



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 113th CONGRESS, FIRST SESSION

Vol. 159

WASHINGTON, WEDNESDAY, JUNE 12, 2013

No. 83

House of Representatives

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

DESIGNATION OF SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
June 2, 2013.

I hereby appoint the Honorable THOMAS MASSIE to act as Speaker pro tempore on this day.

JOHN A. BOEHNER,
Speaker of the House of Representatives.

MORNING-HOUR DEBATE

The SPEAKER pro tempore. Pursuant to the order of the House of January 3, 2013, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning-hour debate.

The Chair will alternate recognition between the parties, with each party limited to 1 hour and each Member other than the majority and minority leaders and the minority whip limited to 5 minutes each, but in no event shall debate continue beyond 11:50 a.m.

THE EFFECTS OF THE SEQUESTER

The SPEAKER pro tempore. The Chair recognizes the gentleman from Maryland (Mr. HOYER) for 5 minutes.

Mr. HOYER. Mr. Speaker, as we proceed with the 15th week of the Republican policy of sequester, this House continues to avoid taking the steps it ought to be taking to replace the entire sequester with a balanced alternative.

Instead, House Republicans have fully embraced the sequester's draconian cuts, which slash funding from our highest and lowest priorities equally and put our economic recovery and national security at risk.

Last week, they approved a rule deeming the Ryan budget's caps for next year, which locks in the sequester cuts. This is a blatant violation of the Budget Control Act agreement reached between the two parties in August of 2011.

Now we're about to consider a defense authorization bill that shifts \$54 billion in sequester cuts from the Pentagon onto domestic programs which were already cut by sequester, like Head Start, Meals on Wheels, and rental assistance for low-income families. How shameful.

This follows the passage of two appropriations bills last week as part of a strategy from Republicans we've seen before. It came as no surprise that they chose to consider two of the most popular bills first, those that fund programs that protect our homeland security and provide care for our veterans. I'm glad there's bipartisan consensus that these bills represent important funding priorities.

But let me quote from an Associated Press article from June 4 which sheds some light on their strategy:

The boost for veterans came even as Republicans controlling the Chamber marched ahead with a plan that would require most other domestic programs to absorb even deeper cuts next year than those in place now after the imposition of across-the-board spending cuts.

This refers, of course, to the sequester. The article continues:

Republicans are coping with the shortfall by slashing across a broad swath of domestic programs, forcing cuts in the range of 20 percent, for instance, to a huge domestic spending bill that funds aid to local school districts, health research, and enforcement of labor laws.

The article goes on to say, "The GOP strategy is to, early on, advance popular bipartisan bills"—for which almost all of us voted—"and then bring up bills making deep cuts later in the summer, if at all."

In fact, I predict that they will not bring up most of the bills, notwith-

standing their discussions about regular order.

By insisting on budget numbers that not only include the sequester but cut even further into domestic priorities, in clear violation of the Budget Control Act and the agreement that we reached between the two parties, Republicans are torpedoing any chances of reaching a big and balanced solution to deficits.

The longer we wait, Mr. Speaker, to forge a compromise that can replace the entire sequester with a balanced alternative, the more pain will be felt across our economy and the greater the risk will be to our national security. Just ask the joint chiefs, not us.

Let me review just some of the sequester's many effects: 70,000 kids kicked off Head Start; 10,000 teachers' jobs at risk from title I cuts; furloughs to cause delays in processing retirement and disability claims; 4 million fewer meals for seniors; 125,000 less HUD rental assistance vouchers; emergency unemployment past 26 weeks cut 11 percent for 2 million Americans out of work; 2,100 fewer food safety inspections; longer waits to approve new drugs; furloughs equivalent to 1,000 fewer Federal agents, FBI, Border, et cetera, on the job.

We talk about border security while, at the same time, slashing border guards.

One-third of combat air units are grounded in America.

It has now been over 70 days since the House passed its budget and since the Senate did the same. Regular order. Yet, Speaker BOEHNER, who claims to wish regular order for this House, will not appoint conferees. Or shall I say, he is unable to do so as a result of a severely divided caucus.

The Washington Post reported on June 3 that the House Republicans have "disintegrated into squabbling factions no longer able to agree on, much less execute, some of the most basic government functions."

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



Printed on recycled paper.

H3291

It seems what matters is only a commitment to deep austerity and a weakened government. This ideology has achieved a dangerous manifestation in the sequester, which has been the Republican policy all along, and which, as I have pointed out in the past, was included in their Cut, Cap and Balance bill passed in July of 2011, when 229 Members of their caucus voted for sequester as an option.

Now we have further evidence the sequester is their policy, as Republicans double down on these irrational cuts and refuse to negotiate.

There is, however, Mr. Speaker, an alternative. That is a balanced bill that will replace the sequester entirely. The ranking member of the Budget Committee, Mr. VAN HOLLEN, has put forward a proposal that deserves a vote.

The Speaker so often says, "Let the House work its will." In fact, he has asked for a vote on it six times, VAN HOLLEN has, and will ask for a seventh time at the Rules Committee today, but Speaker BOEHNER and Republican Leader CANTOR have so far said, no, the House cannot work its will; the House cannot consider this option.

The American people deserve to see where their representatives stand on a balanced alternative to the sequester, and they deserve a Congress where real compromise proves stronger than partisan maneuvering.

If the Van Hollen alternative were to come to the floor for a vote, I would hope that a majority of Members would vote for it. A majority of Democrats certainly would and I believe a substantial number of Republicans who are concerned about our fiscal future.

HAL ROGERS, in fact, the chairman of the Appropriations Committee, has opined how much pain the sequester would be causing and how much dysfunction it would be causing. It's exactly the kind of compromise approach we need, the Van Hollen alternative.

All we're asking to do, in the immediate term, is for Speaker BOEHNER to let the House work its will and have a vote on Mr. VAN HOLLEN's alternative, and to follow regular order and agree to go to conference. That's what they said they wanted to do. That's what they said they would do, but they're not doing it.

It's time for Democrats and Republicans to work together, in a bipartisan way, to rise to our budget challenges and set our country back on a sound fiscal path.

Let us have regular order. Let us have a vote, and let us restore sanity to this House, and replace the sequester with a balanced solution.

□ 1010

THE "SOME LIVE AND SOME DIE"
CZAR

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. McCLINTOCK) for 5 minutes.

Mr. McCLINTOCK. Mr. Speaker, last week, the Nation learned of the plight of Sarah Murnaghan, the 10-year-old who will die within weeks unless she gets a desperately needed lung transplant. There are no pediatric lungs available, but there may be adult lungs, which her doctors say would be entirely satisfactory for her condition. But because she's nearly 11 years old and not 12, the bureaucratic regulations prohibited it.

As Secretary of Health and Human Services, Kathleen Sebelius could have modified those regulations to conform to the judgment of the doctors, but she wouldn't. Her warm words of sympathy for Sarah and her family at a Congressional hearing last week were horrific: "some live and some die." Fortunately, a Federal judge intervened and concluded what Sebelius wouldn't, that the regulations are arbitrary and capricious. Thank God, Sarah is now on the adult transplant list, but the incident provided all of us with a chilling look at what health care will be like when bureaucrats like Kathleen Sebelius are making more and more of our health care decisions.

Sebelius constructed a straw man to argue with. She said that we shouldn't have public officials making these choices, and a lung provided to Sarah necessarily means a lung denied to someone else. That is utterly disingenuous. Sarah's family, joined by many Members of the House, were not calling for Sebelius to pick winners or losers but, rather, were calling for her to place the judgment of the doctors ahead of the rigid one-size-fits-all diktats of the Federal bureaucracy in all such cases, not just this one.

The fact is, Ms. Sebelius is picking who lives and who dies. The difference is that she is doing so not by deferring to the judgment of doctors but, rather, by conforming to the cold and rigid regulations that cannot discern between individual cases.

This is the process to which we are about to consign every American as government dictates every detail of their health coverage: sorry, you're a few months too young or too old. Tough luck, some live and some die.

My chief of staff grew up in the Soviet Union where the first question asked when an ambulance was called was, "Well, how old is the patient?" That's what bureaucracies do. They choose who wins and who loses, who lives and who dies, and they do so in a blind, cold, unthinking, and unreasonable manner.

The fact is we don't want officials making these choices, which is exactly what Ms. Sebelius is doing. Those decisions should not involve the government but, rather, should be determined by the individual judgment of the professional physicians directly involved. Until the court stepped in, that's what this administration was impeding. And that shouldn't surprise us. This is the same administration that has substituted the individual medical insur-

ance choices once made by families with the one-size-fits-all mandates of the very same Federal officials who dismissively tell dying 10-year-olds "some live and some die."

Mr. Speaker, this incident was a dire warning to us all of the danger that lies ahead for every American. Remember that the same IRS that abused its fearsome authority to harass and intimidate ordinary Americans for political reasons next year will have the power to enforce the regulations over our families' choice of health plans under ObamaCare.

Mr. Speaker, each of us as Americans may one day face the same peril as Sarah Murnaghan because of what we set in motion by empowering this government to take an ever-widening role in our health care decisions. We have taken a process that once was determined by individual choice and was once guided by the professional judgment of the physicians who actually gathered around the patient's bed and turned those decisions over to the likes of Kathleen Sebelius.

I'm afraid in coming years we will pay dearly for that duplicity as we move ever closer toward the "Brave New World" of bureaucratically controlled health care that we can already see so clearly through a 10-year-old's life-or-death battle with the Federal bureaucracy.

STATE ETHICS LAW PROTECTION ACT

The SPEAKER pro tempore. The Chair recognizes the gentleman from Illinois (Mr. QUIGLEY) for 5 minutes.

Mr. QUIGLEY. Mr. Speaker, I rise today to announce my reintroduction of the State Ethics Law Protection Act. At a time when indictments and allegations of ethics violations of our elected leaders have become all too common, now more than ever we must use every tool at our disposal to fight corruption.

Unfortunately, the Federal Government is currently preventing numerous States from using one of the most important tools we have to fight cronyism, corruption, and waste. My home State of Illinois, which is no stranger to these issues, along with several other States around the country, has taken a stand against corruption by passing laws to eliminate shady pay-to-play contracting.

Pay-to-play politics is the practice of trading campaign contributions for lucrative government contracts. Pay-to-play practices erode the integrity of our public works projects and allow individuals to profit at the expense of American taxpayers. It is the most common example of government corruption.

Fortunately, it is also one of the easiest to solve. Anti-pay-to-play laws are designed to ensure that the competitive bidding process for government contracts is open and fair, not rigged or otherwise biased by lining the

campaign pockets of those responsible for awarding the contracts.

Amazingly, a loophole created in a previous administration in the Federal Highway Administration's contracting requirements is making it difficult, if not impossible, for States to implement these anticorruption laws. The Federal Government has threatened to cut off highway funds to any State that passes an anti-pay-to-play law. The Highway Administration's competitive bidding requirements have been interpreted to mean that States can't weed out corrupt contractors.

Clearly, this was not the intent of Congress when it passed these requirements. That is why I'm reintroducing the State Ethics Law Protection Act. This important measure simply amends the Federal Highway Administration's contracting requirements to allow States to pass these important laws. It ensures States that do pass anticorruption laws do not face financial penalties for doing so.

It is time for us to make it clear that Congress supports the right of States to fight corruption as they see fit. States have the right to ensure their contracting conforms to the highest ethical standards and offers the best value to taxpayers. It is not the Federal Highway Administration's place to second-guess a State on how to best ethically award contracts. States like Connecticut, New Jersey, South Carolina, Pennsylvania, and Kentucky have all passed laws like Illinois to root out this kind of blatant corruption.

These States should be applauded, not punished, for doing the right thing. By amending the Federal Highway Administration's contracting requirements, we can ensure that States have every tool at their disposal to encourage transparency and accountability. Our States have shown they are ready to reform. It is now our duty to ensure they have the ability to implement these reforms.

I am often asked what the true cost of corruption is. I will tell you, in my view, coming from Illinois, it is the loss of the public's trust. We cannot lead without this trust. And at this critical juncture, we must do all we can to restore trust and inspire the confidence of people across this country.

TRUST, ANTITERRORISM, AND BREACH OF TRUST BY OBAMA ADMINISTRATION

The SPEAKER pro tempore. The Chair recognizes the gentleman from Alabama (Mr. BROOKS) for 5 minutes.

Mr. BROOKS of Alabama. The Justice Department targets Associated Press, FOX News, and other journalists. For political reasons, the State Department and White House contrive a false story about Americans murdered in Benghazi. Cover-ups ensue. The President promotes rather than fires the principal deceiver. The President promises to punish the Benghazi

murderers, yet the only person jailed is a scapegoated filmmaker the White House falsely blamed for inspiring the Benghazi attacks.

Armed Federal SWAT agents raid Gibson Guitar and threaten to put Gibson Guitar out of business. Why? Gibson Guitar imported the same guitar materials they have imported for years; yet Martin & Company, a Gibson Guitar competitor, imports the same guitar materials with impunity. The difference? Gibson Guitar contributes to Republicans like Congresswoman MARSHA BLACKBURN and Senator LAMAR ALEXANDER of Tennessee, while Martin contributes \$35,000 to Democrats.

The IRS targets law-abiding citizens who use names like "Tea Party" and "Patriots" and dare exercise their freedom of association and speech rights. In one particularly outrageous example, Texan Catherine Engelbrecht is investigated and harassed by the IRS, the FBI, the Occupational Safety and Health Administration, and Alcohol, Tobacco, and Firearms. Why? Engelbrecht founded the King Street Patriots, which hosts weekly discussions on economic freedom, and True the Vote, which trains volunteers to fight voter fraud.

□ 1020

The White House manages the Fast and Furious gunrunning scandal that left hundreds of Mexicans and an American Border Patrol agent dead. Health and Human Services Secretary Kathleen Sebelius unethically—and perhaps unlawfully—shakes down companies she regulates for donations to support ObamaCare.

President Obama thumbs his nose at America's immigration laws by not only giving millions of illegal aliens a free pass; Obama rewards illegal conduct by giving illegal aliens work permits in direct violation of American law, thereby undermining the ability of Americans to obtain good-paying jobs.

America is in uncharted waters when our own Federal Government aggressively undermines our rights to freedom of speech and association—rights won with American blood on the battlefields of Lexington and Concord, Trenton and Princeton, Saratoga, Cowpens and Kings Mountain, and Yorktown.

Mr. Speaker, America faces a policy debate between privacy and national security. Fifty years ago, our foes were well-known nation-states like Communist China and the Soviet Union. Now, our enemies may be foreign neighbors, foreign tourists, or even foreign students.

Foreign terrorists seek chemical, biological, or nuclear weapons of mass destruction that can destroy an American city or murder hundreds of thousands of Americans in a single attack.

As America seeks the proper balance between our privacy rights and national security, one thing stands out: Americans must be able to trust our

Federal Government to do the right thing with the privacy information Americans give up. If we cannot trust the Federal Government to use our private privacy information solely for antiterrorism purposes, then the balance shifts. We will not give up our privacy information, thereby increasing the risk of a successful weapon of mass destruction terrorist attack on an American city.

More and more, our own Federal Government disregards the rule of law that is essential to avoid the strife and bloodshed of anarchy. More and more, the Federal Government targets American citizens who differ politically with the White House.

While the IRS, Gibson Guitar, Benghazi, Fast and Furious, and numerous other scandals are troublesome, the bigger picture is that this White House, this administration, has breached the public's trust. The bigger scandal is that this White House, this administration, by their breach of trust, has undermined America's national security and thereby risked American lives.

Mr. Speaker, the White House can still do the right thing, but the right thing is not coverups. The right thing is not rewarding and promoting political cronies and lawbreakers. The right thing is, with full and open candor, telling the American people the truth about these scandals. The right thing is very publicly and aggressively firing offending Federal employees. The right thing is very publicly prosecuting lawbreakers. Then and only then will the trust of the American people in the Federal Government be restored. Then and only then can America fight the war on terror with certainty that we will win.

RICHMOND OFFICE OF NEIGHBORHOOD SAFETY PEACEKEEPER FELLOWS

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. GEORGE MILLER) for 5 minutes.

Mr. GEORGE MILLER of California. Mr. Speaker, I rise to commend two young men from Richmond, California, who will begin classes this fall at Tallahassee Community College in Tallahassee, Florida. Sounds pretty straightforward, I know, but these are no ordinary students.

What makes these young men from my congressional district stand out is their background. It's not just that most people thought they would never go to college—in fact, most people thought they would never make it out of the neighborhood. People thought they would end up in jail, or even worse.

D'vondre Woodard and Eric Welch are two senior fellows at the city of Richmond's Office of Neighborhood Safety Peacekeeper Fellowship, an office that does a remarkable job of changing violent lives. D'vondre and Eric are shining examples of what remarkable

transformation individuals are capable of when they desire to make positive change in their lives and when they're supported in that effort.

From a life dominated by gun violence in the streets of Richmond to noses buried in books at college, internships in Washington, D.C., and meetings on Capitol Hill, these young men have come a long way. I wish them the best. I hope their success will serve as an inspiration for many more to follow in their steps and leave the violent streets.

THE SPYING DRONE OVER A VIRGINIA NEIGHBORHOOD

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas (Mr. POE) for 5 minutes.

Mr. POE of Texas. Mr. Speaker, last week, just after supertime in a neighborhood in McLean, Virginia, a 14-year-old girl—we'll call her Sarah—was jumping on a neighbor's backyard trampoline. Suddenly, Sarah heard a noise and looked up, only to see a low-flying object hovering overhead. It was a small, remote-controlled flying object. It was a drone. It had a blinking red light coming from it.

The object hovered over her for about 10 minutes. She began to get real nervous and uneasy. So she jumped off the trampoline and ran home to tell her parents, but the flying object continued to follow her. She told her mother. So her mother walked outside into the street and observed the flying object. Suddenly, the object moved away into another neighbor's backyard, where three other teenage girls were sitting in the pool. The small drone hovered over them momentarily, then it moved away.

The police were called. They arrived at the scene and told the citizens: "Sorry, there's nothing we can do." Mr. Speaker, this sounds like something out of a sci-fi movie—someone up to no good spying on teenage girls with a drone.

Mr. Speaker, drones are easy to find and easy to obtain. With a simple Google search, you will find out that one can buy a drone on eBay or go down the street and buy one at Radio Shack.

According to the FAA, the group that monitors and issues permits for drones, by 2030, there will be 30,000 drones cruising American skies—looking, observing, filming, spying, and hovering over America. We will not know who they are, what they're up to, what they're looking at, or what their purpose is, whether it's permitted or really not permitted, whether it's lawful or unlawful. And we won't know who's flying those drones.

There are legitimate uses for government and private citizens for the use of drones, but a nosy neighbor or snooping government should not be able to spy on citizens without legal guidelines.

As technology changes, Congress has the responsibility to be proactive and

protect the Fourth Amendment right of all citizens—"The right of people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated." Thus sayeth the Constitution.

Nowadays especially, Americans are concerned about their Fourth Amendment rights being taken away. Well, no kidding. The right of a reasonable expectation of privacy is a constitutional right. The general rule is snooping, spying, surveillance, or eavesdropping goes against the basic rights outlined in the Constitution. That is why I have introduced the Preserving American Privacy Act, along with Representative ZOE LOFGREN from California.

Congress must be proactive in protecting the rights of civilians from private use and government use of drones. This legislation balances individual constitutional rights with legitimate government activity and the private use of drones. The bill sets forth clear guidelines, protects individual privacy, and informs peace officers so they will know what they can and cannot do under the law.

There will be limits on government use of drones so that the surveillance of individuals or their property is only permitted or conducted when there is a warrant based on probable cause, as the Constitution requires.

Of course there will be exceptions. They are called exigent circumstances, which is already in our law, and these will apply, as it does now, regarding search and seizure. Those exceptions include fire and rescue, monitoring droughts and floods, assisting in other emergency cases, or to chase a fleeing criminal.

The bill also allows for the use of drones for border security. The bill also sets forth guidelines for the private use of drones. Basically, private citizens cannot use drones to spy on others without consent of the landowner or that person.

Congress has the obligation to set forth guidelines, to secure the right of privacy, and protect citizens from unlawful drone surveillance while maintaining lawful private and government use.

Drone laws are needed because a Peeping Tom should not be able to spy on young girls who are in the privacy of their backyards just because the Peeping Tom has the ability to do so.

And that's just the way it is.

□ 1030

STUDENT LOAN INTEREST RATES

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Arizona (Ms. SINEMA) for 5 minutes.

Ms. SINEMA. Mr. Speaker, Brandie Reiner, Jack Welty, Andy Albright, Diego Soto, Anthony Carly, Ellen Hamilton, Ariel Carlos, Joe Slaven, Brandy Pantilione, Gary Brewer, Christopher Valles—these are the students and college graduates from Arizona State Uni-

versity, my alma mater, who shared their stories with me. Some of these young adults are my students at Arizona State University where I teach. Some are recent graduates. Some are thinking of starting a family, while others are working hard to care for the families they already have.

What do these graduates want? They just want a fair shot. They want to know that their hard work in college mattered, that it led to the promise that their parents made to them when they were little, the promise we all believe in: if you work hard and play by the rules, you will succeed. Essentially, they want what each of us wanted for ourselves, what we want for our own kids, what we're working for in our districts. They want a shot at the American Dream.

Instead, as Brandie Reiner begins her life and career as a social worker—having just graduated from ASU last month—she will face the biggest financial hurdle of her life. She doesn't face massive medical bills or an expensive car loan. It's not rent or a mortgage payment. It's a bill for over \$100,000 in student loans. Eighteen days—18 days—that's all the time we have to stop student loan interest rates from doubling. Eighteen days makes a lot of difference to the young people who will have to pay thousands of additional dollars to the Federal Government at a time in their lives when those dollars matter the most.

Christopher Valles has \$20,000 in debt, and he's just a freshman; Gary Brewer, \$57,000 in debt; Kent Fogg, \$70,000; Sara Cureton, \$74,000.

The Federal Reserve has noted that the U.S.' \$1 trillion in student debt is further constricting our economy. Young people are foregoing long-term job opportunities and homeownership in order to meet the urgent demands of their large student loan payments. And today, as they work hard to find jobs in this recession that they didn't cause, Congress debates whether to force students to pay more in order to pay down Congress' debt.

Brandie, Christopher, Gary, Kent, Sara—these graduates should not have to foot the bill for Congress' failure. In 18 days, I want to go back to Arizona and tell these students that I took their stories to Congress and that their stories mattered, that their experiences made a difference.

When these young adults tell me that they just want a shot at the American Dream, that they're working hard, playing by the rules, and doing everything they can to live that dream, then they've done their part. Now it's time for us to do ours.

I challenge us, all of us: Republicans, Democrats, Senators, Representatives. I challenge us to stand together and do the right thing. Stop the finger-pointing and the cynical posturing. Instead, we must act together to keep student loan interest rates affordable. The clock is ticking. There's no time to waste.

Patriot Act

The SPEAKER pro tempore. The Chair recognizes the gentleman from Idaho (Mr. LABRADOR) for 5 minutes.

Mr. LABRADOR. Mr. Speaker, during the past week, we have heard about a series of major violations of our civil liberties, including the fact that NSA is collecting the phone records of tens of millions of Americans. This wholesale snooping on innocent Americans is an unacceptable violation of one of our most basic freedoms—the right to privacy and to be free from government surveillance—and one of many unintended but predictable consequences of the USA PATRIOT Act.

I proudly voted against reauthorization of the PATRIOT Act three times because of its potential for abuse, and more people are starting to see that abuse. Even former Vice President Al Gore, not someone I normally agree with, had the right response to the NSA report. He tweeted:

In a digital era, privacy must be a priority. Is it just me, or is secret blanket surveillance obscenely outrageous?

And I tweeted back:

Crazy, but I agree!

Of course, what's happening with the NSA is just the latest example of the government abusing its power.

We've all heard about the IRS scandals, in which one of the most powerful agencies in the government deliberately targeted conservative organizations for audits and other forms of harassment.

We've all heard about what happened with FOX News reporter James Rosen, whose phone was tapped by the Justice Department even though Attorney General Eric Holder testified before the House Judiciary Committee "that potential prosecution of the press for the disclosure of material, that is not something that I have ever been involved with, heard of, or would think would be wise policy."

Needless to say, what Mr. Holder said under oath is sharply at odds with what happened to Mr. Rosen, and I joined with my Judiciary Committee colleagues in sending a letter to Mr. Holder requesting that he appear before the committee again to explain these discrepancies.

Then, just last Friday, it was reported that the NSA and the FBI are tapping directly into the central servers of nine leading U.S. Internet companies, including Google, Facebook, and YouTube. Who knows what we'll find out next.

When thinking about all these scandals, I'm reminded of what James Madison wrote in Federalist 51 in the early days of our country:

If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the government and, in the next place, oblige it to control itself.

In recent years, many Members of both parties have forgotten Mr. Madison's lesson, a lesson that infuses our founding document, the U.S. Constitution, that government powers must be limited because governments, by their very nature, have a hard time "controlling" themselves.

During the Bush years, many Republicans ignored that truth; and in the Obama era, many Democrats have ignored it, too.

What's happening with the NSA, the IRS, the DOJ, and other agencies should correct the misguided idea that it's okay to give the government more powers so long as the "right" party is in power. Because parties change. And to quote Madison again:

Enlightened statesmen will not always be at the helm.

For all of these reasons and more, I voted against the USA PATRIOT Act, which, despite its nice name, was written in such a sweeping way that it opened the door for the NSA to invade the privacy of millions of Americans. That is because the USA PATRIOT Act's section 215 allows the FBI to seek the production of "tangible things" to obtain foreign intelligence and to protect against clandestine intelligence activities.

But since it does not require that either the caller or the recipient of the call be a foreign agent or located abroad, you can see how the FBI could be tempted to collect broad swaths of data concerning Americans' phone calls to detect patterns of activity, as many analysts suggest may have happened in this case. That is why, last Thursday, I joined several of my House colleagues in sending a letter to FBI Director Mueller and NSA Director Alexander requesting more information concerning their data collection activities.

Given public outrage about the NSA's abuse of power, it is time for Congress to reexamine all sections of the USA PATRIOT Act, and I am hopeful my colleagues will join me in starting that reexamination.

Now is the time to work together to reduce the scope of government power before it becomes so large and so impenetrable that regaining our freedoms becomes almost impossible. Now is our moment, and we must seize it.

CHILDREN'S ACT FOR RESPONSIBLE EMPLOYMENT

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from California (Ms. ROYBAL-ALLARD) for 5 minutes.

Ms. ROYBAL-ALLARD. Mr. Speaker, today is International Day Against Child Labor, which gives us the opportunity to reflect on the plight of hundreds of millions of children throughout the world who perform work that endangers their health, deprives them of an adequate education, and denies them basic freedoms and protections.

Unfortunately, the United States is not immune to the scourge of child

labor. Long hours and dangerous working conditions are, sadly, a reality for hundreds of thousands of children working in our country's fields and farms.

□ 1040

Throughout our Nation, there are children like Zulema, who at age 12 works in the fields picking fruits and vegetables, while her classmates spend afternoons doing homework and playing with friends. Despite her young age, Zulema frequently, with bare hands, wields adult-sized harvesting shears. When crop dusters fly overhead, she is often covered in pesticides meant to kill insects in the field. In spite of Zulema's exposure to these serious and dangerous conditions, she takes home to her struggling family a mere \$64 a week.

Our farming industry is alarmingly plagued by preventable tragedies like the one in Mount Carroll, Illinois, where a 14-year-old boy cleaning a grain bin suffocated to death when he was sucked into a sinkhole of flowing corn. Tragic accidents like this underscore the fact that agriculture is one of our Nation's most dangerous industries. Yet it is the only industry in which our children are not protected equally by our child labor laws.

While reserved for adults in every other occupation in agriculture, children as young as 16 are allowed to perform hazardous work, like driving tractors and operating chain saws. It is also the only industry in which children as young as 12 are allowed to labor in the fields with virtually no restrictions on the number of hours they work outside of the school day.

To address this shameful reality in our country, I am reintroducing the Children's Act for Responsible Employment, better known as the CARE Act. While retaining current exemptions that protect family farms and agricultural education programs like 4-H and Future Farmers of America, the CARE Act raises labor standards and protections for farmworker children to the same level set for children in all other occupations.

Specifically, the CARE Act ends our country's double standard that allows children employed in agriculture to work at younger ages and for longer hours than those working in all other industries. The bill raises the minimum age for agricultural work to 14 and restricts children under 16 from work that interferes with their education or endangers their health and well-being. The CARE Act also prohibits children under the age of 18 from working in agricultural jobs which the Department of Labor has declared particularly hazardous. This is consistent with current law governing every industry outside of agriculture.

Mr. Speaker, no child should be discriminated against based on the work they do. All of America's children deserve to be protected equally under our laws. It is our moral obligation to do

all in our power to protect the rights, safety, and educational future of our most precious resource—America's children.

The time has come for the United States of America to bring our child labor laws in line with our American values and to give all of our children the fundamental protections they rightfully deserve. I urge my colleagues to support and to help pass the CARE Act.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until noon today.

Accordingly (at 10 o'clock and 44 minutes a.m.), the House stood in recess.

□ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at noon.

PRAYER

Colonel Andrew Gibson, Maine Army National Guard, Augusta, Maine, offered the following prayer:

Gracious God, we thank You for allowing us to live in a land that is free, and we thank You for the men and women who have served to ensure that freedom.

As this body convenes to create the laws of this land, might we faithfully plan for a day when war is forgotten, but that we would never forget the warriors who will have brought us to that day.

Guide us that we might through inspired legislation be a healer of all nations, a healer of our own Nation, and a healer of those who have willingly traveled far from their homes to secure our liberties, in the current generation and extending back to the formation of our great Nation.

Bless the men and women of this House. Give to them an ample portion of Your wisdom, Your courage, and especially Your love this day and forevermore.

Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentlewoman from California (Ms. HAHN) come forward and lead the House in the Pledge of Allegiance.

Ms. HAHN 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.

WELCOMING COLONEL ANDREW GIBSON

The SPEAKER. Without objection, the gentleman from Maine (Mr. MICHAUD) is recognized for 1 minute.

There was no objection.

Mr. MICHAUD. Mr. Speaker, I rise today to welcome Colonel Andrew Gibson as today's guest chaplain.

Colonel Gibson is from Pittsfield, Maine. He is a decorated veteran who served in the Maine Army National Guard for 25 years. Before being deployed to Afghanistan in 2006, he served in Bosnia in 1997 as one of the first two National Guard chaplains to ever be deployed to a hostile fire zone.

Currently, Colonel Gibson is the Joint Forces Headquarters Maine chaplain and the director of Deployment Cycle Support. In these roles, he oversees the spiritual needs of the Maine Guard's soldiers and families. He also coordinates a team of health professionals who provide support to our servicemembers, veterans, and military families.

Colonel Gibson's service also extends deep into our communities. He is a key organizer of Maine's annual Interfaith Prayer Breakfast. Colonel Gibson is a true asset to our State of Maine and our country. I'm proud that he is my constituent, and it's an honor to have him deliver today's prayer.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mrs. CAPITO). The Chair will entertain 15 further requests for 1-minute speeches on each side of the aisle.

PATRIOT ACT

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

Mr. MASSIE. Madam Speaker, I rise today to implore my fellow Congressmen to wake up. Can't we see what's happening?

In just the past month, we discovered that the NSA is snooping on millions of innocent Americans using the PATRIOT Act. Congress wrote the PATRIOT Act. The IRS is targeting conservative organizations using the Tax Code. Congress created the Tax Code. And the DHS has stockpiled 200 million hollow-point bullets. Congress just funded DHS last week. Do you want me to be surprised? I'm not surprised. I'm outraged. But what's happening here? In each case of executive overreach, Congress gave an inch and the executive branch took a mile.

When our civil liberties are stolen, Congress investigates and expresses

righteous indignation, but all too often Congress then turns around and funds and enables this unconstitutional behavior. If we don't reverse this trend, we can kiss our civil liberties good-bye.

The Constitution embodies American principles that men and women fought and died to protect. We swore an oath to protect it. Madam Speaker, I encourage my colleagues to reflect on the damage that CISPA, the PATRIOT Act, and the NDAA have wrought on our civil liberties and implore my fellow Members to uphold the constitutional rights they swore to protect. Don't yield one inch.

IMMIGRATION REFORM

(Ms. HAHN asked and was given permission to address the House for 1 minute.)

Ms. HAHN. Madam Speaker, the pivotal days for immigration reform are before us. I am pleased that a bipartisan group of Senators have come together in a compromise that could finally create a roadmap to citizenship for the 11 million people in this Nation who have worked hard and contributed to the success of this Nation. We are a Nation founded by immigrants and working families. It's what makes this country strong.

Let us not forget that nearly every American family has its own immigration story. We all pledge allegiance to the same American flag, and we all hope to achieve the same American Dream.

Our Nation's immigration system is broken. This is our chance to get it right. Let's get it right for those young DREAMers, let's get it right for the tireless working mothers and fathers, let's get it right for same-sex families stuck on opposite sides of the border. Together we can build an effective, fair, and inclusive system that lives up to our heritage as a Nation of immigrants. Let's get it right this time.

THE BUCK MUST STOP SOMEWHERE

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

Mr. ROGERS of Alabama. Madam Speaker, where is the accountability? From Benghazi to the IRS to the Justice Department monitoring reporter emails, the trust Americans should have in their government is being shaken, and for good reason.

It's unfortunate we're spending time and resources searching for answers from our own leaders. Americans have questions like: Has the President been completely transparent about the Benghazi attacks? Who ordered the IRS to target conservative groups? Were more reporters monitored by the Justice Department, more than just the AP and FOX News? Did Attorney General Eric Holder mislead the U.S. Congress?

Because of his failed leadership on this and other scandals like Operation Fast and Furious, I have called on Eric Holder to resign. The buck has to stop somewhere. It's time for the Obama administration to come clean with the American people.

NATIONAL DEFENSE AUTHORIZATION ACT ADDS PROTECTIONS FOR VICTIMS OF SEXUAL ASSAULT

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

Mr. BARBER. Madam Speaker, this week, we will vote on the National Defense Authorization Act. As we debate this important legislation, we must keep in mind the deeply troubling problem of sexual assault within our military.

The vast majority of men and women who are in our armed services serve us with honor and distinction, but their dedication is undermined by those who commit sexual assaults. Last year, nearly one out of every 16 Active Duty women reported having been the victim of an unwarranted sexual contact. This is a deplorable situation.

Last week, in a truly bipartisan manner, the Armed Services Committee produced a bill that we will debate today. It prohibits the dismissal or reduction of guilty verdicts in sexual assault convictions. It makes sure that those who are found guilty of these heinous crimes will be discharged from the military, and adds other important protections for victims of sexual assault.

As leaders, we have a duty to protect those who protect us.

UNACCEPTABLE VIOLATIONS OF OUR FUNDAMENTAL RIGHTS

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

Mr. MESSER. Madam Speaker, "Those who give up essential liberty to purchase a little temporary safety deserve neither liberty nor safety." Ben Franklin uttered those words several hundred years ago, but his warning is still relevant today.

Reports that the National Security Agency has been monitoring the phone records and Internet activities of ordinary citizens should concern every American.

The President has said that these surveillance programs don't involve listening to people's phone calls or reading their emails. Americans want to believe their President. Yet his tax agency lied about targeting conservative groups and his Justice Department spied on reporters who were just doing their job.

As a Nation, we would be wise to heed Ben Franklin's advice and make sure that there is a bright line between acceptable counterterrorism activities

and unacceptable violations of our fundamental rights.

□ 1210

WARRANT OFFICER MULLEN

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

Mr. CARNEY. I rise today to pay tribute to a fallen soldier from my home State of Delaware.

Last week, I joined the family of Warrant Officer Sean Mullen at Dover Air Force Base to witness the dignified transfer of his remains.

Sean, whose family resides in Dover, Delaware, was killed earlier this month in Afghanistan. He was on his sixth tour of duty. He leaves behind his wife, Nancy, and a life full of service, loyalty, and courage.

As I stood with Sean's mother, Mariam, through her tears, she asked me to do one thing. She said, "Let the people know what these men and women go through. Let them know what they do for their country."

That's why I'm here on the floor today—to do what this Gold Star mother asked me to do, which is to remember the hundreds of thousands of Americans who have volunteered out of a sense of patriotism and selflessness to put themselves in harm's way in service to their country.

So to Sean Mullen and to his heroic brothers and sisters in arms who have given their lives to protect ours, I stand here today to say thank you, and may God bless you.

ADOPTION TAX CREDIT

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

Mr. COTTON. Today, I want to highlight another potential IRS abuse, namely, unfair audits of adoptive parents who filed for the Adoption Tax Credit.

We've all heard about the abuse of conservatives, Christians, and other groups, but fewer people know the alarming story of families who use the Adoption Tax Credit to offset some of the high costs of adoption.

According to the IRS' own Taxpayer Advocate Service, 90 percent of those who filed for the Adoption Tax Credit last year were flagged for additional review. Nearly 70 percent were audited, but only 1½ percent of adoption credit claims were disallowed in the end. By contrast, only 1 percent of all tax returns are audited.

Adoptive parents are loving, selfless Americans who are simply trying to provide a safe and loving home for kids in need. An adoption is a reflection of the boundless compassion of our country, and it helps save innocent unborn lives that may otherwise be ended by abortion.

We should do all in our power to encourage adoption, not to discourage it

through bureaucratic runarounds. I urge the Congress to get to the bottom of this unfair treatment of adoptive parents.

ARMY SERGEANT MARIBEL MANRIQUEZ RAMOS

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

Ms. LORETTA SANCHEZ of California. I rise today to honor Sergeant Maribel Manriquez Ramos, a resident of my district who was laid to rest this past week.

Her dedication was displayed in her many promotions, commendations, and medals earned during deployments to imminent-danger areas like Korea and Iraq. Sergeant Ramos served her Nation with both duty and honor both at home and abroad. Back home, she was set to receive a degree in criminal justice from Cal State Fullerton this May. During her enrollment at the university, she served as an inspiration to other veterans in the pursuing of their dreams through higher education.

Unfortunately, our heroic Sergeant Ramos died at the age of 36. She is a hero because of the way she lived her life. She lived a life of honor and service both as an Army sergeant and as a community leader.

To her family, I convey the deepest sympathies from all of the community. May she never be forgotten.

JOBS AND ECONOMIC GROWTH

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

Mrs. ROBY. Madam Speaker, I rise to discuss an issue that matters to all Americans—jobs and economic growth. The story got buried with all the breaking news of last week; but last month's job numbers are in, and they aren't good.

On the surface, the U.S. economy adding 175,000 jobs might sound like good news; but look deeper, and you'll see troubling indicators for our economy. Manufacturing actually lost 8,000 jobs in total. This recovery is so weak by historic standards that it has produced 4 million fewer jobs than any other recovery since World War II.

Madam Speaker, this isn't real recovery. If we are going to improve this economy and create jobs, we need less government and more freedom. Every day, House Republicans are seeking solutions to grow the economy. Let's make life work for families across the country, and let's expand opportunities for everyone without expanding government.

ENDING SEXUAL ASSAULT IN THE MILITARY

(Ms. GABBARD asked and was given permission to address the House for 1 minute.)

Ms. GABBARD. I was very proud after 9/11 when I enlisted in the Hawaii Army National Guard; proud to continue serving as a captain in that same unit; proud when I was a private that I went to Fort Jackson, South Carolina, in basic training and learned about the Army values of respect, integrity, and honor; proud to be a part of an organization in which strong, unbreakable bonds of trust exist between my brothers and sisters in uniform. But I am not proud that we as a country have allowed an epidemic of sexual assault in the military to continue to such great lengths today.

I feel it is my responsibility to my brothers and sisters in uniform to take action to address this issue, and it is why I have introduced a bill to have a fair, independent, and transparent process to bring justice for these survivors and to prosecute those who are guilty.

We've seen calls to action from communities across the country—headlines from *The Washington Post*, *The New York Times*, *USA Today*, and from my own local newspaper, the *Honolulu Star-Advertiser*—each calling for us as Congress to pass these measures. We must take action. We owe it to our selfless heroes and to our servant leaders who put their lives on the line every single day for our country.

AMERICAN ENERGY AND A HEALTHY ECONOMY

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

Mrs. NOEM. Last weekend, I was speaking with a group of individuals, and I talked about the need for a healthy economy and an energy plan where we prioritize American energy.

A woman who was in that meeting stood up, and she shared her story. She started to talk about her husband, who had his hours reduced at work because of regulations that came out of the ObamaCare bill. She talked about her kids, two of them teenagers, who are unable to find summer work and how, if they want to go to church during the week, if they want to play baseball games, if they want to do daily activities that normal, everyday families do, they will put hundreds of miles on their car and spend hundreds of dollars on gasoline in trying to make it happen.

That's why our team and I are so committed to dealing with bills that directly address the problems that these Americans face. It's why we prioritize a healthy economy, a healthy economy that can give certainty to these struggling American families. It's important that we pass a 5-year farm bill; it's important that we make sure that food is affordable and safe in this country; it's also important that we focus on American energy and on using the natural resources we have at home; and it's important that we talk about the Keystone pipeline.

We are going to continue to work to ensure that our students get educations, that they can pay off their loans when they're done, and that they can continue to pursue the American Dream—just like we got to do decades ago.

AN ALGORITHMIC SOLUTION TO THE BOLTZMANN EQUATION

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

Mr. MCNERNEY. Madam Speaker, I rise to announce a new advancement in mathematics: an algorithmic solution to the full Boltzmann equation that has taken 140 years to solve.

The full seven-dimensional Boltzmann equation provides a crucial link between the microscopic, or quantum, behavior of atomic particles on the one hand and the behavior of matter that we humans observe on the other hand. It does this by predicting how gaseous material responds to external influences, such as changes in temperature and pressure, quickly settling to a stable equilibrium.

The solution of this equation gives us an understanding of grazing collisions, when molecules glance off one another, which is the dominant type of collision. The algorithm uses a range of geometric fractional derivatives from kinetic theory.

