in strong support of the Children's Health Insurance Program Reauthorization Act of 2009. This critical legislation will take care of unfinished business from the 110th Congress by providing health insurance coverage to 11 million children along with enacting needed reforms to the CHIP program.

I applaud Speaker PELOSI for bringing this bill to the floor so quickly and President-Elect Obama for calling on Congres to have this legislation ready when he takes office. To be frank, this bill can't come fast enough for the millions of children without basic healthcare coverage and for the low-income families struggling to make ends meet.

Never in my life has our country been in such a precarious state. Our once soaring economy is teetering, with unemployment at 7.2 percent, and the traditional pillars of our economy are struggling to stay in business. Now more than ever, the government must fill its role by helping the most vulnerable in our society meet their basic needs like healthcare.

Madam Speaker, we're not asking my colleagues to take a leap of faith on some untested program. Created a decade ago, the State Children's Health Insurance Program is a product of true bipartisanship. A Republican Congress passed it, and a Democratic President signed it into law. And it is not an entitlement program; it is an empowerment program that encourages enrollment into private health insurance programs and a sliding scale for premiums based on a working family's ability to pay.

In my home State of Florida, CHIP is administered through the Healthy Kids Program. During my tenure in the Florida State Senate, I helped oversee its implementation while serving on various committees. While we ran into some roadblocks with enrollment, I can say that people from both parties as well as the business community felt it was an innovative way to provide health care coverage to hundreds of thousands of low income children in Florida.

Madam Speaker, passing CHIP legislation today is our first test of leadership in the 111th Congress. If we fail—if we fail our children—then we must ask ourselves what leadership means in a time of crisis and whether we deserve the trust of the American people.

Mrs. CHRISTENSEN. Madam Speaker, I rise today for 11 million reasons—the 7 million children whose insurance will continue and the more than 4 million other children who will be insured for the first time—many of whom are children of color—with the passage of H.R. 2.

I must commend Chairmen PALLONE, WAXMAN and DINGELL—whose steadfast efforts to expand health coverage to millions of American Children and whose unwillingness to accept mediocrity is why we are here today.

If we are all having dẽjãvu, it is because we have done this twice before. And we are here today not just because of the charm on the third try, but because this year we will have a new president who will finally sign it into law.

H.R. 2 will not only make a significant down payment on President elect Obama's and our promise to insure all of our country's children, it rightfully refuses to leave out children and pregnant women who have been legally admitted into our country. Doing this is not only the right thing to do it is the least we can do to insure the health of all of our children.

This bill also includes important expansions to the program for screening and prevention as well as dental and mental health care, addressing child health in a more holistic way

Because more than half of all uninsured children are racial and ethnic minorities, this bill will help to eliminate health disparities in this most vulnerable group and improve the outlook for their health later in adulthood.

Today we have the opportunity to reach across the political aisle to do the right thing—to make the health and health care needs of our nation's children the priority they must be—to make sure that every child has the opportunity to reach their fullest potential, so that our Nation can too.

I urge all of my colleagues to vote for H.R. 2—to vote for America's children. It is nothing less than a vote for the future of our country.

Mr. CUELLAR. Madam Speaker, I rise today in strong support of the Children's Health Insurance Program.

Growing up as the son of migrant parents, I was among the millions of American children who had no health insurance. When someone in our family got sick, seeing a doctor simply wasn't an option.

I got lucky. Even without health insurance, I grew up into a healthy adult. But I could just as easily have ended up going untreated for a chronic disease or serious injury, and a lifetime of opportunities would have evaporated. It is unacceptable that 1.4 million Texas kids continue to bear that risk today.

When I served in the Texas State House, I had the honor of launching the first CHIP program in Texas at Farias Elementary School in Laredo. The program later expanded statewide, and today, it has helped millions of Texas families—families like the one I grew up with—afford to see a doctor.

In these difficult economic times, as millions of Texas families struggle with job losses and pay cuts, CHIP is more important than ever. For families living on the financial edge, CHIP is a critical source of care, support, and peace of mind.

Mr. HONDA. Madam Speaker, I rise today in support of H.R. 2, the State Children's Health Insurance Program Reauthorization Act of 2009. Over the last 2 years, it has become necessary to fund the Children's Health Insurance Program in some States through supplemental appropriations as program wait-lists grew and children waited for care. Now, with the country in the midst of the severest financial crisis in decades, parents are more concerned than ever about the health and well-being of their children. The bill before us today represents an investment in our Nation's safety net; by preserving and expanding the program to provide coverage for 11 million children over the next 4½ years, the bill alleviates some of the stress placed on men and women faced with unemployment.

My home county of Santa Clara was the first in the Nation to ensure that every child with parents at or below 300 percent of the federal poverty level has real access to regular health care as a result of being insured. The county's Children's Health Initiative raises its own money to add to State and Federal funding in order to keep all the children of my district healthy—last year, the program enrolled over 144,000 children and serves as a model for 17 other California counties.

This innovation is threatened by the county's $220 million projected budget deficit for fiscal year 2009; and we in Santa Clara County face the possibility of deep cuts in our healthcare system totaling nearly $100 million. The budget woes of the State of California limit the assistance it can provide, and so without this reauthorization of SCHIP, the financial burden on the county would be significantly heavier. I'm proud to vote today for legislation that will provide our program and our county's children with much needed stability for the next 4½ years.

As the chairman of the Congressional Asian Pacific American Caucus, it is particularly gratifying to see the inclusion of a provision in this bill that will allow States to waive the 5-year waiting period for Medicaid and SCHIP imposed on pregnant women and children who are legally present in the United States. It is morally unconscionable that pregnant women and innocent children have been made victims of a raucous and frequently misleading immigration debate. Hundreds of thousands of people from Asian countries immigrated legally to the United States in 2007 and 2008; at the very least the children in those

families deserve to have health insurance and access to care. CAPAC has consistently joined with the Congressional Black Caucus and Congressional Hispanic Caucus in advocating for protection of this vulnerable population and I thank Speaker PELOSI and our other House leadership for redressing this injustice.

The passage of this bill protects the health of millions of American children. It is the first step in a long journey toward repairing our healthcare system and providing universal coverage, care, and access to the people of our Nation, and I look forward to working with my colleagues to complete that journey. I urge the Senate to act in as swift and responsible manner as we do today and pass this bill.

Mr. BARTON of Texas. Madam Speaker, as we debate this new SCHIP bill, I think it is important to figure out what we know about the bill and the undemocratic methods that produced it.

First, we know that few, if any, Members of Congress actually have read the bill. Despite the promises made by Majority Leader HOYER on Friday that we would get at least 48 hours to review the bill, the new, 285 page SCHIP bill only turned up yesterday at 11:20. The 48 hours that Majority Leader HOYER promised somehow shrank to less than 24 hours. The Rules Committee met without an official score from the Congressional Budget Office. I will stipulate that Members may not always read the legislation they vote on, but most of us at least read the summaries and analyses that our staff members prepare. And every one of us has a right to the time required to know what these bills contain.

That's what the regular legislative process is all about—listening, thinking, proposing, thinking some more, amending and debating. Implicit in normal process is the notion that all useful ideas may not reside exclusively in the minds of the Speaker's assistants.

And all this careful listening and critical thinking by House Members is supposed to happen before we vote. Democrats seem to think that's got it backwards. They want to vote first and think later. It's all about bills written in private, delivered at night, and ramrodded through here with the blink of an eye. Now, I recognize that a strong majority can do things that way, and Republicans aren't without sin. But when secrecy and arrogance are combined with perfect efficiency, the country always seems to pay a heavy price.

On this bill especially, I've been treated better by used car salesmen. They didn't want me looking too closely at their products, but they didn't dump a wreck on my front lawn after sundown and tell me I had to buy it or else. The Democrats don't want anyone to inspect their product, either, and maybe that's because it has the qualities of a used Edsel.

There has been no process, much less any fair process. Evidently changes have been made to the bill from 2 years ago, but what are they? There have still been no committee markups on any SCHIP legislation and no legislative hearings. And I can't find evidence that a single one of the numerous suggested improvements to past SCHIP bills has been incorporated into this one. The majority is interested in what it wants and nothing else.

We also know, Madam Speaker, that today is largely a political exercise. The Senate is actually going to have a real markup in the Senate Finance Committee. I'll say that again to make sure my friends on the other side of the aisle heard what I said: The Senate is actually going to put their SCHIP bill through the full committee process, including considering ideas from people not on the Democrat leadership staff.

It's possible to legislate the right way, and it's pitiful that the people's House is reduced to taking lessons in democracy from our friends in the Senate.

Over here, the tricks don't stop with tactics. Every Member of this body understands that they will be vilified if they don't fall in line and support this bill. If you don't vote for the Democrats' SCHIP bill, your constituents will be told that you hate kids. Your people will be told that the only way to ensure that kids get health care is by supporting the bill produced by the Democrat leadership without a whisper of a complaint. They want the people to believe that there are no other ideas and no other options.

Well, Madam Speaker, I want to make clear to the American people that my Republican colleagues and I do want to reauthorize the SCHIP program. We have repeatedly reached out to the Democrats and have asked for a chance to sit down with them and work on a compromise that can become law. Last year, we heard many impassioned speeches about how important it was to override the President's veto of the Democrats' bills, but after these votes those same people were literally applauding when the veto was not overridden. That's right, Madam Speaker, there were Democrats applauding on the floor of the House when the bill they supported was rejected. That's more than partisan politics, that is cynicism and deception at their ugliest.

Madam Speaker, when the Democrats stop making this about political advantage at the expense of low-income children, and decide to actually produce a serious, passable SCHIP program, I am still ready to work with them.

As it stands now, I urge all Members to reject this cynical ploy and vote ''no'' on this deeply flawed and highly partisan bill.

Mr. KUCINICH. Madam Speaker, I rise in strong support of H.R. 2, which will provide health care for 4 million previously uninsured children. In Ohio, it will make the difference for up to 50,000 kids.

Ohio has had to suspend its efforts to expand eligibility to children because of tight State budgets. At the same time, the number of eligible children is growing rapidly as more parents lose their jobs or simply watch the premiums of private health insurance companies skyrocket beyond their means. This bill is needed more than ever.

The bill also includes mental health parity as well as dental coverage. Dental coverage is a topic I explored in the Domestic Policy Subcommittee of the Oversight and Government Reform Committee in a 7-month investigation into the death of 12-year-old Deamonte Driver. He died of a brain infection caused by tooth decay.

Finally, the bill allows states the option to cover children born outside the U.S. but now here legally. This provision will not only give these children the health care they deserve but will also save States money by allowing them to move routine care from the emergency room to the doctors office where it belongs. I fought for this provision in a previous version of this bill when it was excluded. I am glad to see that it has been retained this time and look forward to its passage.

Every child has a right to health care. This bill is a step in the right direction.

I urge my colleagues to pass the SCHIP reauthorization.

Mrs. CAPPS. Madam Speaker, I rise in strong support of this legislation to strengthen SCHIP and in strong support of America's children.

As a former school nurse, I consider it a crime that there are children in America who cannot access all of the healthcare services they need.

And today we have an opportunity to fix this injustice.

The excellent bill we have before us will ensure that millions of children in working families can get the proper preventive and primary care they need to ensure a healthy childhood.

I am also pleased to see that this bill preserves State options to cover pregnant women.

After all, the health of a mother is the greatest contributor to a child's health.

The current economic climate only adds to the urgency of this legislation.

States are experiencing budget shortfalls which threaten the status of children already enrolled in SCHIP.

And as parents lose their jobs; their health coverage is lost, too.

So I hope every one of my colleagues will join me in voting ''yes'' on this bill today and secure a better future for the health of our children and grandchildren.

Ms. HIRONO. Madam Speaker, I rise today in strong support of H.R. 2, the Children's Health Insurance Program (CHIP) Reauthorization Act of 2009.

I believe our Nation must show true compassion for the most vulnerable among us, and CHIP is a program that helps millions of low-income American children to receive health care so they can grow up in good health.

Since its creation in 1997, CHIP has been successful in providing vital health care coverage for children in families who cannot afford private insurance yet earn too much to qualify for Medicaid. There are now 6.6 million children enrolled in the program, which includes 20,000 keiki (children) from my home State of Hawaii.

Regrettably twice in 110th Congress, President George W. Bush vetoed bipartisan bills that would have reauthorized and improved CHIP in order to provide secure health coverage for millions of uninsured children in working families. These vetoes were made despite the fact that the bills had passed in both the House and Senate with strong bipartisan majorities. As a result of these vetoes, Congress was only able to provide a short-term extension of CHIP, through March of 2009, but was not able to enact program improvements to help States reach additional uninsured children.

The bill before us today is based on the two previously vetoed bipartisan bills. It also offers the 111th Congress the opportunity to right the wrongs of the out-going administration. President-elect Obama has previously expressed strong support for CHIP because it provides a much-needed down-payment on children's health. By extending health coverage to millions more children, this legislation is an important first step in stemming the rising tide of the uninsured.

I urge my colleagues to join me and vote in support of this bill and of the health and well-being of children most in need of our help.

Ms. TSONGAS. Madam Speaker, today, I rise in support of legislation we will be considering today to expand the Children's Health Insurance Program.

This bill provides coverage to children whose families cannot afford private insurance, and would expand access to health insurance for millions of children nationally—over 200,000 living in Massachusetts.

I first voted to override the President Bush's veto of similar legislation on the day I was sworn into office. It was my first vote and one of which I am enormously proud. Tens of thousands of people from my District, and millions more across the country, both Republicans and Democrats, have made their support for this program resoundingly clear.

This program is also important to my State of Massachusetts, where the program was first developed, because it is a critical component of the groundbreaking universal Massachusetts Health Care Plan.

Today, I stand with a strong bipartisan majority ready to give our Nation's children a chance at a healthy childhood and I urge my colleagues to do the same.

Mr. SIRES. Madam Speaker, I rise today to speak about the State Children's Health Insurance Program or SCHIP. This is a successful, popular, bipartisan program that currently provides private health care coverage for more than 6 million children who would otherwise go without care. I am very proud to stand here today and say I will vote for a bill that provides health care to children in need, and that President-elect Obama said he would sign into law.

Our action could not come at a better time. With rising unemployment, many families can no longer afford their health insurance. This bill brings them needed relief. Now parents can find comfort knowing their children will have access to health care while they look for a new job. This is particularly important in my home State of New Jersey. FamilyCare in New Jersey serves 122,000 children every year, a small percentage of which come from families with incomes up to 350 percent of the poverty line. It is expensive to live in my State, and even these families need help getting by. I am happy that this bill maintains the State's right to serve these families.

Today we get to make a real impact on the lives of many struggling families. I am proud to support H.R. 2, the SCHIP Reauthorization Act of 2009.

Mr. BARTON of Texas. Madam Speaker, I rise today to discuss an unrelated issue that has been neatly tucked into this bill. The issue is timely access to quality hospital care in our Nation's communities.

The Majority says we don't need any regular legislative process with this bill because everyone knows what's in it. Well, my staff received this 285-page bill at 11:20 a.m. yesterday. Even with full knowledge of what went into previous versions of this legislation, it isn't reasonable to expect that people will be able to gain a good understanding of the new bill with that sort of time constraint. I would also note that since the last time the House voted on an SCHIP bill, we've added more than 60 new Members.

This is politics as usual, and it should give every new Member great pause before voting for this bill, or any bill. I don't believe that any of our new Members comes from a background where they were expected to approve a major policy on the basis of the idea that, well, it's been here before, so we don't need to read it or understand it. In fact, didn't most of us run against that sort of deceptive politics in Washington?

I want to point out to the new Members that your vote today could also cause hospitals in your district to close. Hospitals that are under construction now and intended to serve your constituents soon may never see a patient. And why will that happen? Because a few Members of your conference with clout believe physicians in your communities shouldn't own hospitals. They say that the people who care for and about their communities, who have a personal stake in the care that is delivered, those people should not be trusted.

We have had no hearings on the issue of physician ownership of hospitals in the last two Congresses. The Health Subcommittee did have one hearing last year to discuss health disparities and we heard from a physician from Louisiana. His story illustrates what can happen when physicians are able to help their communities. After Katrina, hospitals were closing and residents couldn't get care. The doctors in these communities made a difference by coming together to make sure people could continue to receive health care. Why on earth would we want to eliminate people's ability to serve their community?

Why are the opponents of physician-owned hospitals so antagonistic? I'm not sure, because these hospitals provide higher quality care at lower costs than other hospitals. They have higher patient satisfaction rates and don't experience workforce shortages like other hospitals do.

I offered an amendment along with Congressman JOHNSON and Dr. BURGESS to strike the section that was written to eliminate physician-owned hospitals. Unfortunately, the Rules Committee rejected that idea. Congressman BOREN and Congresswoman JACKSON-LEE proposed a very fair amendment that would have delayed the implementation of Section 623 to July 1, 2010, so hospitals that are currently under construction could finish being completed and serve patients. That amendment also was rejected.

Last week, the House changed the rules on motions to recommit stating we could continue to have the committee and amendment process to voice our concerns. Madam Speaker, this has had neither, and it is a shame because the provision of quality hospital care is too important to be eliminated due to some philosophical bent of a couple of your senior Members.

New Members, this is an early to important test: do you vote your district or do you vote your leadership? Do you vote your hospitals or do you vote for a policy that was concocted in private in Washington.

Madam Speaker, in 1997, the Republican Congress enacted the State Children's Health Insurance Program to help children's families near poverty. But now, true to their big government agenda, the Democrat Congress wants to send the President-elect a massive increase in the SCHIP Program that will usher in a new era of socialized medicine in America.

This bill will take a program designed to help children near the poverty level and expand it to include families with incomes of up to $84,000 a year.

And Democrats will pay for this middle class entitlement with a 61 cent—$1 per pack tax increase on cigarettes.

Let's provide health insurance for children of the poor, but let's reject a liberal Democratic Congress attempt to create middle class entitlements on the backs of American smokers.

Since Congress has already reauthorized and fully funded SCHIP through March 31, 2009, we should work in a bipartisan manner to thoughtfully develop a longer-term reauthorization of the State Children's Health Insurance Program.

While I have been pleased to support SCHIP in the past, and continue to support its original intention to cover needy children who do not qualify for Medicaid, the bill being considered today hardly resembles the bipartisan compromise reached in 1997.

My Republican colleagues and I are eager to work with Democrats—as we did more than 10 years ago—to ensure that needy children receive health care coverage. As the program expands, health care for needy children is jeopardized. Republicans will work tirelessly to see that every currently eligible child is covered first and that taxes are not raised on the poorest among us.

The Democrats' SCHIP bill spends billions of dollars to substitute private health insurance coverage with government-run healthcare coverage. The Democrats' SCHIP bill taxes the poor to benefit the middle class. The bill uses the funding gained from taxing the poor to pay for expanding SCHIP eligibility to higher-income families. The Democrats' SCHIP bill focuses on enrolling higher-income kids instead of low-income, uninsured kids. The Democrats' SCHIP bill enables illegal aliens to fraudulently enroll in Medicaid and SCHIP.

Short of finding at least 22.4 million new smokers (the number required to adequately fund SCHIP) Democrats will be forced to either kick millions of children off of health insurance or raise taxes on all of us by tens of billions of dollars.

It is irresponsible to fund a children's health program, particularly one targeted at vulnerable children, with a declining revenue stream.

The revenue to fund this expansion will soon disappear, causing all of us to pay more in taxes.

The percentage of Americans who smoke has been dropping for decades. And research and logic both show that raising the prices of cigarettes will lead to less smoking, and therefore less revenue.

The Democrat expansion of SCHIP takes money from taxpayers in States like Indiana to pay for middle class children in wealthier States.

I oppose this legislation and urge my colleagues to do the same.

Mr. LARSON of Connecticut. Madam Speaker, I rise today in support of the reauthorization of SCHIP, an important piece of legislation that has become even more necessary now than it was when we started working on it 2 years ago. I commend my colleagues, Congressman PALLONE, Congressman WAXMAN, the dean of the House, Congressman JOHN DINGELL, Congressman RANGEL, Congressman STARK, and many others for their tireless efforts on this bill.

Madam Speaker, by passing this bill today we will provide health care for 11 million children. This is not just a bipartisan achievement, it is the right thing to do.

With the economic downturn and some of the worst unemployment numbers we've seen in decades, rising health insurance costs are making it increasingly difficult for families to afford health care for their children. States faced with the constitutional responsibility of balancing their budgets have been cutting programs that provide children with access to health care. Some states have already cut thousands of children from their CHIP programs and more States are considering drastic action. By reauthorizing SCHIP, we will enable States to prevent the loss in health coverage for many of these children and allow more uninsured families to participate in the program. In Connecticut alone this legislation will mean thousands of our 43,000 uninsured children will now be covered.

One story that has been brought to my attention is the story of the Farr family in Manchester, CT. Joseph and Danielle Farr are in their early thirties. They are hardworking citizens who have a young child soon to turn 1. They have a household income that is just $15 above Medicaid. But they qualify for SCHIP, which they call a ''godsend'' for their family.

The Farrs just learned that Joe is likely to be laid off from his job in March—a story familiar to many Americans. But, thanks to SCHIP, their son will continue to get the health care he needs. By reauthorizing SCHIP we will make sure that families like the Farrs will continue to have health care for their child even if they do fall victim to the economic downturn.

This bill will increase outreach efforts targeted at children currently eligible but not enrolled in the program and also give pregnant women access to health care through SCHIP. While we still have many more miles to travel on the road to fulfilling the promise of health care reform, this, Madam Speaker, is a downpayment on that effort. I am proud to support this legislation and urge my colleagues to stand with us, to stand with our children, and pass this bill.

Ms. LEE of California. Madam Speaker, I rise in strong support of H.R. 2, the State Children's Health Insurance Program (SCHIP) Reauthorization bill.

I want to thank Chairman WAXMAN and Chairman PALLONE and all the staff for their work in ensuring that this bill moves forward as one of our highest priorities in the 111th Congress.

Today we will take the long overdue step to expand health insurance coverage to over 11 million children throughout the country.

As our Nation remains mired in the depths of the worst economic crisis since the Great Depression, the action we take now could not be more important or more necessary.

The fact is that the economic policies of the outgoing administration have left our Nation in worse shape than we were 8 years ago.

Today, more people are living in poverty, more people are living without health insurance, and more people are unemployed than they were 8 years ago.

As always, it is the most vulnerable, the children, who suffer the greatest during tough economic times like these.

Passage of the SCHIP legislation today will at least help to make life a little easier for 4 million more children who will receive health coverage under this expanded program.

Although I strongly support this legislation, I believe it can still be improved, most immediately by removing the citizenship verification requirements that remain in this bill.

Ultimately we must move our Nation towards a universal health care system to cover all children and all Americans. Nonetheless this bill is an important step forward.

Madam Speaker, the Nation's children have waited far too long for this moment. I urge my colleagues to pass this bill.

Ms. JACKSON-LEE of Texas. Madam Speaker, I rise today in strong support for the ''Children's Health Insurance Program Reauthorization Act of 2009.'' We stand today, closer to helping 4 million children without health insurance. No longer will these children be forced to live with fear of getting sick.

Today is a great day. Today we can bring 4 million children into the fold. Today we can tell those 4 million children that are begging for help that Yes We Can!

NATIONALLY AND IN TEXAS

There are an estimated 8.9 million uninsured children in America. Overall, about 11.3 percent of children in the United States are uninsured, but the percentage of uninsured children in each State varies widely. Based on a 3-year average, there were an estimated 20.9 percent of uninsured children (under 19 years of age) in the Texas, representing 1,454,000 of the State's children.

According to the Institute of Medicine, uninsured people are less likely to use preventive services and receive regular care. They are also more likely to delay care, resulting in poorer health and outcomes. Texas has the highest uninsured rates of all 50 States and the District of Columbia (2005–2007). Almost one-quarter, 24.4 percent, of Texans are uninsured compared to 15.3 percent of the general U.S. population.

Data show that virtually all the net reduction in SCHIP enrollment has been among children in families with incomes below 150 percent FPL. The number of below-poverty children has dropped by more than 68 percent, and the number of children between 101–150 percent FPL has dropped by more than one-third since September 2003. I want to share with you just some of the scary health statistics that are affecting children:

74 percent of uninsured children eligible for SCHIP or Medicaid but not enrolled.

11 percent of uninsured children in families not eligible for Medicaid or SCHIP with incomes below.

15 percent of uninsured children in families with incomes over 300 percent of the Federal poverty level who are ineligible for Medicaid and SCHIP.

90 percent of uninsured children that come from families where at least one parent works.

50 percent of two-parent families of uninsured children in which both parents work.

3.4 million uninsured children who are white, non-Hispanic.

1.6 million uninsured children who are African American.

3.3 million uninsured children who are Hispanic.

670,000 uninsured children of other racial and ethnic backgrounds.

In the great State of Texas, there is a young man named Jason who had SCHIP health insurance for years, and the coverage was life saving.

When he was in a car accident over a year ago, SCHIP covered his treatment and all the medical bills. His family needs SCHIP because they cannot afford private health coverage. The parents work hard, but the father's employment in pest control is seasonal and provides only about $35,000 annually. Jason's mother is wheelchair-bound with multiple sclerosis and has significant health care expenses.

When Jason lost SCHIP a year ago, his mother suspected they had been denied because of the 2003 Ford truck the family purchased so that she could transport her wheelchair. Prior to last year, she had never had problems renewing coverage, and the family's income had not change. But the income guidelines had changed.

New SCHIP guidelines that took effect in December 2005 do not count children over 18 years of age as family members. Although their full-time student daughter lives at home, she is not counted as part of the family, and, as a result, they are about $50 a month above the income limit for a family of three. So now the entire family is uninsured. This lack of coverage means that when Jason gets sick or hurt, they have to delay paying other bills to pay for medical care.

Lack of coverage also has affected Jason's performance in school. He has been sick quite a bit in the past few years with allergies and has missed many days of school because his eyes become swollen and he is unable to breathe. School officials had reprimanded the mother about his absences but now realize that Jason has some serious health issues. Finally we will be able to help people like Jason and assuage his mothers concerns. We are able to insure those who need it most.

PHYSICIAN-OWNED HOSPITALS

Sadly, there is one portion of this bill I did have some trouble with, the restrictions on physician-owned hospitals. Yesterday, my dear friend from Oklahoma, Congressman BOREN, and I were able to voice a very real concern that we had with the prohibition on physician-owned hospitals.

As the bill was originally written there was a provision in the bill that would have drastically affected the quality of care available to Houston residents and people in urban communities across the entire country.

JACKSON-LEE AMENDMENT

Yesterday, I put forth an amendment that would have exempted General Acute Care Full Service Physician-Owned Hospitals from section 1877 of the Social Security Act, as added by section 623 in SCHIP. There is no direct evidence that demonstrates that overutilization of services and improper self-referrals are in any more excess at General Acute Care Full Service Physician-Owned Hospitals.

My amendment would have exempted responsible and efficient physician-owned hospitals to develop, purchase, sell, and/or transfer their interests.

BOREN/JACKSON-LEE AMENDMENT

My amendment with Congressman BOREN would have provided an extension for the January 1, 2009 grandfather clause for physician-owned hospitals to allow physician-owned hospitals currently under construction to be completed.

At least 85 hospitals across the Nation have been affected. Boren/Jackson-Lee does not differentiate between General Acute Care, Full Service, and Specialty Hospitals.

The exceptions that exist to grandfather in certain physician owned hospitals are inadequate and will affect more than 85 hospitals

that are currently in development and under construction. It will also restrict sales and transfers of many responsible physician-owned hospitals.

In my district of Houston, TX the population has grown close to 4.5 million people, and there are only approximately 16,000 beds available in the city. Eliminating physician ownership in general acute care hospitals would only contribute to this ever growing problem.

While many specialty hospitals are accused of turning away uninsured and Medicaid patients and practicing only profitable healthcare, responsible physician-owned hospitals do just the opposite.

Physician-owned hospitals like St. Joseph Medical Center in my district provide essential emergency, maternity, and psychiatric care for their patients. They delivered over 6,000 babies in 2008, of which 3,700 were insured by Medicaid. Currently they provide $14M in uninsured care in the Houston market. A Houston institution for 120 years, St. Joseph Medical Center is also a major provider of psychiatric beds as it currently operates 102 of the 800 licensed beds in Houston.

While Members of the Texas delegation have continued to support general acute-care hospitals and their future development; we still believe that general acute-care hospitals still need to be able to:

Maintain a minimum number of physicians available at all times to provide service;

Provide a significant amount of charity care;

Treat at least 1/6 of its outpatient visits for emergency medical conditions on an urgent basis without requiring a previously scheduled appointment;

Maintain at least ten full time interns or residents-in-training in a teaching program;

Advertise or present themselves to the public as a place which provides emergency care;

Serve as a disproportionate share provider, serving a low income community with a disproportionate share of low income patients; and

Have at least 90 hospital beds available to patients.

This issue is of the utmost importance to me because I, like others in the Democratic Caucus, have hospitals and hospital systems such as University Hospital Systems of Houston in my district that would have been greatly affected by this provision.

ST. JOSEPH MEDICAL CENTER

In 2006, St. Joseph Medical Center, downtown Houston's first and only teaching hospital, was on the verge of closing its doors. When I learned that they were going to shut down this hospital and turn it into high-end condominiums, I personally worked with the hospital board, community leaders, and local government to ensure this did not take place. Eventually, after I was assured that it would be responsibly managed and its doors would remain open, I was able to help a hospital corporation, in partnership with physicians, which has purchased the hospital and has made it the premier hospital in the region to keep open St. Joseph's doors including its qualified emergency room responsive to a heavily populated downtown Houston.

This formerly troubled medical center is now in the process of reopening Houston Heights Hospital, the fourth oldest acute care hospital in Houston. Without language that specifically addresses this distinction, this project too will come to an end.

Sadly, it remains unclear if CHIP provides for physician-owned hospitals to still be considered grandfathered if have a sale or transfer at the same ownership rate or at a different physician-ownership rate.

Between December 2007 and December 2008, the U.S. economy shed about 2.6 million jobs, while Texas made significant gains. Texas' nonfarm employment registered a stable 2.1 percent growth rate over the year, even as the Nation's job losses reached their worst level since 2003. CBO forecasts the following:

A marked contraction in the U.S. economy in calendar year 2009, with real (inflation adjusted) gross domestic product (GDP) falling by 2.2 percent;

A slow recovery in 2010, with real GDP growing by only 1.5 percent;

An unemployment rate that will exceed 9 percent early in 2010.

The U.S. Bureau of Labor Statistics announced on November 21, 2009, that October's unemployment rate was 6.5 percent, a jump of 0.4 percent, which was double what most economists expected and its highest level in 14 years. The economy has now lost 1.2 million jobs since the beginning of the year, with nearly half of those losses occurring in the last 3 months alone, pointing to acceleration in the pace of erosion in labor markets. It is more important than ever in this economy that children's health care is not sacrificed.

Madam Speaker, my faith is renewed in the process that is so often maligned in the media. Thoughtful and deliberate actions were taken to improve this legislation that would not only help the children of my district and many others across the nation, but also it was able to address concerns that many of us, myself included have on these specialty hospitals.

I look forward to a day when every child is covered and can play on football fields and jungle gyms without their parents fearing a bankrupting injury to their child. This legislation is piece of mind to 4 million families, and I will joyfully cast my vote for passage of this important legislation.

Mr. LEVIN. Madam Speaker, some of the issues we debate in Congress are complicated. This one is quite simple. Americans want the children of this country covered by health insurance.

The State Children's Health Insurance Program currently covers about 7 million children, including 114,000 kids in my home State of Michigan. However, there are still about 9 million children in our country who are uninsured. This is unconscionable. No mother should have to worry about whether she can pay for the health care her child needs. No father should have to take his son to the emergency room because he does not have insurance to visit a primary care doctor. No society should allow a child to go without the security health insurance provides.

Congress passed two SCHIP bills last session. Both pieces of legislation were bipartisan, and both cleared the House and Senate with large majorities. Unfortunately, President Bush vetoed these bills.

As economic conditions have worsened over the course of the last year and more and more children have lost health insurance, this bill has become even more vital to ensuring that children do not fall through the cracks of our current health care system. The legislation under consideration today would extend coverage to another 4 million low-income children. It is an important step toward the goal of ensuring that all Americans, especially children, have the quality and affordable health care they need.

President-elect Obama strongly supports this SCHIP legislation. I can think of no better beginning to the next 4 years than to send the new President this critical investment in children's health. I urge my colleagues to vote for passage of H.R. 2, the Children's Health Insurance Program Reauthorization Act of 2009.

Mr. POSEY. Mr. Speaker, I rise to express both my support for the State Children's Health Insurance Program, SCHIP, and my reservations about the particular SCHIP bill, H.R. 2, that is before us today. I would also add that I am pleased to support an alternative version that will be offered as a substitute today. This alternative focuses SCHIP on low income children and addresses the problems with the underlying bill.

Our nation faces very serious financial challenges. The Congressional Budget Office, CBO, projects that this year's Federal budget deficit will be nearly $1.2 trillion dollars. In other words one out of every three dollars that the Federal Government will spend this year will be borrowed from future generations. Given that our children and grandchildren will have to pay back everything that this generation borrows, we must give the greatest scrutiny to each and every dollar that is spent.

I am committed to working to assist lower-income children who lack insurance. SCHIP was established as a bipartisan program to insure children in families too poor to pay for insurance but not poor enough to qualify for Medicaid. If that was what the bill before us did, I would be voting for it. Unfortunately, H.R. 2 goes well beyond focusing specifically on these children.

H.R. 2 expands SCHIP to extend taxpayer subsidies to the children of those living in, for example, New Jersey and making more than $80,000 per year, 400 percent of the poverty level.

The CBO estimates that 2.4 million of the new enrollees in SCHIP will be children who simply dropped private coverage to enroll in SCHIP. Given our massive Federal deficit, does it make sense to borrow money from our children and grandchildren in order to enroll in SCHIP children who currently have other private insurance?

H.R. 2 continues to allow states to enroll single adults in SCHIP. Over 600,000 are enrolled in the SCHIP program and three states have more adults enrolled in SCHIP than children. This is particularly troubling given that in many states with large numbers of adults enrolled in SCHIP, many qualified children remain uninsured. This is a misappropriation of limited resources and children should not have to sit on the sidelines while able-bodied adults take their benefits.

H.R. 2 also repeals safeguards that were put in place to ensure that illegal immigrants were not enrolled in taxpayer subsidized SCHIP. Removing these safeguards will actually encourage illegal immigration by offering taxpayer funded benefits to people who bypass our laws and enter the U.S. illegally. In a sense, it gives foreign nationals an incentive to break our immigration laws.

Finally, in an admission by the sponsors of H.R. 2 that the bill is unaffordable, the bill assumes that millions of children will be dropped

from the SCHIP program in 2013 in order to meet the technical requirements of Federal budget rules. Does anyone really believe that the Congress would kick millions of people out of SCHIP in 2013? It's time for this Congress to be honest with the American people and this bill does not meet that test. By employing this budget gimmick, the sponsors of H.R. 2 are admitting that the bill is unaffordable.

I am fully supportive of legislation that would focus on ensuring that lower income children are able to enroll in SCHIP. This bill falls far short of that goal.

In conclusion let me say that we have until March 31 to reauthorize SCHIP. Congress should use that time wisely to further examine the effectiveness of this program to date and address these shortcomings. I am disappointed that this 286-page bill is being rushed to the House floor under a closed process that denies Members of the House the opportunity to have an up or down vote on amendments that would address these concerns. I believe that America's children deserve better.

Mr. ABERCROMBIE. Madam Speaker, I rise today to address an issue raised by my colleagues regarding Hawaii's Keiki Care program as a reason not to expand SCHIP. It was suggested earlier today that the Keiki (meaning "child") Care program was cancelled due to perceived crowd-out, a situation where parents drop their children's private insurance in order to enroll into a free government program.

I have supported the State Legislature's efforts to expand health care coverage for children and followed the implementation of Keiki Care closely. The statements made about a crowd-out problem leading to the program's demise were baseless. The Keiki Care program had no problems with crowd-out. First of all, it was intentionally designed to prevent such behavior in requiring that children who wish to enroll must be uninsured continuously for 6 months. Secondly, if parents were indeed hoping to drop their insurance and wait 6 months to enroll, then Keiki Care would have seen a spike in enrollment. Blue Cross Blue Shield Hawaii, the health insurance provider for Keiki Care, did not see any spikes in enrollment and have no evidence to believe crowd-out occurred.

Furthermore, there was little incentive for parents to switch to the Keiki Care program from any private health plan. The health insurance plan offered under Keiki Care was basic preventative care. This means that parents would have had to pay for expanded care costs out of pocket. In looking closer at the Keiki Care program, it is evident that a parent with a full coverage plan for their child would have no incentive to drop a private insurance for this basic, prevention-centered plan.

The State Administration has given various explanations regarding the decision to end Keiki Care, including a growing budget deficit. However, the facts about the program are clear. There was never a problem regarding crowd-out and if continued, the program would have helped to cover more of Hawaii's uninsured children. Therefore, Madam Speaker, it is my hope that by clarifying the details regarding Keiki Care, it will no longer be used as a rationale that has no basis in fact against SCHIP or other efforts to expand health insurance to children and the uninsured.

Mr. BACA. Madam Speaker, I rise today in strong support of H.R. 2, to extend and improve the Children's Health Insurance Program.

Families in my district in San Bernardino, California, are struggling to make ends meet and bring food to the table.

Congress must answer to these and other families across America.

SCHIP is a vital component of our country's health system, allowing for individual states to take care of our most vulnerable, America's children.

A facility in my district, the Community Hospital of San Bernardino is about to rip apart at the seams.

Without SCHIP, they will either have to turn away or eat the cost of 4,000 families enrolled in Healthy Families, California's version of SCHIP.

If SCHIP is not reauthorized, these alarming figures will jump even higher, further jeopardizing their ability to provide care for our community.

This problem is even worse when you consider the impact of the recession, and the growing number of unemployed and without health insurance.

I urge my colleagues to help these families, do the responsible thing and vote for SCHIP.

Mr. DINGELL. Madam Speaker, I stand in strong support of H.R. 2, the Children's Health Insurance Program, CHIP, Reauthorization Act of 2009.

In 1997, a Republican Congress and Democratic President passed a landmark program to reach children who had fallen through the cracks of our healthcare system. These kids weren't poor enough to qualify for Medicaid, and their parents—most of whom worked—couldn't afford health insurance. The CHIP program has proven to be a major success—covering more than 7 million children who otherwise would not have health coverage.

Last year, my colleagues and I tried, on two occasions, to reauthorize this program and expand it to provide care for many more kids in need of its services. Unfortunately, President Bush stood in our way—not once, but twice. I am confident President-elect Obama has his priorities straight and will do what President Bush refused to do—provide much needed health care for our nation's children.

The current economic crisis increases the importance of the CHIP program. More than 1 million children have lost their health coverage because their parents were laid off and lost their employer-based coverage over the past year.

This is especially true in Michigan, which has over 150,000 children uninsured. While Michigan has one of the lowest rates of uninsured children in the country, I fear that the number of uninsured will worsen as Michigan's unemployment rate continues to increase. Recent reports suggest that Michigan's unemployment rate will reach 11.3 percent by the end of the year.

H.R. 2 is critical in this regard because it not only will continue to provide coverage for the 7 million kids already participating in the CHIP program, but will extend health care to 4 million more.

H.R. 2 is for every child out there who needs a vaccination, a cavity filled, chemotherapy, insulin, antidepressants and more life sustaining health care.

This bill is a great first step as we begin our work to reform the nation's health care system and provide health coverage for 47 million uninsured Americans. I look forward to working with my colleagues, Senator Daschle, and President-elect Obama to continue the work. We will not stop until all Americans have access to quality, affordable healthcare.

I encourage all of my colleagues to vote for the children in your district, and for all of America's children. Vote for H.R. 2, the Children's Health Insurance Program, CHIP, Reauthorization Act of 2009.

Mr. LANGEVIN. Madam Speaker, I rise today in strong support of H.R. 2, the Children's Health Insurance Program Reauthorization Act. This legislation represents a crucial and long overdue investment in the health and wellbeing of our nation's most valuable assets—our children.

Since 1997, the State Children's Health Insurance Program (SCHIP) has successfully provided health coverage to millions of low income children across the country who would not otherwise be able to access these services. I have been especially proud of the Rite Care program in my home state of Rhode Island, which covered approximately 24,000 children last year under both the SCHIP and Medicaid programs. However, too many children and their families remain without access to proper health services. We must reaffirm our commitment at the federal level to ensure states have the means to address the health care needs of our constituents, particularly in the midst of an economic crisis that has resulted in dramatic increases in unemployment levels.

H.R. 2 will ensure health coverage for a total of 11 million American children by reauthorizing SCHIP for four and a half years and extending coverage to an additional 4 million uninsured children who are currently eligible for, but not enrolled in, SCHIP and Medicaid. Two-thirds of uninsured children are eligible for coverage through SCHIP and Medicaid, but better outreach and adequate funding are needed to identify and enroll them. This bill provides $100 million in grants for new outreach activities to states, local governments, schools, community-based organizations and other safety-net providers. It also improves SCHIP by ensuring dental coverage for children, mental health services on par with medical and surgical benefits, as well as improved access to private coverage options through premium assistance subsidies.

Finally, H.R. 2 reauthorizes and improves SCHIP without adding to our ballooning federal deficit. Since the cost of the bill is completely offset, it will allow us to make a much-needed investment in the health of our children without requiring them to pay for it in the future.

As many of my colleagues know, universal access to health care has been a top priority of mine throughout my tenure in Congress. I can think of no better place to start than by guaranteeing that children across the country receive the health care services they both require and deserve. I, therefore, urge all of my colleagues to support passage of this measure.

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

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 52, the bill is considered read and the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. DEAL of Georgia. Madam Speaker, I have a motion at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. DEAL of Georgia. I am in its current form.

Mr. WAXMAN. Madam Speaker, I reserve a point of order.

The SPEAKER pro tempore. A point of order is reserved.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Deal of Georgia moves to recommit the bill, H.R. 2, to the Committee on Energy and Commerce with instructions to report the same back to the House forthwith with the following amendment:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''SCHIP Full Funding Extension Act of 2009''.

SEC. 2. EXTENDING SCHIP FUNDING THROUGH FISCAL YEAR 2015.

(a) THROUGH FISCAL YEAR 2015.—

(1) IN GENERAL.—Section 2104 of the Social Security Act (42 U.S.C. 1397dd), as amended by section 201 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Public Law 110–173), is amended—

(A) in subsection (a)(11), by striking ''and 2009'' and inserting '', 2009, 2010, 2011, 2012, 2013, 2014, and 2015''; and

(B) in subsection (c)(4)(B), by striking ''through 2009'' and inserting ''through 2015''.

(2) AVAILABILITY OF EXTENDED FUNDING.—Funds made available from any allotment made from funds appropriated under subsection (a)(11) or (c)(4)(B) of section 2104 of the Social Security Act (42 U.S.C. 1397dd) for fiscal year 2009, 2010, 2011, 2012, 2013, 2014, or 2015 shall not be available for child health assistance for items and services furnished after September 30, 2015.

(b) EXTENSION OF TREATMENT OF QUALIFYING STATES.—

(1) IN GENERAL.—Section 2105(g)(1)(A) of the Social Security Act (42 U.S.C. 1397ee(g)(1)(A)), as amended by section 201(b) of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Public Law 110–173), is amended by striking ''or 2009'' and inserting ''2009, 2010, 2011, 2012, 2013, 2014, or 2015''.

(2) CONFORMING AMENDMENT.—Section 201(b) of such Public Law is amended by striking paragraph (2).

(c) ADDITIONAL ALLOTMENTS TO MAINTAIN SCHIP PROGRAMS THROUGH FISCAL YEAR 2015.—Section 2104 of the Social Security Act (42 U.S.C. 1397dd) is amended by striking subsection (l) and inserting the following new subsections:

''(l) ADDITIONAL ALLOTMENTS TO MAINTAIN SCHIP PROGRAMS FOR FISCAL YEAR 2009.—

''(1) APPROPRIATION; ALLOTMENT AUTHORITY.—For the purpose of providing additional allotments described in subparagraphs (A) and (B) of paragraph (3), there is appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary, not to exceed $3,000,000,000 for fiscal year 2009.

''(2) SHORTFALL STATES DESCRIBED.—For purposes of paragraph (3), a shortfall State described in this paragraph is a State with a State child health plan approved under this title for which the Secretary estimates, on the basis of the most recent data available to the Secretary, that the Federal share amount of the projected expenditures under such plan for such State for fiscal year 2009 will exceed the sum of—

''(A) the amount of the State's allotments for each of fiscal years 2007 and 2008 that will not be expended by the end of fiscal year 2008;

''(B) the amount, if any, that is to be redistributed to the State during fiscal year 2009 in accordance with subsection (i); and

''(C) the amount of the State's allotment for fiscal year 2009.

''(3) ALLOTMENTS.—In addition to the allotments provided under subsections (b) and (c), subject to paragraph (4), of the amount available for the additional allotments under paragraph (1) for fiscal year 2009, the Secretary shall allot—

''(A) to each shortfall State described in paragraph (2) not described in subparagraph (B), such amount as the Secretary determines will eliminate the estimated shortfall described in such paragraph for the State; and

''(B) to each commonwealth or territory described in subsection (c)(3), an amount equal to the percentage specified in subsection (c)(2) for the commonwealth or territory multiplied by 1.05 percent of the sum of the amounts determined for each shortfall State under subparagraph (A).

''(4) PRORATION RULE.—If the amounts available for additional allotments under paragraph (1) are less than the total of the amounts determined under subparagraphs (A) and (B) of paragraph (3), the amounts computed under such subparagraphs shall be reduced proportionally.

''(5) RETROSPECTIVE ADJUSTMENT.—The Secretary may adjust the estimates and determinations made to carry out this subsection as necessary on the basis of the amounts reported by States not later than November 30, 2008, on CMS Form 64 or CMS Form 21, as the case may be, and as approved by the Secretary.

''(6) ONE-YEAR AVAILABILITY; NO REDISTRIBUTION OF UNEXPENDED ADDITIONAL ALLOTMENTS.—Notwithstanding subsections (e) and (f), amounts allotted to a State pursuant to this subsection for fiscal year 2009, subject to paragraph (5), shall only remain available for expenditure by the State through September 30, 2009. Any amounts of such allotments that remain unexpended as of such date shall not be subject to redistribution under subsection (f).

''(m) ADDITIONAL ALLOTMENTS TO MAINTAIN SCHIP PROGRAMS FOR FISCAL YEAR 2010.—

''(1) APPROPRIATION; ALLOTMENT AUTHORITY.—For the purpose of providing additional allotments described in subparagraphs (A) and (B) of paragraph (3), there is appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary, not to exceed $4,000,000,000 for fiscal year 2010.

''(2) SHORTFALL STATES DESCRIBED.—For purposes of paragraph (3), a shortfall State described in this paragraph is a State with a State child health plan approved under this title for which the Secretary estimates, on the basis of the most recent data available to the Secretary, that the Federal share amount of the projected expenditures under such plan for such State for fiscal year 2010 will exceed the sum of—

''(A) the amount of the State's allotments for each of fiscal years 2008 and 2009 that will not be expended by the end of fiscal year 2009;

''(B) the amount, if any, that is to be redistributed to the State during fiscal year 2010 in accordance with subsection (f); and

''(C) the amount of the State's allotment for fiscal year 2010.

''(3) ALLOTMENTS.—In addition to the allotments provided under subsections (b) and (c), subject to paragraph (4), of the amount available for the additional allotments under paragraph (1) for fiscal year 2010, the Secretary shall allot—

''(A) to each shortfall State described in paragraph (2) not described in subparagraph (B) such amount as the Secretary determines will eliminate the estimated shortfall described in such paragraph for the State; and

''(B) to each commonwealth or territory described in subsection (c)(3), an amount equal to the percentage specified in subsection (c)(2) for the commonwealth or territory multiplied by 1.05 percent of the sum of the amounts determined for each shortfall State under subparagraph (A).

''(4) PRORATION RULE.—If the amounts available for additional allotments under paragraph (1) are less than the total of the amounts determined under subparagraphs (A) and (B) of paragraph (3), the amounts computed under such subparagraphs shall be reduced proportionally.

''(5) RETROSPECTIVE ADJUSTMENT.—The Secretary may adjust the estimates and determinations made to carry out this subsection as necessary on the basis of the amounts reported by States not later than November 30, 2010, on CMS Form 64 or CMS Form 21, as the case may be, and as approved by the Secretary.

''(6) AVAILABILITY; NO REDISTRIBUTION OF UNEXPENDED ADDITIONAL ALLOTMENTS.—Notwithstanding subsections (e) and (f), amounts allotted to a State pursuant to this subsection for fiscal year 2010, subject to paragraph (5), shall only remain available for expenditure by the State through September 30, 2010. Any amounts of such allotments that remain unexpended as of such date shall not be subject to redistribution under subsection (f).

''(n) APPLICATION TO FISCAL YEARS 2011, 2012, 2013, 2014, OR 2015.—

''(1) IN GENERAL.—Subject to paragraph (2), subsection (m) shall apply to each of fiscal years 2011, 2012, 2013, 2014, or 2015 in the same manner such subsection applies to fiscal year 2010.

''(2) APPLICATION.—In applying subsection (m) under paragraph (1) with respect to—

''(A) fiscal year 2011—

''(i) each reference to a year or date in such subsection shall be deemed a reference to the following year or to one year after such date, respectively; and

''(ii) the reference to '$4,000,000,000' in paragraph (1) of such subsection shall be deemed a reference to '$5,000,000,000';

''(B) fiscal year 2012—

''(i) each reference to a year or date in such subsection shall be deemed a reference to the second following year or to two years after such date, respectively; and

''(ii) the reference to '$4,000,000,000' in paragraph (1) of such subsection shall be deemed a reference to '$6,000,000,000';

''(C) fiscal year 2013—

''(i) each reference to a year or date in such subsection shall be deemed a reference to the third following year or to three years after such date, respectively; and

''(ii) the reference to '$4,000,000,000' in paragraph (1) of such subsection shall be deemed a reference to '$6,000,000,000';

''(D) fiscal year 2014—

''(i) each reference to a year or date in such subsection shall be deemed a reference to the fourth following year or to four years after such date, respectively; and

''(ii) the reference to '$4,000,000,000' in paragraph (1) of such subsection shall be deemed a reference to '$7,000,000,000'; and

''(E) fiscal year 2015—

''(i) each reference to a year or date in such subsection shall be deemed a reference to the fifth following year or to five years after such date, respectively; and

''(ii) the reference to '$4,000,000,000' in paragraph (1) of such subsection shall be deemed a reference to '$7,000,000,000'.''.

SEC. 3. OPTION FOR QUALIFYING STATES TO RECEIVE THE ENHANCED PORTION OF THE SCHIP MATCHING RATE FOR MEDICAID COVERAGE OF CERTAIN CHILDREN.

Section 2105(g) of the Social Security Act (42 U.S.C. 1397ee(g)) is amended—

(1) in paragraph (1)(A), by inserting ''subject to paragraph (4),'' after ''Notwithstanding any other provision of law,''; and

(2) by adding at the end the following new paragraph:

''(4) OPTION FOR CERTAIN ALLOTMENTS.—

''(A) PAYMENT OF ENHANCED PORTION OF MATCHING RATE FOR CERTAIN EXPENDITURES.—In the case of expenditures described in subparagraph (B), a qualifying State (as defined in paragraph (2)) may elect to be paid from the State's allotment made under section 2104 for any fiscal year (beginning with fiscal year 2009) (insofar as the allotment is available to the State under subsection (e) of such section) an amount each quarter equal to the additional amount that would have been paid to the State under title XIX with respect to such expenditures if the enhanced FMAP (as determined under subsection (b)) had been substituted for the Federal medical assistance percentage (as defined in section 1905(b)).

''(B) EXPENDITURES DESCRIBED.—For purposes of subparagraph (A), the expenditures described in this subparagraph are expenditures made after the date of the enactment of this paragraph and during the period in which funds are available to the qualifying State for use under subparagraph (A), for the provision of medical assistance to individuals residing in the State who are eligible for medical assistance under the State plan under title XIX or under a waiver of such plan and who have not attained age 19, and whose family income equals or exceeds 133 percent of the poverty line but does not exceed the Medicaid applicable income level.''.

SEC. 4. REQUIRING OUTREACH AND COVERAGE BEFORE EXPANSION OF ELIGIBILITY.

(a) STATE PLAN REQUIRED TO SPECIFY HOW IT WILL ACHIEVE HEALTH BENEFITS COVERAGE FOR 90 PERCENT OF LOW-INCOME CHILDREN.—

(1) IN GENERAL.—Section 2102(a) of the Social Security Act (42 U.S.C. 1397bb(a)) is amended—

(A) in paragraph (6), by striking ''and'' at the end;

(B) in paragraph (7), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following new paragraph:

''(8) how the State for each fiscal year (beginning with fiscal year 2010) will achieve, through eligibility and benefits provided for under the plan and otherwise, a rate of health benefits coverage (whether private or public) for low-income children in the State that is at least 90 percent.''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to State child health plans for fiscal years beginning with fiscal year 2010.

(b) LIMITATION ON PROGRAM EXPANSIONS UNTIL LOWEST INCOME ELIGIBLE INDIVIDUALS ENROLLED.—Section 2105(c) (42 U.S.C. 1397dd(c)) is amended by adding at the end the following new paragraph:

''(8) LIMITATION ON INCREASED COVERAGE OF HIGHER INCOME CHILDREN.—For child health assistance furnished in a fiscal year beginning with fiscal year 2010:

''(A) SPECIAL RULES FOR PAYMENT FOR CHILDREN WITH FAMILY INCOME ABOVE 200 PERCENT OF POVERTY LINE.—In the case of child health assistance for a targeted low-income child in a family the income of which exceeds 200 percent (but does not exceed 300 percent) of the poverty line applicable to a family of the size involved no payment shall be made under this section for such assistance unless the State demonstrates to the satisfaction of the Secretary (in accordance with any methodology established by the Secretary) that the State has met the 90 percent retrospective coverage test specified in subparagraph (B) for the previous fiscal year.

''(B) 90 PERCENT COVERAGE TEST.—The 90 percent retrospective coverage test specified in this subparagraph is, for a State for a fiscal year, that on average for any 3-consecutive month period during the fiscal year, at least 90 percent of low-income children residing in the State have health benefits coverage (whether private or public).

''(C) GRANDFATHER.—Subparagraphs (A) and (B) shall not apply to the provision of child health assistance—

''(i) to a targeted low-income child who is enrolled for child health assistance under this title as of September 30, 2009;

''(ii) to a pregnant woman who is enrolled for assistance under this title as of September 30, 2009, through the completion of the post-partum period following completion of her pregnancy; and

''(iii) for items and services furnished before October 1, 2009, to an individual who is not a targeted low-income child and who is enrolled for assistance under this title as of September 30, 2009.

''(D) PROMULGATION OF METHODOLOGY.—Not later than July 1, 2009, the Secretary shall issue regulations that establish a methodology by which States meet the requirements of subparagraph (A).

''(E) DETERMINATION OF INCOME BASED ON GROSS FAMILY INCOME WITHOUT DISREGARDS OR EXCLUSIONS.—

''(i) IN GENERAL.—For purposes of this paragraph, the family income shall be determined under subparagraph (A) (and under subparagraph (B) for purposes of determining who is a low-income child, as defined in section 2110(c)(4)) based on gross family income.

''(ii) GROSS FAMILY INCOME DEFINED.—

''(I) IN GENERAL.—Subject to subclause (II), in this subparagraph, the term 'gross family income' means, with respect to an individual, gross income (as defined by the Secretary in regulations) for the members of the individual's family. For purposes of the previous sentence, in defining 'gross income' the Secretary shall, to the maximum extent practicable, include income from whatever source, other than amounts deducted under section 62(a)(1) of the Internal Revenue Code of 1986.

''(II) INCOME DISREGARDS AUTHORIZED.—A State may provide, through a State plan amendment and with the approval of the Secretary, for the disregard from gross family income of one or more amounts so long as the total amount of such disregards for a family does not exceed $250 per month, or $3,000 per year.''.