I congratulate the authors, Philip Gressman and Robert Strain, from the University of Pennsylvania on this advancement; and I commend the National Science Foundation for supporting these scientists in their work.

□ 1220

OBAMACARE

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

Mr. ROE of Tennessee. President Obama took the stage last Friday in California and admitted that some Americans will see higher costs on their health care premiums, but blamed employers for shifting costs rather than taking responsibility for the damage caused by his damaged health care reform.

The President also said the law was "working the way it was supposed to," but many employers, myself included, cannot tell their employees exactly what their health insurance premiums will look like next year.

Worse, President Obama neglected to include all the facts in his stump speech, touting a recent report that claimed health care would be less expensive for Californians under the law. The truth is: in California, the cheapest plan under ObamaCare for a 25-year-old man is roughly 64 percent to 117 percent more expensive than the five cheapest policies sold today, according to *The Wall Street Journal*.

The uncertainty around the implementation and cost of the Affordable

Care Act is causing economic chaos during a time employers need stability, and it appears this train wreck is only going to get worse.

Madam Speaker, ObamaCare was a bad idea 3½ years ago, and today we're seeing exactly how this law is bad medicine for this country.

RENEWABLE ENERGY AND ENERGY EFFICIENCY EXPO

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

Mr. BUTTERFIELD. I rise today to draw attention to the Congressional Renewable Energy and Energy Efficiency EXPO being held here today.

For my constituents in North Carolina, investing in new forms of energy and improving efficiency can create jobs and reduce costs. The estimated 850,000 jobs in renewable energy industries are continuing to grow.

Triangle Biofuels Industries in Wilson, North Carolina, continues to expand each year; the Biofuels Center of North Carolina, located in Oxford, is working to replace 10 percent of the petroleum used in our State with locally produced biofuels; and a proposed Chemtex plant stands to bring more than 300 direct and indirect jobs and increase revenue for local farmers by \$4.5 million annually.

This project would not be possible without a \$99 million loan guarantee from USDA.

OBAMACARE

(Mr. COLLINS of New York asked and was given permission to address the House for 1 minute.)

Mr. COLLINS of New York. Madam Speaker, I come to the House floor today to share real-life examples from my district concerning the growing trend happening all across this country because of ObamaCare.

My office recently received a call from Colden Repka, a 23-year-old from Attica, New York. Colden works 30 hours a week for a manufacturer while carrying a full college course load. Colden's boss recently told him his weekly hours would be cut from 30 to between 20 and 25 in order to avoid the ObamaCare employer mandate, despite Colden staying on his parents' health insurance policy.

Just last week, Richard Markel from Clarence, New York, called my office with a similar concern. Richard is a man just trying to make some extra money for his family. His regular 32 hours per week are being reduced to less than 25 to avoid the perverse mandates of ObamaCare.

Madam Speaker, Americans want to get back to work. Unfortunately, ObamaCare's onerous regulations are hitting employees in ways many did not expect, and it's just the beginning. This country is realizing that ObamaCare is a train wreck. Just ask Colden and Richard.

IN RECOGNITION OF THE OUTSTANDING STUDENTS FROM MORNINGSIDE MIDDLE SCHOOL

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

Mr. VEASEY. Madam Speaker, I rise today to congratulate eight outstanding students in southeast Fort Worth that attend Morningside Middle School in Fort Worth, Texas. Lexi Stanford, Tomas Altamirano, Alex Delgadillo, Carei Frank, Yontrell George, Jennifer Huynh, Adair Medina, and Paola Rios were all contenders in the Junior National Academic Championship.

This is the first time that students from the 33rd Congressional District's Morningside Middle School participated in the qualifying competition, nicknamed the "Whiz Quiz" competition and also the GE College Bowl, which has been a tradition in the Fort Worth Independent School District since 1978. This challenge of knowledge requires middle school and high school academic teams to accurately answer brain-stretching questions faster than their opponents.

On May 31, these eight students traveled to Washington to compete against other schools across the Nation in the larger Junior National Academic Championship. I would once again like to commend these students on a job well-done and encourage them to continue excelling in their academic pursuits.

REPUBLICAN SOLUTIONS FOR JOBS

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

Mr. CHABOT. Madam Speaker, according to last week's jobs report, nearly 12 million Americans—12 million of our fellow citizens—are out of work. That's simply unacceptable.

The American people deserve better than a constant parade of job-destroying regulations coming out of Washington. They deserve better than a government that continues to spend us further into debt.

The American people deserve solutions that will create jobs today, and that's what the House Republican plan is all about. We have a plan to grow our economy and secure the future for all Americans, to expand opportunity, not government.

We want to rein in massive government spending and reform the Tax Code to make it simpler and fairer for all Americans. That's the House Republican plan. It's one of growth, prosperity, and unlimited opportunities for all Americans.

REPUBLICAN SOLUTIONS FOR JOBS

(Mr. HULTGREN asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. HULTGREN. Madam Speaker, can you blame the American people for being dissatisfied with Washington? The most crucial issue facing our country is the need to create jobs and grow our economy, but what do the American people see? A government run amok.

House Republicans know how important it is to hold the government accountable to the people. After all, that's where power comes from in a democracy. And we know that we can't grow our economy with massive, bloated bureaucracy standing in the way.

House Republicans are committed to clearing out the underbrush, cutting waste, and fixing broken government. It's our constitutional duty to provide effective oversight of the executive branch, and that's just what we're going to do. That's how we secure a good future for all Americans.

REPUBLICAN SOLUTIONS FOR JOBS

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

Mr. HENSARLING. Madam Speaker, regrettably for the American people, they see a nonrecovery recovery. Millions of our fellow citizens remain unemployed and underemployed. That's why House Republicans are working to make the Tax Code fairer, flatter, simpler, more competitive, so America can go back to work, but so far we're hearing silence from the White House. We want red tape reform. That is strangling small business people.

Madam Speaker, I heard one small business person in my district say, "It's just like the Federal Government doesn't want me to succeed." We need to unchain them. We need to cut the red tape and allow them to create jobs.

Finally, the Affordable Care Act is not affordable for our American citizens. It is not affordable to small businesses. It is harming job creation and costing trillions of dollars and potentially millions of jobs. Republicans want to repeal it.

This is an agenda to help create jobs for America when Americans need growth, hope, and opportunity.

STUDENT LOAN RATE HIKES

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

Ms. FOXX. Madam Speaker, on July 1 of this year, student loan interest rates are set to double.

This doesn't have to happen, though, and it won't if President Obama and Senate Democrats choose to work with House Republicans on a bipartisan solution.

Unlike the Senate, the House of Representatives successfully acted to stop the unnecessary rate double. The Presi-

dent and Senate should follow our bipartisan example and build off the Smarter Solutions for Students Act.

Despite the White House whiplash on this issue, our legislation is very similar to President Obama's own budget proposal. It will prevent rates from doubling, allowing students to benefit from low rates and protect low- and middle-income students.

The House acted in a way that satisfies the President's original criteria for a long-term, market-based plan. We welcome the Senate to get on board.

Preserving this problem just to be able to campaign on the issue year after year would be a true disservice to every student and taxpayer.

□ 1230

ELECTING CERTAIN MEMBERS TO CERTAIN STANDING COMMITTEES OF THE HOUSE OF REPRESENTATIVES

Ms. FOXX. Madam Speaker, by direction of the House Republican Conference, I offer a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 257

Resolved, That the following named Members be, and are hereby, elected to the following standing committees of the House of Representatives:

COMMITTEE ON HOMELAND SECURITY: Mr. Sanford.

COMMITTEE ON THE JUDICIARY: Mr. Smith of Missouri.

COMMITTEE ON NATURAL RESOURCES: Mr. Smith of Missouri.

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY: Mr. Collins of New York.

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE: Mr. Sanford.

Ms. FOXX (during the reading). Madam Speaker, I ask unanimous consent that the resolution be considered as read.

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote incurs objection under clause 6 of rule XX.

Record votes on postponed questions will be taken later today.

REVERSE MORTGAGE STABILIZATION ACT OF 2013

Mr. HENSARLING. Madam Speaker, I move to suspend the rules and pass

the bill (H.R. 2167) to authorize the Secretary of Housing and Urban Development to establish additional requirements to improve the fiscal safety and soundness of the home equity conversion mortgage insurance program.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2167

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Reverse Mortgage Stabilization Act of 2013”.

SEC. 2. ADDITIONAL SAFETY AND SOUNDNESS REQUIREMENTS FOR HOME EQUITY CONVERSION MORTGAGE INSURANCE PROGRAM.

Subsection (h) of section 255 of the National Housing Act (12 U.S.C. 1715z–20(h)) is amended—

(1) in paragraph (1), by striking “and” at the end;

(2) in paragraph (2), by striking the period at the end and inserting “; and”; and

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

“(3) establish, by notice or mortgagee letter, any additional or alternative requirements that the Secretary, in the Secretary’s discretion, determines are necessary to improve the fiscal safety and soundness of the program authorized by this section, which requirements shall take effect upon issuance.”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. HENSARLING) and the gentleman from Washington (Mr. HECK) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. HENSARLING. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and submit extraneous materials for the RECORD on H.R. 2167 currently under consideration.

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

There was no objection.

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

Madam Speaker, I rise in support of the bipartisan H.R. 2167, the Reverse Mortgage Stabilization Act of 2013, introduced by our colleagues, Mr. HECK of Washington and Mr. FITZPATRICK of Pennsylvania.

H.R. 2167 provides authority to the Secretary of Housing and Urban Development to make administrative and policy changes to the FHA’s Home Equity Conversion Mortgage Program through a mortgagee letter rather than the arduous 18-month regulatory process. The bill sets conditions that FHA can only use this new authority when immediate changes are necessary to improve the fiscal safety and soundness of the program. And, Madam Speaker, immediate changes that improve the fiscal safety and soundness of this program are exactly what is needed.

In our efforts in this Congress and on the Financial Services Committee to

help create a sustainable and competitive housing finance system for Americans, our committee and its Housing and Insurance Subcommittee have held a series of hearings this year on the financial problems at the FHA.

In its current form, FHA is most definitely an impediment to a sustainable and competitive housing finance system. Because of this, the Financial Services Committee has been working to examine needed reforms to FHA, reforms that go beyond its fiscal solvency and address serious structural flaws at the FHA.

There is one thing that we know for certain about FHA: the FHA is not just broke; regrettably, it is bailout broke. This is not just my conclusion; it is the conclusion of the annual independent actuarial study of the FHA’s Mutual Mortgage Insurance Fund—the government fund that insures the FHA’s single-family mortgages. This actuarial study shows us “the economic value of the fund as of FY 2012 is negative \$13.48 billion.”

The same actuarial report states that the economic value of the Home Equity Conversion Mortgage portion of the fund—which H.R. 2167 addresses—is “negative \$2.8 billion.” Again, bailout broke.

Madam Speaker, H.R. 2167, which has strong bipartisan support, is a first and modest step in stemming substantial losses from FHA. It provides the tools needed to allow the agency to immediately address serious and significant flaws with its Home Equity Conversion Mortgage Program that threaten hard-working taxpayers with being forced to fund yet another Washington bailout.

That’s why, Madam Speaker, I urge the passage of H.R. 2167 today. The Secretary of HUD has testified that HUD needs this authority from Congress to make immediate changes. As I said, without H.R. 2167, it could take up to 18 months for these vital, needed changes to be made, during which the FHA would continue to lose money.

I thank the bipartisan supporters and authors of this bill for their leadership and for their support in order to help protect taxpayers and improve and reform the FHA program.

I reserve the balance of my time.

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

I would like to begin by reciprocating and thanking the gentleman from Texas for his leadership on this issue, and perhaps as notably the gentleman from Pennsylvania for his leadership and cooperation and collaboration in helping to solve this important problem. I thank you, sir. And, more importantly, I thank you on behalf of the many people who will benefit as a result of our action here today.

Madam Speaker, currently the Federal Housing Administration underwrites 100 percent of all reverse mortgages. Let me say that again. The Federal Housing Administration underwrites 100 percent of all reverse mort-

gages, and that is a program that is deeply troubled, as enumerated by the capable chair of the Financial Services Committee.

And so if you believe, as I do, that reverse mortgages are a financial product that actually ought to be available to some people, but under appropriate circumstances and conditions, it’s all the more important that we enact H.R. 2167 today, and not just because TV pitchmen—let’s see if I can name them all—James Garner, Henry “the Fonz” Winkler, Fred Dalton Thompson, Pat Boone, and Robert Wagner—entreat our elderly to do so, but because this legislation is very important.

So the question is, as with all legislation: What’s the problem? There’s probably no better statement of the problem than is represented in this chart which says that 7 percent of the FHA’s portfolio is related to reverse mortgages, but 17 percent of their portfolio that is underwater is attributable to reverse mortgages. That is a stark, salient representation of why this legislation is needed.

I might add, frankly, that if you were to compare reverse mortgages across all, just the going forward, 30-year fixed mortgage market, it would be even more stark. This is against all products.

So what’s the solution? As the chair indicated, it is to give the FHA the authority through mortgagee letter to adopt certain reforms. The alternative is to wait and to endure the arduous rulemaking process.

I had an agency in the office the other day for which I had a problem, and I sought a solution through the rulemaking process. I asked them, what’s the minimum amount of time that would be required for adoption of rules, and they indicated the best of circumstances would be 18 months—sighed, paused—then said more like 24 to 36 months. We can’t wait that long, Madam Speaker.

So what are those reforms that are likely to be adopted via mortgagee letter at the FHA? I think most notably, it would require a financial assessment of potential borrowers to ensure that this financial product is suitable for them. There are others as well. It may reduce the amount of funds granted up front to the borrower, and it may require escrow for provision of payment of taxes and insurance, something that is not uncommon in the mortgage industry.

But the financial assessment portion that very well may ensue as a result of passage of this legislation, it’s important to note that that is a tool and technique used by the VA when it underwrites reverse mortgages. Let me say that again. The VA uses this tool to underwrite reverse mortgages. And how much of a problem does the VA have with reverse mortgages? Zero. Zero.

So we know with a virtual certainty that this solution which the gentleman from Pennsylvania and I bring to you today will solve the problem.

Finally, let me just say this is a twofer. We don't often get the opportunity for a twofer. This will extend some consumer protection insofar as there are consumers who will not purchase or who will purchase under different terms and conditions this product in a way that will not render them at risk as they are today. And secondly, it will inarguably improve the portfolio of the FHA. So, ladies and gentlemen, I entreat you to vote "yes," and I thank once again both the chair of the committee and the gentleman from Pennsylvania.

I reserve the balance of my time.

Mr. HENSARLING. Madam Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. FITZPATRICK), the vice chair of our Oversight and Investigations Subcommittee, and the lead cosponsor of this bill.

□ 1240

Mr. FITZPATRICK. Madam Speaker, I rise in support of H.R. 2167, a bill that I was very happy to work on with the gentleman from Washington. It's an example of us able to work in a bipartisan way on important legislation that will, in fact, institute good, commonsense reforms on an important program for America's seniors.

This bill is very simple. It allows HUD to institute some needed reforms to the Home Equity Conversion Mortgage Program, better known as reverse mortgages, using an expedited process. The legislation requires that any changes to the program being made using the authority contained in this act must be done to improve the fiscal safety and soundness of the reverse mortgage program.

There is concern on both sides of the aisle about the financial health of FHA. Last November, FHA released its annual report to Congress on the financial status of the Mutual Mortgage Insurance Fund. There are some significant shortfalls, and the Financial Services Committee and the chairman have been diligently examining the problems there and what actions that Congress may need to take.

The Home Equity Conversion Mortgage Program is one of those areas that must be reformed, and this bill is going to help the HUD Secretary take some critical steps to ensure the long-term stability of that program.

Madam Speaker, it is important that we make improvements to FHA's HECM program to ensure that reverse mortgages remain an option for seniors. When used appropriately, a reverse mortgage can help seniors pay off debts; deal with unexpected expenses, including health emergencies; and improve or maintain quality of life.

It can be an important financial tool for folks like Robert and Fran Ciaccia of Bristol Township in my district who, because of this program, had access to equity that they used to make their lives and their retirement better—their lives, Robert and Fran, and the lives of countless seniors throughout Pennsyl-

vania that I've spoken to who were able to maintain their home and stay in their home well into their retirement years when they had no other options to do so.

FHA insurance makes these products widely available, while protecting against predatory practices. By using the authority granted in this act, the Secretary of HUD has suggested reforms that protect taxpayers by making the HECM program more fiscally sound, while increasing consumer protections for seniors who may want to take advantage of a reverse mortgage.

So, Madam Speaker, I urge my colleagues to support the legislation. I appreciate the opportunity to work with the gentleman from Washington on this bill.

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

Mr. HENSARLING. Madam Speaker, I'm ready to close. I just simply want to thank my two colleagues for their bipartisan leadership on this bill, something that is going to be very important to sustainable housing, the fiscal sanity of the FHA, and for a number of our consumers as well. I urge the House to adopt the bill.

I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. HENSARLING) that the House suspend the rules and pass the bill, H.R. 2167.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

BUSINESS RISK MITIGATION AND PRICE STABILIZATION ACT OF 2013

Mr. HENSARLING. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 634) to provide end user exemptions from certain provisions of the Commodity Exchange Act and the Securities Exchange Act of 1934, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 634

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Business Risk Mitigation and Price Stabilization Act of 2013".

SEC. 2. MARGIN REQUIREMENTS.

(a) COMMODITY EXCHANGE ACT AMENDMENT.—Section 4s(e) of the Commodity Exchange Act (7 U.S.C. 6s(e)), as added by section 731 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, is amended by adding at the end the following new paragraph:

"(4) APPLICABILITY WITH RESPECT TO COUNTERPARTIES.—The requirements of paragraphs (2)(A)(ii) and (2)(B)(ii), including the initial and variation margin requirements imposed by rules adopted pursuant to paragraphs (2)(A)(ii) and (2)(B)(ii), shall not apply

to a swap in which a counterparty qualifies for an exception under section 2(h)(7)(A), or an exemption issued under section 4(c)(1) from the requirements of section 2(h)(1)(A) for cooperative entities as defined in such exemption, or satisfies the criteria in section 2(h)(7)(D)."

(b) SECURITIES EXCHANGE ACT AMENDMENT.—Section 15F(e) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-10(e)), as added by section 764(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, is amended by adding at the end the following new paragraph:

"(4) APPLICABILITY WITH RESPECT TO COUNTERPARTIES.—The requirements of paragraphs (2)(A)(ii) and (2)(B)(ii) shall not apply to a security-based swap in which a counterparty qualifies for an exception under section 3C(g)(1) or satisfies the criteria in section 3C(g)(4)."

SEC. 3. IMPLEMENTATION.

The amendments made by this Act to the Commodity Exchange Act shall be implemented—

(1) without regard to—

(A) chapter 35 of title 44, United States Code; and

(B) the notice and comment provisions of section 553 of title 5, United States Code;

(2) through the promulgation of an interim final rule, pursuant to which public comment will be sought before a final rule is issued; and

(3) such that paragraph (1) shall apply solely to changes to rules and regulations, or proposed rules and regulations, that are limited to and directly a consequence of such amendments.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. HENSARLING) and the gentleman from Michigan (Mr. PETERS) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. HENSARLING. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and submit extraneous materials for the RECORD on H.R. 634, as amended, currently under consideration.

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

There was no objection.

Mr. HENSARLING. Madam Speaker, I yield myself as much time as I may consume.

Madam Speaker, H.R. 634, the Business Risk Mitigation and Price Stabilization Act of 2013, is bipartisan legislation. It will help provide America's job creators with greater certainty so that they can invest more in our still-struggling economy and help create desperately needed jobs for the millions who remain either unemployed or underemployed.

Again, when our so-called recovery has produced 4 million fewer jobs than the average recovery of the last 70 years, clearly nothing is more important than finding solutions that will help grow our economy and create more and better jobs for those who need them.

Americans want and deserve a healthier economy and a more secure

future. But, regrettably, all too often Washington, either inadvertently or on purpose, creates piles and piles, mountains upon mountains of unnecessary red tape for our entrepreneurs or small business people and our job creators.

Quite often, Madam Speaker, this institution makes the goal of economic growth and job creation more difficult. But the bipartisan bill before us today is helpful. It is needed to help protect manufacturers, ranchers, thousands of Main Street businesses across the Nation from unnecessary red tape that would divert their resources and time away from the activities to make their businesses successful and thus create more jobs.

One manufacturer told the Financial Services Committee earlier this year, a Mr. Thomas Deas, who works for a chemical manufacturing company in Pennsylvania, he testified before our committee that without H.R. 634, manufacturers and other end-users of derivatives, which this legislation deals with, would be forced to comply with unnecessary regulation that he said “means less funding is available to grow their businesses and expand employment.”

Now, improving the Dodd-Frank Act, regardless of its relative merit, it did at least make clear that Congress intended that manufacturers, ranchers, and, again, Main Street businesses that this bill is intended to address, that they would not be subject to certain regulations regarding margin requirements for end-users of derivatives.

Still, despite Congress’ clear intent on the subject, such requirements have been proposed by Washington regulators. And so this resulting legislation would contain provisions that would modify and provide greater clarity to the Dodd-Frank Act regarding the intentions of Congress in dealing with the end-user exemption.

We have heard from Federal Reserve Chairman Bernanke, who stated before the Senate Banking Committee earlier this year that because the Dodd-Frank Act is “a very big, complicated piece of legislation” that regulators like the Federal Reserve needed “clarity” from Congress on what “to do about end-users.”

So H.R. 634 provides that clarity by stating clearly that end-users of derivatives shall be exempt from the onerous margin requirements imposed by Title VII of the Dodd-Frank Act.

As I said earlier, Madam Speaker, this is a bill with very strong bipartisan support. The Financial Services Committee reported this bill out of committee on a recorded vote of 59-0. Let me repeat that, Madam Speaker: the Financial Services Committee reported this bill out of committee on a recorded vote of 59-0.

Likewise, the Agriculture Committee approved this bill on a voice vote, meaning it has received no opposition in either committee.

And, Madam Speaker, I should note that this substantially similar legisla-

tion was overwhelmingly passed by the House last year with 370 bipartisan votes.

In closing, I want to thank our colleague, Agriculture Committee Chairman FRANK LUCAS, for advancing this bipartisan bill on which our committees share jurisdiction. And I also want to thank the bipartisan supporters of this bill, particularly the gentleman from New York (Mr. GRIMM) and the gentleman from Michigan (Mr. PETERS), who are outstanding leaders in our committee, as well as the gentleman from Georgia (Mr. AUSTIN SCOTT), the gentleman from North Carolina (Mr. MCINTYRE), leaders on the Agriculture Committee.

H.R. 634 is sound policy, and it is necessary to ensure that regulators do not further hurt our economy by forcing manufacturers, ranchers, and Main Street businesses to needlessly divert resources away from creating more and better jobs for an American public that is more than ready for them.

Madam Speaker, I urge the House to approve this needed bipartisan legislation today.

I reserve the balance of my time.

□ 1250

Mr. PETERS of Michigan. Madam Speaker, I ask unanimous consent to yield 10 minutes of my time to the gentleman from North Carolina and a member of the Agriculture Committee, Mr. MCINTYRE, and that he be allowed to control that time.

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

There was no objection.

Mr. PETERS of Michigan. Madam Speaker, I now yield myself as much time as I may consume.

I rise today in support of H.R. 634, the Business Risk Mitigation and Price Stabilization Act of 2013. I’m proud to have coauthored this bipartisan legislation with my colleague, MICHAEL GRIMM. I appreciate his hard work on this important legislation and his willingness to work across the aisle. I would also like to thank our partners on the Agriculture Committee, Representatives AUSTIN SCOTT and MIKE MCINTYRE. We all worked together on this bill to keep costs down for families and small businesses for a wide range of goods and services like groceries, air travel, and autos. I would like to thank Chairman HENSARLING and Ranking Member WATERS for their support on this crucial legislation.

While this bill improves financial regulation, this is truly a Main Street bill. Derivatives end users represent a broad cross section of businesses across our Nation, from farmers worried about the price of fertilizer to manufacturers concerned about fluctuating interest rates. Businesses in all of our districts use derivatives to ensure that they pay a reasonable price for the products they need and keep consumer prices stable no matter what happens in the financial markets. This bill is

about protecting businesses across Michigan and the United States that rely on derivatives to responsibly manage risk.

During consideration of the Wall Street Reform, there was bipartisan recognition that regulations to curb excessive risk taking in the financial sector should not stifle job creation in the agriculture or manufacturing industries. Michigan is a State that builds and grows things, and I will continue to fight to make sure that we always will be.

Let me be clear: as a member of the conference committee that approved the final version of the Dodd-Frank Act, I can say with certainty that Wall Street Reform was not written or signed into law to hinder the hard-working folks building autos or growing apples.

End users, companies that use derivative contracts to offset legitimate business risks, were specifically exempted from the clearing requirements, and Congress did not specifically direct regulators to require end users to post margin. Our bipartisan bill simply clarifies congressional intent that nonfinancial end users are exempt from the Dodd-Frank margin requirements.

Forcing nonfinancial end users to post margin could have several negative consequences: unnecessarily increasing prices for consumers across a range of goods, slowing job growth here in the United States, and driving businesses to foreign, less transparent derivatives markets.

Our bill passed the House last year with overwhelming bipartisan support because it is about protecting jobs and clarifying congressional intent, and it passed the House Financial Services Committee earlier this year, as we heard, with unanimous, bipartisan support by a vote of 59-0.

This bill will ensure congressional intent to protect our manufacturing and agricultural industries is carried out. I look forward to this crucial legislation passing the House later today, and I urge my colleagues to support it. I will continue to work to get the Business Risk Mitigation and Price Stabilization Act signed into law.

I reserve the balance of my time.

Mr. HENSARLING. Madam Speaker, I now yield 4 minutes to the gentleman from New York (Mr. GRIMM), an outstanding member of the Financial Services Committee and the coauthor and lead Republican on this legislation.

Mr. GRIMM. Madam Speaker, I proudly rise in support of this legislation, H.R. 634, the Business Risk Mitigation and Price Stabilization Act of 2013. H.R. 634, as has already been noted by the chairman and my colleague, is truly a bipartisan piece of legislation that has passed this House previously in the 112th Congress with overwhelming support.

I would like to thank my colleague, Mr. PETERS, for working on this with me—this is an extremely important

issue, and it is a pleasure to work across the aisle—as well as my colleagues on the Agriculture Committee, Mr. AUSTIN SCOTT and Mr. MCINTYRE. Of course, I want to thank Chairman HENSARLING for his leadership on this issue, as well as for his leadership as chairman of the full committee, and also thank Ranking Member WATERS.

H.R. 634, as has been noted, will clarify the intent of Congress under the Dodd-Frank Act by providing an explicit exemption for the true commercial, nonfinancial end users of over-the-counter derivatives from having to post margin on uncleared derivatives transactions. This exemption is extremely important for job creation and economic growth, as well as price stabilization for average consumers.

Despite clear legislative history to the contrary, regulators continue to misinterpret the Dodd-Frank Act as giving them authority to impose margin requirements on true end users. H.R. 634 will ensure that nonfinancial end users remain exempt from margin requirements and that the regulators do not—I emphasize, they do not—exercise authorities that were not specifically given to them by the Congress.

If margin requirements were imposed on these nonfinancial end users, it would harm our economy by very simply diverting working capital from productive uses such as reinvestment into the business or job creation. And this legislation prevents this, and that's also extremely important to protecting American jobs and our economy.

True end users are firms and companies that use derivatives to manage their various financial risks. For example, firms use these products to protect against changes in interest rates if they've sold floating rate debt as well as to protect their profits earned in other currencies from variations in foreign exchange markets.

The benefits of this legislation are not limited to American businesses but extend into the heart of our communities. This bill will help keep consumption prices stable for hardworking families and for individuals. If true nonfinancial end users were required to post margin, their hedging costs could become so high that they could abandon the practice. This would lead to larger variations in consumer prices for a whole host of products, which has been said, things like groceries and airline tickets, and would create economic instability.

There's a study that has shown that imposing a 3 percent margin requirement on over-the-counter derivatives held by the S&P 500 companies could cut capital spending by \$5.1 to \$6.7 billion and cost 100,000 to 130,000 U.S. jobs. With the unemployment rate at 7.6 percent, this is a consequence that simply cannot be overlooked.

So, in closing, I ask that my colleagues once again support this commonsense, bipartisan pro-jobs legislation.

Mr. PETERS of Michigan. I yield 2 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. CAROLYN B. MALONEY of New York. I thank the gentleman for yielding and for his leadership on this important issue along with Congressmen MCINTYRE, GRIMM, HENSARLING, and many, many others.

Madam Speaker, I rise today in support of H.R. 634, the Business Risk Mitigation and Price Stabilization Act. This bill will make it easier for companies to manage their risks and plan for their future by clarifying that Dodd-Frank does not require end users of derivatives to post collateral on these trades. Congress never intended for these companies to be required to post collateral on their derivatives, because that would needlessly raise their costs and could even discourage companies from prudently managing their risks.

But because of a drafting error in Dodd-Frank, end users of derivatives currently face uncertainty about whether the regulators will require them to post collateral. Both Federal Reserve Chairman Ben Bernanke and CFTC Chairman Gary Gensler have stated that they support this bill because it would provide them with much-needed clarity on whether their rules on posting collateral should apply to end users.

This bipartisan effort to correct a problem with Dodd-Frank is not an attempt by opponents to weaken the safeguards of the bill but, rather, an attempt to make good legislation even better. Congress needs to step in and ensure that companies that use derivatives to manage their day-to-day commercial risk are not subject to unnecessary collateral requirements.

It was reported out in a very strong bipartisan vote from Financial Services Committee, and for these reasons, I urge my colleagues on both sides of the aisle to support H.R. 634.

Mr. HENSARLING. Madam Speaker, at this time, I'm pleased to yield 1 minute to the gentleman from Illinois (Mr. HULTGREN), another leader on H.R. 634.

Mr. HULTGREN. Thank you, Chairman HENSARLING.

Like many of my colleagues here, I am confident the House will pass H.R. 634 today and present this deserving bill to the Senate—again. After years of inaction bordering on dereliction, it's time for the Senate Banking Committee to act on Title VII before potentially irreparable and self-inflicting harm is done to our economy.

□ 1300

Unaddressed, end user margin requirements could lock up billions of dollars that would otherwise be put to productive use, dollars that could go to hiring new employees.

This bill, the Business Risk Mitigation and Price Stabilization Act of 2013, is a jobs bill. Without this bill, company treasurers complying with new margin requirements will have to

pull money from somewhere, choking off funding for other business operations.

And these businesses, by definition, are those that only use these tools to avoid risk, not for speculation. These businesses do not pose systemic risk; they didn't contribute to the crisis of 2008. Yet going against what Congress intended, regulators are roping them in.

I hope this bill passes with a large majority so it cannot be ignored by the Senate and President.

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

Mr. HENSARLING. I yield the gentleman an additional 30 seconds.

Mr. HULTGREN. I thank the chairman.

My constituents in Illinois need this legislation. Our farmers and manufacturers, big and small, have voiced their clear support. Thank you to the sponsors of this legislation, Mr. GRIMM and Mr. PETERS.

Mr. PETERS of Michigan. Madam Speaker, I have no further requests for time from the Financial Services Committee.

I ask unanimous consent to allow the gentleman from North Carolina (Mr. MCINTYRE) from the Agriculture Committee to control the rest of the time.

The SPEAKER pro tempore. Without objection, the gentleman from North Carolina will control the time.

There was no objection.

Mr. MCINTYRE. Madam Speaker, I rise today in support of this bill of which I'm a strong supporter and lead cosponsor, H.R. 634, and would like to thank my colleagues—Representatives HENSARLING, GRIMM, PETERS, and SCOTT—for their commitment to working together on this, as you've heard, in the discussion that has occurred thus far.

This bipartisan bill is a prime example—something our Nation is yearning for to see here in Congress—that Members can and will work together when we need to find solutions that we can come across the aisle and reach, and reach them quickly.

The Business Risk Mitigation and Price Stabilization Act will clarify that true derivatives end users are exempt from the margin requirement supplied by the Dodd-Frank Wall Street Reform and the Consumer Protection Act to many derivatives contracts.

These true end users use derivatives to manage actual business risk and protect against fluctuating prices, currency rates, or interest rates—not to speculate. Margin requirements would place undue burden on responsible end users not only back home in eastern North Carolina where I'm from, but also, indeed, across the country.

Our farmers, agriculture co-ops, and community banks all use financial products to mitigate risk, provide security for their businesses, and maintain prices for consumers. By removing margin requirements, this bill will free

up capital—something we all hear about that our small businesses are screaming for—free up capital and allow businesses to plan for the future, shield these plans from risk, and provide certainty needed to create American jobs. And those battle cries of freeing up capital and providing certainty is something I know all of our colleagues on both sides of the aisle can agree on. We do want to help with jobs and small business.

In the previous Congress, the House overwhelmingly passed an identical bill, as has been mentioned earlier. It is my hope that this House will again pass this important bipartisan legislation today and send a strong message that Congress can and will work together to pass commonsense solutions that protect our businesses, our farmers, our cooperatives and others from burdensome and misguided regulations.

With that, I reserve the balance of my time.

Mr. HENSARLING. Madam Speaker, I now yield 3 minutes to the gentleman from Georgia (Mr. SCOTT), who is the lead cosponsor of this bill from the Agriculture Committee.

Mr. AUSTIN SCOTT of Georgia. I thank the chairman.

Madam Speaker, I rise today in support of H.R. 634, the Business Risk Mitigation and Price Stabilization Act of 2013. And I, too, would like to thank many of the Members on the other side of the aisle, as well as mine, specifically, Mr. MCINTYRE from North Carolina for his work on the Ag Committee on this piece of legislation.

This bill clarifies congressional intent by providing a clear exemption for non-financial end users that qualify for the clearing exception under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Across the country, consumers and businesses alike are confronted with risks that are associated with their day-to-day operations. To manage these risks, businesses use over-the-counter derivatives to provide price certainty. Consumers, in turn, benefit from these risk-management practices through lower volatility in the day-to-day prices of the goods and services that they purchase.

By passing this legislation, Congress is providing a specific exemption from clearing and margin requirements for businesses and individuals who are not financial institutions. This accounts for less than 10 percent of the capital of the derivatives markets. It relieves the burdensome regulations and keeps the U.S. economy moving. This balance protects the consumer while providing a pro-growth environment for business.

To further the initial goal, H.R. 634 clarifies Congress' intent of keeping much-needed capital in the U.S. markets, which plays an important role in our country's continued economic growth.

I would also like to reiterate the fact that last year Congress passed this same piece of legislation 370-24. For

this reason, I ask my colleagues to support H.R. 634, so that businesses and individuals may benefit from the day-to-day risk-management prices that this will provide.

Mr. MCINTYRE. I reserve the balance of my time.

Mr. HENSARLING. Madam Speaker, I now yield 2 minutes to the gentlelady from Missouri (Mrs. HARTZLER), also a member of the Agriculture Committee.

Mrs. HARTZLER. I rise today in strong support of H.R. 634, the Business Risk Mitigation and Price Stabilization Act of 2013.

This bipartisan, commonsense piece of legislation is critical for commercial end users like farm credit companies and rural electric cooperatives to be able to use swaps to manage their long-term risks.

Earlier this year, I introduced H.R. 2136, the School Business Credit Availability Act, to address this very issue. I'm pleased that my colleagues have put together this important legislation which addresses the concerns that I have with clearing and margin requirements for rural electric cooperatives.

It's important to every family in my district to be able to count on reasonable and stable electric bills without unplanned price fluctuations. This bill ensures that the rural electric cooperatives in my district will be able to manage their long-term risk without the burden of costly clearing and margin requirements that would ultimately be passed on to my constituents.

I want to especially thank the chairman and ranking member of both committees for including language ensuring that cooperatives that have clearing exemption are also excluded from costly margin requirements. Dodd-Frank never intended for end users like rural electric cooperatives and farm credit companies to be subject to clearing and margin requirements.

Rural cooperatives in my district provide a great service at the lowest rates possible. Requiring these rural cooperatives to post margin on their swaps merely ties up working capital and will unnecessarily lead to higher electricity costs across the U.S.

I was pleased to see that earlier this year the CFTC included many of these end users, like rural cooperatives, in their proposed rulemaking on the clearing exemption. I support this legislation's directive to close the loophole by granting margin exemptions to those same entities as well.

Again, I support H.R. 634, and I urge my colleagues to vote for this legislation.

Mr. MCINTYRE. I reserve the balance of my time.

Mr. HENSARLING. Madam Speaker, I'm prepared to close, and I reserve the balance of my time.

Mr. MCINTYRE. Madam Speaker, I do want to emphasize the fact that we have great bipartisan support and would like to see this bill passed right away.

I yield back the balance of my time.

Mr. HENSARLING. Madam Speaker, I just want to urge all my colleagues to support this bipartisan legislation to bring some relief to end users, promote economic growth and jobs, and make congressional intent clear.

Again, I urge all of my colleagues to adopt it, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. HENSARLING) that the House suspend the rules and pass the bill, H.R. 634, 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. MCINTYRE. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

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

□ 1310

SWAP DATA REPOSITORY AND CLEARINGHOUSE INDEMNIFICATION CORRECTION ACT OF 2013

Mr. CRAWFORD. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 742) to amend the Securities Exchange Act of 1934 and the Commodity Exchange Act to repeal the indemnification requirements for regulatory authorities to obtain access to swap data required to be provided by swaps entities under such Acts.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 742

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Swap Data Repository and Clearinghouse Indemnification Correction Act of 2013".

SEC. 2. REPEAL OF INDEMNIFICATION REQUIREMENTS.

(a) DERIVATIVES CLEARING ORGANIZATIONS.—Section 5b(k)(5) of the Commodity Exchange Act (7 U.S.C. 7a-1(k)(5)) is amended to read as follows:

"(5) CONFIDENTIALITY AGREEMENT.—Before the Commission may share information with any entity described in paragraph (4), the Commission shall receive a written agreement from each entity stating that the entity shall abide by the confidentiality requirements described in section 8 relating to the information on swap transactions that is provided."

(b) SWAP DATA REPOSITORIES.—Section 21(d) of the Commodity Exchange Act (7 U.S.C. 24a(d)) is amended to read as follows:

"(d) CONFIDENTIALITY AGREEMENT.—Before the swap data repository may share information with any entity described in subsection (c)(7), the swap data repository shall receive a written agreement from each entity stating that the entity shall abide by the confidentiality requirements described in section 8 relating to the information on swap transactions that is provided."

(c) SECURITY-BASED SWAP DATA REPOSITORIES.—Section 13(n)(5)(H) of the Securities

Exchange Act of 1934 (15 U.S.C. 78m(n)(5)(H)) is amended to read as follows:

“(H) CONFIDENTIALITY AGREEMENT.—Before the security-based swap data repository may share information with any entity described in subparagraph (G), the security-based swap data repository shall receive a written agreement from each entity stating that the entity shall abide by the confidentiality requirements described in section 24 relating to the information on security-based swap transactions that is provided.”

(d) EFFECTIVE DATE.—The amendments made by this Act shall take effect as if enacted as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203) on July 21, 2010.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arkansas (Mr. CRAWFORD) and the gentleman from Georgia (Mr. DAVID SCOTT) each will control 20 minutes.

The Chair recognizes the gentleman from Arkansas.

GENERAL LEAVE

Mr. CRAWFORD. I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 742.

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

There was no objection.

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

I want to thank the cosponsors of this bill, especially Mr. HUIZENGA, Ms. MOORE, and Mr. MALONEY, for joining me in this bipartisan effort to help bring transparency to the global swap markets. While I may not agree with every provision of the Dodd-Frank law, today I believe we're working towards its bipartisan goal of giving the regulators the tools they need to improve systemic risk mitigation in the global financial markets.

I think everyone agrees that the lack of transparency in the over-the-counter derivatives markets escalated the financial crisis of 2008. In order to provide market transparency, the Dodd-Frank law requires post-trade reporting to swap data repositories, or SDRs, so that regulators and market participants have access to realtime market data that help identify systemic risk in the financial system. So far we have made great strides in reaching this goal, but unfortunately a provision in the law threatens to undermine our progress unless we fix it.

Currently, Dodd-Frank includes a provision requiring a foreign regulator to indemnify a U.S.-based SDR for any expenses arising from litigation relating to a request for market data. Unlike the rest of the world, the concept of indemnification is only established within U.S. tort law. As a result, foreign regulators have been reluctant to comply with this provision, and international regulatory coordination is being thwarted.

While the intent of the provision was to protect market confidentiality, in practice it threatens to fragment glob-

al data on swap markets. Foreign regulators would be forced to create their own SDRs, resulting in a fragmented global data framework where regulators would be unable to see a complete picture of the marketplace. Without effective coordination between international regulators and SDRs, monitoring and mitigating global systemic risk is severely limited.

H.R. 742 fixes this problem by removing the indemnification provisions in Dodd-Frank. This legislation has broad bipartisan support and was unanimously approved by the House Agriculture Committee in March and the House Financial Services Committee in May. Additionally, last year, the SEC testified to the Financial Services Committee that a legislative solution was needed, saying:

In removing the indemnification requirement, Congress would assist the SEC, as well as other regulators, in securing the access it needs to data held in global trade repositories.

Many other U.S. and foreign regulators have echoed these same sentiments.

If left unresolved, the indemnification provision in Dodd-Frank has the potential to effectively reduce transparency in the over-the-counter derivatives markets and undo the great progress already being made through the cooperative efforts of more than 50 regulators worldwide. In passing this legislation, we will ensure that regulators will have access to a global set of swap market data, which is essential to maintaining the highest degree of market transparency and risk mitigation.

I strongly urge my colleagues to vote “yes” on this bill.

With that, I reserve the balance of my time.

Mr. DAVID SCOTT of Georgia. Madam Speaker, I ask unanimous consent to yield 10 minutes of my time to Ms. MOORE of Wisconsin, who's done a tremendous job on this issue, and that she be allowed to control that time.

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

There was no objection.

Mr. DAVID SCOTT of Georgia. Madam Speaker, I yield myself such time as I may consume.

I rise today in support of H.R. 742, the Swap Data Repository and Clearinghouse Indemnification Correction Act, which has been sponsored by my colleague and good friend Representative CRAWFORD from Arkansas, and it's been a pleasure to work with him on this. I would like to strongly urge all of my colleagues to vote in favor of this bill.

H.R. 742 is noncontroversial and it is highly bipartisan, shared by both Democrats and Republicans alike. It passed the Agriculture Committee by voice vote unanimously, and it passed the Financial Services Committee by a unanimous vote as well, 52-0.

Madam Speaker, Dodd-Frank ushered in a new era of financial marketing, re-

porting and transparency requirements—which was very much needed—in order to aid regulators by providing insight into what were once very opaque markets and to facilitate information-sharing between and among United States and international regulators. These were very laudable and necessary changes that were welcome by regulators and market participants alike.

Dodd-Frank also included a provision requiring that in order for the gathered action information to be shared, the SEC and the CFTC, or a swap data repository, be indemnified against accidental release or misuse of information.

Unfortunately, Madam Speaker, this indemnification provision is having an unintended consequence, an unintended effect of preventing data collection and information-sharing, particularly when international transactions and international regulators are involved, because indemnification is a legal concept unique only to the United States. H.R. 742 would very simply remove this indemnification requirement, as requested by United States, foreign regulators and swap data repositories, so that we can realize the level of global information-sharing that is so critical to monitoring systemic risk.

Madam Speaker, as I said, I strongly support this very simple but necessary bill that will help to facilitate greater information-sharing, as intended by Dodd-Frank, and I encourage my colleagues to do the same.

I reserve the balance of my time.

Mr. CRAWFORD. Madam Speaker, I would like to yield 3 minutes to the lead cosponsor in Financial Services on this bill, the gentleman from Michigan (Mr. HUIZENGA).

Mr. HUIZENGA of Michigan. Madam Speaker, I appreciate that from my friend from Arkansas, who has shown great leadership on this issue.

Madam Speaker, thousands of companies across this country and in my State of Michigan utilize derivatives to better manage the risks that they face every day. The proper use of derivatives to lower risk benefits the global economy by allowing a range of businesses, from manufacturing to health care, agriculture and a myriad of others, to improve their planning and forecasting and offer more stable prices to customers.

By imposing over-the-top regulatory burdens on end users, this could increase costs and reduce liquidity that would prevent these companies from using derivatives markets efficiently, effectively, and properly. That is why I am a proud sponsor of H.R. 742, the Data Swap Repository and Clearinghouse Indemnification Correction Act—quite a mouthful, but an important piece of bipartisan legislation—which unanimously passed both the Agriculture and the Financial Services Committees—a rare feat in Washington these days—and it would remove the unrealistic requirement to secure

against future losses, which some have noted is a concept unique to U.S. law. But it would remove these unrealistic requirements imposed on foreign regulators by Dodd-Frank as a condition of obtaining access to the data repositories that we need to share.

In fact, earlier this year, the CFTC and the SEC—the regulatory agencies—issued a Joint Report on International Swap Regulation acknowledging the problems with indemnification provisions in Dodd-Frank. The SEC and CFTC staff report said that the indemnification provisions have “caused concern among foreign regulators, some of which have expressed unwillingness to register or recognize (a swaps data repository) unless able to have direct access to necessary information.”

□ 1320

Additionally, the report noted:

Congress may determine that a legislative amendment to the indemnification provision is appropriate.

Folks, despite opposition from the Secretary of the Treasury and the White House, here is the bipartisan answer to this problem, and we are glad to see that people on all sides—right, left, and center—have agreed that this is a proper measured step to solve this issue. As you can see, this legislative solution is a small technical fix to the Dodd-Frank Act, but it’s desperately needed and is vital to maintaining the integrity of domestic and global derivatives market regulations, so I urge the swift passage of H.R. 742.

Ms. MOORE. Again, I do want to thank Mr. SCOTT, and I yield myself such time as I may consume.

I am so delighted to be the lead co-sponsor on the Democratic side of the Financial Services Committee of this critical legislation. However, I do want to thank all of my colleagues on both the Ag Committee and the Financial Services Committee for their leadership and support on this nuanced, but important, legislation. It really took the hard work of a bipartisan group of members and staff to get this bill to this point.

H.R. 742, the Swap Data Repository and Clearing House Indemnification Correction Act, strikes the mandate that global regulators indemnify U.S.-based SDRs and regulators from liability in order to access swap trade data in U.S.-based SDRs.

Mr. SCOTT and Mr. CRAWFORD have done a fantastic job in walking through the details of this bill. I just want to add, Madam Speaker, that striking this indemnification provision does not compromise the new legal framework for the swap markets enacted in Dodd-Frank, nor does it erode any other important market protections. In fact, H.R. 742 ensures the functioning of the newly enacted swap regime and the ability of swap data repositories to function as intended.

The bill passed both the House Financial Services and Ag Committees

without opposition. The bill is supported by consumer advocacy groups as well as by business groups. In testimony before the Financial Services Committee, the Securities and Exchange Commission said of the bill:

The SEC recommends that Congress consider removing the indemnification requirement added by the Dodd-Frank Act . . . the indemnification requirement interferes with access to essential information, including information about the cross-border OTC derivatives markets.

H.R. 742 ensures information regarding the global swap market will be available to U.S. and foreign regulators, which will enhance the global transparency and oversight of derivatives markets.

I reserve the balance of my time.

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

Ms. MOORE. Madam Speaker, I yield 2½ minutes to my colleague, a senior member of the Financial Services Committee, the gentlelady from New York (Mrs. MALONEY).

Mrs. CAROLYN B. MALONEY of New York. I thank the gentlelady for her leadership and for yielding.

This is a very strong bipartisan effort, and I rise today in support of H.R. 742, the Swap Data Repository and Clearing House Indemnification Correction Act.

In enacting the Dodd-Frank Act, Congress passed the most sweeping reforms to the financial industry in decades in response to the worst economic crisis in our lifetimes. The facts are clear: the financial system is global and, as a result, systemic risk is global as well. We saw it in 2008 with the exposure that European banks had to counterparties like Lehman and Merrill, and we see it today with U.S. banks’ exposure to the European debt crisis. The great equalizer here is data.

This is the reason Dodd-Frank created swap data repositories. It was so that the regulators, domestic and foreign alike, could recognize prospective cracks in the financial armor before they become gaping holes. This is critically important, and we must get it right. Data collection has been one of the issues that I’ve worked hard on in the past, and I want to ensure that we are doing everything we can to support collaboration and to encourage an open exchange of data with our foreign counterparties.

Virtually everyone agrees that the indemnification provisions in Dodd-Frank will have the unintended consequence of limiting the extent to which our U.S. regulators share information with well over 50 foreign regulators. That is the complete opposite of the direction we want to go. This bipartisan effort to correct a problem in Dodd-Frank is not an attempt in any way to weaken the bill. It is an attempt to make good legislation even better.

This bill will go a long way toward furthering a major goal of the Dodd-Frank legislation in reforms, which is

sharing data and collaborating with foreign entities to reduce global systemic risk. This not only has strong bipartisan support, but it is likewise supported by the SEC. I urge my colleagues on both sides of the aisle to support this important correction.

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

Ms. MOORE. Madam Speaker, I am so delighted at this point to yield 2 minutes to someone who was formerly on the Ag Committee and is currently on the Financial Services Committee and who understands the importance of H.R. 742, the gentlelady from Alabama, Representative TERRI SEWELL.

Ms. SEWELL of Alabama. I rise today in support of H.R. 742, the Swap Data Repository and Clearing House Indemnification Correction Act.

H.R. 742 helps to ensure that regulators continue to have the transparency in the derivatives market needed to make the critical decisions to help mitigate risk in our domestic and international financial markets.

As we continue to move forward with the implementation process of Dodd-Frank, we must be mindful of the original purpose and intent behind this essential reform to our financial markets. Dodd-Frank was intended to add more transparency and oversight to our financial markets and to ensure that another financial crisis and meltdown would never occur. However, Congress must continue to provide important guidance and oversight to financial regulatory agencies in order to ensure that no unintended consequences associated with these new regulations will run counter to the original intent.

That is why I support this bipartisan and commonsense technical correction and clarification in H.R. 742. As a former securities lawyer and finance professional, I believe that this bill, by correcting the indemnification provisions that impose burdensome regulations on our foreign regulators, will in many ways maintain the integrity of our financial markets; and I think it is the right thing to do.

While many aspects of the new derivatives market and the entire title VII regime remain uncertain, I want to applaud the diligent work of both the CFTC and the SEC in drafting and implementing these critically new regulations. Today’s vote helps to add clarity and clarification to very important derivative reform. I also want to commend my colleagues on both sides of the aisle and my colleague, the gentlewoman from Wisconsin, GWEN MOORE, as well as my colleague from Georgia, DAVID SCOTT, for their leadership on this issue.

I urge my colleagues on both sides of the aisle to vote in favor of this important clarification and to support this bipartisan piece of legislation.

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

Ms. MOORE. I yield myself such time as I may consume.

I am so pleased that H.R. 742 is before us so that people understand, Madam Speaker, that this process actually does work from time to time. This provision was added at the last minute to the Dodd-Frank bill. It was not fully vetted and not fully debated. In a very diligent way, two committees on both sides of the aisle were able to come together and really pull together this very modest, but extremely critical, important bill to make sure that there is transparency as well as fluidity in our oversight of derivatives markets.

□ 1330

I am so pleased to be a part of this remarkable consensus on the indemnification of this bill, and I urge all my colleagues to support this critically important legislation.

I yield back the balance of my time. Mr. CRAWFORD. Madam Speaker, I yield myself such time as I may consume just to simply say that by passing and enacting H.R. 742, it would send a clear message to the international community that the United States is strongly committed to global data sharing and is determined to avoid fragmenting the current global data set for over-the-counter derivatives.

I urge a "yes" vote on H.R. 742, and I continue to reserve the balance of my time.

Mr. DAVID SCOTT of Georgia. Madam Speaker, as I have no additional speakers, I would like to close by simply saying a great thanks for the work of Mr. CRAWFORD from Arkansas, Ms. MOORE from Wisconsin, Ms. SEWELL from Alabama, and Mrs. MALONEY from New York in this great show of bipartisanship that will help us to facilitate greater information sharing, which was intended by Dodd-Frank.

I urge passage on this much-needed legislation, and I yield back the balance of my time.

Mr. CRAWFORD. Madam Speaker, I thank the gentleman from Georgia.

I again urge a "yes" vote on H.R. 742 and yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arkansas (Mr. CRAWFORD) that the House suspend the rules and pass the bill, H.R. 742.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the yeas have it.

Mr. DAVID SCOTT of Georgia. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

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

PUBLIC POWER RISK MANAGEMENT ACT OF 2013

Mr. LAMALFA Madam Speaker, I move to suspend the rules and pass the bill (H.R. 1038) to provide equal treatment for utility special entities using

utility operations-related swaps, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1038

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Public Power Risk Management Act of 2013".

SEC. 2. TRANSACTIONS WITH UTILITY SPECIAL ENTITIES.

Section 1a(49) of the Commodity Exchange Act (7 U.S.C. 1a(49)) is amended by adding at the end the following:

"(E) CERTAIN TRANSACTIONS WITH A UTILITY SPECIAL ENTITY.—

"(i) Transactions in utility operations-related swaps shall be reported pursuant to section 4r.

"(ii) In making a determination to exempt pursuant to subparagraph (D), the Commission shall treat a utility operations-related swap entered into with a utility special entity, as defined in section 4s(h)(2)(D), as if it were entered into with an entity that is not a special entity, as defined in section 4s(h)(2)(C)."

SEC. 3. UTILITY SPECIAL ENTITY DEFINED.

Section 4s(h)(2) of the Commodity Exchange Act (7 U.S.C. 6s(h)(2)) is amended by adding at the end the following:

"(D) UTILITY SPECIAL ENTITY.—For purposes of this Act, the term 'utility special entity' means a special entity, or any instrumentality, department, or corporation or established by a State or political subdivision of a State, that—

"(i) owns or operates an electric or natural gas facility or an electric or natural gas operation;

"(ii) supplies natural gas and or electric energy to another utility special entity;

"(iii) has public service obligations under Federal, State, or local law or regulation to deliver electric energy or natural gas service to customers; or

"(iv) is a Federal power marketing agency, as defined in section 3 of the Federal Power Act."

SEC. 4. UTILITY OPERATIONS-RELATED SWAP.

(a) SWAP FURTHER DEFINED.—Section 1a(47)(A)(iii) of the Commodity Exchange Act (7 U.S.C. 1a(47)(A)(iii)) is amended—

(1) by striking "and" at the end of subclause (XXI);

(2) by adding "and" at the end of subclause (XXII); and

(3) by adding at the end the following:

"(XXIII) a utility operations-related swap;"

(b) UTILITY OPERATIONS-RELATED SWAP DEFINED.—Section 1a of such Act (7 U.S.C. 1a) is amended by adding at the end the following:

"(52) UTILITY OPERATIONS-RELATED SWAP.—The term 'utility operations-related swap' means a swap that—

"(A) is entered into to hedge or mitigate a commercial risk;

"(B) is not a contract, agreement, or transaction based on, derived on, or referencing—

"(i) an interest rate, credit, equity, or currency asset class; or

"(ii) a metal, agricultural commodity, or crude oil or gasoline commodity of any grade, except as used as fuel for electric energy generation; and

"(C) is associated with—

"(i) the generation, production, purchase, or sale of natural gas or electric energy, the supply of natural gas or electric energy to a utility, or the delivery of natural gas or electric energy service to utility customers;

"(ii) all fuel supply for the facilities or operations of a utility;

"(iii) compliance with an electric system reliability obligation;

"(iv) compliance with an energy, energy efficiency, conservation, or renewable energy or environmental statute, regulation, or government order applicable to a utility; or

"(v) any other electric energy or natural gas swap to which a utility is a party."

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act take effect as if enacted on July 21, 2010.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. LAMALFA) and the gentleman from Georgia (Mr. DAVID SCOTT) each will control 20 minutes.

The Chair recognizes the gentleman from California.

GENERAL LEAVE

Mr. LAMALFA Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 1038.

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

There was no objection.

Mr. LAMALFA Madam Speaker, I yield myself as much time as I may consume.

Madam Speaker, the premise of the heavily bipartisan Public Power Risk Management Act is simple and is one that all Members of the House should support. It seeks to keep electricity and natural gas rates from increasing for over 47 million Americans. Those 47 million Americans are customers of over 2,000 publicly owned utilities who have used swaps to manage their risk for years.

Unfortunately, the Dodd-Frank Act, though well-intentioned and enacted to make reforms to our Nation's financial industry, has been used to limit who can do business with a publicly owned utility.

For example, in my district specifically, the city of Redding, California, the Redding Electric Utility has been concerned that potential limitations to hedging options in the future could increase the costs to their customers, as well as Grays Harbor Public Utility District, a community-owned nonprofit utility that serves 45,000 customers in Washington State, which previously had 20 counterparties whom they could use to help manage their risk, says Doug Streeter, its chief financial officer. Now, instead of 20, it is down to just two counterparties due to overly restrictive rules born out of, I think, an unintentional consequence of the Dodd-Frank Act.

"What we're hearing from the counterparties is it's abundantly clear that they're worth more to us than we are to them," Mr. Streeter says. "It wasn't a big book of business for them, and it's just not worth it for them to be designated as a swap dealer. They're not willing to take that on, so they've left the market," continued Mr. Streeter.

Of course, this unintended consequence is affecting utilities in congressional districts all across the

United States. The results of this limitation are fewer options for publicly owned utilities to manage their risks, which will translate into higher costs for millions of American ratepayers.

I was not yet a Member of this body when Dodd-Frank was debated, but I think it's safe to say that at no point during the debate was it contemplated that Dodd-Frank could lead to higher energy rates for millions of Americans, which is an unacceptable result during a period of tremendous economic uncertainty. This potential outcome can be prevented by sending H.R. 1038 to the Senate today with a strong bipartisan vote.

I should note that while my bill seeks to preserve a publicly owned utility's access to cost-effective and customized nonfinancial commodity swaps used to generate electricity or produce natural gas, it still requires financial swaps to be governed by the new CFTC rules issued under the Dodd-Frank Act and requires reporting of all transactions to the CFTC to ensure market integrity.

I should also note that my bill has broad bipartisan support from many Members all over the country from both sides of the aisle, for which we're very thankful, as well as broad support by key stakeholders, including the Consumer Federation of America and the United States Chamber of Commerce, of which I will include their letters in the RECORD.

Let's stick up for these utilities and their customers. They're simply trying to manage their risk so that they can keep rates low for millions of Americans.

With that, I reserve the balance of my time.

CONSUMER FEDERATION OF AMERICA,
May 17, 2013.

Hon. FRANK D. LUCAS,
Chairman, Committee on Agriculture,
Rayburn House Office Building, Washington,
DC.

Hon. COLLIN C. PETERSON,
Ranking Member, Committee on Agriculture,
Rayburn House Office Building, Washington,
DC.

DEAR CHAIRMAN LUCAS AND RANKING MEMBER PETERSON: The Consumer Federation of America encourages the House Agriculture Committee to approve H.R. 1038, the Public Power Risk Management Act. This narrowly crafted legislation would protect public utility ratepayers from increased costs and rate volatility by ensuring that these utilities have the same ability as other utilities to hedge operational risks.

CFA has long-recognized the central importance of a strong swap dealer definition to the effective oversight of the derivatives markets and, by extension, to the stability of the financial system. We believe it is essential that those entities that are genuinely acting as swap dealers remain subject to appropriate regulatory requirements and oversight.

However, we also believe it is inappropriate for non-financial counterparties—such as natural gas producers, independent generators, and other utilities—to be treated as swap dealers in their transactions with public utilities, who are essentially functioning as business units, not as governing bodies. In the past, these transactions have given no

cause for concern. Public utilities should be as free as other utilities to engage in these transactions to hedge risks.

The Commodity Futures Trading Commission has recognized this unique problem and has taken steps to try to mitigate it. But as yet, these measures have not been sufficient to persuade nonfinancial counterparties to resume normal dealings with public utilities. We believe that H.R. 1038 would provide the clarity that allows such a presumption.

Sincerely,

STEPHEN BROBECK,
Executive Director.

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
Washington, DC, June 11, 2013.

R. BRUCE JOSTEN,
Executive Vice President, Government Affairs.

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES. The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses and organizations of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, strongly supports H.R. 634, H.R. 742, H.R. 1038, and H.R. 1256, bills that would provide critical relief for Main Street companies that rely on derivatives to manage their business risk, and ensure regulation reflects the global nature of the derivatives market.

H.R. 634, the "Business Risk Mitigation and Price Stabilization Act of 2013," would create an exemption for corporate "end users" that manage their business risk with derivatives. Despite the clear intent of Congress to shield end users from unnecessary cash collateral requirements, the Prudential Banking Regulators believe they do not have the flexibility under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) to provide a regulatory exemption. Federal Reserve Chairman Ben Bernanke has noted this problem on a number of occasions and has supported a legislative fix, and an identical bill passed the House in 2012 by an overwhelming bipartisan margin—370-24. Main Street companies urgently need legislative relief from cash draining government-imposed margin requirements, so they are not forced to choose between hedging risk and growing their businesses.

H.R. 742, the "Swap Data Repository and Clearinghouse Indemnification Correction Act of 2013," would eliminate an unworkable indemnification requirement in Dodd-Frank that would lead to a balkanized system for storing and accessing swaps data. Some foreign jurisdictions have laws or regulations that make indemnification impossible, and therefore prevent foreign regulators from accessing swaps information from U.S.-registered swap data repositories. This bill would repeal the indemnification requirement, but make clear that regulators have an obligation to maintain the confidentiality of the information.

H.R. 1038, the "Public Power Risk Management Act of 2013," would help ensure that public utilities' ability to hedge their risk and minimize customer costs would not be hindered by Commodity Futures Trading Commission (CFTC) regulation. CFTC's "swap dealer" definition punishes counterparties who transact with "special entities" like public utilities by increasing their compliance burden, making it more difficult and more expensive for these special entities to find willing partners in the market.

H.R. 1256, the "Swap Jurisdiction Certainty Act," would require CFTC and the Securities and Exchange Commission (SEC) to

conduct a joint rulemaking to define the territorial reach of U.S. derivatives regulation, while carefully considering the costs and benefits of regulating transactions between non-U.S. counterparties. CFTC has proposed guidance, rather than a notice and comment period for proposed rulemaking, while SEC has more faithfully followed the regulatory process. The lack of interagency coordination on even this basic procedural point is problematic, but more concerning is CFTC's substantive approach which could increase end user costs by imposing new burdens on their dealer counterparties that operate globally.

These bills would provide clarity and certainty for companies that use derivatives to hedge their business risk efficiently, allowing them to focus on growing their business and creating jobs.

Sincerely,

R. BRUCE JOSTEN.

Mr. DAVID SCOTT of Georgia. Madam Speaker, I yield myself such time as I may consume.

I rise today to offer my full support for H.R. 1038, the Public Power Risk Management Act, which is sponsored by my colleague from California (Mr. LAMALFA). And I'd like to commend Mr. LAMALFA for his outstanding leadership because, as he pointed out, this is another one of those unintended consequences that we're here to fix.

H.R. 1038 is a noncontroversial bill. It passed the House Committee on Agriculture by a voice vote. And H.R. 1038 seeks to correct an oversight in Dodd-Frank that has hindered the ability of publicly owned utilities to offset their risk in the traditional fashion. Put simply, H.R. 1038 would simply allow producers, utility companies, and other nonfinancial entities to continue entering into energy swaps with government-owned utilities without danger of being required to register with the CFTC as a swap dealer.

What this will do is it will allow these publicly owned utilities to continue using their traditional swap counterparties to help manage their risk related to the generation of electricity and the production of natural gas. This is very important, Madam Speaker, because, if the law remains as it is without this bill, the ability of utilities to manage risk would be hindered by increased costs and could lead to higher energy rates for millions of Americans. We certainly do not want this to happen.

□ 1340

This is something we want to avoid, especially during our still fragile economic recovery. So, Madam Speaker, I support this technical correction to Dodd-Frank, and I urge my colleagues to support it as well.

I reserve the balance of my time.

Mr. LAMALFA Madam Speaker, I yield 1 minute to the gentleman from Arkansas (Mr. CRAWFORD).

Mr. CRAWFORD. I thank the gentleman from California for his leadership on this issue and for the opportunity to allow me to speak in support of H.R. 1038, the Public Power Risk Management Act of 2013.

This is a good, bipartisan piece of legislation that would simply allow producers, utility companies, and other nonfinancial entities to continue entering into energy swaps with government-owned utilities, also known as utility special entities, without requiring them to register with the CFTC as a swap dealer solely because of their dealings with government-owned utilities.

As a group, public power utilities deliver electricity to one in seven of every electric customer in the United States, over 47 million people—certainly some in major metropolitan areas such as Los Angeles, San Antonio, Seattle, and Orlando—but the vast majority of public power companies serve communities with populations of 10,000 people or less.

H.R. 1038 will place utility special entities on a level-playing field with everyone else in the marketplace, allowing many of them to keep the same swap counterparties they have used to manage risk for years. Utility special entities should be allowed to keep using swaps to help manage their risk related to the generation of electricity or production of natural gas. To hinder these utilities' ability to manage risk would only increase their costs and possibly lead to higher energy rates for millions of Americans, an unacceptable result during a period of tremendous economic uncertainty.

Madam Speaker, I urge passage of H.R. 1038 and urge a "yes" vote.

Mr. DAVID SCOTT of Georgia. I have no other speakers, Madam Speaker, so I would like to close by saying that Mr. COSTA, our distinguished Congressman from California, expresses his deep concern and support for this legislation, and I certainly wanted to register that on his behalf.

And certainly to Mr. LAMALFA and to Mr. CRAWFORD, I again commend you for your outstanding work on this. Wherever we can cut costs and save money for the American people, we need to do it and do it quickly. Therefore, I urge very quick passage of this very important and timely piece of legislation.

I yield back the balance of my time.

Mr. LAMALFA Madam Speaker, I appreciate again how we have been able to come together in such a good bipartisan fashion. I greatly appreciate my colleague from Georgia's kind and helpful words in moving this legislation today on the floor.

In closing, again, H.R. 1038 seeks to keep electricity and natural gas bills affordable for over 47 million Americans. Our publicly owned utilities should have access to the risk management tools that they need to keep costs down, a goal we all share, and which prevents utility rates from rising. I ask my colleagues to support this commonsense legislation.

I yield back the balance of my time.

Mr. COSTA. Madam Speaker, I rise in support of the bi-partisan, H.R. 1038, the Public Power Risk Management Act of 2013.

This bill allows producers, utility companies, and other non-financial entities (swap counterparties) to continue entering into energy swaps with government-owned utilities (aka: utility special entities) without requiring them to register with the CFTC as a "swap dealer" solely because of their dealings with government-owned utilities.

There are over 2,000 municipal, state and locally-owned, not-for-profit electric utilities throughout the United States, which deliver electricity to one in every seven electricity customers in the United States, over 47 million people. Further, the vast majority of public power companies serve communities with populations of 10,000 people or less.

Utility special entities should be allowed to keep using traditional swap counterparties, such as natural gas producers, independent generators, and investor-owned utility companies to help manage their operational risk related to the generation of electricity or production of natural gas.

I urge my colleagues to support this commonsense, bipartisan legislation.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. LAMALFA) that the House suspend the rules and pass the bill, H.R. 1038.

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. DAVID SCOTT of Georgia. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

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

—————

PROVIDING FOR CONSIDERATION OF H.R. 1960, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2014; AND PROVIDING FOR CONSIDERATION OF H.R. 1256, SWAP JURISDICTION CERTAINTY ACT

Mr. NUGENT. Madam Speaker, by direction of the Committee on Rules, I call up House Resolution 256 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 256

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. 1960) to authorize appropriations for fiscal year 2014 for military activities of the Department of Defense and for military construction, to prescribe military personnel strengths for such fiscal year, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chair and ranking minority member of the Committee on Armed 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.

SEC. 2. Upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 1256) to direct the Securities and Exchange Commission and the Commodity Futures Trading Commission to jointly adopt rules setting forth the application to cross-border swaps transactions of certain provisions relating to swaps that were enacted as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act. All points of order against consideration of the bill are waived. The amendments recommended by the Committee on Financial Services now printed in the bill shall be considered as adopted. The bill, as amended, shall be considered as read. All points of order against provisions in the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, and on any amendment thereto to final passage without intervening motion except: (1) one hour of debate, with 40 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services and 20 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Agriculture; and (2) one motion to commit with or without instructions.

SEC. 3. The chair of the Committee on Agriculture is authorized, on behalf of the committee, to file a supplemental report to accompany H.R. 1947.

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

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

GENERAL LEAVE

Mr. NUGENT. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks.

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

There was no objection.

Mr. NUGENT. House Resolution 256 provides for House consideration of two separate pieces of legislation. The first of these bills is H.R. 1256, the Swap Jurisdiction Certainty Act, which will be considered for 1 hour, with time divided between the Committees on Financial Services and Agriculture, under a closed rule.

Secondly, and the reason why I am so proud to be the sponsor of this rule, H. Res. 256 provides for 1 hour of general debate for this year's National Defense Authorization Act.

The Rules Committee traditionally receives hundreds of amendments to the NDAA; and with just under 300 submitted by the end of the day yesterday, this year is no different. Therefore, as is the tradition for this bill, this first rule in the NDAA consideration process provides for general debate while a second will provide for consideration of the plethora of amendments we have before us.

As a member of the House Armed Services Committee, I have had the

honor of helping craft this legislation for the past few months. As I think anybody can imagine, when you're talking about a bill that authorizes the Department of Defense, there is a lot to discuss and consider. That point was illustrated by our full committee markup in the Armed Services Committee last week, which started first thing Wednesday morning and went through to almost 3 a.m. on Thursday, 16 hours. We worked long and hard, and I'm proud of the product we've presented to this House for consideration.

But for as much time and effort that we on the Committee on Armed Services put into the Defense Authorization Act, I know that other Members who don't serve on our committee will want to make their mark on this bill, too. To ensure that the House has an opportunity to really have a comprehensive, free-flowing debate on such an important topic, we've decided to break the rule for the Defense Authorization Act into two parts.

That's why today's rule provides us with 1 hour of general debate time. It gets us started on the path to consideration. It also allows Members from both sides of the aisle to have a full discussion about the broader themes running through this base legislation. There are important debates, and the sooner we get them started, the better. But with nearly 300 amendments submitted to the National Defense Authorization Act, the truth is we on the Rules Committee couldn't give each and every amendment the full weight and consideration it deserves and produce a comprehensive rule that starts debate on the full bill and all amendments today.

□ 1350

If something's worth doing, it's worth doing it right. Therefore, while the House works on the Swap Jurisdiction Certainty Act and starts general debate on the NDAA, we, on the Rules Committee, will return to the committee room and we'll continue to sift through all the amendments that Members have offered on this bill.

We want to make sure the House has the opportunity to weigh in on each and every important issue in the NDAA. That's why we need to take our time. And once we have a full understanding of the amendments submitted to the committee, we'll come back with a second rule setting the universe of amendments for this legislation.

I know that we all share the same commitment to making this a fair and collaborative process. Quite frankly, it's the spirit of cooperation and the knowledge that we're serving a common purpose that has been one of the most gratifying parts of serving on HASC to date. As Chairman MCKEON said to the Rules Committee yesterday, we may disagree sometimes, but it doesn't mean we have to be disagreeable. We're able to put partisanship aside, and we know that our work directly impacts the life of each and

every servicemember and his or her family in a personal and direct way.

We're providing for the common defense, which is part of the Federal Government's most fundamental roles, part of our core mission, as I like to say. And if you want proof of how collaboratively we worked on this bill as a committee, you only need to look at the fact that we passed this bill out of committee 59-2. And as the father of three sons serving in the Army, I'm heartened to know that politics can be set aside when it comes down to making sure our troops are equipped with the tools that are required, funded at the levels they need, and trained for the mission at hand.

This is an important time for our country and an important time for those members of the military who serve us every day. These young men and women put their lives on the line for us so we could be here today and debate the issues of the day. So they deserve our undivided attention and support when it comes to making sure that they have everything that they need, and there's no more essential role for our Federal Government, in my opinion, as to what we are doing today.

H.R. 1960 fulfills the promise to our warfighters and to their loved ones. I'm proud of this rule, which gets us on the road towards considering and passing this essential bill. For that reason, I support the rule. I support the underlying pieces of legislation and look forward to coming back here tomorrow in the next step of getting the National Defense Authorization Act for Fiscal Year 2014 passed.

I encourage all my colleagues to vote "yes" on the rule, and I reserve the balance of my time.

Mr. MCGOVERN. Madam Speaker, I want to thank the gentleman from Florida (Mr. NUGENT) for yielding me the customary 30 minutes.

I yield myself such time as I may consume.

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

Mr. MCGOVERN. Madam Speaker, this should be a simple rule. Every year, this House considers the annual National Defense Authorization Act. It's a bill that reauthorizes our Nation's defense programs and a place where we should have the opportunity to debate some of the most important issues facing this country and the world.

The process is typically broken up into two parts: a rule providing for general debate on the National Defense Authorization Act and a rule providing for consideration of amendments to that bill. It's generally not a controversial process; although, the decisions made by the Rules Committee in allowing and preventing amendments from being considered can be controversial.

And that's where this rule goes wrong. This is not the normal rule providing for general debate for the de-

fense authorization bill. No, Madam Speaker, this rule is much more than that.

Over the past 3 years, we've seen the Republican leadership in the House fixated on several things:

They want to take health care away from millions of Americans by repealing ObamaCare;

They want to destroy the social safety net through mindless budget cuts; and

They want to weaken our financial system by repealing the Dodd-Frank Act that came out of the greatest fiscal crisis since the Great Depression.

This rule, the rule that should be a simple general debate rule for the Defense Authorization Act, also makes in order H.R. 1256, the Swap Jurisdiction Certainty Act. Not only does this rule cram in this controversial bill, it does not allow one single amendment. That's right. This is a closed rule. That's not an open and transparent process, certainly not the one that Speaker BOEHNER promised.

H.R. 1256 would require the Commodity Futures Trading Commission and the Securities Exchange Commission to jointly issue rules on the regulations of swaps transactions between the United States and foreign entities.

H.R. 1256 automatically exempts transactions in countries with the nine largest swaps markets from U.S. regulations unless the CFTC and the SEC jointly determine that the regulations aren't broadly equivalent. Because many large U.S. financial institutions have subsidiaries outside of the United States, there are serious concerns that banks will seek to conduct swap transactions in countries with looser regulations to avoid U.S. oversight. And, Madam Speaker, it is important to note that many countries are far behind the United States in promulgating their rules on swaps.

Why are we looking to allow foreign regulations to govern transactions involving U.S. companies that could ultimately impact our economy?

During the markup in the Financial Services Committee, Ranking Member MAXINE WATERS offered an amendment to strike the presumption that foreign regulatory requirements satisfy U.S. swaps requirements, allowing the CFTC and the SEC to determine whether foreign regulatory requirements are comparable to U.S. requirements. Unfortunately, under this closed rule, the full House will not have the opportunity to consider a similar amendment to strengthen this legislation.

Madam Speaker, this is yet another attempt to slow down the Dodd-Frank rulemaking process, undermine the CFTC's work in regulating derivatives trading, and weaken the financial market regulations needed to protect our economy.

Madam Speaker, I urge all my colleagues to vote "no" on this rule.

This rule also allows, believe it or not, the Agriculture Committee to file a supplemental report to H.R. 1947, the

farm bill reauthorization. Madam Speaker, this is a bill that cuts \$20.5 billion from SNAP, formerly known as food stamps. While this report is just technical, and fulfills the committee's responsibilities following the markup of H.R. 1947, this rule is not the place for this report. And, more importantly, I want to make it crystal clear that I do not support these egregious cuts. It's a rotten thing to do to poor people during this tough economic time.

Finally, Madam Speaker, let me discuss the least controversial part of this rule, the defense authorization bill. This rule allows the House to begin general debate on H.R. 1960, the FY 2014 National Defense Authorization Act.

There is much to admire and support in this bill, and I commend the chairman and ranking member for working together to ensure the programs that provide benefits and support to our veterans and military retirees are adequately funded and that there will be no increases in TRICARE fees. Regrettably, there's also a great deal in this bill that should make every Member of this Chamber pause and think about our national security priorities:

Should we be spending additional billions on Cold War nuclear weapons rather than on our troops, their families, and our veterans?

Should we really be cutting funds and putting obstacles in the way of implementing the New START Treaty with Russia, limiting both our nations' ability to further reduce and verify our nuclear arsenals?

Should we be committing hundreds of millions this year and billions of dollars in the future to an east coast missile defense site that the Pentagon says it doesn't want and doesn't need?

Should we continue to set up roadblocks and obstruct the President's efforts to resolve the issue of how to effectively and safely close the detention facilities at Guantanamo Naval Station, appropriately release and return to their families those prisoners who have been cleared of all charges, and bring to justice once and for all those few remaining prisoners who were indeed engaged in heinous acts of terrorism?

And once again, Madam Speaker, the committee provides \$85.8 billion for the war in Afghanistan through the Overseas Contingency Operations account. That's \$5 billion more than what the President and the Pentagon asked for.

Now let me just say a couple of words about the OCO account. It is an off-budget account. It is another \$85 billion on the Nation's credit card—deficit spending, pure and simple. It is the lingo of "emergency spending," as if it were an unexpected surprise that we will still be in Afghanistan throughout all of FY 2014.

I have always been concerned that the wars in Iraq and Afghanistan, and the ever more amorphous and hard-to-define global war on terror, have not been included in the Pentagon's base budget but always outside that budget,

with an "emergency" designation so that we don't have to figure out how to pay for it now. We'll just pay for it later and later and later. I'm increasingly concerned that, even after we transition all combat military and security operations over to the Afghan Government by the end of 2014, the OCO will still go on.

It is time to phase out the OCO, put this spending back into the base spending bill, and if we want to make war, then we ought to figure out a way to pay for it or make the appropriate cuts in other Pentagon programs to make room for the funding of these operations.

□ 1400

Finally, Mr. Speaker, let me say a few words about the strong concerns this Congress has, on both sides of the aisle, about the epidemic of sexual assault in all branches of our military. This bill includes several measures that will strengthen the investigation and prosecution of these heinous crimes inside our military. It also provides new protections for victims of military sexual assault. It reflects the bipartisan work of Representative TURNER, my Massachusetts colleague, Representative TSONGAS, as well as Representatives WALORSKI, NOEM, CASTRO, and LORETTA SANCHEZ. However, Mr. Speaker, there is still much more that should and can be done to ensure these brutal rapes and assaults are fully investigated and prosecuted, the victims treated with respect, and to advance education in our military academies and among our ranks and our officer corps.

Several amendments were submitted to the Rules Committee, and I hope that they will be made in order so that we can more fully debate this critical issue and how to end rape and sexual assault within our Armed Forces.

Let me just add, Mr. Speaker, that while the NDAA looks to strengthen protections and prosecutions inside our military, we here in Congress are also to blame for having failed in our oversight responsibilities. Congress has not given the attention to military sexual assault that it deserves. So I think that we do need to clean up our own House and ensure that Congress does a far better job of oversight to ensure that the Pentagon and all our military members are held accountable for preventing, reducing, and prosecuting cases of sexual assault and abuse in our Armed Forces and providing victims with the services and support that they deserve.

Mr. Speaker, I'm always ambivalent about the annual defense authorization bill. I support the programs for our veterans and our retirees, and I support providing for the genuine needs of our servicemen and -women, whether they are based here at home or abroad. But I cannot support the amount of waste, the spending on unnecessary and often ridiculous programs, on more nukes, on outdated weapons, and on wars that never end.

As we begin general debate on the defense bill later today, I ask my colleagues to keep these questions in mind.

Once again, Mr. Speaker, this rule is unnecessarily complicated and misguided. There is no reason to include yet another bill gutting Dodd-Frank in this rule, and there's no reason to cram into this rule a report from the Agriculture Committee about a bill that will make hunger worse in America.

For these reasons, I oppose this rule, and I urge my colleagues to vote "no" on the rule for these three measures, and I reserve the balance of my time.

Mr. NUGENT. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. TURNER).

Mr. TURNER. Mr. Speaker, about 5 years ago in my community, we were saddened to hear of the news of the tragic death of Marie Lauterbach. Marie Lauterbach was a marine who came forward to report the sexual assault that she had endured and came forward and reported her belief of a subsequent pregnancy from that sexual assault, only to have the Marines inform her and the accused in the sexual assault, the perpetrator, that they would wait until her baby was born, and when the baby was born, they would do DNA testing. And if the DNA testing showed, in fact, that the baby was the accused's, then they would move forward with the prosecution. Until then, they left the two in close proximity until the accused murdered Marie Lauterbach in her eighth month of pregnancy and burned her in her backyard in a bonfire.

It was at that time that I saw that the issue of sexual assault in the military was not just one of unacceptable numbers, it was an issue of an environment where victims were re-victimized and perpetrators felt safe.

Mr. Speaker, a recent survey in the military indicated that 28,000 servicemembers have indicated that they were sexually assaulted, but less than 3,000 of those were willing to actually report it in a manner that would result in charges against their accused. We think we know why: because 62 percent of the slightly less than 3,000 indicated that they felt that they were persecuted in the workplace for having done so. They were re-victimized.

What we're doing in this NDAA is to ensure that that culture shifts, that the perpetrators are those that fear the system, and the victims are those that will feel embraced. We change the relationship between the commander and the victim, moving the responsibility for both the prosecution and the handling of those cases and diminishing the direct commander's authority over the disposition of sexual assault cases when a conviction has occurred. We expand legal counsel for victims, making certain that victims have beside them someone who can advise them in the legal processes, and we remove the chain of command's authority in the disposition of these cases and establish a mandatory minimum.

The SPEAKER pro tempore (Mr. FORTENBERRY). The time of the gentleman has expired.

Mr. NUGENT. I yield the gentleman an additional 2 minutes.

Mr. TURNER. Mr. Speaker, we include mandatory minimums that say if you commit a sexual assault, you are out of the military, you will be dishonorably discharged, and if you are a trainer and you enter into a trainer-trainee relationship that is inappropriate, you are out. No longer will a victim be forced to salute their predator or their accused. These provisions are incredibly important. They're ones we worked with on a bipartisan basis.

I want to thank my cochair of the Military Sexual Assault Prevention Caucus, NIKI TSONGAS. I also want to thank Ranking Member SMITH and the chairman, BUCK MCKEON, and also the chairs of the Subcommittee on Military Personnel, SUSAN DAVIS and JOE WILSON.

This is a matter on which we've worked together very thoughtfully. At the same time, we know that Chairman Dempsey, Secretary Hagel, and former Secretary Panetta have made this a significant issue to address in the military. What we're trying to do on a legislative basis is to give them the tools to, once again, make perpetrators fear the system and hold them accountable.

Mr. MCGOVERN. Mr. Speaker, I'm happy to yield 2 minutes to the gentleman from New York, the ranking member of the Financial Services Subcommittee on Capital Markets and Government Sponsored Enterprises, Mrs. MALONEY.

Mrs. CAROLYN B. MALONEY of New York. I thank the gentleman for yielding and for his leadership. I commend the work of Mr. TURNER and others for strengthening protections for women in the military, but it's not enough. The amendments from JACKIE SPEIER and other women leaders were not included. We need an open rule where all of these ideas can come to the floor to protect our men and women in the military.

The status quo in the military is not a way to solve the problem of sexual abuse. Too often, it is the problem. Every year that I have been in Congress, the military brass has come to us and said that they will stop this abuse. Yet each year, it seems to be getting worse. Women are even afraid to report it. They're then afraid that they'll be punished in some way.