SEC. 5. SCHIP GROSS INCOME ELIGIBILITY CEILING.

(a) APPLICATION OF SCHIP ELIGIBILITY CEILING.—

(1) IN GENERAL.—Section 2110 of the Social Security Act (42 U.S.C. 1397jj) is amended—

(A) in subsection (b)(1)—

(i) by striking ''and'' at the end of subparagraph (B);

(ii) by striking the period at the end of subparagraph (C) and inserting ''; and''; and

(iii) by adding at the end the following new subparagraph:

''(D) whose gross family income (as defined in subsection (c)(9)) does not exceed 300 percent of the poverty line.''; and

(B) in subsection (c), by adding at the end the following new paragraph:

''(9) GROSS FAMILY INCOME.—

''(A) IN GENERAL.—Subject to subparagraph (B), the term 'gross family income' means, with respect to an individual, gross income (as defined by the Secretary in regulations) for the members of the individual's family. For purposes of the previous sentence, in defining 'gross income' the Secretary shall, to the maximum extent practicable, include income from whatever source, other than amounts deducted under section 62(a)(1) of the Internal Revenue Code of 1986.

''(B) INCOME DISREGARDS AUTHORIZED.—A State may provide, through a State plan amendment and with the approval of the Secretary, for the disregard from gross family income of one or more amounts so long as the total amount of such disregards for a family does not exceed $250 per month, or $3,000 per year.''.

(2) DENIAL OF FEDERAL MATCHING PAYMENTS FOR STATE SCHIP EXPENDITURES FOR INDIVIDUALS WITH GROSS FAMILY INCOME ABOVE 300 PERCENT OF THE POVERTY LINE.—Section 2105(c) of the Social Security Act (42 U.S.C. 1397ee(c)), as amended by section 4(b), is amended by adding at the end the following new paragraph:

''(9) DENIAL OF PAYMENTS FOR EXPENDITURES FOR CHILD HEALTH ASSISTANCE FOR INDIVIDUALS WHOSE GROSS FAMILY INCOME EXCEEDS 300 PERCENT OF THE POVERTY LINE.—No payment may be made under this section, for any expenditures for providing child health assistance or health benefits coverage under a State child health plan under this title, including under a waiver under section 1115, with respect to an individual whose gross family income (as defined in section 2110(c)(9)) exceeds 300 percent of the poverty line.''.

(b) EFFECTIVE DATE; TRANSITION.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by this section shall apply to payments made for items and services furnished on or after the first day of the first calendar quarter beginning more than 90 days after the date of the enactment of this Act.

(2) TRANSITION.—The amendments made by—

(A) subsection (a)(1) shall not apply to an individual who was receiving, or was determined eligible to receive, child health assistance or health benefits coverage under a State child health plan under title XXI of the Social Security Act, including under a waiver under section 1115 of such Act, as of the day before the date of the enactment of this Act, until such date as the individual is determined ineligible using income standards or methodologies in place as of the day before the date of the enactment of this Act; and

(B) subsection (a)(2) shall not apply to payment for items and services furnished to an individual described in clause (i);

SEC. 6. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

(a) 5-YEAR PERIOD.—The percentage under subparagraph (C) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 in effect on the date of the enactment of this Act is increased by 19 percentage points.

(b) 10-YEAR PERIOD.—Notwithstanding section 6655 of the Internal Revenue Code of 1986—

(1) the amount of any required installment of corporate estimated tax which is otherwise due in July, August, or September of 2018 shall be 130 percent of such amount, and

(2) the amount of the next required installment after the installment referred to in paragraph (1) shall be appropriately reduced to reflect the amount of the increase by reason of paragraph (1).

Mr. WAXMAN (during the reading). Madam Speaker, I ask unanimous consent that the motion to recommit be considered read, and I also withdraw my point of order.

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

There was no objection.

The SPEAKER pro tempore. Reservation of the point of order is withdrawn.

The gentleman from Georgia is recognized for 5 minutes in support of his motion.

Mr. DEAL of Georgia. Madam Speaker, the Republican motion to recommit replaces what I consider to be a deeply flawed bill that has been offered and also has improvements to the SCHIP proposal that we are considering.

Unlike H.R. 2, the Republican motion to recommit fully funds SCHIP program for the next 7 years, not 4½ years as the underlying bill would do, and thereby ensures that needy families and those with low incomes will be covered and eligible under SCHIP through fiscal year 2015. According to the Congressional Budget Office, the motion to recommit will not cause a single SCHIP enrolled child to lose his or her health care coverage.

Unlike the bill that is under consideration, H.R. 2, the motion to recommit puts poor children first by holding States accountable for not finding and enrolling their low-income, uninsured children. Each year, States would be required to report to the Secretary of HHS how they intend to ensure that at least 90 percent of their children with family incomes under $40,000 per year have quality health care coverage in either a public or private health care plan. States would also be required to demonstrate that they have met this 90 percent coverage target before they are able to shift their enrollment activities to higher income families.

Unlike H.R. 2, the motion to recommit maintains the requirement in current law that States verify the identity and citizenship status of Medicaid and SCHIP applicants and prevents illegal aliens and other unqualified individuals from fraudulently gaining access to these taxpayer-funded programs.

Unlike H.R. 2, the Republican motion to recommit preserves limited SCHIP dollars for low-income, uninsured children by preventing States from abusing the income-disregard loophole that is in the current law and would be continued under the underlying bill.

Unlike H.R. 2, the Republican motion to recommit Federal funds will be reserved for families with incomes under 300 percent of the Federal poverty level, which is currently $63,600 for a family of four.

This motion to recommit is compliant with the majority's PAYGO rules by asking corporations with assets in excess of $1 billion to shift some estimated tax payments due in fiscal year 2009 to fiscal year 2018.

The majority has repeatedly used this short-term shifting of funding to meet the 5-year PAYGO requirements, and we're using it today to comply with the majority's PAYGO requirements without raising taxes.

Fully paid for without increasing taxes on the American people is what this motion to recommit would provide. And unlike the underlying bill, H.R. 2, the Republican recommit motion will actually allow President-elect Obama to keep his promise to the American people of not increasing their taxes.

We believe that these fundamental changes from the underlying bill not only improve it, but extend the life of it for a full 7-year period and is altogether appropriate, and does not include increasing taxes on the American people.

We believe in the SCHIP program. We think that it should be properly applied in States and applied primarily to those who are low-income, poor families first rather than going up the economic scale of eligibility.

For these reasons, I would urge this body to adopt the motion to recommit and to pass a bill for a 7-year period that fully funds and assures States and families that their children will be covered.

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

Mr. PALLONE. Madam Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore. The gentleman from New Jersey is recognized for 5 minutes.

Mr. PALLONE. Madam Speaker, it wasn't enough that President Bush vetoed two children's health bills that would have made great advances in children's health. Now my Republican colleagues are trying to undermine the coverage gains that would be made in this bill.

This proposal being put forward by my Republican colleagues isn't a way to put poor kids first. It's a way to stop States from moving forward to help additional uninsured children.

The CHIP bill already puts poor kids first by targeting enrollment bonuses only to the poorest kids, those in Medicaid. Eight in ten newly insured children under CHIP have incomes below current eligibility levels. The Republican proposal is simply a way to stop States from moving forward.

Unfortunately, the reality of today is that these moderate income families who would be excluded under this motion are struggling to make ends meet, too. Health costs have been rising much faster than income over the past decade. A family at 300 percent of poverty, for example, earning $52,800 a year—these so-called rich folks, according to Republicans—now spend an average of 19 percent of their income on premiums for employer-sponsored coverage if they even have access to it. Ten years ago, that same family was only spending 11 percent of income on premiums for their employer plan.

The CHIP bill moves us forward. It's the largest investment in children's health since the original CHIP law was passed in '97. And this Congress will do more for children, and it's an excellent step forward.

Now I want to mention that research shows that no means tested program reaches 90 percent of the individuals or families eligible for it. Moreover, there is not reliable State-by-State data to even measure participation rates accurately among the States.

While the Bush administration initially attempted to establish measures like Mr. DEAL is talking about, leading independent academic and research institutions discredited the Bush administration's target rate, such as CBO and the Urban Institute, and the Bush administration has moved away from its initial administrative directive of enforcing such limits on States the way this motion would do.

So again, the point is we need to move forward. This is simply a rouse essentially to gut the bill for those moderate-income families that would benefit for it.

I would urge my colleagues to oppose this motion to recommit. Let's move the bill as originally proposed. It will do great things for America's children.

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

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

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

The SPEAKER pro tempore. 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 any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—yeas 179, nays 247, not voting 7, as follows:

[Roll No. 15]

YEAS—179

Aderholt	Bright	Conaway
Akin	Broun (GA)	Crenshaw
Alexander	Brown (SC)	Culberson
Austria	Brown-Waite, Ginny	Davis (KY)
Bachmann	Burgess	Deal (GA)
Bachus	Burton (IN)	Dent
Barrett (SC)	Buyer	Diaz-Balart, L.
Bartlett	Calvert	Diaz-Balart, M.
Barton (TX)	Camp	Dreier
Biggert	Campbell	Duncan
Bilbray	Cantor	Ehlers
Bilirakis	Cao	Emerson
Bishop (UT)	Capito	Fallin
Blackburn	Carter	Flake
Blunt	Cassidy	Fleming
Boehner	Castle	Forbes
Bonner	Chaffetz	Fortenberry
Bono Mack	Coble	Foxx
Boozman	Coffman (CO)	Franks (AZ)
Boustany	Cole	Frelinghuysen
Brady (TX)		Gallegly

Garrett (NJ)
Gerlach
Gingrey (GA)
Gohmert
Goodlatte
Granger
Graves
Guthrie
Hall (TX)
Harper
Hastings (WA)
Heller
Hensarling
Herger
Hoekstra
Hunter
Inglis
Issa
Jenkins
Johnson (IL)
Johnson, Sam
Jones
Jordan (OH)
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Lamborn
Lance
Latham
LaTourette
Latta
Lee (NY)
Lewis (CA)
Linder
Lucas
Luetkemeyer
Lummis
Lungren, Daniel E.
Mack
Manzullo
Marchant
Marshall
McCarthy (CA)
McCaul
McClintock
McCotter
McHenry
McHugh
McIntyre
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Minnick
Moran (KS)
Murphy, Tim
Myrick
Neugebauer
Nunes
Olson
Paul
Paulsen
Pence
Petri
Pitts
Platts
Poe (TX)
Posey
Price (GA)
Putnam
Radanovich
Rehberg
Reichert
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Scalise
Schmidt
Schock
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Simpson
Smith (NE)
Smith (TX)
Souder
Stearns
Taylor
Terry
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden
Wamp
Westmoreland
Whitfield
Wilson (SC)
Wittman
Wolf
Young (AK)
Young (FL)

NAYS—247

Abercrombie
Ackerman
Adler (NJ)
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boccieri
Boren
Boswell
Boyd
Brady (PA)
Braley (IA)
Brown, Corrine
Buchanan
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Castor (FL)
Chandler
Childers
Clarke
Clay
Cleaver
Clyburn
Cohen
Connolly (VA)
Cooper
Costa
Costello
Courtney
Crowley
Cuellar
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Driehaus
Edwards (MD)
Edwards (TX)
Ellison
Ellsworth
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Foster
Frank (MA)
Fudge
Giffords
Gillibrand
Gonzalez
Gordon (TN)
Grayson
Green, Al
Green, Gene
Griffith
Grijalva
Gutierrez
Hall (NY)
Halvorson
Hare
Harman
Hastings (FL)
Heinrich
Higgins
Hill
Himes
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kosmas
Kratovil
Kucinich
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Luján
Lynch
Maffei
Maloney
Markey (CO)
Markey (MA)
Massa
Matheson
Matsui
McCarthy (NY)
McCollum
McDermott
McGovern
McMahon
McNerney
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler (NY)
Napolitano
Neal (MA)
Nye
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor (AZ)
Payne
Perlmutter
Perriello
Peters
Peterson
Pingree (ME)
Polis (CO)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schauer
Schiff
Schrader
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Shuler
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Space
Speier
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Teague
Thompson (CA)
Thompson (MS)
Tierney
Titus
Tonko
Towns
Tsongas
Van Hollen
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Wexler
Wilson (OH)
Woolsey
Wu
Yarmuth

NOT VOTING—7

Boucher
Conyers
Herseth Sandlin
Sherman
Snyder
Solis (CA)
Sullivan

□ 1435

Mr. HALL of New York, Ms. FUDGE, Ms. LORETTA SANCHEZ of California, Messrs. CARNEY, SIRES, FARR, Ms. SPEIER, and Mr. RAHALL changed their vote from ''yea'' to ''nay.''

Messrs. ROSKAM, NUNES, CANTOR, LATOURETTE, ROGERS of Kentucky, and GERLACH changed their vote from ''nay'' to ''yea.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

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

RECORDED VOTE

Mr. CARDOZA. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 289, noes 139, not voting 6, as follows:

[Roll No. 16]

AYES—289

Abercrombie
Ackerman
Adler (NJ)
Altmire
Andrews
Arcuri
Austria
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boccieri
Bono Mack
Boren
Boswell
Boyd
Brady (PA)
Braley (IA)
Brown, Corrine
Buchanan
Butterfield
Cao
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Castle
Castor (FL)
Chandler
Childers
Clarke
Clay
Cleaver
Clyburn
Cohen
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crowley
Cuellar
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Driehaus
Edwards (MD)
Edwards (TX)
Ehlers
Ellison
Ellsworth
Emerson
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Foster
Frank (MA)
Frelinghuysen
Fudge
Gerlach
Giffords
Gillibrand
Gonzalez
Gordon (TN)
Grayson
Green, Al
Green, Gene
Griffith
Grijalva
Gutierrez
Hall (NY)
Halvorson
Hare
Harman
Hastings (FL)
Heinrich
Herseth Sandlin
Higgins
Hill
Himes
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
King (NY)
Kirk
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kosmas
Kratovil
Kucinich
Lance
Langevin
Larsen (WA)
Larson (CT)
LaTourette
Lee (CA)
Lee (NY)
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Luján
Lynch
Maffei
Maloney
Markey (CO)
Markey (MA)
Massa
Matheson
Matsui
McCarthy (NY)
McCollum
McCotter
McDermott
McGovern
McHugh
McIntyre
McMahon
McNerney
Meek (FL)
Melancon
Michaud
Miller (MI)
Miller (NC)
Miller, George
Minnick
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler (NY)
Napolitano
Neal (MA)
Nye
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor (AZ)
Paulsen
Payne
Pelosi
Perlmutter
Perriello
Peters
Peterson
Petri
Pingree (ME)
Platts
Polis (CO)
Pomeroy
Price (NC)
Rahall
Rangel
Rehberg
Reichert
Reyes
Richardson
Rodriguez
Rogers (AL)
Ros-Lehtinen
Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schauer
Schiff
Schrader
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Shuler
Simpson
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Space
Speier
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Teague
Thompson (CA)
Thompson (MS)
Thompson (PA)
Tiberi
Tierney
Titus
Tonko
Towns
Tsongas
Turner
Upton
Van Hollen
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Wexler
Wilson (OH)
Wolf
Woolsey
Wu
Yarmuth
Young (AK)
Young (FL)

NOES—139

Aderholt
Akin
Alexander
Bachmann
Bachus
Barrett (SC)
Bartlett
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Boozman
Boustany
Brady (TX)
Bright
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burton (IN)
Buyer
Calvert
Camp
Campbell
Cantor
Carter
Cassidy
Chaffetz
Coble
Coffman (CO)
Cole
Conaway
Crenshaw
Culberson
Davis (KY)
Deal (GA)
Dreier
Duncan
Fallin
Flake
Fleming
Forbes
Fortenberry
Foxx
Franks (AZ)
Gallegly
Garrett (NJ)
Gingrey (GA)
Gohmert
Goodlatte
Granger
Graves
Guthrie
Hall (TX)
Harper
Hastings (WA)
Heller
Hensarling
Herger
Hoekstra
Hunter
Inglis
Issa
Jenkins
Johnson (IL)
Johnson, Sam
Jones
Jordan (OH)
King (IA)

Kingston
Kline (MN)
Lamborn
Latham
Latta
Lewis (CA)
Linder
Lucas
Luetkemeyer
Lummis
Lungren, Daniel E.
Mack
Manzullo
Marchant
Marshall
McCarthy (CA)
McCaul
McClintock
McHenry
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller, Gary
Myrick
Neugebauer
Nunes
Olson
Paul
Pence
Pitts
Poe (TX)
Posey
Price (GA)
Putnam
Radanovich
Roe (TN)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Roskam
Royce
Ryan (WI)
Scalise
Schmidt
Schock
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Smith (NE)
Smith (TX)
Souder
Stearns
Terry
Thornberry
Tiahrt
Walden
Wamp
Westmoreland
Whitfield
Wilson (SC)
Wittman

NOT VOTING—6

Boucher
Meeks (NY)
Sherman
Snyder
Solis (CA)
Sullivan

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining on this vote.

□ 1445

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. MEEKS of New York. Madam Speaker, on Rollcall No. 16, I was avoidably delayed and just missed the vote. Had I been present, I would have voted "aye."

□ 1445

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HOLDEN). Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on a motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Any record vote on the postponed question will be taken later.

REQUIRING COMMITTEES TO INVESTIGATE REPORTS OF WASTE, FRAUD, ABUSE, OR MISMANAGEMENT

Mr. CARDOZA. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 40) amending the Rules of the House of Representatives to require each standing committee to hold periodic hearings on the topic of waste, fraud, abuse, or mismanagement in Government programs which that committee may authorize, and for other purposes, as amended.

The Clerk read the title of the resolution.

The text of the resolution is as follows:

H. RES. 40

Resolved, That clause 2 of rule XI of the Rules of the House of Representatives is amended by adding at the end the following new paragraphs:

''(n)(1) Each standing committee, or a subcommittee thereof, shall hold at least one hearing during each 120-day period following the establishment of the committee on the topic of waste, fraud, abuse, or mismanagement in Government programs which that committee may authorize.

''(2) A hearing described in subparagraph (1) shall include a focus on the most egregious instances of waste, fraud, abuse, or mismanagement as documented by any report the committee has received from a Federal Office of the Inspector General or the Comptroller General of the United States.

''(o) Each committee, or a subcommittee thereof, shall hold at least one hearing in any session in which the committee has received disclaimers of agency financial statements from auditors of any Federal agency that the committee may authorize to hear testimony on such disclaimers from representatives of any such agency.

''(p) Each standing committee, or a subcommittee thereof, shall hold at least one hearing on issues raised by reports issued by the Comptroller General of the United States indicating that Federal programs or operations that the committee may authorize are at high risk for waste, fraud, and mismanagement, known as the 'high-risk list' or the 'high-risk series'.''.

SEC. 2. Clause 1(d)(3) of rule XI of the Rules of the House of Representatives is amended by adding at the end the following new sentence: ''That section shall also delineate any hearings held pursuant to clauses 2(n), (o), or (p) of this rule.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. CARDOZA) and the gentleman from California (Mr. DREIER) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. CARDOZA).

GENERAL LEAVE

Mr. CARDOZA. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and to include extraneous material on House Resolution 40.

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

There was no objection.

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

Mr. Speaker, make no mistake about it, these are tough times for our country. The United States is facing an economic disaster unlike anything we have seen since the Great Depression.

In the coming weeks, there will surely be differences of opinion as to how to best address the ailments of our Nation. But one thing is certain: Now, more than ever, it is time to ensure that government spends the taxpayers' money wisely.

For the first 6 years of the Bush administration, there was virtually no oversight by the Republican-led Congress. This led to rampant fraud and abuse, and billions of dollars of taxpayer dollars that were squandered by the administration, particularly regarding Iraq reconstruction and the response to Katrina.

Beginning in January of 2007, the Democratic Congress turned a new page and took numerous steps to begin changing the way we do business by restoring accountability and oversight. House Resolution 40, introduced by my very good friend and fellow Blue Dog colleague, the gentleman from Tennessee (Mr. TANNER), and myself, simply adds another layer to the rigorous oversight measures that we have already established.

This resolution amends the House rules to require each standing committee to hold at least three hearings per year on waste, fraud and abuse under each respective committee's jurisdiction. It requires a hearing in the event that an agency's auditor issues a disclaimer that the agency's financial statements are not in order. It also requires a hearing if an agency under that respective committee's jurisdiction has a program deemed by the GAO to be at high risk for waste, fraud and abuse.

Mr. Speaker, at the request of my friends on the other side of the aisle, there are two other stipulations. First, that the resolution shall be considered in light of existing House rules governing the conduct of committee hearings, including hearings held in executive session and the treatment of executive session materials; and, second, to require that committee activities reports identify the hearings held under the resolution.

Friends, plain and simple, it is now time to audit America's books. This resolution will add another level of accountability by shining light on the most egregious cases of government waste.

I would add, Mr. Speaker, that I am very encouraged by President-elect Obama's statements regarding his intent to pore through the budget line-by-line to eliminate wasteful spending. However, while I take the President-elect at his word, this resolution demonstrates that this Democratic Congress will not turn a blind eye to government waste simply because there is now a Democratic administration. Free passes are over, and we must build upon increased oversight and accountability efforts.

We have an opportunity to reinvent government and adhere to the fiscal accountability measures that Blue Dogs have long advocated. This will require tough decisions. But given these challenging economic times, cutting out waste, fraud and abuse must be among our top priorities in this Congress. All this requires is some bureaucratic soul-searching.

I ask my colleagues on both sides of the aisle to join the Blue Dogs in this quest.

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

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume, and I very gladly rise in strong support of this resolution, and, more importantly, in the bipartisan spirit in which it has been shaped.

The basic idea behind this resolution, as my friend has said, is to ensure that committees are fulfilling their oversight duties and fully addressing the

need to eliminate waste, fraud and abuse from our Federal budget. While we always have a duty to spend taxpayer dollars wisely, as we all know, this obligation has never, ever been more critical than it is today because of our economic environment. We cannot afford to waste a penny of the taxpayers' hard-earned dollars.

But the best of intentions must be implemented wisely or the effort will be wasted. Republicans had a number of suggestions for strengthening this resolution and to make it more effective. While we would have preferred to have this resolution go through regular order, we were very pleased, nonetheless, to find the process to be both consultative and collaborative. Ultimately, our modifications were incorporated into the final product.

Our primary concern was one of transparency. Requiring committees to hold hearings on egregious reports of waste, fraud and abuse is important. But without transparency, there can be no accountability. We simply asked that hearings on the reports of inspectors general or the Comptroller General be included in each committee's survey of activity. These surveys are a matter of public record.

By including this information, the taxpayers will be able to directly follow the oversight activities of committees. They will have the opportunity to judge for themselves the level of scrutiny that is given to serious allegations of wasted taxpayer dollars. Our request for greater transparency is reflected in the resolution that is before us today.

We also asked for further clarification on the protections put in place to safeguard classified material. Again, the majority was receptive to our request and provided the necessary clarifications.

We have one final area of concern which I would pose as a question to the majority manager: As we work to eliminate waste, fraud and abuse, it is essential that we do not neglect to turn the microscope inward and examine our own operations right here in this institution. The legislative branch must also be fully accountable to the taxpayer.

I would hope that legislative branch inspectors general, such as those in the Offices of the Architect of the Capitol, the Library of Congress and the Smithsonian, be subjected to the same scrutiny as other inspectors general are imposing on their parts of government.

I would ask the gentleman for a clarification in this matter. Do these legislative inspectors general fall under the definition of the Federal Office of the Inspector General pursuant to the proposed subparagraph (n)(2)?

I yield to the gentleman for his response.

Mr. CARDOZA. I thank my colleague and friend for yielding and for his thoughtful suggestions.

In fact, yes, the Committee on House Administration is covered under this resolution, and the other measures, as you have indicated, have already been incorporated as well.

Mr. DREIER. Good.

Mr. Speaker, I thank my friend for his response, and I would also like to thank the majority staff, particularly majority council Sampak Garg, for their consultative approach to this resolution. I believe that this measure puts forth a workable and effective means of improving committee oversight and I believe that the quality of the end product is a direct result of the bipartisan collaboration that took place throughout the process.

It is my sincere hope, Mr. Speaker, that future efforts of the Rules Committee can be similarly driven by consultation and collaboration.

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

Mr. CARDOZA. Mr. Speaker, I yield 5 minutes to my good friend, the gentleman from Tennessee (Mr. TANNER), the author of the measure.

Mr. TANNER. Mr. Speaker, I thank the gentleman, and Mr. DREIER, I appreciate your comments. What we are attempting to do is to reestablish congressional oversight.

Congress authorizes and appropriates money, but we don't actually spend it. So when we are asking the administration, whoever it may be, Democrat, Republican, whoever, to come up here and explain some of the things that we have seen in the paper by this instrument we are talking about here, I think all of us benefit.

What basically H.R. 40 does is it puts in place a systematic mechanism for regular oversight, not only just waste, fraud and abuse, but, as Mr. CARDOZA said in his opening remarks, whenever there is an auditor's disclaimer, that will trigger a hearing to hopefully ask them why they had to file a disclaimer; what is the information they didn't receive, why didn't they receive it, who is withholding it, so we can actually fix something around here for a change.

□ 1500

And then, of course, the third thing, those two look backwards sort of at what already may have happened. The third provision looks ahead.

Every year, as you know, the GAO identifies, or every Congress, high risk programs. That basically is government talk for programs that don't work as they were intended when they were passed by Congress. And so, when that happens, there is a hearing to identify those high risk programs into the future so that we can either fix them or abolish them.

Without getting into it, there were some 13,000 IG recommendations, Inspector General recommendations that went unattended in recent years. That is not only our fault, but it is, in my view, a dereliction of the duty of the Congress as a separate and independent branch from this or any other administration. And so what we are attempting to do, again, is to put in place a systematic, structural oversight mechanism where the House will look at not only what we are going to do, but what we've already done.

And so, again, I appreciate your comments.

Mr. DREIER. Mr. Speaker, at this time I am very happy to yield 3 minutes to our hardworking new ranking member of the Committee on Oversight and Government Reform, my friend from San Diego (Mr. ISSA).

Mr. ISSA. Mr. Speaker, almost every day the Government Accountability Office and Inspector Generals issue a report identifying waste, fraud, abuse and mismanagement. The Federal Government is large, and we can use all the help we can get. Unfortunately, these important reports often go unread. They fall, without testimony, on deaf ears, and Congress does little or nothing about it.

I welcome the fact, Mr. Speaker, today that we are setting a baseline, a starting point for oversight by the authorization committees. I'm pleased to serve on the committee that has broad jurisdiction, and by agreement with the Rules Committee, and with the leadership of Chairman TOWNS, we have secured the fact that nothing in this rules change would limit the unlimited jurisdiction of the Committee on Oversight and Reform to, in fact, look at these same reports and to hold hearings on any one or any 13,000 of these various remaining claims as the Bush administration leaves.

Mr. Speaker, I want to speak particularly to Mr. TANNER's statement which, I think, was appropriate, and should be dealt with. During the Bush administration, 98,000 such findings came out of the GAO and the IGs. 13,000 were not dealt with during that administration, roughly a 14 percent leftover.

I look forward to the fact that the Government Oversight and Reform Committee will have the help of all the authorization committees to look into those, and I look forward to working on a bipartisan basis, both within the committee of primary oversight and with each the committees of jurisdiction, because I think it's important that as we allow a new administration to set goals, we deal with all of the leftovers, the 13,000 that perhaps would have been taken care of in the ordinary course, but now need to be quickly looked at so the new administration can get on to its agendas. And of course, as time goes on, I suspect that we will be looking at failures that occur on the new President's watch.

I look forward to working with the gentleman from California on a bipartisan basis, to deal with the remaining roughly 14 percent of those that occurred on President Bush's watch.

I look forward to this legislation. I once again commend Chairman TOWNS for his work to make sure that the committee of primary oversight is not limited by this resolution. We've been assured that it isn't.

Mr. CARDOZA. Mr. Speaker, may I inquire how much time is remaining on both sides?

The SPEAKER pro tempore. The gentleman from California (Mr. CARDOZA) has 13 minutes remaining. The gentleman from California (Mr. DREIER) has 14 minutes remaining.

Mr. CARDOZA. Mr. Speaker, I would like to now yield such time as he may consume to Mr. TANNER to insert an item into the RECORD.

Mr. TANNER. I thank the gentleman for yielding.

PROJECT ON GOVERNMENT OVERSIGHT,
Washington, DC, January 13, 2009.

Representative JOHN TANNER,
1226 Longworth House Office Building,
Washington, DC.

DEAR REPRESENTATIVE TANNER: Thank you for the opportunity to present the views of the Project On Government Oversight (POGO) regarding H.Res. 40, which requires each standing committee of the House of Representatives to hold periodic hearings on the topics of waste, fraud, abuse, and mismanagement. We believe that having such a systematic approach to oversight enshrined in the Rules of the House would greatly enhance Congressional oversight of executive agencies' programs and functions.

As you may know, POGO is a non-partisan nonprofit that for more than 27 years has investigated and exposed corruption and other misconduct in an effort to make federal agencies more effective, accountable, open, and honest.

For the past 18 months we have been engaged in an in-depth study of the Inspector General system, examining both the law and how the system works. We issued one report last February on issues affecting IGs' independence (www.pogo.org/pogo-files/reports/government-oversight/inspectors-general-many-lack-essential-tools-for-independence/go-ig–20080226.html), and are pleased to note that several of our suggestions were incorporated into last year's Inspector General Reform Act (H.R. 928, P.L. 110–409). We are planning to issue a second report in the coming months regarding IGs' performance and accountability.

One of our conclusions is that Congress needs to pay much more attention to the work of both IGs and the GAO. Too often reports on important issues are left languishing, unread, on the desks and shelves of Congressional staffers. It has been 30 years since Congress created the IG system, and we believe it was a brilliant and unique concept—to place internal watchdogs in most federal agencies where they would both prevent and root out waste, fraud, and abuse, and encourage federal programs to be more effective and efficient.

However, this wonderful system can only work if Congress pays attention to the resulting reports. Inspectors General have no enforcement powers. They cannot force an agency to do anything. If an agency will not fix a broken program, then it is up to Congress to force them to do so.

Frankly, there are two problems with Congress's ignoring IG reports—one is the more common, when the IG has done good work and makes important recommendations that need to be but are not implemented. The other problem is the flip side to this—some IGs produce only mediocre work and do not challenge their agencies aggressively enough. Congress needs to pay attention in both cases.

For all of these reasons, we support the passage of H. Res. 40 to require each House committee to conduct at least one hearing during each 120-day period regarding waste, fraud, abuse, and mismanagement of the agencies under its jurisdiction; at least one additional hearing if there are disclaimers in any agency's financial report; and at least one additional hearing if a program is listed as ''high risk.''

Again, we appreciate your asking us for our views and look forward to working with you to make Congressional oversight more aggressive and effective.

Sincerely,

DANIELLE BRIAN,
Executive Director.

Mr. CARDOZA. Mr. Speaker, I would like to now yield 2 minutes to the gentleman from Wisconsin, my very good friend, Mr. KIND.

Mr. KIND. Mr. Speaker, I rise as one of the leaders of the new Democratic Coalition in strong support of this resolution. And I commend my two good friends from Tennessee and California for bringing this resolution before us and for the leadership that they have consistently shown on all matters pertaining to fiscal responsibility in this place.

This legislation is the proverbial disinfectant that we are in desperate need of. By systematically requiring the committees of jurisdiction to periodically hold hearings in order to identify and root out waste, fraud and abuse and mismanagement in the Federal agencies and with the Federal programs, it's an important step for us to get our fiscal house in order.

This is a bipartisan problem, and it's going to require a bipartisan solution for it. So I'm encouraged that our friends across the aisle also see the need and the necessity to move forward in this systematic fashion to deal with it. This, coupled with President-elect Obama's decision to create and to appoint a chief performance officer in the White House, I feel, is a good, 1, 2 punch in order to root out some of the redundancy and excess waste and abuse that takes place with Federal programs.

But we should also be clear that this is a first step of many steps that we will have to take to get our fiscal house in order.

Unfortunately, the economy's tanking and in the short-term, we're going to be dealing with a stimulus package which will all be deficit financing; and there's great consensus that we have to do it. But in the long term, the picture looks very bleak.

In fact, the Treasury Department last month issued their annual audit report that shows that over the next 75 years, we have a $57 trillion unfunded liability facing our Nation; clearly, a glide path to unsustainability. That's more the net worth of all of us in this Country. And at some point we have to put a formal process in place, whether it's the creation of a fiscal commission or some form of bipartisan budget summit to deal with a long term strategy to get this fiscal house back in order. A $57 trillion unfunded liability sets the next generation up for failure. This, along with more efforts on fiscal responsibility, is something we're going to have to come to grips with very shortly. I encourage my colleagues to support the resolution.

Mr. DREIER. Mr. Speaker, I yield myself such time as I might consume to respond to some of the remarks made by my friend from Wisconsin. I have to say that this notion of our working together to put in place what I believe should be a bipartisan, bicameral effort to deal with this overall question of budget process reform is something that I've been privileged to champion for a long period of time. And I think that it is now way, way, way, overdue.

I personally am a strong proponent of our moving towards a biennial budget process. I think that if you look at the potential benefits to having the Federal Government contract on a 2-year basis for something like energy, think of what the savings for the U.S. taxpayer would be.

And if you look at a wide range of other areas, as many States have done, the notion of having a 2-year cycle would enhance our ability to do exactly what this resolution is encouraging, and that is, greater oversight. So I think that that is something that is important, and I hope that we will be able to put that into place.

And with that, Mr. Speaker, I am very happy to yield 2 minutes to our hardworking second-term Member, the gentleman from Urbana, Ohio (Mr. JORDAN).

Mr. JORDAN of Ohio. Mr. Speaker, I rise today in support of the resolution.

Look, we all know the facts. We've got a $10 trillion national debt. I believe last November the Treasury Department reported that we ran the largest single monthly deficit in American history. From 1789 to 1987 we accumulated $2 trillion in national debt. This fiscal year, and last fiscal year we will add $2 trillion. So what it took us 200 years to do, we've done in 2 years.

This is a good first step, something we need to do. And we need to look at every single line item in the Federal budget, every single agency. And so I want to applaud both parties and the President-elect for bringing this forward.

I gave a speech the other night back home in Ohio and I said to the group, I said, who's going to bail out the bailout? And everyone kind of looked at me because they get it. They understand it's going to be the American taxpayer. Worse yet, it's going to be future American taxpayers, our kids and our grandkids. And so it's important that we do everything we can to look at where there's waste, where there's redundancy, where there's fraud, where there's crazy things in the Federal Government that we need to get a handle on and reduce spending so we can help families in the future and continue this great country that we call America.

Mr. CARDOZA. Mr. Speaker, I would like to thank the thoughtful words of both our previous two speakers. I think their suggestions are very well-taken.

Mr. Speaker, I would like to yield 2 minutes to the gentleman from New

York, the chairman of the Government Oversight Committee, Mr. TOWNS.

Mr. TOWNS. Mr. Speaker, I rise in support of this amendment to the House rules that emphasizes the importance of congressional oversight.

As Chair of the Committee on Oversight and Government Reform, I am pleased that this resolution requires all standing committees to include reviews of waste, fraud and abuse in their regular schedule of hearings. We need to attack waste, fraud and abuse every way that we possibly can.

This rule, in no way diminishes the jurisdiction of the Oversight Committee. Instead, it complements the Oversight Committee by ensuring that our committee's focus on government accountability carries through to the authorizing committees for each agency.

The ranking member, Mr. ISSA, and I agree that the Oversight Committee will continue to review all of the GAO and Inspector General reports that our committee receives, and consider whether a hearing in our committee would be appropriate. I look forward to working with him and with all of the Members of the House towards our shared goal of making government work more efficiently for Americans, and also to make it much more transparent and this is what this amendment does, and that's the reason why I'm supporting it.

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

Mr. CARDOZA. Mr. Speaker, I yield 2 minutes to the gentlewoman from Illinois, a leader in the effort to bring fiscal responsibility back to this institution, Ms. BEAN.

Ms. BEAN. Mr. Speaker, I rise today as a proud cosponsor of this legislation that encourages adoption in the House rules. I'd like to thank Mr. CARDOZA and Mr. TANNER for their leadership since we first introduced it in the 109th Congress.

Mr. Speaker, I came to Washington from the private sector, where accountability and performance measurements are naturally part of best practices. As a Member of Congress I've long advocated for increased transparency and oversight of government spending and performance. As the people's representatives, we have a responsibility to hold Federal Government agencies accountable for the tax dollars that they receive and the services they provide.

And, like my colleague from Wisconsin, I applaud the President-elect's appointment of a chief performance officer. So we have Executive Branch measurement of government results as well.

Although the last Congress improved agency and program oversight, this resolution takes accountability to the next level. House Resolution 40 mandates committee hearings every 4 months when reports suspect agency level waste, fraud or abuse of taxpayer dollars.

Furthermore, whenever an agency or program fails its annual audit, additional hearings are required to ensure changes are enacted to prevent the continuation of business as usual.

Finally, Congress, working with the GAO, will hold hearings to investigate those programs, departments or entitlements deemed high risk for abuse, such as the 2010 census.

Particularly in a time of economic uncertainty, Americans rightfully expect Congress to create higher standards and practices to eliminate waste, fraud and abuse. Unfortunately, for the last 12 years the GAO has been unable to analyze the financial balance sheet of the U.S. government due to numerous agencies failing their audits. As we work to stabilize our financial markets and stimulate this economy, we must also attend to long-term fiscal restraint and responsibility.

With this resolution and resulting hearings, Congress will have the information necessary to make the tough choices needed to bring our fiscal house in order. These practices will ensure greater return on taxpayer outlays.

Again, I thank Mr. TANNER and Mr. CARDOZA for their leadership, and encourage bipartisan support of this legislation.

□ 1515

Mr. DREIER. Mr. Speaker, I am going to continue to reserve the balance of our time.

Mr. CARDOZA. Mr. Speaker, I yield 1 minute to a member of the Blue Dog Coalition, the gentleman from Mississippi (Mr. CHILDERS).

Mr. CHILDERS. Mr. Speaker, I rise today in support of House Resolution 40, authored by my good friend from Tennessee, Congressman JOHN TANNER.

Waste, fraud, abuse, and mismanagement are four adjectives the American people should not associate with government spending. I applaud Mr. TANNER's efforts over the years to bring accountability back to Federal spending.

As a longtime businessman from north Mississippi, I can certainly tell you that waste, fraud, abuse, and mismanagement are not common practices in the business community throughout the First Congressional District of Mississippi or in the Eighth Congressional District of Tennessee as far as that goes.

The current economic situation now, more than ever, demands that this Congress spend every taxpayer dollar with the utmost responsibility and care. In the event hardworking taxpayer dollars are being squandered, we, Congress, have an inherent task to put an end to poor financial decisions by government officials who do not understand the daily grind that the vast majority of the American people face.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CARDOZA. I yield the gentleman an additional 30 seconds.

Mr. CHILDERS. House Resolution 40 is an effective step towards ensuring this country gets back to fiscal responsibility, the same responsibility American families face routinely.

Again, I applaud Congressman TANNER's leadership in bringing this good piece of legislation to the floor, and I look forward to its swift and immediate passage.

Mr. DREIER. Mr. Speaker, in light of the bipartisan nature of this resolution that we're considering here on the floor, I would like to inquire of my friend if he would want me to yield him any additional time that he might need on his side.

Mr. CARDOZA. I very much appreciate the gentleman's request. I think we have enough time for the concluding speakers.

Mr. DREIER. Just in case you need any additional time, please don't hesitate. I would be happy to yield it to you.

With that, I reserve the balance of my time.

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

Mr. CUELLAR. Mr. Speaker, I rise today to join my fellow Blue Dog Democrats in strong support of House Resolution 40. I want to thank Mr. TANNER, Mr. CARDOZA and Chairman TOWNS for the leadership that they have provided on this subject matter.

When you look at taxpayers, taxpayers want a government that is efficient, effective and accountable. This is what this legislation does. It does provide an efficient, effective and accountable government.

It is always difficult for Congress to agree on exactly where America's tax dollars should go, but we all agree on where they should not go. In these difficult economic times, America can scarcely afford to throw tax dollars into the waste bin of fraud, abuse and mismanagement.

Unfortunately, in the battle against waste, Congress does not have enough information, and we do not have any formal mechanism to investigate allegations of wasteful spending. This legislation sets up a mechanism. This is why today's legislation is a major step towards strengthening government accountability.

Mr. Speaker, I strongly support H.R. 40. I thank Mr. TANNER, Mr. CARDOZA and Mr. TOWNS for their leadership.

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

Mr. CARDOZA. Mr. Speaker, I am also prepared to close, so I will allow the gentleman to close.

Mr. DREIER. Mr. Speaker, I yield myself the balance of my time to simply say that I hope very much that this spirit of bipartisanship that has been exhibited here today in our quest to ensure that we responsibly ferret out waste, fraud and abuse and empower those inspector generals across the spectrum, including right here in this institution, will be an example and a model for the days, weeks, months, and years ahead.

We have all been inspired by the words of President-elect Obama in

which he has said that he wants to work in a bipartisan way. As I've said here on several occasions in the past week, I was pleased to receive a call from him, as I know many of my colleagues on this side of the aisle have received telephone calls from him, saying that he wants to work with us and that he wants our input.

I will say, up until this moment, Mr. Speaker, I have been somewhat troubled over the issues that we have addressed that have completely shut out any opportunity for the minority to participate. The evidence of that took place on the last vote that we just went through on the very important State children's health insurance plan.

At this moment, we have the Rules Committee hearing the amendment process for the troubled asset rescue package. TARP 2, it's called. Unfortunately, there has been no opportunity for minority input on this issue. If you look at the votes that we held last week, we had two closed rules that came right out of the chute, and they prevented the minority from having any opportunity to participate. Then if we go to a week ago yesterday, unfortunately, the opening day rules package, from my perspective, did shred this Obama vision that has been put forward of trying to work in a bipartisan way.

At this moment, we are dealing with an issue, that being our quest to ferret out waste, fraud and abuse and to talk about how we can responsibly deal with ensuring that we do not waste taxpayer dollars.

I commend my colleagues on the other side of the aisle who have joined in that effort. This measure is being considered under suspension of the rules. We know that everyone is going to be voting in favor of it.

While the Framers of our Constitution wanted there to be a clash of ideas, at the end of the day, it is imperative that we come to a resolution in a bipartisan way, I believe, if we're going to responsibly govern. Let's hope that this resolution designed to deal with responsibly ensuring that we do not waste taxpayer dollars is, in fact, a model for the future.

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

Mr. CARDOZA. Mr. Speaker, I would also like to conclude my remarks by simply saying this:

As we know all too well, despite the Blue Dog Coalition's best efforts and the efforts of many other efforts on both sides of the aisle in this Chamber, cutting spending is never easy, but ladies and gentlemen, enough is enough. It is high time that we audit America's books. It is a moral imperative that we stop spending taxpayer dollars with reckless abandon and start making tough decisions, because the choices we make today will impact what we will be able to do to provide for our children and for our grandchildren tomorrow.

I ask my colleagues on both sides of the aisle to support this commonsense legislation.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today to support Res. 40, "Amending the Rules of the House of Representatives to require each standing committee to hold periodic hearings on the topic of waste, fraud, abuse or mismanagement in Government programs." This resolution was introduced in the 111th Congress by Congressman JOHN TANNER of Tennessee. This resolution provides for greater oversight concerning taxpayers' money. It allows for the Congressional standing committees to evaluate Government program spending. I urge my colleagues to support this resolution. Support of this resolution would signal a definite and progressive change in the new Congress and would be an important building block for President-elect Barack Obama's administration.

This legislation is important because under the Bush administration there has been much waste, fraud, abuse and certainly mismanagement, such as Iraqi contract abuses with Halliburton, the mismanagement of Katrina, and the overuse of "cost-plus" contracting.

It is of the utmost importance to keep our Government running as efficiently and cost effectively as possible. This resolution would require each standing committee, or subcommittee thereof, to hold at least one hearing during each 120-day period following the establishment of the committee on the topic of waste, fraud, abuse, or mismanagement in Government programs. Inclusion of a systematic approach to oversight in the rules of the House, through this resolution, is a key step forward in ensuring that tax dollars are spent wisely.

The 111th Congress will continue to focus on restoring accountability and strengthening oversight and has the duty to stop Government waste and to become resourceful. During this present time of economic and environmental distress, it is imperative that we evaluate our current practices and improve upon them.

As the former governor of Wisconsin Mr. Gaylord Nelson once said, "The ultimate test of man's conscience may be his willingness to sacrifice something today for future generations whose words of thanks will not be heard." Let us take the first step in eliminating waste and do our part for future generations.

Our constituents have faith in us as members of Congress to use their tax dollars prudently and for programs which are practical and relevant. We have a duty to oversee those programs which our committees authorize and make sure that all funds and resources distributed are used in a wise and frugal manner.

Unfortunately, over the last several years, we have seen massive cases of waste, fraud and abuse. A report prepared by the Special Inspector General for Iraq Reconstruction reportedly labels the Iraq reconstruction effort "a $100 billion failure"—marked by poor planning, waste, and deception.

Congress can no longer turn a blind eye while taxpayer money is abused and wasted. We must support H. Res. 40 and continue to implement measures which increase oversight if we are to be accountable to the people. Again, I urge my colleagues to support this much needed and thoughtful legislation. By our support, let us signal to the American people that we are a new Congress that has a renewed spirit and interest in increasing accountability. Indeed, we are accountable to our constituents and to the American people.

Mr. ROYCE. Mr. Speaker, for years I have introduced government waste legislation that would set up a commission to identify waste, fraud and abuse in the Federal Government. It's similar to the Grace Commission of the 1980s. I believe strongly, as does Mr. TANNER, the sponsor of the resolution we're debating today, that we have a responsibility to oversee the spending of taxpayer money. And clearly, the American people feel that we have all abdicated that responsibility, both Republicans and Democrats. It is an indisputable fact that Washington is excellent at spending money on new programs. It almost never ends programs.

Today we are on the eve of passing a second stimulus bill that may cost $1 trillion. These are dollars we don't have. If it does pass, with this one bill, Congress will double the already $1 trillion deficit. I can remember when we were concerned about the total national debt being that large—and now the national debt is $10.6 trillion. This debt level is an economic and national security calamity.

So what are we doing about this? 'We are debating this bill, which changes the House rules to require the committees to hold hearings on waste, fraud and abuse. That's good, as far as it goes. The Washington Post recently editorialized, "It's easy to find the fat in the federal budget. What's hard is getting rid of it." One of my committees is Foreign Affairs. President-elect Obama has committed to ramping up foreign aid spending. With today's resolution, I'm looking forward to my committee finding the waste in what we already are spending on foreign aid. Then we'll see if Congress does anything about it.

In selling the trillion dollar stimulus to the American people, the President-elect has said, "We will go through our Federal budget—page by page, line by line—eliminating those programs we don't need, and insisting that those we do operate in a sensible cost-effective way." Despite the strong Washington bias towards spending, despite years of failed efforts to end wasteful Government programs, I take our incoming President at his word, and wish him well. But it is important to realize, even if the President and Congress are successful far beyond any level of cutting that has ever been seen, total cutting would pale in comparison to the deficit and debt we are wildly running-up. This bill, which is the right thing to do, is no offset to the trillion dollars this Congress appears set to approve.

Mr. KRATOVIL. Mr. Speaker, I rise in full support of H. Res. 40 because I believe that not only is it a good idea for Congress to investigate waste, fraud and abuse, but I believe it is our Constitutional responsibility to do so.

The American people have lost faith in this institution. They no longer trust Congress to spend their money wisely and have grown increasingly cynical about our ability to provide needed oversight.

They expect us to safeguard their money the same Way we would our own children's college funds or our retirement accounts—we must meet this expectation.

The current economic environment demands financial responsibility. We can no longer allow our nation's finite resources to be squandered while families in our districts are struggling to make ends meet.

What this resolution does is ensure that Congress is fulfilling one of our most basic functions. It calls for at least three hearings a year, one every 120 days, on the topic of waste, fraud, abuse and mismanagement.

This is an opportunity to show our constituents that we are serious about changing Washington and putting an end to the reckless and dangerous spending that in part helped create the unfortunate economic environment in which we find ourselves.

Many of us campaigned that we would come here to do our best to change Washington; taking steps to eliminate waste, fraud and abuse is a good start.

This is a good resolution that protects taxpayer dollars. I urge my colleagues to support H. Res. 40.

Mr. DRIEHAUS. Mr. Speaker, the American people sent the 111th Congress to Washington based on the promise that we would make government work again for every single person in this country. We cannot work to fulfill that promise if the government programs that we control are riddled with abuse and mismanagement. The reports of waste, fraud and abuse that have permeated the Federal Government are staggering. If we are going to change the way things are done in Washington, our first step must be to clean our own house. We need to put in place real oversight so that we can root out the problems where they exist. We need increased transparency so that government is held accountable by the people it serves. We need to change the business-as-usual attitude that has led to a culture of corruption and complacency in Washington. House Resolution 40 is an important part of our commitment to do right by the people who sent us here, and I applaud my friends from Tennessee and California for their leadership on this issue.

Mr. CARDOZA. I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. CARDOZA) that the House suspend the rules and agree to the resolution, H. Res. 40, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

PROVIDING FOR CONSIDERATION OF H.R. 384, TARP REFORM AND ACCOUNTABILITY ACT OF 2009

Mr. MCGOVERN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 53 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 53

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 384) to reform the Troubled Assets Relief Program of the Secretary of the Treasury and ensure accountability under such Program. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived except those arising under clause 9 of rule XXI. General debate shall be confined to the bill and shall not exceed 2 hours equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services. After general debate, the Committee of the Whole shall rise without motion. No further consideration of the bill shall be in order except pursuant to a subsequent order of the House.

The SPEAKER pro tempore. The gentleman from Massachusetts is recognized for 1 hour.

Mr. MCGOVERN. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to my friend, the gentleman from California (Mr. DREIER). All time yielded during consideration of the rule is for debate only.

I yield myself such time as I may consume. I also ask unanimous consent that all Members be given 5 legislative days in which to revise and extend their remarks on House Resolution 53.

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

There was no objection.

Mr. MCGOVERN. Mr. Speaker, House Resolution 53 provides for the initial consideration of H.R. 384, the TARP Reform and Accountability Act of 2009.

The rule provides for 2 hours of general debate to be controlled by the Chair and ranking minority member of the Committee on Financial Services. After the general debate, there will be no further consideration of the bill except pursuant to a subsequent rule.

Let me be clear: this rule provides for general debate only. The Rules Committee is meeting right now to consider amendments. Tomorrow, I expect the House will vote on several amendments, Democratic and Republican, to the bill.

Mr. Speaker, I rise today in support of H.R. 384, the TARP Reform and Accountability Act. I commend Chairman BARNEY FRANK and the Financial Services Committee for their steadfast commitment to reviving our Nation's economy.

Last September, the Bush administration sounded the alarm that our financial system was dangerously close to collapse. Treasury Secretary Paulson came to Congress with an astronomical funding request that he said would free up the credit markets and would prevent a bad situation from getting worse. The Bush administration asked for a $700 billion blank check with no strings attached.

Over the following weeks, Speaker PELOSI and Chairman FRANK and the House Democratic leadership, along with Senate leaders and then-Senator Obama, worked with the Bush administration on a compromise that became the Troubled Asset Relief Program, or TARP. The TARP provided $700 billion in two stages—$350 billion up front and another $350 billion when requested by the administration.

Now, I opposed the administration's original request for a blank check, but I voted for the compromise because I took Secretary Paulson at his word that this money would be spent where it was needed. Specifically, funding would go to homeowners and to banks that were feeling the pressures of a tightening credit market. Unfortunately, the Bush administration gave most of this money to the big banks that continue to sit on too much of the money instead of lending it out to other institutions and individuals.

The stunning fact is that, of the $250 billion provided in direct assistance to banks, only $62.5 billion has been spent. That means that the banks are still sitting on $187.5 billion. In my opinion, that is simply not good enough.

This economic crisis is real. This housing crisis is real, and it's not getting better. One in ten American homeowners with a mortgage was either behind in payments or was in foreclosure at the end of September. Predictions in December were that more than 8 million foreclosures, 16 percent of all U.S. mortgages, would occur over the next 4 years if nothing is done. That is quite a record for the outgoing administration.

Now, Chairman FRANK will be the first to say that we don't know how bad the economy would be if the first $350 billion of TARP would not have been spent by the Bush administration, but we do know that it could have been spent more wisely.

The American public simply does not trust the current administration to do the right thing, and rightfully so, I should add. Through the bill we will consider later today and tomorrow, this new Congress will attempt to right the many wrongs surrounding the TARP.

We not only need better oversight on the second set of TARP funds; we also need to provide a real blueprint for how these funds are to be spent. The Bush administration clearly failed on this point, but H.R. 384 is a step in the right direction.

The bill before us today not only modifies the TARP and the TARP oversight, but it requires that between $40 billion and $100 billion be used for foreclosure mitigation. By March 15, 2009, the Treasury Secretary must establish a TARP Financial Stability Oversight Board approved plan to be implemented no later than April 1, 2009.

Our priority is keeping American families in their homes. While I hope the Senate will pass this bill and that President-elect Obama will sign it after he takes office, it is important that we, in the House at least, signal our intent on how this funding should be spent.

□ 1530

President-elect Obama has said that he will actually listen to and consult

with Congress on important issues. And won't that be a welcome change from the current administration? I strongly disagree with those who say President-elect Obama simply requested the funds but doesn't have a plan on how to spend these funds wisely.

The incoming National Economic Adviser, Larry Summers, recently sent a letter outlining President-elect Obama's priorities and expectations for the second set of TARP funds. Those priorities are reflected in the bill we will consider today and tomorrow.

I will insert Secretary Summers' letter into the RECORD following my remarks.

While we should take President Obama and his adviser at their word, we should not do so blindly. Trust but verify, and that is what we will do.

Mr. Speaker, my constituents are frustrated and frightened. Many are afraid that they will lose their homes and that their lives will be turned upside down. These are good, honest, hardworking people who have fallen on hard times. Some tell me that they have been to their lenders, many times, in an effort to prevent foreclosure, only to be told, ''There is no help available. Simply wait to default.'' That's not right, and with this bill, we will address this problem.

Our economy won't get better overnight, but it can get worse. This funding is needed, but we cannot release it without a plan on how it will be spent. The economy is not just about banks and investment houses. It's not just about Wall Street. It's about the small businesses and community lenders on Main Street. It's about the families and individuals trying to make a living and improve their lives on the side streets. Allowing banks to hoard taxpayer money, as the Bush administration has done, doesn't help the people in Worcester and Attleboro and Fall River. But dedicating funds to help the mortgage crisis and move money through the credit markets is exactly what is needed, and this bill will do that.

I strongly support Chairman FRANK's bill, and I support the incoming administration's stated goals, and I urge my colleagues to vote for this bill.

THE OFFICE OF THE PRESIDENT-ELECT,
Washington, DC, January 12, 2009.

Hon. NANCY PELOSI,
Speaker,
House of Representatives.
Hon. JOHN BOEHNER,
Republican Leader,
House of Representatives.
Hon. HARRY REID,
Majority Leader,
U.S. Senate.
Hon. MITCH MCCONNELL,
Republican Leader,
U.S. Senate.

DEAR MADAM SPEAKER, LEADER BOEHNER, LEADER REID, AND LEADER MCCONNELL: As the President-elect recently stated, ''we start 2009 in the midst of a crisis unlike any other we have seen in our lifetime.'' He strongly believes that while the American Recovery and Reinvestment plan is critical, it alone will not solve all the problems that led us into this crisis. We must work with the same sense of urgency to stabilize and repair the financial system to address his primary concern: that we maintain the flow of credit that families and businesses depend on to keep our economy strong. It was that concern that led the President-elect to support the financial rescue plan back in September. If we had not all acted together—Democrats and Republicans—this economic crisis would have already become an economic catastrophe, with even more jobs lost and more businesses closed.

But the President-elect also shares the frustration of the American people that we have seen too little effect from this rescue plan on jobs, incomes, and the ability of responsible homeowners to stay in their homes. He believes the American people are right to be angry with the way this plan has been implemented. President-elect Obama believes there has been too little transparency and accountability; too much upside for financial institutions and executives who acted irresponsibly without providing enough help for small business owners, families who are struggling to keep their jobs and make ends meet, and innocent homeowners.