Despite the widespread public and congressional outrage, some top military officers still seem to resist important, fundamental changes to a culture that has clearly failed in one of its single, most important missions: keeping its own people safe. And the casualties are mounting every day.

For example, a U.S. military officer overseeing sexual assault prevention at Fort Hood in Texas is under investigation for his sexual assault of soldiers. The officer in charge of the Air Force's sexual abuse prevention program was

recently arrested for groping women. We need to end the culture of tolerating the abuser and punishing the victims.

We created a database for them to report in, but they won't report because they are afraid of retaliation. Too often they've seen if you're a woman who's been raped and abused, then you're told to be quiet. If you report it, you'll be punished, but if you're the abuser, you might end up in charge of the sexual abuse prevention program and get a promotion.

The strongest military in the world has got to learn how to protect its own soldiers. It's got to keep them from being wounded by rape and sexual assault. We need to stop this, allow an open rule, and allow amendments on this important protection of our soldiers.

Mr. NUGENT. Mr. Speaker, I just want to make sure that everybody knows that there were almost 300 amendments that have been submitted, and they'll be discussed later today, and Mr. MCGOVERN is a part of that process and will be discussing those amendments today.

But I agree with both of my colleagues as it relates to sexual assault in the military. Having only been on Armed Services now for 6 months, I will tell you that I agree with Mr. MCGOVERN, particularly as it relates to oversight. And I believe that this Congress should exhibit and utilize its oversight capacity to the fullest, especially as it relates to sexual assault within the military.

I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I'm happy to yield 1 minute to the gentleman from New York, the distinguished ranking member of the Committee on Appropriations, Mrs. LOWEY.

Mrs. LOWEY. Mr. Speaker, military cohesion is eroding and trust is disintegrating throughout the ranks as sexual assault infests the services. An Air Force officer charged with sexual assault prevention efforts here in Washington was arrested for sexual battery last month.

□ 1410

West Point and the Naval Academy have made recent headlines about assaults involving athletes. Alarming, the military academies reported 80 cases of sexual assault last year, a 23 percent increase; and too many cases go unreported.

We trust the service academies to mold our sons and daughters for service to our country. Cadets and midshipmen are of an impressionable and often vulnerable age, requiring stronger protections against sexual assault and better support for victims.

The culture that is propelling this epidemic must change. I urge support for the sexual assault provisions in the NDAA.

Mr. NUGENT. I continue to reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I'm happy to yield 3 minutes to the gen-

tleman from Rhode Island (Mr. LANGEVIN), the ranking member of the Armed Services Subcommittee on Intelligence, Emerging Threats and Capabilities.

Mr. LANGEVIN. I thank the gentleman for yielding.

Mr. Speaker, while I rise in opposition to this rule, I want to express my strong support for the underlying bill, H.R. 1960, the National Defense Authorization Act.

This legislation is not perfect; however, it ensures support for our men and women in uniform who sacrifice so much on our behalf, and includes provisions that are crucial to our military's future capabilities in this fiscally constrained environment.

Now, among other things, it fully supports the President's request for the peerless Virginia-class submarines, as well as critical future enablers such as the Ohio Class Replacement and the Virginia Payload Module.

It also includes the Oversight of Sensitive Military Operations Act which, for the first time, requires prompt notification to the defense committees of any overseas lethal or capture operations outside of Afghanistan, including those conducted with unmanned aerial vehicles.

Furthermore, I'm pleased that this measure begins to tackle the epidemic of sexual assault in our military. Our people in uniform need to know that they are protected from and against sexual assault, and God forbid if there is a sexual assault that occurs, that the perpetrator is held accountable.

While far more must be done, there are important first steps in this bill that are worthy of our strong support.

Mr. Speaker, I'm also proud to work closely with Chairman MAC THORBERRY, both in this bill and in numerous other provisions which fall under the jurisdiction of the Subcommittee on Intelligence, Emerging Threats and Capabilities. Together, we have worked hard to increase resources for our Special Operations Forces, who are helping us confront shifting threats and unconventional battlefields, and to support our efforts in the cybersecurity realm.

There are many other positive steps with regard to cyber in this legislation, including incentivizing new cybersecurity standards, ensuring U.S. Cyber Command has the proper authorities and the personnel in coordinating cybersecurity efforts with related disciplines.

However, the reality is that our Nation's cybersecurity challenges cannot simply be handed over to the Department of Defense. With the vast majority of our critical infrastructure in private hands, we absolutely must require minimum standards for their owners and operators. It is way past time for Congress to move aggressively to partner with the private sector and address what I believe is our greatest national security vulnerability.

Meanwhile, though I applaud DHS's efforts to coordinate the various approaches to cybersecurity found across

the Federal Government, I continue to believe that there must be an office within the White House with the policy and budgetary authority to enforce appropriate actions across the whole government. I'm disappointed the procedural and jurisdictional issues precluded offering such an amendment to the NDAA, but I am going to continue to work with my colleagues to enact what I believe to be a crucial provision.

Finally, I want to thank Chairman MCKEON and Ranking Member SMITH, as well as Chairman THORNBERRY and all of my colleagues on the committee, but most especially the tireless HASC, for all of their efforts, which have been really Herculean in bringing this bill to the process of where we are today.

I certainly urge my colleagues to support the National Defense Authorization Act.

Mr. NUGENT. I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I'm happy to yield 2 minutes to the gentleman from Texas (Mr. CASTRO).

Mr. CASTRO of Texas. I thank my friend, Mr. MCGOVERN, for yielding.

Mr. Speaker, I rise today to speak about the U.S. detention facility at Guantanamo Bay.

Continued operation of the facility at Guantanamo weakens U.S. national security, wastes resources, damages our relationships with key allies, and reinforces anti-American propaganda led by groups like al Qaeda to recruit new enemies against the United States.

In a time of war, the Commander in Chief must have the flexibility to execute important foreign policy and national security determinations. This includes how to treat detainees captured on the battlefield. The Commander in Chief having this authority is not a new concept to this Congress. In fact, under President Bush, some 530 detainees were transferred from Gitmo with Congress' support. Restrictions placed by Congress to prevent this President from making these decisions are not prudent.

In addition to foreign policy and national security consideration, the facility at Guantanamo is also a waste of scarce resources. DOD estimates that the cost to run Guantanamo Bay is around \$150 million a year. In a time when we're making sequestration cuts to programs here at home, we're spending approximately \$1 million per detainee each year. This makes Guantanamo Bay literally the most expensive detention facility in the world.

I urge my colleagues to give the President the flexibility he needs to operate Guantanamo Bay.

Mr. NUGENT. I continue to reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I'm happy to yield 2 minutes to the gentleman from Maryland (Ms. EDWARDS).

Ms. EDWARDS. Mr. Speaker, sexual assault in the military continues to be a serious problem. Given both the headlines and the reality, this is an understatement. It impacts thousands of

servicemen and -women each year. And while Congress has investigated and discussed this problem for more than two decades, the issue remains pervasive. It's time for us to act. Recent reports that assault is happening by individuals who are supposed to protect and command our servicemembers make this all the more concerning.

According to a recent 2012 Pentagon survey, an estimated 26,000 sexual assaults in the military occurred in that year. That's a 35 percent increase since 2010. It means that roughly 70 servicemen and -women are sexually assaulted every single day. And I know from my own long history and experience of working on these issues that where there are 26,000, there are many, many more. And we know that only a fraction of these incidents are reported; fewer than 3,400 reported incidents every year.

Sexual violence has a longstanding impact on servicemen and -women and their families. According to the Service Women's Action Network, while experiences of sexual violence are strongly associated with a wide range of mental health conditions for men and for women veterans, military sexual trauma is the leading cause of PTSD among women. Due to shame, guilt, or fear of not being believed, fewer than 15 percent of these sexual assaults are reported to the proper authorities.

As a former domestic violence and sexual assault advocate, I understand that coming forward is an unimaginably tough thing to do, and I commend every single one of the men and women who had the courage to come forward and name their accused. Their fear of coming forward is not imagined; it's real. Victims of sexual assault face a lack of confidentiality, protection, support, and access to legal counsel once an incident is reported. This is profound in the military and it has profound consequences.

We have to act and stand together as a Congress and as a Nation to declare that the problem can't go on, and we have to work now to stamp out the violence within the military.

We have to ensure that the Guard and Reserve have response coordinators available at all times regardless of their duty status, and to ensure that each service has a robust investigative team, with clarity and consistency among the services.

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

Mr. MCGOVERN. I yield the gentleman 1 additional minute.

Ms. EDWARDS. Our hope is to ensure that zero tolerance for sexual assault in the military is the norm.

I want to say that some have pointed to a culture issue within the military that contributes to the problem. You know what, that might be true; but we cannot use culture as an excuse. It has to be a challenge and a commitment to change throughout the chain of command.

Some have pointed as well to say that this is just endemic within the

military. As somebody who grew up in a servicemember family as one of four daughters, I can't lay this blame on the fact of service. I know that in the civilian sector a relatively small number of perpetrators commit the overwhelming number of crimes. So let's root out the criminals within the military. We have to commit ourselves to making sure that we do that and hold them accountable, hold their commanders accountable, punish people for crime, and stop promoting perpetrators and transferring the problem from one installation to the next installation. This enforceability and accountability has to happen throughout the command structure, no excuses and no exceptions.

□ 1420

It's the service that my father sacrificed for and that millions of others do that we have to honor. We do that by protecting the men and women who serve by saying to them: We want you to serve your country, but we want to make sure that you can do it in safety and that those who are criminals are held accountable.

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

Mr. MCGOVERN. Mr. Speaker, I am happy to yield 1 minute to the gentleman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Speaker, I thank my colleague from Massachusetts for yielding.

I rise in support of the progress this underlying bill makes in combating military sexual assault. Sexual assault in the military continues to be a serious problem. In 2012, an average of 70 servicemen and -women were sexually assaulted each and every day. This is unacceptable. Moreover, only a fraction of these are reported. Fewer yet are prosecuted.

More needs to be done at every level to establish comprehensive uniform solutions. I am pleased to see that this bill offers a renewed determination to stop these unacceptable crimes that undermine the strength and honor of our military. The included provisions make progress to increase transparency with new victim protections and services, and improved processes to hold offenders accountable.

But we must do more. We must work diligently to put an end to this problem so we can again—with full confidence—encourage our daughters and sons to serve this great country.

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

Mr. MCGOVERN. Mr. Speaker, I am happy to yield 2 minutes to the gentleman from California (Ms. SPEIER).

Ms. SPEIER. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me time.

Seventy men and women serving in the military every single day are sexually assaulted and raped. While we sit here and we talk, that's going on.

For over 25 years—for over 25 years—we have known about this problem and

we have done very little. Aberdeen, Tailhook, the military academies, Lackland, all of these are happening under our collective watch, and we have found it acceptable to hold hearings, to bring the brass up here, have them say the right words—"zero tolerance"—and then we would go about our business. That is not good enough. And while the NDAA has some good fixes on the end of the process, we still have much to do on the front end.

There is a reason why there are 26,000 sexual assaults and rapes a year in the military and only 3,300 have the guts to come forward. It's because if you come forward, you're retaliated against. Some 63 percent are retaliated against. And of those 3,300 that report, only 500 of those cases are going to go to court-martial and only 200 will end up in a conviction.

So why would anyone report? Because your odds of getting justice are just not there. That's why it is important for us to have a debate on this House floor about taking these cases out of the chain of command. If it's in the chain of command, then you have the potential of having the assailant be the person making the decision, or the person making the decision—the commander—being the friend of the assailant, or the commander itching for a promotion, who is fearful that if they find out that there was a rape under their watch, that they won't get that promotion.

Other countries have a similar Uniform Code of Military Justice. Ours is based on the British system. And the Brits and the Canadians and the New Zealanders and the Australians and the Israelis have all taken these cases out of the chain of command, and it's working. It's time for us to have that discussion as well.

I urge my colleagues to embrace an amendment that I will take up in Rules Committee that will at least give us the opportunity to have this debate—this healthy debate—on the House floor. Otherwise, I will guarantee you in another 6 months, in another year, we will see yet another scandal, and we will not have changed anything.

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

Mr. MCGOVERN. Mr. Speaker, I yield 1 minute to the gentlewoman from New York, the distinguished ranking member of the Committee on Small Business, Ms. VELÁZQUEZ.

Ms. VELÁZQUEZ. Mr. Speaker, I thank the gentleman for yielding.

I rise in opposition to this rule. Our Armed Forces face an epidemic that is tearing away this institution's moral credibility. Millions of patriotic young men and women who are considering donning our Nation's uniform, must contend with the fact that our military has become a safe haven for sexual assault and rape.

According to DOD's own estimate, on average, 70 servicemembers are sexually assaulted every day, with 26,000 of

these incidents occurring last year alone. That represents a 30 percent increase from just 2 years before.

Keep in mind, this is the Department of Defense data. It is likely this problem is even more widespread than these numbers suggest. Equally troubling, only a sliver of about 3 percent of these cases were prosecuted. The horrifying fact is that tolerance of sexual assault has become part of the Armed Forces' culture. In too many cases, victims are further harmed by a system that protects offenders in the name of the chain of command. This is unacceptable. It must change, and it must change now.

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

Mr. MCGOVERN. I yield the gentlewoman an additional 30 seconds.

Ms. VELÁZQUEZ. The men and women who serve our Nation sacrifice enough. They should not have to worry about sexual assault at the hands of superiors and colleagues.

It is time for real steps that end this permissive culture, hold sexual offenders accountable, and restore trust in our Armed Forces.

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

Mr. MCGOVERN. Mr. Speaker, I am happy to yield 1 minute to the gentlewoman from California (Ms. BROWNLEY).

Ms. BROWNLEY of California. Mr. Speaker, I thank the gentleman of Massachusetts for yielding.

It has already been stated—but it is worth repeating again—in 2012, 26,000 servicemembers were sexually assaulted. If only one servicemember was assaulted, that is one too many.

Sexual assault in the military is intolerable—period. It is a terrible entrenched cultural flaw of our military that allows victims to be abused without accountability or justice.

While there are a number of legislative proposals to address this issue, the consensus is clear: we need a fail-safe solution that increases transparency and accountability so that the military no longer is a place where sexual assault is tolerated.

I am pleased that H.R. 1960 takes steps to improve the military justice system. However, I do believe the bill does not go far enough. We must do a better job.

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

Mr. MCGOVERN. Mr. Speaker, I am happy to yield 1 minute to the gentleman from Minnesota (Mr. ELLISON).

Mr. ELLISON. Mr. Speaker, I am loath to turn attention away from this critical topic, and I agree with all of my colleagues on it. But also part of this rule is H.R. 1256, which is entitled the Swaps Jurisdiction Certainty Act. This is a closed rule—they're not allowing any amendments on it—and it is bad policy. I urge members to vote "no."

This bill reminds me of the old adage that's often said that "the past isn't dead. It isn't even past."

I'm referring to the global crisis—the global financial crisis—that a few years ago had every Member of this body absolutely on razor's edge as we wondered what was going to happen to the American economy, and we ended up seeing the TARP passed and all types of things to try to avert collapse.

\$13 trillion in lost wealth, Mr. Speaker, and still here we are looking at a bill—in a closed rule, mind you—that would allow offshore derivative swap trading to be beyond the jurisdiction of American regulators.

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

Mr. MCGOVERN. I yield the gentleman an additional 30 seconds.

□ 1430

Mr. ELLISON. Let me just cut straight to the chase.

Congress granted the Commodity Futures Trading Commission explicit authority in the Dodd-Frank Wall Street Reform and Consumer Protection Act to oversee all derivatives transactions with a direct and significant connection to the U.S. economy.

That's a good idea—a \$223 trillion industry. I think we need to protect our interests. Vote "no" on this closed rule.

Mr. NUGENT. I continue to reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I yield 1 minute to the distinguished ranking member of the Committee on Financial Services, the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Thank you very much. I rise to oppose the closed rule on H.R. 1256.

H.R. 1256 really has no business being hidden in this bill at all. It is another attempt to keep the debate from taking place so that people will know what is happening when we are trying to have a regulatory regime that will protect us from having to bail out big institutions.

We are simply saying that we can't allow our financial institutions to have subsidiaries overseas that are doing business and trading and putting us at risk. Every time they get involved in a trade in which they don't have comparable rules in that country, what we are doing is putting this country at risk that we are going to have to bail out a big financial institution because the harm will come right back to the parent company.

We, in Dodd-Frank, have said that we must have comparable rules, that we must have regulatory regimes that are comparable to ours in order to do business and to do trading in order to protect against big institutions failing. So now we have this H.R. 1256 that would undo all of that and drag it back into the shadows, this derivatives trading, and put us all at risk. We can't even debate it. We can't even have an amendment because, again, they're trying to kill Dodd-Frank.

Mr. NUGENT. I continue to reserve the balance of my time.

Mr. MCGOVERN. I would like to inquire of the gentleman from Florida how many additional speakers he may have.

Mr. NUGENT. I have none.

Mr. MCGOVERN. How much time do I have left, Mr. Speaker?

The SPEAKER pro tempore. The gentleman from Massachusetts has 2 minutes remaining.

Mr. MCGOVERN. I yield 1 additional minute to the ranking member of the Committee on Financial Services, the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Thank you so much. I do appreciate this. This is so important.

I am against this closed rule simply because we have mandated the kind of reform in Dodd-Frank that would keep us from ever being in the position in which we have to bail out these big institutions, and now we have so much organized push back and undermining of Dodd-Frank in which they are attempting to undo the reforms that we have done.

Simply put, we cannot allow the branches and subsidiaries of these big broker dealers—these big banks—to go over and do trading with countries that don't have comparable rules. If we allow that to happen, we will be forced to do what we have seen with AIG, which was to bail them out to the tune of billions of dollars, and supposedly, we'd done reforms to keep from having to be in that position again. We will find that we will again be experiencing what happened with Goldman Sachs and others who ended up being the beneficiaries of our failed regulatory regime.

So I am opposed to the closed rule. Vote against the closed rule, and then vote against the bill.

Mr. NUGENT. I continue to reserve the balance of my time.

Mr. MCGOVERN. I yield myself the remaining time.

Mr. Speaker, I get it. The Republican majority wants to repeal Dodd-Frank, and they're using every possible vehicle they can to undermine Dodd-Frank, which puts consumers at risk by their constant attack on protections that, I think, most people in this country think are reasonable.

As you heard from Ms. WATERS, the ranking member on the Committee on Financial Services, and from Mr. ELLISON, there is controversy around this bill. The thought that you would bring a bill like this to the floor that would weaken Dodd-Frank under a closed rule is really unforgivable, quite frankly. We ought to debate this. This is important stuff. There ought to be debates, and there ought to be amendments.

On the defense authorization bill, I just want to say this for the record: while I have no opposition to your bringing the DOD bill up for general debate, I do want to express my concern that when the Rules Committee

considers the amendments that they be fair-minded about it and that all major issues, including the issues raised by a number of my colleagues on sexual assault, are addressed.

I also want to say that the war in Afghanistan ought to be debated on this floor. A central part of our defense budget right now is going to this war, and last year, we were shut out. I'm hoping that this year we will at least have the opportunity to bring an amendment to the floor, debate what our policy should be, and will let Members on both sides vote up or down.

I urge my colleagues to vote "no" because this does allow H.R. 1256 to come to the floor under a closed rule. That is wrong. This should be a more open and transparent process, especially when it comes to an issue that is so important.

With that, I yield back the balance of my time.

Mr. NUGENT. Mr. Speaker, in closing, I support this rule and encourage my colleagues to support it as well. It allows the House to take action on two different but very important pieces of legislation.

It provides us with an opportunity to force the SEC and the CFTC to finally and jointly promulgate rules governing the U.S. institutions' use of swaps and other financial derivatives while accessing international markets. This action will help ensure that we have a vibrant financial system and that American companies can manage the risks while remaining competitive in an international market. Additionally, it begins our consideration on the National Defense Authorization Act, providing the House with an hour of general debate on programs that make up our Department of Defense.

As a Member of Congress, as a three Blue Star parent, and as an American, I can think of nothing more important than providing our military the tools that they need to carry out their missions. These brave men and women put their lives on the line for our Nation each and every day. This legislation isn't a thank-you to the troops, it's our duty as citizens to acknowledge that we live in the land of the free only because of the service of the brave.

Mr. Speaker, we've heard a lot of discussion here on the floor, particularly as it relates to Dodd-Frank. First of all, this does not repeal Dodd-Frank. If it were a vote for a repeal of Dodd-Frank, I'd vote for it, but it's not a repeal of Dodd-Frank. As a matter of fact, this piece of legislation, the Swap Act, was actually voice voted out of the Agriculture Committee, which has joint jurisdiction over this piece of legislation. It was voice voted. In the Committee on Financial Services, 100 percent of the Republicans and two-thirds of the Democrats voted for its passage, so it isn't exactly as one would hear the other side say.

When we talk about open rules, I think one of the things that distinguishes this Congress versus the 111th Congress is that this is one of the most

open Congresses in the 112th Congress versus the 111th, which had absolutely zero open rules. I will remind my colleagues of that just because, as we talk about this and move forward on both of these issues, it's important to know that we have an open rule coming up in which we have almost 300 amendments that we are going to be considering in the Rules Committee in just a short period of time with the NDAA.

Lastly, I hear my colleagues talk about how for 25 years they have allowed sexual assault to go unabated. I can hardly stomach the fact that this body would allow that to happen over the last 25 years. As a former law enforcement officer, as one who vigorously prosecuted cases of sexual assault and rape, it should be no different for our armed services.

That is where my good friend Mr. MCGOVERN had mentioned the oversight of armed services and of this House to make sure that we hold people accountable; to make sure, as other Members have talked about, that members of our military are kept safe, and that those who would prey upon members of their own military unit will find swift justice so that nobody can say there is not justice in regards to the fact, if you commit a rape or a sexual assault in the military, that you will be prosecuted to the fullest extent of the law; that we make sure that we have victim advocates for those who are assaulted, and that we have good investigators who focus on those types of crimes and have the forensics to back it up so you have a strong prosecution. I think that's what this NDAA bill is an attempt to do.

□ 1440

I strongly support the bill and the underlying legislation.

With that, 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. MCGOVERN. 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 adoption of House Resolution 256 will be followed by 5-minute votes on motions to suspend the rules on H.R. 634 and H.R. 742.

The vote was taken by electronic device, and there were—yeas 239, nays 184, not voting 11, as follows:

[Roll No. 214]

YEAS—239

Aderholt	Barton	Brady (TX)
Alexander	Benishek	Bridenstine
Amash	Bentivolio	Brooks (AL)
Amodei	Bilirakis	Brooks (IN)
Bachmann	Bishop (UT)	Broun (GA)
Bachus	Black	Buchanan
Barber	Blackburn	Bucshon
Barletta	Bonner	Burgess
Barr	Boustany	Calvert

Camp	Hunter	Reed	Huffman	McDermott	Sanchez, Loretta	Benishek	Fleming	Lee (CA)
Capito	Hurt	Reichert	Israel	McGovern	Sarbanes	Bentivolio	Flores	Levin
Carter	Issa	Renacci	Jackson Lee	McNerney	Schakowsky	Bera (CA)	Forbes	Levin
Cassidy	Jenkins	Ribble	Jeffries	Meng	Schiff	Bilirakis	Fortenberry	Lipinski
Chabot	Johnson (OH)	Rice (SC)	Johnson (GA)	Michaud	Schrader	Bishop (GA)	Foster	LoBiondo
Chaffetz	Johnson, Sam	Rigell	Johnson, E. B.	Miller, George	Schwartz	Bishop (NY)	Fox	Loeb
Coble	Jones	Roby	Kaptur	Moore	Scott (VA)	Bishop (UT)	Frankel (FL)	Long
Coffman	Jordan	Roe (TN)	Keating	Moran	Scott, David	Black	Franks (AZ)	Lowey
Cole	Joyce	Rogers (AL)	Kelly (IL)	Nadler	Serrano	Blackburn	Frelinghuysen	Lucas
Collins (GA)	Kelly (PA)	Rogers (KY)	Kennedy	Napolitano	Sewell (AL)	Blumenauer	Fudge	Luetkemeyer
Collins (NY)	King (IA)	Rogers (MI)	Kildee	Neal	Shea-Porter	Bonamici	Gabbard	Lujan Grisham
Conaway	King (NY)	Rohrabacher	Kilmer	Negrete McLeod	Sherman	Bonner	Gallego	(NM)
Cook	Kingston	Rokita	Kind	Nolan	Sires	Boustany	Garamendi	Lujan, Ben Ray
Costa	Kinzinger (IL)	Rooney	Kirkpatrick	O'Rourke	Smith (WA)	Brady (PA)	Garcia	(NM)
Cotton	Klaine	Ros-Lehtinen	Kuster	Pallone	Speier	Brady (TX)	Gardner	Lummis
Cramer	Labrador	Roskam	Langevin	Pascrell	Swalwell (CA)	Brady (IA)	Garrett	Lynch
Crawford	LaMalfa	Ross	Larsen (WA)	Pastor (AZ)	Takano	Bridenstine	Gerlach	Maffei
Crenshaw	Lamborn	Rothfus	Larson (CT)	Payne	Thompson (CA)	Brooks (AL)	Gibbs	Maloney,
Culberson	Lance	Royce	Lee (CA)	Pelosi	Thompson (MS)	Brooks (IN)	Gibson	Carolyn
Daines	Lankford	Runyan	Levin	Perlmutter	Tierney	Broun (GA)	Gingrey (GA)	Maloney, Sean
Davis, Rodney	Latham	Ryan (WI)	Lewis	Peters (MI)	Titus	Brown (FL)	Gohmert	Marchant
Denham	Latta	Salmon	Lipinski	Peterson	Tonko	Brownley (CA)	Goodlatte	Marino
Dent	LoBiondo	Sanford	Loeb	Pingree (ME)	Tsongas	Buchanan	Gosar	Massie
DeSantis	Long	Scalise	Lofgren	Pocan	Van Hollen	Bucshon	Gowdy	Matheson
DesJarlais	Lucas	Schneider	Lowenthal	Polis	Vargas	Burgess	Granger	Matsui
Duffy	Luetkemeyer	Schock	Lowe	Price (NC)	Veasey	Bustos	Graves (GA)	McCarthy (CA)
Duncan (SC)	Lummis	Schweikert	Lujan Grisham	Quigley	Watt	Butterfield	Graves (MO)	McCaul
Duncan (TN)	Maffei	Scott, Austin	(NM)	Rahall	Waxman	Calvert	Green, Al	McClintock
Ellmers	Marchant	Sensenbrenner	Lujan, Ben Ray	Rangel	Welch	Camp	Green, Gene	McCollum
Farenthold	Marino	Sessions	(NM)	Richmond	Wilson (FL)	Capito	Griffin (AR)	McDermott
Fincher	Massie	Shimkus	Lynch	Roybal-Allard	Yarmuth	Capps	Griffith (VA)	McHenry
Fitzpatrick	McCarthy (CA)	Shuster	Maloney,	Ruiz		Capuano	Grijalva	McIntyre
Fleischmann	McCaul	Simpson	Carolyn	Ruppersberger		Cárdenas	Grimm	McKeon
Fleming	McClintock	Sinema	Maloney, Sean	Rush		Carney	Guthrie	McKinley
Flores	McHenry	Smith (MO)	Matheson	Ryan (OH)		Carson (IN)	Gutierrez	McMorris
Forbes	McIntyre	Smith (NE)	Matsui	Sánchez, Linda		Carter	Hall	Rodgers
Fortenberry	McKeon	Smith (NJ)	McCollum	T.		Cartwright	Hanabusa	McNerney
Fox	McKinley	Smith (TX)				Cassidy	Hanna	Meadows
Franks (AZ)	McMorris	Southerland				Castor (FL)	Harper	Meehan
Frelinghuysen	Rodgers	Stewart	Campbell	Diaz-Balart	Meeks	Castro (TX)	Harris	Meng
Garcia	Meadows	Stivers	Cantor	Graves (GA)	Slaughter	Chabot	Hartzler	Messer
Gardner	Meehan	Stockman	Chu	Markey	Wasserman	Chaffetz	Hastings (FL)	Mica
Garrett	Messer	Stutzman	Chu	Markey	Wasserman	Ciilline	Hastings (WA)	Michaud
Gerlach	Mica	Terry	Deutch	McCarthy (NY)	Schultz	Clarke	Heck (NV)	Miller (FL)
Gibbs	Miller (FL)	Thompson (PA)				Clay	Heck (WA)	Miller (MI)
Gibson	Miller (MI)	Thornberry				Cleaver	Hensarling	Miller, Gary
Gingrey (GA)	Miller, Gary	Tiberi				Clyburn	Herrera Beutler	Miller, George
Gohmert	Mullin	Tipton				Coble	Higgins	Moore
Goodlatte	Mulvaney	Turner				Coffman	Himes	Moran
Gosar	Murphy (FL)	Upton				Cohen	Hinojosa	Mullin
Gowdy	Murphy (PA)	Valadao				Cole	Holding	Mulvaney
Granger	Neugebauer	Wagner				Collins (GA)	Holt	Murphy (FL)
Graves (MO)	Noem	Walberg				Collins (NY)	Honda	Murphy (PA)
Griffin (AR)	Nugent	Walden				Conaway	Horsford	Napolitano
Griffith (VA)	Nunes	Walorski				Connolly	Hoyer	Neal
Grimm	Nunnelee	Weber (TX)				Cook	Hudson	Negrete McLeod
Guthrie	Olson	Webster (FL)				Cooper	Huelskamp	Neugebauer
Hall	Owens	Westmoreland				Cooper	Huffman	Noem
Hanna	Palazzo	Whitfield				Costa	Huizenga (MI)	Nugent
Harper	Paulsen	Williams				Cotton	Hultgren	Nunes
Harris	Pearce	Wilson (SC)				Courtney	Hunter	Nunnelee
Hartzler	Perry	Wittman				Cramer	Hurt	O'Rourke
Hastings (WA)	Peters (CA)	Wolf				Crawford	Israel	Olson
Heck (NV)	Petri	Womack				Crenshaw	Issa	Palazzo
Hensarling	Pittenger	Woodall				Crowley	Jackson Lee	Pallone
Herrera Beutler	Pitts	Yoder				Cuellar	Jeffries	Pascrell
Holding	Poe (TX)	Yoho				Culberson	Jenkins	Pastor (AZ)
Hudson	Pompeo	Young (AK)				Cummings	Johnson (GA)	Paulsen
Huelskamp	Posey	Young (AK)				Daines	Johnson (OH)	Payne
Huizenga (MI)	Price (GA)	Young (FL)				Davis (CA)	Johnson, E. B.	Pearce
Hultgren	Radel	Young (IN)				Davis, Danny	Johnson, Sam	Pelosi

NAYS—184

Andrews	Clay	Eshoo
Barrow (GA)	Cleaver	Esty
Bass	Clyburn	Farr
Beatty	Cohen	Fattah
Becerra	Connolly	Foster
Bera (CA)	Conyers	Frankel (FL)
Bishop (GA)	Cooper	Fudge
Bishop (NY)	Courtney	Gabbard
Blumenauer	Crowley	Gallego
Bonamici	Cuellar	Garamendi
Brady (PA)	Cummings	Grayson
Brady (IA)	Davis (CA)	Green, Al
Brown (FL)	Davis, Danny	Green, Gene
Brownley (CA)	DeFazio	Grijalva
Bustos	DeGette	Gutierrez
Butterfield	Delaney	Hahn
Capps	DeLauro	Hanabusa
Capuano	DelBene	Hastings (FL)
Cárdenas	Dingell	Heck (WA)
Carney	Doggett	Higgins
Carson (IN)	Doyle	Himes
Cartwright	Duckworth	Hinojosa
Castor (TX)	Edwards	Holt
Castro (FL)	Ellison	Honda
Ciilline	Engel	Horsford
Clarke	Enyart	Hoyer

NOT VOTING—11

Campbell	Diaz-Balart	Meeks
Cantor	Graves (GA)	Slaughter
Chu	Markey	Wasserman
Deutch	McCarthy (NY)	Schultz

□ 1510

Ms. MCCOLLUM, Messrs. DAVID SCOTT of Georgia, PETERSON, THOMPSON of Mississippi, CUMMINGS, and VEASEY changed their vote from “yea” to “nay.”

Mr. HURT changed his vote from “nay” to “yea.”

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.

BUSINESS RISK MITIGATION AND PRICE STABILIZATION ACT OF 2013

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and pass the bill (H.R. 634) to provide end user exemptions from certain provisions of the Commodity Exchange Act and the Securities Exchange Act of 1934, and for other purposes, as amended, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. HENSARLING) that the House suspend the rules and pass the bill, as amended.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 411, nays 12, not voting 11, as follows:

[Roll No. 215]

YEAS—411

Aderholt	Bachmann	Barrow (GA)
Alexander	Bachus	Barton
Amash	Barber	Bass
Amodei	Barletta	Beatty
Andrews	Barr	Becerra

Roe (TN) Sensenbrenner Upton
 Rogers (AL) Serrano Valadao
 Rogers (KY) Sessions Van Hollen
 Rogers (MI) Sewell (AL) Vargas
 Rohrabacher Shea-Porter Veasey
 Rokita Sherman Vela
 Rooney Shimkus Velázquez
 Ros-Lehtinen Shuster Visclosky
 Roskam Simpson Wagner
 Ross Sinema Walberg
 Rothfus Sires Walden
 Roybal-Allard Smith (MO) Walorski
 Royce Smith (NE) Walz
 Ruiz Smith (NJ) Waters
 Runyan Smith (TX) Watt
 Ruppertsberger Smith (WA) Waxman
 Rush Southerland Weber (TX)
 Ryan (OH) Speier Webster (FL)
 Ryan (WI) Stewart Welch
 Salmon Stivers Wenstrup
 Sánchez, Linda Stockman Whitfield
 T. Stutzman Williams
 Sanchez, Loretta Swalwell (CA) Wilson (FL)
 Sanford Takano Wilson (SC)
 Scalise Terry Wittman
 Schakowsky Thompson (CA) Wolf
 Schiff Thompson (MS) Womack
 Schneider Thompson (PA) Woodall
 Schock Thornberry Yarmuth
 Schrader Tiberi Yoder
 Schwartz Tipton Yoho
 Schweikert Titus Young (AK)
 Scott (VA) Tonko Young (FL)
 Scott, Austin Tsongas Young (FL)
 Scott, David Turner Young (IN)

NAYS—12

Conyers Hahn Nadler
 Ellison Lofgren Nolan
 Enyart Lowenthal Sarbanes
 Grayson McGovern Tierney

NOT VOTING—11

Campbell Markey Slaughter
 Cantor McCarthy (NY) Wasserman
 Chu Meeks Schultz
 Deutch Owens Westmoreland

□ 1517

So (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. OWENS. Mr. Speaker, today, I briefly stepped off the floor to discuss a pressing issue related to the Northern Border. Consequently, I was not able to return in time for a vote (roll No. 215) to suspend the rules and pass the Business Risk Mitigation and Price Stabilization Act of 2013, H.R. 634. Had I been present for this vote, I would have voted “yea.”

PERSONAL EXPLANATION

Mr. LAMBORN. Mr. Speaker, I was unavoidably detained due to a family medical emergency and was unable to vote on rollcall No. 212 and rollcall No. 213.

Had I been present, I would have voted “yea” on rollcall No. 212 and “yea” on rollcall No. 213.

SWAP DATA REPOSITORY AND CLEARINGHOUSE INDEMNIFICATION CORRECTION ACT OF 2013

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and pass the bill (H.R. 742) to amend the Securities Exchange Act of 1934 and the Commodity Exchange Act to repeal the indemnification requirements for regulatory authorities to obtain access to swap data required to be provided by

swaps entities under such Acts, on which the yeas and nays were ordered. The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arkansas (Mr. CRAWFORD) that the House suspend the rules and pass the bill.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 420, nays 2, not voting 12, as follows:

[Roll No. 216]
 YEAS—420

Aderholt Cuellar Heck (NV)
 Alexander Culberson Heck (WA)
 Amash Cummings Hensarling
 Amodei Daines Herrera Beutler
 Andrews Davis (CA) Higgins
 Bachmann Davis, Danny Himes
 Bachus Davis, Rodney Hinojosa
 Barber DeFazio Holding
 Barletta DeGette Holt
 Barr Delaney Honda
 Barrow (GA) DeLauro Horsford
 Barton DelBene Hoyer
 Bass Denham Hudson
 Beatty Dent Huelskamp
 Becerra DeSantis Huffman
 Benishek DesJarlais Huizenga (MI)
 Bentivolio Diaz-Balart Hultgren
 Bera (CA) Dingell Hunter
 Bilirakis Doggett Hurt
 Bishop (GA) Doyle Israel
 Bishop (NY) Duckworth Issa
 Bishop (UT) Duffy Jackson Lee
 Black Duncan (SC) Jeffries
 Blackburn Duncan (TN) Jenkins
 Blumenauer Edwards Johnson (GA)
 Bonamici Ellison Johnson (OH)
 Bonner Ellmers Johnson, E. B.
 Boustany Engel Jones
 Brady (PA) Enyart Jordan
 Brady (TX) Eshoo Joyce
 Braley (IA) Esty Kaptur
 Bridenstine Farenthold Keating
 Brooks (AL) Farr Kelly (IL)
 Brooks (IN) Fattah Kelly (PA)
 Broun (GA) Fincher Kennedy
 Brown (FL) Fitzpatrick Kildee
 Brownley (CA) Fleischmann Kilmer
 Buchanan Fleming Kind
 Bucshon Flores King (IA)
 Burgess Forbes King (NY)
 Bustos Portenberry Kingston
 Butterfield Foster Kinzinger (IL)
 Calvert Fox Kirkpatrick
 Camp Frankel (FL) Kline
 Cantor Franks (AZ) Kuster
 Capito Frelinghuysen Labrador
 Capps Fudge LaMalfa
 Capuano Gabbard Lamborn
 Cárdenas Gallego Lance
 Carney Garamendi Langevin
 Carson (IN) Garcia Lankford
 Carter Gardner Larsen (WA)
 Cartwright Garrett Larson (CT)
 Cassidy Gerlach Latham
 Castor (FL) Gibbs Latta
 Castro (TX) Gibson Lee (CA)
 Chabot Gingrey (GA) Levin
 Chaffetz Gohmert Lewis
 Cicilline Goodlatte Lipinski
 Clarke Gosar LoBiondo
 Clay Granger Loeb sack
 Cleaver Graves (GA) Long
 Clyburn Graves (MO) Lowenthal
 Coble Grayson Lowey
 Coffman Green, Al Lucas
 Cohen Green, Gene Luetkemeyer
 Cole Griffin (AR) Lujan Grisham
 Collins (GA) Griffith (VA) (NM)
 Collins (NY) Grijalva Luján, Ben Ray
 Conaway Grimm (NM)
 Connolly Guthrie Lummis
 Conyers Gutierrez Lynch
 Cook Hahn Maffei
 Cooper Hall Maloney,
 Costa Hanabusa Carolyn
 Cotton Hanna Maloney, Sean
 Courtney Harper Marchant
 Cramer Harris Marino
 Crawford Hartzler Massie
 Crenshaw Hastings (FL) Matheson
 Crowley Hastings (WA) Matsui

McCarthy (CA) Pompeo Smith (MO)
 McCaul Posey Smith (NE)
 McClintock Price (GA) Smith (NJ)
 McCollum Price (NC) Smith (TX)
 McDermott Quigley Smith (WA)
 McGovern Radel Southerland
 McHenry Rahall Speier
 McIntyre Rangel Stewart
 McKeon Reed Stivers
 McKinley Reichert Stutzman
 McMorris Renacci Swalwell (CA)
 Rodgers Ribble Takano
 McNerney Rice (SC) Terry
 Meadows Richmond Thompson (CA)
 Meehan Rigell Thompson (MS)
 Messer Roby Thompson (PA)
 Mica Roe (TN) Thornberry
 Michaud Rogers (AL) Tiberi
 Miller (FL) Rogers (KY) Tierney
 Miller (MI) Rogers (MI) Tipton
 Miller, Gary Rohrabacher Titus
 Miller, George Rokita Tonko
 Moore Rooney Ros-Lehtinen Tsongas
 Moran Ros-Lehtinen Turner
 Mullin Roskam Upton
 Mulvaney Ross Valadao
 Murphy (FL) Rothfus Van Hollen
 Murphy (PA) Roybal-Allard Vargus
 Nadler Royce Veasey
 Napolitano Ruiz Runyan
 Neal Ruppertsberger Vela
 Negrete McLeod Ruppertsberger Velázquez
 Neugebauer Rush Visclosky
 Noem Ryan (OH) Wagner
 Nolan Ryan (WI) Walberg
 Nugent Salmon Walden
 Nunes Sanchez, Loretta Walorski
 Nunnelee Sanford Walz
 O'Rourke Sarbanes Waters
 Olson Scalise Watt
 Owens Schakowsky Waxman
 Palazzo Schiff Weber (TX)
 Pallone Schneider Webster (FL)
 Pascrell Schock Welch
 Pastor (AZ) Schrader Wenstrup
 Paulsen Schwartz Westmoreland
 Payne Schweikert Whitfield
 Pearce Scott (VA) Williams
 Pelosi Scott, Austin Wilson (FL)
 Perlmutter Scott, David Wilson (SC)
 Perry Sensenbrenner Wittman
 Peters (CA) Serrano Wolf
 Peters (MI) Sessions Wolf
 Peterson Sewell (AL) Womack
 Petri Shea-Porter Woodall
 Pingree (ME) Sherman Yarmuth
 Kind Shimkus Yoder
 Pittenger Shuster Yoho
 Pitts Shuster Young (AK)
 Pocan Simpson Young (FL)
 Poe (TX) Sinema Young (IN)
 Polis Sires Young (IN)

NAYS—2

Lofgren Sánchez, Linda T.

NOT VOTING—12

Campbell Markey Stockman
 Chu McCarthy (NY) Wasserman
 Deutch Meeks Schultz
 Gowdy Meng
 Johnson, Sam Slaughter

□ 1526

So (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SWAP JURISDICTION CERTAINTY ACT

Mr. HENSARLING. Mr. Speaker, pursuant to House Resolution 256, I call up the bill (H.R. 1256) to direct the Securities and Exchange Commission and the Commodity Futures Trading Commission to jointly adopt rules setting forth the application to cross-border swaps transactions of certain provisions relating to swaps that were enacted as

part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 256, the amendments recommended by the Committee on Financial Services, printed in the bill, are adopted. The bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 1256

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Swap Jurisdiction Certainty Act”.

SEC. 2. JOINT RULEMAKING ON CROSS-BORDER SWAPS.

(a) JOINT RULEMAKING REQUIRED.—

(1) IN GENERAL.—Not later than 270 days after the date of enactment of this Act, the Securities and Exchange Commission and the Commodity Futures Trading Commission shall jointly issue rules setting forth the application of United States swaps requirements of the Securities Exchange Act of 1934 and the Commodity Exchange Act relating to cross-border swaps and security-based swaps transactions involving U.S. persons or non-U.S. persons.

(2) CONSTRUCTION.—The rules required under paragraph (1) shall be identical, notwithstanding any difference in the authorities granted the Commissions in section 30(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78dd(c)) and section 2(i) of the Commodity Exchange Act (7 U.S.C. 2(i)), respectively, except to the extent necessary to accommodate differences in other underlying statutory requirements under such Acts, and the rules thereunder.

(b) CONSIDERATIONS.—The Commissions shall jointly issue rules that address—

(1) the nature of the connections to the United States that require a non-U.S. person to register as a swap dealer, major swap participant, security-based swap dealer, or major security-based swap participant under each Commission’s respective Acts and the regulations issued under such Acts;

(2) which of the United States swaps requirements shall apply to the swap and security-based swap activities of non-U.S. persons, U.S. persons, and their branches, agencies, subsidiaries, and affiliates outside of the United States and the extent to which such requirements shall apply; and

(3) the circumstances under which a non-U.S. person in compliance with the regulatory requirements of a foreign jurisdiction shall be exempt from United States swaps requirements.

(c) RULE IN ACCORDANCE WITH APA REQUIRED.—No guidance, memorandum of understanding, or any such other agreement may satisfy the requirement to issue a joint rule from the Commissions in accordance with section 553 of title 5, United States Code.

(d) GENERAL APPLICATION TO COUNTRIES OR ADMINISTRATIVE REGIONS HAVING NINE LARGEST MARKETS.—

(1) GENERAL APPLICATION.—In issuing rules under this section, the Commissions shall provide that a non-U.S. person in compliance with the swaps regulatory requirements of a country or administrative region that has one of the nine largest combined swap and security-based swap markets by notional amount in the calendar year preceding issuance of such rules, or other foreign juris-

dition as jointly determined by the Commissions, shall be exempt from United States swaps requirements in accordance with the schedule set forth in paragraph (2), unless the Commissions jointly determine that the regulatory requirements of such country or administrative region or other foreign jurisdiction are not broadly equivalent to United States swaps requirements.

(2) EFFECTIVE DATE SCHEDULE.—The exemption described in paragraph (1) and set forth under the rules required by this section shall apply to persons or transactions relating to or involving—

(A) countries or administrative regions described in such paragraph, or any other foreign jurisdiction as jointly determined by the Commissions, accounting for the five largest combined swap and security-based swap markets by notional amount in the calendar year preceding issuance of such rules, on the date on which final rules are issued under this section; and

(B) the remaining countries or administrative regions described in such paragraph, and any other foreign jurisdiction as jointly determined by the Commissions, 1 year after the date on which such rules are issued.

(3) CRITERIA.—In such rules, the Commissions shall jointly establish criteria for determining that one or more categories of regulatory requirements of a country or administrative region described in paragraph (1) or other foreign jurisdiction is not broadly equivalent to United States swaps requirements and shall jointly determine the appropriate application of certain United States swap requirements to persons or transactions relating to or involving such country or administrative region or other foreign jurisdiction. Such criteria shall include the scope and objectives of the regulatory requirements of a country or administrative region described in paragraph (1) or other foreign jurisdiction as well as the effectiveness of the supervisory compliance program administered, and the enforcement authority exercised, by such country or administrative region or other foreign jurisdiction, and such other factors as the Commissions, by rule, jointly determine to be necessary or appropriate in the public interest.

(4) REQUIRED ASSESSMENT.—Beginning on the date on which final rules are issued under this section, the Commissions shall begin to jointly assess the regulatory requirements of countries or administrative regions described in paragraph (1), as the Commissions jointly determine appropriate, in accordance with the criteria established pursuant to this subsection, to determine if one or more categories of regulatory requirements of such a country or administrative region or other foreign jurisdiction is not broadly equivalent to United States swaps requirements.

(e) REPORT TO CONGRESS.—If the Commissions make the joint determination described in subsection (d)(1) that the regulatory requirements of a country or administrative region described in such subsection or other foreign jurisdiction are not broadly equivalent to United States swaps requirements, the Commissions shall articulate the basis for such a determination in a written report transmitted to the Committee on Financial Services and the Committee on Agriculture of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs and the Committee on Agriculture, Nutrition, and Forestry of the Senate within 30 days of the determination. The determination shall not be effective until the transmission of such report.

(f) DEFINITIONS.—As used in this Act and for purposes of the rules issued pursuant to this Act, the following definitions apply:

(1) The term “U.S. person”—

(A) means—

(i) any natural person resident in the United States;

(ii) any partnership, corporation, trust, or other legal person organized or incorporated under the laws of the United States or having its principal place of business in the United States;

(iii) any account (whether discretionary or non-discretionary) of a U.S. person; and

(iv) any other person as the Commissions may further jointly define to more effectively carry out the purposes of this Act; and

(B) does not include the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, their agencies and pension plans, and any other similar international organizations and their agencies and pension plans.

(2) The term “United States swaps requirements” means the provisions relating to swaps and security-based swaps contained in the Commodity Exchange Act (7 U.S.C. 1a et seq.) and the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) that were added by title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (15 U.S.C. 8301 et seq.) and any rules or regulations prescribed by the Securities and Exchange Commission and the Commodity Futures Trading Commission pursuant to such provisions.

(g) CONFORMING AMENDMENTS.—

(1) SECURITIES EXCHANGE ACT OF 1934.—Section 36(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78mm(c)) is amended by inserting “or except as necessary to effectuate the purposes of the Swap Jurisdiction Certainty Act,” after “to grant exemptions,”.

(2) COMMODITY EXCHANGE ACT.—Section 4(c)(1)(A) of the Commodity Exchange Act (7 U.S.C. 6(c)(1)(A)) is amended by inserting “or except as necessary to effectuate the purposes of the Swap Jurisdiction Certainty Act,” after “to grant exemptions,”.

The SPEAKER pro tempore. Debate shall not exceed 1 hour, with 40 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services and 20 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Agriculture.

The gentleman from Texas (Mr. HENSARLING) and the gentlewoman from California (Ms. WATERS) each will control 20 minutes. The gentleman from Texas (Mr. CONAWAY) and the gentleman from Georgia (Mr. DAVID SCOTT) each will control 10 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. HENSARLING. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and submit extraneous material for the RECORD on H.R. 1256, currently under consideration.

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

There was no objection.

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

□ 1530

Mr. Speaker, the legislation before the House this afternoon, H.R. 1256, the

Swap Jurisdiction Certainty Act, is a bipartisanship response to what many view to be, frankly, regulatory red tape overreach and the adverse consequences that it can have on the millions of our fellow countrymen who are either unemployed or underemployed—the impact that it could have on the competitiveness of our U.S. employers and job creators.

Mr. Speaker, I need not tell anyone in this body that we regrettably continue to be in the middle of a non-recovery recovery. If it weren't for the fact that so many people have actually left the job force—the working participation rate—our unemployment rate would be even higher. Many have just given up.

We know that for many, even though America has, in the past, produced 3½ percent economic growth and is probably capable of 4 or 5 percent economic growth with the right economic policies, regrettably, we find ourselves mired in 1½ to 2 percent GDP growth, which means, Mr. Speaker, a lot of American dreams go unfulfilled and a lot of our constituents lay awake at night wondering how are they going to pay the bills.

So, Mr. Speaker, jobs continue to be job number one, I believe, of the United States House of Representatives. But, regrettably, those who create jobs, those who employ our constituents, are drowning in a sea of red tape. There's been an over 50 percent increase in regulations under the Obama administration. We know that it is directly correlated to the lackluster economic growth that we see in the Nation today.

I still vividly remember that one small business person in east Texas came up to me—he had a small cabinetry shop. Even though it was still profitable, he shut it down. He shut it down because of the red tape burden that crushed him and the jobs of 17 people who worked in east Texas. And he said, Congressman, it got to the point I just thought my Federal Government didn't want me to succeed.

Mr. Speaker, we always have to be vigilant in ensuring that the red tape burden doesn't strangle the jobs and hopes and aspirations of the American people. So that brings us to H.R. 1256, the Swap Jurisdiction Certainty Act.

Now, many of you who may be tuning in to this debate may not be quite familiar with the world of derivatives, but it's a way that many farmers, ranchers, manufacturers hedge risk in order to become successful companies and employ people and sell their goods and services at competitive prices. An outfit like John Deere will use a derivative. They may do an interest rate swap as they finance a tractor for some farmer in rural east Texas that I may represent. That derivative is directly linked to the cost and the availability of that tractor.

What we are trying to do with H.R. 1256 is make sure that those who are trying to access derivatives, to hedge

risk, to create and sustain jobs, don't automatically overnight have huge swaps of the global market pulled out from under them because, if they do, all of a sudden it could be that somebody can't finance that tractor anymore.

Companies like Southwest Airlines that operate in my hometown of Dallas, Texas, they hedge their fuel cost; and if they can't access global markets, who knows about the success of their hedges. Then, all of a sudden, the price of a trip for grandparents to fly in from Kansas City to see their grandkids in Dallas, Texas, just became more prohibitive, it just became more expensive.

An outfit like Coors, they'll hedge their aluminum cost through swaps, maybe their wheat costs through swaps. And I don't know about other Members, but I represent a lot of hardworking people in the Fifth District of Texas; and let me tell you, sometimes on a hot August afternoon after working, putting in 40 hours at the Pepsi bottling plant or maybe putting it in at some of the other factories that we may have in Mesquite, somebody might just want to go to the 7-Eleven and buy a six-pack. In America that ought to be their right. And the inability—the inability—to access global markets for swaps ultimately can actually inflate that cost. That's not something I care to deny to hardworking Americans who want that.

This is a very simple and bipartisan bill. Mr. Speaker, this passed. We had a hearing in the Financial Services Committee and we had a markup in the Financial Services Committee. It passed with 100 percent of the Republican vote. It passed with almost two-thirds of the Democratic vote. You would think that we might be under the suspension calendar for this one, but in order to respect the wishes of the ranking member, we are having a more prolonged debate in addition to the one that we've already had in the committee.

But, Mr. Speaker, ultimately, this bill will do two things. It will tell the Securities and Exchange Commission and the Commodity Futures Trading Commission, You need to issue one joint rule when it comes really to American end users being able to access global markets, not one suggestion and one rule, two different rules—one rule. One rule. Let's take down a little complexity here.

Mr. Speaker, after Dodd-Frank, we're about to celebrate its 3rd anniversary next month. After 3 years of deliberating, maybe it's time to actually come out with a rule and create a little certainty for the people at Coors and at Southwest Airlines and at all the other employers and John Deere. Maybe it's time to create a little certainty. So the bill says, Okay, let's get this done in 9 months. You've had almost 3 years. It's time to get it done.

And last but not least, in order not to pull the rug out from under these peo-

ple on day one, it says, Do you know what? The nine largest markets, we are going to have a presumption that their regimes are broadly equivalent to the U.S. and not immediately deny access.

Now, at any given time, if the CFTC and SEC come to the conclusion that these regimes are not broadly equivalent, that somehow they present risk to our economy, with the stroke of a pen they can change that presumption. But not on day one, not on day one, Mr. Speaker.

So, for the sake of economic growth, for the sake of jobs, to provide some certainty in a struggling economy, I would urge all—all—of my colleagues to support this bipartisan legislation that was voice voted in the Ag Committee, voice voted, and had unanimous—unanimous—consent of all Republicans and almost two-thirds of the Democrats on the Financial Services Committee, urge all my colleagues to support H.R. 1256.

I reserve the balance of my time.

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

I would like to try to clear up some of the misunderstandings of what this bill is about. The more we debate it, the better Members understand the impact of this bill on our economy.

The gentleman from Texas, the chairman, just talked about how generous they are in allowing this debate to take place. Members, let me tell you what really happened. The fact of the matter is there has been an attempt to hide H.R. 1256 in this DOD bill. What business does it have in this bill? Why is it the Rules Committee determined that it would be a closed rule?

The first reason is that they tried to get away without having amendments to the bill. I had an amendment that I offered in committee that was not accepted, an amendment that if there were an open rule, I would have been able to offer this amendment on the floor. But, no, they close-ruled this bill to keep any amendments from being heard, to be debated, to be voted on, because they know that if Members really discover what these derivatives are all about and how they could create such risk that we'll be put in the position of bailing out failed institutions all over again, that Members would not support this kind of bill.

□ 1540

This country has been through a terrible financial crisis. Part of the reason is that we allowed our banks and financial institutions to place unregulated bets on the mortgage markets. Remember AIG? What did AIG do? It made a really big bet that the mortgage market would go up, and it lost, and the taxpayer was put in the position of having to bail it out. The Dodd-Frank Act enabled us to put a stop to that kind of betting going on, hidden from the rest of us, finally dragging that activity out into the sunlight.

The CFTC and the SEC are finally putting in place rules of the road to

prevent any one institution from threatening our livelihood again, but this bill wants to drag some of that activity back into the shadows, allowing banks and others, once again, to enter into transactions without even our regulators being able to see them.

You may say that this bill just concerns the limits on how far U.S. law goes. So why is it so important that the CFTC and SEC have discretion over the rules on cross-border initiatives? Because the exposure that a foreign branch or subsidiary of a U.S. institution takes in foreign markets comes back home to the U.S. Moreover, U.S. banks and corporations may find that those they do business with have much more hidden exposure because of foreign transactions. This bill says that we will have to rely on the foreign regulators to protect us. We shouldn't have to rely on foreign regulators who don't even have regulatory regimes to protect us. We should protect ourselves by making sure that anybody our branches and our subsidiaries are doing business with have comparable rules. Those countries must have comparable rules to the U.S. rules in order to protect us.

To put it simply, this bill would delay the implementation of the Wall Street Reform Act's derivatives provisions by months, if not years, and would preserve the kind of opacity in our markets that led to taxpayers' bailing out AIG just 5 short years ago.

For example, while Europe has made considerable progress on its swaps' clearing and reporting rules, Europe's framework for implementing trading and internal business conduct standards have been caught up in delays. It is unclear at this point how strong those requirements ultimately will be. This bill increases the incentives for other jurisdictions to avoid making the tough decisions to put in a strong financial framework.

I reserve the balance of my time.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will remind all persons in the gallery that they are here as guests of the House and that any manifestation of approval or disapproval of proceedings or other audible conversation is in violation of the rules of the House.

Mr. HENSARLING. I yield myself 30 seconds just to say to the gentlelady that she had the opportunity to offer her amendment in committee, and her amendment was defeated. Second of all, as she raises the specter of bailout, she has also said before that Dodd-Frank ended bailouts, so I don't know which it is. I would also say nothing in the bill changes the rulemaking authority of the CFTC or the SEC, and it delays nothing, but it was just 6 months ago that the ranking member sent a letter to the chairman of the CFTC:

I request that you provide for phased-in compliance and appropriate short-term relief from relevant title VII provisions.

So she, herself, was asking for a delay.

I now yield 5 minutes to the chairman of the Subcommittee on Capital Markets and Government Sponsored Enterprises, the author of this legislation, the gentleman from New Jersey (Mr. GARRETT).

Mr. GARRETT. I thank the gentleman from Texas for yielding. I also want to thank the gentleman from Delaware (Mr. CARNEY), the gentleman also from Texas (Mr. CONAWAY) and the gentleman from Georgia (Mr. SCOTT), who all, along with us, were able to work together in a bipartisan manner on this legislation.

I want to begin my comments today by clearing up what might be called a knee-jerk reaction that some commentators have made about our efforts on this legislation.

Today's legislation is not about deregulating the swap markets or creating loopholes for market participants. In fact, this bill is just the opposite of that. You see, there is broad bipartisan support for appropriately regulating the swap markets and for shining the proverbial light of day, if you will, on what was once an opaque marketplace. I agree that bringing greater additional transparency and clarity to this market is a positive thing for all—for American consumers and taxpayers as well.

Yet I have significant concerns about how the ongoing Dodd-Frank implementation of this appropriate regulation is being conducted. Only in Washington, D.C., would you have two, not one, regulatory bodies tasked to work together to implement rules required by Congress and then have them working down two separate, entirely different tracks on rules that will impact literally hundreds of American businesses and thousands of investors.

What you have is one agency over here. It's moving forward with a 100-page informal guidance, and the other, on the other hand, has just released a 1,000-page formal rule proposal. One proposal applies U.S. regulations to transactions taking place entirely outside the U.S. between the U.S. nonpersons, and the other creates a new, detailed substitute compliance framework. So it's hard to imagine a scenario in which these two proposals are more different. In effect, we have two very powerful U.S. regulators. Both of them have literally hundreds upon hundreds of millions of dollars in budget and thousands of staff, but at the end of the day, they cannot sit down together and work out a common proposal.

That's not what Dodd-Frank wanted them to do. They wanted them to come together, and that's what this legislation would effectuate. H.R. 1256, the Swap Jurisdiction Certainty Act, will restore that much-needed sanity to the rule-writing of this extraterritorial application of U.S. swaps regulation.

Again, given that there has been some confusion and a great deal of

mischaracterization by some commentators on the impact of this legislation, let me take a moment to make certain everyone understands exactly what it does and the effects it will have. You see, the legislation before us allows the CFTC and the SEC to continue to enjoy significant discretion and also flexibility as to how they implement the rules. We are not removing any of their current authority. In fact, we are adding to it, and we are enhancing it.

First and foremost, the legislation specifically requires the SEC and the CFTC to have the same or identical cross-border rules. I think it's difficult—maybe it's impossible—for anyone to suggest that it is appropriate for two domestic U.S. regulatory bodies to have two different standards governing very similar parts of the market. So, by simply requiring the agencies to get together and have identical rules, the bill will limit the ability for potential arbitrage opportunities for the market participants, and it will ensure that we have standard identical regulatory regimes for both types of swaps. There is a great deal of ongoing discussion right now about how to limit this, about how to limit regulatory arbitrage opportunities for market participants. Under this new regime, the most glaring area of potential in this area is if the SEC and the CFTC have different rules;

Secondly, the legislation would require a formal rule, not a guidance, to be issued. Currently, the CFTC is moving down the path of instituting a more amorphous guidance, if you will, which really has questionable legal authority. So, without a formal rule in place that carries the force of law, there is a valid concern that some entities won't feel the need to even abide by this guidance from the CFTC or, if it's challenged by a court, will feel that it might carry considerably less weight. So, by requiring a formal rule, the bill will then ensure that the force of law will apply without question;

Finally, the legislation specifically authorizes the SEC and CFTC to regulate swap transactions between the U.S. and foreign entities. Now, this is important if the regulators are concerned about the importation of systemic risk. Why is this important? Because under current law, it is really questionable what authority these agencies actually have to regulate potential transactions between the U.S. and foreign participants. We add this to it and give them that explicit authority.

□ 1550

So if the regulators are concerned about any foreign country not living up to the Obama administration's G-20 commitments that was established back in 2009, then these regulators will be able to work together to specifically authorize under the act.

This expansion and enhancement, if you will, of the regulators' current authority—I would think it should be well received by the administration.

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

Mr. HENSARLING. I yield the gentleman an additional 45 seconds.

Mr. GARRETT. Finally, in a formal Statement of Administration Policy, the administration argues that the bill will somehow slow down implementation of title VII. This can't be further from the truth. By requiring the agencies to work together and put the same rule, this will remove legal obstacles here in Washington and ensure that we have the appropriate regulatory framework sooner rather than later. It will remind the people saying that we will somehow slow down implementation of these rules that, no, that cannot be further from the truth. Dodd-Frank was passed almost 3 years ago, and we're no closer today than we were 3 years ago to getting this done.

Mr. Speaker, let us restore, then, some common sense and some clarity to the rulemaking process and actually bring it some additional transparency. Let us not play into the narrative that the rest of the country has of a dysfunctional Washington. Let us make sure that our financial regulators are actually working together and not trying to allow some to front-end each other.

Let us pass this legislation.

Ms. WATERS. Mr. Speaker, at this time I enter into the RECORD three letters of opposition to this bill. One is from the Executive Office of the President of the United States Office of Management and Budget; Americans for Financial Reform; and American Federation of Labor and Congress of Industrial Organizations.

AMERICAN FEDERATION OF LABOR
AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,

Washington, DC, June 11, 2013.

DEAR REPRESENTATIVE: The AFL-CIO opposes the "Swaps Jurisdiction Certainty Act" (H.R. 1256) scheduled for floor consideration this week. If passed, this bill would undermine the framework Congress put in place in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 to prevent risky derivatives trading from contributing to another global financial crisis. It would impose major new procedural hurdles that would impede the Commodity Futures Trading Commission's (CFTC) ability to move forward with effective rules designed to prevent risks that arise from overseas derivatives trading from impacting the U.S. economy.

The 2008 financial crisis provided vivid illustrations of how derivatives transactions conducted by U.S. institutions in overseas markets can wreak havoc on the U.S. economy—both the AIG bailout and the Lehman Brothers failure were caused to a large extent by offshore derivatives trades.

As we saw with AIG and Lehman Brothers, U.S. institutions can easily conduct derivatives transactions outside U.S. borders that put U.S. financial institutions at risk. With this in mind, Congress granted the CFTC, which regulates around 90 percent of U.S. derivatives markets, authority in Section 722(d) of Dodd-Frank to oversee derivatives transactions that "have a direct and significant connection with activities in, or effect on, commerce of the United States."

The CFTC has issued proposed guidance that strikes an appropriate balance. It pro-

TECTS U.S. taxpayers and the U.S. economy while allowing overseas subsidiaries of U.S. banks to be regulated under 'substituted compliance' by their local regulator when the CFTC makes a specific determination that the relevant foreign rules are as strong as the U.S. rules.

H.R. 1256 would seriously undermine the CFTC's ability to protect U.S. taxpayers from risks that arise from overseas derivatives trading by creating a presumption that these transactions are exempt from U.S. regulation. To overcome this presumption, the CFTC and the Securities and Exchange Commission (SEC) would be required to determine that the foreign country rules are not 'broadly comparable' to U.S. rules, issue joint rules, and make formal reports to Congress.

The CFTC's ability to effectively oversee offshore derivatives transactions that create risks to the U.S. economy is central to whether Title VII is ultimately successful in mitigating the risks in the derivatives markets that nearly brought down the economy less than five years ago.

Don't let another AIG or Lehman Brothers happen under your watch. Vote against the "Swaps Jurisdiction Certainty Act" (H.R. 1256) and prevent a major loophole from undermining the basic derivatives market protections that Congress so sensibly put in place when it passed Dodd-Frank in 2010.

Sincerely,

WILLIAM SAMUEL,

Director, Government Affairs Department.

AMERICANS FOR FINANCIAL REFORM,
Washington, DC, June 11, 2013.

DEAR REPRESENTATIVE, on behalf of Americans for Financial Reform, we are writing to express our opposition to HR 1256, the "Swaps Jurisdiction Certainty Act". This legislation is supported by Wall Street because it opens a back door in financial regulation that could allow the largest international banks to evade U.S. derivatives regulation by transacting through their foreign subsidiaries.

Proper oversight of foreign subsidiaries is critical for any derivatives regulation to be effective. In the financial crisis, AIG required a \$160 billion public bailout for activities conducted through its London office, and more recently JP Morgan's 'London Whale' lost the company \$6 billion. Bloomberg News has documented that large Wall Street banks routinely transact well over half of their swaps business through foreign subsidiaries. For this reason, the Dodd-Frank Act granted the Commodity Futures Trading Commission (CFTC), which regulates some 90 percent of U.S. derivatives transactions, oversight over all derivatives transactions that have "a direct and significant connection with" U.S. commerce. Yet HR 1256 would block and hinder this oversight in numerous ways, including by establishing a presumption that derivatives regulations in major foreign markets are adequate to satisfy U.S. derivatives protections. By doing so, it could encourage U.S. financial firms to outsource operations to foreign jurisdictions with weaker rules.

The proper oversight of international derivatives transactions is crucial to effective regulation of U.S. derivatives markets. Financial transactions that are nominally booked in overseas subsidiaries of U.S. banks create risk for the U.S. parent. We have learned this lesson in many crises, most recently in the massive derivatives losses experienced at JP Morgan's London office, and most painfully in the world financial collapse of 2008. As the chair of the Commodity Futures Trading Commission (CFTC) has stated:

Swaps executed offshore by U.S. financial institutions can send risk straight back to

our shores. It was true with the London and Cayman Islands affiliates of AIG, Lehman Brothers, Citigroup and Bear Stearns. A decade earlier it was true, as well, with Long-Term Capital Management. The nature of modern finance is that large financial institutions set up hundreds, if not thousands of "legal entities" around the globe. . . .

Many of these far-flung legal entities, however, are still highly connected back to their U.S. affiliates.

The CFTC, the agency assigned to regulate some 90 percent of U.S. derivatives markets, is already addressing this vital issue. The agency has proposed guidance that would protect U.S. taxpayers and the U.S. economy by preserving jurisdiction over derivatives transactions executed through foreign entities which impact the U.S. economy. The CFTC's balanced approach would apply Dodd-Frank oversight to such transactions, but also allow foreign entities to be regulated under 'substituted compliance' by their local regulator when the agency finds that the relevant foreign rules are as strong as the U.S. rules.

Crucially, the CFTC has taken the position that 'substituted compliance' under foreign rules would only be permitted in cases where the U.S. regulators found foreign regulation to be genuinely equivalent to the relevant U.S. regulation. Maintaining this principle is critical to protecting U.S. taxpayers from the risks of offshore swaps by U.S. institutions. If it is not maintained, we could see a 'race to the bottom' as derivatives transactions move to the least regulated jurisdictions to take advantage of lax rules. This is particularly dangerous since foreign countries are not exposed to the risks to the U.S. taxpayer created due to derivatives losses in foreign subsidiaries of U.S. banks.

HR 1256 would seriously undermine the capacity of regulators to assure that U.S. derivatives transactions conducted through foreign entities are subject to regulations that meet U.S. standards. It does this in several ways.

First, HR 1256 would effectively create a presumption that overseas derivatives transactions will be ruled by foreign country rulemaking rather than U.S. rulemaking. The current CFTC guidance only permits 'substituted compliance' when U.S. regulators determine that relevant foreign rules are as strong as the U.S. rules. But HR 1256 instead establishes a strong statutory presumption that transactions in the world's major derivatives markets will be governed by foreign regulatory rules in the host country rather than U.S. rules. The statutory presumption that foreign rules govern could only be overturned if both the CFTC and SEC make a joint determination, supported by a formal report to Congress, that the foreign country rules are not 'broadly comparable' to U.S. rules. This determination could be challenged in court on the basis of the 'broadly comparable' language in HR 1256, creating significant litigation risk.

Thus, U.S. regulators would face major new hurdles in applying derivatives rules to overseas transactions, even where these transactions clearly posed a risk to the U.S. economy. This would not only weaken protections for U.S. financial markets, it would weaken the U.S. negotiating position in pressing foreign governments for adequate derivatives rules. The statutory roadblocks to properly enforcing U.S. derivatives rules that are created by HR 1256 would undercut the U.S. government before negotiations are even begun. They create numerous additional opportunities for Wall Street to undermine effective regulation.

Second, HR 1256 strips the CFTC of authority to independently determine derivatives rules for overseas transactions. It requires

any such rules to be passed by a joint rulemaking between the SEC and CFTC, which must specify identical rules. The SEC regulates less than 10 percent of the gross notional swaps market, and has jurisdiction over different types of swaps than the CFTC does. Furthermore, the agencies are already required to harmonize their regulation where appropriate. A joint rulemaking is not needed for coordination, as the agencies regulate different derivatives markets. But it would hinder and delay the CFTC's work to regulate extraterritorial derivatives transactions. The purpose of this joint rulemaking requirement is simply to add more hurdles and more delay before any action can be taken, making effective regulation less likely.

In addition to the impact of additional bureaucratic hurdles, in this case a joint rulemaking requirement would also represent a dramatic roll back of the statutory mandate granted to the CFTC in overseeing 90% of the swaps market. Section 722(d) of the Dodd-Frank Act grants the CFTC jurisdiction over all activities that have a "direct and significant connection with activities in, or effect on, commerce of the United States". This is clearly the appropriate jurisdiction to protect U.S. taxpayers and the U.S. economy—it is obviously critical that U.S. regulators have jurisdiction over potentially risky transactions that are directly connected to the U.S. economy. Yet the SEC has no such clear statement of jurisdiction in the Dodd-Frank Act. The effect of requiring joint rulemaking would be to eliminate the CFTC's clear grant of jurisdiction over those transactions that are directly connected to U.S. commerce.

This long and complex legislation raises other issues as well. However, the core issue is that oversight of swaps transactions in foreign subsidiaries of U.S. banks is not a side issue in derivatives regulation. It is at the heart of effective oversight of these vast and complex markets. The thousands of subsidiaries of major global banks allow them to transmit cash flows and risk from derivatives contracts around the world with unprecedented ease. If derivatives transactions impacting the U.S. market that are conducted through foreign subsidiaries are not properly regulated, then no regulation of U.S. derivatives markets can be effective. The numerous additional statutory restrictions created by HR 1256 to block U.S. oversight of derivatives transactions conducted overseas would undermine derivatives regulation as a whole and weaken protections against financial instability.

Thank you for your consideration. For more information please contact AFR's Policy Director, Marcus Stanley at marcus@ourfinancialsecurity.org or 202-466-3672.

Sincerely,

AMERICANS FOR FINANCIAL REFORM:

AARP; A New Way Forward; AFL-CIO; AFSCME; Alliance For Justice; American Income Life Insurance; American Sustainable Business Council; Americans for Democratic Action, Inc.; Americans United for Change; Campaign for America's Future; Campaign Money; Center for Digital Democracy; Center for Economic and Policy Research; Center for Economic Progress; Center for Media and Democracy; Center for Responsible Lending; Center for Justice and Democracy; Center of Concern; Center for Effective Government; Change to Win; Clean Yield Asset Management; Coastal Enterprises Inc.; Color of Change.

Common Cause; Communications Workers of America; Community Development Transportation Lending Services;

Consumer Action; Consumer Association Council; Consumers for Auto Safety and Reliability; Consumer Federation of America; Consumer Watchdog; Consumers Union; Corporation for Enterprise Development; CREDO Mobile; CTW Investment Group; Demos; Economic Policy Institute; Essential Action; Green America; Greenlining Institute; Good Business International; HNMA Funding Company; Home Actions; Housing Counseling Services; Home Defender's League; Information Press; Institute for Global Communica-

tions.
Institute for Policy Studies; Global Economy Project; International Brotherhood of Teamsters; Institute of Women's Policy Research; Krull & Company; Laborers' International Union of North America; Lawyers' Committee for Civil Rights Under Law; Main Street Alliance; Move On; NAACP; NASCAT; National Association of Consumer Advocates; National Association of Neighborhoods; National Community Reinvestment Coalition; National Consumer Law Center (on behalf of its low-income clients); National Consumers League; National Council of La Raza; National Council of Women's Organizations; National Fair Housing Alliance; National Federation of Community Development Credit Unions; National Housing Resource Center; National Housing Trust; National Housing Trust Community Development Fund; National NeighborWorks Association; National Nurses United; National People's Action; National Urban League.

Next Step; OpenTheGovernment.org; Opportunity Finance Network; Partners for the Common Good; PICO National Network; Progress Now Action; Progressive States Network; Poverty and Race Research Action Council; Public Citizen; Sargent Shriver Center on Poverty Law; SEIU; State Voices; Taxpayer's for Common Sense; The Association for Housing and Neighborhood Development; The Fuel Savers Club; The Leadership Conference on Civil and Human Rights; The Seminal; TICAS; U.S. Public Interest Research Group.

UNITE HERE; United Food and Commercial Workers; United States Student Association; USAction; Veris Wealth Partners; Western States Center; We the People Now; Woodstock Institute; World Privacy Forum; UNET; Union Plus; Unitarian Universalist for a Just Economic Community.

List of State and Local Partners:

Alaska PIRG; Arizona PIRG; Arizona Advocacy Network; Arizonans For Responsible Lending; Association for Neighborhood and Housing Development NY; Audubon Partnership for Economic Development LDC, New York NY; BAC Funding Consortium Inc., Miami FL; Beech Capital Venture Corporation, Philadelphia PA; California PIRG; California Reinvestment Coalition; Century Housing Corporation, Culver City CA; CHANGER NY; Chautauqua Home Rehabilitation and Improvement Corporation (NY); Chicago Community Loan Fund, Chicago IL; Chicago Community Ventures, Chicago IL.

Chicago Consumer Coalition; Citizen Potawatomi CDC, Shawnee OK; Colorado PIRG; Coalition on Homeless Housing in Ohio; Community Capital Fund, Bridgeport CT; Community Capital of Maryland, Baltimore MD; Community Development Financial Institution of the Tohono O'odham Nation,

Sells AZ; Community Redevelopment Loan and Investment Fund, Atlanta GA; Community Reinvestment Association of North Carolina; Community Resource Group, Fayetteville A; Connecticut PIRG; Consumer Assistance Council; Cooper Square Committee (NYC); Cooperative Fund of New England, Wilmington NC; Corporacion de Desarrollo Economico de Ceiba, Ceiba PR; Delta Foundation, Inc., Greenville MS; Economic Opportunity Fund (EOF), Philadelphia PA; Empire Justice Center NY; Empowering and Strengthening Ohio's People (ESOP), Cleveland OH; Enterprises, Inc., Berea KY; Fair Housing Contact Service OH; Federation of Appalachian Housing; Fitness and Praise Youth Development, Inc., Baton Rouge LA; Florida Consumer Action Network; Florida PIRG; Funding Partners for Housing Solutions, Ft. Collins CO.;

Georgia PIRG; Grow Iowa Foundation, Greenfield IA; Homewise, Inc., Santa Fe NM; Idaho Nevada CDFI, Pocatello ID; Idaho Chapter, National Association of Social Workers; Illinois PIRG; Impact Capital, Seattle WA; Indiana PIRG; Iowa PIRG; Iowa Citizens for Community Improvement; JobStart Chautauqua, Inc., Mayville NY; La Casa Federal Credit Union, Newark NJ; Low Income Investment Fund, San Francisco CA; Long Island Housing Services NY; MaineStream Finance, Bangor ME; Maryland PIRG; Massachusetts Consumers' Coalition; MASSPIRG; Massachusetts Fair Housing Center; Michigan PIRG; Midland Community Development Corporation, Midland TX; Midwest Minnesota Community Development Corporation, Detroit Lakes MN; Mile High Community Loan Fund, Denver CO; Missouri PIRG; Mortgage Recovery Service Center of L.A.; Montana Community Development Corporation, Missoula MT.;

Montana PIRG; Neighborhood Economic Development Advocacy Project; New Hampshire PIRG; New Jersey Community Capital, Trenton NJ; New Jersey Citizen Action; New Jersey PIRG; New Mexico PIRG; New York PIRG; New York City Aids Housing Network; New Yorkers for Responsible Lending; NOAH Community Development Fund, Inc., Boston MA; Nonprofit Finance Fund, New York NY; Nonprofits Assistance Fund, Minneapolis M; North Carolina PIRG; Northside Community Development Fund, Pittsburgh PA; Ohio Capital Corporation for Housing, Columbus OH; Ohio PIRG; OligarchyUSA; Oregon State PIRG; Our Oregon; PennPIRG; Piedmont Housing Alliance, Charlottesville VA; Michigan PIRG; Rocky Mountain Peace and Justice Center, CO; Rhode Island PIRG; Rural Community Assistance Corporation, West Sacramento CA; Rural Organizing Project OR; San Francisco Municipal Transportation Authority; Seattle Economic Development Fund; Community Capital Development; TexPIRG; The Fair Housing Council of Central New York; The Loan Fund, Albuquerque NM; Third Reconstruction Institute NC; Vermont PIRG; Village Capital Corporation, Cleveland OH; Virginia Citizens Consumer Council; Virginia Poverty Law Center; War on Poverty—Florida; WashPIRG; Westchester Residential Opportunities Inc.; Wigamig Owners Loan Fund, Inc., Lac du Flambeau WI; WISPIRG.;

Small Businesses

Blu; Bowden-Gill Environmental; Community MedPAC; Diversified Environmental Planning; Hayden & Craig, PLLC; Mid City Animal Hospital, Phoenix AZ; The Holographic Repatterning Institute at Austin; UNET.

STATEMENT OF ADMINISTRATION POLICY

H.R. 1256—SWAP JURISDICTION CERTAINTY ACT
(Rep. Garrett, R-NJ, and 3 cosponsors, June 11, 2013)

The Administration is firmly committed to strengthening the Nation's financial system through the implementation of key reforms to derivatives markets. However, the Administration opposes passage of H.R. 1256, which would modify Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Dodd-Frank Act puts in place a number of requirements that bring transparency to and enhance the stability of derivatives markets. These reforms will collectively strengthen the weak and outdated regulatory regime that played a significant role in the crisis that caused devastating damage to the U.S. economy and the financial well-being of American families.

Regulators are making significant progress with a number of derivatives-related reforms. As part of these efforts, regulators are already coordinating to address the issues raised in H.R. 1256, while taking into account the characteristics of the particular markets they regulate. Given these ongoing coordination efforts, passage of this bill would be premature and disruptive to the current and ongoing implementation of the reforms. The Administration believes regulators should be given the time necessary to complete their work. The Administration consequently opposes passage of H.R. 1256, which would preempt ongoing work and slow the implementation of these vital reforms.

I yield 2 minutes to the gentlewoman from New York (Mrs. CAROLYN B. MALONEY).

Mrs. CAROLYN B. MALONEY of New York. I thank the gentlelady for yielding and for her leadership.

Mr. Speaker, I rise today in opposition to H.R. 1256, the Swap Jurisdiction Certainty Act.

I oppose this bill, as does the Obama administration, because it would fundamentally undermine Dodd-Frank's derivatives reforms and would create a loophole big enough to drive an AIG-sized truck through.

Many of the derivatives that brought down AIG in 2008 were executed through one of its foreign branches, and many of the counterparties on those derivatives were European banks. These derivatives were a big factor in the AIG bailout that cost our taxpayers \$182 billion and in the financial crisis that cost our economy well over \$12 trillion.

H.R. 1256 would require the CFTC and the SEC to issue a joint rule detailing how U.S. derivatives rules would apply to transactions between U.S. and foreign companies or individuals. However, the bill then requires the agencies to exempt foreign companies from U.S. rules unless both agencies determine that the derivatives rules in the foreign country are broadly equivalent to U.S. rules, a vague standard that would weaken both the CFTC and the SEC's proposed rules governing crossborder transactions.

In the modern financial system, risk knows no borders. Problems in a U.S. bank's foreign office flow right back to the parent company here in the U.S., and it is the U.S. parent company that ultimately bears the loss. This is especially true in derivatives, which are traded in a global and highly interconnected market. For these regulations to be truly effective, however, they must cover derivatives executed in the foreign branches and guaranteed affiliates of U.S. banks.

I urge my colleagues to vote against this bill.

Mr. Speaker, I rise today in opposition to H.R. 1256, the Swap Jurisdiction Certainty Act.

I oppose this bill and the Obama Administration opposes because it would fundamentally undermine Dodd-Frank's derivatives reforms, and would create a loophole big enough to drive an AIG-sized truck through.

Many of the derivatives that brought down AIG in 2008 were executed through one of its foreign branches, and many of the counterparties on those derivatives were European banks. These derivatives were a big factor in the AIG bailout that cost taxpayers \$182 billion, and in the financial crisis that cost our economy over \$12 trillion. Why would we want to repeat the same mistake?

H.R. 1256 would require the CFTC and the SEC to issue a joint rule detailing how U.S. derivatives rules would apply to transactions between U.S. and foreign companies or individuals. However, the bill then requires the agencies to exempt foreign companies from U.S. rules unless both agencies determine that the derivatives rules in the foreign country are "broadly equivalent" to U.S. rules—a vague standard that would weaken both the CFTC and the SEC's proposed rules governing cross-border transactions.

In the modern financial system, risk knows no borders. Problems in a U.S. bank's foreign office flow right back to the parent company here in the U.S., and it is the U.S. parent company that ultimately bears the loss. This is especially true for derivatives, which are traded in a global and highly interconnected market.

For these regulations to be truly effective, however, they must cover derivatives executed in the overseas branches and guaranteed affiliates of U.S. banks. This is what the CFTC has proposed, and what the supporters of this bill are seeking to prevent.

We cannot afford to outsource derivatives regulation to foreign jurisdictions when it is U.S. taxpayers, and not the taxpayers of the foreign jurisdiction, who are ultimately bearing the risks. We learned the hard way with AIG that risk in the derivatives market flows across borders. Why would we want to repeat the same mistake?

In response to the financial crisis, Congress enacted Dodd-Frank, which imposes common-sense rules on the derivatives market, such as capital and margin requirements for U.S. derivatives dealers. These rules will make the financial system safer by ensuring that U.S. banks that deal derivatives are sufficiently capitalized, and have the ability to pay off all of their derivatives without government help.

H.R. 1256 would undermine these basic reforms. This is why I oppose the bill, why the Obama administration opposes the bill, and I would urge my colleagues to vote against the bill.