That will change when President-elect Obama takes office. Today, he is asking for the authority to implement the rest of the financial rescue plan because the American people need to know that going forward our government has the resources to do whatever is necessary to stabilize our financial system and protect our economy from a potential catastrophe. With the first half of the rescue package now committed, President-elect Obama believes the need is imminent and urgent. We cannot afford to wait.

It is important that we act both quickly and wisely. The President-elect is committed to using the full arsenal of tools available to us to get credit flowing again to families and businesses. He will ask his Department of Treasury to put in place strict and sensible conditions on CEO compensation and dividend payments until taxpayers get their money back. He will also direct them to ensure that assistance goes not just to large financial institutions, but that we put forward a comprehensive effort to get funds flowing again to community banks; the small business owner who has perfect credit but can't get a loan to make payroll; the student who can't get financial assistance for college; and the consumer who wants to buy a car. He will also do more to help Americans who are seeing their home values plummet as a result of this foreclosure crisis. And he will make sure that the American people can see how and where this money is spent so they can hold us accountable for the results. Those are the changes the American people are demanding, and those are the changes that President-elect Obama is committed to making happen. In particular, he will call for:

1. Use Our Full Arsenal of Tools to Get Credit Flowing Again to Families and Business: The President-elect believes we must take all necessary steps to protect the integrity of our financial system and prevent the failure of financial institutions that would have catastrophic effects of our economy. We must also do everything in our power to ensure our efforts are more directly reaching Main Street. It is neither right nor sound economic policy to allow the small businesses that are responsible for more than two-thirds of job creation and entrepreneurs and who have worked hard and played by the rules to be victims of this credit crisis that they were not responsible for creating. We will work in close cooperation with the Congress, the Federal Reserve and other agencies to strengthen financial institutions and restart lending for small businesses, auto purchases, and municipalities.

2. Reform Our System of Oversight, Regulation and Management of Financial Crises: President-elect Obama is committed to ensuring a full and accurate accounting of how the Treasury Department has allocated the funds spent to date and going forward. And we will report on a continuous basis the earnings and repayments the federal government receives from fmancial institutions who have been recipients of financial rescue assistance. We will work with Congress to strengthen oversight and move quickly to reform a weak and outdated regulatory system to better protect consumers, investors and businesses. And we will operate as one government with strong coordination among all major financial regulators. He has asked his Treasury Department and economic team to analyze the recommendations of the Congressional Oversight Panel and other oversight bodies and implement those we believe will make the program more effective. And since this is a global crisis, we will work with the G–8 and within the G–20 to ensure international coordination on recovery, financial and regulatory policies.

3. Launch a Sweeping Effort to Address the Foreclosure Crisis: The President-elect has directed his White House and Cabinet to work with Congress immediately to implement smart, aggressive policies to reduce the number of preventable foreclosures by helping to reduce mortgage payments for economically stressed but responsible homeowners while also reforming our bankruptcy laws and strengthening existing housing initiatives like Hope for Homeowners. Confronting this challenge is an absolute imperative if we are to restore the health of our housing sector and the financial system as a whole.

4. Impose Tough and Transparent Conditions on Firms Receiving Taxpayer Assistance: The President-elect has directed his Treasury Department to monitor, measure and track what is happening to lending by recipients of our financial rescue assistance. We will ensure that resources are directed to increasing lending and preventing new financial crises and not to enriching shareholders or executives. Those receiving exceptional assistance will be subject to tough but sensible conditions that limit executive compensation until taxpayer money is paid back, ban dividend payments beyond de minimis amounts, and put limits on stock buybacks and the acquisition of already financially strong companies. Finally, our actions must always support rather than impede the orderly restructuring of our financial system.

5. Maximize the Role of Private Capital and Plan for Exit of Government Intervention: We will invest taxpayer money only when sufficient private capital cannot be attracted. We will seek to replace investments made by the U.S. Government with private investment as quickly as possible.

President-elect Obama believes it is not too late to change course, but it will be if we don't take dramatic action as soon as possible. We cannot allow the failures of the past to prevent us from doing what we must to secure America's future. The President-elect is committed to working closely together with the Congress on all aspects of our financial recovery plan—both for fmancial stability and for jobs and economic growth—until we, together, help our nation pass through this economic storm.

Sincerely,

LAWRENCE SUMMERS,
Director-designate,
National Economic Council.

I reserve the balance of my time.

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

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

Mr. DREIER. Mr. Speaker, I would like to begin by expressing my appreciation to my friend from Worcester, the distinguished vice chairman of the Committee on Rules, Mr. MCGOVERN, for yielding me the customary 30 minutes.

Mr. Speaker, when Congress passed the financial rescue bill, we only released half the funds. We put in place a mechanism requiring the President to come back to Congress to ask for the second half of taxpayers' dollars. This was necessary to ensure accountability to the process, and I strongly supported the notion of not providing a $700 billion blank check. The actions of the Treasury would have to be justified under this new structure that we have. If Congress wasn't convinced that the initial money was wisely and appropriately spent, we would have the opportunity to block the release of the remaining funds.

Mr. Speaker, I, for one, am one who is not yet convinced. Very serious questions have been raised regarding the handling of this program. Where has the money gone? How have the recipients of assistance used these taxpayer dollars? What protections and safeguards have been put into place? What mistakes have been made, and what are the lessons learned? Has this program been effective? Should it be modified? Are the remaining funds necessary?

These are all critically important questions that must be investigated and must be answered. It would be downright reckless to release another $350 billion without a thorough vetting of these very tough issues.

Unfortunately, the Democratic majority is not interested in that thorough vetting about which I've just spoken. The underlying bill, we're told, is intended to restructure the financial rescue program to bring more accountability and transparency to the process, yet not one single hearing has been held on this bill. No markup was held, no opportunity to hear expert testimony or receive input from our constituents.

Mr. Speaker, the Financial Services Committee is just in the process of organizing. I think they may have done so today. But they've not gone so far as actually putting all of their subcommittees into place. Yet somehow, they are ready to magically fix the Troubled Assets Relief Program and adequately address all of the questions that I just outlined here.

Again, Mr. Speaker, I am not convinced. With all of the talk of bailouts and trillion dollar stimulus bills, some of my colleagues may have grown accustomed to the idea of very, very extravagant spending. I know this may be perverse, but I still consider $350 billion to be an enormous amount of taxpayer dollars. We can't be so cavalier with the American people's hard-earned money that we would ignore very serious questions about how such a large sum would be spent.

While the underlying bill does not release this money, it does set the stage for it to be released. Today's bill is meant to assuage concerns about the financial program and give the veneer—and it is nothing more than a veneer—of transparency and accountability. It's meant to provide, with all due respect, political cover.

When we do vote on releasing the new funds, the Democratic majority wants to be able to say that it's not writing a blank check. They want to be able to say that they fixed the process and responded to the concerns that have been raised. I would say to my colleagues, don't be fooled.

This is a hastily written bill, and we saw a very, very contentious exchange in the Rules Committee last night that underscored that. It's been hastily written, and it has never been subjected to scrutiny, as our colleagues on the Financial Services Committee made very clear last night.

Congress was right to reserve the ability to block funding for this program until proper oversight could be conducted. We should not shirk our obligation to exercise that authority. We should not be so gullible as to believe that transparency and accountability can be enhanced by a completely closed and irresponsible process.

Mr. Speaker, as we've all been saying, the economic crisis that we face today is clearly our biggest challenge, and we all feel—Democrat and Republican alike—a sense of urgency in addressing it.

Mr. Speaker, urgency does not preclude responsibility. We are not asking for a needlessly lengthy process. We're simply asking for some semblance, some semblance of due process at all. Those who argue that we must act immediately on this bill should consider the statement of our colleague (Mr. FRANK) when he said to the press yesterday as the author of this legislation, he indicated that it would likely never become law. He last night said the same to our Rules Committee.

Rather than rushing to dispense with an exercise in futility, we should be conducting true oversight and developing a real solution.

The only way to responsibly and effectively address the concerns that have been raised is to have a full, open, and accountable process. We need a bill that is developed through public hearings and a committee markup, through bipartisan collaboration—something that we just saw with the resolution that is going to pass and passed on voice vote here, the last measure we just went through—this can be done. But we need to do this very, very important issue of addressing this $350 billion through a process that is bipartisan with collaboration and real debate.

Mr. Speaker, it saddens me to say that this bill fails on all counts. I urge my colleagues to vote against the rule. This rule is simply going to allow for general debate. Right now the Rules Committee is hearing proposed amendments to this measure, and I know that in excess of 70 amendments have been submitted to the committee. But I will say that regardless of how those turn out, the fact that we have ignored completely the committee structure, the deliberative process that should be used for this, leads me to urge my colleagues to oppose this measure.

Mr. MCGOVERN. Mr. Speaker, I just would like to make the record clear for my colleagues who are listening to this debate.

Chairman FRANK has held numerous hearings on this issue before the TARP legislation became law, during the implementation process, during our break. I mean, he and his incredible staff have been working nonstop monitoring this issue, letting colleagues know what is happening on this issue. So I don't want anybody to come away from this debate thinking that nothing has been going on, that no monitoring has been going on.

The bill that is before us today is a product of the concern and the frustration and the disappointment with the way this administration has been implementing this.

Mr. DREIER. Will the gentleman yield?

Mr. MCGOVERN. Let me finish my statement.

That is what the product before us today is.

And I should further state, Mr. Speaker, that we do have an urgent situation. I hear numerous people say that we have time to delay, delay, and delay. As we speak there are people in my district—and I would say, Mr. DREIER, there are probably people in your district who are about to lose their homes.

People are looking for help, and we need to respond immediately. We do need to do so responsibly. So the days of delay and indifference are gone with a Democratic majority and a new Democratic President.

We believe that President-elect Obama will do the things that we all think are important to do. The point of this legislation is to make it clear to him that we expect him to do that. And we would like the Senate to act. But as the gentleman from California has said many times to me over the years when I have raised the issue about action we have taken on the House floor when I believed the Senate would not take action, I would always be reminded that we should not be precluded from taking action on something just because what the other body may or may not do.

I want the House of Representatives to lead on this issue. I want us to make it clear that we care about those people on Main Street who are losing their homes, we care about those small businesses that can't get credit. This is an urgent situation.

I yield the gentleman 30 seconds.

Mr. DREIER. I thank my friend for yielding.

Mr. Speaker, let me quickly say that I recognize that action in the 110th Congress was taken, and I herald that. We have many new Members on both sides of the aisle. This is a new Congress, and the notion of completely throwing regular order out the window when it comes to the question of dealing with $350 billion is wrong.

Yes, I have constituents who are losing their homes, just as all of our colleagues do, and that's why I believe we need to responsibly come forward and ensure that the taxpayer dollars that are involved will go directly to eliminate this problem. And that's what my concern is, that we, in fact, are not allowing that to take place with the kind of deliberation that regular order in this institution calls for.

Mr. MCGOVERN. Mr. Speaker, these are extraordinary times. This bill directs the next President of the United States on how to spend the money. And this bill specifically says that a minimum of $40 billion has to go to dealing with the mortgage foreclosure crisis in this country.

So if we want to take action and make sure that the next President takes the right action, we need to support this bill. The days of delay, the days of indifference, the days of putting off our problems are gone. We have a new President and a new Congress that is going to respond to these problems and fix these problems.

Mr. Speaker, I would like to yield 2 minutes to the gentleman from California (Mr. BACA).

Mr. BACA. Mr. Speaker, I rise in support of H.R. 384, the Troubled Assets Recovery Program Reform Act of 2008 and thank Chairman FRANK for drafting this bill.

In response to the minority leader, we're all very disappointed with this administration. We actually asked for accountability and oversight on this bill, but it didn't happen.

The taxpayers want to know what happens to the $350-some billion, and we are all very much concerned how that money is used. That's why this bill has been redrafted—to make sure that we have the kind of accountability and oversight that needs to be in place. If we don't act, more and more people are going to suffer.

That's why I wanted to thank Chairman FRANK for supporting the amendments, especially on the intended protection credit union parity and then the original public/private partnership, which I offered in this legislation.

I also want to submit a longer statement on record for these amendments.

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Families in my district—and of course the minority leader also has family in his district—are suffering while the Nation's unemployment is at 7 percent and it's 10 percent in my district, and it's expected to climb up to 12 percent by the year 2010. The largest credit union in my district, Arrowhead, just closed 12 branches and reduced its operating budget by 10 percent. And the San Bernardino and Riverside area has the fifth highest foreclosure in the Nation.

Congress created TARP to restore our economy and provide foreclosure assistance to families in need, not to subsidize banks. H.R. 384 corrects this lack of accountability and ensures that the second round of TARP funding maximizes the assistance to homeowners, where it should be going.

I urge my colleagues to support H.R. 384 so that we may improve the health of our housing sector and local economy. And I ask them to support this rule as well.

Mr. Speaker, I rise in support of H.R. 384 because this legislation sets necessary requirements for how Treasury should draw down the remaining half of the TARP funds with new oversight and accountability provisions. It also includes important measures to ensure the TARP program maximizes assistance to homeowners, minimizes foreclosures, and targets resources for underserved communities as Congress originally intended. My bill, H.R. 472, the Family Foreclosure Rescue Corporation also gives Treasury the authority to carry out these functions, so I am pleased they are included in this Act.

In addition to these important provisions, I want to thank Chairman FRANK for including the following three amendments which I offered in the manager's amendment. I believe they will go far in further addressing the health of our housing sector and local economies.

The first of these is an amendment I worked on with Representative KEITH ELLISON that would require tenants in good standing to get adequate notice to vacate properties in foreclosure as well as to assure continued Federal housing assistance for Section 8 voucher holders who lose their homes due to foreclosure. This is especially important in light of the fact that foreclosures are resulting in evictions of homeowners as well as renters whose landlords/property owners can no longer make mortgage payments. Further, the majority of the households who are facing eviction due to foreclosure, homeowners and renters alike, are low income. As the number of people in poverty grows, the number of homeless people could rise by approximately 800,000 people per year. In my district, there are more than 7,000 people in San Bernardino County who are homeless. We must do all that we can to help those who are suffering the most so I am pleased that this bill includes these important protections.

I am also pleased H.R. 384 includes an amendment that I sponsored to enable credit unions to participate in TARP. When Congress enacted the Emergency Economic Stabilization Act, EESA, in October, credit unions were included among the institutions eligible to participate in the TARP Program. However, when Treasury decided to inject capital into financial institutions, instead of purchasing troubled assets, credit unions were effectively shut out of the program. Credit unions in my district are telling me they can't access TARP funds and that they need assistance. The largest credit union in my district, Arrowhead credit union just closed four branches and reduced its operating budget by 10 percent. The problem is that credit unions are generally not permitted by law to accept outside forms of capital. That is why I am appreciative of Chairman FRANK's willingness to include my amendment which would permit credit unions to count assistance that they receive from the Federal Government and State Governments as capital for the purposes of prompt corrective action. This amendment to the Federal Credit Union Act would permit those credit unions that need to participate in TARP to have access to the funds, just as other depository institutions do.

The third amendment I offered would help to stabilize the local economy of areas like the Inland Empire and I want to thank Representative JERRY LEWIS and KEN CALVERT for their support. The California Inland Empire where my district resides has some of the Nation's highest foreclosure rates and steepest decline in housing prices. In response, the counties of San Bernardino and Riverside, along with more than 15 cities within their borders, and over 30 businesses have come together to create the Inland Empire Economic Recovery Corporation, a public-private partnership to keep families in their homes and to restore neighborhoods and communities. This partnership works by leveraging local investment money to purchase and manage local assets. Once purchased, regional partners with the housing market expertise and the financial flexibility will be able to work closely with homeowners to keep them in their homes where outside investors cannot. A regional approach allows partnerships to manage local mortgage assets, thereby stabilizing local economies and maximizing taxpayer's investments. That is why I proposed language that will allow Treasury to consider these regional public-private partnerships when creating their loan purchase program. Giving public-private partnerships the opportunity to partner with Treasury when purchasing, refinancing, and disposing of these loans will keep families in their homes, stabilize communities, and help us achieve the greatest return on our taxpayer dollars.

I thank the chairman once again for his assistance on these amendments which I believe will further address the health of our housing sector and local economies. I urge my colleagues to support H.R. 384.

Mr. DREIER. Mr. Speaker, at this time, I am very happy to yield 3 minutes to our hardworking colleague from Humble, Texas, Judge POE.

Mr. POE of Texas. I thank the gentleman for yielding.

Mr. Speaker, we are a bailout Nation, the Nation of handouts, the Nation of gimmees. The entitlement mentality has swept this country, especially last year, and it has done so, more importantly, with the elites, like the banks who think they are entitled to somebody else's money, taxpayer money. The banks have been given $350 billion and they're back for more, yet they refuse to tell us what they did with the first $350 billion, even though we wanted them to.

All of us have gone to a bank to get a loan. First we fill out all that paperwork and sign our life away, but they ask us one question, what are you going to spend the money on? And then they may or may not give us a loan. But no such deal when we're dealing

with banks and the people are loaning banks money. They just show up with their hand out, want the money, and refuse to tell us what they're going to do with the money or what they did with the money.

In this decade alone, Federal Government spending has grown 57 percent, $1.2 trillion, and the American taxpayers, of course, pay the bill. According to the book ''Bailout Nation,'' the bailouts of 2008, last year, cost Americans more than the Marshall Plan, the Louisiana Purchase, the Korean war, the Vietnam war, the Iraq war, the Afghanistan war, NASA, the race to the moon, the New Deal, and the savings and loan crisis combined; the largest example of government spending in American history and we still have no positive results from these bailouts. The economy is not significantly better, and the stock markets continue to drop.

So rather than say ''bailouts aren't working, so maybe we ought to do something else,'' it seems our mentality is, ''well, let's give them more bailout money and maybe that will work.'' I think that's irrational. And of course we don't have the money, we can't afford these bailouts. We're spending somebody else's money, the American taxpayer money, the middle class especially.

We have all seen these big motor homes lumbering down the freeways that have a little bumper sticker on the back that says, ''We're spending our children's inheritance.'' Oh, we think that's kind of cute and funny, but we ought to put a sign right out here on the Capitol grounds that says, ''Uncle Sam is spending your children's and grandchildren's inheritance.'' It seems like that is more appropo than what's taking place here; it's the philosophy that government knows better how to spend the taxpayers' money than the taxpayer. I think that's fundamentally wrong.

It's time for maybe us to rethink this idea of taking taxpayer money and giving it to certain special interest groups—the banking industry—because government bailouts have not solved our problems, it creates them.

The best thing we can do with this bailout money is not spend it—not spend it yet, for sure—maybe even send the money back where it belongs, and that's to the American people; it's our money to manage, but it belongs to the American people.

Mr. MCGOVERN. Mr. Speaker, I just want to repeat a fact that I had mentioned during my opening speech. One in 10 American homeowners with a mortgage were either a month or more behind on payments or in foreclosure at the end of September. Predictions in December were that more than eight million foreclosures would occur over the next 4 years if nothing is done, which is 16 percent of all U.S. mortgages.

National foreclosure rates in November of 2008 were 28 percent higher than in November of 2007, with California suffering the highest foreclosure increase, up by 51 percent from the year before.

This bill provides necessary provisions to perform oversight, impose restrictions, and require reports from financial institutions receiving funding, all of which was initially intended, but the Treasury failed to do. This bill also requires that a minimum amount be spent on mortgage foreclosure to help with mortgage foreclosure relief.

The notion that we can do nothing in the face of this crisis is stunning. So I would urge my colleagues to read the bill that Chairman FRANK has put forward. And whether or not you want to support the release of the additional TARP money or not, at least vote for this bill so you can guarantee that there are strings attached to it.

Mr. Speaker, at this time, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

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

Ms. JACKSON-LEE of Texas. There is a term that many of us use in our respective communities—maybe sometimes even parents use the terminology when they've given their child a chance and that child then reneges on any commitment that they've made, we feel we've been burned. And my colleague's words from the other side of the aisle speaks from that perspective, that the American people and this Congress were burned. We yielded to the cry of this last administration that they were desperate, that the calamity of the economic crisis was going to overtake us. We did what we thought was best for the American people. So I understand those feelings and those sentiments. But we have a new day and a new President.

In a few days, we will swear into the Presidency Barack Obama. In doing so, we have to work as a team. And this President-elect has asked this Congress to work with him to restore the faith and confidence and integrity in the economic system, and to restore the city of hope to this Nation. And that is what we're attempting to do today.

And we appreciate the work that has been done, and there should be more work. But in this bill there are limitations on executive compensation. In this bill there is an allotment that is set aside for mortgage workout. And I look forward to joining with my colleague, Congresswoman KAPTUR, in the request for more monies for the mortgage workout because of the millions and millions of people who are losing their homes. And frankly, I think the banks should be restrained in some of their predatory lending; more work needs to be done on that.

But in this bill we have the Office of Minority and Women inclusion so that small businesses and minorities and women can be included not only in the workouts and business aspects, but they can also be in line for loans. I worked with the committee to ensure that privately owned banks could receive this funding because in the last giveaway big banks received the money not knowing where the money went, and our community banks and private banks, where people go and get credit to help them in their community, were left holding the bag, the empty bag.

And so we have legislation that there are restrictions to it. There are restrictions, as I said, to the compensation. There is the idea of investing in the community. There is a requirement that there must be a certification as to why monies can't be spent on mortgage workout.

I hope that as this bill makes its way to the White House, the reporting feature that indicates that the Treasury Department should report to Congress in 6 months should be lessened to 90 days. We don't need to let them sit on the money for that period of time and not tell us what's going on. But there is a reporting feature, and that is more than what happened when we were burned.

And so today, Mr. Speaker, I think it is important to note that we come forward with a bill that gives instruction, that it gives requirements on behalf of the American people. It is not a giveaway where we don't know where the money is being spent.

And finally, I hope an amendment will be passed that will require the Treasury to tell us how that money is being spent, and I hope that amendment will be accepted. We need to move forward to help the American people.

Thank you, Mr. Speaker, for affording me this opportunity to address the Rules Committee in support of the Manager's amendment to H.R. 384, the Troubled Assets Relief Program, TARP, Reform and Accountability Act of 2009. This amendment is an important addition to this critical legislation, which I believe can be supported by every member of this committee.

Mr. Speaker, I was pleased to work with Chairman FRANK and his staff on significant portions of this Manager's Amendment to ensure that small and minority businesses along with local, community, and private banks gain fair and equitable access to the TARP funds. Small businesses are the backbone of our Nation, and unfortunately, they have not been afforded the opportunity that large financial institutions have received to TARP funds and loans. Small businesses represent more than the American dream—they represent the American economy. Small businesses account for 95 percent of all employers, create half of our gross domestic product, and provide three out of four new jobs in this country. Small business growth means economic growth for the Nation. We cannot stabilize and revitalize our economy without ensuring the inclusion and participation of the small business segment of our economy. With the ever worsening economic crisis, we must ensure in this legislation that small and minority businesses and community banks are afforded an opportunity to benefit from this important legislation. I am very pleased that this Manager's Amendment does just this.

In Section 107, the Manager's Amendment creates an Office of Minority and Women Inclusion, which will be responsible for developing and implementing standards and procedures to ensure the inclusion and utilization of minority and women-owned businesses. These businesses will include financial institutions, investment banking firms, mortgage banking firms, broker-dealers, accountants, and consultants. Furthermore, the inclusion of these businesses should be at all levels, including procurement, insurance, and all types of contracts such as the issuance or guarantee of debt, equity, or mortgage-related securities. This Office will also be responsible for diversity in the management, employment, and business activities of the TARP, including the management of mortgage and securities portfolios, making of equity investments, the sale and servicing of mortgage loans, and the implementation its affordable housing programs and initiatives.

Section 107 also calls for the Secretary of the Treasury to report to Congress in 180 days detailed information describing the actions taken by the Office of Minority and Women Inclusion, which will include a statement of the total amounts provided under TARP to small, minority, and women-owned businesses. The Manager's Amendment in Section 404 also has clarifying language ensuring that the Secretary has authority to support the availability of small business loans and loans to minority and disadvantaged businesses. This will be critical to ensuring that small and minority businesses have access to loans, financing, and purchase of asset-backed securities directly through the Treasury Department or the Federal Reserve.

I urge you to support this amendment.

Mr. DREIER. Mr. Speaker, at this time, I'm happy to yield 3 minutes to my friend from the Harrison Township of Michigan (Mrs. MILLER).

Mrs. MILLER of Michigan. I thank the gentleman for yielding.

Mr. Speaker, I rise today to oppose this rule, but to reluctantly support the underlying legislation because it provides very important steps forward to providing a helping hand to our Nation's automotive industry.

And I certainly want to thank Chairman FRANK for his advocacy over the last few months on behalf of the auto industry. I also want to thank him for codifying in the legislation that the domestic auto industry is vital to our economy and national security. And providing the assistance that allows the industry to thrive in the future is in the national interest.

This bill says clearly that the auto companies and their financing arms are eligible for support under the TARP. And one only needs to look at the support already given to GMAC, whose immediate move was to free up credit. This provision is absolutely vital.

It also puts all of the stakeholders in the auto companies—workers, suppliers, dealers, bond holders, and others—on equal footing in making concessions to ensure the future prosperity of these companies.

It does not single out workers or any other group. And this is important to bring everyone to the table equally. And on that basis, I would support this legislation, although I wish it had gone further to place similar mandates on the financial industry to those being asked of the automotive industry. Mr. Speaker, we have seen the CEOs of the auto companies dragged here to Capitol Hill and ridiculed by Members of Congress. We have not seen the same treatment of Wall Street executives receiving these funds.

We have seen leaders of the auto companies asking for help being asked to work for $1 a year. We have not seen one leader on Wall Street asked to do the same. In fact, we have seen many of those executives at companies who have already received large sums under the TARP be given huge bonuses.

We have seen autoworkers vilified and told they make too much money, and we have not seen the same treatment of workers in the financial industry. And we have seen car companies forced to submit to Congress viability plans as a condition of support. Financial companies have not been held to the same standard. It's been a double standard. And it is long past time that those who caused our financial problems be treated at least in an equal way by this Congress as the auto companies who are, in large measure, victims of the failure of Wall Street.

Mr. MCGOVERN. Mr. Speaker, first I want to thank the gentlelady from Michigan, my Republican colleague, for making a very eloquent case as to why the bill that Chairman FRANK has put together is a bill worth supporting.

At this time, I would like to yield 4 minutes to the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. I thank the gentleman for yielding to me and rise in reluctant opposition to the rule and in strong opposition to the bill.

Now, let us get this straight: Hank Paulson, the former Goldman Sachs boss, now Secretary of Treasury, wants $350 billion more to burn after the first $350 billion of our taxpayers' money was already wasted on the Wall Street bailout. Congress is being asked to do this a few days before a new President takes office. Hmmm, the timing of that even is suspicious just on the face of it. Why not wait until the new President takes office so he can really fix this right by using the FDIC and the SEC, as their past practices well demonstrate?

Why give all this power to Treasury? This would make sense to any reasoning person, unless of course you're one of the bankster beneficiaries who have been planning this heist for a long time. It's almost a perfect crime, too; complicated enough on the surface to intimidate the public and many in Congress by using fear of the future to mask what is being perpetrated.

The architects of this financial crime aim to cement the deal now—a perfect time—when the country is distracted, the Congress hoodwinked with no real oversight, at a moment of transition between two Presidents. The banksters aim to secure their last overdose from the U.S. Treasury with little oversight. The question is, will Congress be hoodwinked again, losing all reason?

We can't even account for what was done with the first $350 billion, so now we're supposed to double that and give more? What we do know is that the home foreclosure crisis wasn't helped by the first Wall Street bailout. Home foreclosures are escalating, getting worse. Why trust Treasury again? Meanwhile, Wall Street mega-banks have cleaned up as Main Streets across our country have lost 10 percent of their homes to foreclosure.

The first TARP was adopted without hearings, real debate or amendments, without proper justification, safeguards or oversight. And then the Secretary of Treasury didn't do anything to help the housing crisis, instead using the money for banks to buy other banks through capital infusions, which should have been done by the FDIC anyway.

Now it appears that Congress is gearing up to give the Secretary another $350 billion to spend on—well, it's not exactly clear on what. The legislation states that $40 to $100 billion is intended for some kind of foreclosure relief without specifying how it is to be accomplished. Is a $60 billion swing between these numbers the best we can do in estimating the cost of the program? That's more than we spend on several agencies of our government combined. What is the remaining $250 billion to $310 billion to be used for? Who decides? Just Treasury again? Is this lunacy or collusion?

If we are going to continue putting capital into financial institutions, shouldn't we at least order the SEC to stop destroying capital through outdated real estate accounting? Shouldn't we allow the President a bit of time to see if the Fed's very aggressive monetary policy activities, coupled with enormous deficit spending we've already done, are having any effect? Why this rush? It's overtime for justice to reign down. It's time for this Congress to assume its constitutional responsibilities and not cede our power to the executive branch.

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May truth and justice will out. This bill won't get either.

I thank the gentleman very much for yielding.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume to simply congratulate my friend from Ohio for her very thoughtful remarks and to associate myself with the remarks that she offered.

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

Mr. MCGOVERN. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, this has been a very challenging time for our Nation and

continues to be. I guess the stock market closed 1 minute ago, and when I last saw it before coming down here on the floor, the DOW was down an additional 250 points. We are going through what obviously have been difficult times all the way across the board.

My friends have pointed to the fact that we have had an unprecedented level of foreclosures on families who are in homes across the country, and my friend from Worcester correctly said that California has seen a 51 percent increase in the number of foreclosures. And it seems to me that we need to do everything that we possibly can to ensure, to ensure that the difficult economic times through which we're now going come to an end just as quickly as possible. And when I think of action that needs to be taken, I believe that we need to do what we can to ensure that the American people are encouraged, through good public policy emanating from the United States Congress, to engage in behavior that will help us reemerge.

Now, as we look at this issue of the Troubled Asset Relief Program, the notion of without any hearing, without any deliberation, without any discussion of trying to resolve those pressing questions that have been put before us that we would just go ahead with a bill that everyone acknowledges is not going to become law as cover for us to then release the $350 billion is just plain wrong. I personally think that we should be incentivizing the American people with private market-oriented solutions to this problem.

Now, as I said in the Rules Committee last night, what I'm about to say I know will not eliminate foreclosures, but I think it will help to get at a very important problem that has been diminishing the value of homes across this country, and that is the number of foreclosures, by encouraging people to actually have a vested interest in their home.

Unfortunately, right now homes across this country are treated like rental units. Now, what do I mean by that? What I mean is that we know that many people have put absolutely nothing down on their homes, zero down, and have paid interest rates that have been dramatically below market, meaning they have no vested interest, no equity in that home. So what has happened? People have naturally walked away from those homes because they haven't had equity in it.

And then, of course, we have the problem where, because of the diminishing value and the size of mortgages that have existed, people's value, the asset, the equity that they have in that home is substantially less than what they owe; so they've been led to walk away from it for those reasons. And it's very tragic. And we all know from having spoken with families, as I have, I've had friends who've tragically lost their homes, and it's not easy.

So a week ago yesterday, I introduced legislation that would call prospectively for us to do the following over the next 2 years: What we would do is we would say that an individual who agrees to put 5 percent down on their home, a 5 percent down payment, that they would have a $2,000 Federal tax credit. If they were to put 10 percent down, they would have a tax credit of $5,000. And if they put 15 percent down on that home, they would have a $10,000 tax credit.

Now, why is it that I believe that that would play a role in solving this challenge that we have, Mr. Speaker? Because people would then have a vested interest. Remember I said that many people have put nothing down on their homes and have paid below-market interest; so they have been treated like rental units. If we will encourage people to develop equity in their homes, I believe that that would go a long way over many of these proposed massive multi-billion dollar expenditure packages, it would go a long way towards dealing with that huge surplus, the inventory of housing that we have. So these are the kinds of creative proposals that we need to address.

Unfortunately, the package that is before us has not allowed for a single hearing, a single discussion, a single debate in the 111th Congress on it. I will acknowledge, as I said, in the 110th Congress, sure, there were some hearings that were held. But we have so many new Members of this institution, both Democrat and Republican, and they have come here and are expected to be part of this process, and they have been completely shut out when it comes to the issue of deliberation on this measure that is going to be before us tomorrow as we move through this general debate period later this afternoon.

So, Mr. Speaker, I'm going to urge my colleagues to vote ''no'' on this rule and ''no'' on the underlying legislation that is before us because it is not, it is not, unfortunately, going to create the kind of positive solution that I believe the American people deserve and expect from us.

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

Mr. McGOVERN. Mr. Speaker, I yield myself the balance of my time.

Let me be clear that the rule that we're talking about right now and the bill that we're talking about is not whether or not we should release the second $350 billion. That's not what this is about. There is no funding attached to this bill. The final vote will be on how the money, if released, should be spent.

There are some who want to use this as a political football, but I think that would be a mistake. We know that there is an immediate crisis, and we need to deal with that. And we also know that banks are not releasing the funding that they received from the original $350 billion. We know that homeowners aren't getting the help that they need.

Now, I'm all for recapitalizing banks, but funds used to recapitalize banks should be used to help homeowners and to get the credit market moving again, not to raise stock prices or increase dividend payments for investors. Chairman FRANK believes that $40 billion, a minimum of $40 billion, of the remaining funds should be used to address the foreclosure crisis, and I agree with him. It is critical that we provide a real roadmap on how this funding should be spent.

The Congress will not be a rubber stamp of the executive branch, unlike the first 6 years of the Bush administration. We will work with the Obama administration. And I should say that the statement by the Obama administration, the statement by Larry Summers, is all very encouraging. It demonstrates a real appreciation of what average people are going through. But having said that, we will also express ourselves on important issues like the TARP.

Mr. Speaker, people do not want to hear our words. They don't want us to feel their pain. They want us to take action. There is a real crisis in this country. People are losing their homes. And in the bill that Chairman FRANK and his committee have crafted, there are substantial efforts in this bill that will reduce mortgage foreclosures. That is a big deal in my district. It is a big deal in the districts of every single Member in this Chamber. If somebody doesn't think that mortgage foreclosures are a problem, then I would suggest they go back to their districts because there's not a district in this country where this isn't a problem.

And while we argue about, well, let's delay this some more, well, we'll do even more hearings than the hundred hearings that have already been done on this issue, well, let's attach some roadblocks so that nothing can ever happen, while we talk about all those things, people are losing there are homes.

We were elected to help solve problems and fix things and make things better for people, for average people. And that is what this bill that Chairman FRANK has crafted attempts to do. This is a good bill. This complements what President-elect Obama has said he wants to do. This will help fix things. And I will remind my colleagues that President Obama's view of the economic crisis is vastly different, thank God, from the view of President George Bush.

So this is an important piece of legislation. It is important that Members of the House of Representatives have a say in how this money will be spent if it is approved. And I would urge people to vote ''yes'' on the previous question on the rule, and when the bill comes up, I will urge people to vote ''yes'' on the underlying bill.

Mr. COLE. Mr. Speaker, I rise today to speak to H.R. 2 and the State Children's Health Insurance Program in general. Like many of my colleagues, I have been supportive of the underlying legislation. However, the way in which the underlying legislation has

been brought forward under a closed rule is unforgiveable. This is simply just one more example of the majority taking away the right of the minority to offer any type of substantive amendment or change to the legislation.

Let's review what has occurred this year with the Rules process. First, the majority has seen fit to remove the minority's ability to offer a motion to recommit a bill promptly, taking away a right that even Speaker Joe Cannon sought to guarantee to the minority. Additionally, as the first order of business, the majority decided to include two closed rules for H.R. 11—Lilly Ledbetter Fair Pay Act, and H.R. 12—Paycheck Fairness Act. Now, as their third order of business, the House Rules Committee and the Democratic Majority has decided to once again close off debate and reject the minority's request to be able to offer even one amendment.

Mr. Speaker, the fact is that this legislation was debated in the last Congress and the majority knows the minority has substantive and strong concerns regarding the way in which the underlying legislation will be implemented. This is a process that should be bipartisan. It is a program that has received bipartisan support in the past. It is a program that should be able to be genuinely debated. Why, in this time of dramatic political change, where the American people have demanded bipartisanship, is the majority closing off any and all debate?

Mr. Speaker, the underlying legislation represents an expansion of the SCHIP program that undermines its original purpose. By expanding the level of coverage to 300 percent of the Federal Poverty Level, FPL, this legislation goes far beyond the objective of covering low income families and now will cover some families who can even be subject to the Alternative minimum tax. This will eventually cause middle class families to be competing with the poor for coverage for their children, functionally turning it into another middle class entitlement program.

Furthermore, while this bill expands coverage for children, it does much more. It now begins to cover childless adults, it contains provisions to expand coverage to low-income parents, and creates an Express Lane Enrollment Option for states. The Express Lane Enrollment Option is, perhaps, one of the most egregious provisions in the bill. It will functionally allow states to insure children who come from families making 330 percent of the Federal poverty level.

Also, let's take a look at how the majority derives the money to pay for this radical expansion of health insurance. First, they increase the tobacco tax. However, the majority ignores the fact that increasing this tax almost always lowers the level of smoking, thus causing a delta between estimated and actual revenues to be derived from this tax increase. Additionally, the majority has seen fit to cut SCHIP funding in the final budget year, using this as a workaround so that it complies with the PAYGO budget requirements.

Mr. Speaker, while the original SCHIP has been supported on a bipartisan basis, this legislation is neither bipartisan, nor fair. It certainly cannot be seen to be in accord with our new President-Elect's position that we should work in a bipartisan manner.

Mr. Speaker, with this in mind, I would encourage all members to vote against the rule, and the underlying legislation. There is no way that this Rule can be considered anything but an exercise in raw, crass one-sided partisanship. Vote against the return of an imperial Congress, and vote against this rule.

Mr. HARE. Mr. Speaker, I rise in strong support of this rule and the underlying legislation, H.R. 384, the TARP Reform and Accountability Act of 2009.

Let's review some of the headlines we've heard recently.

ABC News: "After Bailout, AIG Execs Head to California Resort"

NY Daily News: "Bailout will let Wall Street CEOs Keep Golden Parachutes"

Washington Post: "Limits on Executive Pay May Prove Toothless"

Enough is Enough!

We are currently facing the worst economic crisis since the Great Depression. People are losing their jobs, homes, health care, and pensions.

I joined the majority of my colleagues last Congress to give the current Administration the authority to help restore the flow of credit in this country. In doing so, we authorized the Treasury to loan up to $700 billion to institutions that were in danger of shutting their doors and called it the Troubled Assets Relief Program (TARP). Not passing the TARP would have led to a financial meltdown with unthinkable consequences for all Americans, including the loss of even more jobs.

While I stand by my decision, I am angered by the way the Bush Administration has carried out this program and how certain financial institutions have abused taxpayer dollars.

I also believe the financial rescue package did not go far enough in helping working Americans stay in their homes. That is why I strongly support the legislation before us today. It includes provisions that will require the Treasury to take significant steps to prevent home foreclosures.

Additionally, the bill provides necessary conditions for the release of the second $350 billion, such as: increasing transparency and strengthening accountability; closing loopholes for executive compensation; and allowing small financial institutions to be on the same playing field for receiving funds.

This legislation must pass if we are to release the second half of the TARP funds to President-elect Obama. This is the bottom line: Either the banks spend this money to free up credit or they don't get it all. The days of CEO's enriching themselves with taxpayer money while average Americans struggle to make ends meet are over. Our country deserves better.

I urge my colleagues to vote "yes" on the rule and the underlying legislation.

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

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, this 15-minute vote on adopting House Resolution 53 will be followed by a 5-minute vote on suspending the rules and adopting House Resolution 40.

The vote was taken by electronic device, and there were—yeas 235, nays 191, not voting 7, as follows:

[Roll No. 17]

YEAS—235

Abercrombie
Ackerman
Adler (NJ)
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boccieri
Boren
Boswell
Boyd
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Castor (FL)
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crowley
Cuellar
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Driehaus
Edwards (MD)
Edwards (TX)
Ellison
Ellsworth
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Foster
Frank (MA)
Fudge
Gillibrand
Gonzalez
Gordon (TN)
Grayson
Green, Al
Green, Gene
Griffith
Grijalva
Gutierrez
Hall (NY)
Halvorson
Hare
Harman
Hastings (FL)
Heinrich
Higgins
Himes
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kosmas
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Luján
Lynch
Maffei
Maloney
Markey (CO)
Markey (MA)
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McMahon
McNerney
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler (NY)
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor (AZ)
Payne
Perlmutter
Peters
Peterson
Pingree (ME)
Polis (CO)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sarbanes
Schakowsky
Schauer
Schiff
Schrader
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sires
Skelton
Slaughter
Smith (WA)
Space
Speier
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Teague
Thompson (CA)
Thompson (MS)
Tierney
Titus
Tonko
Towns
Tsongas
Van Hollen
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Wexler
Wilson (OH)
Woolsey
Wu
Yarmuth

NAYS—191

Aderholt
Akin
Alexander
Altmire
Austria
Bachmann
Bachus
Barrett (SC)
Bartlett
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono Mack
Boozman
Boustany

Brady (TX)
Bright
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp
Campbell
Cantor
Cao
Capito
Carter
Cassidy
Castle
Chaffetz
Childers
Coble
Coffman (CO)
Cole
Conaway
Crenshaw
Culberson
Davis (KY)
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dreier
Duncan
Ehlers
Emerson
Fallin
Flake
Fleming
Forbes
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gingrey (GA)
Gohmert
Goodlatte
Granger
Graves
Guthrie
Hall (TX)
Harper
Hastings (WA)
Heller
Hensarling
Herger
Hill
Hoekstra
Hunter
Inglis
Issa
Jenkins
Johnson (IL)
Johnson, Sam
Jones
Jordan (OH)
Kaptur
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Kratovil
Kucinich
Lamborn
Lance
Latham
LaTourette
Latta
Lee (NY)
Lewis (CA)
Linder
LoBiondo
Lucas
Luetkemeyer
Lummis
Lungren, Daniel E.
Mack
Marchant
Massa
McCarthy (CA)
McCaul
McClintock
McCotter
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Minnick
Moran (KS)
Murphy, Tim
Myrick
Neugebauer
Nunes
Nye
Olson
Paul
Paulsen
Pence
Perriello
Petri
Pitts
Platts
Poe (TX)
Posey
Price (GA)
Putnam
Radanovich
Rehberg
Reichert
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sanchez, Loretta
Scalise
Schmidt
Schock
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuler
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Taylor
Terry
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden
Wamp
Westmoreland
Whitfield
Wilson (SC)
Wittman
Wolf
Young (AK)
Young (FL)

NOT VOTING—7

Boucher
Herseth Sandlin
Manzullo
Sherman
Snyder
Solis (CA)
Sullivan

□ 1638

Messrs. FLAKE and BACHUS changed their vote from ''yea'' to ''nay.''

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.

REQUIRING COMMITTEES TO INVESTIGATE REPORTS OF WASTE, FRAUD, ABUSE, OR MISMANAGEMENT

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and agree to the resolution, H. Res. 40, as amended, on which the yeas and nays were ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. CARDOZA) that the House suspend the rules and agree to the resolution, H. Res. 40, as amended.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 423, nays 0, not voting 11, as follows:

[Roll No. 18]

YEAS—423

Abercrombie
Ackerman
Aderholt
Adler (NJ)
Akin
Alexander
Altmire
Andrews
Arcuri
Austria
Baca
Bachmann
Bachus
Baird
Baldwin
Barrett (SC)
Barrow
Bartlett
Barton (TX)
Bean
Becerra
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boccieri
Boehner
Bonner
Bono Mack
Boozman
Boren
Boswell
Boustany
Boyd
Brady (PA)
Brady (TX)
Braley (IA)
Bright
Broun (GA)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Butterfield
Calvert
Camp
Campbell
Cantor
Cao
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Carter
Cassidy
Castle
Castor (FL)
Chaffetz
Chandler
Childers
Clarke
Clay
Cleaver
Clyburn
Coble
Coffman (CO)
Cohen
Cole
Conaway
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crenshaw
Crowley
Cuellar
Culberson
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Davis (TN)
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Dreier
Driehaus
Duncan
Edwards (MD)
Edwards (TX)
Ehlers
Ellsworth
Emerson
Engel
Eshoo
Etheridge
Fallin
Farr
Fattah
Filner
Flake
Fleming
Forbes
Fortenberry
Foster
Foxx
Frank (MA)
Franks (AZ)
Frelinghuysen
Fudge
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gillibrand
Gingrey (GA)
Gohmert
Gonzalez
Goodlatte
Gordon (TN)
Granger
Graves
Grayson
Green, Al
Green, Gene
Griffith
Grijalva
Guthrie
Gutierrez
Hall (NY)
Hall (TX)
Halvorson
Hare
Harman
Harper
Hastings (FL)
Hastings (WA)
Heinrich
Heller
Hensarling
Herger
Higgins
Hill
Himes
Hinchey
Hinojosa
Hirono
Hodes
Hoekstra
Holden
Holt
Honda
Hoyer
Hunter
Inglis
Inslee
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Jenkins
Johnson (GA)
Johnson (IL)
Johnson, Sam
Jones
Jordan (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
King (IA)
King (NY)
Kingston
Kirk
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kline (MN)
Kosmas
Kratovil
Kucinich
Lamborn
Lance
Langevin
Larsen (WA)
Larson (CT)
Latham
LaTourette
Latta
Lee (CA)
Lee (NY)
Levin
Lewis (CA)
Lewis (GA)
Linder
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lucas
Luetkemeyer
Luján
Lummis
Lungren, Daniel E.
Lynch
Mack
Maffei
Maloney
Marchant
Markey (CO)
Markey (MA)
Marshall
Massa
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCaul
McClintock
McCollum
McCotter
McDermott
McGovern
McHenry
McHugh
McIntyre
McKeon
McMahon
McMorris Rodgers
McNerney
Meek (FL)
Meeks (NY)
Melancon
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Minnick
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Myrick
Nadler (NY)
Napolitano
Neal (MA)
Neugebauer
Nunes
Nye
Oberstar
Obey
Olson
Olver
Ortiz
Pallone
Pascrell
Pastor (AZ)
Paul
Paulsen
Payne
Pelosi
Pence
Perlmutter
Perriello
Peters
Peterson
Petri
Pingree (ME)
Pitts
Platts
Poe (TX)
Polis (CO)
Pomeroy
Posey
Price (GA)
Price (NC)
Putnam
Radanovich
Rahall
Rangel
Rehberg
Reichert
Reyes
Richardson
Rodriguez
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Roskam
Ross
Rothman (NJ)
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Scalise
Schakowsky
Schauer
Schiff
Schmidt
Schrader
Schwartz
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Sestak
Shadegg
Shea-Porter
Shimkus
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Space
Speier
Spratt
Stark
Stearns
Stupak
Sutton
Tanner
Tauscher
Taylor
Teague
Terry
Thompson (CA)
Thompson (MS)
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Tierney
Titus
Tonko
Towns
Tsongas
Turner
Upton
Van Hollen
Velázquez
Visclosky
Walden
Walz
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Westmoreland
Wexler
Whitfield
Wilson (OH)
Wilson (SC)
Wittman
Wolf
Woolsey
Wu
Yarmuth
Young (AK)
Young (FL)

NOT VOTING—11

Boucher
Buyer
Ellison
Herseth Sandlin
Johnson, E. B.
Manzullo
Schock
Sherman
Snyder
Solis (CA)
Sullivan

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Two minutes remain in this vote.

□ 1647

So (two-thirds being in the affirmative) the rules were suspended and the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. ELLISON. Mr. Speaker, on rollcall No. 18, had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Mr. MANZULLO. Mr. Speaker, a family emergency required me to miss the last series of votes held today. Had I been present, I would have voted ''no'' on rollcall No. 17 (H. Res. 53) and ''yea'' on rollcall No. 18 (H. Res. 40).

GENERAL LEAVE

Mr. FRANK of Massachusetts. I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on H.R. 384 and insert extraneous material thereon.

The SPEAKER pro tempore (Mr. COHEN). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

TARP REFORM AND ACCOUNTABILITY ACT OF 2009

The SPEAKER pro tempore. Pursuant to House Resolution 53 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 384.

□ 1649

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 384) to reform the Troubled Assets Relief Program of the Secretary of the Treasury and ensure accountability under such Program, with Mr. SALAZAR in the chair.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

The gentleman from Massachusetts (Mr. FRANK) and the gentleman from Alabama (Mr. BACHUS) each will control 1 hour.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the parliamentary situation must be understood. Last year, when we responded to the urgent pleas of the Bush administration to authorize the $700 billion deployment of Federal funds to unstick the credit markets, we resisted their insistence that all the money be made available rapidly, and at least said that they would have the right to spend the first half, but after having spent the first half, would have to notify Congress of any intent to spend the second half, and that we would have 15 days in which to consider, under expedited procedures, resolutions to disapprove that.

As the Bush administration began to administer this program, many of us became very unhappy, in particular, we felt that they had repudiated commitments they had given to us to use a significant part of the fund to diminish foreclosures.

We also thought it was a mistake to provide infusions of capital to banks without any requirements as to what was done with that capital. The infusion of capital was not, in itself, a bad idea, but doing it in a way without conditions was in error.

Because of the dissatisfaction with that and some other aspects, we made it clear, many of us, to the Secretary of the Treasury that any requests to free up the second 350 would be voted down by the Congress, possibly by a sufficient majority to override a veto. The Secretary of the Treasury, therefore, withheld using any of those funds.

We now have a new administration coming in, and many of us believe that the new administration should have the opportunity to spend, lend, deploy the 350. The main argument against it is very simple; because the Bush administration messed this up, we must not allow the Obama administration to do it.

People talk about this program, the TARP, it is called, the Troubled Asset Relief Program, and they impute to it a personality. It becomes, in some of the rhetoric, a living organism. We can't trust the TARP. The TARP was bad.

Well, the TARP is not an organism. It has no mind; it has no spirit. It is a set of policy tools. And at the outset, the argument that because the Bush administration used those tools in ways that we disagree with, we should deny them to the Obama administration goes much too far.

If I were to follow the principle that where the Bush administration did things badly, I would deny the Obama administration the chance to do them, we would not have a State Department because I don't like the Bush administration's foreign policy on the whole. But I do not think we should therefore deprive the new President of the chance to do it.

Instead, what we do, and here's where the parliamentary situation comes in. We have a vote coming under the bill that we passed last year on resolutions of disapproval in the Senate and the House, and they cannot be stopped, thanks to the way we wrote this, by the Rules Committee, by a filibuster or by anything else. Prior to that vote, many us believe we, in the House, should make clear what conditions we would want to impose on this if it does go forward.

Now, I believe the Obama administration will do this better than the Bush administration, but I want to go more than simply believing that. I think it is important that we pass this bill that makes clear what we believe should be in it, and hope that it passes the Senate, but even if it does not get taken up there for a while, and we've had long delays, have the administration commit to it.

Now, I'm somewhat bemused by my colleagues on the other side of the aisle. Trying to follow their path on this whole program has made me dizzy. Last year they were, at various points, ardently for it, then against it, then for it again. They were for it in the end only with a condition that had to be added to it involving insurance, which the Secretary of the Treasury of their administration said he did not think made any sense and he did not plan to include it.

The leadership, I sympathize on the other side. They've got a membership that they have found hard sometimes to work with, and that has led the leadership to go, in my judgment, in the last year, from obstruction to irrelevance to self-delusion. First they said, let's not do anything. Then they absented themselves from negotiations involving the White House and the Treasury, the Senate Republicans and Democrats and ourselves. They just weren't there, and they wouldn't tell us what they thought. Then finally they felt they had to do something, so they said they would support the bill on condition that it include this insurance plan which the Secretary of the Treasury has made very clear to people he intended to ignore. That gave enough of them enough comfort to vote for the bill.

Now, we found that leaders on the other side who supported this when it was for the Bush administration, now want to deny it to the Obama administration because they correctly realized that the Bush administration did not do it well.

I know that quoting the Bible is in vogue in some circles. I'm not the best exegete, but I will say there is an analogy, you were told, I think, not to visit the sins of the father on the son, or maybe you're told that you should. I'll be honest and say I don't quite remember.

But I certainly do know that when you are dealing with important matters of public policy and tools that you give a President, visiting the sins of one administration on that administration which is not only coming after it, but repudiated it politically would be a great mistake.

Now, the last point I would make is again to emphasize. This vote that we will take on this bill does not free up the money. It does not free up the money. It does not mean the money should be spent. It will mean, after we have dealt with the amendment process, that if the money is spent, we want it spent in this way. There will be a separate vote on whether or not it should be spent.

Now as I understand, I realize that my Republican colleagues in the leadership, on the whole, intend now to repudiate their support for this retroactively, but it comes too late. Punishing the Obama administration, denying the incoming administration the opportunity to deploy these resources, particularly after they have agreed, as I believe they will, very explicitly with what the House thinks should be included, would be a great mistake.

And the last point I would make is this. If we do not pass this bill today, and I believe that, in a subsequent and independent decision, agree to release the $350 billion, we will make no progress in what is the single biggest economic problem we've been facing, namely, the foreclosure crisis, which has been the cause of so much else.

There has been very little done in the foreclosure crisis. We have tried. We

passed a bill. It didn't work very well. The one chance we have to bring relief to a substantial number of people facing foreclosure and, importantly, undo the economic harm that does for the country, because foreclosures don't just hurt the person who's losing the property. They have been a central cause of our economic problem, widely agreed upon by a wide range of economists.

Passing this bill, and then in a subsequent vote, unrelated, but independent, but as part of a package, freeing up the second $350 billion, subject to the conditions we put today, is the only way Members will have to see that foreclosure diminution becomes a reality.

So I hope this bill is passed. More importantly, next week, I hope that if it is passed, we will then defeat the motion of disapproval.

I reserve the balance of my time.

□ 1700

Mr. BACHUS. I yield 4 minutes to the gentleman from Texas.

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

Mr. PAUL. Although I recognize the chairman of the committee's points that this literally is not the appropriation, I rise in opposition to the bill, but I do want to speak out against this whole process of what we are trying to do with the bailout, not only this time but the time before. It is a system that has brought this country to its knees, and I think we haven't recognized what the cause has been, and therefore, we're not looking at this problem in the proper manner in order to solve the problem.

There has been a lot of money involved and a lot of money spent. There have been appropriations that we've made here in the Congress as well as the trillions of dollars the Federal Reserve has used to try to bail out the financial industry, and nothing seems to be working.

I think it's mainly because we haven't recognized nor have we admitted that excessive spending can cause financial problems. Excessive debt can cause some problems. Inflation—that is, the creation of new money and credit out of thin air—can cause a lot of problems, and we've been doing it for decades. It was predictable. It was not a surprise that we got ourselves into a financial mess because of a system that is deeply flawed.

So what do we have? What have we been doing now for the last 6 months to a year?

We have been spending more. We have been running up debt like we've never run up debt before, and we're printing money like we never have before. We think that is going to solve the problem. That literally has been the cause: too much spending, too much borrowing and too much inflation.

I do want to address the subject more specifically about moral hazard and why the system was so deeply flawed. That is, when a Federal Reserve system and a central bank create easy money and easy credit and they have interest rates lower than they should be, businesspeople do the wrong things. They make mistakes. It's called malinvestments, and we've been doing it for a long time. It causes financial bubbles, and they have to be corrected.

Actually, the recession is therapy for all of the mistakes, but the mistakes come, basically, from a Federal Reserve system that's causing too many people to make mistakes. It causes savers to make mistakes. Interest rates are lower than they should be, so they don't save. In capitalism, capital comes from savings, but for decades now, capital has come from the printing press, and nobody has saved.

That contributes to what we call ''moral hazard'' as well as the system of the Fannie Mae and Freddie Mac system. It always had a line of credit. It never had to use it, but the assumption was, if we ever got into any trouble, the Treasury would be there, and the Federal Reserve would back them up. That existed for a long time, causing specifically the housing bubble to develop.

Then we subsidized the insurance. The government-subsidized insurance program further promoted the principle of moral hazard—people doing things, spending money and investing in the incorrect way.

Then with the assumption that we're all going to be bailed out, which we're endorsing by bailing everybody out, people say, ''Well, no sweat because, if there is a mistake, the government will come to our rescue.'' That's part of the system of the FDIC. Now, nobody can conceive of the notion that we could live without an FDIC, but the truth is that a private FDIC would never permit this massive malinvestment. There would be regulations done in the marketplace, and there would not be this distortion that we've ended up with.

So this bill actually makes it permanent that the insurance will be $250,000 per depositor. Now you say, on the short run, that's pretty good because that conveys confidence to the system because at least we know that our deposits are secure. This is true. It helps in the short run, and generally, this is the way we work here. We always say, On the short run, this is going to be a benefit. On the short run, the bailout will help. On the short run, we will do ''this.'' Actually, on the short run, there is a great deal of harm that's done. As a matter of fact, today, the long run is here.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentlewoman from Wisconsin (Ms. MOORE), a member of the committee.

Ms. MOORE of Wisconsin. Mr. Chairman, I rise to enter into a colloquy with Chairman FRANK.

Mr. Chairman, as you know, our State housing finance agencies are frequently the only source of credit for first-time low- and moderate-income home buyers. However, the frozen credit markets have cut off their ability to sell their mortgage revenue bonds that fund their activities, forcing many of them to severely cut back their programs and forcing others to just stop completely.

Additionally, unlike many of the depository institutions that have already accessed the TARP funds from the first tranche but have not passed those funds on to consumers, we know that housing finance agencies will immediately lend any money they receive through the TARP directly on to potential home buyers.

My question, Mr. Chairman, is: Recognizing the vital role that FHAs can play in alleviating the financial credit crisis, I want to first encourage the Treasury Department to use those TARP funds to purchase FHA mortgage revenue bonds, and I want to know if there is any authorization in this legislation to do so.

Mr. FRANK of Massachusetts. If the gentlewoman would yield, in title IV of the bill, we list some high-priority items where we expect these funds to be deployed, and we say that, if they are not deployed, we have to get an explanation in writing as to why that wasn't possible. In general, aid to municipal finance and housing, as part of that, is clearly included.

Ms. MOORE of Wisconsin. Well, thank you, Mr. Chairman.

Mr. BACHUS. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. BURTON).

Mr. BURTON of Indiana. Mr. Chairman, not long ago, the Secretary of the Treasury came into our conference, and he was visibly shaken. He said, if we didn't pony up $700 billion in a short period of time, the entire economy of the United States was going to dissolve, and we would have a major depression. There was no plan. It was just ''give us $700 billion.''

Instead of talking about long-term solutions, such as tax cuts, for the people across the board or instead of stopping capital gains and doing away with capital gains taxes for a couple of years to stimulate investment, they said, Throw $700 billion at us, and we'll solve the problem.

Well, here we are a short time later. $350 billion has been spent, and nobody knows where. I mean, we come down to this floor. We start talking about the things that have been accomplished. We still have people losing their homes. The financial system in this country is in really bad shape, and companies are going bankrupt. $350 billion has been spent, and nobody knows where. I know part of it went to buy a bank in China. I'm sure the American taxpayers really appreciate that.

Now they're saying we've got to give another $350 billion very quickly or, once again, the sky is going to fall. Well, the sky has been falling, and it seems to me that we ought to have a plan that deals with the long-term financial problems facing this country.

The long-term financial problems facing this country involve investment, jobs, and economic growth. The only way you're going to get economic growth is to stimulate the economy by creating an incentive for people to invest. Tax cuts. We need to cut capital gains. I don't think anybody is really listening, but we need to cut capital gains. We need to have tax cuts across the board. If we do that, I think you'll start to see signs of recovery in the not-too-distant future.

In the meantime, we may have to pony up a few more hundred billion dollars to keep things going while this takes place, but we need an overall plan, not just another $350 billion thrown at the Federal Reserve.

The Acting CHAIR (Mr. MURPHY of Connecticut). The gentleman's time has expired.

Mr. BACHUS. I yield an additional 30 seconds to the gentleman from Indiana.

Mr. BURTON of Indiana. Let me just summarize by saying that we need a plan, a comprehensive plan, that involves not only spending this $350 billion but also a plan that will involve tax cuts across the board and incentives for business to invest, such as a cut in the capital gains tax rate and cuts in business taxes across the board. If we do that and come up with a comprehensive plan, maybe we could work our way out of this, but we certainly cannot do it by just throwing more money at the problem.

Mr. FRANK of Massachusetts. Mr. Chairman, California has been one of the epicenters of this foreclosure crisis, and the delegation has worked very closely together. One of those leading that effort is the gentlewoman from California (Mrs. TAUSCHER). I yield her 2½ minutes.

Mrs. TAUSCHER. Mr. Chairman, I rise to engage in a colloquy with Chairman FRANK. I want to thank Chairman FRANK for his leadership and for crafting this very, very important bill.

I've been very proud to work on this issue with my colleagues—subcommittee Chairwoman WATERS, the head of our congressional delegation; Ms. LOFGREN and Mr. CARDOZA from a neighboring district of mine in California.

In California, we have among the highest rates of foreclosure in the country. Sixty-eight percent of the home sales in my district of Solano County are foreclosed properties. Home values in the Bay Area have fallen 40 percent since their peak in 2007. Further, thousands of my constituents owe more than their homes' values and have little incentive to stay in their homes.

I appreciate the efforts of the chairman and of the committee to work to direct a portion of the TARP funds to foreclosure mitigation. I thank you, Mr. Chairman, for including language in this bill that will address areas with high foreclosure rates.

For too long we have not addressed the root causes of this crisis. As we move forward with this legislation, I would like to continue to work with Chairman FRANK and with the committee to help address the areas hardest hit by high foreclosure rates, declining home values, and rising unemployment. I believe it is important we address the crisis in these disaster areas.

I ask the chairman to help me provide relief to these victims. I yield to the chairman.

Mr. FRANK of Massachusetts. If the gentlewoman would yield, I completely agree with that statement.

As she knows, because she was a major part of this, there is an amendment included in the manager's amendment that was authored by herself and by her colleague from California, Mr. CARDOZA, whose eloquence on behalf of the people facing foreclosure cannot fail to move anyone who listens to him. That says it beyond the current foreclosure relief that will be in this bill, and it will be the only foreclosure relief we will get if this money isn't made available. We are mandating that a further study be made to help people who might be facing foreclosure in the future and to deal with the broader aspects of the problem.

So I thank the united efforts of the people of California, the Members from California, for helping improve this bill. I give them my commitment that, as chairman of the committee, I will be working with them to go further.

Mrs. TAUSCHER. I want to thank Chairman FRANK for recognizing that California has been particularly hard hit, and I look forward to working with him and with my other colleagues to ensure that Federal foreclosure mitigation efforts effectively address these areas that have been most affected by the economic crisis.

I urge everyone's support for the bill.

Mr. BACHUS. Mr. Chairman, I yield 4 minutes to the gentleman from Texas (Mr. NEUGEBAUER).

Mr. NEUGEBAUER. Mr. Chairman, I think I heard the distinguished chairman voicing some frustration with this current administration on how the TARP program was put together. I think a lot of Members who voted for this program, including the chairman, have had second thoughts because we hastily gave the authority to the administration with no plan and, more importantly, with no exit strategy.

I would remind the chairman that the incoming new Secretary, should he be confirmed and move through some issues that he may have, was at that table when designing the TARP program. So, if we're passing out blame, there may be a lot of places to pass out blame, but here is the most important thing:

Everybody who voted for that has been having second thoughts because, quite honestly, the money didn't get spent like it was represented it was going to get spent. There have been some intended consequences, but there have also been some unintended consequences of the money we passed out, because we started picking winners and losers. Any time the government starts picking winners and losers we're going to get in trouble.

The issue is what to do with this next $350 billion. Everybody kind of thought we were going to have some say-so over this next $350 billion, but in fact, we're not. This bill may pass in this House. It will never become law. The Senate has already said they will not take this bill up. So what should we be doing?

Well, on both sides of the aisle, what we should be doing here is coming back and doing an autopsy on how we spent the first $350 billion, what the results of that have been, and should we even look at or consider the additional $350 billion.

The American people are not very happy about this. We are passing out money carte blanche. We have relegated the constitutional responsibility of this House by just giving the administration, whether it's this current administration or the new administration, $700 billion and saying, Do the best you can. I don't think anybody thinks that's a very good plan.

In fact, the chairman has, in most cases, been very open and has had markups and has had a vetting of legislation. Quite honestly, I'm very disappointed. Quite honestly, in this case, this is one person's bill. Although this bill will not become law, one person is going to determine where the next $350 billion is going to go.

What we ought to be doing is having hearings. In the past, the chairman has had hearings—bringing people in here and asking them to account for the money that has been given them. Also, talk about what is the best way to do that.

Now, I did not vote for it, and I want to be clear about this. I voted against it twice. Some people voted for and against it. The chairman said we weren't clear. I'm very clear as to how I voted on it. I voted against it because I have a real problem of, cart blanche, giving people $700 billion of the American taxpayers' money with no plan.

□ 1715

More particularly, no accountability. We have not seen any particular reports. We have a gentleman from Texas who sits on an oversight board. He's openly said he's not sure exactly what's going on because the amount of information he's receiving is in question. That bothers me. It should bother the American people. It should bother Members on both sides of the aisle that we are not doing the people's business.

The way we do this right, if we're serious about doing this right, is we stop this process. We put it on hold, we ask the new administration to step forward with a plan, we get Members on both sides of the aisle to look at that plan, we vote, we offer amendments, we open that process so that when we go back home, we can say, ''You know what? We think we did what was in the best interest of the American people.''

But when you close the process, when you try to change the original intent of TARP, which was to use American taxpayers' resources to loan to or to guarantee and with the hopes of getting back—in fact, even people were talking about we may even make money on this. But many of the provisions, unfortunately, of this bill aren't intended to get any return on the taxpayers' money, particularly then we're moving away from an asset program to an entitlement program, and it deserves better consideration.

I urge Members not to vote for this bill.

Mr. FRANK of Massachusetts. Mr. Chairman, time is limited so I want to give myself 30 seconds to rebut the inaccuracies we've just heard.

First of all, the gentleman said we've closed the process. I have no idea what he is talking about. I suspect he does not either. This is a very open process. We solicited amendments. A number of amendments were offered, a number of amendments from both parties will be made in order, a number of amendments from both parties have already been accepted in the manager's amendment.

The accusation that this is closed is just wildly off base. It has been a very open process, and I would say a majority of the amendments that have been offered made sense, and we've agreed to them. And to say it is a one-person bill, in fact we have opened it up.

Now, Members who did not offer amendments—I will acknowledge. If you didn't offer an amendment, Mr. Chairman, it wasn't put in the bill. But this bill has been open, and the rule tomorrow will make that clear.

I now yield 2½ minutes to the gentleman from New Jersey (Mr. PASCRELL) who's had a lot of input in this bill, which I guess makes it still a one-man bill.

Mr. PASCRELL. Mr. Chairman, I want to thank the chairman for all that he's done to make this an accountable piece of legislation. You would think this is a movie out of the 1950s, TARP 2. You know, I can see what's happening.

No. This is realistic. We're going to know what's going to be in the bill, in this legislation.

But Chairman FRANK, sales are down 30 to 50 percent in the automobile industry. States are losing revenue throughout the United States of America, and we know that confidence of the consumer is certainly not where we would want it.

So I request and engage in a brief colloquy regarding H.R. 384 with your permission.

As you know, Mr. Chairman, the legislation we have before us is not a debate focused on the interest of big business. This legislation is, instead, unmistakably intended to serve Americans across the Nation. I want to commend you personally for your leadership and commitment to providing unambiguous directives on how the TARP funds must be used for ensuring that the funds will provide relief to Main Street. This is the difference between now and a few months ago. I want to commend you for this. It is a fact that the first TARP failed to meet the intent of the Congress. Today is our opportunity to make sure that funds flow directly to Americans.

Wouldn't you agree with me, Mr. Chairman?

Mr. FRANK of Massachusetts. If the gentleman would yield, absolutely.

I believe that the difference in the way the TARP will be administered in the new administration and the last administration will be very glaring, and frankly, I think that one of the motivations on some of my Republican colleagues to kill this now is that they fear the contrasts that will be presented between the very responsible and effective administration of this by the new administration and the inappropriate way of the last administration.

Mr. PASCRELL. I would agree this is night and day. I testified last month, as you remember, before the Financial Services Committee on the need to open up the credit markets for consumers. That's what we are all about. Title III of TARP will help to open the credit markets for auto loans. Specifically, it clarifies and confirms the Treasury's authorization to provide assistance to automobile manufacturers.

We can provide lots of money to the Big Three. If we don't sell cars, if we don't have traffic in those dealers, they not only close, we have an extended recession in the economy.

Most importantly, this bill will help those borrowers that have good credit access the necessary financing for auto loans. Wouldn't you agree, Mr. Chairman, that's a major problem: those who can't get credit aren't getting it?

The Acting CHAIR. The time of the gentleman has expired.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield the gentleman 30 additional seconds, and ask him to yield to me.

Mr. PASCRELL. I yield to the gentleman.

Mr. FRANK of Massachusetts. Absolutely. This is a necessary component of our efforts to keep the American automobile manufacturers from going under. We give this authority—we reassert this authority to Treasury, and we intend to be very, very insistent that they use it.

Mr. PASCRELL. Mr. Chairman, TARP 2 also clarifies Treasury's authority to provide support to the financing arms of automakers for financing activities to ensure that they can continue to provide needed credit, including through dealer and other financing of consumer and business autos and other vehicle loans.

This is 20 percent of our retail economy.

The Acting CHAIR. The time of the gentleman has again expired.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield the gentleman 10 additional seconds.

He is absolutely right, and once again, we underlined this authority and we intend to be very insistent that it be used.

Mr. PASCRELL. Mr. Chairman, it must be clear to everyone in this body, Democrats and Republicans, that the best way to get out of this recession is to encourage consumer spending, and this bill does that. Retail, rational consumption.

Mr. BACHUS. Mr. Chairman, I yield 4 minutes to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. I thank the gentleman for yielding. Mr. Chairman, I must admit that I find it somewhat ironic that the biggest critics of the bailout legislation are the very people who wrote the bailout legislation. Many are shocked at the lack of transparency and what they would view as the apparent lack of effectiveness. Again, these are the people who wrote the bill.

I think the bill that is before us is a tacit admission that they didn't get it right in the first place. You know, Mr. Chairman, I don't say that in trying to assess blame. There were Members on both sides of the aisle who supported that legislation in good faith. I was not among them. I supported an alternative piece.

But I do say this to make the point that here is another piece of legislation being rushed to the floor. Haste makes waste. The first TARP bill was fraught with unintended consequences, and now we are here, perhaps with Son of TARP—I believe the previous speaker said—maybe it's fraught with unintended consequences as well.

Mr. Chairman, I would also ask a few questions and make a few observations.

You know, if government spending money could solve the problem, we're up to about $7 or $8 trillion of potential taxpayer exposure already. Now, I don't believe the taxpayers will have to pay the entirety of the bill, but if they did, we're looking at almost $100,000 per American family. And here is another $350 billion on top of that, Mr. Chairman.

And I have the question, where is the plan? Where is the incoming administration's plan for the $350 billion?

And last I looked, Mr. Chairman, Congress doesn't have any extended recess scheduled until April, and certainly the majority has proven their ability to ram through legislation in 24-, 48-hour's notice. Why do we have to hand over an additional $350 billion of hard-earned taxpayer money to an administration that hasn't taken office, who hasn't even presented us a plan? Why is Congress yielding, yielding their spending prerogatives at this time? I simply don't understand it.

Now, Mr. Chairman, it appears that we are given three different choices here: number one, we can vote to disallow the second $350 billion without receiving a plan. That's simply what I advocate. Some may, once again, want to give the $350 billion check to the administration.

And then there's Chairman FRANK's plan. We will give them the $350 billion, but we will attach certain strings to it. Now, I agree with the chairman when it comes to accountability. There are certain strings of his that I would agree with. I don't understand why you would hand over money and not at least set up some provision for knowing how it's spent or be able to measure whether or not the plan is succeeding. And I compliment the chairman for that.

Outside of that, Mr. Chairman, I do not believe that I agree with his other extremes.

Number one, I believe that he has a string that has the Federal Government picking winners and losers. Now, he and the previous speaker had a colloquy regarding the auto industry. Mr. Chairman, I don't know what industry isn't suffering in this economy. If it's the auto industry today, is it the airline industry tomorrow? Is it the tourist industry on Thursday? And when does Starbucks get in line? We're not helping the entire economy.

This TARP legislation I believe implicitly picks winners and losers.

Second of all, we start going down this road of putting government observers in the boardrooms. I mean, the government agent who observes today will suggest tomorrow, and he, I assure you, will mandate on Thursday. I've seen this before. I don't want to go down this road, Mr. Chairman.

And then last but not least, taking money away from people who are current on their mortgage and giving it to people who aren't current on their mortgage is no way to work our way out of the economic peril that we find ourselves in.

We need tax relief for families. We need tax relief for small businesses. We need to grow our way out of this economic crisis.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2½ minutes to one of our freshman Members, a man with great experience in municipal government, the gentleman from Virginia (Mr. CONNOLLY).

Mr. CONNOLLY of Virginia. I thank the distinguished chairman.

I rise for the purpose of a colloquy with the distinguished chairman. I know that he shares my concern with respect to the current state of the municipal bond market in the United States. Following the meltdown of last fall, investors fled from bond markets to U.S. Treasury notes. As a result, our State and local governments are experiencing limited access to the capital markets due to the liquidity crisis.

The double-whammy has effectively denied many of the municipal taxes and bond issuers across the country any ability with which to finance capital projects. As we already know, our partners in State and local governments are already facing tough financial choices, but if this particular issue is not addressed, it could lead to a contraction of the national economy to the tune of hundreds of billions of dollars at precisely the time we are trying to stimulate it.

I would ask the distinguished chairman of the Financial Services Committee, is his understanding about the current state of the municipal bond market similar to that I just described?

Mr. FRANK of Massachusetts. If the gentleman would yield, yes, I very much agree.

I think one of the most sympathetic victims of this financial crisis has been the municipalities. The capacity to finance what's necessary for the quality of the life of their constituents has been impaired by factors well beyond their control. And the gentleman is absolutely right that we have an obligation to try to come to their aid which this bill would mandate be done.

Mr. CONNOLLY of Virginia. I thank the chairman.

And I would ask for his consideration of a proposal to direct the Secretary of Treasury to establish a program to provide direct credit enhancements or insurance from municipal bonds to help State and local governments to move forward on their civil-ready projects now on hold.

Mr. FRANK of Massachusetts. Would the gentleman yield?

Mr. CONNOLLY of Virginia. Yes, sir.

Mr. FRANK of Massachusetts. I am in complete agreement, and while that would be beyond the scope of this, as the gentleman knows—I know he's not suggesting we do it here—I guarantee we will be having hearings later this year on the proposal.

My own view is that some form of insurance would be there.

The most unjustified risk premium being paid in America is by those municipalities that issue particularly full faith and credit general obligation bonds.

I welcome the gentleman as someone with the municipal government experience that he's most recently had, and I look forward to drawing on that experience as we help correct this situation.

Mr. CONNOLLY of Virginia. I look forward to cooperating with the distinguished chairman, and I thank him for his consideration and time.

Mr. BACHUS. Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina (Mr. BARRETT).

Mr. BARRETT of South Carolina. I thank the gentleman for yielding.

Mr. Chairman, before coming to Congress, I owned a small furniture store, the best and only store in Westminster, South Carolina. We sold only furniture. We did one thing, and we did it pretty good.

And before that, I was a captain in the United States Army. I had a pretty clear job title.

In both organizations, I was taught to keep operations focused and not expand our mission beyond its initials goals.

So what does this have to do with the legislation that we're talking about today? Well, unfortunately, this bill is a perfect example of Congress' bad habits of expanding its initial missions, a habit that brought us Fannie Mae and Freddie Mac, the Community Reinvestment Act, and guess what, the alternative minimum tax.

□ 1730

I voted for the Emergency Economic Stabilization Act to restore liquidity and stability into America's financial system, allowing American businesses to access credit so they could obtain inventory, buy supplies, and make payroll. I supported this act to prevent what many experts called an ''economic tsunami,'' and I'm glad that we haven't seen the widespread financial mayhem that I think was certain.

We had to take extraordinary measures during those extraordinary times, but don't you think it's common sense to examine how we spent the first $350 billion before we even discuss how we're going to spend the second $350 billion? I agree with my colleagues that the first $350 billion was spent too hastily and haphazardly, and I believe there was not enough oversight or planning by the Treasury Department for how this money was to be used. However, I fully support the efforts of this bill to improve transparency, oversight and disclose exactly how the taxpayer money is being used, but I'm extremely concerned that this legislation expands the goals of the Troubled Assets Relief Program and brings us even further from its original mission, which did not include providing a fund to prop up failing corporations or putting politically-motivated mandates on private businesses in exchange for government funds.

This legislation will expand government interference in the private markets even more, Mr. Chairman, and I urge my colleagues to oppose H.R. 384.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to one of the most energetic and informed members of the committee, the gentleman from Georgia (Mr. SCOTT).

Mr. SCOTT of Georgia. First let me address a couple of points that the other side has mentioned. The first erroneous statement is that this is a one-person bill, the chairman's. Nothing could be further from the truth. This has been an open process. Many of the amendments and concerns of the other side have been added to this bill.

Tomorrow we are going to have amendments that the chairman has made allowable for the other side to be debated on this bill. Many of the concerns that I had raised in the early part of the first expenditure of the first $350 billion are incorporated in this. Many of the ideas that Congresswoman MAXINE WATERS and I, in our concern about the housing and the home foreclosures, are a part of this bill, any number. We've had hearings. So I think it is very important for that statement to be shot down as erroneous and unfair to our distinguished chairman, for

he has certainly had a very open process.

Now, I've listened to the other side, and you talk about putting a plan together. You talk about not making the mistakes that we've made before. The mistakes we made before were in the hands of this administration, with this Treasury Department that came in and said he wanted the $350 billion for one thing, which was to take the spoiled assets off the books, he didn't use it for that. Before we could get on an airplane and get out of Dodge he had changed the whole plan, gave the banks $290 million just like that, before we could even put the Inspector General in place, before we could put the oversight in place.

What this bill does is correct that mistake, puts a plan in place that will bring the reporting, bring the monitoring, the accountability and the transparency to this and will have upfront agreements on how these funds will be used.

And let me just state for the record that in this morning's Politico there is an interesting poll that drives home the basic need and the substance for this bill. In that poll it says that 5 percent of the American people—only 5 percent of the American people—believe and have a great deal of trust that the Federal Government will handle its financial responsibilities responsibly. This measure goes right to the heart of that and makes sure that we put in place a way in which we guarantee that we will make sure that this $350 billion is handled responsibly.

Mr. BACHUS. Mr. Chairman, can I inquire into the time left on both sides.

The CHAIR. The gentleman from Alabama has 43½ minutes remaining; the gentleman from Massachusetts has 40 minutes remaining.

Mr. BACHUS. Mr. Chairman, I yield 4 minutes to the gentleman from Georgia (Mr. PRICE).

Mr. PRICE of Georgia. I want to thank the gentleman from Alabama for his stellar leadership on this issue.

Well, Mr. Chairman, here we are, another $350 billion, $350 billion. Now, I don't want to overstate the obvious, but Mr. Chairman, that's money that we don't have.

In addition to that, the process points that have been made I think are incredibly important. We haven't had any appropriate committee work. We've had a discussion, but there hasn't been the hearings devoted specifically to this bill. There hasn't been a markup. We haven't had the opportunity in committee to amend this bill, to have Member input. Members haven't had the opportunity to provide input into the development of the legislation. The mere fact that there are 70 amendments filed with the Rules Committee, 50 of them from Democrats, clearly demonstrates that Members on both sides of the aisle have concerns about this legislation and ideas that they would like to share.

We've seen bailout after bailout after bailout, yet our constituents have felt no relief. We cannot, in good conscience, allow the government to dig deeper into their pockets and spend their money without giving their elected Representatives the opportunity to be heard.

Fundamentally, Mr. Chairman, we're talking about examining a vital role. What's the vital issue that says a lot about what we believe our government role ought to be? We're being asked to entrust Treasury with the authority to spend an additional $350 billion, a huge sum of money, and allowing them to take on additional risk to the taxpayers by pursuing modifications that have not yet proven to be a wise investment.

Now, we can all agree that the oversight of the initial TARP program has been wanting, there's no doubt about that; that's evidenced by the fact that Treasury completely shifted the original purpose of the program without consultation or consequence. Treasury has failed to answer basic questions, they have struggled to track the billions of taxpayer dollars, and they seem to have no way to measure the success of this program.

When Secretary Paulson initially approached Congress with an urgent request for funding and broad authority to stabilize the economy, a representative from the Treasury admitted that they were arbitrarily picking a number. In fact, when we asked a senior member at the Treasury Department how did they arrive at $700 billion, do you know what they said, Mr. Chairman? They said, ''We needed a really big number.'' Well, that's not terribly encouraging as to how to arrive at the amount of taxpayer money that they are putting at risk.

There have been no indications that the last tranche of funding is needed, indeed, to further stabilize the economy. There have been no emergency meetings to explain why this money is necessary and how it would be used effectively to justify this release. In fact, just a few days ago Mr. Kashkari described our financial system as ''fundamentally more stable'' than when we began.

Ultimately we have seen, through the failures of the TARP program and the Hope for Homeowners Program, that the government isn't the solution to all of our problems. Again, we've seen bailout after bailout, but there doesn't yet seem to be any relief for constituents and taxpayers. It's because of the hasty passage of the TARP program in the first place that we're now in the position to consider sweeping changes to the program.

The regular democratic process in order would ensure that all Members of Congress can make their voice heard on this very important issue. To say that there isn't time to have a markup is not only disingenuous, Mr. Chairman, it simply is not true. We should take the time necessary to ensure that we are truly acting in the best interests of the American people. Perhaps if we had taken the time to allow for markup and evaluation initially, we would not be in the situation that we find ourselves now.

Rather than entrenching our government with $350 billion of additional debt, I think it's time that we start considering positive solutions that embrace American values, American principles, and American solutions, none of which appear in the underlying bill.

Mr. FRANK of Massachusetts. Well, Mr. Chairman, I am tempted to defend George Bush against the charge that he is un-American at this point because this was his program, but I'll defer that until later.

I yield 2 minutes to the gentleman from Missouri (Mr. CLAY).

Mr. CLAY. I thank the chairman for yielding, and I wanted to engage in a colloquy with the chairman.

There is a provision in your amendment that helps the automobile rental industry finance debt secured by their fleets. This does not help the one company which is located in my district that uses unsecured commercial paper to fund the acquisition of their automobile fleet. Therefore, this omission puts them at a competitive disadvantage. And I understand that this was an unintended consequence, and I am asking for a minor correction.

Mr. FRANK of Massachusetts. If the gentleman would yield, obviously we aren't doing anything for any one company—the gentleman wasn't suggesting that we were—there are other companies. And yes, unsecured paper should be covered. Obviously we don't expect any investment by Treasury to be made irresponsibly; they have to check to make sure that it's a good investment. But ruling out the unsecured, no, that was not our intention. In fact, under the underlying bill, which we do not change, the Secretary has the authority fully to respond to that sort of situation.

Mr. CLAY. I thank the chairman for the explanation and appreciate your cooperation.

Mr. BACHUS. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. I guess part of my concern here is philosophical, but I think that ideas have consequences, and bad ideas have bad consequences in policy. And specifically what I worry about here are two challenges that the U.S. faces; one is a budget deficit right now which, when we look forward, it's going to be about 7 percent of GDP. And with the Fed's balance sheet continuing to expand, I think it's now at about $2 trillion.

With the promise of another stimulus package coming, which will be somewhere between $800 billion and $1 trillion, we are becoming increasingly dependent upon our rescuers. Now, in this case our rescuers are the American taxpayers and U.S. debt purchasers, most of them overseas. Why worry about this? Well, I think one of the reasons we have to be concerned is that

eventually bond investors might begin to reconsider purchasing that U.S. debt, they might begin to second guess that. And that consequence would really be catastrophic. Avoiding such a scenario would require us, then, to take a step back from where we are and require us to begin to eliminate unnecessary spending and not go forward with compounding the problem with the deficits.

But beyond the impact of the budget, there is a second concern that I have, and that's the ill effect of this bailout trend in terms of the rapidly increasing role that government is playing inside financial firms, that it's playing in the board rooms. And I will just cite this December 17 article in the Wall Street Journal entitled, ''U.S. Ratchets Up City Oversight.'' And in that story they describe the active role that regulators are playing in the day-to-day operations of the financial institution.

Earlier this week, headlines focused on an effort by U.S. banking regulators to encourage Citigroup to shake up its board and to replace its chairman, Win Bischoff. And they said this would be an effort to restore confidence in the beleaguered financial giant. But then as the argument is put forward, one of the leading candidates is Richard Parsons, who is Time Warner's chairman, and he is a member of Citigroup's board, but he also happens to be a member of President-elect Barack Obama's transition economic advisory board.

Additionally, it should come as no surprise, I think, that earlier this week Citigroup announced it would support legislative efforts to allow bankruptcy judges now to rewrite mortgage contracts. Now, that's a provision that would restrict the flow of capital into the mortgage market, it would increase the cost certainly going forward of obtaining a mortgage for anybody. And traditionally the financial press has called this a ''cram down'' provision that's been adamantly opposed by the financial institution. Now we have $45 billion of taxpayers' cash, we have a $249 billion taxpayer guarantee for bad assets on the balance sheets of the institution. And the institution, which now has seen this bureaucratic control within the firm reverse itself on a position, and I begin to wonder if political pull is going to replace market forces, if government bullying is going to determine the actions that firms are going to take. And this is my second concern. Because, to me, a major reason we're in dire financial straits is the market distortions caused by bureaucratic and regulatory manipulation of the quasi public entities. We've had 16 hearings where we've heard the Federal Reserve Board, we've heard the Treasury warn over the last few years about Fannie Mae and Freddie Mac. And these institutions took on that excessive risk. It was Congress that encouraged it and prevented the regulation that the Treasury wanted in order to prevent it.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to another freshman member of the committee, the gentleman from Connecticut (Mr. HIMES).

Mr. HIMES. Mr. Chairman, I rise today in support of H.R. 384, a bill to reform the TARP program.

Let us be absolutely clear, had our markets functioned, had our regulators done their job, had our leaders been sufficiently vigilant, neither the TARP program nor its reform would be necessary. But extraordinary times demand extraordinary measures.

Four months ago, the TARP was deemed necessary. Yesterday, in committee, we heard from a long line of experts who urged us to grant the new President authority to use the remainder of the TARP funds. On this question, perhaps people of good faith may disagree, but there can be no disagreement that if those funds are to be authorized, this House has an obligation to oversee their use.

□ 1745

We owe it to the American taxpayer to closely watch how their money is used and to assure that it is neither wasted nor used for private benefit. This bill, at great long last, offers that assurance.

As importantly, there can be no disagreement that after providing relief to industry after industry, it is time to get to the heart of the matter: American moms, dads, and children, and the homes that they live in. This bill, none too soon, mandates and funds a national comprehensive foreclosure relief plan that will finally address the root cause of this crisis, the housing problem. As the saying goes, better late than never.

When the sun goes down today, another 7,000 American families will have lost their home. The same will be true tomorrow. We cannot delay. We must act to save the very core of the American Dream.

I commend Chairman FRANK for his leadership on this bill, and I urge my colleagues to stand for smart oversight and for the beleaguered American homeowner.

Mr. BACHUS. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. CAMPBELL).

Mr. CAMPBELL. Mr. Chairman, I would like to have a colloquy with the chairman of the committee.

Mr. Chairman, the Emergency Economic Stabilization Act was intended to apply to financial institutions, I believe, without regard to their form of ownership: public, private, mutual associations. Is that your understanding? Is that correct?

Mr. FRANK of Massachusetts. If the gentleman will yield, Mr. Chairman, he's absolutely correct. The form of ownership should have no relevance to the decision here.

Mr. CAMPBELL. But yet many mutual, bank, and insurance holding companies have been unable to even apply for TARP funds because of the Treasury's not coming out with a term sheet that would enable them to apply, even those that can issue nonpublic preferred stock. Would you agree that the Treasury should be encouraged to come out with those term sheets?

Mr. FRANK of Massachusetts. If the gentleman would yield, he understates my view when he says they should be encouraged. I believe I will be glad to join with him in insisting that they do that. And, frankly, we don't want any form to be disfavored and certainly not the mutual form, which has a great deal in terms of our history to commend it. So the gentleman is absolutely right, and I think on this one we can be pretty certain that, particularly if the House gives the kind of endorsement to it that I suspect that it will, we'll be able to accomplish that.

Mr. CAMPBELL. Thank you, Mr. Chairman.

On one other point, there are people who say that a financial collapse didn't happen, and, in fact, it didn't. You don't get credit for bad things that don't happen. I would argue that the financial collapse was imminent were it not for this bill and also for the extraordinary monetary actions of the Fed. But as we go forward with the additional $350 billion, I would think that we should be leveraging. My concern is not that it's too much, that it's too little, and leveraging private funds by——

Mr. FRANK of Massachusetts. If the gentleman would yield, that's right. And I would say some of my colleagues understandably wanted to put very severe restrictions on the recipient institutions, and we put restrictions on them. But we don't want to be so restrictive that we drive out private capital. This will only work if the public capital leverages and unlocks and reassures private capital.

Mr. CAMPBELL. Thank you, Mr. Chairman. We'll get a lot more benefit for this if it's more like matching funds and we encourage private capital to go in and the public capital comes with it.

With that, Mr. Chairman, I stand in support of this bill and its provisions.

Mr. FRANK of Massachusetts. Mr. Chairman, not being a person who holds grudges, I yield 2 minutes to someone who left our committee, the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. I think I thank the chairman for yielding.

Mr. Chairman, I wish to enter into a colloquy with the chairman.

Mr. Chairman, I seek to clarify language in the underlying TARP legislation. As you know, New York has been battered by the financial crisis, and unemployment, like in most States, has been drastically increasing.

It is my understanding that TARP recipients can use TARP funds to provide funds to local small businesses to free up capital, preserve jobs, and support wages of their employees during these difficult times. Is that correct?

Mr. FRANK of Massachusetts. If the gentleman would yield, he is absolutely correct. We think that it is a very important use of it. It's one of those things that was not done sufficiently previously, and we are convinced it will be done with this House's taking the lead in the future.

Mr. CROWLEY. I thank the chairman.

Just one additional statement, and you can correct me if I'm wrong.

Am I correct in saying there is nothing in the TARP that prevents banks, such as Amalgamated Bank in New York, from applying for TARP and using these funds to support wages of workers as well as create jobs through the lending of funds to people and small businesses in the communities as well as providing some safety net during these difficult times?

Mr. FRANK of Massachusetts. If the gentleman will yield, yes, he's correct. What we, in fact, say here is that nothing should be advanced to a bank without an agreement in advance as to how it should be used. Now, we would expect a great bulk of the funds, the agreement would say, be re-lent, but that's not the exclusive purpose. There are other valid purposes. What this bill says, however, is that that would have to be clear up front as one of the permitted purposes, and we do believe that this Treasury Department, given that, yes, they would accept that as a very valid use.

Mr. CROWLEY. I thank the chairman for the colloquy.

Mr. BACHUS. Mr. Chairman, may I inquire as to how much time is remaining?

The Acting CHAIR. The gentleman from Alabama has 33½ minutes remaining. The gentleman from Massachusetts has 35 minutes remaining.

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

Mr. FRANK of Massachusetts. Mr. Chairman, I will now yield 3 minutes to one of the leaders in this House on the important issue of foreclosure, the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Chairman, I rise in support of H.R. 384, the TARP Reform and Accountability Act of 2009, and I would like to thank our chairman, Chairman FRANK, for his hard work and his leadership on drafting this most important piece of legislation.

As a Congress, we have experienced numerous disappointments with the TARP program's implementation, most notably the Treasury's refusal to use TARP funds for loan modifications and homeowner relief. The need to address the foreclosure crisis head on is why I lend my support to H.R. 384 and its requirements for foreclosure mitigation.

When we passed the first TARP bill last year, we intended for the Treasury to use its unprecedented authority to remove toxic assets and nonperforming loans from the marketplace, modify mortgages, and increase the availability of credit. To date, no TARP funds have been used or directed to systematic loan modification or increased lending.

Foreclosures are affecting homeowners, renters, and communities. Homelessness levels are rising as a result of renters who have dutifully paid rent on time being evicted from their homes because the owner is in foreclosure. Stopping foreclosures is key to reducing homelessness, helping the economy to recover, and rebuilding communities.

H.R. 384 has the components homeowners, mortgage servicers, and lenders need to effectively confront the foreclosure crisis. The bill provides from $40 to $100 billion for funding foreclosure mitigation. We may need a larger funding level for foreclosure mitigation, perhaps up to $70 billion; however, I appreciate the chairman's efforts to direct resources to this crisis.

The bill also provides several alternatives for foreclosure mitigation, such as a systematic mortgage modification program, whole loan purchasing, buydown of second mortgages, reduction of costs in the Hope for Homeowners Program, and incentives and assistance to servicers to modify loans.

But most importantly, in the manager's amendment, the bill will now require implementation of the systematic foreclosure prevention and mortgage modification program that I've been calling for since last year. On the first day of the 111th Congress, I introduced H.R. 37, the Systematic Foreclosure Prevention and Mortgage Modification Act of 2009, to give the power of law to the successful systematic mortgage modification program developed by the Federal Deposit Insurance Corporation and currently in use at the IndyMac Federal Bank, where it has resulted in over 5,000 IndyMac borrowers avoiding foreclosures. I applaud Chairman FRANK for including this legislation in H.R. 384.

The housing crisis must be corrected through our efforts with TARP. I believe that H.R. 384 will finally put us on track to addressing the foreclosure crisis. I support H.R. 384, the TARP Reform and Accountability Act of 2009, and I urge my colleagues to vote ''yes.''

Mr. BACHUS. Mr. Chairman, I yield 5 minutes to the gentlewoman from Minnesota (Mrs. BACHMANN).

Mrs. BACHMANN. Mr. Chairman, I would like to thank the gentleman from Alabama for yielding a few minutes to me.

It's a tremendous honor to be able to sit on the Financial Services Committee. It's been the center of the universe the last 2 years dealing with this crisis that's very real that is impacting not only individuals but businesses, people who are looking at the loss of their life savings, loss of their greatest capital asset: their home. We know that this is a strong reality. But we also realize the magnitude of the tremendous amount of taxpayer resources that have been devoted to this effort.

Initially we were told by the Treasury Secretary that in effect a financial Armageddon would ensue if this body did not, in fact, pass a bailout of gargantuan proportions. We were told $700 billion is what the Treasury Secretary would need to have in order to offer an effective front to stave off, in essence, the four horsemen of the apocalypse for our financial markets.

We've seen a tremendous roller coaster occur in 2008 regarding our financial markets. For the first $350 billion, the first tranche going forward, what have we seen? This week in the Financial Services Committee, we had testimony before our committee from the administration. Questions were asked: Where has the first $350 billion gone? Who are the recipients of the first $350 billion? What did the money get spent on? What were the answers that we received? What is the effectiveness of that money? Did the American taxpayer receive value for $350 billion that's already been expended?

Mr. Chairman, not only did we not receive answers to those questions, we didn't receive answers to the very basic question of what will the next administration do with this next request for $350 billion? We don't have a full accounting of that either. And what is the reason? Again, Mr. Chairman, we're told to do just exactly what we were told with the last $350 billion: Trust me. Trust me. That didn't work so well for us last time. We were rushed into this. There wasn't oversight. There weren't strings attached. Once again with the next $350 billion, this Congress is being told that we will have to go out and borrow $350 billion because the American people need to know we don't have $350 billion in the bank right now, or like my father-in-law says to my mother-in-law, ''Elma, I have to go to the backyard and shake the money tree to get the money out.'' There isn't money there in the bank. We have to go and borrow money that we don't have. And who pays that back? It's the American taxpayer. I think, Mr. Chairman, we need to have some very basic answers to our questions before we go forward with this extraordinary request.

We are being forced to vote without details on how this $350 billion will be spent, but the trouble is we haven't held even a single hearing on the merits or the necessity of releasing the second tranche because the House is proceeding as though the decision has already been made to release the second $350 billion without holding any substantial debate on whether or not such a release is the appropriate step for stabilizing the financial markets and getting these markets moving again.

Congress handed the Treasury Secretary a $700 billion blank check. Let's just be clear about that. The original bailout was passed, and we were told that the $700 billion was essentially a big number. It was picked out of thin air, but it was needed to calm the markets. Now, I think most Americans

would be appalled to learn that that was the truth. But we also need to recognize the United States Treasury doesn't even have to spend every penny of that money. Many experts, even Secretary Paulson himself, stated that was the case.

But here we are again and the House is moving forward with a preemptive decision that jumps ahead of this very fundamental question, and it's this: Is it even necessary to release the second tranche for the state of our financial markets?

□ 1800

We remain unconvinced, many of us, that the case hasn't even been made that it is. This bill is attempting to make sweeping changes to the way that TARP must operate. I would agree with my colleagues on both sides of the aisle that TARP has very serious flaws, many of which were predicted by many of us on both sides of the aisle, and we should look at ways to address the flaws.

But Congress should not be forced to rush to vote on this bill the way that we are being forced to rush on it today. Congress was rushed into this gargantuan decision, and we need to take the time to be deliberative.

Mr. FRANK of Massachusetts. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. CAPUANO) having assumed the chair, Mr. MURPHY of Connecticut, Acting Chair of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 384) to reform the Troubled Assets Relief Program of the Secretary of the Treasury and ensure accountability under such Program, had come to no resolution thereon.

REPORT ON RESOLUTION PROVIDING FOR FURTHER CONSIDERATION OF H.R. 384, TARP REFORM AND ACCOUNTABILITY ACT OF 2009

Mr. PERLMUTTER, from the Committee on Rules, submitted a privileged report (Rept. No. 111–3) on the resolution (H. Res. 62) providing for further consideration of the bill (H.R. 384) to reform the Troubled Assets Relief Program of the Secretary of the Treasury and ensure accountability under such Program, which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR ATTENDANCE AT INAUGURAL CEREMONIES ON JANUARY 20, 2009

Mr. PERLMUTTER. Mr. Speaker, I offer a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 61

Resolved, that House Resolution 23 is amended by striking ''10 a.m.'' and inserting ''noon''.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TARP REFORM AND ACCOUNTABILITY ACT OF 2009

The SPEAKER pro tempore. Pursuant to House Resolution 53 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 384.

□ 1803

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 384) to reform the Troubled Assets Relief Program of the Secretary of the Treasury and ensure accountability under such Program, with Mr. SIRES (Acting Chair) in the chair.

The Clerk read the title of the bill.

The Acting CHAIR. When the Committee of the Whole rose earlier today, 60½ minutes remained in general debate. The gentleman from Massachusetts (Mr. FRANK) has 32 minutes, and the gentleman from Alabama (Mr. BACHUS) has 28½ minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, just as in baseball, sometimes a player who made a great defensive play is first up. After his stellar role in the chair, I yield 3 minutes to the gentleman from Massachusetts (Mr. CAPUANO).

Mr. CAPUANO. My colleague is easily impressed, but thank you very much.

Mr. Chairman, we have to back up a little bit and remind ourselves what we are debating here. We are debating a bill that amends the TARP provisions. It doesn't grant $350 billion to anyone.

There is no money attached to this bill, and I actually agree with many of the comments that have been made about the past 350 and the potential soon to be $350 billion. I have the same concerns they do. I may fall on the different side of the issue because, for me, I voted for it, not because I loved it, but because to me it was the only way to save the economy.

I think some of it's working. I agree that I have the same concerns about the lack of reporting that has been done to us, that this administration has not told us how effective it has been. I agree with those concerns, but that's not what we are debating. The bill before us is an improvement on the bill that we passed, and those other concerns should be directed when we get that other bill, hopefully within the next few days, and I may actually join you when the time comes, don't know yet.

It depends on whether this bill gets passed. It depends on what the new incoming administration says about this bill that's currently before us.

But let's not forget how we had the last one. Many of us tried to add some of these provisions the last time. We were told by the current President that if those things were added he would not sign the bill. He would veto it and let the economy go down the tubes. We were told by some of our colleagues in the other body that they would not go along with it.

So we were stuck with the situation. You either save the economy or do nothing.

I actually respect those of us who did nothing. I wasn't sure that my vote was right. I am still not sure, as I stand here today. And anyone who is so certain that they know exactly how to fix this economy, well, good luck to you and God bless you, because you are much more certain than most Americans.

Most of us are doing the best we can with the knowledge that we have. I wish I could sit here today and say to you that the hearing we had a few weeks ago in Financial Services provided me all the information I needed to make a thoughtful judgment on whether the next 350 should go forward.

Instead, I was told we are not going to look at the individual institutions. We don't care what they do. That is an insane statement. No one can agree with that, yet that's what we were told.

I have some belief and some faith that the new administration will feel differently. I believe this bill sets forth clear or at least clearer definitions of what must be in the report, clearer definitions of how the money should be used.

I haven't heard one reason to vote against the bill that's before us. I have heard reasons to vote against potentially the next 350.

But let's focus on the bill that's in front of us. I would like to hear one reason why we shouldn't specify better reporting, that we shouldn't strengthen oversight, that we shouldn't clearly state that this Congress wants something to be done directly about mortgage foreclosures. I haven't heard that.

Mr. BACHUS. Mr. Chairman, I yield an additional 4 minutes to the gentleman from New Jersey (Mr. GARRETT).

Mr. GARRETT of New Jersey. I thank the ranking member.

You know, Mr. Chairman, this debate and maybe this vote is an exercise in futility. Our distinguished chairman has already noted in various media outlets that he doesn't believe that this bill is ever going to become law. The Senate Banking Committee chairman has declared that he is not even going to bother drafting similar legislation, much less voting on it.

So, you might ask yourselves, why is it that we are here today? As an aside, the chairman said interestingly enough

the other day, just yesterday in committee meeting, he said, to quote Harry Truman, the job of the President of the United States is to get people to do things that they should do that they would do if they had half a brain.

Well, the Bush administration will be out of office in a week. I would be curious to know from the chairman who he thinks in the next administration lacks that ability to do the right thing.

Furthermore, Mr. Chairman, it's been reported that the chairman and the House Democrat leadership are really here today to try to provide political cover, in that sense, for their Members that they know this TARP Program is extremely unpopular with the American public and has wasted millions upon millions of dollars, and so this is a political cover to vote on this bill today.

President-elect Obama said on Sunday on This Week with George Stephanopoulos, ''I, like many, are disappointed with how the whole TARP process has unfolded. There hasn't been enough oversight. We found out this week in a report that we are not tracking where this money is going.''

I agree with President-elect Obama. He is exactly right. There is a lack of congressional oversight, and that's been a concern of mine and many on this side from day one and even before the first TARP bill passed.

I have taken the time to carefully review this legislation. But, unfortunately, when you think about the process that we have gone through here, as a whole, we have not done what is right. We call it regular order here, but for the folks at home, it just means spending the time that you should spend on a bill when you are spending hundreds of billions of dollars. That means careful review, hold hearings, hold a markup on the TARP.

Perhaps if we had done that, perhaps we could have foreseen some of the problems that we are talking about here tonight on the first bill. However, the first piece of legislation was cobbled together, and this piece of legislation was cobbled together as well and rushed.

Chairman FRANK released this draft that we have here before us just this past Friday. And now so it's less than a week that we are considering that exact same bill here on the floor.

I agree with the ranking member when he said that he has not seen a compelling case to release the second $350 billion. In fact, I haven't seen any case presented as to why we should be releasing the second $350 billion or any plan to deal with spending that $350 billion. I have not seen any evidence that the original $350 billion ever achieved its stated purpose of stabilizing our Nation's financial system.

And, if it did, as some have suggested, then why are we here today going forward with this legislation? You know, the young lady who spoke before me from Minnesota said, rightfully so, that the Department of Treasury willingly admits that they pulled that original $700 billion, that number, out of thin air, not based on any scientific or mathematical analysis.

I have already indicated I did not support the original passage of TARP because I believe there were alternatives at that time to spending $700 billion of American taxpayer dollars. Now, after what we have seen with TARP and how it was handled, I certainly don't believe that we should waste an additional $350 billion as well.

I will say this, while the chairman is making an effort to provide some oversight with this legislation, such as requiring banks that received the funds to disclose how they are spending it, you know, if you dig into this bill I believe that there are provisions in it that will have more harm than good at the end of the day.

They will do more harm to the economic recovery that we are all looking for. I will give you a couple of examples.

I have concerns with the retroactivity provisions that apply to institutions that have already received funds. What about contract law, what about the constitutional law?

The Acting CHAIR. The time of the gentleman has expired.

Mr. BACHUS. I yield the gentleman 1 additional minute.

Mr. GARRETT of New Jersey. What about the constitutional provisions as regards to that?

Secondly, forcing companies that receive TARP funds to receive a government overseer on their boards. Amazing, a Congress that can't manage its own affairs is now going to have an overseer on corporate boards around this country. You know, an overseer today will become a suggestor tomorrow and eventually a dictator the next day.

Thirdly, requiring $100 billion of the remaining TARP funds to be spent on the foreclosure mitigation program. This was not the initial reason that we did TARP. It was to get the credit markets moving again in this country.

In closing, regardless of whether this measure passes or fails, it is almost certain that President-elect Obama will receive this request for the additional $350 billion with absolutely no strings attached or mechanism in place to ensure that the money is spent reliably. The House Democrat leadership failed when they passed the first bill of TARP, and they will fail when they give the authority to the President the second time.

Mr. SCOTT of Georgia. Mr. Chairman, I yield 2 minutes to a very talented and energetic member of the committee, the gentlelady from Illinois (Ms. BEAN).

Ms. BEAN. Mr. Chairman, I rise in support of H.R. 384, the TARP Reform and Accountability Act.

Thank you for yielding, and I want to thank the chairman for his leadership on this issue.

Last fall this Congress faced a difficult decision. We were asked to provide the Treasury with $700 billion to stabilize the financial markets. Federal Reserve Chairman Ben Bernanke warned that the U.S. economy was on the verge of collapse if Congress did not act.

Fortunately, Congress wisely put stipulations in place to protect taxpayer dollars. We also instructed the Treasury to provide foreclosure avoidance resources. Most importantly, we withheld half of the TARP money to allow congressional review of the first half.

It was vitally necessary to stave off a collapse of our Nation's financial system and remains so today. However, this administration did not follow congressional instructions to utilize a portion of funds to address rising foreclosures. Today we have the opportunity to refine the use of the remaining TARP funds with this bill to make sure that we both stabilize our financial system and reduce rising foreclosures, which continue to undermine it.

H.R. 384 requires the incoming administration to act with greater transparency and accountability on how funds are being used to stabilize markets and provide multitiered options to foreclosure avoidance for creditworthy families.

In 2008, 1 in 10 homeowners were either delinquent on their mortgage or in foreclosure. One in six homeowners are currently upside down, meaning that their mortgage debt exceeds current home value.

□ 1815

Economists expect 4 million to 5 million additional residential foreclosures in the next 2 years. To compound the challenges facing our financial industry, slumping consumer spending is driving many retailers and small businesses under, and as they vacate their properties, commercial mortgage foreclosures will increase. That means even more toxic assets on the books of our financial institutions, further limiting credit.

Credit affects every American, anyone who uses a credit card, needs a car or college loan, runs a business or is employed by one.

The Acting CHAIR. The time of the gentlelady has expired.

Mr. SCOTT of Georgia. I yield the gentlelady an additional 30 seconds.

Ms. BEAN. When the Treasury came to Congress last fall, our financial system was at the precipice of collapse. The economic challenges we face today would be worse if Congress had not supported the provision of TARP funds. But we are not out of the woods.

I urge my colleagues to support H.R. 384 to make these necessary changes to TARP and vote to release the second portion of the TARP money so our financial system and the American businesses and families who rely on it can weather the existing and coming storms.

Mr. BACHUS. May I inquire as to how much time is left on each side?

The Acting CHAIR. The gentleman from Alabama has 23½ minutes. The gentleman from Massachusetts has 26½ minutes.

Mr. BACHUS. I temporarily reserve my time.

Mr. FRANK of Massachusetts. In a spirit of cooperation, if the gentleman is short of speakers, I have a surfeit over here. I notice there seems to be a lack of interest over there. We can send you some.

Mr. BACHUS. Mr. Chairman, I don't think that we need that kind of speaker.

Mr. FRANK of Massachusetts. Okay. I was trying to fill the gap over there.

I will yield 2 minutes to the gentleman from Maryland (Mr. CUMMINGS).

Mr. CUMMINGS. Thank you very much.

Mr. Chairman, I rise to express my support of H.R. 384, the TARP Reform and Accountability Act, a tough piece of legislation that brings overdue reforms to the management of the TARP program.

I have consistently advocated for greater accountability from institutions receiving aid through TARP, while stressing that expanded relief for struggling homeowners be included in the legislation. This bill achieves both.

When the Bush administration came to us last fall seeking our assistance to soften the blow of the worst financial crisis since the Great Depression, we heeded their call. We actually passed the $700 billion financial rescue package to save Wall Street from itself, but we did so under the expectation that the Bush administration would make good faith efforts to adhere to and enforce the accountability measures Congress included in the bill. We further expected that the Bush administration would make good on its promise to steer TARP funds to troubled homeowners attempting to deal with foreclosure problems.

In its use of the first $350 billion installment of the program, the Bush administration has failed on both fronts. As has been aptly reported by the Congressional Oversight Panel created to oversee TARP, the Treasury Department has systematically failed to ensure that taxpayer dollars spent through TARP are being used as effectively and efficiently as possible. In fact, we have no clear idea about how the funds are being used.

We have seen the results of this lack of oversight with one example, and that is AIG, whose president I will be meeting with tomorrow morning. AIG has been the beneficiary of more than $150 billion in taxpayer dollars, including funding from TARP, and continues to hold luxury junkets for its top executives and award bonuses to ''retain its staff.'' As if this was not bad enough, the Bush administration has failed to meet its commitment to use TARP to stem the tide of foreclosures and has refused to impose any lending obligations on institutions.

I have every reason to believe that President-elect Obama will better manage these funds, as he says he will. H.R. 384 gives him the roadmap to do that.

Mr. BACHUS. Mr. Chairman, I yield 3½ minutes to the gentleman from Texas (Mr. NEUGEBAUER).

Mr. NEUGEBAUER. I thank the gentleman.

I want to reiterate one point that was made earlier, and I think is maybe one of the most important points that has been made here today, and that is that we don't have another $350 billion. In fact, we didn't have the first $350 billion, and we had to go out and borrow that money from our children and our grandchildren in order to do something that nobody has really articulated what we were trying to do. We didn't have a plan. There was no accountability. But we went ahead and charged on the credit cards of our children and our grandchildren $350 billion, with the assumption we would do another $350 billion.

The issue here, and the reason it is so important, and I am frustrated and I do not understand, this isn't the only money that we have committed. The Treasury, the Federal Reserve, the FDIC, have guaranteed billions and billions of dollars, and we are getting into the trillions. A recent Wall Street Journal article said that we could possibly be already in this at $6 trillion. Now, even in Texas that is a lot of money.

But the question here is that it is not just this $350 billion that we are talking about. The other side is putting together a proposal right now. It is a stimulus package. The new administration is going to bring that any day. We don't know what that number is, but it has been reported anywhere from $800 billion to $1.3 trillion. Again, we don't have that $800 billion or $1.3 trillion.

So when you add all this together, we are talking about in the next few weeks here committing $1.5 trillion of the American taxpayers' money with no plan, with no measure of what has happened to all of these unprecedented things we have done.

Then the last point I want to make here is it is unprecedented, the amount of interference and injection that we have put the Federal Government into companies all across America, and the markets are trying to figure out what to do with this new player in the marketplace. And the question is, there was no exit strategy, so at some point at time somebody is going to blow the whistle and say okay, it is time to quit doing all of this government interference, hopefully sooner rather than later, and then the question is what is going to happen to the markets as the government begins to exit this? What is going to happen when all of these guarantees begin to expire, when all of these loans that we have made begin to come due, all of these investments that we have made in these companies start to have to be paid off? And the problem is that we are doing that all on a rapid fire basis with no clear direction.