Mr. HENSARLING. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. NEUGEBAUER), chairman of the Housing and Insurance Subcommittee.

Mr. NEUGEBAUER. Mr. Speaker, I rise in support of H.R. 1256.

One of the things that I think people demand out of their government is transparency and regular order, and one of the things about this bill is there has been a lot of transparency and a lot of debate and discussion about it.

In fact, this bill was marked up in the previous Congress, both in the House Agriculture Committee and the House Financial Services Committee. You would have thought we would have just brought that bill back here and put it on suspension. That's not what's happening. It was sent back to the House Financial Services Committee and the House Agriculture Committee.

In fact, during that process in the Financial Services Committee, some issues that Mr. Frank, the ranking member of last year, brought up were incorporated into this markup. When it was over in the House Agriculture Committee—and I have the opportunity to sit on both of those committees—some changes that were recommended by the ranking member, COLLIN PETERSON, were incorporated into that bill. In fact, that bill passed on voice vote in the House Agriculture Committee.

Mr. KILDEE offered some language that would limit the bill to the nine largest swap jurisdictions as was alluded to earlier. Those were incorporated into this bill.

The ranking member of the full committee did bring up an amendment, and interestingly enough some of her own Members did not support that amendment.

So what I would say about H.R. 1256 is that it's going to bring some certainty to a very uncertain process. The fact that it has been 3 years and these two agencies have not been able to come together and come out with a common rule doesn't make sense. I think it's one of the things that frustrates people about government, that two different agencies would have different rules about the same thing.

Then I think the third thing, too, as was alluded to by the chairman, is that these are important markets to our businesses, whether they be large or small. They rely on foreign participants to come into the markets and provide opportunities to hedge, whether it's crops or ingredients in the manufacturing process.

Basically, what we're doing is we're saying that the SEC and the CFTC still have the authority that was given to them in the original Dodd-Frank bill, but we need some harmonization not only within those agencies, but with the other countries that are involved in regulating the foreign entities, as well.

Ms. WATERS. Mr. Speaker, I will enter into the RECORD the amendment

that I would have offered had they not come up with a closed rule.

Page 5, strike line 1 and all that follows through page 7, line 6, and insert the following:

(d) GENERAL APPLICATION TO FOREIGN JURISDICTIONS.—

(1) GENERAL APPLICATION.—In issuing rules under subsection (b), the Commissions shall provide that persons in compliance with the regulatory requirements of a country or administrative region that has one of the nine largest combined swap and security-based swap markets by notional amount in the calendar year preceding issuance of such rules or any other foreign jurisdiction as jointly determined by the Commissions may satisfy the corresponding categories of United States swaps requirements through such compliance upon the making of a joint determination by the Commissions pursuant to subsection (d)(2).

(2) DETERMINATIONS.—The Commissions shall jointly determine whether one or more categories of regulatory requirements of a foreign jurisdiction as jointly determined by the Commissions, are broadly equivalent to corresponding United States swaps requirements, with such determinations initially to be made as follows:

(A) Initial determinations regarding a country or administrative region described under paragraph (1), or any other foreign jurisdiction as jointly determined by the Commissions, accounting for the five largest combined swap and security-based swap markets by notional amount in the calendar year preceding issuance of rules under subsection (b) shall be made within 180 days after issuance of such rules.

(B) Initial determinations regarding a country or administrative region described under paragraph (1), or any other foreign jurisdiction as jointly determined by the Commissions, accounting for the next five largest combined swap and security-based swap markets by notional amount in the calendar year preceding issuance of rules under subsection (b) shall be made within 360 days after issuance of such rules.

(C) Initial determinations regarding a country or administrative region described under paragraph (1), or any other foreign jurisdiction as jointly determined by the Commissions, shall be made within 540 days after issuance of rules under subsection (b).

(3) CRITERIA.—In such rules, the Commissions shall jointly establish criteria for determining that one or more categories of regulatory requirements of a country or administrative region described under paragraph (1) or other foreign jurisdiction are broadly equivalent to corresponding United States swaps requirements, and shall jointly determine the appropriate application of certain United States swap requirements to persons or transactions relating to or involving such country or administrative region or other foreign jurisdiction as jointly determined by the Commission to the extent that the Commissions have determined that certain regulatory requirements of such country or administrative region or other foreign jurisdiction are broadly equivalent to corresponding United States swaps requirements.

(4) RIGHT TO PETITION.—A market participant or group of market participants may request a determination with respect to a particular category or categories of foreign regulatory requirements with regard to a foreign jurisdiction or jurisdictions. Any determination made regarding such a request shall be available to all market participants.

Page 7, line 7, strike “(4)” and insert “(5)”.

I yield 1½ minutes to the gentleman from Massachusetts (Mr. CAPUANO).

Mr. CAPUANO. Mr. Speaker, I thank the gentlewoman for yielding.

Look, this bill is not going to create jobs in America. This bill is all about foreign swaps. If we're going to create jobs, we're going to create them in foreign countries.

By the way, Dodd-Frank exempts foreign swaps activities from derivatives regs, except when they have—and this is a quote from the bill—“direct and significant connection with activities in, or effect on, commerce of the United States.”

Other than that, if they don't affect us; they're not subject to regulation. Simple. But if they're done in a foreign country and they affect us, if it's just a way to get around our regs, they're subject to United States regulation. It's really kind of simple.

By the way, according to The Wall Street Journal, the sixth largest banks of the United States combined have 22,621 subsidiaries. That's an average of 3,770 subsidiaries each. Why? In order to get around this kind of regulation.

I don't blame them. I'm not against swaps. I'm not against swaps conducted on foreign soil. I simply want them subjected to United States regulation. I don't think it's that difficult. I don't understand why we have to do this, except to say, Here's a big open door. This is a huge hole to the regulatory process of the United States of America.

I understand that some Members of this body don't like any regulation, and I respect that. But get up and say it.

Mr. HENSARLING. Mr. Speaker, may I inquire as to how much time remains on both sides.

The SPEAKER pro tempore. The gentleman from Texas has 3¼ minutes remaining, and the gentlewoman from California has 12 minutes remaining.

Mr. HENSARLING. At this time, Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. CRENSHAW).

□ 1600

Mr. CRENSHAW. Mr. Speaker, I thank the gentleman for yielding.

This seems to be one of the most straightforward, commonsense pieces of legislation that I have seen in a long time.

As chairman of the subcommittee on Appropriations that oversees the budget of the SEC, we have hearings from time to time to make sure that the SEC is doing their job—that is to protect investors, to make sure that capital markets are fair and stable. Here we have a situation where a certain amount of instability has been created because you have two different agencies that are writing different rules about what's called the over-the-counter commodities market. That's a global market, and it is very important to an awful lot of people. It seems to me that if we're going to have that kind of regulation, you would think that the SEC would coordinate with the other agency, the Commodity Fu-

tures Trading Commission, and they would publish one rule that people can understand and live by. But that's not the case.

You don't have the similarities that you need; you don't have them mirroring each other. All this bill does is simply say: Look, if we're going to ask for this kind of regulation, let's make sure that these two agencies publish the same rule. Otherwise you've got all kinds of uncertainty, all kinds of turmoil. If you're a regulated individual or entity or company, how do you know what to comply with unless this happens?

Now, I don't want to have to put language in the appropriations bill that kind of encourages folks to do that. It's simple, just pass this bill. It sounds to me like we're going to. It's a bipartisan bill, and I encourage everyone to vote “yes” and move on.

Ms. WATERS. I yield 1½ minutes to the gentleman from Massachusetts (Mr. LYNCH).

Mr. LYNCH. Mr. Speaker, I thank the gentlelady for yielding.

I rise today in strong opposition to the bill before this House today, H.R. 1256, the Swaps Jurisdiction Certainty Act. It should be called the Wall Street Bailout Certainty Act because that's the actual effect this is going to have. It will do serious and irrevocable harm to our efforts to rein in the reckless behavior of Wall Street.

In the words of our own Commodity Futures Trading Commission Chairman Gary Gensler, this bill will “blow a hole” in the hard-fought derivatives reforms we passed 3 years ago. Section 722 of the Dodd-Frank Act gives the CFTC authority to regulate overseas derivatives that have a direct and significant effect on the commerce of the United States.

If my colleagues need an example, I harken to the ranking member's example of why this cross-border authority is so critically important, and that's the case of AIG, the insurance giant. AIG engaged in increasingly complex and risky derivatives bets on the subprime mortgage market out of its AIG Financial Products subsidiary in London. And because there was virtually no oversight of derivatives markets, AIG Financial Products was able to deal in the shadows. And when the housing bubble burst, no one, not its directors, not its counterparties, not even its regulators, knew just how deeply in trouble AIG was.

So while we have adopted a number of regulations within Dodd-Frank, this bill will allow all of the companies that would be regulated to escape that regulation by doing these derivative deals through their foreign subsidiaries. And the four biggest derivative dealers in this country have over 3,000 foreign subsidiaries each. So this is an escape hatch for them. Vote “no” on this bill.

Mr. HENSARLING. I reserve the balance of my time.

Ms. WATERS. I yield 1½ minutes to the gentleman from Texas (Mr. AL GREEN).

Mr. AL GREEN of Texas. Mr. Speaker, the question before us is whether we will outsource American economic stability in this quadrillion-dollar derivatives market to foreign subsidiaries of American companies. Will we outsource this quadrillion-dollar market?

Now, a quadrillion is a big number. If you stack dollar bills one on the other, a quadrillion will take you all of the way from the Earth to the Sun. It's important for us to remember that AIG outsourced to a foreign subsidiary. It was in London. And, of course, we know what happened with AIG.

Finally, I will say this. We're trying to jump-start the economy, it seems. We have to be careful what we do when we try these jump starts because this derivatives market has within it interest rate derivatives. These derivatives, if there's a spike in interest rates, can have an enormous impact on the world's economy.

So let us be careful when we jump-start. Sometimes when we do common things, like jump-starting our cars, it works fine. But on other occasions, we can have an explosion. Let's be careful as we jump-start the derivatives market.

Mr. HENSARLING. I continue to reserve the balance of my time.

Ms. WATERS. I yield 1½ minutes to the gentleman from Minnesota (Mr. ELLISON).

Mr. ELLISON. Mr. Speaker, I will get right to the point: AIG, Citibank, and Lehman are recent examples of institutions where the U.S. parent was hurt by those firms' problems abroad. Lehman had 3,300 subsidiaries at the time they declared bankruptcy, and its London subsidiary had more than 130,000 outstanding swaps contracts, many of them guaranteed by Lehman Brothers Holdings, headquartered in the U.S.

Bank of America, for example, has more than 2,000 subsidiaries, with 38 percent of them in foreign jurisdictions. Bank of America's books its derivatives not only in the U.S. but also in the U.K. and in Ireland.

Now, a very simple fact, Mr. Speaker, is that Dodd-Frank, the bill that has been deconstructed before our very eyes, while the ink is still wet on the page, requires that all foreign or U.S. firms transacting with U.S. persons comply with derivatives market reform. We're taking that apart right now. That's a shame, and it's going to put that guy who wants to buy beer in Texas at risk for his job and his house and everything else.

Mr. HENSARLING. I reserve the balance of my time.

Ms. WATERS. I yield 1½ minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. I stand in strong opposition to this bill, which weakens Dodd-Frank regulations over derivatives markets and allows foreign banks and swaps traders to engage in the same risky behavior that caused an economic meltdown a few short years ago.

We are here to represent the American people, not the big banks. And after the 2008 financial crisis that triggered the worse recession since the Great Depression, the American people want to see more accountability from Wall Street, not less. That's why we passed Dodd-Frank in the first place, to end dangerous speculation by financial institutions and prevent more bailouts.

The bill before us tries to exempt from oversight any swap transaction in which one of the parties is not based in the United States. In other words, it effectively guts the derivatives regulation in the Dodd-Frank Act.

When AIG nearly destroyed the economy, their affiliate was based out of London as a branch of a French-registered bank. Lehman Brothers had 3,300 legal entities here and abroad when it failed. Citigroup set up numerous structured investment vehicles overseas to move positions off its balance sheet. But when those investments were about to fail, Citigroup in the U.S. assumed the huge debt, and was ultimately bailed out by U.S. taxpayers.

The notion that we should let big banks evade Dodd-Frank oversight if they set up a subsidiary in another major economy first is absurd. A vote for this bill is a vote for more risky derivatives transactions, more bad behavior, and more bailouts. I urge my colleagues to stand up for the American people, the American taxpayers, and vote this down.

Mr. HENSARLING. I reserve the balance of my time.

Ms. WATERS. I yield an additional 1 minute to the gentleman from Massachusetts (Mr. CAPUANO).

Mr. CAPUANO. What this bill says is if you do this activity in the United States of America, you'll be subject to certain regulations. If you do the exact same activity through a subsidiary in a foreign country, you will not be subject to our regulation. That's an open invitation to move American jobs offshore. It's an encouragement to move American jobs offshore. It is blatantly obvious. How that is good for the American economy, I don't know. Why would we want to say to any American company some foreign regulator is better than us?

Now I know we are going to have this debate in other matters later on this week, saying just the opposite. So in this case, foreign regulators are better, but in other cases, they're not. It's kind of stunning. We actually did it this morning on another matter.

I want to join with the AFL-CIO in making a pretty clear warning to my colleagues: if this bill becomes law, I regretfully agree that there will come a day that you'll regret this vote, as many of us, not me, but many of us regret the vote for the PATRIOT Act.

□ 1610

Ms. WATERS. I yield 1 minute to the gentleman from Massachusetts (Mr. LYNCH).

Mr. LYNCH. Mr. Speaker, I thank the gentlelady for yielding.

Let me just make one final point on this. What this bill will do now is to give the Cayman Islands or London or some other jurisdiction the ability to write derivatives rules that cover U.S. affiliates.

Now, the problem with that very idea is that the Cayman Islands or any other jurisdiction has no interest in protecting the U.S. taxpayer. That's the truth.

When the bailout for AIG came, it was \$160 billion in U.S. currency, supported by the U.S. taxpayer, that bailed AIG out. So any of these foreign affiliates that go under in foreign jurisdictions, those foreign jurisdictions, whether it be the Cayman Islands or any other jurisdiction, have no interest, they have no dog in the fight to protect the American taxpayer.

That's the problem with this bill. That's the bottom line. We should vote against it. This is a disgrace. But it does show the power of Wall Street, I'll say that.

Mr. HENSARLING. I yield myself 15 seconds, Mr. Speaker, to say, one, if this is a disgrace, you need to inform almost two-thirds of your Members who voted for it in committee. Second of all, nothing in this amends Dodd-Frank. Third of all, you all tell us Dodd-Frank ended "too big to fail," so the specter of bailout I simply do not understand. You need to make up your mind.

I reserve the balance of my time.

Ms. WATERS. I yield myself as much time as I may consume to refute.

The gentleman from Texas keeps talking about we make the claim that we ended "too big to fail." That's what we're trying to do. That's what we're standing up against, what you're attempting to do in this piece of legislation.

Derivatives are an important part of the reform of Dodd-Frank. It is important because we're trying to create transparency. The over-the-counter derivatives market that has been working for so long in the shadows we cannot continue to have.

Mr. HENSARLING. Will the gentlewoman yield?

Ms. WATERS. I yield to the gentleman from Texas.

Mr. HENSARLING. If I misquoted the gentlelady, I apologize, but I thought I had seen earlier quotes where the gentlelady posited that Dodd-Frank ended "too big to fail." If I was incorrect, I apologize to the gentlelady, but I thought you had said that on more than one occasion.

Ms. WATERS. Reclaiming my time, the gentleman from Texas knows how it works. We have Dodd-Frank reform, and it has to be implemented. You know the living wills have to be done. You know that we have to put in place all that it takes to have the orderly liquidation procedure. And it is important that you understand, and that all of our Members understand, that derivatives are an important part of reform.

If we allow this bill that presumes that other countries are comparable to us in their regulatory regimes without even checking, without vetting, without asking any questions, without requiring anything, then we absolutely put our own country at risk, and we put at risk the American taxpayers who will have to bail out the major financial institutions if we allow you to pass a bill like this, presuming that they are okay, that these countries are okay.

The other thing is—I know and understand now. I understand very well that if we allow this presumption to take place, then you'll just go to court and you'll argue that you have the presumption, and you'll try and tie up the CFTC all over again.

I reserve the balance of my time.

Mr. HENSARLING. I reserve the balance of my time.

Ms. WATERS. I yield 1 minute to the gentleman from Texas (Mr. AL GREEN).

Mr. AL GREEN of Texas. Thank you, Madam Ranking Member.

It's important to note the amount in derivatives that we're talking about. We're talking about a quadrillion dollars—a quadrillion dollars—more than the entire economy of the world, a quadrillion dollars, and the impact a quadrillion dollars can have on the world's economy.

Some of this money is in interest rate derivatives. If there's a spike in interest rates, we're not sure what the ultimate impact on the world's economy will be. If I am wrong, everything will be all right; but if I'm right, everything will be all wrong, and it will be too late for us to take corrective action.

Mr. HENSARLING. I reserve the balance of my time.

Ms. WATERS. I yield myself the balance of my time.

Mr. Speaker and Members, I'm very disappointed and worried that this bill has been brought to the floor under a closed rule, as have more than one-third of the bills so far this Congress.

I believe there are important issues concerning the structure of this bill, particularly the bill's presumption that the rules of the nine largest foreign markets will be broadly equivalent to our own. The bill would require the SEC and the CFTC to act in order to allow U.S. rules to apply to transactions, even though the risk of the transactions will ultimately be imported back to the United States.

My amendment would have the reverse of this presumption, directing the SEC and CFTC to jointly consider the regulatory framework of these countries to provide appropriate exemptions when jurisdictions have derivatives rules that are truly broadly equivalent to our own.

A closed rule prevents us from considering these issues. Why do they have a closed rule? Why did they try to hide this bill inside the DOD?

They don't want this debate. They didn't want an opportunity for any

amendments. They don't care that foreign countries would be determining our fate when they set up their regulatory regimes, which won't be comparable to ours.

We owe it to the American people to do better than we have done. We have had the subprime meltdown. We've had the economic crisis. Why throw us back into that simply because you're trying to protect Wall Street?

Our citizens don't deserve that. They deserve for us to stand up and protect them from having to bail out these big institutions that will fail.

We have gone through AIG. We have gone through JP Morgan, the London Whale, the \$6 billion failure. Why should we do that again?

I yield back the balance of my time. Mr. HENSARLING. Mr. Speaker, how much time do we have?

The SPEAKER pro tempore (Mr. WOMACK). The gentleman from Texas is advised that he has 1½ minutes remaining.

Mr. HENSARLING. Mr. Speaker, in order to close for the bipartisan majority, I will yield the remainder of our time to the author of the bill, the gentleman from New Jersey (Mr. GARRETT).

Mr. GARRETT. I thank the gentleman from Texas, and the bipartisan manner from Mr. CARNEY and Mr. SCOTT as well, working together to get this bill passed.

And I am welcome to the debate that we are having here, but I do find it amazingly ironic that I have to come to the floor and stand here in the position of former Member Barney Frank and defend Dodd-Frank to the allegations from the other side of the aisle to the idea that there's some sort of escape hatch here, or a pole blown out, or that we're outsourcing regulation, when, in fact, if you read the legislation, you'll realize it does none of those things.

Now, I understand that Dodd-Frank was a piece of legislation that was well over 2,000 pages, and maybe some who voted in favor of it did not understand the complexity of it and what was involved; but the bill before us today is only 11 pages long, so everyone should be able to have read it and understand it.

So when the gentleman from Massachusetts refers to section 722(d) being affected by it and other portions of Dodd-Frank being changed by it, he should understand, by reading the 11 pages, none of Dodd-Frank or 722 or those other sections were altered in one way, shape, or form or other.

What was done was to install and enforce and carry out the will of Dodd-Frank in the area to make sure that the two regulatory agencies dealing with the respective areas here, the SEC and the CFTC, actually do what former Chairman Frank wanted Dodd-Frank to do, and that is to issue a rule and issue a rule that would be effective, in their judgement, for the betterment of the economy and for the regulated entities involved.

And with that, I see my time is up. I encourage a "yes" vote on this legislation.

□ 1620

Mr. CONAWAY. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I rise today to urge my colleagues to pass H.R. 1256, the Swap Jurisdiction Certainty Act. Swaps are important tools that our farmers, ranchers, and businesses rely on to hedge the risks of competing in a global marketplace. Yet later this month, guidance the CFTC issued could fundamentally disrupt these markets here at home and around the world unless Congress acts today.

Last summer, the CFTC issued its proposed crossborder guidance to the marketplace for review and comment, explaining how it would regulate swaps entered into by foreign companies. What was produced was startling in its reach—the guidance declares that almost any swap entered into by anyone with any interest related to the United States falls under the jurisdiction of the CFTC and the Dodd-Frank Act.

As chairman of the General Farm Commodities and Risk Management Subcommittee, I held a hearing on this issue last December with Commissioners Sommers and Chilton from the CFTC and regulators from the European Union and Japan. Each witness agreed that it was imperative that we get the crossborder application of Dodd-Frank correct and that the U.S. not try to police swap markets around the world.

Respect for equivalent, but not necessarily identical, regulatory standards has been a cornerstone of international banking regulations for decades. The CFTC as rewritten the principles of international cooperation with this guidance, insisting that it alone can and should manage the global swaps markets. Predictably, this was met with universal outcry from foreign governments and international regulators.

But today's bill is about far more than just the pride of international regulators. If the CFTC's guidance stands and equivalence is no longer recognized, the global derivatives market can become regionalized as institutions and customers transact a majority of their business within their home jurisdictions. Such an outcome would concentrate specific risks in various economies and sectors of the world.

Here at home, American end users who use swaps to manage everyday business risks may have fewer counterparties to work with. Fewer counterparties means that there will be less competition and liquidity in the market, leading to higher costs for end users and a concentration of higher risk in the United States.

Not only has the CFTC failed to cooperate with international regulators, it's failed to do so at home, as well, leading the SEC to propose a separate rule governing the small slice of swaps

markets that it regulates. Today, there are two different sets of rules for when market participants are subject to U.S. law, depending on what instrument is being traded.

The Swap Jurisdiction Certainty Act will end this mess. It first requires that the CFTC and the SEC cooperate on a single, joint rule for the extraterritorial application of Dodd-Frank regulations. Second, it requires the CFTC and the SEC to recognize the competence of certain sophisticated foreign regulators, unless they can both agree that the regulators have failed to produce equivalent requirements.

For all the back and forth today, this is a simple, straightforward bill. In a nutshell, it requires the CFTC and the SEC to cooperate, both with each other and with the rest of the world—exactly what they should have been doing all along.

I'd like to thank my counterpart on the Financial Services Committee, Mr. GARRETT, for his work on bringing this legislation to the floor today. I would, as well, like to thank Ranking Member DAVID SCOTT, who continues to be a thoughtful and productive partner on issues in the Agriculture Committee. And, finally, I'd like to thank Chairman FRANK LUCAS who never lets us forget that our constituents depend on these markets to manage their businesses and protect themselves in an uncertain world.

With that, I urge swift passage of the legislation and reserve the balance of my time.

Mr. DAVID SCOTT of Georgia. Thank you, Mr. Chairman. I yield myself such time as I may consume.

Let me say at the outset that what has been clearly brought to our attention today is a great need for leadership. That's what this is about. Derivatives are here. The other side pointed out very magnificently we're dealing with a \$600 trillion piece of the world economy. It must have rules. It must have regulations. This is the duty and the responsibility of the United States Congress to do so. To do otherwise would indeed weaken Dodd-Frank. What this bill does is strengthen Dodd-Frank.

Now, I serve on both the Agriculture Committee and the Financial Services Committee. I'm also the ranking member of the General Farm Commodity and Risk Management Subcommittee. I mention those things because I have been intimately involved in this issue for a long time, and I know the consequences if we do not respond.

Now, why do we need this bill? Dodd-Frank has been approved almost 3 years; but right today, we still do not know what swaps activities will be subject to U.S. regulation and which ones will be subject to foreign regulations. If something is shameful, that is shameful.

In section 722, the Dodd-Frank Act limits the CFTC's jurisdiction over swaps transactions outside the United

States for those that have "direct and significant connection with activities in or effect on commerce in the United States." However, section 722, the same section, limits the SEC's jurisdiction over security-backed swaps outside the United States, as well. That brings confusion.

What is the proper thing to do? Ask these two agencies to harmonize. Give us one rule so that that will apply. That's what this bill does. We are dealing with a global market. We cannot put our American banking system at a disadvantage competitively. That is what will weaken Dodd-Frank. That is what will bring about another crisis beyond what we already have.

So, Mr. Speaker, what we need to do is understand that on the foreign market, what are we dealing with? We're not dealing with every nation in the world. We are dealing with only the nine largest economies, and we must make sure that their regulatory regimes are as strong as ours. That is the responsibility of the SEC and the CFTC. That's what this bill is.

As far as AIG and as far as all of the other debacles that have happened, we're all upset about that. That's why we must move with this legislation.

Now, very briefly, much has been said about what has happened as if we've done nothing about it. Mr. Speaker, we've put clearing in so that all swaps transactions must be cleared. Clearing of swap contracts will eliminate bilateral credit risk, and it transfers that risk to clearinghouses which requires market participants to post margins, put up their own money. That's how you prevent another calamity.

The margin requirements are there also for uncleared swaps. And the clearing rules and the margin rules taken together mean that all swap contracts will be fully secured by high-quality liquid assets, and this is what will prevent another scenario.

And so I started what I said with what is desperately needed here: leadership. To allow this crossborder to go unanswered any longer is weakening us. Mr. Gensler, who is the chairman of the CFTC, next week will be meeting in Montreal with the European regulators. Leadership is needed. There is a July 23 deadline that all of the international markets must meet to deal with rules and regulations.

□ 1630

The wrong thing for us to do is not to pass this bill. And I assure my colleagues, my Democratic and Republican friends, I've gone through the safeguards we've put in here. This will not happen again. It will not happen again because we have strengthened Dodd-Frank. And the head of our Fed, Chairman Bernanke, said in his own words, We need this cross-border protection; we need this legislation.

So with that, I reserve the balance of my time because I have some other speakers that we'd like to hear from.

Mr. CONAWAY. Mr. Speaker, I yield 2 minutes to a former member of the Agriculture Committee and the subcommittee, the gentleman from North Carolina (Mr. HUDSON).

Mr. HUDSON. Mr. Speaker, I rise today in strong support of H.R. 1256, the Swap Jurisdiction Certainty Act, which requires the CFTC and the SEC to cooperate on a single rule for how U.S. derivatives regulations are applied overseas.

This bill and several others we will consider today are critically important to the work we have begun in the House Agriculture Committee to reform Dodd-Frank and make this bill less onerous for our farmers and bankers.

As Commissioner Jill Sommers noted, it appears as though the CFTC was "guided by what could only be called the 'Intergalactic Commerce Clause'" as they prepared their cross-border guidance when it was released last summer.

How foreign institutions comply with Dodd-Frank is of enormous consequence. The CFTC has taken the position that virtually everyone everywhere is a U.S. person and subject to its jurisdiction. Without question, this expansive claim of jurisdiction is going to raise the cost for farmers and end users in my home State of North Carolina to hedge their risk and diminish global competitiveness of our domestic financial firms, which employ many people back home in North Carolina.

The CFTC is risking all this to an end that no one seems to fully understand. Their actions are making financial regulatory reform more burdensome and more complicated, while serving only to alienate the CFTC and U.S. markets from the rest of the world.

The Swap Jurisdiction Certainty Act would force the CFTC to cooperate with the SEC on a single standard for cross-border application of swaps regulations. In addition, the bill is narrowly tailored to guarantee that the top nine foreign swaps markets will be recognized by the CFTC and SEC as having comparable rules so foreign firms would be governed by the laws of their home countries.

This bill does not allow unchecked swaps markets to spring up in Caribbean island nations or the four corners of Southeast Asia, as some on the other side of the aisle have alluded. Instead, it directs the CFTC to do what it should have done in the first place: to cooperate with its fellow regulators both down the street and around the world.

I urge its adoption.

Mr. DAVID SCOTT of Georgia. I yield 1½ minutes to the gentleman from Delaware (Mr. CARNEY).

Mr. CARNEY. I would like to thank Mr. SCOTT for yielding time and for his leadership on this issue.

I rise today in support of H.R. 1256. It will lead to a stronger, more robust set of regulations for the derivatives market.

Let me be clear, this is not an effort to roll back Title VII of Dodd-Frank or to weaken its reach overseas. In fact, its intent is to harmonize regulations for cross-border swaps transactions, to eliminate confusion, and to prevent the establishment of two sets of rules in certain jurisdictions, which we know will leave us vulnerable to companies who would want to exploit those loopholes. In fact, this is a goal that our former chair and ranking member articulated well in a letter that he co-signed with Senator TIM JOHNSON to the regulators dated October 4, 2011, in which he says:

U.S. regulators should work with other international regulators to seek broad harmonization of appropriately tough and effective standards. Should current harmonization efforts ultimately fail or prove a race to the bottom that would undermine effective regulation, the U.S. would of course reserve the right to proceed to extend the application of its standards to overseas operations.

That's exactly what this bill does: it calls on the CFTC and the SEC to issue joint regulations in overseas markets, and in the G8 plus Hong Kong, in those markets where there are already rigorous regulations, the CFTC to determine whether our regulations are strong enough. If they are not, they can apply our regulations there.

So this bill is a good bill to create one set of regulations around the world that will be strong and clear and consistent.

Mr. Speaker, I rise today to support H.R. 1256. It will lead to a stronger, more robust set of regulations for the derivatives market.

Let me be clear, this is not an effort to roll back Title 7 of Dodd-Frank or to weaken its reach overseas.

In fact its intent is to harmonize regulations for cross-border swaps transactions.

To eliminate confusion.

And to prevent the establishment of two sets of rules in certain jurisdictions—which we know leaves us vulnerable to companies who want to exploit loopholes when there's a patchwork of regulations.

Unfortunately, since the passage of Dodd-Frank, the CFTC and SEC have moved forward with conflicting proposals to enforce Dodd-Frank derivatives law in markets overseas.

This bill has one goal: to create clear, strong and consistent rules governing derivatives transactions for U.S. companies operating around the world.

It does this in two ways.

First: it tells the SEC and CFTC to coordinate and issue their swaps regulations jointly. That way, we have one set of regulations that companies have to follow.

Under current law, the two agencies can issue overlapping, or even conflicting regulations. In fact, that's exactly what they've done.

This is confusing and burdensome for U.S. firms. But more importantly, it creates opportunities for firms to exploit inconsistencies and loopholes in the regulations.

This bill requires one consistent set of regulations to close loopholes and eliminate confusion.

Second: this bill acknowledges the strong regulatory commitment some nations have already made to regulate swaps.

The bill says that since these countries are moving forward with derivatives regulations that are comparable to ours in scope and rigor, companies engaged in derivatives transactions in these countries can follow those regulations.

During consideration of this bill in the Financial Services Committee, I supported an amendment offered by the Ranking Member that would have flipped the presumption in the bill.

Instead of presuming that certain countries have broadly equivalent regulations to ours, it would've directed the regulators to proactively make that determination. That amendment didn't pass. But there is a failsafe in this bill.

But, this is critical. Under this bill, if the SEC and CFTC look at these countries' regulations and determine that they are not in fact as strong or robust as our regulations, the agencies can require that companies operating in those countries follow U.S. law.

Our regulators remain in control.

Without this bill, firms operating overseas, even in the nine countries where most of this business takes place, will have to comply both with U.S. regulation, and the regulations of those countries.

Again, this leaves us vulnerable to firms that want to exploit this patchwork regulatory framework. Or worse, it could drive derivative trading away from US firms and further away from the view of our regulators.

The SEC, just a few weeks ago, proposed a draft rule that acknowledges the need for harmonization between our rules and the rules of other countries.

Here's the bottom line.

The goal is really simple, and that is to reach an accommodation where we have strong regulatory requirements that are consistent across borders, that are strong, but that do not create loopholes or confusion in those markets.

Mr. CONAWAY. Mr. Speaker, may I inquire as to how much time remains on each side?

The SPEAKER pro tempore. The gentleman from Texas has 4½ minutes remaining. The gentleman from Georgia has 2 minutes remaining.

Mr. CONAWAY. Mr. Speaker, I yield 2 minutes of my time to the gentleman from Georgia (Mr. SCOTT) for his use.

The SPEAKER pro tempore. Without objection, the gentleman from Georgia will control the time.

There was no objection.

Mr. DAVID SCOTT of Georgia. With that, I'd like to yield 1½ minutes to the gentleman from Florida (Mr. MURPHY).

Mr. MURPHY of Florida. I thank the gentleman from Georgia for yielding.

I rise in support of H.R. 1256.

Title VII of Dodd-Frank contains important structural reforms to the derivatives market so that complicated, unregulated financial instruments can never bring our economy to its knees again. However, no law is perfect, and we should look for ways to improve Wall Street Reform to keep unintended consequences from trickling down to Main Street.

The bill before us would put SEC and CFTC on the same page, giving American businesses the ability to compete

with foreign companies on a level playing field. This will not destabilize the global financial system because the bill demands a broadly equivalent swaps regime as Title VII.

The global derivatives market deserves smart regulations, not duplicative or conflicting requirements. I urge my colleagues to support this common-sense, technical adjustment.

Mr. CONAWAY. I reserve the balance of my time.

The SPEAKER pro tempore. The gentleman from Georgia is advised that he has 3 minutes remaining.

Mr. DAVID SCOTT of Georgia. With that, I yield 1½ minutes to the gentleman from Wisconsin (Ms. MOORE).

Ms. MOORE. I thank the gentleman from Georgia.

I rise today to support H.R. 1256, the Swap Jurisdiction Certainty Act.

I proudly supported the Dodd-Frank Wall Street Reform Act because I believed that regulations of derivatives were desperately needed, and today I stand here to support what is a very modest change because I believe that the inability of the CFTC and the SEC to come together on a definition of "U.S. persons" is centrally important to effective cross-border rules and regulations and rules of the road.

Now, I did support the gentlelady from California's amendment for switching the presumption. Because of the closed rules, we were unable to take that up at this time, and I believe it would have improved the bill. However, although this amendment was not adopted, I believe that the regulators will continue to have the authority to regulate any overseas swaps transactions under U.S. rules if they conclude that it is appropriate.

I believe that without this bill we could find U.S. companies going outside not only the jurisdiction of the United States and our losing our competitiveness, but those swaps activities could migrate away from U.S. companies overseas to companies outside of the reach of U.S. regulators. So I would urge my colleagues to support this important legislation.

Mr. CONAWAY. I reserve the balance of my time.

Mr. DAVID SCOTT of Georgia. With no other speakers, Mr. Speaker, let me just close by saying, with the international, interconnected, complex nature of financial markets and the sizeable role the derivatives play within the global economy—as I mentioned, \$600 trillion—international harmonization of rulemaking between the CFTC and the SEC is critical, and a coordinated regulatory cooperation between the nine largest global partners keeping our financial institutions at a competitive position is critical. That's what this bill does.

I urge all of my colleagues to support this important and timely piece of legislation.

I yield back the balance of my time.

□ 1640

Mr. CONAWAY. Mr. Speaker, I yield myself the balance of my time.

OCTOBER 17, 2012.

U.S. CROSS BORDER SWAPS RULES

Hon. GARY GENSLER,
Chairman, Commodity Futures Trading Commission, Washington, DC.

DEAR CHAIRMAN GENSLER: We, the undersigned, would like to share our concerns with you about the implementation of the current phase of post-crisis regulatory reform, as you reflect on the final shape of the CFTC cross border rules for swaps.

Faithfully implementing the reforms adopted by the G20 in 2009 in Pittsburgh on the clearing and electronic trading of standardised OTC derivatives in a non-discriminatory way remains of the utmost importance. As you know, Europe has adopted legislation on clearing and is in the final stages of negotiation on the trading aspect of the G20 Pittsburgh reforms. In Japan, clearing requirements will be effective in November and legislation on trading platforms was recently approved by the Diet. While there may be differences in some areas of detail, we believe the US, the Member States of the EU and Japan are now set to implement these historic reforms in a broadly consistent way in our respective jurisdictions.

This is a significant achievement, capturing the large majority of the global swaps market. But as has been continuously stressed by G20 leaders since 2009, domestic legislation alone does not fulfil the political aim that was agreed in Pittsburgh and reaffirmed in Toronto in 2010. Regulation across the G20 needs to be carefully implemented in a harmonised way that does not risk fragmenting vital global financial markets.

For all its past faults, the derivatives market has allowed financial counterparties across the globe to come together to conduct more effective risk management and, as a result, support economic development. Done properly this should be of benefit to all. At a time of highly fragile economic growth, we believe that it is critical to avoid taking steps that risk a withdrawal from global financial markets into inevitably less efficient regional or national markets.

We of course recognise and understand the need for US and other regulators to satisfy themselves on the adequacy of regulation in other jurisdictions. But we would urge you before finalising any rules, or enforcing any deadlines, to take the time to ensure that US rulemaking works not just domestically but also globally. We should collectively adopt cross border rules consistent with the principle that equivalence or substituted compliance with respect to partner jurisdictions, and consequential reliance on the regulation and supervision within those jurisdictions, should be used as far as possible to avoid fragmentation of global markets. Specifically, this principle needs to be enshrined in CFTC cross border rules, so that all US persons wherever they are located can transact with non-US entities using a proportionate substituted compliance regime.

We assure you our regulatory authorities stand ready to work closely with you to ensure an effective cross border regime is implemented at the earliest possible opportunity and provide you with the necessary information and reassurance regarding our respective regulatory frameworks.

Yours sincerely,

GEORGE OSBORNE,
Chancellor of the Exchequer, UK Government.

MICHEL BARNIER,
Commissioner for Internal Market and Services, European Commission.

We have heard from a number of foreign governments around the world on their entities' regulatory schemes and—let me just say—strong disagreement with the cross-border guidance that Chairman Gensler and the CFTC proposed.

We have heard from Ministers of Finance from the United Kingdom, the European Commission, France, Brazil, Germany, South Africa, Russia, and Switzerland. We've heard from the European Securities and Markets Authority. In Australia, we've heard from the Reserve Bank of Australia and the Australian Securities and Investments Commission. The Hong Kong Secretary for Financial Services and the Treasury. Japan has weighed in with the Japan Financial Services Agency and the Bank of Japan. The Monetary Authority of Singapore, the Swiss Financial Market Supervisory Authority, and from the UK we've heard from the Chancellor of the Exchequer and the Financial Services Authority.

I would like to submit for the RECORD two of those letters; one to Secretary Lew from a number of folks, and the other is to Chairman Gensler from England, the European Union, Japan, as well as France. Mr. Speaker, all of these letters are posted on the Agriculture Committee's Web site for constituents and others to read and get a flavor of what our fellow regulators around the world are saying about this. None of them have any interest in an unregulated market. They all see the risks that we see.

This bill simply asks the SEC and the CFTC to get along, come to a conclusion, whatever that might be, and then deal equitably with their fellow regulators around the world. These are bright, smart people, just like we are. For us to argue that we have the only perfect scheme to regulate derivatives is a bit wrongheaded. This bill goes a long way to fixing that.

I would urge my colleagues to support the bill, vote in favor of it, and I yield back the balance of my time.

18 APRIL 2013.

CROSS-BORDER OTC DERIVATIVES REGULATION

DEAR SECRETARY LEW: We, the undersigned, are writing to express our concern at the lack of progress in developing workable cross-border rules as part of reforms of the OTC derivatives market.

We are already starting to see evidence of fragmentation in this vitally important financial market, as a result of lack of regulatory coordination. We are concerned that, without clear direction from global policymakers and regulators, derivatives markets will recede into localised and less efficient structures, impairing the ability of business across the globe to manage risk. This will in turn dampen liquidity, investment and growth.

We share a common commitment with respect to OTC derivatives reform, and are implementing rules across very different markets with different characteristics and different risk profiles, to support this global initiative. We believe the basic principles on which cross-border rules should be based are clear and widely shared, and we summarise them in the annex to this letter. An ap-

proach in which jurisdictions require that their own domestic regulatory rules be applied to their firms' derivatives transactions taking place in broadly equivalent regulatory regimes abroad is not sustainable. Market places where firms from all our respective jurisdictions can come together and do business will not be able to function under such burdensome regulatory conditions.

A coherent collective solution is therefore needed for cross-border derivatives, and regulators must work together to avoid outright conflicts in regulation and minimise overlaps as far as possible. In this regard, mutual recognition, substituted compliance, exemptions, or a combination of these would all be a valid approach, and careful consideration should be given with respect to registration requirements for firms operating across borders.

Recent experience shows that these discussions can only proceed if they are based on a shared understanding of the overall outcome being sought. For this reason, we are writing to urge that jurisdictions consider carefully the attached principles to avoid cross-border conflicts and support the Pittsburgh G20 reforms. We hope that these principles might provide a useful foundation for regulatory discussions to make progress.

We urge all authorities to work with us to achieve an outcome that meets the principles outlined in this letter and we, in turn, commit to continue to work to address the areas of concern which are most fundamental to others. To this end, this letter is copied to the Chairman of the FSB; the Chairman of the CFTC; the Chairman of the SEC; the Chairman of the U.S. Senate Committee on Agriculture, Nutrition and Forestry; and the Chairman of the US House of Representatives Committee on Agriculture.

Yours sincerely

GUIDO MANTEGA,
Minister of Finance, Government of Brazil.

PIERRE MOSCOVICI,
Minister of Finance, Government of France.

TARO ASO,
Deputy Prime Minister, Minister of Finance, Minister of State for Financial Services, Government of Japan.

PRAVIN GORDHAN,
Minister of Finance, Government of South Africa.

GEORGE OSBORNE,
Chancellor of the Exchequer, UK Government.

MICHEL BARNIER,
Commissioner for Internal Market and Services, European Commission.

WOLFGANG SCHÄUBLE,
Minister of Finance, Government of Germany.