Now, the American people deserve for the United States Congress that they just recently elected and we were sworn in, they deserve for us to look and deliberate and make sure that if we are going to mortgage our children's and our grandchildren's future, that we at least do it in a way that we can look them in the eye and say we believe it is in their best interests that we do that; that we are looking at the effectiveness of the program, we are looking at how people are spending that money, and we have a plan on how we are going to end this at some point in time. Unfortunately, none of those exist today.

Mr. Chairman, I encourage Members of Congress to stop and reflect. Let's vote this bill down and let's look and be accountable to the American people. They deserve it.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. DONNELLY) who has been a very informed advocate for many of the industries that operate in his district.

Mr. DONNELLY of Indiana. Mr. Chairman, I rise for purposes of engaging in a colloquy with the chairman, Mr. FRANK.

Mr. Chairman, title IV of the bill regarding consumer loans urges the Secretary to establish or support facilities to support the availability of consumer loans for autos and other vehicles. Is it the chairman's intent that consumer loans for recreational vehicles could qualify under such a facility?

Mr. FRANK of Massachusetts. If the gentleman would yield, yes, it is. Let me say that the language is better now because of the gentleman from Indiana and the gentleman from Oregon (Mr. DEFAZIO) and some others who called our attention to an inadvertently narrow definition.

Yes, recreational vehicles play an important role in the economy and in the people's quality of life, and they should be included.

Mr. DONNELLY of Indiana. The manager's amendment included language urging the Secretary to establish a support facility to support the availability of small business loans, including dealer floor plan financing. On December 23, the Fed announced that the TALF program would include new car dealer floor plan loans.

Is it the chairman's view that the Fed should generally consider expanding the TALF program to support other kinds of floor plan financing?

Mr. FRANK of Massachusetts. Absolutely. If the gentleman would yield, I think that this is an important part of what the average American wants and needs and that this is part of the chain of employment, so I will be urging them to do exactly that.

Mr. DONNELLY of Indiana. Thank you, Mr. Chairman. I urge all my colleagues to support this legislation.

Mr. BACHUS. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. POE).

Mr. POE of Texas. I thank the gentleman for yielding.

I think the ranking member said it best yesterday when there were hearings on this that there was a time in this country when the people would go to the bank and borrow money from the bank. My grandfather was a banker for a good number of years, even back in the thirties, and when a person went to the bank, the bank would require sometimes that the bank would want to know what the money was going to be spent on, of all things, and then forms would be filled out and money would be loaned.

Times have changed. Now the people loan money to the bank, to many banks, to the very special interest banks, and we know not what they are doing with that money, and certainly no background checks or forms were filled out by those banks before we gave them the money. Now we are being asked to do it again. We certainly don't learn our lessons.

The cost of bailouts by this Congress last year exceeds the amount of the total cost of all the wars this country has been in; the American Revolution, the War of 1812, the Civil War, World War I, World War II, the Korean War, the Vietnam War, the Iraqi War, the Afghanistan War. These bailouts that this Congress is spending the taxpayer money on costs more than all of the wars put together.

Maybe we ought to decide to do something else than continue to spend money that doesn't belong to us, but belongs to the American public.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to one of the most informed members of our committee, the gentleman from Texas (Mr. AL GREEN).

Mr. AL GREEN of Texas. Thank you, Mr. Chairman.

Mr. Chairman, Dr. King, whose birthday we are about to celebrate this month, reminds us that the truest measure of the person is not where you stand in times of comfort and convenience, but rather where do you stand in times of challenge and controversy. Not where do you stand when there is no housing crisis and no unemployment problem, but where do you stand when unemployment is 7.2 percent, when you have lost 1 million jobs in the last 2 months, when you have lost 2 million jobs in the last year. Where do you stand in times of challenge and controversy.

In this time of challenge and controversy, I stand with the American homeowner, who is in crisis, who needs our help, who but for this piece of legislation will not get our help. I stand with the American homeowner, because this legislation provides $40 billion to $100 billion to help homes that may go into foreclosure. In times of challenge and controversy, I stand with the homeowner.

And I also stand for something else. I stand for having the TARP money be made accountable for. This piece of legislation deals with accountability. People want to know how their money has been spent.

This legislation helps us to better understand how the TARP money has impacted new lending. The LaTourette amendment that passed this House overwhelmingly in the last session, the last time we met and had this bill before the House, that amendment is something that has been incorporated in this bill.

So, Mr. Chairman, I thank you for a stellar job, a job well done, and in times of challenge and controversy, I stand with you, Mr. Chairman.

Mr. GARRETT of New Jersey. Mr. Chairman, I yield 2 minutes to the gentleman from the great State of Texas (Mr. GOHMERT).

Mr. GOHMERT. Mr. Chairman, it is a pleasure to follow my dear friend from Texas, from Houston, the former judge in Houston. And I appreciate him saying he wants to stand with the homeowners. I don't think when we passed this bailout bill back in September we were standing with the homeowners, because we weren't.

□ 1830

That money got given to banks, all kind of places. We're still trying to find out where all of it went, and we don't know because the bill didn't have enough restrictions. So I appreciate the chairman trying to add restrictions.

But in looking at all of this money, $350 billion still to be spent, with all our efforts to try to pin down the Secretary of the Treasury, try to keep him from giving it to his buddies and hurting his enemies and personal things that may or may not have happened so far in the last 4 months, you really want to stand with the homeowners.

What I've been hearing from people, homeowners who got a little behind on payments, they got behind last summer when gas prices went up, many of them did, and they couldn't pay all the bills.

So instead of having this money routed through the Secretary of the Treasury, as much as we might try to bind his hands, and then on around to maybe through banks and require them to lend, that kind of thing, if we provided a 2-month tax holiday where no withholding is taken out of the workers' check for 2 months, and then you don't take out FICA for 2 months, then it's still more than paid for by the $350 billion. It's a 2-month tax holiday.

Now, President-elect Obama had said he would do exactly what this proposal does, except he'd have a $250,000 cap on income. I have a bill that doesn't propose the $250,000 cap, and it still comes in around $334 billion. That's what will help the homeowners. It's instantaneous. We don't have to put restrictions on it. We don't have to do anything other than let the homeowners have it.

I've had some people tell me they want to get out from under their gas-guzzling car. But last summer when prices went up, the value of their car went down and they can't come out from under it. A 2-month tax holiday will do it.

Mr. FRANK of Massachusetts. I yield 2 minutes to one of our very thoughtful Members, the gentleman from Illinois (Mr. FOSTER).

Mr. FOSTER. I rise in reluctant support of the TARP program as executed to date, in optimistic support of the TARP program as it will executed by the Obama administration, and in full-throated support of H.R. 384, the TARP Reform and Accountability Act of 2009.

While the actions we took last fall have done much to stabilize our system, our credit markets are still not functioning properly. Significant programs to reduce preventable foreclosures have not started, and more needs to be done.

More than anything else, our economy runs on confidence. Confidence is an ephemeral thing that's easily squandered and extremely difficult to get back. Our financial system has been shaken to the core in ways that we have not seen since the Great Depression, and while I am certain that the actions that we took last fall helped us avert the abyss, we have to do more before we recover.

And the most important elements for restoring that confidence are a clear and workable plan for the future, the resources necessary to execute that plan, and an assurance that we are all in this together, that the blood, sweat and tears, as well as the economic gain, will be equitably shared as we work out of this crisis. That is what this bill is about. And this second infusion of TARP money, well-spent, is absolutely vital to helping us restore that confidence.

I would also like to associate myself with the colloquy regarding municipal bond markets. The loss of infrastructure spending due to the lock-up of the $2.3 trillion muni bond market is one of the most frustrating and tragic consequences of this financial crisis. Despite near-zero historical default rate, muni bonds are not trading at all, at rational levels or at all. Proposals to revive the muni bond markets, for example, with federally backed muni bond insurance, represent low-hanging fruit that should be captured with a modest investment of TARP funds, probably the biggest bang for the buck of any stimulus investment that I am aware of.

As a member of the Financial Services Committee, I look forward to working with the chairman and the new administration on this important issue. I know Members are properly skeptical of the TARP effort.

The Acting CHAIR. The time of the gentleman has expired.

Mr. FRANK of Massachusetts. I yield the gentleman an additional minute.

Mr. FOSTER. Given how badly the Bush administration mangled this first infusion of TARP money, Members are extremely wary of granting additional funds. But thanks to the diligent work of the chairman and former and current members of the Financial Services

Committee, this bill contains substantial improvements over the original bill enacted last fall, and I believe it is worthy of this Chamber's support.

Mr. BACHUS. Mr. Chairman, at this time, I have no other speakers and would like to reserve the balance of my time until the gentleman from Massachusetts has no further speakers and is ready to close.

Mr. FRANK of Massachusetts. I would yield 2 minutes to the gentlewoman from Florida (Ms. CORRINE BROWN).

Ms. CORRINE BROWN of Florida. First of all, let me thank you, Mr. Chairman, for your leadership on this area.

I voted for the TARP bill, and I've got to tell you I've been very disappointed in many areas; whether we're talking about student loans, the fact that thousands of people are losing their homes through foreclosure, or whether the automobile industry, they can't get money to buy a car. And so I want to know what safeguards do we have in this bill to make sure that the banks will do what we intended them to do.

The Europeans did the same thing. They used their money to stimulate the economy, but yet, for every dollar they got, they had to lend it out.

Mr. FRANK of Massachusetts. If the gentlewoman would yield, what we say in here is, first, we have adopted in this bill the LaTourette amendment that the House did unanimously, to go back to the money already given and demand an accounting. That, we think, will put some pressure on them.

But more importantly, going forward we say that the Treasury may not make any capital infusions until they have made an agreement with the recipient bank as to what they plan to do with the money. And we expect that, in most cases, that will be re-lending.

We also make this point. The first chunk of money went primarily to the very large banks. They don't lend in the ways that the gentlewoman wants to see loans. One of the other things we're going to do is to increase funding to community banks in general, which we can trust. But even with those banks, the community banks in which we have confidence about how they're going to respond, we are going to insist that there be an agreement beforehand as to how they will use the money.

Ms. CORRINE BROWN of Florida. Will that include credit unions?

Mr. FRANK of Massachusetts. Yes, it does include credit unions.

Ms. CORRINE BROWN of Florida. My second question regarding the re-appraisal of real estate collateral that has affected the home builders in our country. I have an amendment in front of the Rules Committee which will permit lenders to extend or modify loan terms for home builders, so that they could continue to pay interest, without forcing them to pay large sums of principal during this economic crisis. I understand this issue is not covered by the bill. What assurances do we have that we will address this issue in the future?

Mr. FRANK of Massachusetts. If the gentlewoman would yield here, and I appreciate her forbearance here. It's probably beyond the scope of this.

The Acting CHAIR. The time of the gentlewoman has expired.

Mr. FRANK of Massachusetts. I yield 1 more minute to the gentlewoman, and ask her to yield it to me.

This question is requiring accounting, the accounting standards require them to write down the assets. I think that's reasonable. The problem is that once that's done, too many things automatically flow from that.

There used to be a show called Truth Or Consequences. Our problem is truth and consequences. I don't want to dilute the truth, but I think we can have some flexibility in the consequences. The gentlewoman has given a very good example of that. It's an issue that this Financial Services Committee will be working on. I expect to have a serious hearing on this and consideration of it, and I know the gentlewoman will be helpful to us in putting this together and deciding how to respond.

Ms. CORRINE BROWN of Florida. Once again, thank you so much for your leadership in this area.

Mr. FRANK of Massachusetts. I yield 2½ minutes to the gentleman from Pennsylvania (Mr. SESTAK).

Mr. SESTAK. I rise to make four points in support of this bill.

First, I believe the U.S. Government response has actually been too timid and too slow. Let me just take, for example, the failure of this House on the first vote in September to pass the initial bill, TARP bill. As a result of that, Mr. Paulson actually backed away from the initial purpose of this bill, which was to actually purchase distressed mortgage securities and to begin to give clarity, a price to them so that we might have attracted by now more private investment into the markets. Instead he had a mistaken policy that he pursued in his panic of actually putting more equity direct into the market.

I believe, therefore, you've seen things happen that others have taken the place of our timid response. The Federal Reserve actually has stepped in, just for one example, actually guaranteeing in Citicorp's group, hundreds of billions of dollars of distressed equities, which we, in the TARP program, were actually meant to salvage.

Second, I believe that we actually have had success. We have moved back from the apex of financial crisis, financial panic, when for the first week, in that first week in October, not one bond was issued in the United States; the first time that has occurred in the history of America.

As we step back, we've seen the overnight bank lending rate actually fall from historic highs, significantly downward. That is important because every credit card in America is tied to that rate, and 50 percent of every adjustable rate mortgage is tied to that rate as we salvage a more dire consumer credit and other types of credit challenges.

Third, I believe that, as we have seen some success, as we've seen that the 10-year Treasury securities, and as our mortgage rates have fallen and the dollar has strengthened, much more needs to be done, and that's what this bill does. It institutes the accountability that is absolutely critical.

If I learned anything in the Navy, expect what you inspect. And we do have the right inspection regime finally in this bill.

As we also step back and begin to get money funding to those types in tier 2 that need, it the commercial banks that can give it direct to consumers for loans and to small businesses, and as we begin to salvage the mortgage foreclosure, which is the long pole in the tent for the recovery in our economic recovery.

And the final point is this: Again, at sea, what I learned is when you were in a physical storm at sea, woe be that seaman that never took precautions because he thought it might be unnecessary.

We are truly in a financial storm, and the U.S. Government is the only one who continues to take the precautions necessary in order to salvage us from this storm.

Mr. FRANK of Massachusetts. I will inform my colleague, I'm about to get the last speaker before I will close. So I now yield 2 minutes to the gentlewoman from California (Ms. ESHOO).

Ms. ESHOO. Mr. Chairman, I rise to engage in a colloquy with the chairman of the Financial Services Committee, Mr. FRANK.

When Congress originally drafted the Emergency Economic Stabilization Act of 2008, I worked with the chairman to ensure that local governments would be covered under the Troubled Assets Relief Program. And the reason that we needed to do this was that there were so many that had invested in very conservative instruments in Lehman Brothers.

In my congressional district alone, in San Mateo County, they lost, or have lost $150 million in Lehman Brothers securities, and they're not alone. At least 19 California cities and counties, the Commonwealth of Massachusetts, as well as hundreds of other local governments across the country have incurred losses like this.

The losses have resulted in teachers being laid off, the termination of ongoing construction projects, and the reduction of so many of the critical services that our constituents rely on every day.

My intention today is to confirm authority granted to the Treasury Secretary in the Emergency Stabilization Act of 2008 and the urgency for the future Secretary of the Treasury to use it effectively.

So to the chairman, does the Treasury Secretary have the authority,

under TARP, to purchase troubled assets by local governments?

Mr. FRANK of Massachusetts. If the gentlewoman would yield, yes, he does. And the purpose of this bill is not simply to confirm that the authority is there, but to say that we expect it to be used, and to demand that if it is not used we get a written explanation as to why not.

And I think it should be noted, if the gentlewoman would continue to yield, the gentlewoman from California, earlier the gentleman from Virginia, most recently the gentleman from Illinois, really a fairly good geographic stretch, have all made the point that the municipalities have been the unfair victims of this financial crisis, and we do some things to help that in this particular legislation. We will be doing more. And I thank all three of them and many others who have brought this to our attention.

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

Mr. Chairman, ladies and gentlemen, in September Congress rushed to approve $350 billion to prevent what we were told was a doomsday scenario, that Secretary Paulson and Chairman Bernanke warned could bring down our financial system. They said, if we failed to act to stabilize our financial markets our banking system could cease to function. Very serious words. And we did act.

Now, just last week, we approved $350 billion with an option, if necessary, to commit another $350 billion. Just last week, in a letter to Congress, to Members on both sides of the aisle, we were told by Secretary Paulson, and let me quote, ''We have, in fact, met our original, stated objectives, which were to immediately stabilize the financial system by strengthening financial institutions, arresting the wave of financial organization failures, and establishing a basis for recovery.''

□ 1845

You'll recall back then that six of our largest institutions collapsed within a month or two.

Now, what began back in September as an emergency response to stabilize our financial markets has morphed before our very eyes into a string of taxpayer-funded bailouts. I don't think you've failed to notice that. I know the American people have not. Trillions of dollars in taxpayer-backed guarantees and loans have been extended over the past 5 months.

A week after Secretary Paulson announced that the September legislation had met its original goals, they came back again. The government and his agents and his agencies are ready and are anxious to dole out another $350 billion in, what I call, a grab bag of free taxpayer money.

But before the government and the new Obama administration can spend this additional $350 billion, they are required by law to submit a detailed plan, telling the Congress just how they intend to spend the taxpayers' money. They are required to tell us not only how they intend to spend it and what they're going to do with it, but they are to go into detail. I would think that means the purpose of each program, the amount of money, the recipients, the amounts, and perhaps whether AIG is included. How much is going to them?

At a time when Americans—our families, our constituents—are struggling to make ends meet and to make their mortgage payments, that's only fair. We need to be informed. It's a duty we ought to take seriously. We need the facts. We need all of the facts, not just some talking points, not just some broad suggestions. Not only do we need to know and to look at it as we require them to do, but the American people deserve no less.

We do know some things. We do know that special interest groups and their lobbyists are lined up to grab their piece of a very expensive, taxpayer-funded pie. They're calling on most of us, and have this week. They're ready. They're anxious. There is a sense of urgency there. They want a piece of the taxpayer.

We know for sure that Chairman BARNEY FRANK's bill before us today isn't going anywhere with or without amendments. It's not going anywhere. The Senate has repeatedly indicated that they have no intention of taking it up, much less of passing it. Is that my interpretation? No.

Let me quote the chairman of the Senate Banking Committee. ''Congress doesn't have time to take up Chairman FRANK's plan to spend the money.'' We've had the Paulson plan. Now we've got the Frank plan. I guess we've got the Obama plan, but the Frank plan is never going to see the light of day.

The chairman of the Senate Banking Committee came back. He was asked to clarify, and he again reiterated. He said, ''Trying to flesh out a bill form is really impossible.'' We just don't have the time to do it. We're not going to do it. It's not going to happen.

What about the detailed plan requiring the administration to tell us how they intend to spend these additional hundreds of billions of dollars of taxpayer money, which was a requirement that was essential in convincing Members to vote for the bill in September? We're not going to vote for it; we're not going to pass it unless we get attached to the request a detailed plan telling us where it's going, telling us who is getting it, telling us how much, giving us detailed terms.

Well, Mr. Chairman, we don't have that plan. Here is what we have. Here is what is attached to this request for $350 billion. All we have are these 322 words. Mr. Chairman, that's more than $1 billion per word. What did we get? We got a document that basically consists of six talking points, some of which sound good, but they are nothing that inform us or the American people as to how the money will be spent.

For example, here is what the plan says that was submitted on the request of the Obama administration. It will ''focus resources on measures that achieve goals in the most effective and efficient manner.'' That sounds pretty good. Let me repeat that. ''Focus resources on measures that achieve goals in the most effective and efficient manner based on current and forecasted financial market conditions.'' Do you know who that's going to? Do you know how much?

Here is another one. There aren't many words here, but here are another 10 of them: ''TARP programs should encourage broad participation.'' That's not even close to a detailed plan. Perhaps we're supposed to rely on the incoming administration to provide us with these details of how they will spend the money. After all, as I said, they've requested the current administration to send this request up. Here is the plan. No. No. The new team was going to change things, but apparently not. It's the same old, same old. They haven't attached a detailed plan required by Congress for the American people or for this Congress.

Although not here, instead, they've sent us a three-page letter with five more talking points. So I guess, maybe, you could take these, which are part of the thing we'll vote on and part of the five talking points they've sent. It was just one of their economic advisers who sent it.

What was the response to that little five-page letter from one of President-elect Obama's advisers? Well, the congressional Democrats said this: ''It fails to meet our standards.'' They said that they needed more details than the letter provided. They've not gotten it.

A letter is not a law, and that's why the chairman brought this before the Congress. A letter is not a law, so he brought this bill, but then the Senate said forget it.

So, 3 months after the House has passed legislation, here we are without any clue as to where the money is going, with embarrassing consequences, and we are going to do it again. We are at it again. We have not learned a thing.

Chairman FRANK and the Democratic leadership, you're again on the floor, claiming there is no time for careful consideration under regular order, with a 75-page bill that was introduced less than a week ago. No committee markup will ever be held on this bill. Why not? I don't know. I wrote the chairman. I said, ''Why can't we have a markup?'' I've not received a response, perhaps because a markup isn't necessary. Amendments aren't necessary. This debate is not necessary. Its only purpose is to grease the skids for congressional approval of yet another bailout. Oh, we got some conditions; we got some terms; we passed a bill to nowhere; we gave it our best shot. It didn't come from a committee, and it's going absolutely nowhere.

Someone talked about this wonderful opportunity we were going to have

today to define how this money was going to be used. Well, folks, a bill that is going nowhere isn't much of an opportunity. It has no legal effect. Where should the request for this $350 billion go? I say back to the current administration and to the new administration until such time as the American people and this Congress get the facts.

Why do they suddenly need another $350 billion? Is it another $350 billion sedative for the stock market to calm it for a week or two? Who exactly gets the money—what industries? under what conditions?

Mr. FRANK has talked about foreclosures and mitigation. It's a worthy thing. Well, I looked to the Obama administration official and what he said about that, and he said, ''Hope for homeowners. Hope for homeowners.'' Now, Mr. FRANK, the chairman, wrote, ''Hope for homeowners,'' and 13 lucky homeowners have received a mortgage or a mortgage workout, 13. I suppose and I believe that the chairman is going to work out a new mortgage program, but we don't know what it is. We don't know how much money is going to it.

The President-elect says he is going to change the bankruptcy laws. I wonder how. I wonder if we shouldn't get some detail from him. He says he is going to make some bold changes in how this money is spent. He has said that he is going to see that distressed homeowners and people who can't pay their car notes receive relief out of this money. I would invite you to read those three pages. Above all, he says he is going to change; he is going to change; he is going to change.

Do you know the one thing he didn't change? No details, no terms, no identification of recipients. He has certainly not been more transparent and accountable. He could have waited 5 days, and he could have filed a detailed plan, and he could have told the American people and this Congress before we voted exactly what he wanted to do, but instead, we get a bill that's not going anywhere, and we get to put some amendments in it. That doesn't sound like much of a change. In fact, it almost sounds like we're going backwards, because we're not going to pass any conditions this time, none whatsoever.

Who gets the money? Under what conditions? We and the American people are going to have to wait. Then I say we vote. We need to do what's right, not what's popular. We need to do what's right. We need to be informed. Yes, there is a sense of urgency, but there also should be a thorough debate, and we ought to know the details of the plan. To be informed, we need to know the facts, and we don't have them. That's the bottom line, and a bill to nowhere doesn't change that.

Mr. Chairman, there was a time not too long ago when it was the banks that loaned money to the people. Today, unfortunately, it's the other way around. Banks are asking the people to loan them money. They're asking our constituents, our voters—many of them struggling to pay the very banks that are asking again for help.

The President-elect says that he is going to see that more bold steps are made to inject capital into those banks. He is going to spread it out. He is going to give some of the banks money that didn't get the money before. He is going to change some of the terms. Now, I have not a clue—and neither do you—as to how, but let me tell you something, one thing, and I will close with this:

It is time that the banks started lending money to people, not the other way around. We, on behalf of the taxpayers and our constituents, can put a stop to this, and we can do it now. We can tell the current administration and the next administration ''no'' to yet another $350 billion blank check bailout. Enough is enough.

Thank you, Mr. Chairman.

□ 1900

Mr. FRANK of Massachusetts. Mr. Chairman, I will use our remaining time.

People may have a little difficulty reconciling the speech they just heard with the person who made it. The gentleman from Alabama last year voted for the 700 billion the second time, not the first time. He was in and out of the negotiations on it, told us he would participate, then was told he couldn't. He did finally vote for it.

We ought to be clear what's happened, and I understand the need to stay at a position.

The new deputy, the new whip of the Republican Party, was quoted in a publication here, Congress Daily, as saying that the gentleman from Alabama was allowed to keep his position as the ranking member because he'd agreed to engage me. Not, let me say—less I cause great problems given the obsessions on the other side—to become engaged to me. I don't want people to be confused. It was that he would engage me.

Mr. BACHUS. Mr. Chairman, thank you for clarifying.

Mr. FRANK of Massachusetts. I did not yield to the gentleman.

And that's what you see. That's the only explanation I could give for this dodge and whirlish, frankly, pattern of activity I can't fully understand. Again, he did vote for it.

What we are seeing, I would say this, if you're listening to the Republican arguments today, this is the going away present to George Bush. Remember that the $700 billion was a major initiative of the Bush administration, insisted upon by Bush officials or Bush appointees: Mr. Bernanke and Mr. Paulson.

At the request of the President—I put the ''President''; he's still the President—as an independent actor is the one who triggered this issue. If he had not done so and had waited a couple of weeks, no, we wouldn't be here today. We would have been following the regular order.

But President Bush, at the request of President-elect Obama—but President Bush did it—triggered on Monday a 15-day period. We will have to vote early next week on whether to approve or disapprove the second TARP, and that was George Bush's approach.

So we're here because George Bush, at the request of President Obama, asked us to release the second 350, and we're here because George Bush asked us to do the first 700 billion.

I do not think in American history there has been as thorough a repudiation of a President by members of his own party, as we have heard from the Republican Party today and elsewhere. But they are entitled to repudiate their President. I salute their perspicacity.

What they are not entitled to do by logic is to say that because the President they supported, the President they campaigned for, the President they honored, because they are so disappointed with the way he conducted one of his major initiatives that this Congress gave him, that they will deny the new President these tools.

Now, I don't like the foreign policy of the Bush administration. But I don't think we should say that Mr. Obama cannot have a State Department.

The TARP is not an independent organism with a spirit of its own. It's a set of tools. There was apparently unanimity in the Congress that the Bush administration did not use them well, although the gentleman from Pennsylvania on our side and others have made the point that they did some good.

By the way, that's one of the interesting things on the Republican side. They have insisted, first of all, that the TARP did no good whatsoever; and secondly, that it succeeded to the point where we don't need the second half. If you read what some of them have said, that's what they said. Several quoted Mr. Kashkari as saying, ''Well, Kashkari, who's running this under George Bush, says things have been stabilized.'' Yeah. He says they've been stabilized in part because we've had this. So quote Mr. Kashkari who says this is worksome to argue that it should never have been done in the first place.

Now let me address this issue of this odd thing that says we should be independent, we should assert ourselves, and what should do? We should wait for the President to give us a plan. That's an odd form of assertiveness to wait for the President to give us a plan. I didn't want to do that. Most of the House does not want to do that, and we are here to tell the President what we think has to be done.

And the gentleman has engaged in one of the, I think, least persuasive techniques, a straw man. Yes, Mr. Summers did a letter, which he had up there. That is by no means the only indication that we will have. And in fact what we are getting is is a specific agreement from the Obama administration to the terms of this bill.

For example, on foreclosure—and the gentleman said, and I'm baffled by this, ''we don't know what he means by 'foreclosure.''' Well, he said we need the facts.

You can subpoena someone to tell you what he knows. You cannot subpoena someone to be told things. You can subpoena information out of someone. You can't subpoena information into someone.

There is a concept from ancient theology, which I do not impute to anybody here in defense of the House rule, called invincible ignorance. But invincible ignorance is immune to facts. It is immune to logic and cannot be overcome. We have made very clear—the gentleman from California, who's technically on this—at least 20 billion to go into the plan put forward by Sheila Bair, a Bush appointee of the FDIC. That's very specific. It's not Hope for Homeowners. It's a separate plan.

Secretary Preston, a Bush appointee at HUD, has told us that there is, in the original bill, authority to buy home mortgages and that will work. So there is another specific: buy home mortgages that are in people's portfolios and reduce them, which we mentioned in the bill. The Sheila Bair plan.

Now, Hope for Homeowners, the gentleman is right. We passed Hope for Homeowners, and it was too constricted. It won't work. We constricted it some; the Senate further.

Now, by the way, when we were passing Hope for Homeowners, the Republican mantra was, ''This will cost us $300 billion dollars.'' Preposterous at the time. Now they are arguing, ''Well, it was too restrictive.'' They are right this time. They were wrong the first time.

Part of the reason it was too restrictive is that we were concerned about this argument that we were spending too much.

So we do propose here—and I hope in the recovery program—to fix Hope for Homeowners so we will have Hope for Homeowners, and we will work with the Federal Reserve to try to make Hope for Homeowners more workable.

So we are talking about three specific approaches: A more workable Hope for Homeowners, which reduces principal; the Sheila Bair plan, which reduces interest; and the Preston plan, which buys up mortgages. We also intend to use more money here through Fannie and Freddie.

The notion that nobody knows what we mean by mortgage foreclosure could be advanced seriously. I don't know whether that's a form of engagement that will satisfy the Republican leadership and the Republican Study Committee, to which the gentleman has to pay some attention; but we have very specific numbers, we have a commitment from the Obama administration, from Mr. Geithner, and from Mr. Summers that they will spend at least 100 billion of the 350 on mortgage foreclosure reduction. And if they can't, they will tell us in writing why they couldn't; and they will spend no less than 40.

Now you could not be more specific. The gentleman knows this. This isn't a line in Larry Summers' letter. What's the purpose of pretending that you don't know that we have this commitment to at least 100 billion, no less than 40, and 100 unless they can tell us in writing why it isn't done.

As far as the banks are concerned, we're very specific here. Well, one we passed the LaTourette amendment that Members here voted for. Apparently they thought it was meaningless. I didn't think it was meaningless. I thought a Republican Member, Mr. LATOURETTE, had a good amendment, and we made this part of the bill; and we have a commitment from the Obama administration to enforce it.

Now, it is possible that the Obama administration will break its word. It is not unheard of for administrations to break their word. We believe the Obama administration will abide by its commitment to follow this bill if it's passed.

I understand the skepticism on the Republican side because we're telling them that we have a commitment which we accept as valid from a new administration that they will abide by the bill as it passes the House. We haven't experienced where the bill could pass both houses and be signed and be ignored. So I understand their skepticism that a President will pay respect to a law.

But again, here is the fundamental flaw. They would visit the sins of the Bush administration on the Obama administration.

We still have a financial crisis, and yes, Mr. Kashkari said things have gotten better, but he didn't say this isn't necessary. Secretary Paulson thinks they're necessary, the Federal Reserve thinks they're necessary, the Obama administration thinks it is necessary to use the $350 billion wisely. We are putting limits here on how it could be used. And it is possible, and it's true.

The Senate doesn't plan to pass the bill they tell us now. That is often the case. It's the first time I've heard the Republicans say that's the reason for us not to do things.

But here is the point: We will pass this bill, I hope. We will then probably see the 350 made available, and I trust the Obama administration. But if they don't, hanging over their heads will be this bill in the Senate—and they don't plan to pass it now—but I believe its being there as a live option will make a difference.

As to participation, no, we haven't had a markup because we are not formally constituted. If President Bush had waited and asked for this in a couple of weeks, we would have had a regular markup. Instead, we've had a very open process, and we have elicited amendments. Oddly, some would argue that because we got over 70 amendments, that shows that Members were somehow unhappy. In fact, we have accepted the great majority of those amendments, including many of those offered by Republicans. Now, many Republicans didn't offer amendments, but those that did, we have accepted some and we put others in order.

So here is the issue that we come down to.

The Republican leadership voted for this bill—not their whole membership, but the leadership did. They were in, they were out; but they voted for it. They then saw their administration had administrated so badly that they've decided to punish the Bush administration by denying a vital tool to the Obama administration. It's like the story of the mother who says to the teacher, ''My child is very sensitive. So if he misbehaves, smack the kid next to him because that will impress him.''

Well, Obama is the kid next to the people who misbehaved. Don't smack him. Don't tell a new President who won an election largely in repudiation of your party's candidate that you're going to deny him this tool.

We think that if the 300 and—note the Republicans who opposed this haven't said that if the Obama people follow this pattern, it will be wrong. They took some shots at foreclosure. Some of the more conservative Members think we should do nothing about it. Most of them don't want to say that.

The question is this: Do we tell a new President that he doesn't have the authority, or do we give him the authority with a set of rules to which he agrees?

Mr. POSEY. Mr. Chair, as a new Member in the 111th Congress, I did not have the opportunity to vote against the Troubled Asset Relief Program, or TARP, when it passed last year. At the time, I raised a number of concerns with the program, including the enormous risk to the taxpayer while our Nation's budget deficit skyrockets. While the Secretary of the Treasury warned of catastrophic consequences if TARP failed to pass last year, the case has yet to be made this time that the remaining $350 billion ought to be spent. Let us also remember that after the TARP bill passed, the Treasury shifted its approach away from purchasing troubled assets, as expected by Members of Congress who voted for the bill, and focused instead on giving money to banks. Treasury's use of taxpayer money remains clouded and lacks clear results deserving yet more of our money to spend.

I welcome this bill's requirements to increase oversight of the TARP program through reporting requirements and the establishment of TARP objectives and benchmarks. The Congressional Oversight Panel highlighted the Treasury's astonishing inability to explain what banks are actually doing with the taxpayer money that was handed over to them. That is unbelievable and we ought to remedy this.

That said, we are asked to vote on a bill that ostensibly improves the TARP program, but is being considered in a rushed process and without proper deliberation. We just received a copy of the 74 page bill on Friday afternoon. HEW Three days later, we received

a 23 page amendment from the bill's author. That doesn't inspire much confidence in this process. Many agree the frenzied passage of the TARP bill last fall resulted in the need to clean it up later. So today I ask: What is the hurry and why can't we have more deliberation on ideas to improve the program? In yesterday's Financial Services Committee hearing, which touched on this bill indirectly, we heard from panelists with some ideas for TARP and other economic tools worthy of discussion. Why can't we take time to digest these proposals and determine whether their ideas should be incorporated with this new version of the TARP bill?

I doubt this bill will live up to its expectations. Recent discussions in Congress have rightly addressed ongoing foreclosures. Yet I am concerned that the bill builds on a housing program, the Hope for Homeowners program, whose track record is dismal. While it was predicted that the program would help around 400,000 homeowners, this $300 billion program received fewer than 600 loans for modification and government guarantee. The legislation before us weakens Hope for Homeowners requirements, such as borrower certifications and documentation, which are intended to reduce the possibility of the taxpayer having to pick up the tab. This bill does not sound like the solution we are looking for.

Mr. MEEK of Florida. Mr. Chair, I rise in general support of H.R. 384.

The bill requires that the Treasury implement some combination of programs designed to mitigate foreclosures.

This is very important to the people of my home state of Florida. Florida has the second highest foreclosure rate in the nation, placed only after Nevada. In November of 2008, one in every 173 Florida housing units received a foreclosure filing, nearly three times the national average. Broward County leads the state with over 6,800 new foreclosures in November, while Miami-Dade County follows close behind with over 6,400 new foreclosures filed in November.

In the last economic stabilization package the Troubled Asset Relief Program, TARP, was created. Money for this program was supposed to go to help stabilize banks, and was originally thought to be used for lending and the prevention of foreclosures. So far, the money has only been used to help shore up banks, and has not actually been used to restructure mortgages or otherwise prevent foreclosures.

FRANK's bill H.R. 384 requires the commitment of between $40 billion to $100 billion to help mitigate foreclosures.

The bill does not lay out a substantial plan to use this money to prevent foreclosures, but instead requires any plan created by the Secretary to comply with several elements, leaving the door open as to how exactly the funds will be used.

While the bill grants the Treasury flexibility in designing programs to stabilize the industry, I will be asking the new Secretary to make refinancing and modifications of current mortgage notes a requirement for participation by any lender in a program that seeks to purchase all or part of a troubled asset.

I have filed H.R. 421, which requires that lenders must attempt to refinance and modify the loans of their borrowers who are facing down foreclosure to a payment that is 30 percent or less of their gross monthly income to the extent that they are capable of doing so. If they do this, then the Treasury would be authorized to purchase the difference between the original note and the modified note.

Not only would this keep homeowners in their homes, it would provide them with means to pay other bills, invest, and otherwise contribute to the economy.

This would provide an incentive for banks to work with borrowers whose homes are in preforeclosure rather than simply giving them a backstop to protect their bottom line.

Banks must document their best efforts to create these affordable payment plans before foreclosure if affordable payment plans cannot be made with the borrower.

My concept's priority is to keep people in their homes through affordable payment plans and help them regain their economic purchasing power.

But, the added benefit is that this program would be less costly to the Federal Government than one which simply buys out troubled assets at the full amount of the loan.

H.R. 384 gives the Secretary of the Treasury the means to pursue this course of action, while also giving the Congress significant oversight over the people's money.

I support H.R. 384 and hope my colleagues will join me in voting "yes" on this bill.

Mr. TOWNS. Mr. Chairman, I rise in support of H.R. 384, the TARP Reform and Accountability Act of 2009. This bill will improve the Troubled Asset Relief Program that was enacted as part of the Emergency Economic Stabilization Act last year by increasing the transparency of financial institutions use of taxpayer funds, closing certain loopholes, and strengthening accountability of the Program.

The bill also requires the Treasury Department to commit significant funding to addressing the growing home foreclosure crisis facing our nation. The housing crisis is at the heart of our current economic problems, so this is a much needed step.

H.R. 384 requires financial institutions which receive taxpayer funds to account for the use of those funds on not less than a quarterly basis. To date, the banks and other financial institutions which have received billions of taxpayer dollars have refused or been unable to account for how that money has been spent. That is simply outrageous, and I am glad this bill addresses that issue.

The Special Inspector General for the TARP has also informed me of several issues which would improve his ability to hire experienced and talented staff in an expeditious manner. One would be to clarify that his office has law enforcement authority. This is clearly needed to ensure that his investigative staff can issue subpoenas and make arrests, if necessary. I believe the intent of the original legislation was to include this authority, so this is only a matter of clarification.

Also, other Special Inspectors General have the authority to re-hire federal employees who have retired. That enables them to quickly hire experienced auditors and investigators. While this is an issue which needs to be examined closely, I believe it may be appropriate for the Special Inspector General of the Troubled Asset Relief Program to have similar authority.

While neither of these provisions are included in the bill before us, I believe they would improve the operations of the Special Inspector General's office, and would hope to work with Chairman FRANK to address them in future legislation.

Ms. MCCOLLUM. Mr. Chair, I rise today to express strong disappointment in the Treasury Department's failure to exercise oversight and accountability in its implementation of the Troubled Asset Relief Program, TARP, that Congress specifically required in the Emergency Economic Stabilization Act, EESA.

American families are struggling as we face the most major economic crisis since the Great Depression. Thousands of Minnesotans have lost their jobs or face foreclosure on their homes. Late last year, Congress, in consultation with the Bush administration, acted swiftly to pass EESA to aggressively address the financial crisis. The Troubled Asset Relief Program under this legislation was enacted so the Treasury Department could buy bad assets of financial institutions—including mortgage debt—to thaw credit markets and increase confidence in the financial system. The first $350 billion dollars of funding under the TARP were disbursed to the U.S. Treasury Department with the understanding that the funds to financial institutions would be tied to strong oversight and transparency to ensure maximum effectiveness in helping struggling Americans.

Unfortunately, the Treasury Department has ignored the original intent of the TARP. Instead of buying bad debt and stemming housing foreclosures, the Treasury has enacted the Capital Purchase Program, which has dumped billions into the banks in the hope of thawing the credit markets. This decision was matched with a complete failure to conduct oversight for the funds. Treasury has implemented none of the oversight of financial institutions that was called for in EESA.

Reports released this month from the Congressional Oversight Panel, COP, created by Congress to act as a watchdog, state, "The recent refusal of certain private financial institutions to provide any accounting of how they are using taxpayer money undermines public confidence." The Treasury Department's failure to hold financial institutions accountable means that American taxpayers have no idea what these institutions have done with hundreds of billions of dollars of taxpayer money. This is outrageous betrayal of the public trust and the intent of Congress.

While I appreciate the need for flexibility to go forth in response to this crisis, there is no excuse for an absolute failure to ensure accountability in the use of a massive taxpayer funded account. As Congress debates whether to release the second half of the TARP funds, an additional $350 billion, I urge the highest scrutiny and strongest demands of oversight for the Treasury Department and its plans for the remaining funds. The American people deserve nothing less. I appreciate Chairman FRANK and President-Elect Obama's calls for increased accountability and transparency in the implementation of the TARP and look forward to working with the 111th Congress to enact timely, effective policy to address the foreclosure crisis, protect taxpayers, and boost our economy.

The Acting CHAIR. All time for general debate has expired.

Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. AL GREEN of Texas) having assumed the chair, Mr. SIRES, Acting Chair of the Committee of the Whole House on the State of the Union, reported that that

Committee, having had under consideration the bill (H.R. 384) to reform the Troubled Assets Relief Program of the Secretary of the Treasury and ensure accountability under such Program, had come to no resolution thereon.

INJUSTICE OF THE IMPRISONMENT OF IGNACIO RAMOS AND JOSE COMPEAN

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

Mr. MCCLINTOCK. Mr. Speaker, I rise today to express my hope that the President will not leave office before using his pardon to correct one of the great injustices of our time, the imprisonment of Border Patrol officers Ignacio Ramos and Jose Compean. They are the officers who wounded a drug smuggler as he tried to escape. The drug smuggler got immunity; Ramos and Compean got lengthy prison sentences.

This injustice sends a chilling message to Border Patrol officers who are heroically trying to defend the integrity of our borders against enormous odds and with inadequate resources. It is an injustice that cannot be allowed to stand.

Thank you.

□ 1915

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

MORAL CLARITY—ISRAEL VS. HAMAS

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

Mr. POE of Texas. Mr. Speaker, as the fighting in the Middle East rages on, many in the media and the elites in Europe have asserted with self-righteous indignation that Israel's response to Hamas' acts of terror is not appropriate, and Israel should unilaterally cease all military operations. They cite inflated numbers of Palestinian civilians killed in this war and blame Israel for the death; never mind the fact that the coward of the desert, Hamas, uses Palestinian men, women and children at mosques, schools and hospitals as shields; never mind the fact that before bombing a military target in Gaza, Israel calls the area and advises the civilians to leave; and never mind the fact that since 2000 more than 8,000 rockets have been fired by Hamas into Israel civilian settlements. Mr. Speaker, Israel must defend its people from these attacks.

The truth is, Mr. Speaker, that the moral differences between Hamas and Israel could not be clearer. Hamas worships death, Israel worships life. Hamas supports terrorism, Israel supports liberty. Hamas oppresses women, Israel honors women. Hamas destroys, Israel builds. Hamas believes in the pursuit of misery and Israel believes in the pursuit of happiness. Hamas supports crucifixion, Israel supports mercy. Hamas honors murder, Israel honors the sanctity of life. Hamas kills people with different religious beliefs, Israel embraces the freedom of religion. Hamas incites hatred, Israel believes in tolerance. Hamas is racist, Israel believes in the equality of all. Hamas believes in chaos, Israel believes in justice. Hamas promotes anarchy, and Israel promotes peace. The moral canyon that separates Israel from Hamas is best described by Hamas' own motto, and I quote, ''We love death more than the Jews love life.''

Hamas not only doesn't care about killing Jews, it doesn't care about killing Palestinians either. They use living Palestinians as human shields. Hamas prevents humanitarian aid from Israel from reaching Palestinians in Gaza.

The international community has begun calling for an immediate ceasefire, especially the Europeans, asking and telling Israel they must unilaterally stop this war. Mr. Speaker, some in Europe don't believe that anything is worth fighting for, but some things are worth fighting for. The basic human right of liberty is worth fighting for whether Europeans believe in it or not.

The last thing Israel ought to agree to is another phony peace. Israel did that 3 years ago with Lebanon and look what happened; the U.N.-mandated disarmament of Hezbollah failed miserably. Hezbollah has rearmed, and in fact just last week began firing more rockets on Israel.

There can be no peace in this war as long as Hamas is allowed to murder in the name of religion. Rather than bending to the pressure of world opinion, Israel ought to continue to protect her right to exist and the rights of her people to live free. The world must demand that Hamas cease all rocket fire and smuggling of arms from Egypt into Gaza.

Hamas needs to leave Israel alone. Just today, Osama bin Laden issued a 20-minute recording calling for a jihad against Israel. Jihad is another phrase for a holy war against Israel for its actions in Gaza. All the eyes of the world, especially the moderate Arab states, are looking to this conflict to see whether Iran and its hired guns, Hamas and Hezbollah, are victorious.

Hezbollah and Hamas, these twin tribes of terror, must be stopped. Unless they are, Iran will be encouraged to be more aggressive in the region and assert its influence over moderate Arab states. You see, Iran and the little fellow Ahmadinejad are the real threats to peace in the desert sands of the Middle East.

This is not the time to be rattled by the terrorist threats. This is the time to stand with the only democracy in the Middle East for the right of her self-defense, Israel. It's the right thing to do. Israel's war of self-defense is morally just. And Mr. Speaker, justice is the one thing we should always find.

And that's just the way it is.

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.)

ENERGY

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

Mr. ENGEL. Mr. Speaker, I rise today as the only New Yorker on the Energy Subcommittee of the House Energy and Commerce Committee, and I believe so strongly that our dependence on foreign oil is one of the greatest challenges that our Nation has ever faced. It threatens our national security, it threatens our economy, and it threatens our environment. Oil prices have recently drifted downward, but we cannot afford to let that lull us into a false sense of complacency.

I am the founder and co-Chair of the Oil and National Security Caucus, which is designed to raise awareness of the economic and security implications of America's growing dependence on foreign oil. The Caucus consists of Members of both parties united by the common goal of developing and promoting practical bipartisan ways to progress toward energy independence.

America's mission is clear: We must work to reduce our dependence on foreign oil, we must grow our economy by protecting existing jobs and creating new ones, and we must build a clean energy future that benefits all citizens.

I will also seek the development and implementation of an oil savings plan. The United States consumes 25 percent of the world's oil, yet possesses only 3 percent of the world's oil reserves. We imported 30 percent of our oil just a few decades ago. Today, we import more than 60 percent.

I introduced a plan in 2005 with Congressman KINGSTON as part of our Fuel Choices for American Security Act, and again in 2007 as part of our Dependence Reduction Through Innovation in Vehicles and Energy, which is called the DRIVE Act, to require oil savings of 2.5 million barrels per day by 2015, and increasing annually to 5 million barrels per day by 2025. In 2009, this year, I will introduce and work again to enact similar legislation to help break our addiction to foreign oil. I will also encourage the production of flex fuel vehicles by seeking passage of the Open Fuel Standards Act, which I am the leading sponsor of.

The United States transportation sector is 97 percent reliant on oil, and

it accounts for two-thirds of our Nation's overall oil consumption.

Every year, 17 million new cars are sold in the U.S., and for the most part these cars only run on gasoline. To remedy that, I introduced the Open Fuel Standards Act last year with three of my colleagues, Reps JACK KINGSTON, STEVE ISRAEL and BOB INGLIS—and you can tell it's bipartisan again. The Open Fuel Standards Act would require 50 percent of new cars sold in the United States by 2012 and 80 percent by 2015 to be flex fuel vehicles, meaning they can run on ethanol, methanol and gasoline, similar to what all cars have in Brazil nowadays, and it would only cost about $90 or $100 per car to do this. We should be doing it now.

To help supply America with alcohol-based fuels for flex fuel vehicles, I plan to facilitate the importation of ethanol by introducing the Imported Ethanol Facilitation Act, which was introduced by Representative—now Senator—UDALL.

We also need to make a serious push to electrify the transportation sector for American consumers and to create new green jobs while doing it. Very little of our electricity is generated from oil, so using electricity as a transportation fuel enables the full spectrum of electricity sources to compete with petroleum; that includes wind, solar, geothermal, hydro, nuclear, and coal, among others.

I fully support our Governor, Governor Paterson's ''45 by 15'' program, whereby New York will meet 45 percent of its electricity needs by 2015 through improved energy efficiency and clean renewable energy. This program will help drive economic revitalization and help protect our environment.

As Congress deliberates an economic recovery bill, I believe that now is the time to jump-start investment in electric transportation. The production of electric vehicles in the United States will involve huge numbers of green manufacturing jobs. Plug-in hybrid cars is something we should consider. There are many, many things that we can do, and when we do the economic stimulus package, we should keep this in mind.

As we move towards greater use of various types of electric vehicles, there will be increased demand for the advanced batteries that will power those vehicles. We must ensure that we can meet the demand for production of these batteries here in the United States.

We must also fund the Green Jobs Workforce Investment Fund authorized under Title 10 of the Energy Independence and Security Act of 2007. I will make a continued effort to secure funding, as well as additional funding for related policies, to help American manufacturers produce advanced lithium ion batteries, hybrid electrical systems, and other components and software designs.

So let me say, in conclusion, that I am committed to breaking our dependence on foreign oil and doing so in a way that grows our economy and builds a clean energy future for all Americans. I will continue to press these matters in the next weeks ahead, and I believe in our economic stimulus package we should keep this in mind.

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

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

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HONORING CORPORAL JONATHAN YALE AND LANCE CORPORAL JORDAN HAERTER

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

Mr. HUNTER. Mr. Speaker, I rise today to honor Corporal Jonathan Yale and Lance Corporal Jordan Haerter, who grew up in different parts of this Nation but gave their lives to this country together in Iraq. Both have been nominated for the Navy Cross for their actions on April 22, 2008, and both are owed a great gratitude by this Nation for their actions.

Tony Perry—a journalist who I got to know in Fallujah in 2004—from the LA Times, who has covered this story, describes what transpired that morning best. Corporal Jonathan Yale, 21, grew up in poor rural Virginia. He had joined the Marine Corps to put structure in his life and to help support his mother and sister. He was within a few days of heading home.

Lance Corporal Jordan Haerter, 19, was from a comfortable middle class suburb on Long Island. As a boy, he had worn military garb and he had felt the pull of adventure and patriotism. He had just arrived in Iraq.

On April 22, 2008, the two were assigned to guard the main gate to Joint Security Station Nasser in Ramadi, the capital of the Anbar province, once an insurgent stronghold, and still a very dangerous place. Dozens of marines and Iraqi police lived at the compound and some were still sleeping after all-night patrols when Yale and Haerter reported for duty that warm, sultry morning. Yale, respected for his quiet, efficient manner, was assigned to show Haerter how to take over his duties. Haerter had volunteered to watch the main gate, even though it was considered the most hazardous of the compound's three guards station because it could be approached from a busy thoroughfare.

The sun had barely risen when the two sentries spotted a 20-foot long truck headed toward the gate, weaving with increasing speed through the concrete barriers to the gate. Two Iraqi police officers ran for their lives, so did several Iraqi police on the adjacent street. Yale and Haerter tried to waive off this truck, but it just kept coming. They opened fire, Yale with the machine gun, Haerter with an M–16. Their bullets peppered the radiator and windshield. The truck slowed, but kept rolling. A few dozen feet from the gate the big truck exploded. Investigators found that it was loaded with over 2,000 pounds of explosives and that its driver, his hand on a ''dead-man switch,'' was determined to commit suicide and slaughter the marines and Iraqi police.

The thunderous explosion rocked much of Ramadi, interrupting the morning call to prayers for many mosques. A nearby mosque and a home were flattened. The blast ripped a crater five feet deep and 20 feet across into the street. Shards of concrete shattered everywhere, and choking dust filled the air.

Haerter was dead, Yale was dying. Three marines about 300 feet away were injured, so were eight Iraqi police and two dozen civilians, but several dozen other nearby marines and Iraqi police, while shaken, were unhurt.

Mr. Speaker, we all hope that in times of great crisis, we will rise to the occasion and do the right thing. Haerter and Yale rose to the occasion and defended their fellow Marines. It is an honor to call them fellow Marines.

Major General John Kelly, Commanding General, First Marine Expeditionary Force (Forward) interviewed the witnesses himself. What he learned from these interviews led him to nominate the two for the Navy Cross, the second highest award for combat bravery for the Marine Corps and the United States Navy. In General Kelly's statement in support of the Navy Cross, he writes: ''Because they did what they did, only 2 families had their hearts broken on 22 April, rather than as many as 50. These families will never know how truly close they came to a knock on their door that night.''

We are winning in Iraq and Afghanistan because of brave Marines like Corporal Jonathan T. Yale and Lance Corporal Jordan D. Haerter. To their families I offer my heartfelt condolences. And to Corporal Yale and Corporal Haerter, I say, Marines, job well done.

This is but one example of the bravery and sacrifice of over 4,000 men and women who have given their lives to the cause of liberty since 2001 and the over 1.5 million men and women who have served in Operation Enduring Freedom and Operation Iraqi Freedom and come home, and, of course, the over 150,000 that are serving now.

Mr. Speaker, I would like to include for the RECORD Tony Perry's entire article and Major General Kelly's statement in support of the award of the Navy Cross. I encourage all of my colleague and hope all Americans will read about these two brave Marines and keep their families in their prayers.

[From Los Angeles Times Dec. 29, 2008]

A SPEEDING TRUCK BOMB, AND A SHARED ACT OF COURAGE

(By Tony Perry)

SAN DIEGO.—Two Marines in Iraq saved dozens—but not themselves. They'll be awarded the Navy Cross. They had known each other only a few minutes, but they will be linked forever in what Marine brass say is one of the most extraordinary acts of courage and sacrifice in the Iraq war.

Cpl. Jonathan Yale, 21, grew up poor in rural Virginia. He had joined the Marine Corps to put structure in his life and to help support his mother and sister. He was within a few days of heading home.

Lance Cpl. Jordan Haerter, 19, was from a comfortably middle-class suburb on Long Island. As a boy, he had worn military garb, and he had felt the pull of adventure and patriotism. He had just arrived in Iraq.

On April 22, the two were assigned to guard the main gate to Joint Security Station Nasser in Ramadi, the capital of Anbar province, once an insurgent stronghold and still a dangerous region. Dozens of Marines and Iraqi police lived at the compound, and some were still sleeping after all-night patrols when Yale and Haerter reported for duty that warm, sultry morning.

Yale, respected for his quiet, efficient manner, was assigned to show Haerter how to take over his duties.

Haerter had volunteered to watch the main gate, even though it was considered the most hazardous of the compound's three guard stations because it could be approached from a busy thoroughfare.

The sun had barely risen when the two sentries spotted a 20-foot-long truck headed toward the gate, weaving with increasing speed through the concrete barriers. Two Iraqi police officers assigned to the gate ran for their lives.

So did several Iraqi police on the adjacent street.

Yale and Haerter tried to wave off the truck, but it kept coming. They opened fire, Yale with a machine gun, Haerter with an M–16. Their bullets peppered the radiator and windshield. The truck slowed but kept rolling.

A few dozen feet from the gate, the truck exploded. Investigators found that it was loaded with 2,000 pounds of explosives and that its driver, his hand on a ''dead-man switch,'' was determined to commit suicide and slaughter Marines and Iraqi police.

The thunderous explosion rocked much of Ramadi, interrupting the morning call to prayers from the many mosques. A nearby mosque and a home were flattened. The blast ripped a crater 5 feet deep and 20 feet across into the street. Shards of concrete scattered everywhere, and choking dust filled the air.

Haerter was dead; Yale was dying. Three Marines about 300 feet away were injured. So were eight Iraqi police and two dozen civilians. But several dozen other nearby Marines and Iraqi police, while shaken, were unhurt. A Black Hawk helicopter was summoned in a futile attempt to get Yale to a field hospital in time. A sheet was placed over Haerter.

When it was considered safe to take Haerter's body to a second helicopter, his section leader insisted he be covered by an American flag. ''We did not want him carried out with just a sheet,'' said Staff Sgt. Kenneth Grooms.

Maj. Gen. John Kelly, the top Marine in Iraq, wanted to know how the attack happened. Like many veteran Marines, he is haunted by the memory of the 1983 bombing of the barracks in Beirut, when a blast from an explosives-laden truck killed 241 U.S. service personnel, including 220 Marines.

Not given to dark thoughts or insecurities, Kelly, who commanded Marines in the fight for Baghdad and Tikrit in 2003 and Fallouja in 2004, admits that the specter of another Beirut gives him nightmares as he commands the 22,000 Marines in Iraq. He went to Ramadi to interview Iraqi witnesses—a task generals usually delegate to subordinates. Some Iraqis told him they were incredulous that the two Marines had not fled. When Marine technicians restored a damaged security camera, the images were undeniable.

While Iraqi police fled, Haerter and Yale had never flinched and never stopped firing as the Mercedes truck—the same model used in the Beirut bombing—sped directly toward them.

Without their steadfastness, the truck would probably have penetrated the compound before it exploded, and 50 or more Marines and Iraqis would have been killed. The incident happened in just six seconds.

''No time to talk it over; no time to call the lieutenant; no time to think about their own lives or even the American and Iraqi lives they were protecting,'' Kelly said. ''More than enough time, however, to do their duty. They never hesitated or tried to escape.''

Yale was always trying to boost the morale of his buddies, said Lance Cpl. Brandon Creely, 21, of Boise, Idaho. ''Whenever I was down, he'd tell a joke, tell me it's not as bad as it seems.''

Staff Sgt. Grooms, 28, said he knows how Haerter should be remembered. ''He was a hero,'' Grooms said, ''and a damn fine person.''

STATEMENT OF MAJOR GENERAL JOHN F. KELLY, USMC—IN SUPPORT OF THE NAVY CROSS RECOMMENDATIONS IN THE CASES OF CORPORAL JONATHAN T. YALE, USMC AND LANCE CORPORAL JORDAN C. HAERTER, USMC

The following statement is a compilation of events from my personal interview of several Iraqi police men, view for a video tape of the entire event capture by the Joint Security Station's (JSS) security camera, and walking the site.

At 0745C on 22 April 2008, Joint Security Station, JSS, Nasser, Ramadi, Iraq, was attacked by a very large truck bomb with an estimate explosive weight over 2,000 lbs. The truck was driven by a suicide bomber who was consumed in the blast. At the time two battalions, 1st Battalion 9th Marines and 2 Battalion 8th marines were conducting a relief in place at JSS Nasser. The JSS by its nature who housed a relatively large number of Iraqi police. At the time of the attack two Marines, Corporal Jonathan T. Yale and Lance Corporal Jordan C. Haerter were standing post at the entry control point (ECP— along with two Iraqi policemen. At least 8 other Iraqi policemen were also on duty about 60m away at the intersection (Routes Apple and Sophia) of a busy city street, and the entrance alley to the JSS in the Sophia District of Ramadi.

Without warning a Mercedes tank truck made the turn and immediately accelerated negotiating the serpentine careening towards the entryway of the JSS compound. The Marines undoubtedly understood immediately what was taking place as they went straight to the guns without any escalation of force firing continuously until the truck lurched to a stop just outside the compound's gate, and literally a few feet from the Marines, when it detonated. Both Marines were killed still firing their weapons. Three Marines were also wounded over 100m from the event, as were at least eight Iraqi officers and 24 civilians. A nearby mosque and house were both destroyed, with a number of others houses suffering significant damage. The blast crater measured 20 feet in diameter and five feet deep. At the time of the attack, and because of the ongoing relief in place, there were over 50 Marines on site with a similar number of Iraqi police officers. It was only due to the bravery of the two Marines that a catastrophe was averted, but that is exactly why they were there to prevent such a bomb from entering the compound and they did exactly that.

When interviewing several police officers separately on 25 April at the JSS they all told essentially the same story. When the truck turned down the entryway to the JSS the tip off that it was not an innocent delivery was that it accelerated through the concrete Jersey walls. The Marines on station immediately began to fire then some of the police joined in. One of the officers made the point that no sane man would have stood there and fired—yet two men did. Another said he knew the Marines were crazy (he meant fearless I think), but this was beyond what he'd seen Marines do even when he was fighting us as an insurgent two years before. A third who was no more than 15 feet from the two Marines when the truck turned into the alley ran to safety in the few seconds it took the truck to negotiate the 60 m to the gate (caught on tape). He survived. He told me when he observed the truck accelerating and the Marines firing he ran but the Marines did not. All were in agreement that had the Marines not stood their ground to their deaths the truck would have wiped out the JSS and everyone in it.

Subsequent to my taking these interviews I viewed a video of the entire event captured by our surveillance camera at the entryway of the JSS. It took several days to forensically recover the images from the badly damaged camera. I did not know either one of the hero's, but I have known thousands like them in my career. They will do anything we ask them to do—even to their deaths. Like the police officers they could have run and likely survived, but did not. I do not think anyone would have called them cowards if they had. They took seriously the duties and responsibilities of a Marine on post, and stood their ground before they would allow anyone or anything to pass. For their dedication they lost their lives. Because they did what they did only 2 families had their hearts broken on 22 April, rather than as many as 50. These families will never know how truly close they came to a knock on the door that night.

JOHN F. KELLY,
Major General, U.S. Marine Corps
Commanding General, I Marine Expeditionary Force (Forward).

HERE WE GO AGAIN: THE SECOND HALF OF THE BANK BAILOUT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I rise this evening to warn America that here we go again. Wall Street, the Bush administration, the chief executor of Goldman Sachs Hank Paulson, who in his spare time sells U.S. debt to China and Saudi Arabia as our Treasury Secretary, are asking to get their hands on the second half of the $700 billion bank bailout.

Last fall the administration and Wall Street's chief cheerleader Treasury Secretary Paulson scared Congress into adopting the first round of Wall Street

bailout money. They called it the TARP. Some people would call it the ''TRAP.'' That was adopted without hearings, without debate or amendments, and without proper justification, safeguards, or oversight. Fortunately, the Secretary of Treasury abandoned the intended purchase of troubled assets and has used the money instead to purchase capital in banks; so banks are buying banks now. But that funding should have gone to the Federal Deposit Insurance Corporation to purchase the capital rather than Treasury. He didn't use the money to do anything about the central part of the problem: mortgage workouts, the foreclosure crisis.

So why do we now have a proposal here to give the Secretary of Treasury another $350 billion to spend on only God knows what? The bill says that $40 to $100 billion, and that's a $60 billion spread, my friends, is intended for some kind of foreclosure relief but doesn't specify how it's to be accomplished. Congress's job is to specify. Is a $60 billion swing between those two numbers the best we can do in estimating the cost of this program? What is the remaining $250 billion to $310 billion to be used for? Who decides? Just Treasury? If we are going to continue putting capital into financial institutions, shouldn't we at least order the Securities and Exchange Commission to stop destroying capital through market value accounting? What an opportunity for the special interests on Wall Street to take control when no one here seems to be in control, 6 days before our new President is sworn in.

Today, trying to correct the huge inadequacies of this bill, I went to the Rules Committee to prevent more damage and outright financial crimes associated with this, and I asked for two amendments, and both were denied.

The first amendment would have suspended any more money being expended from the first $350 billion, if there's any left, and would stop the next $350 billion until the Congressional Oversight Panel established in the original law has forensically accounted for each dollar of the original $350 billion. Why not examine the effects of the first $350 billion on the economy? Why not assess the effect of what the Federal Reserve policies in lowering their interest rates has been on our economy? That amendment, to follow the money, was denied. Now, here you have an agency that's selling trillions of dollars of our debt, and they're not telling Congress what they have done with $350 billion?

The other amendment that I offered would have increased oversight and strengthened the role of the Federal Deposit Insurance Corporation overseeing TARP funds. It would have provided for oversight by the FDIC directly into the boardrooms of the banks that are getting our taxpayer money. Don't we have a right to know what they're doing with it? The FDIC is the right agency to oversee that.

So the Rules Committee denied me. I wasn't expecting they would approve it because this seems like a greased deal to me, but it shouldn't be a greased deal for the American people. Before we send another $350 billion out of the door, there ought to be some accountability here.

The legislation that will be before us provides no plan to stop foreclosures, which is the root of the problem. In fact, there is nothing in there about renegotiation or holding the banks and the servicers accountable. The bill continues to do more of the same, which simply has not been working, but it gives all this power to Treasury, this secretive agency that isn't sharing anything.

The legislation does not help homeowners to defend themselves against criminal acts of massive fraud being perpetrated against them by Wall Street banksters in processing foreclosures.

The legislation continues to shift both the risk and the cost of the program off corporations and their boards of directors and their executives who perpetrated this scheme on the taxpayers. And the legislation does not address the root of the problem: foreclosures themselves. So it will be just as ineffective on Main Street as the first round of TARP in addressing the core problems.

Truly TARP is a trap.

Mr. Speaker, I would like to place in the RECORD additional comments about the impact, sadly, of the original bailout bill on my district and end with saying the intent of TARP was to stabilize our financial system, which means our housing industry. It's not happening, and we shouldn't give them more money.

RECOMMENDATIONS

This bill is not correcting the root of the problem and will not achieve the goal of preventing foreclosures and keeping people in their homes. There are many effective foreclosure prevention strategies being deployed by attorneys and advocates and we need to translate these into systemic solutions.

This Congress must embark upon a full investigation of how the ''Shadow Banking Sector'' created by the Wall Street Investment Banks post-repeal of the Glass-Steagall Act (Gramm-Leach-Bliley) constructed a private money-creation system that in 10 short years equals or exceeds the assets of all regulated banks nationwide.

In short, there are solutions. We need a consumer-centric model. What we have now is so creditor-centric it will eventually lead to a complete collapse because consumers/taxpayers cannot handle the burden.

OHIO'S NINTH CONGRESSIONAL DISTRICT

My district has been hard hit by the foreclosure crisis. Last year, in my home county of Lucas, another 4,100 homes were foreclosed, part of the 10 percent of my district's local housing stock that has been lost over the last 2.5 years. As foreclosure rates continue to rise in Ohio and across our Nation, it's pretty obvious that the Federal responses, such as the $700 billion Troubled Asset Relief Program (TARP) rescue, are not working on the Main Streets of our communities.

The intent of the TARP bailout was to help stabilize our financial system, which includes in large measure our housing industry. Yet, we see financial institutions foreclosing on families rather than working to stabilize families in their homes. A stable home permits people to focus on obtaining and maintaining employment, purchasing food, and contributing to society in positive ways rather than relying on social services funded by State and Federal dollars. Furthermore, we see communities falling apart. Community members and local banks are effectively locked out of the opportunity to bid on these properties and reinvest in themselves because monies from the Department of Housing and Urban Development which would allow community banks and members to purchase foreclosed homes have not yet arrived. We all know that you are more likely to do something for your neighbor than for someone you do not know across the country. Too often, Wall Street's actions engage out of town developers and investors who purchase homes anywhere they can, not just in their hometown—without any connection to the people and the community. This situation cannot continue.

We have the opportunity to direct positive change to restore our Main Streets and communities.

WINSTON-SALEM DASH—WINSTON-SALEM'S NEW MINOR LEAGUE BASEBALL TEAM

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina (Ms. FOXX) is recognized for 5 minutes.

Ms. FOXX. Mr. Speaker, I suspect that every Member of this body would stand up here at some point and say that he or she lives in the best place in the United States or has the best district. I know that I have the best district in North Carolina, the Fifth District. It is a very diverse district, populated by many great people. The district has many, many attributes that people come to visit us for and come to live in the district.

But I want to highlight tonight one of the very positive things that's happening in my district this year and to call attention to that because so often we're talking about negative things on the floor. It's not the best of times economically in our country. But I think we need to talk some about positive things that are happening, and I want to talk tonight a little bit about a very positive thing that's happening in Winston-Salem, North Carolina.

Winston-Salem, and it's two towns that came together many years ago, those two towns were settled in the mid 1700s by a group of very devout, hardworking Moravians, and many of their descendants still live in the area.

What Winston-Salem has decided to do in the last couple of years is to work on building a new stadium, a new ballpark, for its minor league baseball team and also has been working on coming up with a new name for that minor league baseball team. Later this year we expect to see a new ballpark in downtown Winston-Salem, which will

be a state-of-the-art facility, and the foundation of this ballpark area will develop into an entertainment district over the next few years. The new stadium will feature a 15,000 square foot kids' zone, full-scale restaurant, 16 luxury suites, and numerous additional components that will make it a showcase for the city. The ballpark is the result of a public-private partnership in not only the town of Winston-Salem but also in Forsyth County.

Now, the people who own the baseball team thought that it might be an interesting time to consider a new name for the baseball team, and so they had a ''Name the Team'' contest in which they received over 3,000 submissions in just 2 weeks. After reviewing the suggestions and receiving over 70 submissions for one particular name, the people in charge selected ''Dash'' to be the new team name. The idea behind that is Dash is what brings the two words, Winston and Salem, together, and the vision of the owners is to make the stadium a family-friendly environment and gathering place for entertainment within the Winston-Salem community.

Now, the Winston-Salem Dash is a minor league baseball team which dates back its franchise to 1945. They're a class high-A team in the Carolina league, and they have been a farm team of the Chicago White Sox since 1997. They'll begin playing in the new Winston-Salem ballpark beginning in 2009.

With its family-friendly entertainment and plain old American style fun, I'm sure the Dash is going to be a great success. And just as importantly, the new name for the team and the new ballpark are going to be an anchor for future development as the team stadium is completed and the players take the field this spring.

I'm looking forward to visiting a home game this spring to enjoy this most American of pastimes and support this addition to the Winston-Salem sports team. And I invite all my colleagues to join me there sometime and see that I live in the best district in the country.

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

(Mr. BURTON of Indiana 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 gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

(Ms. WOOLSEY 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 Arizona (Mr. FRANKS) is recognized for 5 minutes.

(Mr. FRANKS of Arizona 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 Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO 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 (Mr. SHERMAN) is recognized for 5 minutes.

(Mr. SHERMAN 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 Virginia (Mr. WOLF) is recognized for 5 minutes.

(Mr. WOLF 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 Arkansas (Mr. BOOZMAN) is recognized for 5 minutes.

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

THE ECONOMY IN AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from Missouri (Mr. AKIN) is recognized for 60 minutes as the designee of the minority leader.

Mr. AKIN. Mr. Speaker, we have an interesting topic that we're going to be talking about and developing over the next hour. I'm here representing the Republican Study Committee, and we would like to talk about the subject of our economy and the nature of the problems that we are facing but also what kinds of solutions are possible. I'm going to be joined by a number of other congressmen this evening, and I'm going to invite them to jump into our discussion. And, Mr. Speaker, I hope that you find the hour interesting and enjoyable.

Now, one of the problems with having Congressman AKIN here is I'm a former engineer and I get a little pedantic sometimes and I think it's important to exercise some discipline. And the discipline in this case is to define the nature of the problem in the economy in America.

□ 1945

So before you go offering legislation or try to fix something, it's good to know what it is you are trying to fix, and that will allow you to answer the important question whether or not it's going to work, which is not exactly a small question. Unfortunately, we have spent an awful lot of money without really defining the problem on solutions which have not worked. And so that's why we need to take a little bit of time to talk about what's going on.

As perhaps many people are aware, there are two quasi-governmental organizations called Freddie and Fannie, Freddie Mac and Fannie Mae, and they, of course, have home mortgages which they take care of financially for more than half of the different people in America that have homes. So these are huge organizations, but they are not quite government, and they are not quite private. They are sort of in a gray zone, and they were created, ostensibly, to try to provide decent home loans for American citizens.

The problem, though, with Freddie and Fannie, because they are not really government, they were also outside of the administration's authority to be able to deal with them.

So Freddie and Fannie started to get more and more innovative over the past years, and they started to make all kinds of loans to all kinds of people. As those loans were made, what happened was there was not good control to make sure that the loans were being given to people that could actually afford to pay the loans.

In fact, we had, intentionally, Congress started to pass laws and put pressure on these organizations, as well as banks, to encourage them to make loans to people who could not afford to pay. Now, how that would be called compassionate, I am not quite sure, but Congress did that.

So what started to happen, in combination, as this was going on, you have the Federal Reserve lowers the interest rate, so money is easy to get, and all kinds of people jump on the housing bandwagon, and you create this real estate bubble, people taking out loans, which they don't have jobs or the finances to pay off these loans. And pretty soon, as we got toward the more recent years, this bubble explodes and all of these loans, people are starting to default on them.

Now, those loans had been packaged up and cut in pieces by Wall Street, sold all over the world. And now you have got one whale of a mess on your hands. Now, the question should be asked, then, well, didn't somebody see this coming, didn't somebody know that Freddie and Fannie were doing things that they shouldn't have done?

Well, in fact, in the New York Times, the President, President Bush, the headline on the article in the New York Times, in case anybody wants to look it up, it's on September 11, 2003, well before any of this came down. It says here the Bush administration today recommended the most significant regulatory overhaul in the housing finance industry since the savings and loan crisis a decade ago.

So here you have the President saying Freddie and Fannie are out of control, we need to get regulations on

them. Now what concerns me is people are saying, they are saying, well, this is a failure of free enterprise. There's no failure of free enterprise here, this is a failure that starts right here in Congress, a failure of Congress to regulate these institutions which we created, and which went haywire by making all kinds of loans to people who shouldn't have had those loans, and now we are starting to pay the piper on it.

So this is the President, in 2003, The New York Times, not exactly a right-wing oracle, you follow the article through, and we come toward the end and it says these two entities, Freddie and Fannie Mae, are not facing any kind of financial crisis, said Representative BARNEY FRANK of Massachusetts. Now this is interesting, because what this article is saying is that the Democrats were opposed to the further regulation of Freddie and Fannie.

They were opposed to it, and the man from this Chamber, who was on the floor no more than an hour ago, is quoted as saying, now, catch this, these two entities, this is BARNEY FRANK talking, Fannie Mae and Freddie Mac are not facing any kind of financial crisis, said Representative BARNEY FRANK of Massachusetts, the ranking Democrat on the Financial Services Committee.

So it wasn't that people didn't know, the President knew, but what it was, in the Senate, the legislation to try to regulate Freddie and Fannie was never passed. So we have, in a sense, a repeat of other financial crises because we in Congress did not do our homework, did not regulate and allowed these loans to be made.

Now, I am joined by some of my colleagues here and I am looking forward to chatting with them here. Just one thing I think that would also be helpful to know, we have defined the problem, and that is all of these loans that have been made and people got loans. That wasn't responsible, they couldn't pay the loans off. And so now these loans are being defaulted on.

That is happening enough. It is creating problems. The question is, how big a crisis is it? Well, just to give you some sense, about half of the loans that we expect are going to default have already happened. That says we have drunk about half the cup of poison and it has made the world's financial system sick, and we have got another half to go. Kind of an interesting thing.

I am joined by Congressman LAMBORN from Colorado, a very wise and helpful influence in Congress, and I yield to the gentleman.

Mr. LAMBORN. The gentleman from Missouri has laid a good background for what got us to the point. There is a lot of discussion going on right now today here in Washington about a stimulus package. It's been in the news.

The incoming President wants to deal with this, and I think by the middle of February we are going to hopefully pass something. I am concerned, though, that some of the elements in this program are not going to really solve the problem.

I haven't seen the bill. No one has seen the bill. There is no bill in front of us yet. There might be by next week. I hope so.

Mr. AKIN. That was a very important point that you raised. That is if we are going to propose solutions, the question is does the proposed solution actually solve the problem or does it just make people politically happy. Are we really trying to specifically tailor the solution to something that is going to work.

Mr. LAMBORN. Exactly. I know there is another representative here who can talk about H.R. 470, which is a positive approach to the stimulus, to what will kick start our economy.

Mr. AKIN. Before we get into the specifics of various solutions, let's just talk for a minute. You know, the question is, a lot of times people think Congress has some sort of a magic lever here in the Chamber. And when we pull this lever, it just makes the economy accelerate or something. You know, they say we are going to stimulate the economy, whatever that is supposed to mean.

Really what Congress can do is we can either tax people or not tax people. We can take the revenue and slop it around in different ways. That's about all we can do. We don't create any wealth at all.

So when it comes to the economy, the tools we have are, to some degree, limited just because of the fact that Congress really doesn't create anything. What happens is it's the economy that either pulls itself forward or stagnates because we have created some set of laws that's messing it all up. So as we talk about solution, we have got to be careful, don't we.

Mr. LAMBORN. Representative, you are exactly right. Two things that I have heard bandied about that will probably be in the stimulus package that I think should not be, one is bailing out States. There is talk about sending a lot of money to the States for Medicaid and other expenses that they are running. They are running deficits in the number of States around the country.

The trouble is, every person who is listening to our dialogue right now wears two hats. They are a taxpayer to the Federal Government, and they are a taxpayer to a State or a territory government, every single person who is listening.

So we are going to take Federal tax money and give it to the States to solve their deficit but, in the meantime, we are creating a larger Federal deficit.

Mr. AKIN. It seems like to me, gentlemen, what you are recognizing is an inherent problem with this whole bailout concept. The whole idea of the bailout seems to be reward the person who did the wrong thing economically at the expense of the person who did the right thing.

Mr. LAMBORN. It's like taking a credit card debt that you are labeling under and say how can I pay off this credit card? Oh, I know, I am going to take out a new credit card, and I will take thousands of dollars in my new line of credit and pay off this credit card. You are not any farther ahead.

Mr. AKIN. With all due respect, gentlemen, I don't think you are being quite fair in that. What you are really saying is when you don't have a credit card you can pay off, you are saying I am going to use your credit card and take it. I mean, why should people from the State of Missouri or Colorado pay for California?

Mr. LAMBORN. You are exactly right. So you are not any further ahead. In fact, you are behind, because the money has gone through the bureaucracy. It got sent back to Washington, it came back to the States. There's been overhead costs, you actually end up with less than you started with, so you are worse off.

But that's the part about the proposed stimulus, and I haven't seen the details, that I would really object to. That's going to be in the final proposal.

Mr. AKIN. I just noted that the gentleman, Congressman JORDAN from Ohio, is here, and I yield to him.

Mr. JORDAN of Ohio. Look, we all know we are in a tough economic situation, and the gentleman from Missouri has explained some of the reasons we got there. The question is, where are you going to look for the solution? Are you going to look to the government, the big Federal Government which, as the gentleman has pointed out, has already run up deficit after deficit. We are approaching an $11 trillion national debt.

So you are going to look to the same government that helped get us in the problem, or you are going to look to the people, not the economy, the people. It's the American taxpayer, American family, the American small business owner who can get us out of that situation we are in. That's who we should trust.

What we should do, is instead of spending and spending more, we should look for ways to reduce the tax burden, something we know that works every single time it's tried. When you let families, when you let small business owners, when you let the entrepreneurial spirit of the American people have more of their money to use it, to invest it, to put it back into their business, to put it into those things that have meaning and significance to them and their family, good things happen in your economy.

That's where our focus should be, and, frankly, that's the proposal we want to talk about a little bit later that we, the Republican Study Committee, unveiled today.

Mr. AKIN. What you have just said seems to make a whole lot of common

sense. Just repeating what you said, the thing that's going to get us out of the recession is going to be the economy. It's going to be the small business people, the entrepreneurs, the hard working Americans. They are the ones who are productive, they create wealth, and they pull us up. You are saying that should be the direction of our solution.

Mr. JORDAN of Ohio. Yes, because, look, the other approach hasn't worked and hasn't worked in recent history. This bailout fever, as the gentleman from Colorado alluded to, this bailout fever that's grabbed Washington, we know that doesn't work. We have seen what's happened with the trillions of dollars we have spent.

There are all kinds of reasons we shouldn't continue down this road. So we know that doesn't work. What we do know works is letting families, letting taxpayers, letting small business owners keep more of their money investing back in their business and helping our economy.

Mr. AKIN. So I think what I am hearing you say is we just can't spend our way out of this with a whole lot of government spending. That would be a little bit like grabbing your shoe laces and try to fly around the Chamber.

I see my good friend from Georgia is joining us for the discussion as well, Congressman GINGREY.

Mr. GINGREY of Georgia. Well, I thank my colleagues from Colorado, Missouri, and Ohio, and in a few minutes my colleague from Louisiana, all here on the floor tonight, all here talking about this issue.

I agree with Congressman AKIN, this is really like almost a bizarro world. I was at the Rules Committee last night listening to Chairman BARNEY FRANK of the Financial Services Committee and Ranking Member SPENCER BACHUS.

Mr. AKIN. You are referring to the same guy that said there is no financial problem with Freddie and Fannie; is that correct?

Mr. GINGREY of Georgia. Well, you mentioned that, I think you had a direct quote back from a couple of years ago, I think that would be the very same person.

You know, of course, what Chairman FRANK was talking about last night in the Rules Committee in regard to this second tranche of this $800 billion, now, we are not talking about——

Mr. AKIN. Is a tranche and a slurp sort of the same, $350 billion, you are just kind of trancheing?

Mr. GINGREY of Georgia. Yes, a tranche, I am learning all kinds of things as we get into this. I guess a tranche is a slice, it's a portion, if you divide something up. Of course, we divided this pie in equal slices of $350 billion.

We have already spent $350 billion, and it was targeted toward certain, well, we know, of course, General Motors and Chrysler and GMAC. Indeed, we even made a bank out of them so that they could qualify for the money.

It is a bizarro world, and Ranking Member SPENCER BACHUS, the gentleman from Alabama, said last night at the Rules Committee hearing on this bill, he said, you know, it used to be, in this country, that banks lent money to people. Now, all of a sudden, the people are being asked to lend money to the banks to bail the banks out.

Mr. AKIN. That does seem like something that's a little upside down, doesn't it.

Mr. GINGREY of Georgia. Like I said, it's a bizarro world.

Mr. AKIN. The person that runs their household responsibly, the State that runs its budget responsibly, now we are supposed to be bailing out the banks instead. It is sort of an odd concept, but I didn't mean to interrupt you.

Mr. GINGREY of Georgia. No, indeed, it is an odd concept. And I think that Representative JORDAN and Representative SCOTT GARRETT from New Jersey, and, of course, our Chairman of the Republican Study Committee, our conservative Republicans of 75 to 80 strong on this side of the aisle, we have the right idea. I was proud to be a part of their press conference today on talking about this bill, our stimulus bill, talking points. We had a lot of members talking about this, but basically we are talking about the economic recovery and the Middle-Class Tax Relief Act of 2009.

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Representative AKIN, you are familiar with it. We are talking about people getting a tax break at every level, a 5 percent across-the-board at every marginal tax rate, cutting the corporate tax rate from 35 to 25, keeping the capital gains at 15 percent.

Mr. AKIN. Before we list off a whole lot of these different specific solutions, if I could just cut in for a moment and sort of let's step back a little bit and be a little more professorial.

You know, we have this tranche, it sounds like something on an ACT test or something. You are a medical doctor, you are probably smart at knowing all the meanings of these words. But there are two general theories, aren't there, in economics.

One of them was basically called ''Keynesian'' because of this Little Lord Keynes that came up with this idea. It was something that FDR used to turn a recession into the Great Depression. Obviously it didn't work very well, and yet there are some people that still want to say, well, FDR got us out of the Great Depression using Keynesian economics. And the theory of Keynesian economics is take a whole lot of money away from all the taxpayers and go spend it all on a whole bunch of pork-type government projects. Maybe some are good, some are bad, dams across certain rivers to build hydroelectric plants, or building schools and stuff. It was politically popular stuff, but it didn't help. It made the Depression worse, and we ended up getting out of the Depression by getting into World War II.

Now, I would just as soon that we don't use that approach to get out of our depression this time around and get into another world war.

But that was called Keynesian economics. The idea was you just spend a whole lot of money and, wallah, something is going to happen. Well, if you think about that logically, we have got trillions of dollars in deficit, and if Keynesian economics worked we would be in a great economy right now. We have already spent much more money than we have. And yet that is one approach, and it has traditionally been something the Democrats do. It is politically popular, but it hasn't worked very well.

The other approach is what you are talking about, which is more commonly called ''supply side.'' It is the idea of not taking money, but allowing the businessmen and the people who create the jobs to invest and let that small business engine through productivity pull us out. That is what the gentleman from Ohio, Mr. Jim Jordan, a fantastic lineup of some different proposals to try to solve the problem of where we are in the economy.

But we have a gentleman from Louisiana. I would yield to you if you would like to comment on this.

Mr. SCALISE. I appreciate the gentleman from up north of the Mississippi River from my area in Missouri for yielding, and especially as you are talking about this latest effort that some people have to try to resuscitate Keynesian economics and reinvent history and try to make it out to be something it wasn't back when it was tried and failed decades ago.

But if you really look around and you look at what the taxpayers, the people who ultimately are the shareholders who I think are fed up with this whole mad rush to have bailouts and deficit spending, and then see more, trillions of dollars added to our national debt, what the people across this country are doing during these tough economic times, I think that is really the true indication of the direction Congress should be going, and, unfortunately, Congress is going in a different direction.

But people all across this country that are facing tough economic times, they are tightening their belts. They are making those tough decisions to live within their means.

Mr. AKIN. So the responsible people are saving money, yet the people in this Congress are talking about spending it when we don't have it. Go ahead. I yield.

Mr. SCALISE. Absolutely. And if you really want to go and look further into the States, each of our States, many are facing, I think a majority of the States are facing various budget shortfalls. My State of Louisiana is facing about a $1.3 billion budget shortfall.

But what our Governor is doing is what I think is the responsible thing

that we should be doing up here. Our Governor is actually going in and making responsible cuts to our State's budget. We have a $30 billion State budget and there is a lot of room to make cuts in our State's budget, and that is in fact exactly what our Governor, Governor Jindal is doing. He is going and making cuts.

Many States across this country are doing the same thing. They are actually going and doing the things that the American taxpayers are doing. They are living within their means. They are making cuts and responsibly handling a budget shortfall, as opposed to what is happening in Washington.

Mr. AKIN. Could you imagine if you were the Governor and you talked to your State of Louisiana and you said, hey, we are in economic hard times, so I have decided we are just going to spend a whole lot more billions of dollars. What would people do to you? Would they lock you up?

Mr. SCALISE. I think they have institutions where those people would go. But I think if you look at what is really happening across the country is people are making their responsible decisions, but they really want Washington to make those same responsible decisions. And when they look at what happened with the first bailout and recognize the failure of the first $350 billion, I think what they would want us to do in Congress is to pull back and say, wait, that approach didn't work. Don't spend the other $350 billion, and surely don't have some secret stimulus plan being developed.

Mr. AKIN. Do you know what happened to the first $350 billion? Is it your sense that in the last month or two that that has really given a whole lot of value for that $350 billion?

Mr. SCALISE. I think most people would recognize that bailout didn't work, including many of the people who initially asked for it. And while those of us who voted against it said there was a better way and presented an alternative approach, that was much more based on cutting taxes and encouraging the private sector to make investment. There are trillions of dollars sitting on the sidelines right now that we could bring back into the economy to turn this economy around instead of using taxpayer money and adding another trillion dollars on to a national debt that is already too large.

Mr. AKIN. So we came up with a solution that cost a whole lot of money, when there was actually a much lower cost way to solve the problem. And we are in danger of doing the same thing again in the near future if we don't use the right kind of tools to turn things around. I hear what you are saying.

The gentleman from Ohio.

Mr. JORDAN of Ohio. I think it is important to also understand the gravity of this. Not only the bailouts haven't worked, but we have to understand how much in debt we are. We are getting into unprecedented levels of national debt.

Mr. AKIN. Unchartered waters.

Mr. JORDAN of Ohio. Exactly. We are approaching $11 trillion of national debt. The deficit we will run up in this fiscal year and last fiscal year, the last 2 years, $2 trillion we are going to add to the national debt. That is equal to what it took us from 1789 to 1987 to accumulate. So in 2 years we have accumulated as much, added to the national debt what it took us 200 years to get to.

Mr. AKIN. So the gentleman, what you are saying is from the time this country was founded to the 1980s, we had not accumulated as much debt——

Mr. JORDAN of Ohio. As we have done in the last 2 years.

Mr. AKIN. As we have done in the last 2 years. And you are talking $2 trillion.

Mr. JORDAN of Ohio. The month of November, we ran the largest single monthly deficit in history, $164 billion for one month. This is serious.

Mr. AKIN. If you allow me to interrupt you just a minute, let's put that in perspective. How much did the war in Iraq cost, that everybody was complaining about for the last 6 or 7 years?

Mr. JORDAN of Ohio. It didn't cost that much.

Mr. AKIN. It was about $800 billion. It is not even $1 trillion. So we got about $800 billion or $900 billion for the war in Iraq, and we are talking about just in a period less than a year, $1 trillion? This is an uncharted kind of area we are getting into.

Mr. JORDAN of Ohio. It is unprecedented. There are several reasons why we shouldn't go down this bailout road, I call it this bailout fever that has grabbed Washington. First and foremost, once you start, it is hard to stop. Everybody gets in line. We have seen it. Every single business now has their hand out. We had the governors and mayors that people talked about earlier this evening.

The second reason, as the gentleman from Louisiana pointed out, it doesn't work. We have seen what happened with the first $350 billion in the TARP program.

The third reason, the most compelling reason in my judgment, it is immoral. It is wrong to do this to our kids and grandkids. It is wrong to saddle this kind of debt to our children and grandchildren, future generations of Americans.

One of the things that makes this country special, that made America great, is the concept that parents make sacrifices for their kids so that they have life a little better than they did, and they in turn do it for the next generation and they in turn do it for the next, and we get to be the greatest country that there ever was.

The fourth reason is it is unfair. And I think we miss this sometimes. It is unfair that taxpayers bail out certain businesses. And the small business owner back home, he is not going to get help, she is not going to get help to run that small business.

More importantly, for those industries that are getting help from the government, that are getting help from the taxpayers, it is unfair to their competitors within that same industry who don't get help.

So there are all kinds of reasons why we shouldn't do this, but chief among them, chief among them is the idea that it is wrong to saddle future generations of Americans with this kind of debt. I have said many times to folks back home, who is going to bail out the bailout?

Mr. AKIN. Well, I really appreciate the Congressman. I know that you are disciplined in the wrestling sport. You understood that there are some rules that life works by, you work out hard, you wrestle a good match, and there are rules of economics as well.

We have a gentleman joining us tonight also, I think he is from Iowa, as I recall, just a bit to the west of Missouri, and Mr. KING, Congressman KING, I would recognize you if you want to talk a little bit along the same lines.

We have been talking about what you shouldn't do. The gentleman from Ohio is talking about the inherent unfairness, the injustice of basically taxing somebody to fix a problem they didn't create, of bailing out a big company when the little one doesn't get bailed out, this whole bailout fever, everybody with their hands out.

Now, is there a better kind of solution? What would a supply side kind of model be? What would you recommend? We don't want to sit here and criticize people that are proposing things without giving them an alternative that is better, and I think that is what you would like to talk about.

Mr. KING of Iowa. And I am happy to come here and present my version of my proposal for a solution. I would pick up on the gentleman from Ohio's statement of the deficit though in November being a minus $164 billion. I just punched the calculator and you annualize that, that is times 12, that is $1.968 trillion, almost $2 trillion in annual deficit at the rate of last November. And we are dealing with that, and we are dealing with handing a check over to the incoming President in excess of $1 trillion.

Now, all of this Keynesian that you talked about——

Mr. AKIN. You put that in context, that is a lot more than the Marshall Plan adjusted for inflation. That is more than the War in Vietnam adjusted for inflation. It is more than the Louisiana Purchase. I mean, it is more than anything we have bought before.

Mr. KING of Iowa. In fact, the only Federal expenditure that compares with this bailout is if you compare it in real dollars to World War II. This is a bailout that exceeds everything, including the interstate system in the United States. World War II is the only thing that cost more money, and that was, of course, national survival. This Nation was in peril.

So we can go down the path of the Keynesian, which you have discussed, and I reject that. There is no Keynesian proposal if you look back in history that can be supported.

I go to the other side, to the supply side of this. I look at the tax cuts throughout different presidencies we have had. It is clear when John F. Kennedy was instrumental in signing the legislation that cut taxes, we increased the revenue and grew the economy. Another two decades later when Ronald Reagan came in, we cut taxes, increased the revenue to the Federal Government and grew the economy.

When George Bush looked at the bursting of the dot.com bubble, which happened just before his watch, something needed to be done, and he offered the 2001 tax cuts. Those said we are on a little bit of a sugar high in this economy, it was a short bridge, they recognized it, and on May 28, 2003, the real Bush tax cuts took place. They are sunsetted eventually, but they also bridged this economy.

Those are some of the things that we need to do. But the free enterprise economy is this: Our job should be about increasing the average annual productivity of Americans, and at the same time that increases our opportunity to improve our quality of life. So if you want to provide the stimuli for people to produce more, the thing you do is to suspend the taxes on their production. Ronald Reagan said that what we tax, we get less of.

So the Federal Government has the first lien, taxes, on everything that is on the production side of this economy. They tax all of our productivity, our earnings, our savings, our investment. When you punch the time clock at 8 o'clock on Monday morning, you can hear a ka-ching, and Uncle Sam is standing there figuratively and his hand goes out, and you pay the taxes from the first minute you work until he gets the amount that he wants. That goes into Uncle Sam's pocket. And then you can start working for the Governor and the other people out there. That is true with earnings, savings and investment. So when we tax productivity, we get less productivity by Reagan's axiom and the one I agree with.

I propose that we take the tax off of our productivity, all taxes off of American earnings, savings and investment, and put it over on consumption, where it provides an incentive for a little savings, a little investment, and it lets a person choose when they pay their taxes when they consume. A national sales tax changes the dynamics of this. I don't want to go down into the depths of the details, but the philosophy I do.

Mr. AKIN. That is a very interesting proposal that you have and one that a lot of economists are taking a very serious look at and one that is really rising in popularity I think with a lot of scholarly people, Congressmen, and I appreciate your doing it.

I would like to dig into one little detail of what you said.

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What we're not talking about is a lot of fancy theory here. This is stuff that's been tried. And we know that excessive government spending, way beyond our budget, has created a Great Depression and all kind of other trouble.

But what we're talking about, instead, is allowing small businesses to invest. And so, when we did that, we actually did that in the first quarter of 2003. And I have a series of graphs here that show the result of doing that.

Let's just take a look at this: The black vertical line on this graph is the first quarter, or part way into 2003.

Mr. KING of Iowa. If the gentleman would briefly yield, I suspect that line is May 28 of 2003. I happen to remember that's the day that President Bush signed the 2003 tax cuts, and really the only reason I remember that is because it's my birthday. It was a great present.

Mr. AKIN. The second quarter. I stand corrected. The second quarter of 2003 is the black line that you see here. And this first chart is Gross Domestic Product of the United States.

Now, if you take a look at the things on the left side of the chart that are in red, this includes a bunch of kind of nice tax cuts, which give better deductions for having kids and a lot of feel good kind of stuff. So it's not just any tax cut that makes a difference.

Your point is you're investing in productivity. When you get to the second quarter of 2003, we did one major tax cut, and that was dividend and capital gains, which immediately put money back into the pockets. It's not really put money back in. We just never took it out of the pockets of the small businessmen who made investments and took risk.

And take a look at what happens on the average. This is going all the way out to 2007. The average Gross Domestic Product, 1.1 percent before that tax cut, after it you see that the averages jumped a couple of percent on Gross Domestic Product. Now, that's an interesting chart.

Let's take a look at the next one. What happens to go along with Gross Domestic Product?

Let's take a look at jobs. This is job creation. Everything below the line means we're losing jobs, as we are right now in the economy. The second quarter of 2000—oh, you were right, May 2003. You take a look and you see all of this job growth. An average loss of 99,000 jobs in the first couple of years, as we inherited the recession in 2001, and a gain of 147,000 jobs following. That is the effect of letting small business, turn them loose and let them be productive.

Now, here's the thing that I find most amazing, and that is the fact that when you do this, the government cuts taxes; and guess what happens to the money we have, the revenue?

Well, take a look at the third chart. There again, May of 2003, a low point in Federal revenue. As the economy gets going, Federal revenue takes off like a skyrocket. So what do you solve?

Everybody is more wealthy. There are more jobs, and not only Federal, but State governments have more money to spend.

To your point, gentlemen, I thought some specifics though. This isn't theory. This is what JFK did, this is what Ronald Reagan did, and this is what happened under the Bush administration with that key tax cut, not just any tax cut, but the one that empowers Americans and gets the government's big fist out of their pocketbooks.

I yield to the gentleman. Continue.

Mr. KING of Iowa. Briefly, the gentleman from Missouri, thank you.

I'd point out here that we are sociologists in the end in this country, and these are definitive.

Mr. AKIN. I don't want to be any kind of socialist, gentleman.

Mr. KING of Iowa. We are definitive on the economic analysis that you have laid out. It is stark, it's clear, the lines vertical there on each one of those charts that you've showed. But what it really reflects is the sociology of human nature.

When human nature concludes that if they work and earn and someone else gets the proceeds of that, if someone else gets the benefit of the labor, then the reward for the labor is diminished; that means there's less labor that gets done. And as people figure that out, as the tax rates go up, the conclusion is I'll risk less capital and I'll put less effort in, and I'll spend more time with my family or my golf clubs or my fishing pole. That equation is demonstrated there in the red and in the green vertical bars that you have. And in the end, our effort again is back to get the maximum increase and get the maximum annual average productivity out of every American at the same time quality of life.

Mr. AKIN. Congressman KING, I think you've just given us a rather eloquent description of just basically saying, free enterprise does work, doesn't it?

Mr. KING of Iowa. Free enterprise does work. And I yield to the gentleman again.

Mr. AKIN. We have a fantastic doctor from Georgia, and I would yield to you if you had a thought on the subject here.

Mr. GINGREY of Georgia. Well, I thank the gentleman, and I do have lots of thoughts on the subject. I'll share just a few of them with my colleagues. And of course we've gotten into discussion now of a philosophical and practical discussion of why tax reform, cutting taxes, first and foremost, and if not doing that, going to a different system. My colleague from Iowa talked about a consumption tax. No more tax on productivity. No more tax on earnings and savings, but on consumption.

And I think you've shown very well, the gentleman from Missouri, with his

charts, that that grows the revenue. And certainly, the tax cuts of 2001, 2003, under the Bush administration, even though there was a price tag put on that of $1.3 trillion, these cuts in tax rates would result, theoretically, the way we score, in $1.3 trillion less tax, but in dynamic scoring, as you presented in these excellent slides, we've proven that we grow the revenue.

But I'm going to tell you, my colleague, let me make this point if I can, and then I'll yield back to you because it is your time.

But Mr. Speaker, the thing that strikes me over and over again is, even when we're cutting taxes, even if we are able to pass the RSC bill, the Economic Recovery and Middle Class Tax Relief Act of 2009, I truly believe we will grow revenue, once again.

But we cannot continue to spend wildly. We desperately, my colleagues on both sides of the aisle, I think you would agree with me, until we get to the point where we have a balanced budget amendment and we do what the States do—my own State of Georgia right now has a $2 billion shortfall, and our governor is struggling, just like the other 49 States. But the legislature will deal with that and they will tighten their belt, just as we have to do on an individual basis, on a family basis. You know, instead of getting that $40 hair cut every 2 weeks, you get a $20 hair cut every 4 weeks. You tighten that belt.

And that's the one thing we have not been able to do up here. We just start writing checks, printing money. And that's, my colleagues were talking about, the gentleman from Ohio and the gentleman from Iowa, a $1 trillion deficit in 1 year? Yeah, that does lead to $13 trillion worth of debt and red ink.

And so I think it's important for us to make sure we stay on that issue of, we cannot, no matter what we do with our Tax Code, we cannot continue to spend money. And I don't want to be pejorative to our great sailors, but you know the old expression. We can't keep doing that. We've got to balance our budget.

Mr. LAMBORN. Will the gentleman yield?

Mr. GINGREY of Georgia. Of course I will yield to my friend from Colorado.

Mr. AKIN. I'll yield to you, and then we'll go to the gentleman from Louisiana.

Mr. LAMBORN. The Federal spending projected for Fiscal Year 2009 is going to be 25 percent of the Gross Domestic Product. Right now that's over $1 trillion, and that's even before we add the possible deficit spending of a stimulus package, which could be up to another $800 billion.

Now, 25 percent of GDP, to put that in perspective, that is the most, in our Nation's history, except for World War II.

Mr. AKIN. You know, we like to get into these numbers a little bit because we have to study it and live with it day by day. But let's try to make this practical for the average person on the street.

What we're talking about is, instead of treating a recession, we're talking about, if we don't do this right, we're going to create another depression. We're talking about an extremely serious condition for our country; is that correct?

Mr. LAMBORN. That's exactly right. The Republican Study Committee proposal, H.R. 470, is going to call for a modest spending decrease. Instead of this massive wave of spending, the bailout fever that Representative JORDAN referred to, we call for a 1 percent decrease of nonmilitary and veterans spending, of the discretionary spending.

That would be, if you were a family making $40,000, that would be a $400 cut in your yearly budget. If a family could find $400 to save, out of $40,000, that would be like the Federal Government finding a 1 percent decrease, as opposed to this massive up to $800 billion increase for a stimulus.

That's the kind of thing that we have to do, Representative, is to tighten our belts. If families have to do that, if small business has to do that, the government should do that as well. And you're right, Representative, when you say we can go in 1 of 2 directions. The government can spend more money to try to stimulate, or people can keep their own hard-earned dollars and spend it themselves. And I believe the second approach is the best.

And I'd like to yield to the gentleman from Louisiana.

Mr. AKIN. I think I'm the one supposed to do that. Congressman SCALISE from Louisiana, we'd love to hear your thoughts too along the same lines.

And thank you very much. I appreciate that, Congressman LAMBORN.

Mr. SCALISE. Thank you, Congressman AKIN. And you know, when you showed the chart over there about the revenue, the dip and then ultimately as taxes were cut, Federal revenues actually increased. The same thing happened under President Reagan when President Reagan cut taxes. I think one of the myths that is out there is that the deficit grew. Some people tried to attribute that to the tax cuts. But if you really go and look, you'll see a similar chart, you'll actually see an increase in revenue. Unfortunately, you had a Democratic-controlled Congress that spent even more money than the new money that did come in. But in fact, more money came in as taxes were cut. And so I hope we use history as a guide.

As you talked about earlier, there is no bill filed yet on this economic stimulus plan. We are expecting in the next week to possibly 2 weeks, there will be a bill filed. And unfortunately, right now what you've got is a bidding war. What started off as maybe a $400 or $500 billion proposal has now reached over $1 trillion where the proposals that we're hearing now are $1.3 trillion.

Mr. AKIN. Congressman SCALISE, did you say that basically we have already gone from 700,000 now to a trillion? Is that already that high?

Mr. SCALISE. We've gone from 700 to a trillion, and now more people are coming up with more ideas of how to spend taxpayers money; not today's taxpayers, but the next generations and the next generation after that tax money because we don't have enough money.

Mr. AKIN. So it's our grandchildren's money we're starting to spend.

Mr. SCALISE. It's our grandchildren's money. And if my daughter, Madison is watching, I'd ask her to turn away for a moment because I don't want to frighten her. But my 21-month old daughter, with a $1.3 trillion bill, will take on an additional $4,000 in debt, just my daughter alone. Every man, woman and child in this country, if we pass a $1 trillion deficit-laden spending bill, every man, woman and child in this country will take on another $4,000 each in additional national debt. And that's what this really means to people in this country.

Mr. AKIN. Now, Congressman SCALISE, you made a point that I think, and I think it is, it almost seemed counter-intuitive to me when I first heard this before I came to Congress, the idea that the government could actually cut taxes and raise more revenue. Doesn't that seem like making water go uphill?

Mr. SCALISE. On the surface it definitely doesn't seem to mesh until you look at what happened. And a real good example of that was something that those of us here that have been talking brought up, along with other colleagues of ours, when there was an alternative proposal to the original $700 billion financial bailout.

One of the things that was brought up was, back in 2005 they tried an experiment. Congress actually did something that I think was smart. They said, look, we're seeing that a lot of American companies that have operations overseas in other countries where they're making a profit, those companies aren't bringing those profits back here to America. And the reason they're not is because there's a 35 percent tax if they bring that money back, whereas they don't pay any taxes if they leave that money in other countries helping those other economies. So for 1 year, they relaxed that tax. They brought it down to, I believe, 5 percent for just 1 year. And you know what? They brought in over $300 billion in money, American companies' profits that they were not bringing to our country because they were going to be taxed on it. For that 1 year where they didn't get a tax they brought $300 billion back into our country.

So guess what Congress did in 2006 when that expired? Congress let it expire and didn't renew it, so guess what happened to that $300 billion? It went back out of the country and it's still sitting over there helping those other

countries when it could be helping our country, by not raising the tax, by cutting the tax. By cutting the tax you bring the $300 billion back.

Mr. AKIN. Congressman SCALISE, I don't know if you were aware of it, but did you ever hear the story of what the Irish did? Their economy was in trouble about 15, 20 years ago, and they decided they were going to cut their corporate taxes really to the bone. They really cut the corporate taxes.

Now, in America we have the second highest corporate tax rate in the world. The Irish went the other way, cut their corporate taxes, and their economy took off like a skyrocket. And they've got more businesses starting and jobs, and their Gross Domestic Product has done fantastically.

There's a perfect case study of somebody who used this odd principle that by cutting taxes you can actually are increase revenue. Here's a chart of it. You can see we cut the taxes. Everybody said oh, the Republicans have ruined the economy because we cut taxes. But take a look at what happens to revenue.

□ 2030

Here is the way I was thinking about this. Tell me where it makes sense to you.

Let's say you're king for a day and your job is to put a tax on a loaf of bread. So you start thinking. You say, ''I can put a penny on it. Well then, I'd have to sell a lot of bread to get a bunch of money or I could charge $100 for a loaf of bread, and then maybe nobody would buy any.''

Well, wouldn't commonsense say that there is something between a penny and $100 that's sort of the optimum at which you can tax it? When you increase the tax, you actually get less money. I think that is what's going on here, which is, if we cut the taxes, the economy takes off, and we end up with more government revenue. That's exactly your point, and that's the whole idea of supply side economics.

You know, the Congressman from Louisiana is fortunate to have somebody who understands that basic idea, and that is the proposal that we're making. We're not trying to dump on somebody else. We're just saying, look, this massive spending bailout fever just is not going to solve the problem. Anybody who runs a household knows that if you're in trouble financially that you don't just start spending money.

As Ronald Reagan said, it's not fair to say it's like a drunken sailor, because a drunken sailor is spending his own money.

Mr. SCALISE. If the gentleman would yield.

Mr. AKIN. I will.

Mr. SCALISE. I've heard those analogies before.

Really, what's happening up here is an insult to sailors who drink, because they don't act irresponsibly like that in terms of spending.

One thing we can use is history as a guide because these aren't ideas we're just pulling out of the sky. What you have been talking about and what your charts prove is that these are all things that have been tested and proven. When you cut taxes, the income to the government actually goes up because people make better decisions. The Federal Government isn't going to tax people more. They're just going to go turn on the printing press and print up another $1.3 billion that doesn't even exist yet, and then they're going to go and spend it.

Does anybody really think that that $1.3 billion would be spent anywhere near as efficiently as if you had just gone and cut tax rates in areas where it's stifling growth and where it's keeping people from making good decisions so that their families can have basic education that they might want or so that their families might be able to get better health care or so that their families might be able to make better decisions in buying a car to help the auto companies rather than bailing out the auto companies for failed decisions?

Mr. AKIN. The little trouble with what you're saying is that it requires people to be responsible, doesn't it?

Mr. SCALISE. Absolutely.

Mr. AKIN. I mean, in politics, it's nice just to tell somebody, It's okay to be irresponsible. We'll just bail you out. The only trouble is that, when you allow that to grow to a certain level, the whole country crashes.

Mr. SCALISE. It's really sad to see. The people out there are being responsible. Our people all across our districts are making those tough decisions, those responsible decisions to cut back. Our States are making those decisions. It seems here in Washington that the Federal Government is the only entity that doesn't seem to get it. Hopefully, before anything does pass, because we do still have time, we can turn this train around and get it back on track.

Mr. AKIN. So we're basically saying that there are two courses before us. We're standing at a crossroads.

One of them is the old Keynesian theory that we're just going to spend a ton of money and slop it into everybody's pockets. The people who get the money may like us, but the whole economy is going to go down, not just into a recession but into a depression.

The other alternative is to get the government out of the way and allow the small businessman to make the investment to drive the economy.

Those are the two choices before us. We're not trying to criticize the Democrat Party for the past things—for creating the problem by making loans to people who shouldn't have gotten the loans, for refusing to regulate Freddie and Fanny—but now it is their responsibility because the voters have put them in charge, and they're going to have to take one of these two courses. We're standing here today, saying: You need to choose the responsible course, which is empowering small business to create those jobs.

Mr. SCALISE. One last thought, if the gentleman would yield.

Mr. AKIN. I will.

Mr. SCALISE. We are at that crossroad, and that's why it is so important we have this conversation now, because this is a bipartisan issue.

If you look at what is happening all across the country, it's not just Republican Governors, but it's Democrat Governors who are also making those same responsible decisions to cut back rather than to increase taxes and rather than to go into deeper debt. It is Republican and Democrat and independent families across our country who are making those tough decisions.

So I think that we, as responsible Members of Congress, can join on both sides, Republican and Democrat, and do what's right for the taxpayers and for the future generations so that they're not saddled with this extra $1.3 billion of deeper deficit spending.

Mr. AKIN. Congressman SCALISE, that is a great summary. We appreciate the wisdom that you've brought for us from Louisiana.

I am going to yield to a gentleman who ran his own small business successfully for many years, the gentleman from Iowa and my very good friend.

Do you have some sense from a small businessman's perspective, Congressman KING?

Mr. KING of Iowa. Well, I have some sense of that, and I thank the gentleman for yielding. I also have a reflection on a couple of things.

One is that I appreciate the gentleman from Louisiana's presentation on the repatriation of $300 billion of foreign capital.

One of the analyses out there is that there is, all together, about $13 trillion in U.S. capital that is stranded overseas because there is a capital gains that would be levied against it if it's brought back into the United States economy.

One of the things that I did after the September 19 debacle of the beginning of the downward spiral when Secretary Paulson came to this Capitol and asked for the $700 billion in bailout was to introduce legislation called the Rescue Act. One of the components of it was to suspend capital gains on all U.S. capital that's overseas in order to bring as much of it as possible back in. Now, I never expected that it would be $13 trillion, the whole package, but I did think it would be $300 billion, maybe $1 trillion, maybe even more than that, maybe even two or more trillion dollars injected into this economy. That's U.S. capital that's sitting there that we are never going to see as long as we penalize that capital for coming back into the United States.

So, instead, we look across the pond, and we see $13 trillion sitting there, invested in economies and in other parts of the world, and we go to Joe the plumber, to Joe six pack and also to

some of the people who are making a better income in this country, and we say, Now, we're not going to tax you. We're going to give you a tax cut. We're going to give 95 percent of the working people in America, including the people who aren't paying taxes, a refundable tax cut. While that's going on, then we're going to tax your children and your grandchildren to roll one or two or more trillion dollars into this economy because the Keynesian theory of dumping capital into the economy stimulates the economy.

Well, if that were the idea, why wouldn't we then use U.S. capital that is helping other economies by suspending capital gains? We have a choice. We can suspend capital gains or we can pass the debt along to our children and probably in inflated dollars. That equation is so simple to me that it's infuriating.

I want to take this back to President-elect Obama's conclusions that he, obviously, has drawn from that Great Depression, and I agree with the gentleman from Missouri. Here is my analysis of that:

When I was a junior in high school, I was assigned to write a term paper. I had been educated throughout all of those years that Franklin Delano Roosevelt saved us from the Great Depression, and they gave us these programs—the CCC, the WPA. The list of those programs goes on and on and on.

Mr. AKIN. They were politically popular, weren't they?

Mr. KING of Iowa. Because you could market those to local officials, and they could get a photo op in the paper, and then they would build an edifice that was a monument to their spending, and it was popular.

In the end, what really happened is that I read every newspaper in our local town. Our newspaper was published twice a week. I went through that for the financial news from the crash of the stock market in 1929 October on up until the Japanese attacked Pearl Harbor. Now, people who were lined up for jobs, who were in soup lines, the advertisings and the stories told me things.

By the time I got to December 7, 1941 and I had prepared to write this paper in support of FDR, I sat back and looked at the ceiling. I can still remember all of those wooden rods with the papers hanging on them, and I said, ''Huh. You know, FDR did something.'' He established the principle that the Federal Government had a responsibility for the standard of living of its citizens. That crossed the line from free enterprise and free market, and it raced us down this path toward a socialized economy.