ANTON SILUANOV,
Minister of Finance, Government of Russia.

EVELINE WIDMER-SCHLUMPF,
Finance Minister, Government of Switzerland.

IKKO NAKATSUKA
Minister of State for
Financial Services,
Government of
Japan.

PIERRE MOSCOVICI,
Minister of Finance,
Government of
France.

Mr. BLUMENAUER. Mr. Speaker, I supported the passage of the Dodd-Frank Wall Street Reform Act in 2010 to rein in Wall Street, end taxpayer bailouts of big banks, and protect consumers. Under this Act, the CFTC and the SEC were charged with regulating a number of previously unregulated or under-regulated Wall Street and financial service sector activities that led in large part to the 2008 crisis, including the \$700 trillion derivatives market.

While Congress has a responsibility to ensure that the reforms enacted under Dodd-Frank are clear and effective—and many may still require clarification from Congress—the bill under consideration today, H.R. 1256, is premature and potentially damaging. I therefore do not support this legislation.

Regulators at the CFTC and the SEC continue to make progress on implementing important regulations of the derivatives market. Given this progress and the fact that this is an ongoing process, intervening and micromanaging the rulemaking process at this stage would only delay the positive benefits these changes will have for Americans.

I also have concerns that this legislation sets a policy that would make it more difficult for regulators to ensure that U.S. derivatives transactions conducted overseas through foreign entities are subject to the new rules, potentially opening up a hole in the regulatory process. In requiring that the CFTC and the SEC issue a joint determination along with a formal report to Congress to establish that another country's rules are not "broadly comparable" to U.S. rules, this legislation creates an extra layer of bureaucracy on these already overburdened agencies that will hinder their effectiveness.

Regulating the derivatives market is a huge and important job. This legislation slows this progress without benefit to the American people or our economy.

Mr. MARKEY. Mr. Speaker, I rise in opposition to the bill being considered today, H.R. 1256, the Swap Jurisdiction Certainty Act. Although couched as an innocuous bill to ensure that US banks have clarity about how swaps and derivatives trades are to be managed between U.S. and non-U.S. entities, in reality this bill will significantly impede efforts to apply strong regulations on Wall Street banks trading in these financial products.

The size of the global swaps market is staggering. According to the Bank for International Settlements, at the end of last year, the total notional value of outstanding over-the-counter swaps was over 632 trillion dollars. Again, 632 trillion dollars. In comparison, the gross domestic product of the entire United States was just 15.1 trillion dollars at the end of last year. The swaps market is over 40 times larger than the entire U.S. economy; in fact, the swaps market is 10 times larger than the entire global economy.

This market is also truly global in scope. Many of our major Wall Street banks, such as J.P. Morgan, Bank of America, and Goldman Sachs, have significant foreign subsidiaries.

Bank of America alone has subsidiaries in approximately 40 countries. Given the massive size of this market, we need the strongest possible rules over swaps transactions in foreign subsidiaries that could adversely affect U.S. banks and bank holding companies.

Unfortunately, this bill will prevent our primary regulator of the swaps market, the Commodity Futures Trading Commission, from finalizing strong regulations. The CFTC has spent years crafting strong rules governing cross-border swaps and derivatives and has received a large amount of industry input on these rules. The most recent draft was circulated on May 16, 2013. If this bill passes, that entire process will be stopped in its tracks, even as the rules are supposed to be finalized within the next 30 days. Enacting this bill now is tantamount to tripping the CFTC at the finish line.

Even beyond the poor timing of this bill, the bill will substantially weaken the CFTC's ability to regulate the global swaps market. Under the text of H.R. 1256, the CFTC and the SEC are to jointly release rules governing cross-border swaps. Yet, as part of that rulemaking, the CFTC and SEC are required to assume that a foreign person in compliance with the regulations of any of the nine largest combined swap jurisdictions is also in compliance with all U.S. swaps rules. Given that the United States sets the global standard in financial matters, this provision effectively makes all global swaps rules only as strong as the rules of the weakest country among the nine largest jurisdictions. In other words, it will prompt a regulatory race to the bottom, which is a recipe for disaster.

Have we learned nothing from the excesses of the Bush Administration, when financial deregulation allowed excessively risk derivatives driving a financial market collapse? Just five years after that experience, this is a bill that allows for increased deregulation of some of Wall Street's most dangerous financial products at a time when we need more regulation of swaps. It was only one year ago that J.P. Morgan experienced its "London Whale" fiasco, where bad decisions by J.P. Morgan personnel in London resulted in New York based J.P. Morgan taking a loss of \$6.2 billion. No one in senior management, risk, legal, or compliance was aware of the risks or liabilities being assumed by people in the London office. Yet, if CFTC's cross-border swaps rules were in place, maybe that disaster would not have happened.

U.S. based swaps dealers are increasingly fragmented, and we need strong central rules to minimize the risk of swaps trading causing another financial crisis. At a time when we are just four years removed from the worst recession since the Great Depression, a recession sparked by insufficient regulation of the swaps market, this bill is the wrong solution for the wrong problem at the wrong time. I urge my colleagues to vote no on H.R. 1256.

Mr. VAN HOLLEN. Mr. Speaker, I have substantial sympathy with those seeking regulatory clarity and with U.S. companies wishing to avoid being competitively disadvantaged when operating abroad. At the same time, one of the hard-learned lessons from the recent financial crisis is that oversized risk readily crosses national boundaries, which is why prudential regulation of cross-border derivatives transactions that can impact our economy was embedded in the Dodd-Frank Wall Street Reform law.

The problem with today's legislation is that it seeks to achieve regulatory certainty for these kinds of transactions by effectively substituting foreign derivatives rules for our own safeguards unless the Commodity Futures Trading Commission (CFTC) and the Securities and Exchange Commission (SEC) both agree that the foreign rules in question are not "broadly equivalent" to our own.

Like the Administration, I would prefer for Americans to rely on U.S. law for protection in this area, and for our regulators to finish their work on these important safeguards in coordination with their foreign counterparts—rather than presume that foreign regulation, and in some cases foreign regulation that hasn't even been written yet, will be sufficient to do the job.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 256, the previous question is ordered on the bill, as amended.

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. SEAN PATRICK MALONEY of New York. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. SEAN PATRICK MALONEY of New York. I am in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Page 7, after line 24, insert the following:
(4) ADDITIONAL CRITERIA ON CHINA, IRAN, AND OTHER COUNTRIES WHO ENGAGE IN CYBER ATTACKS OR VIOLATE THE IRAN SANCTIONS ACT.—The Commissions shall determine that the regulatory requirements of a country, administrative region, or other foreign jurisdiction are not broadly equivalent to United States swaps requirements if the Commissions determine that such country, administrative region, or other foreign jurisdiction—

(A) engages in cyber attacks and does not have, or has but does not enforce, laws to deter cyber attacks against U.S. person, including U.S. companies, and the Government of the United States; and

(B) is in violation of, or does not enforce comparable restrictions to, the Iran Sanctions Act of 1996, the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, the Iran Threat Reduction and Syria Human Rights Act of 2012, and the International Emergency Economic Powers Act.

Page 8, line 1, strike "(4)" and insert "(5)".

Page 11, after line 2, insert the following:
(g) EXCLUSIONS OF CORPORATIONS THAT VIOLATE IRAN SANCTIONS ACT OR ENGAGE IN CYBER ATTACKS.—A non-U.S. person shall not receive the exemption provided in subsection (d) if the Commissions determine such person has—

(1) been the subject of a civil or criminal proceeding for violating the Iran Sanctions Act of 1996, the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, the Iran Threat Reduction and Syria Human Rights Act of 2012, or the International Emergency Economic Powers Act; or

(2) been the subject of a civil or criminal proceeding related to cyber attacks on the

Government of the United States or U.S. companies.

Page 11, line 3, strike “(g)” and insert “(h)”.

Mr. SEAN PATRICK MALONEY of New York (during the reading). I ask unanimous consent to dispense with the reading.

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

Mrs. WAGNER. I object, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard.

The Clerk will read.

The Clerk continued to read.

The SPEAKER pro tempore. The gentleman from New York is recognized for 5 minutes in support of his motion.

Mr. SEAN PATRICK MALONEY of New York. Thank you, Mr. Speaker.

I rise today to offer the final amendment to the bill. It will not kill the bill or send it back to the committee. If adopted, the bill will immediately proceed to final passage as amended.

I rise to offer this motion to recommit because this bill in its current form misses an opportunity to do more, and we should not let that opportunity pass.

The underlying legislation has the goal of extending reasonable accommodations to like-minded friends and allies around the globe. A stronger, better coordinated global regulatory framework is, of course, a goal that we all share.

My amendment is simple. It says that the accommodations we extend to our friends must not be extended to those who actively seek to harm the United States—our citizens, our allies, our corporations—by violating the Iran Sanctions Act or by engaging in cyber attacks against the United States.

The dangers of a nuclear Iran are real. They are made even more real by actors who continue to bypass American and U.N. sanctions.

Iran is an existential threat to our friend and our ally Israel. Iran is a growing menace in the Middle East, arming both the Syrian regime and Hezbollah, and undermining peace in Iraq. Iran is actively pursuing the development of a nuclear capability, which we cannot allow.

We cannot let countries or corporations who do not share our values reap the benefits of this bill. That’s why my amendment would target countries and corporations and deny them the benefits of this bill if they violate the Iran Sanctions Act.

We have very strong laws on the books blocking any violation of the Iran Sanctions Act, here or abroad, either by countries or corporations who don’t share our values. That’s a good thing.

In fact, the President just recently issued a new Executive order further tightening these sanctions, particularly in the financial sector. That’s why this final amendment is key to keeping this legislation aligned with these efforts to keep Iran isolated from

the international community and to eliminate any new sources of funding to the Iranian regime.

My amendment also targets countries that engage in cyber attacks against our country or our corporations. Countries like Iran and other countries such as China try to undermine the United States, our companies, our infrastructure, our systems every day, thousands of times a day.

Cyber attacks result in a huge economic loss to our intellectual property to the tune of hundreds of billions of dollars annually, not to mention the extreme danger to our national security, our banks, our infrastructure.

My amendment doesn’t allow transactions under this bill that would harm either the United States or Israel. We cannot and should not walk away from making this bill better, and I urge my colleagues to support my amendment.

I yield back the balance of my time.

Mrs. WAGNER. Mr. Speaker, I rise in opposition to the motion.

The SPEAKER pro tempore. The gentleman from Missouri is recognized for 5 minutes.

Mrs. WAGNER. Mr. Speaker, my friends on the other side of the aisle just refuse to face the fact that 3 years ago with the passage of Dodd-Frank they created some of the most complex and confusing rules our economy has ever seen.

It is by no means a coincidence that the difficulties faced by farmers and small businesses and families in obtaining credit today is a direct result of Dodd-Frank’s chilling effect on our capital markets.

The bill that we are considering today has nothing to do with cyber attacks. Although this is an important matter, this issue has nothing to do with cyber attacks. If it was so important, I’m wondering why it was not offered in either committee where we were fully debating this particular bill.

□ 1650

Our system is broken, absolutely broken, at the Federal regulatory level. The SEC and the CFTC have promulgated two completely different regulations to govern cross-border swap transactions. The delay and disorder on this issue end today.

Mr. Speaker, disparate regulations governing the same behavior hinder the capital markets and hurt the economy. I am hopeful that a bipartisan vote on this legislation will send a strong signal to our regulators in Washington that finally, after 3 years, they need to come together for the good of economic growth and prosperity. I urge a “no” vote on the motion to recommit and a “yes” vote on H.R. 1256.

I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

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 yeas appeared to have it.

Mr. SEAN PATRICK MALONEY of New York. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 and clause 9 of rule XX, this 15-minute vote on the motion to recommit will be followed by 5-minute votes on the question on passage of H.R. 1256, if ordered; and the motion to suspend the rules and pass H.R. 1038.

The vote was taken by electronic device, and there were—yeas 194, nays 230, not voting 10, as follows:

[Roll No. 217]

YEAS—194

Andrews	Grayson	Negrete McLeod
Barber	Green, Al	Nolan
Barrow (GA)	Green, Gene	O’Rourke
Bass	Gutierrez	Owens
Beatty	Hahn	Pallone
Becerra	Hanabusa	Pascrell
Bera (CA)	Hastings (FL)	Pastor (AZ)
Bishop (GA)	Heck (WA)	Payne
Bishop (NY)	Higgins	Pelosi
Blumenauer	Himes	Perlmutter
Bonamici	Hinojosa	Peters (CA)
Brady (PA)	Holt	Peters (MI)
Braley (IA)	Honda	Peterson
Brown (FL)	Horsford	Pingree (ME)
Brownley (CA)	Hoyer	Pocan
Bustos	Huffman	Price (NC)
Butterfield	Israel	Quigley
Capps	Jackson Lee	Rahall
Capuano	Jeffries	Rangel
Cárdenas	Johnson (GA)	Richmond
Carney	Johnson, E. B.	Roybal-Allard
Carson (IN)	Jones	Ruiz
Cartwright	Kaptur	Ruppersberger
Castor (FL)	Keating	Rush
Castro (TX)	Kelly (IL)	Ryan (OH)
Ciçilline	Kennedy	Sánchez, Linda T.
Clarke	Kildee	Sanchez, Loretta
Clay	Kilmer	Sarbanes
Cleaver	Kind	Schakowsky
Clyburn	Kirkpatrick	Schiff
Cohen	Kuster	Schneider
Connolly	Langevin	Schrader
Conyers	Larsen (WA)	Schwartz
Cooper	Larson (CT)	Scott (VA)
Costa	Lee (CA)	Scott, David
Courtney	Levin	Serrano
Crowley	Lewis	Sewell (AL)
Cuellar	Lipinski	Shea-Porter
Cummings	Loeback	Sherman
Davis (CA)	Lofgren	Sinema
Davis, Danny	Lowenthal	Sires
DeFazio	Lowey	Slaughter
DeGette	Lujan Grisham (NM)	Smith (WA)
Delaney	Luján, Ben Ray (NM)	Speier
DeLauro	Lynch	Swaiwell (CA)
DelBene	Maffei	Takano
Dingell	Maloney	Thompson (CA)
Doggett	Maloney, Carolyn	Thompson (MS)
Doyle	Maloney, Sean	Tierney
Duckworth	Matheson	Titus
Duncan (TN)	Matsui	Tonko
Edwards	McCollum	Tsongas
Ellison	McDermott	Van Hollen
Engel	McGovern	Vargas
Enyart	McIntyre	Veasey
Eshoo	McNerney	Vela
Esty	Meng	Velázquez
Farr	Michaud	Visclosky
Fattah	Miller, George	Walz
Foster	Moran	Waters
Frankel (FL)	Murphy (FL)	Watt
Fudge	Nadler	Waxman
Gabbard	Napolitano	Welch
Gallego	Neal	Wilson (FL)
Garamendi		Yarmuth
Garcia		

NAYS—230

Aderholt	Barletta	Bishop (UT)
Alexander	Barr	Black
Amash	Barton	Blackburn
Amodei	Benishiek	Bonner
Bachmann	Bentivolio	Boustany
Bachus	Bilirakis	Brady (TX)

Bridenstine Heck (NV)
 Brooks (AL) Hensarling
 Brooks (IN) Herrera Beutler
 Broun (GA) Holding
 Buchanan Hudson
 Bucshon Huelskamp
 Burgess Huizenga (MI)
 Calvert Hultgren
 Camp Hunter
 Cantor Hurt
 Capito Issa
 Carter Jenkins
 Cassidy Johnson (OH)
 Chabot Johnson, Sam
 Chaffetz Jordan
 Coble Joyce
 Coffman Kelly (PA)
 Cole King (IA)
 Collins (GA) King (NY)
 Collins (NY) Kingston
 Conaway Kinzinger (IL)
 Cook Kline
 Cotton Labrador
 Cramer LaMalfa
 Crawford Lamborn
 Crenshaw Lance
 Culberson Lankford
 Daines Latham
 Davis, Rodney Latta
 Denham LoBiondo
 Dent Long
 DeSantis Lucas
 DesJarlais Luetkemeyer
 Diaz-Balart Lummis
 Duffy Marchant
 Duncan (SC) Marino
 Ellmers Massie
 Farenthold McCarthy (CA)
 Fincher McCaul
 Fitzpatrick McClintock
 Fleischmann McHenry
 Fleming McKeon
 Flores McKinley
 Forbes McMorris
 Fortenberry Rodgers
 Foxx Meadows
 Franks (AZ) Meehan
 Frelinghuysen Messer
 Gardner Mica
 Garrett Miller (FL)
 Gerlach Miller (MI)
 Gibbs Miller, Gary
 Gibson Mullin
 Gingrey (GA) Mulvaney
 Gohmert Murphy (PA)
 Goodlatte Neugebauer
 Gosar Noem
 Gowdy Nugent
 Granger Nunes
 Graves (GA) Nunnelee
 Graves (MO) Olson
 Griffin (AR) Palazzo
 Griffith (VA) Paulsen
 Grijalva Pearce
 Grimm Perry
 Guthrie Petri
 Hall Pittenger
 Hanna Pitts
 Harper Poe (TX)
 Hartzler Polis
 Hastings (WA) Pompeo

NOT VOTING—10

Campbell Markey Wasserman
 Chu McCarthy (NY) Schultz
 Deutch Meeks Westmoreland
 Harris Moore

□ 1716

Messrs. CALVERT, ROGERS of Alabama, YOUNG of Indiana, and CAMP changed their vote from “yea” to “nay.”

Mr. HUFFMAN and Ms. WILSON of Florida 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

Ms. WATERS. Mr. 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 301, noes 124, not voting 9, as follows:

[Roll No. 218]

AYES—301

Aderholt Foster
 Alexander Foxx
 Amash Franks (AZ)
 Amodei Frelinghuysen
 Gabbard McCaul
 Bachus Gallego
 Barber Garcia
 Barletta Gardner
 Barr Garrett
 Barrow (GA) Gerlach
 Barton Gibbs
 Benishek Gibson
 Bentivolio Gingrey (GA)
 Bera (CA) Gohmert
 Bilirakis Goodlatte
 Bishop (GA) Gosar
 Bishop (UT) Gowdy
 Black Granger
 Blackburn Graves (GA)
 Bonner Graves (MO)
 Boustany Griffin (AR)
 Brady (TX) Griffith (VA)
 Brooks (AL) Grijalva
 Brooks (IN) Grimm
 Broun (GA) Guthrie
 Brownley (CA) Gutierrez
 Buchanan Hahn
 Bucshon Hall
 Burgess Hanabusa
 Butterfield Hanna
 Calvert Harper
 Camp Harris
 Cantor Hartzler
 Capito Hastings (WA)
 Cárdenas Heck (NV)
 Carney Heck (WA)
 Carson (IN) Hensarling
 Carter Herrera Beutler
 Cassidy Himes
 Chabot Holding
 Chaffetz Horsford
 Clay Hudson
 Clyburn Huelskamp
 Coble Huizenga (MI)
 Coffman Hultgren
 Cole Hunter
 Collins (GA) Hurt
 Collins (NY) Israel
 Conaway Issa
 Connolly Jenkins
 Cook Johnson (GA)
 Cooper Johnson (OH)
 Costa Johnson, Sam
 Cotton Jordan
 Cramer Joyce
 Crawford Kelly (IL)
 Crenshaw Kelly (PA)
 Crowley Kilmer
 Cuellar Kind
 Culberson King (IA)
 Cummings King (NY)
 Daines Kingston
 Davis, Rodney Kinzinger (IL)
 Delaney Kirkpatrick
 DelBene Kline
 Denham Kuster
 Dent Labrador
 DeSantis LaMalfa
 DesJarlais Lamborn
 Diaz-Balart Lance
 Duckworth Lankford
 Duffy Larsen (WA)
 Duncan (SC) Latham
 Duncan (TN) Latta
 Ellmers Lipinski
 Esty LoBiondo
 Farenthold Long
 Fincher Lowey
 Fincher Lucas
 Fitzpatrick Luetkemeyer
 Fleischmann Lummis
 Fleming Maffei
 Flores Maffei
 Forbes Maloney, Sean
 Fortenberry Marchant

Scott, Austin Stockman
 Scott, David Stutzman
 Sensenbrenner Terry
 Sessions Thompson (MS)
 Sewell (AL) Thompson (PA)
 Sherman Thornberry
 Shimkus Tiberi
 Shuster Tipton
 Simpson Turner
 Sinema Upton
 Smith (MO) Valadao
 Smith (NE) Vargas
 Smith (NJ) Veasey
 Smith (TX) Vela
 Southerland Wagner
 Stewart Walberg
 Stivers Walden

NOES—124

Andrews Green, Gene
 Bass Hastings (FL)
 Beatty Higgins
 Becerra Hinojosa
 Bishop (NY) Holt
 Blumenauer Honda
 Bonamici Hoyer
 Brady (PA) Huffman
 Braley (IA) Jackson Lee
 Bridenstine Jeffries
 Brown (FL) Johnson, E. B.
 Bustos Jones
 Capps Kaptur
 Capuano Keating
 Cartwright Kennedy
 Castor (FL) Kildee
 Castro (TX) Langevin
 Cicilline Larson (CT)
 Clarke Lee (CA)
 Cleaver Levin
 Cohen Lewis
 Conyers Loeb sack
 Courtney Lofgren
 Davis (CA) Lowenthal
 Davis, Danny Lujan Grisham
 DeFazio (NM)
 DeGette Luján, Ben Ray
 DeLauro (NM)
 Dingell Lynch
 Doggett Maloney,
 Doyle Carolyn
 Edwards Matsui
 Ellison McCollum
 Engel McDermott
 Enyart McGovern
 Eshoo Michaud
 Farr Miller, George
 Fattah Moran
 Frankel (FL) Nadler
 Fudge Napolitano
 Garamendi Neal
 Grayson Negrete McLeod
 Green, Al Noian

NOT VOTING—9

Campbell McCarthy (NY) Wasserman
 Chu Meeks Schultz
 Deutch Ros-Lehtinen Westmoreland
 Markey

□ 1723

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PUBLIC POWER RISK
MANAGEMENT ACT OF 2013

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and pass the bill (H.R. 1038) to provide equal treatment for utility special entities using utility operations-related swaps, and for other purposes, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. LAMALFA) that the House suspend the rules and pass the bill.

This is 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. 219]

YEAS—423

Aderholt	DeLauro	Issa
Alexander	DeBene	Jackson Lee
Amash	Denham	Jeffries
Amodi	Dent	Jenkins
Andrews	DeSantis	Johnson (GA)
Bachmann	DesJarlais	Johnson (OH)
Bachus	Diaz-Balart	Johnson, Sam
Barber	Dingell	Jones
Barletta	Doggett	Jordan
Barr	Doyle	Joyce
Barrow (GA)	Duckworth	Kaptur
Barton	Duffy	Keating
Bass	Duncan (SC)	Kelly (IL)
Beatty	Duncan (TN)	Kelly (PA)
Becerra	Edwards	Kennedy
Benishek	Ellison	Kildee
Bentivolio	Ellmers	Klimer
Bera (CA)	Engel	Kind
Bilirakis	Enyart	King (IA)
Bishop (GA)	Eshoo	King (NY)
Bishop (NY)	Esty	Kingston
Bishop (UT)	Farenthold	Kinzinger (IL)
Black	Farr	Kirkpatrick
Blackburn	Fattah	Kline
Blumenauer	Fincher	Kuster
Bonamici	Fitzpatrick	Labrador
Bonner	Fleischmann	LaMalfa
Boustany	Fleming	Lamborn
Brady (PA)	Flores	Lance
Brady (TX)	Forbes	Langevin
Braley (IA)	Fortenberry	Lankford
Bridenstine	Foster	Larsen (WA)
Brooks (AL)	Foxo	Larson (CT)
Brooks (IN)	Frankel (FL)	Latham
Broun (GA)	Franks (AZ)	Latta
Brown (FL)	Frelinghuysen	Lee (CA)
Brownley (CA)	Fudge	Levin
Buchanan	Gabbard	Lewis
Bucshon	Gallego	Lipinski
Burgess	Garamendi	LoBiondo
Bustos	Garcia	Loebsack
Butterfield	Gardner	Lofgren
Calvert	Garrett	Long
Camp	Gerlach	Lowenthal
Cantor	Gibbs	Lowe
Capito	Gibson	Lucas
Capps	Gingrey (GA)	Luetkemeyer
Capuano	Gohmert	Lujan Grisham
Cárdenas	Goodlatte	(NM)
Carney	Gosar	Luján, Ben Ray
Carson (IN)	Gowdy	(NM)
Carter	Granger	Lummis
Cartwright	Graves (GA)	Lynch
Cassidy	Graves (MO)	Maffei
Castor (FL)	Grayson	Maloney,
Castro (TX)	Green, Al	Carolyn
Chabot	Green, Gene	Maloney, Sean
Chaffetz	Griffin (AR)	Marchant
Cicilline	Griffith (VA)	Marino
Clarke	Grijalva	Massie
Clay	Guthrie	Matheson
Cleaver	Gutierrez	Matsui
Clyburn	Hahn	McCarthy (CA)
Coble	Hall	McCaul
Coffman	Hanabusa	McClintock
Cohen	Hanna	McCollum
Cole	Harper	McDermott
Collins (GA)	Harris	McGovern
Collins (NY)	Hartzler	McHenry
Conaway	Hastings (FL)	McIntyre
Connolly	Hastings (WA)	McKeon
Conyers	Heck (NV)	McKinley
Cook	Heck (WA)	McMorris
Cooper	Hensarling	Rodgers
Costa	Herrera Beutler	McNerney
Cotton	Higgins	Meadows
Courtney	Himes	Meehan
Cramer	Hinojosa	Meng
Crawford	Holding	Messer
Crenshaw	Holt	Mica
Crowley	Honda	Michaud
Cuellar	Horsford	Miller (FL)
Culberson	Hoyer	Miller (MI)
Cummings	Hudson	Miller, Gary
Daines	Huelskamp	Miller, George
Davis (CA)	Huffman	Moore
Davis, Danny	Huizenga (MI)	Moran
Davis, Rodney	Hultgren	Mullin
DeFazio	Hunter	Mulvaney
DeGette	Hurt	Murphy (FL)
Delaney	Israel	Murphy (PA)

Nadler	Rohrabacher	Stivers
Napolitano	Rokita	Stockman
Neal	Rooney	Stutzman
Negrete McLeod	Ros-Lehtinen	Swalwell (CA)
Neugebauer	Roskam	Takano
Noem	Ross	Terry
Nolan	Rothfus	Thompson (CA)
Nugent	Roybal-Allard	Thompson (MS)
Nunes	Royce	Thompson (PA)
Nunnelee	Ruiz	Thornberry
O'Rourke	Runyan	Tiberi
Olson	Ruppersberger	Tierney
Owens	Rush	Tipton
Palazzo	Ryan (OH)	Titus
Pallone	Ryan (WI)	Tonko
Pascarell	Salmon	Tsongas
Pastor (AZ)	Sánchez, Linda	Turner
Paulsen	T.	Upton
Payne	Sanchez, Loretta	Valadao
Pearce	Sanford	Van Hollen
Perlmutter	Sarbanes	Vargas
Perry	Scalise	Veasey
Peters (CA)	Schakowsky	Vela
Peters (MI)	Schiff	Velázquez
Peterson	Schneider	Visclosky
Petri	Schock	Wagner
Pingree (ME)	Schrader	Walberg
Pittenger	Schwartz	Walden
Pitts	Schweikert	Walorski
Pocan	Scott (VA)	Walz
Poe (TX)	Scott, Austin	Walters
Polis	Scott, David	Watt
Pompeo	Sensenbrenner	Waxman
Posey	Serrano	Weber (TX)
Price (GA)	Sessions	Webster (FL)
Price (NC)	Sewell (AL)	Welch
Quigley	Shea-Porter	Wenstrup
Radel	Sherman	Whitfield
Rahall	Shimkus	Williams
Rangel	Shuster	Wilson (FL)
Reed	Simpson	Wilson (SC)
Reichert	Sinema	Wittman
Renacci	Sires	Wolf
Ribble	Slaughter	Womack
Rice (SC)	Smith (MO)	Woodall
Richmond	Smith (NE)	Yarmuth
Rigell	Smith (NJ)	Yoder
Roby	Smith (TX)	Yoho
Roe (TN)	Smith (WA)	Young (AK)
Rogers (AL)	Southerland	Young (FL)
Rogers (KY)	Speier	Young (IN)
Rogers (MI)	Stewart	

NOT VOTING—11

Campbell	Johnson, E. B.	Pelosi
Chu	Markey	Wasserman
Deutch	McCarthy (NY)	Schultz
Grimm	Meeks	Westmoreland

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining.

□ 1731

Mr. ENYART changed his vote from “nay” to “yea.”

So two-thirds being in the affirmative) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2014

GENERAL LEAVE

Mr. MCKEON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and insert extraneous material on H.R. 1960.

The SPEAKER pro tempore (Mr. WEBSTER of Florida). Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Pursuant to House Resolution 256 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. 1960.

The Chair appoints the gentleman from Arkansas (Mr. WOMACK) to preside over the Committee of the Whole.

□ 1735

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. 1960) to authorize appropriations for fiscal year 2014 for military activities of the Department of Defense and for military construction, to prescribe military personnel strengths for such fiscal year, and for other purposes, with Mr. WOMACK 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 California (Mr. MCKEON) and the gentleman from Washington (Mr. SMITH) each will control 30 minutes.

The Chair recognizes the gentleman from California.

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

Mr. Chairman, I rise in support of H.R. 1960, the National Defense Authorization Act for Fiscal Year 2014, which overwhelmingly passed the Committee on Armed Services. In keeping with the committee's tradition of bipartisanship, Ranking Member SMITH and I worked collaboratively to produce this bill and solicited input from each of our members. We've already adopted 169 amendments during markup and look forward to a robust debate the remainder of the week on the floor.

The legislation advances our national security objectives, provides support and logistical resources for our warfighters, and helps the United States confront the national security challenges of the 21st century. The bill authorizes \$552.1 billion for national defense in the base budget. It also authorizes another \$85.8 billion for Overseas Contingency Operations, consistent with the House budget, and the bill contains no earmarks.

Of critical importance, the bill takes serious and significant steps to end the crisis of sexual assault in our military. This includes stripping the commanders of their authority to dismiss a finding by a court-martial; prohibiting commanders from reducing guilty findings to lesser offenses; establishing minimum sentencing requirements for sexual assault; extending whistleblower protections to those who report rape, sexual assault, or other sexual misconduct; and other vital measures. Based on the years of work and oversight our committee has done on this critical issue, I share Senator LEVIN's reluctance to remove the commander from the decision process for crimes under the Uniform Code of Military Justice. The only way to change the culture is to hold commanders responsible and accountable for their actions and decisions.

Elsewhere in the bill, despite historic cuts to our Armed Forces, we prevent military readiness shortfalls from becoming a readiness emergency. We restore flying hours for the Army and Air Force squadrons, direct money to help reset equipment returning from Afghanistan, and relieve some of the military's maintenance backlogs.

The bill also provides our warfighters with resources and authorities they need to win the war in Afghanistan and to pressure al Qaeda and its affiliates. We fully fund a series of important authorities that support the transition in Afghanistan and U.S. national security interests. However, we prohibit the use of the majority of those funds until the Secretary of Defense certifies that U.S. priorities have been accommodated in a bilateral security agreement.

□ 1740

We have made controlling costs a top priority. However, the mark guards against achieving false, short-term savings at the expense of vital, long-term strategic capabilities. For example, we prohibit the premature retirement of Navy cruisers and amphibious assault ships, critical vessels that are vital to the Pacific-focused strategy. The bill also continues investments in oversight for key systems while preserving our capacity to meet future challenges.

The bill continues our care for our warfighters, veterans and their families with the support they earned through their service; and it mandates fiscal responsibility, transparency, and accountability within the Department of Defense.

The bill reduces the number of general officer billets and works to end redundancies in military headquarters and task forces.

For 51 straight years, the National Defense Authorization Act has been passed and signed into law. Congress has no higher responsibility than to provide for the common defense. And with that in mind, I look forward to passing this bill for the 52nd consecutive year.

I reserve the balance of my time.

Mr. SMITH of Washington. Mr. Chairman, I yield myself 4 minutes.

I want to thank Chairman MCKEON and the entire committee—and most importantly the staff. It's always this time of year when our staff never sleeps and does an amazing job of pulling this bill together.

We, once again, worked in a very bipartisan fashion, worked the bill through the process—a series of hearings, the markup last week. I thank the chairman for his excellent leadership in continuing that bipartisan tradition in the hopes of, for the 52nd straight year, getting our bill done. So I appreciate working with him and with all the members of the committee and the staff.

This bill, overall, sets the right priorities, I believe. It makes sure that our military is funded and that our troops get the equipment and support that

they need to carry out the missions that we ask them to do. That is something General Dempsey says all the time: We'll do whatever you ask us to do; just make sure that you provide us with the resources to do it.

Whatever missions we as policymakers decide the military should perform, it's our obligation to make sure that it's funded. I believe this bill does that. It particularly prioritizes Special Operations Forces, intelligence surveillance and reconnaissance, and the kind of equipment that we will need to confront the terrorist asymmetric threats that are so central to our challenges right now on national security.

As the chairman mentioned, it also takes steps on the sexual assault problem. I will say that no piece of legislation is going to fix this. The military needs to change its culture and prioritize the protection of the men and women in our service. This legislation will help, certainly; but this is a huge crisis right now that the military has not yet stepped up to. I think it is one of the most important challenges that we face in national security.

This piece of legislation also recognizes that we are still at war. It funds the ongoing effort in Afghanistan to make sure that our troops have the support that they need to carry out that mission.

However, there are a couple of things in the bill that I am concerned about. I believe that we do need to close Guantanamo, and I have an amendment before the Rules Committee which hopefully will be made in order that will set us on a process to do that. I agree with people who say that we can't simply close it tomorrow, we need a plan. My amendment would require that the President come up with such a plan in 60 days and implement it as soon as possible.

I continue to be concerned that the President has the power to indefinitely detain any person captured in the United States who is designated to be an enemy combatant. That is a level of executive power that I do not think is necessary; And as we have seen in recent weeks, people are growing concerned about the amount of power the executive branch has. Again, I will have an amendment to try to change that as well.

Lastly, it is worth mentioning—sequestration. This bill is marked to a level that assumes sequestration will not happen. I think that's appropriate. That's where we're at and what we have to do, but it points up the challenge of sequestration. If sequestration happens, this bill is going to have to be cut by between \$40 billion and \$50 billion. Where would that money come from? How would we make that work? Especially the way sequestration works, mindless, across-the-board cuts. Because the sad truth is that's the likely outcome. There is no pathway out of sequestration that we've seen. I thank the chairman for his leadership in continually bringing home how im-

portant this is, but we haven't gotten there yet. We need to keep emphasizing that.

With that, I reserve the balance of my time.

Mr. MCKEON. Mr. Chairman, I yield 3 minutes to my friend and colleague, the vice chairman of the Armed Services Committee, the chairman of the Subcommittee on Intelligence, Emerging Threats and Capabilities, the gentleman from Texas (Mr. THORNBERRY).

Mr. THORNBERRY. I appreciate the chairman yielding.

I think the first thing that should be said is that it is a tremendous credit to the chairman and the ranking member that we are where we are today. It may be true that for 51 straight years a defense authorization bill has been signed into law, but that doesn't make it easy to do number 52.

There are still a number of complex and even some controversial issues. And so to have this bill before us today coming out of the committee on a vote that is so strong I think is truly a credit to the leadership of the chairman and the ranking member and the staff who have worked very well together.

I also want to express particular appreciation to the ranking member on our subcommittee, Mr. LANGEVIN, because that, too, has been a partnership in dealing with a number of complex issues, including Special Operations, cybersecurity, science and technology, and military intelligence issues.

One of the key priorities for us on this subcommittee has been oversight. If you think back 2 years ago, in this bill we instituted a quarterly reporting requirement for certain counterterrorism operations involving Special Operations. Last year, we had a quarterly reporting requirement on cyber operations. This year, in the full committee mark, is a reporting requirement involving sensitive military operations, including lethal and capture operations that is designed for oversight before, just after, and, in a broader sense, after these events have occurred. Oversight is a critically important part of everything the committee does, especially in these complex areas.

There are a number of other provisions, Mr. Chairman, dealing with military intelligence, cyber, Special Operations, and science and technology that take important steps forward in helping this country to be safer.

I will note I find it strange, the administration seems to oppose requiring the Defense Clandestine Service to focus its collection on defense priorities. That is what we require in this bill, and for some reason that gives the administration heartburn. I hope we can continue to have conversations with them about it because it seems to me that's exactly what a defense clandestine service should be focused on.

There are other priorities here dealing with chem/biodefense and the Defense Threat Reduction Agency that deal with some of the issues most in the news today—think of Syria and other problem spots around the world.

The key point, Mr. Chairman, is it has taken a lot of work to get to this point; we have a lot of amendment debate to come. But it is truly a credit to the staff, to the chairman, to the ranking member of this committee that something so important, so complex has come to the floor with such overwhelming bipartisan support. We'll have differences, but I hope and trust that it will leave the floor in the same way.

Mr. SMITH of Washington. Mr. Chairman, I yield 2½ minutes to the gentlelady from California (Ms. LORETTA SANCHEZ), the ranking member on the Air and Land Subcommittee.

Ms. LORETTA SANCHEZ of California. I want to first begin by complimenting the chairman of the Tactical Air and Land Forces, Chairman MIKE TURNER. He has really been a delight to work with. His steady and thoughtful leadership has really allowed us to, I believe, make a good mark in this bill.

Under his leadership, the Tactical Air and Land Forces Subcommittee worked in a very bipartisan fashion. We developed a set of oversight legislation and funding recommendations that I think really looks at cutting waste, shaping programs, and making sure that our men and women in our military are ready to go.

First, the subcommittee's portion of H.R. 1960 supports many of the high-priority recommendations and desires of the President's budget. For example, H.R. 1960 provides \$8.1 billion for the F-35 Joint Strike Fighter program, \$5.2 billion for Army aviation upgrades, \$3.2 billion for 21 EA-18Gs and F-18 upgrades, \$1.4 billion for the V-22, and \$1.3 billion for the U.S. Marine Corps ground equipment.

In addition, the Armed Services Committee increased funding in some parts of the DOD budget that came from the President where we felt that there were inadequate funds. Specifically, the bill provides an additional \$400 million for the National Guard and Reserve equipment account and adds funding for an additional F-100 engines by \$165 million, and increases advanced procurement funding for 29 Navy F-18 aircraft by \$75 million.

□ 1750

Beyond these funding increases, I want to point out that we made reductions—over \$463 million worth of reductions—in this funding bill. It's never easy to reduce or to cut programs, but I think we did a very good job in making sure that as we move forward we will have the systems that we need.

Finally, H.R. 1960 includes important oversight legislation, especially for the F-35 Joint Strike Fighter, for the ground combat vehicle, for the individual carbine, the Stryker vehicle, and for body armor for our men and women of our military.

All of these provisions are good government, and I look forward to voting for this bill.

Mr. MCKEON. Mr. Chairman, I yield 3 minutes to my friend and colleague,

the chairman of the Subcommittee on Readiness, the gentleman from Virginia (Mr. WITTMAN).

Mr. WITTMAN. Mr. Chairman, I would like to begin by thanking Chairman MCKEON for his leadership and Ranking Member SMITH for the extraordinary job that both of you gentlemen have done in bringing this bill together—bringing people together to make this happen. I also want to thank the ranking member of the Readiness Subcommittee, MADELEINE BORDALLO, thank you so much for your leadership and for your cooperation to make our effort on the Readiness Subcommittee as successful as it was.

Today, I rise in strong support of H.R. 1960, the fiscal year 2014 National Defense Authorization Act. While this bill will not fix all of the Nation's readiness challenges, it does go far in addressing depleted force readiness levels and associated levels of assumed risk.

Specifically, the bill prohibits the Department from proposing, planning, or initiating another round of base realignment and closure commission elements—a measure that's critical, in my view, given the fiscal uncertainties we face as a Nation.

This bill helps our military members by restoring vital readiness accounts, such as the Army and Air Force flying programs; increasing funding for facility sustainment; increasing funding for Army depot maintenance and rest; increasing funding for ship depot maintenance; and prohibiting the retirement of amphibians and cruisers the Navy proposed to retire 10 to 15 years early.

With successive rounds of budget cuts and the disastrous effects of sequestration, readiness rates remain at historic levels, and these levels are unacceptably low. Our warfighters are at risk, and we owe it to them to make sure that we put dollars back to make sure that the readiness of our Armed Forces does not in any way suffer. We want to make sure that our men and women have what they need, making sure that they continue to have overwhelming superiority on the battlefield. That's what this Nation has always done. It is our obligation to make sure that that continues.

While we have restored the Air Force and Army flying hours programs and bolstered facilities sustainment and depot maintenance, we will need to remain focused on readiness challenges in the months and years to come. Those readiness challenges will continue. Especially as we retrograde from Afghanistan and reset our force, we cannot forget the need to maintain readiness.

As I close, Mr. Chairman, I want to thank the members of the subcommittee and the staff for their unyielding support for the men and women of our military. Our Nation faces many challenges, as this bill makes clear.

I want to remind this Chamber that we owe a debt of gratitude to those who selflessly serve our Nation—those

who volunteer to put themselves in harm's way. That's what makes our Nation great. We owe them the highest amount of respect in getting this bill done in their best interest.

Mr. SMITH of Washington. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina, the ranking member on the Seapower Subcommittee, Mr. MCINTYRE.

Mr. MCINTYRE. Mr. Chairman, I rise in support of the National Defense Authorization bill, which the Armed Services Committee passed last week with overwhelming support, and thank my colleagues, Chairman MCKEON and Ranking Member SMITH, for their hard work in making sure this bipartisan measure would be done the right way, and to help our men and women in uniform.