The lesson I saw was don't do that because it broadened and, perhaps, deepened the trough that the Great Depression was in. Barack Obama sees that as the salvation to a calamity, and now he's delivering to us the new New Deal. The old deal was a bad deal. The new New Deal is a far worse deal, and that comes from simple economics, from starting and operating a business for 28 years, from watching people, from reading history, and from wondering where in the world they got a lesson that would support the proposal that's out here in front of this Congress—in the House and in the Senate.

I yield back to the gentleman from Missouri.

Mr. AKIN. Congressman KING, we're kind of coming down the final stretch here.

We've had a chance to talk in some very broad terms about, first of all, what created the problem. The problem was created by this silly legislation, largely, that came from this floor over a period of different generations of politicians who encouraged people to be irresponsible and to take out debt that they couldn't pay.

Now, I don't know if that might have been sold as compassion, but I don't think it's compassionate to sell a man a loan that he can't pay back, that puts his whole family under stress as they labor under the economics of not being able to pay a loan.

So what happens is you get more and more people taking these loans, and the people who are writing the loans don't care because it used to be that a bank had to live with the bad loans they made, but these loans are just passed on to Freddie and Fanny, and you know the government takes care of all of those loans. So we make all of these loans that don't work, and pretty soon these things start sliding down the wall. The tragedy is half of them are still due. So that then throws the whole world economy into a shock.

So we're left here today at a crossroads. We are left at a fork. What are we going to do about this?

The irony is that the people who largely created this mess, particularly the senior Democrat on the Financial Services Committee, say Freddie and Fanny don't have any problems. Now the whole world economy is on its knees, and they're in charge of fixing it. They've got a choice. They can continue to spend a whole lot of money, which we've already spent a lot of money. If that were going to work, we would be in a great situation. The other thing is that they're going to have to trust the American economy to pull us out.

I see we have my distinguished friend from Colorado, Congressman LAMBORN. Did you have a thought?

Mr. LAMBORN. Yes, Representative AKIN. Let me make a last statement about the voice of small business.

A few weeks ago, I sent out an e-mail blast to the Fifth Congressional District of Colorado. I asked, ''How is this economic situation affecting you, personally?'' My heart went out to the replies and to the angst that I heard from small businesses and from individuals.

For instance, Carol, who is a bookstore owner in Leadville, Colorado, is going to have to lay off two or three of her four part-time employees.

A cardiologist in Colorado Springs says, ''We have already had to lay off some personnel.'' He is going to have to lay off more.

I'll end with Deborah. She expresses concern for the next generation. She says, ''My descendents will be on the hook for big money when the bill comes due. Federal spending needs to be more than Federal revenue, period.''

That is the voice of small business. We have to live within our means because business has to live within its means, and that's the principle we need to follow as we debate this stimulus package in the next few weeks.

I yield back to the gentleman from Missouri.

Mr. AKIN. Well, I appreciate your joining us, and I also appreciate the gentleman from Iowa. I think we've just got about a minute or so left.

I think the thing that we have to walk away with is that the cost of going from a recession to a depression could be severe. In the days of Jimmy Carter, things were a whole lot worse than they are right now. They had double-digit inflation, and they had double-digit unemployment. We aren't quite that far yet.

I would like to thank my friend from Iowa, Congressman KING, Congressman LAMBORN, also Dr. GINGREY from Georgia, Congressman SCALISE from Louisiana, and also Congressman JORDAN from Ohio, who have all joined us here this evening.

Congressman KING, the last word.

Mr. KING of Iowa. I thank the gentleman from Missouri. I'm watching the clock closely.

I wanted to put a quote into the RECORD here that I had not seen before just a couple of days ago. It's from Dr. Adrian Rogers, who said, ''You cannot legislate the poor into freedom by legislating the wealthy out of freedom. What one person receives without working for another person must work for without receiving. The government cannot give to anybody anything that the government does not first take from somebody else. When half of the people get the idea that they do not have to work because the other half is going to take care of them and when the other half gets the idea that it does no good to work because somebody else is going to get what they work for, that, my dear friend, is about the end of any nation. You cannot multiply wealth by dividing it.''

I yield back.

Mr. AKIN. Well, it sounds to me a little bit like what the French philosopher Bastiat wrote. He was a legislator. He called it ''institutionalized theft.'' If a thug hits you on the head and takes your wallet, we call it ''stealing,'' but what happens when the government takes money that legitimately it should not be taking? We call that ''institutionalized theft'' or sometimes ''socialism.''

Thank you very much, gentlemen, for joining me. I really hope that this has been informative.

Thank you, Mr. Speaker.

□ 2045

HISTORY OF ISRAEL-PALESTINIAN CONFLICT

The SPEAKER pro tempore (Mr. ELLISON). Under the Speaker's announced policy of January 6, 2009, the gentleman from New York (Mr. WEINER) is recognized for 60 minutes as the designee of the majority leader.

Mr. WEINER. Mr. Speaker and my colleagues, we are now into our 19th day of the war of defense on the part of the Israelis in the territory called the Gaza Strip, and there has been enormous amount of coverage in this 24-hour news environment that we are in. And yet there has been a great many questions that have been raised about the origin of this conflict, how it might end, and whether or not it is indeed necessary at all.

And the simple information that—to allow the public to understand this is that for the course of years, we have had a circumstance where residents in one small corner abutting the Nation of Israel—not part of Israel, not occupied by Israel, but the Gaza Strip—has been lobbying missiles, rockets, day-by-day, hour-by-hour, into their neighbors' territory killing people, injuring people, and terrorizing people. And it's gone on for a very long time.

Despite the notion that sometimes we pay attention to these circumstances, only every so often for the residents of small communities who have been the recipients of these rockets, this has been a terrorizing period of years. In fact, there have been thousands of rockets that have gone from the Gaza Strip and fallen in Israel over the course of the last several years.

Now, just so it's completely clear, the Gaza Strip is not occupied territory by any definition any more. The Israeli Government unilaterally decided after efforts had broken down to negotiate some type of a two-state solution, the Israeli Government and Israeli citizens said, ''You know what? We don't want to be in Gaza at all any more. We're leaving. We don't want to be in West Bank at all any more. We're leaving,'' and let the Palestinians in the territories essentially with what they wanted.

It wasn't the perfect outcome. It wasn't the outcome that the Israelis really wanted going in, and it was, frankly, probably an imperfect solution. But since that time in 2005, the territories have been under the control of the Palestinian people.

Now, the Palestinian people have made some decisions under a democracy that was remarkably well set up, and despite all of the concerns, the Palestinians have indeed made their choice about what they want. And what they did is they chose to have Hamas represent them in the Gaza Strip, and they chose to have Fatah represent them in the West Bank.

Well, in some ways, we now have the outcome that was almost preordained by that choice. Hamas, you see, is an organization that is not dedicated to improving the lives of Palestinians, is not dedicated to a two-state solution. They are dedicated to the destruction of Israel. And to many degrees, when they were elected as representatives of the people via a relatively free election in Gaza, they campaigned on a platform of saying, ''You know what we're going to do? We're going to be a constant, violent thorn in the side of our neighbors in Israel.''

And to some degree, what they did is exactly what they said they would do. Almost as soon as they got into office, they began using Gaza to launch weapons into their neighbors' backyard.

Now, throughout this entire time, you might believe that, well, if the Israelis or if any country—heck, let's make it the United States. If we had even one rocket fall from Canada, or if we had one rocket fall from Mexico, or if the residents of New Jersey had one rocket fall from New York—even one—it would be reasonable to expect that the recipients of that violence would react. Actually that hasn't happened.

Now, I shouldn't say there has been no reaction. There has been some outcry on the part of the Israeli people. The Israelis have gone to the United Nations and asked for help and asked for relief. The Israelis have pleaded to the Arab world—and this map shows some of the neighbors here. Says, ''See what you can do to help us with this problem?''

And this is not a fabrication. In fact, this is the pile of shrapnel of the rockets that had landed, the Katyusha rockets just in one town of Sderot. This is not something that's the subject of overblown rhetoric. You can actually see these landing and see, unfortunately, the havoc that they have brought with them.

So the question then becomes what does a country do?

Well, first thing that Israel did was they made their best efforts to get Hamas to stop in nonviolent ways. But that didn't bear much fruit. Then they tried appealing to the international community to rally around Fatah, who is the—who occupies and controls the West Bank. That didn't seem to work. And finally, over the course of time, it got worse and worse and worse.

For all of the discussion about whether or not Israel has overreacted to the attacks—this is a graphic visualization of attacks by Hamas before the war. This number here in 2008, this is before the war began. Look at this. Starting in 2005—I guess it was October of 2005—and Congressman BERKLEY, and she knows these facts better than I, October of 2005, elections happened, internationally supervised elections, and the Palestinians in Gaza choose Hamas to be their representatives.

For anyone to say after that moment that much is a surprise would be wrong. Hamas campaigned on a reign of violence against Israel, and to their credit, if that's the word for it, they carried it out.

You can see from this 946 rockets fell on Israel; 783 rockets fell on Israel in 2007. And this is the number—and I want to point this out. This has nothing to do with what might have happened recently. This is what happened in 2008. Even considering the fact that for a good portion of this 2008 there was a cease-fire that Israel agreed to engage in and Hamas agreed to engage in, and of course that was broken by Hamas when they started dropping rockets again.

So I guess the question then becomes—and I ask any critics of Israel how they would answer this question—What do you do when it's your job to protect your citizens? It's the ultimate authority of any government is to protect its citizens from violence. What do you do when this type of violence takes place?

But the question goes beyond whether or not Israel is within its right to defend itself. I think that's almost beyond dispute. But it does go to the responsibility of the other nations in that area.

Now, many people have asked how could it be that this tiny piece of land in Gaza, how could it be that they could even have thousands upon thousands of rockets to launch anywhere? Well, the answer lies in its neighbor, Egypt.

Egypt, through this very tiny passageway through the Sinai Desert, has permitted tunnels to be dug for thousands upon thousands of rockets to be brought in to the Gaza Strip.

Egypt, the second largest recipient of our tax dollars in foreign aid. Only Israel gets more; it's about the same amount. Since the Camp David Accords, we, the taxpayers of the United States, have about $3 billion a year in aid going to Egypt. Egypt is the place that many of these weapons are coming from into Gaza. Largely speaking, the area along the western border is Egypt's control and Egypt's supervision.

Then you've got to ask, well, what is Jordan doing? Many people have said, ''Well, why is it that the West Bank exists? Why isn't it part of Jordan's control? Who are the refugees refugees from?'' Well, you go back historically, where they came from is Jordan. And Jordan has said, ''We don't want them.''

For all of this talk about the new Arab World and all of the protests about who it is that should help out with the Palestinian problem, right now the only reason that they're the Israeli's responsibility is because Jordan has said, ''We don't want any part of these people.''

And where is it that Hamas is headquartered? Why is it that we read reports today that the citizens of Gaza are saying, ''We're okay. We would like to try to figure out a way to resolve this peacefully''? Well, the problem is

Hamas leaders are in Damascus. They are nowhere near the action. Because Syria, just as they did in the War of the Rockets in 2006, provide harbor for the Lebanese attackers—for the Hezbollah attackers in Israel, Hamas has its leadership in Damascus; and they're saying, ''Go ahead. Blow up more Palestinian homes. Blow up more of the Palestinian territories.''

So then you've got Saudi Arabia. Well, Saudi Arabia is even worse than perhaps the other ones because what they're doing is pumping out more and more and more money for the terrorists at both sides of Israel. They want to continue the conflict as long as they can. Why? Well, if you were Saudi Arabia and you were the royal family and you had denied your citizens rights and you were like a monarchy constantly teetering on your point, you'd want any distraction possible. So they continued to fund the homicide bombers; they continued to fund the terrorists.

So when you hear the protests from the Arab League, when you hear the protests from our feckless friends at the United Nations, the question should be, ''Why aren't you helping in some constructive way?''

Israel has, over the course of time and time and again going back all the way to 1947 where Israel agreed to the United Nations' original partition plan, said, ''We'll take half this amount of land so long as we can live in peace.'' The Arabs said, ''No.''

The Wye River Accord. The Palestinians said no, the Israelis said yes.

All throughout the history of Israel, it has been Israel saying, ''We will do anything necessary to allow us to live in peace.''

And the very reason that rockets are falling now on their citizens is because they said, ''We're going to give the West Bank, give the Gaza to the Palestinians. You govern it as you see fit.'' How have they seen fit? They've given aid and comfort to an organization that every day is making war against Israel.

Now there's one other thing that's come up—and it is indeed a horrible tragedy—that there are innocent victims in this. If you are a child going to school, whether it be in Ramallah, whether it be in Gaza, whether it be in Sderot, whether it be in Tel Aviv, whether it be in Minneapolis, or Brooklyn, if you're a child, you've done nothing wrong; you don't deserve to be a victim of anything. You hold no political views. You are a victim.

But in this case the question has to be asked, Who are you a victim of? If you are living in Gaza and Hamas is launching weapons from the back of a school, if they're launching weapons from someone's apartment building, if they're launching weapons from a public park and Israel responds, and unfortunately innocents get harmed, who was it that injured them?

And I would argue, ladies and gentlemen, that what you've seen here is a systematic effort by those that are launching these rockets to take harbor in people's homes, in schools, and in places like that. They've essentially created a whole country of human shields.

So then we return to the question, What is a country to do? What is Israel to do in this circumstance? And I think most of us would say, who think about the idea of our neighbors launching weapons upon us, that you've got to stop them at some point. You've got to say enough is enough.

Now, looking at it historically—and this may sound almost ironic—the solution to the conflict in the Middle East is remarkably easy. At the end of the day, there are some thorny historical issues, but Israel has said, ''If it's about land, we will give you the land that you desire.'' And at Camp David II that led to the second Intifada, it began because Israel said ''yes'' to 98 percent of what the Palestinians had asked for at the negotiating table.

□ 2100

If it's about who controls Jerusalem, if it's about the borders and where in Gaza to provide checkpoints, none of these things have the Israelis said they're not prepared to discuss, even though some of us from afar feel very strongly that the eternal, undivided, historic capital is Jerusalem. And I think that an argument can be made that only Israel has shown that they really do care about protecting that capital. And it does have a historic place in Jewish life that simply does not hold in Muslim life.

But all of that being said, every one of these issues can be discussed and compromised on, provided Israel's neighbors say we're going to stop trying to blow you up. Even the Government of Israel has said even things like the Golan Heights along the border of Syria—and Syria, by the way, is our single greatest problem remaining in Iraq. These are not friends of the United States. Saudi Arabia is the country that funded Osama bin Laden. Syria is the one who has created a refugee crisis in Iraq and has allowed fighters to come in and kill our citizens. In Lebanon, a country that if it were left to its own devices could have a very bright future ahead just as it had a bright past so long as it's not occupied by Hezbollah. Egypt, which entered into peace with Israel, and despite all of its shortcomings there is a peace treaty that exists today. So why is it this doesn't happen? And that needs to be the question that American citizens ask as they watch the reports, why is it that you have a situation where you have people bombing day after day?

Now, I think that the plight of the Palestinians is a tragedy, but they have become international pawns of these Arab states that seek the destruction of Israel. If the sentence becomes, ''Hamas agrees Israel has a right to exist side by side and in peace with the West Bank and with Gaza as neighbors as part of a Palestinian state,'' if that becomes the predicate for a discussion, there can be peace by the end of this year. There are deals to be done; I know it because Israel has offered them. But when you have a situation that the moment you have any kind of a democracy, the result of the democracy—which, again, began in—the Israelis left the territories here in 2005. This is what a democratic country has decided to do with their democratic freedoms. If you have this, you leave Israel with no choice except to defend herself.

And let me just make one point because a couple of my colleagues are here and I want to yield to them because they've been leaders on this issue as well. You know, who do you get to help with this? Who are you going to call? Well, theoretically you should call the United Nations. The United Nations should be the place that says, you know what? This is just unfair, it's just not right. There is no reason that you should have a pile of missiles at the end of the day piled up at your town hall as it is in Sderot in Israel.

But let's look at the United Nations. The United Nations has passed 15 resolutions against Israel this session. They've done 22 of them that were just one-sided resolutions. The General Assembly has passed 15 resolutions. And since 2006, there have been 22 of them. Just recently, in fact, they passed a resolution calling for a cease-fire in the Gaza conflict. That's fine. That's fine. But it said that Israel should stop its attacks to try to knock out the rockets, but it said nothing about Hamas stopping its attacks. So essentially it said go back to that chart that I just showed you where more and more rockets land.

Now, I have to tell you, it was a bad day for the United Nations, but I'll be very frank, it was a bad day for the United States as well, because rather than voting no on that resolution, the United States abstained. And I'm a Democrat through and through. President Bush has largely been a very good President for Israel. He's had some weak spots. He provided unseemly amounts of funding for the Saudi Arabians, but by and large has stopped these bad resolutions from passing unanimously like this one does. So it was a bad day for the United States as well.

But it's important to note that while all of this is going on, the United Nations—in my hometown and Congresswoman MALONEY's hometown of New York—has not used its power to try to implore the Arab states in the region to be helpful. Instead, what they've done is resolution after resolution condemning Israel for defending itself.

Now, I welcome a conversation about some other option that Israel has. Maybe it's another few more years of this. Maybe Israel should wait until this gets to 10,000 or 20,000. There has to be a point on this chart where any person would say, okay, that's enough,

you can now respond. Well, I believe after 3,000 rockets landing upon its neighbors, that that point has been reached.

Now, I see a couple of my colleagues here, neither one of them is on their feet. Let me yield to someone who has shown remarkable understanding not only of world events in the Middle East, but all around, someone who has shown true leadership here on a number of issues, including this one, the gentlewoman from New York, Congresswoman MALONEY.

Mrs. MALONEY. I thank my good friend and colleague from the great city and State of New York for yielding to me. And I am pleased to join him in this Special Order expressing our support for Israel.

After 8 years of constant missile fire, Israel had to take action against Hamas. Every nation has the right, and I would say the duty, to defend its citizens from missile fire.

For the last 8 years, more than 10,000 rockets have fallen on Israel's civilian population centers. This reign of terror has killed 28 people and injured more than 700 and traumatized tens of thousands. Any country that remained quiet in the face of such an onslaught would be failing its people and running away from its responsibility to its citizens.

Israel had to act. And when Hamas announced that it was ending the so-called lull and began an active campaign against Israel's population centers, Israel had no choice. I say ''so-called'' because nearly 400 missiles fell on Israel during that period. Hamas did not allow Israel a single month of peace.

I am proud that on Friday, January 9, as one of our first actions of the 111th Congress, the House of Representatives overwhelmingly voted in favor of a strong resolution that places the blame for the situation in Gaza exactly where it belongs, squarely on the shoulders of Hamas. Our resolution makes clear that Israel has a right to defend itself and that the path to peace in the region lies in the recognition of Israel's right to exist, the dismantling of Hamas's terrorist infrastructure, and the release of Gilad Shalit. I want to congratulate Speaker PELOSI, the author of our resolution, for having the courage to put before Congress such a clear statement of support.

In 2005, Israel withdrew entirely from the Gaza Strip; Israel gave the land back to the Palestinian Authority. Instead of using the opportunity, Hamas has squandered its resources, preferring to spend capital on developing weapons and smuggling tunnels rather than investing in the country and its economic future.

Rocket and mortar attacks on Israel increased by 500 percent after Israel withdrew completely from the Gaza Strip. The world sat silent as those missiles fell. There was no U.N. resolution condemning Hamas, not even after Hamas repeatedly violated the cease-fire. There were no international conferences to discuss what to do about the flight of the Israeli families. There was no call to defend Israeli children caught in the missiles' path. There were no human rights organizations worrying about the growing signs of post traumatic stress syndrome among the residents of Israel's south. The silence was thundering. In the meantime, Hamas smuggled even more powerful weapons into Gaza.

The number of Israelis who live under threat has grown as the range and strength of the missiles has improved. In recent days, Hamas missiles have hit a kindergarten in Ashdod and a high school in Beersheba. Both were empty at the time, but the loss of life could have been devastating.

Nearly one million Israelis now listen for the sirens signaling a red alert. They have 15 seconds—about as much time as it takes me to utter this sentence—to reach shelter. Hamas has always targeted civilians, preferring to kill women and children instead of trying to take out military targets. At the same time, Hamas violates international law by using its own civilian population as human shields, knowing that it wins the PR war as the body counts rise. By contrast, Israel builds shelters and early warning systems to try to protect its citizens.

Hamas is displaying the irresponsible acts of madmen and cowards, not rulers who can hope to lead a nation. The United States will not accept a return to a situation in which Israelis are living with daily missile fire. I hope the international community will join us in taking a strong stand against the actions of Hamas.

I would like to yield back to my distinguished colleague and thank him for coming before us tonight with such a thoughtful presentation.

Mr. WEINER. Well, I thank the gentlelady for her leadership. It is a voice that has been loud and clear in support of Israel over the years. And it is one that, who knows, might be loud and clear in the other body at some point in the future.

I would like to yield now to my colleague from Nevada, SHELLEY BERKLEY, who has, from the moment when we were elected together and began service in 1999, has been a spokesperson for justice, not just in the Middle East, but again, throughout the world. And there is a notion that sometimes you come to Washington and kind of the waters of the town wash over you and take off your edge a little bit. You, Congresswoman BERKLEY, have been someone who has kept your edge when it came to fighting for what you believed was right, and it is my honor to yield to you such time as you might consume.

Mrs. MALONEY. Would the gentleman just yield 30 seconds to me?

Mr. WEINER. Certainly.

Mrs. MALONEY. I would just like to be associated with your comments about my good friend, SHELLEY BERKLEY, and to note that I have had the honor of traveling with her to Israel to study the historic sites and meet with the leadership about these many pressing issues. She has held many meetings in her home to discuss the issues in depth, not only here in Congress, but in her home with concerned citizens. So I congratulate her for her continued leadership.

Mr. WEINER. I couldn't agree more, and I yield to the gentlelady.

Ms. BERKLEY. Thank you very much, Congressman WEINER. And let me return the compliment, Congresswoman MALONEY; we appreciate so much your strong and vocal support for issues that I consider to be fundamental to the survival of democracy throughout the world, so thank you very much.

Mrs. MALONEY. So eloquently stated. Thank you.

Ms. BERKLEY. Mr. WEINER, coming from you that I haven't lost my edge is the ultimate compliment for me after 10 years in Washington, so I thank you very much for that.

About three Augusts ago, a little over that, 3½ years ago, I was part of a congressional delegation that was on the border between the Gaza and Israel as the Israeli military was removing the last Israeli settlers from the Gaza. As you can imagine, Congressman, it was a very painful thing to watch, seeing families being torn apart, taken away from the lands that they had settled, where nothing had existed before they created their settlements, being taken from their neighbors and the villages that they created, truly oases in the desert, was hurtful. But I understood why the Israelis did it. They unilaterally withdrew from the Gaza with the hope that turning that land back to the Palestinians would have the desired effect of bringing peace to that area.

Rather than the peace that the Israelis had hoped for, the Palestinians, particularly when Hamas took over, became not an area where one would build schools and homes and infrastructure and demonstrate to the world that the Palestinian people were able to create a state of their own, rather than demonstrating to the world that they were capable of self-governance, quite the opposite became the very harsh reality. And what you saw, instead of schools being built and neighborhoods flourishing and businesses being built and infrastructure, hospitals, basic services for the Palestinian people, what happened instead was that the Gaza became a launch pad for a reign of terror upon the Israeli people that lived on the other side of the border.

□ 2115

Rather than reaching out to the Israeli people in an attempt to forge a peaceful relationship between the two peoples, the Gaza has become a hellhole. It's become a hellhole for the Palestinian people, and it is a hellhole for the people of Israel because they

are continually barraged by rockets well within the Israeli border.

How many rockets are we talking about? You demonstrated it with your graph. We're talking 2 rockets, 10 rockets, a misfiring? We're talking about 7,000 rockets in the course of a few years. Who can exist, what peoples, what Nation would tolerate that type of continuous assault on their innocent population? There is not one country on the planet that would not respond. And yet with all the panic and the fear and the damage, the psychological damage, and the physical injuries and damage and the death that these rockets have caused, the Israeli people did not, did not, attack back. But at some point any government worth its weight in salt must defend its people, and that is exactly what Israel has done.

Let me share a story with you, Mr. WEINER. A few years ago, I was talking to one of the Middle East ambassadors. And I said to him, Is there no way for you and your government to intervene and tell Hamas, ask Hamas, demand Hamas to stop launching Qassam rockets against the Israeli people?

And his response to me incredibly, when he shrugged his shoulders, it was, Well, the Qassam rockets are very inaccurate.

And I responded to the ambassador, They may be inaccurate unless one falls on your head, and then it's very accurate. It's deadly accurate.

But he shrugged and he said, Well, it's no big deal.

Well, it's a big deal if you're an Israeli and your child was just killed in their school by a Qassam rocket being launched by Hamas from the Gaza. This simply must stop.

But I went further, and I once spoke with the Egyptian ambassador. And I said to him, Mr. Ambassador, is there no way for you and the Egyptian Government to find those tunnels and blow them up so that the flow of arms being supplied mostly by Iran will stop, will cease the flow so that Hamas will not have a ready supply of rockets to be using against the Israeli people?

And again I got another shrug: We don't know where they are. We can't identify them.

I said, The Israelis gave you a list. They know exactly where the tunnels are. You can't blow up those tunnels and prevent the death of innocent Israeli children?

I got no response.

Where was the outrage of the United Nations? Where was the outrage of the people throughout the world that are rioting now in their countries when Israeli children were being killed by Hamas' continuing barrage of rockets? Not a one that I can remember. Not one that I've seen on TV. Not one speech in the United Nations. Not one moment of outrage. It was Israeli children that were being killed and a very patient Israeli Government trying to use every diplomatic tool at their disposal before they had to go in. They did not want to do this. They would not have unilaterally left the Gaza to go back in. It is not something the Israeli Government wanted to do.

When Hamas refused to renew the truce in the middle of December at a time that we're celebrating religious holidays throughout the world, I knew that we were in for an increase in the carnage being rained on Israel, and I'm sorry to say I was right. The Israelis, like any other sovereign nation, have a right to defend their people and protect the people of their country. Israel should not be held to a higher standard, although they hold themselves often enough to a far higher standard.

The Israelis have made two requests of Hamas. These are the two requests: They want an end to the rocket attacks. I don't think that's an unreasonable request. And they want an end to the tunnels, blow up those tunnels to prevent the rearming of a terrorist organization that has a vice grip on the Palestinian people in the Gaza. Which one of those two demands is inappropriate? Which one is unreasonable? I would submit to you, Mr. WEINER, neither one.

And for those that are talking about Israel's disproportionate response to 7,000 rockets, to death, to injury, to damage, how about holding the Palestinians to any standard, any measurable civilized standard, and put pressure on Hamas to stop launching those rockets into Israel? And after all of the last 2 weeks, after the pain on both sides, after the horror being perpetrated by Hamas on both the Israelis and their own people, Hamas is still launching rockets into Israel.

Well, let me say if they might be listening today, this evening as we speak, we can end this thing. We can bring peace. There can be a long-lasting truce if Hamas stops the rocket attacks and if the tunnels are eliminated. And that is what this body, the United Nations, and everyone throughout the planet, throughout this world, ought to be demanding of Hamas.

The human tragedy in the Gaza, the suffering of the Palestinian people, let us put it squarely where it belongs: not on the State of Israel, not on the Israeli people. It rests squarely on the shoulders of the Palestinian leadership. If the Palestinian leadership wanted a Palestinian State, they would have had one years ago. What Hamas is doing is not for the creation of a Palestinian State. It is for the destruction of the State of Israel. And it pains me to say this, Mr. WEINER, but if Israel ceased to exist tomorrow, the plight of the Palestinians would be no better than it is today. The suffering of the Palestinians would not magically go away. It is the Palestinian leadership, the leadership in Hamas, that has caused so much pain and suffering for the Palestinian people.

It would be my heartfelt hope with the beginning of a new year and the beginning of a new administration in this country that we can truly bring peace to the Middle East. It's something that I grew up fighting for and caring about. But this cannot stop until the Israelis are secure in their tiny country and free from a constant barrage of rockets and terrorist attacks by a terrorist organization on their border.

And I thank you so much for giving me these few minutes to share my thoughts with you. You are truly an amazing leader, not only in Congress and representing your own district and State so well, but you make me very proud to be associated with you on these issues and so many more. And I thank you for all of that.

Mr. WEINER. I thank you as well, and it's all well put.

One of the things, Congresswoman BERKLEY, that people have said is, well, maybe if Israel takes a deep breath and they pull back and maybe stop the assault against these terrorists, maybe that would be the correct approach. Well, you know that from June until I guess it was the 19th of December, the Israelis did just that. They observed essentially a cease-fire with Hamas. And what happened? Well, they noticed something unusual. They knew that weapons like this, Qassams and Katyusha rockets, which have a range of about 12 to 13 to 15 miles, during the course of that cease-fire, Hamas was getting a new type of weapon. They were getting it from Iran, the Grad missile, which is more like 20 miles. Now, it's a little hard for us to get into context here in a tiny country the size of Israel. You're talking about your enemy having a reach of about a quarter to about a third of your whole country, maybe even more than that. And it's worth noting that you concluded on an appropriate point to talk about what is it that we can do to truly be helpful to the Palestinians here?

No one, I think, can reasonably argue that Gaza's being under control of Hamas has been a good thing for the Palestinians. It has gone from a community that had about 750 trucks of import and export coming through the borders every single day. They were trying to make a go of it under difficult circumstances. Now none of that goes on because Hamas, instead of trying to build up international commerce, instead of trying to make a country of it, they've chosen to import guerrillas from places like Iran to help train their military. They chose to devote much of their effort to producing things like this, which are just articles of death, rather than trying to figure out a way to make an economy work. So, frankly, it is not as if Hamas can say, well, we've achieved a better quality of life for our citizens, that we've fought with a sword against Israel but at least we have been trying to build up a government.

You know the tragedy is that the Palestinians have had a choice between corrupt and violent. That's really the only two choices they have had. They have got a government in the West Bank, the government in the West Bank here that's controlled by Fatah,

which suddenly seems great except for the fact that they're completely corrupt and incompetent; and then you have a government of Hamas, which is governed by terrorists.

But as we think about what the solutions might be, and I think ultimately it will have to be that the Israelis have to stop. When they're going to have to stop, though, is when they've gotten every rocket, when they've blown up every tunnel to Egypt, and ultimately they can go back to their side of the border and hope and pray that the Palestinian people come to their senses and say we don't want this anymore. We saw that start to happen in Iraq after a while. They said, why are we making our country just the battleground for terrorists? But they're going to need help. We're helping a great deal. As you know, much to my chagrin, hundreds of millions of dollars of international aid has come into the territories hoping that maybe if we put enough money on the barrel head, then the Palestinian people would live in peace with their neighbors. Unfortunately, it hasn't worked. They need help from other places.

Well, we need help from Egypt starting immediately to say we're not going to allow these tunnels to exist anymore. Now, I don't believe we should sit back and hope for help. I believe we should leverage our substantial foreign aid to say, look, you're an ally of the United States in the broad sense. We provide you billions of dollars in aid. We're going to suspend that for a little while until you show that you get these under control.

I will gladly yield.

Ms. BERKLEY. As you know, we have attempted on numerous occasions to take the military aid, the $2 billion in military aid that we give the Egyptians every year, and take some of that away so that it would be humanitarian aid for the Egyptian people because I can't help but wonder what are the Egyptians doing with $2 billion worth of arms every single year?

Mr. WEINER. I agree. And looking at it another way, Mubarak, his thorn in his side is the Muslim Brotherhood. They're kissing cousins with Hamas. It's in Egypt's interest as well.

Ms. BERKLEY. It's in Egypt's best interest. Absolutely right.

Mr. WEINER. Now, obviously we know what we can do with Saudi Arabia. We treat Saudi Arabia as if they're an ally. We provide them with foreign aid as well. Even more, we are about to send them the most sophisticated weapons around. Now, I don't know who it is they think they are defending themselves from. Maybe it's the giant army of Jordan perhaps. But that's a mistake we're making. And our own State Department has confirmed over and over again money going to the terrorists. They're a virtual Jerry Lewis telethon, sometimes literally, for funding of terrorists. So we in the United States should say to Saudi Arabia, you know, when the Crown Prince comes to Crawford, Texas, and takes our President by the hand and then does nothing to help with this matter, I said President Bush has been a good President for Israel.

□ 2130

He has had a blind spot when it comes to the Saudis. Syria, look, let's face the facts here. Syria has become a matrix of problems, second only to Iran, which is just off of the corner of this map. You know, if you consider how troublesome they have been in Iraq, how troublesome they have been in Lebanon, how troublesome they have been, if it weren't for Israel taking back the Golan Heights they would still be lobbing missiles in from there as well.

Well, so the question has to be what does Syria want for itself? I remember when the younger Assad, when Bashir Assad came in, everybody said he would be much better.

Ms. BERKLEY. Western educated.

Mr. WEINER. He went to the Sorbonne; he is a pediatrician or ophthalmologist.

Ms. BERKLEY. Ophthalmologist.

Mr. WEINER. Whatever it is, his mother must be very proud.

But as it turned out, they have essentially outsourced to any terrorist function that wants to go. Secretary of State designee CLINTON, President-elect Obama, you know, if you want to look for your trouble spots, Saudi Arabia and Syria are turning out to be your next big problem spots, but Jordan bears a responsibility as well.

But Jordan has been as close as there is to a moderate in that part of the world. They have been it. But if you look at the West Bank, and you look at the allegations about refugees, this used to be Jordan. If Jordan really cared about solving this problem, they will be doing some things that are more constructive.

But I have got to tell you if they were all as good as Jordan, I think we would probably take it. The problem is that we are surrounded by people who seem to think that it is in their interest to keep the violence going on in the territories, and I think that that has to change.

I am not sure if my colleague from New Jersey is here for this Special Order, because he has been a remarkable leader on the issues. This is truly a bipartisan issue.

We recently had a resolution on the floor condemning Gaza and standing up in support of Israel. As it always is, we disagree on many things in this body, but I think that we have all agreed, and I have said previously, I think some Presidents of my party, like Jimmy Carter, have been a disaster for Israel. I think some Republican Presidents, Ronald Reagan, George Bush, have been very good.

This is not a partisan issue. This is an issue of right and wrong.

Ms. BERKLEY. I want to thank the Congressman again for allowing me to participate.

Mr. WEINER. I thank the gentlelady. I yield to the gentleman from New Jersey.

Mr. GARRETT of New Jersey. I thank the gentleman for leading this Special Order hour on this topic. And I was just being enlightened, honestly, by the comments and your wealth of knowledge on the issues.

So I appreciate the chance just to spend a couple of minutes with you and a chance to talk about this topic. Today is Wednesday. Just this past Sunday I was back in my district, which is in the great State of New Jersey, and there I was honored to take part in a solidarity evening, a rally, if you will, for Israel, held in the Fifth District in the State of New Jersey. I would like to just spend a minute or two to share with you what was discussed and why I was there.

Our allies in Israel, obviously, are going through a tremendous crisis at this period of time. That's why I was so encouraged that we had well over 1,000 people in the room, maybe even more. Besides the room we were in, I was told, there was another assembly area where it was on TV as well. All of these people across the region came together in solidarity for both the victims' families over there, as well as for the victims who have lost their lives in this recent conflict.

The loss of life in this region is truly profound. As you know, when we have been on this floor on this issue, we are both tremendous advocates for the State of Israel, one of our key allies, our only allies in the region over there.

As you say, it was last year that we were on the floor as well, on a particular resolution, I was sponsor of it, you were cosponsor of it as well, and there was a resolution at the time when the mortar attacks were picking up on the people in Sderot. There was a time that we passed that resolution overwhelmingly saying that the United States stood on the side of Israel and stood on the side of people of Sderot and the right to defend themselves.

Unfortunately, the sentiments of that resolution were obviously ignored by Hamas. Instead, the number of rockets, instead of decreasing, increased it dramatically, the number of mortar attacks launched now from Gaza in the month of December. In the period of time just prior to that, Hamas, I think you were going into this a little earlier ago, their capacity to attack and bring violence on Israel has increased dramatically with the range, I saw the pictures you had up there before, of the mortars and rockets increasing from 20 kilometers to over 50 kilometers, I believe it is. Basically, if you add all the numbers up on the map there, it means that over 1 million Israelis and their lives, their families, their children, are now at risk of mortar attack.

Even worse than that, Hamas' actions, I think, exhibit total disregard for innocent human life. Israeli civilians continue to be targets of those defensive actions. In addition, it's really

a shameful use of Palestinians' innocent life as well because they are being used as human shields and it creates unnecessary victims of terror.

This is a flagrant disregard of international human rights. It's a flagrant disregard for the rights of the innocent people, Gaza and Israeli residents as well.

If Hamas really did care about the citizens they purport to represent, they should really cease all military activity, all military activities against Israel right now and look to international forces to achieve peace.

So I have been pleased to be here in Congress and that Congress has not ignored the Israelis' plight, as you indicated just about 2 minutes ago, that we have had this resolution, they have worked on jointly on this to step up to the plate, and that is H.R. 34.

Just to conclude, I commended President-elect Obama recently for expressing similar concerns that you and I are expressing right now, specifically for the people of Sderot. He did that just over a short period of time about a year ago when he visited Sderot last year.

I think you and I join now in urging him to continue that effort to speak out, encourage him to demonstrate that unwavering support that you and I have for the people of Israel as a struggle against Hamas.

I think if he takes a stand now on the Gaza issue as he did a year ago, as soon as possible, to eliminate any ambiguity concerning the resolve that the United States has to aid Israel, the President-elect really has an opportunity to strengthen our Nation's diplomatic hand and call for an end to the destruction of innocent lives. I urge him, as I am sure you do as well, to take that step immediately.

But as I close here I try to remain the optimist. Despite all of the current challenges, I still believe that there is a potential for further progress.

Israel has shown a willingness to pursue peace. Now if only the Palestinian Authority and the Arab governments make equal steps forward, we can achieve that lasting peace.

Finally, now, Israel left Gaza a short time ago in the hopes of peace. Israel returned to Gaza to fight terrorism and hopefully they will now achieve that peace.

I, again, commend the gentleman.

Mr. WEINER. Well, I thank the gentleman. Very well put. I appreciate your leadership on this. I should point out whenever I come to the floor, whether it be to make sense of our foreign policy as it relates to Saudi Arabia, you have been always been there trying to problem solve, trying to figure out the way we can use a lever.

Before I yield to my friend from Iowa, you know, very often when we look at these stories on television, my neighbors say, well, why is it our problem? Why is it a United States problem? Why do we really care? It's far away.

If you think about what's going on here, and I haven't pointed this out yet today, and, frankly, we all take it as an article of faith, we don't even think about it very much, there is really only one democracy on this map here. There is one democracy really fighting totalitarian regimes and terrorist exports, really, on behalf of all of us.

I ask you to imagine this scenario. Imagine if this wasn't Hamas, but it was al Qaeda. If we knew this little piece of land here was controlled by al Qaeda we would say, of course, you have got to be in a well—well, Hamas is an adjunct of the same type of influence.

Frankly, Israel is the only country, not only in this part of the world, but you can make a pretty good argument anywhere that is truly every day dealing with the ravages of terrorism.

We were struck on that fateful day when my city was struck on September 11, 2001. But if you think about it, if every single day, if Iowa or New Jersey or if New York were getting hit with rockets, do you think, really, anyone would say, oh, that was a close call, let's go back to work now, or anyone would say, oh, it was just a child that was harmed or, oh, it was just a school that was hit, big deal, let's just go back to work. It would never happen.

My colleague, the gentleman from Iowa, understands these issues very well. Once again, this is a bipartisan effort, and I would be glad to yield to him.

Mr. KING of Iowa. I thank the gentleman from New York for organizing this Special Order. Even though I have 60 minutes subsequent to this, I appreciate the yield because I would like to say a few words into the RECORD as part of this Special Order.

This support of Israel goes back deep with me. The 1967 war was the year I graduated from high school. I came of age as Israel defended its freedom that they had achieved in 1948. My life has almost transcended, I am going to go through the sequential order—I was born in 1949, Israel was born in 1948.

As I have watched this, as I have watched the courageous defense against enemies that surrounded Israel for all of these years, and I have watched the policies a little bit within Israel itself, it occurs to me that I have trouble finding a historical example where land was traded successfully for peace. I honor the effort that they have made, and I certainly honor and support and will continue to support Israel's effort to defend themselves.

As you have illustrated, rockets firing in from a few miles away, New Jersey into New York, for example, we would not tolerate that. We wouldn't tolerate the second rocket. We wouldn't tolerate the first one. This is thousands of rockets.

So without belaboring the point, I support and endorse the statements that were made in this hour, and I support the resolution, obviously. I will continue to do so and will stand in solidarity across the aisle to stand for freedom. I would submit also that the only place I can see on that map where an Arab can go to get a fair trial would be Israel.

Mr. WEINER. I thank the gentleman very much for his continued leadership.

Let me conclude with just a couple of brief thoughts. You know, some of us have turned on the television in recent days and seen that there has been a change in tactics on the part of the Israelis. They are no longer going over with planes or sending rockets themselves to try to hit these targets. But they have actually gone in with troops and are going almost literally home by home trying to find the last of these rockets.

Well, when people say the Israelis should use restraint, I ask you, how many militaries would do that, because that is the ultimate sign of restraint.

They are sending in their troops to do as surgical a job as possible to try to exact from the population whatever rockets are still there. They are in people's basements, they are in the back of schools, they are in supermarkets, and Israel more so than I think any nation maybe in the history of the planet, has always essentially taken one, two, three, 10 body blows before they react.

They do something that I don't think that anyone would expect the United States would do, and I don't think they do anything that any country has ever done. Every single time that they are attacked, they wait, they calibrate. They very often consult with the United States and they try to figure out how do we prevent this from escalating.

Whenever there is an opportunity to negotiate, it is the Israelis that say yes. And it is the Palestinians, with the support of these neighbors in the region, that say no.

It has to end. It has to end. If you really want to end this cycle, there are some things that we can do. Believe me, I understand there are things that the Israelis have to do. And, to their credit, they have said time and time again they are prepared to do it.

One final historical note, you know, the defense minister, Ehud Barak, has been quarterbacking this defensive effort. By the way, for anyone who follows this, he was very, very reluctant to strike back militarily.

Ehud Barak was, in a past lifetime, he was the prime minister. He was the prime minister, the very same defense minister now who is leading this military effort was the prime minister who essentially said yes to everything that Yasser Arafat asked for at the time, the amount of land and the crossings and the control.

He said yes. He said yes. And what happened? Once he said yes, the intifada began. Ehud said the thank you was not okay. We accept the deal as done. It was violence began again.

So there is no one there that probably wants this to come to a peaceful ending more than the Israelis. They are

tired, they are exhausted. They recognize that they can't be a sustainable country with this kind of circle, this kind of ring, this kind of enemy surrounding them. So the idea that somehow the Israelis are trigger happy and looking for a fight could not be any more wrong.

So there are some things for all of us to do. One of the things to do, as we look at this through the lens, the western lens of why can't we just solve this problem, well, you know what? These are difficult problems, but they are solvable. They are solvable when the weapons are put down, when the rockets are put down. They are solvable when a child in Sderot doesn't have to have a blue room where they run to where they have 15 seconds, as Congresswoman MALONEY said, to get to safety.

We can't have a city like the one that has been referred to a few times here. Let me put this up one final time.

□ 2145

Sderot is this little town here, right by Gaza, that has had hundreds of missiles fall upon them day after day. We can't expect anyone to live like that.

What we can do as United States citizens is say, listen; one, we are going to start talking with our wallets. We are not going to allow any aid to go to Gaza until they change their government there. We can't support a military terrorist organization.

We have to say that we want better accountability here too. We want better accountability from Fattah.

We have to demand that Egypt, in exchange for getting billions of dollars in aid from us, the very least they can do is make sure the tunnels are stopped so if and when there is a cease-fire, and, God willing, it is soon, weapons don't come.

And we have to finally face the reality about places like Saudi Arabia and Syria. They are not our allies. Nothing could be further from the truth. Although we all know it about Syria, we need to recognize it about Saudi Arabia.

Finally, let me just say this. One of the ways we say God bless America is joining with the Israelis when they say Am Yisrael Chai—the people of Israel live.

REQUESTING A PARDON OR COMMUTATION OF SENTENCE FOR JOSE COMPEAN AND IGNACIO RAMOS

The SPEAKER pro tempore (Mr. ALTMIRE). Under the Speaker's announced policy of January 6, 2009, the gentleman from Iowa (Mr. KING) is recognized for 60 minutes.

Mr. KING of Iowa. Thank you, Mr. Speaker. I again thank the gentleman from New York for yielding a moment of his time to me.

I change the subject at this point, Mr. Speaker. I asked for this time before this great deliberative body and this honor and privilege to address you on this subject matter, speaking to you, Mr. Speaker, and understanding that there are eyes and ears across this country, particularly in the White House tonight, who are in the business of cleaning out their desks, going through their files, packaging up many in the archives, some going I presume into the trash or the shredder, and making room for a new administration that comes in.

During this period of time, every 4 years, we will see the President of the United States, the commander-in-chief, the conductor of our foreign policy and the chief law enforcement officer of the United States among other things, all wrapped up into the package of President George W. Bush, following in the footsteps of his predecessors before him and contemplating the right and the power and the authority that he has to pardon those who have been convicted of a crime or to commute their sentences, those who have been convicted of a crime.

If we look back through history, there have been some long lists of people who were pardoned or had their sentences commuted, and sometimes it has been controversial. I won't dredge up some of those controversial pardons, but I will raise the issue that a President has this authority. Sometimes he exercises the authority of the pardon or the commutation out of compassion. Sometimes it is out of a sense of misapplied justice. Sometimes it is just out of a sense of mercy that is coupled with compassion.

But the case that I raise tonight, Mr. Speaker, is the case of Ignacio Ramos and Jose Compean, who are Border Patrol officers, I should say at this point former Border Patrol officers, who were involved in an incident down near the Mexican border that had to do with the interdiction of a drug smuggler from Mexico.

This drug smuggler was an individual by the last name of Aldrete-Davila who was intercepted by agents Ramos and Compean. This was on February 17, 2005, near Fabens, Texas, where they interdicted Osbaldo Aldrete-Davila, who was suspected of smuggling drugs into the United States. It was later found that the van that they chased that Aldrete-Davila abandoned and ran across the countryside contained 743 pounds of marijuana worth approximately $1 million.

Well, this incident as it unfolded showed that one of the agents chased the drug smuggler, Aldrete-Davila, and the other agent cut across to try to cut him off, presumably to cut him off before he could get into across the border into Mexico. It was Ramos who chased him. Ramos chased him and Compean attempted to interdict him.

In any case, there was an altercation that took place. Both agents discharged their weapons. The discharge from Agent Ramos' weapon was stipulated to be the bullet that hit the drug smuggler. And, as the situation unfolded, there was a confrontation with Aldrete-Davila and Agent Compean that ended in multiple discharges of Agent Compean's weapon. None of those rounds hit the drug smuggler. He disengaged himself from Compean and ran. As he turned and looked back, Ramos came onto the scene, Agent Ramos came onto the scene and discharged his weapon, as I recall, once.

There was no sign by either agent, any observation that any of those shots actually hit the drug smuggler. That wasn't known until some time later. A family connection, a relation of another agent with the relation of the drug smuggler, passed that information along, in which case there was an investigation that began.

Agents Ramos and Compean admitted that they didn't deliver the complete, full written report for the incident that took place. Recognizing that, the crime that they were charged with originally was a lesser crime than the crime that was brought against them.

But, in any case, after this situation unfolded and Ramos and Compean were arrested and charged, then as agents of the Border Patrol arrested and charged for the incident, around the incident were failure to file a complete, honest and truthful report. There were other agents and supervisors that were purportedly on the scene. It wasn't that the incident was necessarily covered up, but it wasn't appropriately reported.

After the original charges, the lesser charges were filed, the government drastically increased the charges by securing a superseding indictment pursuant to 18 USC 924, which is a statute that outlaws the discharge of a firearm in the commission of a crime of violence. This charge, 18 USC 924, carries with it a 10-year mandatory minimum sentence.

So they were subsequently convicted of discharge of a firearm in the commission of a crime, a statute that was never envisioned to apply to a law enforcement officer who is lawfully carrying a weapon, in fact required to carry a weapon, and who perhaps discharged that weapon in a lawful fashion in carrying out their duty. That is a question that I think the court probably answered in the negative.

But, in any case, this statute, 18 USC 924, the discharge of a firearm in the commission of a crime of violence, was the Federal charge that was brought as a superseding indictment, and it was a heavy charge that was laid on Agents Ramos and Compean, and the conviction that followed from that resulted in the mandatory sentencing that came about which turned out to be 11 years and 1 day for Agent Ramos and 12 years for Agent Compean.

Now, Mr. Speaker, and I implore your attention to this and I pray that the attention of the President is focused on this argument, and that is not that Agents Ramos and Compean are innocent of the charges that have been brought against them by the active

U.S. Attorney Johnny Sutton; not that there shouldn't be some charges brought to provide a deterrent and perhaps a restraint, although I have some reservations about that within me. I am not making that argument, Mr. Speaker.

I will make the argument that these officers have been incarcerated almost continually since this investigation began, and the sentences that have been brought forth on Agents Ramos and Compean are unreasonable. They are outrageous. It is out of balance with the crime itself. It serves no public purpose to keep these agents in a Federal penitentiary any longer. They have spent significant time in solitary confinement because they need to be protected from the other inmates within the Federal prisons they are in.

I looked into that, to ask the question could we make the case that it is cruel and unusual punishment for someone to go into solitary confinement and have to face potentially more than a decade in a Federal penitentiary in solitary confinement. I couldn't make that constitutional argument, Mr. Speaker. As much as I would like to make the argument in the case of Ramos and Compean, I can't make that constitutional argument.

I could make the argument that we could move legislation in this Congress to grant them a new trial in perhaps a different district that might give them a better opportunity for justice that is more appropriate to the acts that they are charged with and convicted of.

Mr. Speaker, I will now constrain my arguments to this: The prosecution has gone forward in a hyper-aggressive fashion and concluded with convictions and sentences that reflect the aggressiveness of the prosecution on this case. I believe that these officers have served an appropriate punishment.

I think that we have passed Thanksgiving, Mr. Speaker. In reference to the President's consideration, we have passed Thanksgiving. I recall watching on television as the Thanksgiving turkey was put up on the chopping block. And like happens every year right before Thanksgiving, the President of the United States comes down, looks over that nice, tasty-looking turkey and passes a sentence over the turkey which is a pardon for that turkey. He doesn't end up on anybody's Thanksgiving table, at least not real soon. I don't have any idea where they put these retired turkeys.

But as I watched that, I thought about Agents Ramos and Compean. What about the comparable merit? What did the turkey do to deserve the pardon, Mr. Speaker? So that question began to roll around in my mind about the dichotomy of pardoning the turkey, but leaving Agents Ramos and Compean in Federal penitentiaries. One of them I understand is still in solitary confinement.

So, Mr. Speaker, I began to look and reflect across what is the practice and what are some of the crimes that have been pardoned. One could look at previous Presidents, but I believe in this case it is appropriate to look at the pardons and commutations of President Bush, who is marking his last days in a long career here, and I have great respect for his service to America and personal affection for the President of the United States.

I looked at the list of the pardons and the commutations, Mr. Speaker, and to date, and this is as of the 14th of January, President George W. Bush has granted a total, by this record at least, of 171 pardons and eight commutations.

Mr. Speaker, what is the nature of these pardons and commutations? What moved the heart of the President of the United States? What raised the issues up to a level high enough that his Pardons Counsel would make a recommendation to the President to pardon these individuals, 171? Now, I probably I don't think that the President had a 2-hour meeting analyzing each one of these cases. I suspect that his staff is doing the analysis and making recommendations to the President.

I know what an echo chamber is, Mr. Speaker. I have a little sense of what happens when you have a circle of people around you and they take a position and their ego is tied to their policy and their position, so if something comes along that threatens to change the policy, it also is a threat to their ego. They tend to get their backs up and then they filter out the information that might reverse their position because their ego can't fall with their position.

That is a big mistake that is made often in public life. I see it made by Members of Congress, and I am not immune from it myself. But getting one's ego wrapped up with the issue is something that happens with staff as well.

So if that information is not getting through to the President, Mr. Speaker, this is an opportunity for it to matriculate into the conscience of a President who ran for office the first time in the year 2000 as, about the first statement was, a ''compassionate conservative.'' This is the President who immortalized the phrase ''compassionate conservative.''

I look at this list of pardons and commutations, and it is clear that the compassion is there. There is also conservatism there. It is about half of the pardons that have been issued by the previous Presidents going back from President Clinton and President Reagan. If you compare the previous two-term Presidents, it is about half of the number. But it is still a respectable number, 171 pardons. I am not saying that I would have more or less mercy. But as I look through this list, what types of people and what kinds of crimes are pardoned? It is an interesting review, Mr. Speaker. I have highlighted a few.

Food stamp fraud. Food stamp fraud, not of great consequence in the grand scheme of things. Not a violent crime, perhaps didn't shoot anyone.

Bootlegging. It is interesting that bootleggers would be pardoned. The President's compassion found a bootlegger and pulled him out of the Federal prison and released him into society, pardoned, ready to start life fresh again and renewed again. Redeemed, Mr. Speaker, to use a Christian term.

Here is one, and I will not use the names. It serves no purpose to do so. They deserve their peace in their pardon. But here is a pardon that took place for drunken disorderly, for communicating a threat, disrespect to a superior commissioned officer, assault, damage to government property, resisting apprehension and failure to obey an order. All of that wrapped up in one individual, Mr. Speaker, who received a pardon.

I will go through that again. Failure to obey an order, drunken disorderly, communicating a threat, and that means threatening someone, disrespect to a superior commissioned officer, assault, a violent crime, assault, damage to government property and resisting apprehension and arrest.

□ 2200

All of those things, wrapped up, and all of those pardoned. Life begins anew. This individual is redeemed by the President's pardon.

Violent acts, a long list of egregious violent acts willfully, whether it was under the influence of alcohol or not, it says drunk and disorderly, but we're still responsible for our actions.

I'm not objecting to the pardon, Mr. Speaker. I'm pointing out that here are some crimes that would fit within a category that I think would qualify Agents Ramos and Compean for a pardon.

And I move on down the line. Another individual, pardoned for arson, burning down a structure of some type. And I look through a series of these, possession of marijuana with intent to distribute, conspiracy to deliver LSD.

Here's one, an interesting pardon, property damage by use of explosive and destruction of an energy facility. In plain English, that means blowing up some utility, presumably, so using explosive to destroy an energy facility. I don't know if that was a coal-fired generation plant, a nuclear plant, or maybe an ethanol plant in Iowa, Mr. Speaker. But that's violent, when you set up explosives and blow up a utility. Pardoned.

Again, Mr. Speaker, I'm not arguing that this individual that perpetrated this crime and was convicted and sentenced to a Federal penitentiary isn't deserving of the pardon. They may well be.

The President's compassion and conservatism reached out to the arsonist, reached out to the drug smugglers, reached out to the violent drunk and disorderly soldier that was sentenced for a whole series of acts and crimes. Drugs, drug smuggling.

Here's a pardon, bank robbery by use of a dangerous weapon. So would that

be armed robbery of a bank? I'd say so. Pardoned. Pardoned, Mr. Speaker. The compassionate conservative reached out and pardoned the armed bank robber hasn't yet found the compassion to pardon Ramos and Compean. Pardoned the turkey, but not Ramos and Compean.

Possession of cocaine, narcotics enterprise, methamphetamines. You notice the drugs coming back over and over again. Cocaine. Here's one, unlawful transfer of a firearm. Pardoned. Possessing an unregistered still, probably an associate of the bootlegger, pardoned. In fact, we register our stills in Iowa, then we denature the alcohol that we make. That is ethanol. So those folks are in compliance with the first gallon, I know.

Here's another pardon for conspiracy to possess and distribute ephedrine hydrochloride, illegal drug, marijuana, marijuana, cocaine, marijuana, cocaine, the list of drugs goes on, and the exception comes down.

Here's just one that jumps to my mind. Conspiracy to import marijuana. Well, Mr. Speaker, that happens to be exactly what drug smuggling Aldrete-Davila was doing when Agents Ramos and Compean encountered him near the Mexican border on that fateful day of February 17, 2005 with 743 pounds of marijuana. Conspiracy to import marijuana, drug smuggler, pardoned, many drug smugglers pardoned on this list of 171 pardons and 8 commutations. In fact, 27 are pardoned from drugs out of this list.

Aldrete-Davila, smuggling drugs, conspiracy to import marijuana, in fact, importing marijuana. And, in fact, he has been convicted subsequent to the trial of Ramos and Compean, where he received a grant of immunity in order to cooperate in the prosecution of Ramos and Compean. And the activities of the drug smuggler, Aldrete-Davila, were not divulged to the jury by agreement between the U.S. Attorney Johnny Sutton and the judge.

Again, I'm not taking an issue with the decision made by the judge or the recommendation made by U.S. Attorney Johnny Sutton; simply that the veracity of the star witness against Agents Ramos and Compean could not have been appropriately evaluated. The government had information about the activities of this drug smuggler that would have affected, I believe, the judgment of the truthfulness of the star witness for the government who was using his grant of immunity in order to get a pass to smuggle more drugs into the United States even while the trial was taking place. And after the trial, after the convictions, after the incarcerations of Ramos and Compean, after that, on one of the following loads of illegal drugs, that then, the drug smuggler, Aldrete-Davila, was interdicted by other agents and brought to trial and brought to justice and sentenced to 9½ years in a Federal penitentiary. It just happens to be less time than either Agents Ramos and Compean, even though he's a serial drug smuggler.

And I could give you anecdotal evidence about his propensity for carrying a firearm. That's not a legal argument. It's anecdotal. But I would point out that Agents Ramos and Compean each testified in slightly different language, that one said that he thought he saw a gun; the other one said he saw something shiny. In any case, when you're in an altercation, when dust is flying into your eyes, when things are hot and heavy, when you've been in a chase of a van, and that van is abandoned, and the drug smuggler is running across the countryside and he turns and you see something shiny, or think you see something shiny or you see a gun or you think you see a gun, when your life's on the line, these agents are trained officers. I hope they're not trained to hold their fire when somebody points a gun at them. But we have officers now that are second-guessing these decisions.

We had an officer in the Southwest, I think it was California a little over a year ago who was laying out a strip to stop a vehicle to puncture the tires of a vehicle and was run over by an illegal that they were trying to interdict. And I have to wonder, would he have turned and used his firearm if it hadn't been for Ramos and Compean being in a Federal penitentiary? Did that slow down his reaction time? Did it change his judgment? Does it change the training?

Do agents that are out in the field, the hard chargers, those that are up there on foot in the mountains, doing their job to defend our border, are they so intimidated by this type of hyperaggressive prosecution that they make decisions to put their life at risk, rather than to pull their service weapon and defend themselves? How could that not be the case, Mr. Speaker? Human nature is that way.

So we miss opportunities to recruit good agents, and good agents that are there aren't as good as they might be because of the intimidation effect of hyperaggressive prosecution.

And I know, Mr. Speaker, that U.S. Attorney Johnny Sutton would like to have an opportunity to rebut some of the things that I have said. But I'll point out that U.S. Attorney Johnny Sutton has had a lot of opportunities to preempt some of the things that I have said. And without regard to his sense of justice of the conviction itself, I can read, Mr. Speaker, for you into the record some quotes from the U.S. Attorney Johnny Sutton on what he has to say about the punishment of Ramos, Agents Ramos and Compean.

This is on Glen Beck's program, May 18, 2007. ''It becomes a debate about punishment'' is a quote of Johnny Sutton. Continue to quote. ''I have a lot of sympathy for those who say, look, punishment is too high. You know, 10 years. I agree, punishment in this case is extremely high.'' Johnny Sutton, May 18, 2007.

A couple of months later, July 17, 2007, testifying before the Senate Judiciary Committee, U.S. Attorney Johnny Sutton said, and I quote, ''But I've conceded that the punishment in this case, that's a lot of time. Some say it's just too much. And I have some sympathy for that.'' That's the CONGRESSIONAL RECORD, testimony under oath, before the Senate Judiciary Committee July 17, 2007.

And on the same day, July 17, 2007, on Lou Dobbs' program. Now I recognize that we have a U.S. Attorney that has a lot of national media exposure here. There is a reason for it, because the Nation's turned their focus on this case of Agents Ramos and Compean and the injustice of the mandatory sentence that they are serving. And on Lou Dobbs' program on that day, I'll quote again, U.S. Attorney Johnny Sutton. ''The only issue really is punishment. That's what sticks in people's craw. It's lot of time, and I've said that. I've said that often.'' That's on Lou Dobbs.

And it's clear that he's said that at least a couple of times that I've read to you here. He's said it probably many times which he's testified to.

I'd move along. Still July 17, 2007. It must have been a big media day. Johnny Sutton, on Hannity & Colmes program, quote. ''I agree with,'' and the reference is to Senator FEINSTEIN. ''I agree with that it is a harsh sentence.'' Johnny Sutton.

Moving on then to October 12, 2007, and this is a quote that's in the Midland Reporter Telegram, Midland, Texas, I presume. Addressing the annual Court Day Observance Luncheon of the Permian Basin Legal Secretaries Association. I've never been invited to that, Mr. Speaker. Quote, Johnny Sutton there. Quote. Well, this is a reference to him.

Sutton said he disagreed with the 11- and 12-year terms the Border Agents received. And that's reported, that's a quote and reported out of the paper, but not a direct quote from Johnny Sutton.

And one more quote from Johnny Sutton. ''The only question I think a legitimate question is is the punishment too harsh. I have always said the punishment in this case was harsh.'' November 14, 2008.

So, Mr. Speaker, I'll submit that, without regard to guilt or innocence, without regard to the sentence that's before them today, except to the extent that it is an over-application of a statute that was never intended for this purpose, we recognize, I think, as a Nation, a Nation with a conscience, a compassionate Nation, maybe not perhaps such as conservative a Nation as I would like to see, but a compassionate Nation, Mr. Speaker, we recognize that this crime that has been alleged, indicted, prosecuted and sentenced, even if all of those steps along the line are true, the sentence itself is unjust. It's disproportionate to the crime that their conviction has resulted as a result of.

I ask, Mr. Speaker, that we, as a body, recognize this, call upon the President of the United States to pardon Agents Ramos and Compean. Do so with the compassion of a compassionate conservative that is demonstrated, I think, clearly in these 8 years in leading this Nation safely through the very dangerous waters that we have been in.

And to recognize that drug smuggler Aldrete-Davila was sentenced to 9½ years. That's less time than either Agents Ramos and Compean received. And to give some comparisons to the sentencing that takes place, to get a sense of what would be an appropriate sentence or one that society accepts as punishment for a crime such as this, there are a list of things that I point out. In cases of sexual abuse, the average sentence was 8⅓ years. Not too much in my view, Mr. Speaker.

For manslaughter, that's killing someone, that's resulting in the death of an individual, not a bullet through the buttocks of a drug smuggler who may have been aiming a weapon at these agents, but killing someone, guilty of manslaughter, they serve an average of just less than 4 years, Mr. Speaker.

For assault, it's less than 3 years. The President pardoned at least one who had committed assault.

And for cases involving firearms, the average sentence was 3 years.

So let's just, Mr. Speaker, look at this and suggest that no one was killed, no one was sexually abused. But if there was an assault there, because of the discharge of the firearm, that took place in the heat of the battle, I might add, but if it had been even without that, if it was an assault, that'd be less than 3 years. If it included a firearm it would still, the cases involving firearms, the average sentence was still 3 years.

□ 2215

These agents have been drug through this now since February 17, 2005. It's moving up on 3 years, and it's time, I believe, to commute the sentences of Ramos and Compean.

These cases are profoundly disproportionate. Their families have suffered. Their lives have been ripped asunder. One of the families at least is living off of the charity of one of the churches in the area. I commend the church, and I give honor and prayer for the families that they might be able to emerge through this, perhaps, with grace and stronger than ever before.

I would submit also that, of the sentences that were commuted by the Commander in Chief, there have been eight of those, and of those eight sentences that have been commuted, looking down through them from 2004 until 2008, seven of eight of these cases were drug associated cases. They were commuted sentences. There were 27 cases of pardons for drug smugglers.

It occurs to me rather ironically, Mr. Speaker, that had Agents Ramos and Compean been drug smugglers rather than Border Patrol officers, they would have been more likely to receive pardons or commutations than they are under this 18 U.S.C. 924. The legislative intent I did not address, and I would go back to the legislative intent of 18 U.S.C. 924. It is the discharge of a firearm in the commission of a crime of violence.

Let's go to the statements made by the chief sponsor of this legislation, who was Representative Richard Poff. This was passed in 1968. He said the legislation was intended to ''persuade the man who is tempted to commit a Federal felony to leave his gun at home.'' He is the chief sponsor of the legislation, Mr. Speaker, Representative Richard Poff.

Then there are other lawmakers. One would be Representative Thomas Meskill. He echoed the chief sponsor's statement, Richard Poff's statement, when he said, ''We are concerned with having the criminal leave his gun at home.''

So I would submit, with 18 U.S.C. 924, the discharge of a firearm in the commission of a crime of violence, that the congressional intent was to encourage potential criminals, those who contemplated committing a crime, to be deterred from carrying a weapon and from using that weapon or from having it in their possession while they committed a crime. That doesn't work very well with law enforcement officers, Mr. Speaker. They are required to carry their weapons. They are required to train with their weapons. They are required to test out and to make sure that they can handle them confidently and efficiently. They are good shots in short order, Mr. Speaker.

By the way, it is lawful for them to discharge their firearms, under appropriate circumstances, while they are on or off duty. I didn't raise the issue of whether these circumstances were appropriate or not. I simply raised the issue that it was in the heat of the battle.

Mr. Speaker, compassionate conservatism must include compassion for those who are defending America's national security—those who are in uniform, those who put their lives on the line every day. It must not just understand only the fates of Agents Ramos and Compean. It must not only understand the effect it has had on their families or how it has turned them into destitute families. It must understand the effect of hyperprosecution upon the acts of the other agents all across the board—the thousands of Border Patrol agents whom we have, the law enforcement officers whom we have, the Federal officers whom we have who are, today, being restrained from aggressive utilization of the weapons that they are required to carry or who are being restrained from even the prudent utilization of the weapons they are required to carry and to test out on and to show proficiency with.

They are always going to wonder: Will they be the next Agent Ramos? Will they be the next Compean? Could their families be living off the charity of others while they sit in solitary confinement while the President pardons the turkey—171 perpetrators of various crimes, from drugs, to arson, to assault, to armed bank robbery?

There are eight cases that have been commuted. Of those eight cases, seven of them are drug smugglers, and one realizes that a drug smuggler has a better chance, at least statistically, of a pardon, or of a commutation more correctly, than does an officer who puts his life on the line for the safety and for the security of the United States of America.

I would add that it's really not a wonder that it's hard to identify a sense of mission on our border control that we have. One of the reasons is that those who are carrying out this mission get a mixed message: Whose side is the government on? Do they really have the U.S. Attorney there to prosecute the drug smugglers?

I was down on the border about 3 years ago. We were on the site when a drug smuggler was interdicted. He had somewhere over 200 pounds of marijuana under a false bed, under a false floor, in the pickup truck that he was driving. Well, that wasn't a prosecutable offense because they have too many of those who are hauling up to 250 pounds of marijuana.

Because of the limitations of having enough judges and prosecutors who are able to adjudicate, the standard in that particular sector of the Border Patrol is, if it's less than 250 pounds of marijuana, you confiscate the marijuana, and you turn the guy loose and send him back to Mexico. That's the practice. That was the practice then. So, after that, they changed the level to 500 pounds because, again, the load on our courts and on our prosecution was too great.

So I grew up in an environment with great respect and reverence for the rule of law, Mr. Speaker, where I couldn't envision someone with a half an ounce of marijuana avoiding a prosecution, because it was a violation of the law.

We're dealing with a judicial system that doesn't have the resources to prosecute someone who smuggles in 250 pounds of marijuana and sets the standard there and then raises it to 500 pounds of marijuana so that someone with 499 pounds gets turned loose; although, they lose their drugs. They send them off on decoys while a full truckload of several thousand pounds goes past when our people are distracted with a smaller load.

In an environment like that, there is the interdiction of a drug smuggler with 743 pounds of marijuana in a van. There is a struggle, an altercation. In the heat of the battle, weapons are discharged. One round does go through the buttocks of the drug smuggler. These agents did not have any way of knowing that the bullet actually struck the drug smuggler, not until well after the fact.

That, I believe, Mr. Speaker, colored the way that they failed to completely report the entire incident that happened in that location. I believe that honorable people will see it differently if they believe someone has been shot in the altercation. I do not believe that Ramos and Compean believed that anyone had been shot, that the drug smuggler had received a bullet. I don't believe that at all. I suspect that they would have filed a complete report had they believed or even, I'll say, deeply suspected that they had hit the drug smuggler.

There was no sign of which I know that there was any blood at the scene. The drug smuggler ran back to Mexico. All of his muscles seemed to work. He healed up. Apparently, they found the bullet, and matched it up to the gun of Agent Ramos'. Those are the facts as we know them.

I'm not alone in calling for the pardon of Agents Ramos and Compean. There are many of us in Congress on both sides of the aisle who have stood with these officers and who have pointed out that the punishment is too severe and that they have paid their debt to society. Whatever was due is surely paid, Mr. Speaker.

The compassion that I ask for out of the White House in these last days is the compassion that recognizes that the President has the power. The agents have served the time.

When U.S. Attorney Johnny Sutton made the statement that, when asked, would he make a recommendation to the White House for a pardon, he said this: ''With regard to a pardon or a clemency, at some point, the Department of Justice will probably ask for my recommendation, and when that comes, we'll make one.'' That was May 18, 2007 on CNN.

Mr. Speaker, I would point out that I read to you at least six quotes from U.S. Attorney Johnny Sutton. Each of those referenced the harshness of the sentence, and the word ''harsh'' he uses himself several times over. The punishment was too high. It was too much. I have sympathy for that. I've said it often. It's a harsh sentence.

Johnny Sutton said he disagreed with the 11- to 12-year terms the border agents received. He said again, ''I've always said the punishment in this case was harsh.''

Well, I'll follow that up with this response again:

''With regard to a pardon or a clemency, at some point, the Department of Justice will probably ask for my recommendation, and when that comes, we'll make one.''

I'll submit that U.S. Attorney Johnny Sutton has made his recommendation. He has made it many times over the national media. I've quoted him six times. There are many other quotes that reference the same thing. The punishment was too harsh. The man who led the prosecution, who succeeded in his job of seeking a conviction, has also many times over announced that it's too harsh.

We're not arguing. Those of us in this Congress and across this country are not arguing guilt or innocence, Mr. Speaker. We're arguing about a sentence that's too harsh. We're arguing that, for officers who have put their lives on the line and for officers who have no blemishes, that I know of, on their records that would be further strikes against them, this anomaly in their careers should not ruin their careers, their lives, their families. I believe that they are deserving of a pardon. There are those here who are asking now for a commutation of a sentence.

Mr. Speaker, I don't ask for the commutation. I believe that their records should be swept clean. I believe that they have served a time and that leaving it on their records does not serve a purpose. I believe they are deserving and that a just President would look in the last days and find a way to provide justice for the highest profile cases that we have in America that cry out for the sympathy of the entire Nation and of the world and for the action on the part of our compassionate, conservative President.

I have covered this territory. I would point out there are 171 pardons by President Bush. There are eight commutations of sentences by President Bush. There are several days left in the Presidency. There likely will be other pardons and commutations and, perhaps, a whole rush of them that are queued up to go.

Mr. Speaker, I pray that the pardon for Ramos and Compean is in that work stack that will be presented to the President for his signature between now and January 20 and that the counsel who is advising the President and the Department of Justice who have defended their prosecution so aggressively can understand clearly:

They've made their point. They're successful in their prosecution and in their conviction and in their sentencing. So now the point needs to be made—the point made by U.S. Attorney Johnny Sutton that the sentences are too harsh. Eleven and twelve years is too long.

In these last days, I ask only one thing of our Honorable Commander in Chief, and that is to find the compassion in his heart to pardon Agents Ramos and Compean.

Mr. Speaker, I very much appreciate your indulgence and the honor to address you on the floor of the House of Representatives tonight.

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 Mrs. MALONEY) to revise and extend their remarks and include extraneous material:)

Mr. CUMMINGS, for 5 minutes, today.

Mr. ENGEL, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. SHERMAN, for 5 minutes, today.

(The following Members (at the request of Mr. POE of Texas) to revise and extend their remarks and include extraneous material:)

Mr. POE of Texas, for 5 minutes, January 21.

Mr. JONES, for 5 minutes, January 21.

Mr. WOLF, for 5 minutes, today and January 15.

Mr. BOOZMAN, for 5 minutes, today.

Mr. CAMPBELL, for 5 minutes, January 15.

Ms. FOXX, for 5 minutes, today.

(The following Member (at her request) to revise and extend her remarks and include extraneous material:)

Ms. KAPTUR, for 5 minutes, today.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 60. An act to prohibit the sale and counterfeiting of President inaugural tickets, to the Committee on the Judiciary.

ADJOURNMENT

Mr. KING of Iowa. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 28 minutes p.m.), the House adjourned until tomorrow, Thursday, January 15, 2009, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

77. A letter from the Director, Regulatory Review Group, Department of Agriculture, transmitting the Department's final rule — Farm Program Payment Limitation and Payment Eligibility for 2009 and Subsequent Crop, Program, or Fiscal Years (RIN: 0560-AH85) received January 7, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

78. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department's final rule — Viral Hemorrhagic Septicemia; Interstate Movement and Import Restrictions on Certain Live Fish [Docket No. APHIS-2007-0038] (RIN: 0579-AC74) received January 7, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

79. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department's final rule — Change in Disease Status of Surrey County, England, Because of Foot-and-Mouth Disease [Docket No. APHIS-2007-0124] received January 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

80. A letter from the Acting Under Secretary, Department of Defense, transmitting notification of an Antideficiency Act violation, Army case number 08-05, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

81. A letter from the Under Secretary for Acquisition, Technology, and Logistics, Department of Defense, transmitting a review

of the Advanced Extremely High Frequency program, pursuant to 10 U.S.C. 2433; to the Committee on Armed Services.

82. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Statutory Waiver for Commercially Available Off-the-Shelf Items [DFARS Case 2008-D009] (RIN: 0750-AG12) received January 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

83. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Pilot Program for Transition to Follow-On Contracting After Use of Other Transaction Authority [DFARS Case 2008-D030] (RIN: 0750-AG17) received January 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

84. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Contract Actions Supporting Contingency Operations or Facilitating Defense Against or Recovery from Nuclear, Biological, Chemical, or Radiological Attack [DFARS Case 2008-D026] (RIN: 0750-AG19) received January 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

85. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Separation of Senior Roles in Source Selection [DFARS Case 2008-D037] (RIN: 0750-AG21) received January 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

86. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Security-Guard Functions [DFARS Case 2006-D050] (RIN: 0750-AF64) received January 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

87. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Senior DoD Officials Seeking Employment with Defense Contractors [DFARS Case 2008-D007] (RIN: 0750-AG07) received January 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

88. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Whistleblower Protections for Contractor Employees [DFARS Case 2008-D012] (RIN: 0750-AG09) received January 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

89. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Clean Air Act and Clean Water Act Exemptions [DFARS Case 2007-D022] (RIN: 0750-AF97) received January 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

90. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Steel for Military Construction Projects [DFARS Case 2008-D038] (RIN: 0750-AG16) received January 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

91. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Delegation of Authority for Single Award Task or Delivery Order Contracts [DFARS Case 2008-D017] (RIN: 0750-AG14) received January 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

92. A letter from the Director, Office of Legislative Affairs, Department of the Treasury, transmitting the Department's final rule — Community Reinvestment Act Regulations [Docket ID OCC-2008-0024] (RIN: 1557-AD19) received January 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

93. A letter from the Regulatory Specialist, Department of the Treasury, transmitting the Department's final rule — Community Reinvestment Act Regulations [Docket ID OCC-2008-0024] (RIN: 1557-AD19) received January 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

94. A letter from the Assistant to the Board, Department of the Treasury, transmitting the Department's final rule — Minimum Capital Ratios; Capital Adequacy Guidelines; Capital Maintenance; Capital: Deduction of Goodwill Net of Associated Deferred Tax Liability [Docket ID OCC-2008-0025] (RIN: 1557-AD13) received January 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

95. A letter from the Legal Information Assistant, Department of the Treasury, transmitting the Department's final rule — Minimum Capital Ratios; Capital Adequacy Guidelines; Capital Maintenance; Capital: Deduction of Goodwill Net of Associated Deferred Tax Liability [Docket ID OCC-2008-0025] (RIN: 1557-AD13) received January 9, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

96. A letter from the Director, Office of Legislative Affairs, Federal Deposit Insurance Corporation, transmitting the Corporation's final rule — Recordkeeping Requirements for Qualified Financial Contracts (RIN: 3064-AD30) received January 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

97. A letter from the Administrator, Food and Nutrition Service, Department of Agriculture, transmitting the Department's final rule — Verification of Eligibility for Free and Reduced Price Meals in the National School Lunch and School Breakfast Programs — received January 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and Labor.

98. A letter from the Director, Legislative & Regulatory Department, Pension Benefit Guaranty Corporation, transmitting the Corporation's final rule — Benefits Payable in Terminated Single-Employer Plans; Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits — received January 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and Labor.

99. A letter from the Secretary, Department of Health and Human Services, transmitting a speech entitled, ''Building a Value-Based Health Care System''; to the Committee on Energy and Commerce.

100. A letter from the Under Secretary for Industry and Security, Department of Commerce, transmitting the Department's report on new foreign policy-based export controls on certain persons in Burma designated in or pursuant to Executive Order 13464; to the Committee on Foreign Affairs.

101. A letter from the Assistant Secretary For Export Administration, Department of Commerce, transmitting the Department's final rule — Burma: Revision of Restrictions on Exports, Reexports, and Transfers to Persons Whose Property and Interests in Property Are Blocked Pursuant to Executive Orders [Docket No. 080717847-81643-01] (RIN: 0694-AE35) received January 12, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Foreign Affairs.

102. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the Corporation's strategic plan covering the period 2008 through 2013, pursuant to the Government Performance and Results Act of 1993; to the Committee on Oversight and Government Reform.

103. A letter from the Assistant Administrator Bureau for Legislative and Public Affairs, U.S. Agency for International Development, transmitting the Agency's fiscal year 2008 financial report; to the Committee on Oversight and Government Reform.

104. A letter from the Assistant Secretary, Department of the Interior, transmitting the Department's final rule — Leasing of Solid Minerals Other than Coal and Oil Shale [LLWO32000.L13300000. PO0000.24-1A] (RIN: 1004-AD91) received January 7, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Natural Resources.

105. A letter from the Acting Assistant Secretary — Water and Science, Department of the Interior, transmitting the Department's final rule — Reclamation Rural Water Supply Program (RIN: 1006-AA54) received January 9, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Natural Resources.

106. A letter from the Deputy Chief, Regulatory Management Division, Department of Homeland Security, transmitting the Department's final rule — Changes to Requirements Affecting H-2B Nonimmigrants and Their Employers [CIS No. 2432-07; Docket No. USCIS-2007-0058] (RIN: 1615-AB67) received January 7, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

107. A letter from the Acting General Counsel, Department of Justice, transmitting the Department's final rule — Professional Conduct for Practicioners — Rules and Procedures, and Representation and Appearances [Docket No. EOIR 160F; A.G. Order No. 3028-2008] (RIN: 1125-AA59) received January 6, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

108. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Revision of Class E Airspace; Toksook Bay, AK [Docket No. FAA-2008-0999; Airspace Docket No. 08-AAL-30] received January 5, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

109. A letter from the Assistant Secretary of the Army (Civil Works), Department of the Army, transmitting the Department's report on recreational boating on the Great Lakes, pursuant to Section 455(c) of the Water Resources Development Act of 1999; to the Committee on Transportation and Infrastructure.

110. A letter from the Deputy General Counsel, Small Business Administration, transmitting the Administration's final rule — Business Loan Program Regulations: Incorporation of London Interbank Offered Rate (LIBOR) Base Rate and Secondary Market Pool Interest Rate Changes (RIN: 3245-AF83) received January 7, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Small Business.

111. A letter from the Director of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule — Increase in Rates Payable Under the Survivors' and Dependents' Educational Assistance Program and Other Miscellaneous Issues (RIN: 2900-AM67) received January 7, 2009, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

112. A letter from the Assistant Secretary for Import Administration, Alternate Chairman, Department of Commerce, transmitting the Department's annual report for fiscal year 2007 on the activities of the Foreign-Trade Zones Board, pursuant to Section 16 of the Foreign-Trade Zones Act; to the Committee on Ways and Means.

113. A letter from the Secretary, Department of Health and Human Services, transmitting the Department's FY 2006 annual report on the Child Support Enforcement Program, pursuant to Section 452(a) of the Social Security Act; to the Committee on Ways and Means.

114. A letter from the Secretary, Department of Health and Human Services, transmitting a report entitled, ''Evaluation of Phase I of the Medicare Health Support Pilot Program Under Traditional Fee-for-Service Medicare: 18-Month Interim Analysis,'' pursuant to Section 721(b) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003; jointly to the Committees on Energy and Commerce and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MCGOVERN: Committee on Rules. House Resolution 62. Resolution providing for further consideration of the bill (H.R. 384) to reform the Troubled Assets Relief Program of the Secretary of the Treasury and ensure accountability under such Program, and for other purposes (Rept. 111–3). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. RAHALL:

H.R. 493. A bill to direct the Secretary of the Interior to promulgate regulations concerning the storage and disposal of matter referred to as ''other wastes'' in the Surface Mining Control and Reclamation Act of 1977, and for other purposes; to the Committee on Natural Resources.

By Mr. SPRATT:

H.R. 494. A bill to amend the Trade Act of 1974 to require the Secretary of Labor to certify a group of workers in a subdivision of a firm as eligible to apply for assistance under the trade adjustment assistance program if the subdivision is a seller of articles of the firm that employed a group of workers who received a certification of eligibility under such program and such sales are related to the article that was the basis for such certification; to the Committee on Ways and Means.

By Mr. RODRIGUEZ (for himself, Mr. TEAGUE, Mr. ENGEL, and Mr. REYES):

H.R. 495. A bill to authorize additional resources to identify and eliminate illicit sources of firearms smuggled into Mexico for use by violent drug trafficking organizations, and for other purposes; to the Committee on the Judiciary, and in addition to the Committee on Foreign Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. RANGEL (for himself, Mr. LEVIN, Mr. NEAL of Massachusetts, Ms. BERKLEY, Ms. SCHWARTZ, Mr. DAVIS of Alabama, Mr. VISCLOSKY, Mr. TIM MURPHY of Pennsylvania, Mr. ALTMIRE, and Mr. SCHAUER):

H.R. 496. A bill to amend United States trade laws to eliminate foreign barriers to exports of United States goods and services, to restore rights under trade remedy laws, to strengthen enforcement of United States intellectual property rights and health and safety laws at United States borders, and for other purposes; to the Committee on Ways and Means, and in addition to the Committees on Rules, and Homeland Security, 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. ELLSWORTH (for himself, Mr. RAHALL, and Mr. PAUL):

H.R. 497. A bill to amend the Internal Revenue Code of 1986 to provide incentives for improving mine safety; to the Committee on Ways and Means.

By Mr. MITCHELL (for himself and Mr. KIRK):

H.R. 498. A bill to make permanent the individual income tax rates for capital gains, and for other purposes; to the Committee on Ways and Means.

By Mr. DAVIS of Alabama (for himself and Ms. GINNY BROWN-WAITE of Florida):

H.R. 499. A bill to amend title VII of the Tariff Act of 1930 to provide that the provisions relating to countervailing duties apply to nonmarket economy countries, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Rules, 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. EHLERS (for himself, Mr. DINGELL, Mr. KIRK, Ms. SLAUGHTER, Mr. LEVIN, Mr. KILDEE, Mr. ROGERS of Michigan, Mr. STUPAK, Mr. MCCOTTER, Mr. PETERS, Mr. HOEKSTRA, Mr. UPTON, Mr. KUCINICH, Ms. SUTTON, Ms. MOORE of Wisconsin, Ms. BALDWIN, Ms. SCHAKOWSKY, Ms. KAPTUR, Mr. SENSENBRENNER, Mr. HIGGINS, and Mr. CONYERS):

H.R. 500. A bill to establish a collaborative program to protect the Great Lakes, and for other purposes; to the Committee on Transportation and Infrastructure, and in addition to the Committees on Natural Resources, Science and Technology, and House Administration, 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. BACA:

H.R. 501. A bill to require that the poverty line determined for the State of Alaska be used for all the States and the District of Columbia, during a 6-month period for the purpose of carrying out the Food and Nutrition Act of 2008 and the Richard B. Russell National School Lunch Act; to the Committee on Agriculture, and in addition to the Committee on Education and Labor, 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 Mrs. BACHMANN (for herself, Mr. BROWN of South Carolina, Mr. BROUN of Georgia, Mr. WESTMORELAND, Mr. MCCLINTOCK, Mr. HENSARLING, Mr. FLEMING, Mr. THOMPSON of Pennsylvania, Ms. LUMMIS, Mr. PAUL, Mr. BURTON of Indiana, Mr. GRAVES, Mr. SESSIONS, Mrs. BLACKBURN, Mr. BARTLETT, Mr. ROHRABACHER, and Mr. SCALISE):

H.R. 502. A bill to amend the Internal Revenue Code of 1986 to improve health care choice by providing for the tax deductibility of medical expenses by individuals; to the Committee on Ways and Means.

By Mr. CONYERS (for himself, Mr. BURTON of Indiana, Mr. ACKERMAN, Ms. BERKLEY, Mr. BILBRAY, Mrs. BONO MACK, Ms. BORDALLO, Mr. BROWN of South Carolina, Mr. CAPUANO, Mr. CASTLE, Mr. COHEN, Mr. CUMMINGS, Mr. DEFAZIO, Mr. DELAHUNT, Ms. DELAURO, Mr. GALLEGLY, Mr. GERLACH, Mr. GRIJALVA, Mr. GUTIERREZ, Mr. HALL of New York, Mr. HINCHEY, Mr. INGLIS, Ms. JACKSON-LEE of Texas, Mr. JONES, Mr. KING of New York, Mr. KIRK, Mr. KLEIN of Florida, Mr. KUCINICH, Mr. LEWIS of Georgia, Mr. LOBIONDO, Ms. ZOE LOFGREN of California, Mrs. MALONEY, Mrs. MCCARTHY of New York, Mr. MCCOTTER, Mr. MCGOVERN, Mr. GEORGE MILLER of California, Mr. MITCHELL, Ms. MOORE of Wisconsin, Mr. MORAN of Virginia, Mr. PATRICK J. MURPHY of Pennsylvania, Mr. NADLER of New York, Mr. PAYNE, Mr. PLATTS, Mr. RAHALL, Mr. RANGEL, Mr. ROTHMAN of New Jersey, Mr. RUPPERSBERGER, Ms. SCHAKOWSKY, Mr. SCOTT of Virginia, Mr. SERRANO, Mr. SHERMAN, Mr. SMITH of New Jersey, Ms. SUTTON, Mr. VAN HOLLEN, Ms. WASSERMAN SCHULTZ, Ms. WATSON, Mr. WEXLER, Mr. WHITFIELD, Ms. WOOLSEY, Mr. WU, and Mr. YOUNG of Florida):

H.R. 503. A bill to amend title 18, United States Code, to prohibit certain conduct relating to the use of horses for human consumption; to the Committee on the Judiciary.

By Mr. BILIRAKIS (for himself, Mr. SMITH of New Jersey, and Mr. FRANK of Massachusetts):

H.R. 504. A bill to amend title XVIII of the Social Security Act to cover hearing aids and auditory rehabilitation services under the Medicare Program; 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. BOREN:

H.R. 505. A bill to amend section 119 of title 17, United States Code, to allow the secondary transmission to any subscriber in the State of Oklahoma of primary transmissions of local network stations in that State; to the Committee on the Judiciary.

By Mr. BRADY of Pennsylvania:

H.R. 506. A bill to provide immediate fiscal relief to cities experiencing serious budget deficits by providing funds for payments to qualified local governments; to the Committee on Oversight and Government Reform.

By Mr. BRADY of Texas (for himself, Mr. SAM JOHNSON of Texas, and Mr. HERGER):

H.R. 507. A bill to amend the Internal Revenue Code of 1986 to allow a temporary dividends received deduction for taxable years beginning in 2008 or 2009; to the Committee on Ways and Means.

By Mr. BRALEY of Iowa:

H.R. 508. A bill to allow a refundable credit against Federal income tax for the purchase of digital-to-analog converter boxes for taxpayers who did not use coupons; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, 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. BROWN of South Carolina:

H.R. 509. A bill to reauthorize the Marine Turtle Conservation Act of 2004; to the Committee on Natural Resources.

By Mr. KIND (for himself, Mr. RYAN of Wisconsin, Mr. BOREN, Mr. ROSS, Mr. MILLER of Florida, Mr. TANNER, Mr. ALTMIRE, Mr. DAVIS of Alabama, Mr. MATHESON, Mr. WILSON of South Carolina, Mr. BURTON of Indiana, Mr. MCHUGH, and Mrs. BACHMANN):

H.R. 510. A bill to amend the Internal Revenue Code of 1986 to require that the payment of the manufacturers' excise tax on recreational equipment be paid quarterly; to the Committee on Ways and Means.

By Mr. COSTELLO:

H.R. 511. A bill to authorize the Secretary of Agriculture to terminate certain easements held by the Secretary on land owned by the Village of Caseyville, Illinois, and to terminate associated contractual arrangements with the Village; to the Committee on Agriculture.

By Mrs. DAVIS of California:

H.R. 512. A bill to amend the Federal Election Campaign Act of 1971 to prohibit certain State election administration officials from actively participating in electoral campaigns; to the Committee on House Administration.

By Mr. FORBES:

H.R. 513. A bill to ensure the energy independence of the United States by promoting research, development, demonstration, and commercial application of technologies through a system of grants and prizes on the scale of the original Manhattan Project; to the Committee on Science and Technology.

By Mr. GALLEGLY:

H.R. 514. A bill to provide that certain amendments made by the Board of Governors of the Federal Reserve System to Regulation Z to prohibit certain unfair, abusive or deceptive home mortgage lending practices and restricts certain other mortgage practice shall take effect as a matter of law and a new effective date, and for other purposes; to the Committee on Financial Services.

By Mr. GORDON of Tennessee (for himself, Mr. TERRY, Mr. MATHESON, Mrs. CAPPS, Mr. COHEN, Mr. CHAFFETZ, Mr. CONYERS, Mr. CARSON of Indiana, Mr. CHANDLER, Mr. DOYLE, Ms. ESHOO, Mr. FILNER, Mr. HILL, Mr. BARROW, Mr. CARNAHAN, Mr. MELANCON, Ms. LEE of California, Ms. GIFFORDS, Ms. WOOLSEY, Ms. HIRONO, Mr. MOORE of Kansas, Mr. HINCHEY, Mr. WHITFIELD, Mr. WEXLER, Mr. KUCINICH, Mr. INSLEE, Mr. PITTS, Mr. FORTENBERRY, Mrs. MYRICK, Mr. LIPINSKI, and Mr. BUTTERFIELD):

H.R. 515. A bill to prohibit the importation of certain low-level radioactive waste into the United States; 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. HARE (for himself, Mr. RUSH, Mr. JACKSON of Illinois, Mr. LIPINSKI, Mr. GUTIERREZ, Mr. ROSKAM, Mr. DAVIS of Illinois, Ms. BEAN, Ms. SCHAKOWSKY, Mr. KIRK, Ms. HALVORSON, Mr. COSTELLO, Mrs. BIGGERT, Mr. FOSTER, Mr. JOHNSON of Illinois, Mr. MANZULLO, Mr. SCHOCK, and Mr. SHIMKUS):

H.R. 516. A bill to designate the facility of the United States Postal Service located at 2105 East Cook Street in Springfield, Illinois, as the ''Colonel John H. Wilson, Jr. Post Office Building''; to the Committee on Oversight and Government Reform.

By Mr. ISRAEL (for himself, Mr. RODRIGUEZ, Mr. RYAN of Ohio, Mr. WEINER, Ms. BEAN, and Ms. SHEA-PORTER):

H.R. 517. A bill to amend the Internal Revenue Code of 1986 to modify the dependent care credit to take into account expenses for care of parents and grandparents who do not live with the taxpayer; to the Committee on Ways and Means.

By Mr. ISRAEL (for himself, Mr. RODRIGUEZ, Mr. RYAN of Ohio, Mr. WEINER, Ms. BEAN, and Ms. SHEA-PORTER):

H.R. 518. A bill to amend the Internal Revenue Code of 1986 to consolidate the current education tax incentives as one credit against income tax for qualified tuition and related expenses; to the Committee on Ways and Means.

By Mr. ISRAEL (for himself, Mr. RODRIGUEZ, Mr. RYAN of Ohio, Mr. WEINER, Ms. BEAN, and Ms. SHEA-PORTER):

H.R. 519. A bill to authorize additional appropriations for the family caregiver support program under the Older Americans Act of 1965, and for the National Clearinghouse for Long-Term Care Information, for fiscal years 2010, 2011, and 2012; to the Committee on Education and Labor, and in addition to the Committee on Energy and Commerce, 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. ISRAEL (for himself, Mr. INSLEE, Mr. HINCHEY, Mr. MOORE of Kansas, and Ms. LEE of California):

H.R. 520. A bill to accelerate motor fuel savings nationwide and provide incentives to registered owners of high fuel consumption automobiles to replace such automobiles with fuel efficient automobiles or public transportation, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on Transportation and Infrastructure, 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. KING of New York (for himself and Mr. GONZALEZ):

H.R. 521. A bill to amend the Public Health Service Act to provide for the national collection of data on stillbirths in a standardized manner, and for other purposes; to the Committee on Energy and Commerce.

By Mr. KING of New York:

H.R. 522. A bill to amend the Telemarketing and Consumer Fraud and Abuse Prevention Act to authorize the Federal Trade Commission to issue new rules to prohibit any telemarketing calls during the hours of 5:00 p.m. to 7:00 p.m; to the Committee on Energy and Commerce.

By Mr. KING of New York:

H.R. 523. A bill to establish a United States Boxing Commission to administer the Professional Boxing Safety Act of 1996, and for other purposes; to the Committee on Education and Labor, and in addition to the Committee on Energy and Commerce, 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. LEWIS of Georgia (for himself, Mr. NUNES, Mr. THOMPSON of California, Mr. PETRI, Mr. HALL of New York, and Mr. BLUMENAUER):

H.R. 524. A bill to amend the Internal Revenue Code of 1986 to allow the Secretary of the Treasury to establish the standard mileage rate for use of a passenger automobile for purposes of the charitable contributions deduction and to exclude charitable mileage reimbursements from gross income; to the Committee on Ways and Means.

By Mr. LEWIS of Georgia:

H.R. 525. A bill to amend the Internal Revenue Code of 1986 to repeal the recapture rule of the first-time homebuyer credit and to extend the application of the credit through 2009; to the Committee on Ways and Means.

By Mr. MARSHALL:

H.R. 526. A bill to establish the Ocmulgee National Heritage Corridor in the State of Georgia, and for other purposes; to the Committee on Natural Resources.

By Ms. MATSUI (for herself and Ms. CASTOR of Florida):

H.R. 527. A bill to amend the Truth in Lending Act to permit deferrals on certain home mortgage foreclosures for a limited period to allow homeowners to take remedial action, to require home mortgage servicers to provide advance notice of any upcoming reset of the mortgage interest rate, and for other purposes; to the Committee on Financial Services.

By Mr. MCHUGH:

H.R. 528. A bill to amend the Internal Revenue Code of 1986 to exempt certain shipping from the harbor maintenance tax; to the Committee on Ways and Means.

By Mr. MEEK of Florida:

H.R. 529. A bill to establish in the Department of Justice the Nationwide Mortgage Fraud Task Force to address mortgage fraud in the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. GARY G. MILLER of California (for himself, Mr. CALVERT, Ms. LORETTA SANCHEZ of California, Mr. DREIER, Mr. ROYCE, and Mr. ROHRABACHER):

H.R. 530. A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the Prado Basin Natural Treatment System Project, to authorize the Secretary to carry out a program to assist agencies in projects to construct regional brine lines in California, to authorize the Secretary to participate in the Lower Chino Dairy Area desalination demonstration and reclamation project, and for other purposes; to the Committee on Natural Resources.

By Mrs. MYRICK:

H.R. 531. A bill to amend title II of the Social Security Act to require that the Commissioner of Social Security notify individuals of improper use of their Social Security account numbers; to the Committee on Ways and Means.

By Mr. NEUGEBAUER:

H.R. 532. A bill to amend the Internal Revenue Code of 1986 to modify the annual contribution limit for Coverdell education savings accounts; to the Committee on Ways and Means.

By Mr. NEUGEBAUER:

H.R. 533. A bill to make full estate tax repeal, small business expensing, and SECA tax deduction for health insurance permanent; to the Committee on Ways and Means.

By Mr. NEUGEBAUER:

H.R. 534. A bill to improve the ability of Congress to set spending priorities and enforce spending limits; to the Committee on Oversight and Government Reform, and in addition to the Committees on Rules, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. NEUGEBAUER:

H.R. 535. A bill to amend title 44 of the United States Code to provide for the suspension of fines under certain circumstances for first-time paperwork violations by small business concerns; to the Committee on

Oversight and Government Reform, and in addition to the Committee on Small Business, 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. PASCRELL (for himself and Mr. BOREN):

H.R. 536. A bill to amend the Internal Revenue Code of 1986 to strengthen the earned income tax credit; to the Committee on Ways and Means.

By Mr. PASCRELL (for himself, Mr. DAVIS of Alabama, and Ms. SUTTON):

H.R. 537. A bill to amend the Internal Revenue Code of 1986 to provide that the volume cap for private activity bonds shall not apply to bonds for facilities for the furnishing of water and sewage facilities; to the Committee on Ways and Means.

By Mr. PASCRELL (for himself and Mr. BOREN):

H.R. 538. A bill to amend the Internal Revenue Code of 1986 to reduce the earned income threshold applicable to the refundable portion of the child tax credit and to increase the age limit for such credit; to the Committee on Ways and Means.

By Mr. PAUL (for himself, Mr. JONES, and Mr. POE of Texas):

H.R. 539. A bill to limit the jurisdiction of the Federal courts, and for other purposes; to the Committee on the Judiciary.

By Mr. PLATTS:

H.R. 540. A bill to amend the Richard B. Russell National School Lunch Act to make permanent the summer food service pilot project for rural areas of Pennsylvania and apply it to rural areas of every State; to the Committee on Education and Labor.

By Mr. PLATTS (for himself and Mr. COBLE):

H.R. 541. A bill to amend the Internal Revenue Code of 1986 to provide for an inflation adjustment of the base amounts used to determine the amount of Social Security benefits included in gross income; to the Committee on Ways and Means.

By Mr. PUTNAM:

H.R. 542. A bill to amend titles XIX and XXI of the Social Security Act to permit States to rely on findings from an express plan agency to conduct simplified eligibility determinations under Medicaid and the State Children's Health Insurance Program; to the Committee on Energy and Commerce.

By Mr. ROYCE (for himself and Mr. CANTOR):

H.R. 543. A bill to amend the Internal Revenue Code of 1986 to reduce the rate of the tentative minimum tax for noncorporate taxpayers to 24 percent; to the Committee on Ways and Means.

By Mr. ROYCE:

H.R. 544. A bill to amend the Internal Revenue Code of 1986 to allow amounts in a health flexible spending arrangement that are unused during a plan year to be carried over to subsequent plan years or deposited into certain health or retirement plans; to the Committee on Ways and Means.

By Mr. SIMPSON:

H.R. 545. A bill to rename the Snake River Birds of Prey National Conservation Area in the State of Idaho as the Morley Nelson Snake River Birds of Prey National Conservation Area in honor of the late Morley Nelson, an international authority on birds of prey, who was instrumental in the establishment of this National Conservation Area, and for other purposes; to the Committee on Natural Resources.

By Mr. THOMPSON of California (for himself and Ms. GIFFORDS):

H.R. 546. A bill to amend the Internal Revenue Code of 1986 to treat certain solar energy credits as refundable credits, to allow a new refundable credit for equipment used to manufacture solar energy property, to waive the application of the subsidized financing rules to such property, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Oversight and Government Reform, 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. BERRY (for himself, Mr. BOOZMAN, Mr. ROSS, and Mr. SNYDER):

H. Con. Res. 21. Concurrent resolution commending the 39th Infantry Brigade Combat Team of the Arkansas National Guard upon its completion of a second deployment in support of Operation Iraqi Freedom; to the Committee on Armed Services.

By Mr. PENCE:

H. Res. 59. A resolution electing a minority member to a standing committee; considered and agreed to.

By Ms. FALLIN (for herself, Mr. SULLIVAN, Mr. COLE, Mr. LUCAS, and Mr. BOREN):

H. Res. 60. A resolution recognizing and commending University of Oklahoma quarterback Sam Bradford for winning the 2008 Heisman Trophy and for his academic and athletic accomplishments; to the Committee on Education and Labor.

By Mr. PERLMUTTER:

H. Res. 61. A resolution providing for the attendance of the House at the Inaugural Ceremonies of the President and Vice President of the United States; considered and agreed to.

By Mr. KING of New York:

H. Res. 63. A resolution supporting the goals and ideals of the Knights of Pythias; to the Committee on Oversight and Government Reform.

By Mr. NEUGEBAUER:

H. Res. 64. A resolution commending efforts in Texas to reduce the number of uninsured individuals and encouraging other States to adopt similar solutions; to the Committee on Energy and Commerce.

By Ms. WATSON (for herself, Mr. MEEKS of New York, Ms. MOORE of Wisconsin, Mr. CLEAVER, Mr. WATT, Mrs. CHRISTENSEN, Mr. DAVIS of Illinois, Mr. PAYNE, Ms. CORRINE BROWN of Florida, Mr. JOHNSON of Georgia, Ms. EDWARDS of Maryland, Ms. CLARKE, Ms. HIRONO, Ms. KAPTUR, Mr. HASTINGS of Florida, Mr. RANGEL, Ms. ESHOO, Mr. BARROW, Mr. MCDERMOTT, Mr. BECERRA, and Mr. CARSON of Indiana):

H. Res. 65. A resolution expressing the support of the House of Representatives for efforts to increase financial literacy in the United States and recognizing the work of John Hope Bryant to raise awareness about the importance of financial and economic literacy; to the Committee on Financial Services.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Ms. TSONGAS, Mr. HINOJOSA, and Mr. KAGEN.

H.R. 16: Ms. GINNY BROWN-WAITE of Florida.

H.R. 25: Mr. GARY G. MILLER of California.

H.R. 31: Mr. OLVER, Mr. HINOJOSA, Mr. NADLER of New York, Ms. SHEA-PORTER, Ms. HIRONO, Mr. SERRANO, Mr. FRANK of Massachusetts, Mr. DAVIS of Alabama, and Mr. AL GREEN of Texas.

H.R. 40: Mr. COHEN.

H.R. 81: Mr. ACKERMAN.

H.R. 85: Mr. BURTON of Indiana, Mr. BROWN of South Carolina, and Mr. GALLEGLY.

H.R. 97: Ms. WASSERMAN SCHULTZ.

H.R. 104: Ms. SCHAKOWSKY.

H.R. 106: Mr. ROTHMAN of New Jersey.

H.R. 131: Mr. ROHRABACHER.

H.R. 144: Ms. WATERS, Mr. CUMMINGS, and Ms. WASSERMAN SCHULTZ.

H.R. 156: Mr. PETERSON, Mr. PRICE of North Carolina, Mr. TIM MURPHY of Pennsylvania, Mr. SHIMKUS, and Mr. BROUN of Georgia.

H.R. 173: Mr. HILL, and Mr. ELLSWORTH.

H.R. 176: Mr. MCGOVERN.

H.R. 179: Mr. ELLISON, Mr. HONDA, Mr. LEWIS of Georgia, and Ms. MCCOLLUM.

H.R. 200: Mr. GRIJALVA and Mr. JOHNSON of Georgia.

H.R. 201: Mr. COBLE.

H.R. 205: Mr. PLATTS, Mr. LAMBORN, Mr. PRICE of Georgia, Mr. GALLEGLY, and Mr. EHLERS.

H.R. 223: Mr. BERMAN, Mr. SCHIFF, Mr. HINCHEY, Mr. MARKEY of Massachusetts, Mrs. CAPPS, Mr. WAXMAN, Ms. LEE of California, and Mr. GRIJALVA.

H.R. 226: Mr. THORNBERRY, Mr. ROGERS of Alabama, Mr. ISSA, Mr. LEE of New York, Mr. RYAN of Wisconsin, Mr. FLEMING, Mr. ROONEY, Mr. FORTENBERRY, Mr. NEUGEBAUER, and Mr. BUYER.

H.R. 230: Mr. DINGELL.

H.R. 240: Mr. PLATTS, Mr. PAUL, Mr. RADANOVICH, Mr. COLE, Mr. PITTS, Mr. HOEKSTRA, Mr. GINGREY of Georgia, Mr. MCHENRY, Mr. KLINE of Minnesota, Mr. LAMBORN, Mr. BARTLETT, Mr. PENCE, Mr. HARPER, Ms. FALLIN, Mr. GOHMERT, Mr. BONNER, Mr. SCALISE, Mr. FLEMING, Mr. AKIN, and Mr. JORDAN of Ohio.

H.R. 283: Mr. TIBERI.

H.R. 292: Mr. HALL of New York.

H.R. 301: Mr. YOUNG of Alaska, Mr. BISHOP of Utah, Mr. GALLEGLY, Ms. FOXX, Mr. SIMPSON, Mr. PAUL, Mr. FRANKS of Arizona, Mr. DUNCAN, Mr. RADANOVICH, Mrs. BACHMANN, Mr. SCHOCK, Mr. COLE, Mr. GINGREY of Georgia, Mr. MCHENRY, Mr. KLINE of Minnesota, Mr. HENSARLING, Mr. MCCLINTOCK, Mr. WESTMORELAND, Mr. BROUN of Georgia, Mr. BROWN of South Carolina, Mr. WILSON of South Carolina, Mr. LAMBORN, Mr. BARTLETT, Mr. MARCHANT, Mr. PITTS, Mr. PENCE, Mr. HARPER, Ms. FALLIN, Mr. CULBERSON, Mr. ISSA, Ms. LUMMIS, Mr. SCALISE, Mr. FLEMING, Mr. AKIN, Mr. GARRETT of New Jersey, and Mr. PRICE of Georgia.

H.R. 321: Mrs. BIGGERT, Mr. ROE of Tennessee, and Mr. COFFMAN of Colorado.

H.R. 362: Mr. SKELTON and Mr. BOREN.

H.R. 385: Mrs. MILLER of Michigan.

H.R. 386: Mr. CUELLAR, Mr. MCDERMOTT, Mr. ORTIZ, Ms. WATSON, and Mr. HINOJOSA.

H.R. 392: Mr. PITTS, Mr. GALLEGLY, Mr. ADERHOLT, Mr. TIBERI, Mr. THOMPSON of Pennsylvania, Mr. RADANOVICH, and Mr. TERRY.

H.R. 445: Mr. MILLER of North Carolina, Mr. WILSON of Ohio, Mrs. BIGGERT, and Mr. MARIO DIAZ-BALART of Florida.

H.J. Res. 1: Mr. COBLE, Mr. BROUN of Georgia, Mr. BARRETT of South Carolina, Mr. MCCLINTOCK, Mr. JORDAN of Ohio, Mr. POSEY, Mr. LEE of New York, Mr. BISHOP of Utah, Mr. SCHOCK, Mr. FORTENBERRY, Mr. GARY G. MILLER of California, Mr. LUETKEMEYER, Mr. MANZULLO, Mr. CHILDERS, Mr. HASTINGS of Washington, Mr. WOLF, and Mr. ROE of Tennessee.

H. Con. Res. 18: Mr. MCCOTTER.

H. Res. 18: Mr. CONNOLLY of Virginia, Mr. OLVER, Mr. WAXMAN, and Mr. SPACE.

H. Res. 22: Mr. SCHIFF, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. GEORGE MILLER of California, Ms. CLARKE, Mr. HOLT, Ms. BERKLEY, Mr. MOORE of Kansas, Ms. ZOE LOFGREN of California, Ms. BORDALLO, Ms. EDWARDS of Maryland, Mr. KENNEDY, Mr. BRADY of Pennsylvania, Mr. BLUMENAUER, and Mr. SMITH of Washington.

H. Res. 31: Mr. PITTS, Mr. TERRY, Mr. BUTTERFIELD, Mr. SHULER, Mr. JONES, Mr. GORDON of Tennessee, Mr. HONDA, and Mr. MCINTYRE.

H. Res. 36: Mr. EHLERS, Ms. WATSON, Mr. COHEN, Mr. SABLAN, Mr. CROWLEY, Mr. DRIEHAUS, Mr. POSEY, and Mr. WAXMAN.

H. Res. 37: Mr. LINDER.

H. Res. 39: Mr. HARE, Mr. CLEAVER, Mr. COURTNEY, Mr. MCCOTTER, Mr. MANZULLO, Mr. KING of Iowa, Mr. PATRICK J. MURPHY of Pennsylvania, and Mr. BUYER.

H. Res. 40: Mr. HODES, Mr. COHEN, Ms. HIRONO, Mr. MITCHELL, Mr. FARR, and Mr. MINNICK.

H. Res. 49: Mr. LEWIS of Georgia, Mr. BERMAN, Mr. HONDA, Ms. ESHOO, Mr. GRIJALVA, Mr. HINCHEY, Ms. LINDA T. SÁNCHEZ of California, and Mr. WAXMAN.

H. Res. 56: Ms. LORETTA SANCHEZ of California and Mr. SKELTON.

H. Res. 57: Mr. KING of New York.

CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, OR LIMITED TARIFF BENEFITS

Under clause 9 of rule XXI, lists or statements on congressional earmarks, limited tax benefits, or limited tariff benefits were submitted as follows:

OFFERED BY MR. BARNEY FRANK OF MASSACHUSETTS

The amendment to be offered by Representative Frank of Massachusetts or a designee to H.R. 384, the TARP Reform and Accountability Act of 2009, does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of Rule XXI.

PETITIONS, ETC.

Under clause 3 of rule XII, petitions and papers were laid on the clerk's desk and referred as follows:

5. The SPEAKER presented a petition of Monroe County, New York, relative to a petition asking Congress to pass and President Bush to sign into law S.3141, Preventing Student Loan Discrimination Act; to the Committee on Education and Labor.

6. Also, a petition of Monroe County, New York, relative to a petition asking Congress to pass and President Bush to sign into law a Temporary increase in the Federal Medicaid Assistance Percentage; to the Committee on Energy and Commerce.

7. Also, a petition of County of Rockland, New York, relative to Resolution No. 570 of 2008 requesting that the House of Representatives pass H.R. 6903, An Act To Amend The Toxic Substances Control Act To Reduce The Health Risks Posed By Abestos-Containing Products, And For Other Purposes — And Ensure That The Legislation Includes The Life-Saving Research Funding Language Found In Senate Bill S. 742; to the Committee on Energy and Commerce.

8. Also, a petition of Monroe County, New York, relative to a petition urging Congress to pass H.R. 6360, ''Disabled Public Safety Officers Fairness Act of 2008''; to the Committee on the Judiciary.

9. Also, a petition of Monroe County, New York, relative to a petition asking Congress to pass and President Bush to sign into law S.2844, the Beach Protection Act; to the Committee on Transportation and Infrastructure.

10. Also, a petition of Monroe County, New York, relative to a petition asking Congress to adopt and President Bush to sign into law S. 8686/H.R. 5951, the Complete Streets Act of 2008; to the Committee on Transportation and Infrastructure.