Specifically, I am pleased that this bill strengthens our national defense, supports North Carolina military bases with a \$355 million investment in military construction, and makes key investments across the Nation to help make sure that our servicemen and -women have the tools they need to do their job.

This measure authorizes \$552 billion for national defense spending and \$85.8 billion for overseas contingency operations.

It also supports current law, which mandates an automatic 1.8 percent annual increase in troop pay, and it rejects proposals to increase some TRICARE fees or establish new TRICARE fees, which many servicemembers and veterans have long been concerned about.

I am also pleased that the committee made sexual assault prevention and prosecution a cornerstone of this legislation. And I am particularly pleased that this bill includes an amendment authored by my good friend and colleague across the aisle, Representative WALTER JONES, a fellow North Carolinian, to protect the religious freedom of military chaplains to be able to close a prayer according to the dictates of their conscience, faith, and training.

The committee also included an important provision that Representative JONES and I both worked together on to require periodic audits of Berry Amendment contracting compliance by the DOD inspector general.

I can tell you, as the ranking member of the Seapower and Projection Forces Subcommittee, I would like to thank my colleague, Chairman RANDY FORBES, for his work on our section of this bill. The Seapower portion of the bill carefully cuts waste in some programs while also improving Congress' ability to oversee the DOD. It includes provisions for the Gerald Ford class aircraft carrier, multiyear procurement language for E-2D and C-130J aircraft, and several other provisions that provide additional oversight of important programs, including two of the Navy's largest unmanned aircraft programs.

It also gives the DOD permission to begin retirement of some old KC-135 refueling aircraft that have been in storage for many years. With the new tanker program—the KC-46A—coming on line, it is “on cost” and “on schedule,” two phrases that we love to hear, not only in the committee but also on behalf of our taxpayers. I am glad we are giving DOD more flexibility in these tough budget times to manage its inventory of aircraft.

Also, the Seapower portion has \$14.3 billion for shipbuilding that would authorize a total of eight new ships. It authorizes \$934 million of ship construction funding to ensure that the Virginia-class submarine DDG-1000 class destroyer, DDG-51 class destroyer, and joint high-speed vessel programs stay on schedule.

With regard to the aircraft programs, this bill fully funds the administration's request for all major aircraft programs in our jurisdiction, including the Air Force's new bomber program.

The Seapower portion of this, being on budget and on time, is something I know that we all can support. It is clear this entire bill is one that has strong bipartisan support, and I urge my colleagues to support it.

Mr. MCKEON. Mr. Chairman, I yield 3 minutes to my friend and colleague, the chairman of the Subcommittee on Military Personnel, the gentleman from South Carolina (Mr. WILSON).

Mr. WILSON of South Carolina. Mr. Chairman, the military personnel provisions of H.R. 1960 are the product of an open, bipartisan process.

H.R. 1960 provides our warfighters, veterans, and military families the care and support they need, deserve, and have earned. Specifically, this year's proposal reforms the way the Department of Defense must address sexual assault in the Uniform Code of Military Justice and provides significant additional support, especially in the form of dedicated legal assistance and whistleblower protection to victims of this terrible crime.

In addition, the mark would support the services' requested end strength while ensuring the Army and the Marine Corps adhere to the limitation on reductions mandated in the National Defense Authorization Act for Fiscal Year 2013.

It reaffirms the committee's commitment to the operational reserves by requiring minimum notification before deployment or cancellation of deployment and provides authority to improve the personnel readiness of the National Guard.

It also requires the Secretary of Defense to review and make improvements to the Integrated Disability Evaluation System for members of the Reserve components.

Further, it authorizes transitional compensation and other benefits for dependents of a servicemember who is separated from the Armed Forces because of a court-martial and forfeits all pay and benefits.

This bill does not include the request for military retirees to pay more for health care.

In conclusion, I want to thank Mrs. DAVIS and her staff for their contributions and support in this process. I particularly appreciate the active, informed, and dedicated subcommittee members, supported by the professional staff. Their recommendations and priorities are clearly reflected in the Defense Authorization Act for Fiscal Year 2014.

I urge all my colleagues to support this bill.

□ 1800

Mr. SMITH of Washington. Mr. Chairman, I yield 3 minutes to the gentlelady from California (Mrs. DAVIS), the ranking member of the Military Personnel Subcommittee.

Mrs. DAVIS of California. I want to thank my colleagues on the committee for working together to bring forward a good bill. My thanks, of course, to Chairman WILSON and to the committee staff for working in a bipartisan manner.

The bill contains a multitude of provisions to address the issue of sexual assault; and while it may seem that this year Congress focused on sexual assault in the military, the reality is that this committee and its members have been working hard to address this issue, which demands our attention, for the last several years. This committee has, once again, put forward a number of proposals; but as much as we would wish that legislation alone will stop someone from committing a sexual act, we know that is not the case. It will also not stop the fear of retaliation, which prevents a number of servicemembers from reporting a sexual assault.

This problem and how we deal with it has to start and end with those who wear the uniform, but it is important that we provide them the tools they need to effectively change the system and, ultimately, the culture by holding perpetrators accountable and commanders and prosecutors to the highest standard. Whether through bystander intervention, command climates that do not tolerate or condone sexual harassment and innuendo, and appropriate prosecutions and command actions, our servicemembers are ultimately the change agents who need to step forward.

This bill also focuses on the dependents and families who have sacrificed so much as well and who have been the backbone of support for our servicemembers through over a decade of war. Military families also bear the scars of war, and many need help as well. I am pleased that the bill includes a number of provisions to support families, including a provision that seeks to track the number of dependents who have taken their own lives by suicide. While the number of suicides for Active Duty members has increased, we have heard anecdotal evidence that the same holds

true for dependents, and the bill seeks to determine if the Services can begin to track these individuals as well so that we can determine the best course of action to also address this critical problem.

Included are several provisions to address issues within the Reserve components, including a requirement that members of the Reserve be provided at least 120 days' notification of their deployments. We have been in conflict for more than a decade, and it's time that the Services ensure that, when individuals and units are called to deploy or if their orders are canceled, they have adequate time to prepare.

I would like to mention, though, Mr. Chairman, that there is one provision which, I think, could adversely impact the morale, well-being, good order, and discipline of the force. It is a provision that extends protections to the actions and speech of servicemembers. In essence, this provision protects an individual who engages in hateful or discriminatory speech or action, and a commander may take action only when actual harm occurs.

The Acting CHAIR (Mr. COLLINS of Georgia). The time of the gentlewoman has expired.

Mr. SMITH of Washington. I yield the gentlelady an additional 30 seconds.

Mrs. DAVIS of California. So if this language becomes law, a servicemember could engage in such speech and action for as long as and as much as desired, and a commander could only act against the individual when, say, the first shot was taken. I don't believe that was the author's intent, but I do believe that the language as currently written could be made to be understood in that fashion.

While I have some concerns with the provisions in the bill, the overall bill provides many benefits to our troops and their families, and I urge my colleagues to support it.

Mr. MCKEON. Mr. Chairman, I yield 3 minutes to my friend and colleague, the chairman of the Subcommittee on Tactical Air and Land Forces, the gentleman from Ohio (Mr. TURNER).

Mr. TURNER. Mr. Chairman, I am here today to speak in favor of the National Defense Authorization Act, and I am very privileged to serve as the chairman of the Tactical Air and Land Forces Subcommittee.

I first want to begin by thanking Chairman MCKEON and Ranking Member SMITH for their support for the provisions in the bill that go to address the important issue of sexual assault in the military.

Ms. TSONGAS and I were tasked by the ranking member and the chairman to come up with a bipartisan solution. We worked directly with the staffs of both the ranking member and the chair, and we believe that we have put provisions in this bill with the full bipartisan support of the committee, which will end the re-victimization of the victim. We have a problem of sexual assault in the military, and that

problem is that the perpetrators feel safe and that the victims feel insecure and re-victimized. This bill includes provisions of the Turner-Tsongas BE SAFE Act. It also includes provisions from Representatives HECK, WALORSKI, NOEM, CASTRO, SANCHEZ, and DUCKWORTH.

Basically, this bill will strip commanders of their authority to dismiss a conviction for a serious offense by a court-martial, and it significantly limits the commander's ability to modify or dismiss the sentence determined by a court-martial, but we go even beyond that.

This bill says if you commit a sexual assault, you are out. If you have an inappropriate relationship between a trainer and a trainee, you are out. No longer will it be tolerated for someone to commit a sexual assault and stay in the military. No longer will victims ever have to passionately tell in a hearing before Congress that they were forced to salute someone who had committed a sexual assault against them.

We ask for the Department of Defense to convene an independent panel to review all of the Uniform Code of Military Justice as it applies to sexual assault so that we can see if there are additional provisions and reforms that need to be enacted.

I want to thank my ranking member, LORETTA SANCHEZ, on the Tactical Air and Land Forces Subcommittee. We have worked together to make our priority that of serving our men and women in uniform in the area of Afghanistan. Also, we've added over \$1.3 billion in the President's budget that was requested to be authorized to address urgent operational needs for the warfighter, including counter-improvised explosive device requirements.

The bill includes support for the production in our Nation's heavy armored vehicle industrial base by maintaining the minimum sustained production of upgrade modifications for the Abrams tanks and heavy improved recovery vehicles.

The committee bill retains the Air Force's Global Hawk Block 30 unmanned intelligence, surveillance and reconnaissance aircraft to support the deployed warfighter rather than placing these aircraft in storage as the Air Force plans to do.

The committee bill also addresses the critical need to reduce the weight of individual warfighter equipment, improve acquisition practices used for this gear, and it requires the Secretary of Defense to assess options for providing personnel protection equipment specifically fitted for the female warfighter.

Our subcommittee is very proud to look at all of the aspects and ways that we can support the warfighter. Again, I want to thank the chair and the ranking member for their steadfast support in addressing the epidemic issue that we have of sexual assault in the military.

Mr. SMITH of Washington. I yield 3 minutes to the gentleman from Ten-

nessee (Mr. COOPER), who is the ranking member on the Strategic Forces Subcommittee.

Mr. COOPER. I thank my friend and colleague from Washington State for yielding.

Mr. Chairman, I rise in support of the work of the Strategic Forces Subcommittee. I would particularly like to thank Chairman ROGERS for his friendship and bipartisan leadership, as well as to thank all of the members of the subcommittee.

I support the many provisions in the bill that strengthen our national security.

The bill, for example, maintains a safe, secure and reliable nuclear arsenal while improving the effective oversight of the National Nuclear Security Administration's cost assessments, efforts and planning.

The bill supports nuclear non-proliferation efforts, including an increase of \$23 million to reduce the risk of nuclear terrorism and the spread of nuclear weapons.

The bill increases funding for regional missile defense assets to protect our deployed forces and allies, including important cooperation with Israel against short- and medium-range missile threats.

The bill authorizes defense environmental cleanup activities; and, finally, the bill supports investments in military and space assets.

However, I also should report that I do have reservations about several provisions in the bill that, in my opinion, undermine national security and waste taxpayer dollars.

For example, the bill blocks prudent nuclear weapons reductions, including New START reductions, which would strengthen strategic stability.

The bill increases funding for nuclear weapons by \$220 million over the President's already generous budget request.

The bill accelerates the funding of the Ground-Based Midcourse Defense program spending by nearly \$250 million, and it jumps to conclusions about east coast missile defense sites against the best military advice of our generals.

Finally, the bill changes NNSA health and safety oversight, undermining the independent oversight of defense nuclear sites related to worker and public protection as well as increasing the Secretary of Energy's authority to fire employees without due process.

I look forward, Mr. Chairman, to debating the merits of these and other provisions of the bill.

□ 1810

Mr. McKEON. Mr. Chairman, I yield 3 minutes to my friend and colleague, the chairman of the Subcommittee on Strategic Forces, the gentleman from Alabama (Mr. ROGERS).

Mr. ROGERS of Alabama. Mr. Chairman, as chairman of the Strategic Forces Subcommittee, I rise in support of H.R. 1960, the National Defense Authorization Act for fiscal year 2014.

It's important to understand what this bill does and why it deserves our support. For example:

It streamlines the acquisition of 14 ground-based interceptors announced by the Secretary of Defense on March 15, saving the taxpayer hundreds of millions of dollars;

It ensures that strategic competitors do not gain inadvertent access to vital systems or information because of reliance on commercial sitcom providers;

It prohibits the transfer of some missile defense technology to Russia and strengthens congressional oversight of administration efforts with regards to U.S.-Russia missile defense cooperation generally;

It invests in proven and vital systems like the Iron Dome and short-range rocket defense systems;

It provides significant resources above the President's request for other Israeli cooperative missile defense programs like Arrow 2, Arrow 3, and the David's Sling weapons system;

It forces efficiencies and prioritization of critical nuclear modernization programs in the budget of the National Nuclear Security Administration; and

It implements several initiatives to improve security at the National Nuclear Security Administration and NSA, and streamlines the process to terminate DOE employees negligent in their duties at category 1 nuclear material sites like the Y-12 site.

Mr. Chairman, I want to thank the full committee chairman, BUCK McKEON, for his leadership this year. Without him, this process would not have worked nearly as well. And I also want to thank my friend and colleague, the ranking member from Tennessee (Mr. COOPER), who has been a great partner in this process.

I urge all of my colleagues to support the bill.

Mr. SMITH of Washington. Mr. Chairman, I yield 3 minutes to the gentlelady from Guam (Ms. BORDALLO), who is the ranking member on the Readiness Subcommittee.

Ms. BORDALLO. Mr. Chairman, I want to say at the onset that I've enjoyed very much working in a bipartisan manner with the chairman of the Readiness Subcommittee, Mr. ROB WITTMAN, also the chair of the full committee, Mr. McKEON, and the ranking member of the full committee, Mr. ADAM SMITH. I want to thank also the committee and professional staff for the many long hours that they've put into getting this bill ready.

I rise in strong support of H.R. 1960. This bill works to ensure that our men and women in uniform are well trained and equipped to defend our Nation and its allies.

Although this bill represents the hard work and efforts of both the majority and the minority, I want to highlight the need to resolve sequestration. I hope that this Congress undertakes serious efforts to finally fix sequestration with a comprehensive solution. We can avoid this problem.

I would like to highlight a few important readiness issues.

The bill provides a 1-year extension of authority for certain pay and benefits to civilian personnel who are forward deployed, performing critical operations overseas and in combat zones. We are also requiring GAO to look into how the furloughs of civilian employees are being implemented by the Department of Defense to ensure they are implemented in a fair and equitable manner and to understand the impact on mission execution.

The bill addresses sustainment issues for two important procurement programs: the F-35 Joint Strike Fighter and the LCS. We must understand the costs associated with the sustainment of these programs over the long term to make informed decisions about the future of these programs. The bill also contains a provision that will close loopholes that allow MSC and Navy to repair an increasing number of ships overseas.

I am especially pleased to note that this bill puts real resources into the rebalance of our military toward the Asia-Pacific region. The bill takes a commonsense approach and rolls back restrictive language that hampers the obligation and the expenditure of Government of Japan funds, which is positive for our bilateral relationship with the Government of Japan. The bill continues the House's consistent position of support of the realignment of forces in this region.

The Acting CHAIR. The time of the gentlewoman has expired.

Mr. SMITH of Washington. I yield the gentlelady an additional 1 minute.

Ms. BORDALLO. We also provide funding for the LCS, continued development of the next generation long-range strike bomber, and robust procurement of Virginia class submarines, which are all assets that are important to our rebalance to the Asia-Pacific region.

However, I am concerned about section 233 in the underlying bill. I appreciate the intent of this provision. We do need to ensure the defense of our allies in East Asia. Yet this provision unduly restricts our combatant commanders from providing support to emerging threats or supporting other allies in other areas. The provision is unnecessary, and it negatively impacts our military's readiness. I hope that the Rules Committee will make my amendment in order to improve the provision.

Again, I thank my colleagues, and I urge all my colleagues to support this vitally important bill.

Mr. MCKEON. Mr. Chairman, I yield 3 minutes to my friend and colleague, the chairman of the Subcommittee on Seapower and Projection Forces, the gentleman from Virginia (Mr. FORBES).

Mr. FORBES. Mr. Chairman, I rise in support of the National Defense Authorization Act for Fiscal Year 2014.

With Chairman MCKEON's and Ranking Member SMITH's leadership, I be-

lieve that this bill provides the right authorities and sufficient resources to demonstrate our resounding and unequivocal support for the men and women who place their service to country above all things. I think we could all learn from their service and devotion.

As to the Seapower and Projection Forces Subcommittee mark, I continue to be concerned about both the size and composition of our Navy's fleet. In the 30-year shipbuilding plan, the administration has indicated a requirement of 306 ships. The 2010 QDR independent panel indicated a requirement of 346 ships. Unfortunately, the Navy has proposed a reduction of the fleet to 270 ships in just the next year. Various outside experts have indicated that if we continue to support our current level of shipbuilding investments, the fleet could be reduced further to just 240 ships. This path is simply unacceptable.

Given the budget cuts of the past 4 years, which I opposed, I think this bill does a good job of reversing some of these negative trends and takes a step in the right direction by authorizing eight combat ships and ensuring that we retain and modernize our current fleet to the end of their service life.

I remain very pleased with the direction of our projection forces. This bill provides strategic Air Force investments in terms of both the KC-46A tanker program and the Long-Range Strike Bomber. These are critical capabilities that need to be nurtured carefully.

This mark also includes important cost-saving initiatives that provide the Navy and Air Force with the ability to procure E-2D Hawkeye and C-130H Super Hercules aircraft using multiyear procurement authority. These legislative provisions alone are projected to save taxpayers over \$1 billion.

As I look to the future, I believe that it's essential to ensure strategy drives our debate.

Mr. Chairman, we've gone a long ways to reverse some of these negative trends. I think this bill does a good job of supporting our forces, and I would urge my colleagues to support this bill.

I thank my colleague and friend, MIKE MCINTYRE, my ranking member, and our hardworking staff for their efforts in producing this bill.

Mr. SMITH of Washington. Mr. Chairman, could you please let us know how much time is remaining?

The Acting CHAIR. The gentleman from Washington has 12½ minutes remaining, and the gentleman from California has 11 minutes remaining.

Mr. SMITH of Washington. Mr. Chairman, I yield 3 minutes to the gentlelady from Massachusetts (Ms. TSONGAS), who is the ranking member on the Oversight Investigation Committee and also has done fabulous work on the sexual assault legislation contained in this bill.

Ms. TSONGAS. Mr. Chairman, this year's NDAA takes unprecedented

steps to address a disturbing prevalence of sexual assault in the military, and I want to thank Chairman MCKEON, Ranking Member SMITH, Congressman WILSON, and Congresswoman DAVIS for including these provisions in the bill. I'd also like to thank my co-chair of the Military Sexual Assault Prevention Caucus, Congressman MIKE TURNER.

In recent months, we have seen reports rise, military commanders and supervisors abuse their authority, and officers in charge of sexual assault prevention efforts allegedly commit the crimes they were sworn to stop. This is a systemic problem, and the NDAA takes real consequential actions in response.

This NDAA begins to reform the power of a military commander, the first major bipartisan effort in decades to make such a significant change on the command structure.

□ 1820

Commanders will no longer have the authority to dismiss court-martial convictions for serious offenses, including sexual assault, and are prohibited from reducing guilty findings for serious offenses. It makes sure that those who are convicted of sexual assault will, at a minimum, be dishonorably discharged or dismissed. And this bill continues our push to provide victims of sexual assault with access to legal counsel, which is a critical step in the process of creating an environment that encourages victims to report these crimes and in bringing those responsible to justice.

These, and others, are significant reforms that offer considerable momentum toward changing the deeply rooted and flawed culture that has allowed these crimes to pervade our Armed Forces. We are making progress, but there is a long way to go.

Last year's bill established a nine-member independent review panel to evaluate the systems used to investigate, prosecute, and adjudicate sexual assault crimes under the Uniform Code of Military Justice. The members of this panel are just getting to work now, and their input, 1 year from now, will be invaluable in making sure that Congress continues its work to make the best reforms possible and end the scourge of sexual assault.

I look forward to continuing to work with many Members in both Chambers, the victims who have bravely come forward, and the committed military leaders who are all meaningfully contributing to this debate to ensure that this issue can never again be disregarded or ignored.

I also want to take a moment to highlight the important work that this bill advances to develop superior, lightweight body armor for our servicemembers. While the ceramic plates which our servicemembers insert into their tactical vests have always provided the requisite level of protection in Iraq and Afghanistan, they are unfortunately

still too heavy and are causing an epidemic of musculoskeletal injuries among servicemembers, which the VA will be paying for over decades to come.

Last year, the NDAA contained language requiring the continued development of body armor systems for female servicemembers, as the legacy systems fit poorly.

The Acting CHAIR. The time of the gentlewoman has expired.

Mr. SMITH of Washington. I yield an additional 30 seconds to the gentlelady.

Ms. TSONGAS. Lightweight body armor that hadn't been designed for female members put female soldiers at greater risk in the field. This year's bill requires the Secretary of Defense to submit a comprehensive R&D strategy for lightweight body armor to Congress. I believe this is an important step, and I thank Air and Land Subcommittee Chair TURNER and Ranking Member SANCHEZ for their work on this matter.

Mr. MCKEON. Mr. Chairman, I yield 3 minutes to the gentlewoman from Alabama (Mrs. ROBY), my friend and colleague, the chairman of the Subcommittee on Oversight and Investigations.

Mrs. ROBY. Mr. Chairman, I am proud to rise in support of H.R. 1960, and I would like to thank my chairman and the ranking member and all of the subcommittee chairmen and ranking members for all of the hard work that has gone into this bill. This is a strong, bipartisan bill that properly funds our military. It provides for our men and women in uniform and their families, while ensuring that our warfighters have the necessary equipment and provisions to continue to ensure our Nation's security.

I am honored to chair the Oversight and Investigations Subcommittee of the House Armed Services Committee. I am pleased to have as my colleague and ranking member Ms. TSONGAS of Massachusetts.

The world has changed tremendously in the past decade. It remains a dangerous place, but in new and challenging ways. For this reason, H.R. 1960 takes into account the threats this Nation faces today and the forces that we must maintain in response. The members of the House Armed Services Committee are united in the belief that we must not return to the days of a "holow" military decried by General Edward "Shy" Meyer 33 years ago.

Indeed, H.R. 1960 addresses part of our military's current readiness crisis. It restores funding so planes can take flight, ships can sail, and our military can train at the pace and scope that's necessary. This bill responsibly responds to the global conditions, but does so within this Nation's fiscal constraints.

H.R. 1960 also ensures that, as Afghan forces assume an incredibly large role in Afghanistan's defense, preserving the safety and security of Afghan women will be among our priorities. It

includes important provisions so that the Department of Defense understands the lessons of Benghazi and organizes its forces to preclude or better respond to a similar attack. This year's National Defense Authorization Act maintains that the detention facility in Guantanamo Bay is being funded, operated, and managed properly; and it also provides the necessary guidance relating to Iran, North Korea, and Syria.

I'm proud to represent two distinguished military installations, Maxwell Air Force Base and Fort Rucker, and I'm mindful of the important role these and all other installations around the world play in ensuring the defense of this great Nation.

In light of the strong provisions included in H.R. 1960 and the collaborative, bipartisan sentiments upon which it rests, I join my colleagues in urging support for the National Defense Authorization Act.

Mr. SMITH of Washington. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey (Mr. ANDREWS).

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

Mr. ANDREWS. Mr. Chairman, I thank my friend for yielding, and I would like to thank and congratulate him and Chairman MCKEON and their outstanding staffs for first-rate work and leadership on this issue.

This bill is an example of a properly resourced and properly thought-out plan that would serve the interests of those who serve us. As we meet tonight, there are America's best sons and daughters stationed around the world in dangerous and often lonely places who are defending our freedom and doing us proud every single day. I do believe this budget plan is one that gives them the tools and the support that they need. It has many good things to recommend it.

But I wish it were actually going to take effect, because the fact of the matter is unless this Congress acts, this plan will never take effect. Instead, it will be about \$50 billion shy of the resources that we're going to debate and vote on this week.

Mr. Chairman, I think the whole House would be well-served by following the example by which this legislation was put together. Led by Chairman MCKEON and Mr. SMITH, there was open, transparent, substantive dialogue throughout this process. Members on both sides of the aisle met for—my goodness, was it 16 hours, 18 hours, it seemed like longer, and any idea that any Member had was brought to the body, was vigorously debated, and either approved or disapproved. There was an open process that led to a good piece of legislation.

This is exactly the opposite of what we've done on the sequestration problem. There have been backroom meetings. There have been high-level discussions, and absolutely nothing has

happened. This, frankly, is a bipartisan responsibility of a national problem.

I think that what is incumbent upon us doing here is the budget that has passed this Chamber and the budget that has passed the other body should be brought to a conference, and our body should select our conferees, and I'm sure the other body will select its, and they will thrash out this process and, I hope, come to a resolution of this mindless, harmful sequestration process.

About a third of our Navy and Air Force planes aren't flying training missions because of sequestration. There's intelligence training for intelligence units throughout the services not being done because of sequestration. Important research and development, deferred maintenance on our capital stock, isn't being done because of this problem.

We have spent hours in this Chamber accusing each other of whose fault it is that we are in this box. I, frankly, think the American people are tired of hearing whose fault it is and are ready to see this problem resolved.

The Acting CHAIR. The time of the gentleman has expired.

Mr. SMITH of Washington. I yield an additional 30 seconds to the gentleman.

Mr. ANDREWS. I thank my friend.

The way to solve this problem is to emulate the example Chairman MCKEON and Mr. SMITH have given us: have a fair, transparent, open process; debate the issues; make some difficult choices. There are other difficult choices yet to make because of the amendments that are forthcoming.

When the Members are given the chance to act in regular order, we can solve problems. Let's have that full and open debate on sequestration; and some day the plan that we're going to pass this week will actually take effect.

Mr. MCKEON. Mr. Chairman, I yield 2 minutes to the gentlelady from South Dakota (Mrs. NOEM), my friend and colleague and a member of the Armed Services Committee.

Mrs. NOEM. I thank the chairman for leading and for all of his hard work on this very important bill that we have on the floor today.

Mr. Chairman, the number is staggering: 26,000. That's how many military members were sexually assaulted last year alone; and thousands more were unwilling to come forward. Since 2010, there has been a 35 percent increase in military sexual assault.

□ 1830

This is a disturbing trend that needs to be stopped, and I would like to thank the chairman for working with me and for many other members on the committee to do just exactly that.

There's no doubt that our military is the strongest and most capable force in the world. The men and women who voluntarily step up to serve and to defend this country know full well that they will be called, potentially, to serve in times of danger. But they

should never, under any circumstances, feel threatened in one another's presence. For many, the military is an extension of family, and nothing hurts more than being hurt or let down by one of your own.

Last week, the House Armed Services Committee passed the 2014 National Defense Authorization Act by an overwhelming vote of 59-2. I was proud to support the bill in committee. It takes important steps to address the rise of sexual assault in our military, including several provisions that I authored. These provisions will improve military sexual assault investigations. They will also standardize sexual assault prevention training programs, and require the Pentagon to increase scrutiny of those selected that will fill sexual assault prevention positions in the military, necessary reforms that need to get done.

For years, lawmakers, military officials, and civilians, alike, have discussed the need to bring an end to sexual assault. I see a real opportunity with this bill to put those words into action, to take meaningful steps to address this growing problem.

It's time to say, once and for all, that sexual assault ends now. In order to do that, we need to ensure that there are adequate protections in place that encourage the reporting of sexual assaults without fear of reprisal or further abuse from peers. We must provide support for victims and insist on swift punishment for those responsible.

Mr. SMITH of Washington. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut (Mr. COURTNEY).

Mr. COURTNEY. Mr. Chairman, I rise in support of the National Defense Authorization Act of 2014 and, again, I want to congratulate the chairman and the ranking member and the committee staff for a process that was really a breath of fresh air in this Congress—a long meeting, lots of hot debates and passionate debates, many opportunities, frankly, for the polarization that seems to dominate this Congress to break down the process.

But at the end of the day, we had a strong vote, 59-2, obviously very bipartisan, and we came together as a committee to make sure that core functions of the government, our national defense are, in fact, going to be advanced. In particular, I want to focus for a moment on the bipartisan effort made in the Seapower and Projection Force Subcommittee to support our Nation's shipbuilding priorities.

This bill supports the President's budget request for continued projection of two Virginia-class submarines in 2014, building on our efforts last year to restore a boat that had been removed from the shipbuilding plan. This measure also continues investment in critical undersea capabilities, such as the replacement of our SSBN fleet and the Virginia Payload Module.

In particular, and also, the bill supports construction of eight battle force

ships, four littoral combat ships, a DDG 51 destroyer, as well as continued work on a new aircraft carrier and vital seapower programs. To put that in context, the build rate in 2006 was only four battle force ships; in 2008, it was only three battle force ships.

As we have heard firsthand in our subcommittee, a stable, predictable, and robust shipbuilding plan is the best way to ensure that our taxpayers are getting cost-effective ships with the block grant fixed price model that is producing ships ahead of schedule and below price. I know this is an issue that our panel will continue to look at closely as we move forward.

In 2011, in Libya, we saw firsthand the value of a strong Naval force, where Operation Odyssey Dawn used seapower to wipe out the air defense system of Muammar Qadhafi. Again, using surface ships and submarines firing Tomahawk missiles, in a matter of hours we had advanced the cause for our NATO allies to finish up the work. So this is, again, critical to the refocus of our naval and strategic plan in Asia-Pacific and the Middle East.

Again, we need a strong shipbuilding plan and naval force structure, which this bill will provide strong resources, again, far greater than in past years.

So, again, I want to close by saluting the chairman's tremendous work and our staff, in terms of making sure that both sides of the aisle came together to protect core functions of our government, which, again, the Seapower Subcommittee, in particular, will advance.

Mr. McKEON. Mr. Chairman, I yield 2½ minutes to the gentlewoman from Indiana (Mrs. WALORSKI), my friend and colleague, and a member of the Armed Services Committee.

Mrs. WALORSKI. Mr. Chairman, I want to thank the chairman of the House Armed Services Committee for yielding me time. I also want to thank him for his tremendous leadership, and Mr. SMITH, as well, in crafting a bill that brings solutions to combat sexual violence in the Armed Forces.

This bill includes a provision that I authored with Congresswoman LORETTA SANCHEZ to encourage victims to step out of the darkness. The provision specifically identifies reports of sexual assault as a form of communication under whistleblower protections. It ensures that victims cannot face reprisal for reporting acts of sexual assault.

Sexual violence has reached epidemic proportions and is eroding the foundations of trust that our military traditions have been built upon.

I had the privilege to visit our troops in Afghanistan and stand shoulder-to-shoulder with the finest military in the world. Hearing their concerns on this issue firsthand typifies the horrific reality of this situation.

Mr. Chairman, there were an estimated 26,000 cases of military sexual assault last year alone, with only 3,600 victims reporting. It's reported that 62 percent of those who have been assaulted went on to experience some form of retaliation.

Citing these facts and figures does not attest to the victims and the real-life faces of this problem. We're talking about our sons and daughters. We are talking about our brothers and sisters.

In Indiana, a brave woman named Lisa Wilken, an Air Force veteran, came forward to share her own story of repetitive sexual abuse that she suffered during her military career. After being raped, she reported the incident to the Air Force. Her description of the reporting process was chilling. Whistleblower protections like what I'm talking about today will create an environment for safe reporting so that victims like Lisa can come forward and demand justice.

For the troops who've been victimized while serving their country and the countless Americans who some day want to serve in this great military, I ask that we do the right thing. It's time for this Congress to do the right thing, and it's time for this Congress to act. I ask my colleagues to join me in supporting this bill and the thoughtful reforms contained within.

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

I just, again, want to emphasize how important this piece of legislation is, and the work that goes into it.

And all the Members have said this is the way legislation is supposed to work. It really does work when you do the legislative process, when you have committee hearings and you debate amendments and you put together a product.

And also to remind folks how important this piece of legislation is. It funds and supports our military in providing for the national security of this country. It is critically important that we pass it and get it done.

I do also, however, want to emphasize the point that Mr. ANDREWS made, and that is that, unfortunately, unless we do something about sequestration, this bill is going to be largely undone. Taking \$50 billion out of this budget in a meat-ax fashion will not be helpful. We have to do something about sequestration if we're going to be able to protect this process.

So I would urge the full body to follow the example of the Armed Services Committee: get together, work out a bipartisan solution to make sure that we can protect this work and not just the national security.

Sequestration obviously affects all parts of government in a very, very negative way; infrastructure, education, health care all jeopardized by the sequestration legislation. So I would urge us to deal with that.

But, in the meantime, I thank the chairman and I thank all the members and the staff for the great work that they've done in putting together this bill, and I urge support.

I yield back the balance of my time. Mr. McKEON. Might I inquire how much time we have remaining?

The Acting CHAIR. The gentleman has 4½ minutes.

Mr. McKEON. Mr. Chairman, I yield myself the balance of the time.

At this time, I'd like to thank Mr. SMITH. This is our third bill that we've worked on in these positions, and I think we've become better friends over the years. We understand each other. We know that we, at times, will have disagreements.

I have to confess, I've been married now 50 years, and my wife and I have had a couple of disagreements. I was always wrong, and she's stood by me, and we've had a great relationship.

And we have a great relationship working in this committee. Likewise, our staff. I think they have done yeoman's work to get us to this point. And our subcommittee chairmen and ranking members that we've heard speak here today.

And I have to agree with Mr. SMITH on the sequestration.

□ 1840

We, I think, all understand that this is bad for our Nation. We voted on it, those of us who did, knowing that, understanding that it would never happen. Well, reality set in, and it happened. I've had a few people come to me and say, gee, sequestration isn't that bad. They really haven't seen the full impact to this point. We're just starting into the first year of sequestration. And I was meeting with General Breedlove today, our new European commander. And he's just a month into his new job, and he's starting to feel the sequestration.

I think what we need to understand is—and I've talked to each of our military leaders as they came in and secretaries as they came before our committee for the hearings that led up to this bill—that if something doesn't happen between now and September 30, all of this work, everything that we're working on is, as Mr. SMITH has pointed out, going away. We are cutting \$487 billion out of defense over the next 10 years. That's in the bill. We also, through sequestration, cut another \$500 billion out of defense over the next 10 years. That is not reflected in this bill. Our Budget Committee in the House passed a budget, and they kept the top line number from the Budget Control Act of \$967 billion, and they gave us additional money for defense, which we've used in this bill. But if we're not able to resolve the differences between us and the Senate on September 30, it will be like Cinderella and that magic shoe. Everything goes away. The carriage becomes a cantaloupe, or a pumpkin, and it's bad times.

We've got to deal with that, we've got to deal with raising the debt limit, and there are a lot of very serious things on the table. So I would encourage all of our colleagues to join in the debate tomorrow.

We had a great debate in committee. We had differences, and we talked about them. We didn't get personal,

and we didn't get rancorous. We came out with a vote of 59-2 because everybody on this committee understands how important our work is, how important our national defense is, and how important the men and the women and their families in uniform are, and we stand behind them. Now we do need to make sure that we have the resources that they need.

With that, Mr. Chairman, I would encourage all of us to support this bill tomorrow. Join in the process. Make it a better bill if we can.

I yield back the balance of my time. The Acting CHAIR. All time for general debate has expired.

Pursuant to the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. GRIFFITH of Virginia) having assumed the chair, Mr. COLLINS of Georgia, 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. 1960) to authorize appropriations for fiscal year 2014 for military activities of the Department of Defense and for military construction, to prescribe military personnel strengths for such fiscal year, and for other purposes, had come to no resolution thereon.

AMERICA'S FUTURE

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

Mr. COLLINS of Georgia. Mr. Speaker, my friends on the other side of the aisle like to refer to the House majority as the Party of No. And do you know what? I'm okay with that. We've said no to unending and out-of-control spending and passed a budget that balances in 10 years. We've said no to the largest tax increase in history and repealed ObamaCare. We said no to fraud and political games and demanded answers from the Internal Revenue Service.

We've said no to the fact that four Americans in Benghazi are dead and we will not rest until we have answers. We've said no to the tax more, spend more, save less, Big Government, job killing machine that is crushing the American spirit and our economic growth.

We've replaced government growth and regulations with reform. We have restored transparency and trust. We're giving our Nation a reason to believe that one day our children won't be looking for a job, they will be creating jobs.

America was founded by patriots who said no to the tyrannical government that was crushing their freedom and economic future. And America's future rests in the hands of those who will carry on the torch of freedom to protect the future of their children and grandchildren. America's future rests in the hands of those who are sometimes willing to say no.

SAFE CLIMATE CAUCUS

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

Mr. TONKO. Mr. Speaker, State governments, institutions, businesses and private individuals are organizing to meet the challenges and opportunities of climate change.

For example, experts from New York State's land-grant college, Cornell University, have partnered with others at McGill University in Montreal and the private sector to define the needs of the region's agricultural sector in a warmer climate. Farmers will need new plant varieties. The longer growing season will open possibilities for growing new crops. The timing of planting and fertilizing will change.

Pest management will, indeed, be different. Climate change can be approached with a positive perspective for agriculture, but only if we plan now to take advantage of new opportunities and prepare for the transition.

So where are we, as a body, on this issue? We should be talking climate change and taking it into account as we move a new 5-year farm bill forward. We should be taking action to adapt our infrastructure and economy to these changes. But there is no discussion or action on this crucial issue.

Change is underway. We have little time to lose. We can meet this challenge, slow down the rate of change, adapt to the new conditions and take advantage of new opportunities, but only if we begin today.

PROGRESSIVE CAUCUS

The SPEAKER pro tempore (Mr. COLLINS of Georgia). Under the Speaker's announced policy of January 3, 2013, the gentlewoman from California (Ms. LEE) is recognized for 60 minutes as the designee of the minority leader.

Ms. LEE of California. Mr. Speaker, first of all, let me just say I am truly honored tonight to anchor this Special Order on the farm bill on behalf of the Congressional Progressive Caucus. And I just want to thank our cochairs, Congressman KEITH ELLISON and Congressman RAÚL GRIJALVA, for their tremendous leadership and for giving us the opportunity to really speak to the American people once a week about what has truly taken place here in Washington, D.C.

As the cochair of the Out-of-Poverty Caucus, which we founded actually during the Bush administration, and now chair of the new Democratic Whip Task Force on Poverty and Opportunity, let me just highlight how truly important it is to continue to support programs that lift Americans out of poverty.

Even as our economy slowly recovers, income inequality continues to grow. Unfortunately, too many people who are working are poor, and they're living on the edge.

I want to take a moment now and just yield a few minutes to my colleague from Minnesota, the cochair of

the Progressive Caucus, and I will return and complete what I have to say, but I know he has to leave, and I would like for him to be able to engage in this discussion at this point.

Mr. ELLISON. Mr. Speaker, I just want to thank the gentlelady from California, BARBARA LEE, who has been leading this country for years on the question of economic justice, civil rights and human rights. This issue of the Supplemental Nutrition Assistance Program, also known as food stamps, is critical. We have a farm bill that contemplates a \$20 billion cut in the food stamp program, and I think it's just important that Americans know just a few basic things about the food stamp program. One is that many people on food stamps have jobs and work every day. These folks work hard. They work in jobs that pay so little that they don't have enough money to make it without some assistance. But these are the people who probably are making sure that the office buildings we go into are clean and sanitary. These are the folks who prepare fast-food. These people are the folks who make sure that it's safe, because some of the security guards making very low wages.

In fact, in 2010, 41 percent of SNAP recipients lived in a household with earnings. That means 41 percent were earning some income, but they still didn't earn enough money to make a go of it. So this idea that food stamps promote dependency is wrong.

□ 1850

In fact, what food stamps do is provide enough food for families to make it, nearly half of whom are working a job.

It's also important to bear in mind, too, that 76 percent of SNAP households include a child, a senior citizen, or a disabled person, and about 45 percent of SNAP recipients are in fact children. The reality is that if you have a problem with SNAP, then we're talking about children, seniors and disabled people, three-quarters of whom are those households that receive SNAP.

Now, it is also true that there are some single adults who get SNAP. I had a chance to meet one on Monday. This young fellow is 19 years old, and he had been looking for work, going from place to place. He hadn't eaten in a few days and actually got so dizzy that he fell. His friends picked him up, got him some supplemental food quickly, and then he somehow got into the SNAP program. But when I looked in the eyes of this young fellow, I didn't see somebody who didn't want to work. I saw a hardworking Minnesotan who wanted to make a contribution, but who had tough times and was down on his luck for a little while. He wanted to work, he is still looking for a job, but the food stamps got him in a position where he could look for a job.

I just want to share with you, Mr. Speaker and Congresswoman LEE, on Monday, my good friend BETTY MCCOL-

LUM and I were at the State legislature in St. Paul, Minnesota. BETTY represents St. Paul, I represent Minneapolis. We came together and we listened to some people who really know the firsthand experience. We talked to people from the faith community. Patricia Law of St. Paul Church of Christ. We talked to Marie Ellis of Catholic Charities, and Judith Tannenbaum of Maison. All three of them talked about how if we cut SNAP to the tune that is proposed in the farm bill—the charities that they run are already stretched to the limit—therefore it would be very difficult for them to try to pick up the slack that the government would drop if the government quit.

Patricia Lull of the St. Paul Council of Churches—I said Church of Christ, I made a mistake, it was Council of Churches—has a slogan: “No More Hungry Neighbors.” She talked about 18,200 people seeking assistance from food shelves in Minnesota every day, which was pretty upsetting.

Another thing that I'd like to share with the Speaker, too, is that there was a woman who spoke from Hennepin County; she's a health administrator, and her name is Jennifer DeCubellis. She talked about the negative health effects of reduced nutrition access caused by SNAP cuts. So she is trying to describe how so many people who end up in the ER or who have medical problems, their underlying problem is that they're food insecure or housing insecure.

She talked about a woman who was not taking her meds. And they said, well, why don't you take the meds? She said, well, they hurt my stomach. Well, why do the meds hurt your stomach? Well, have you eaten? No, I don't have any money for food. So she's supposed to be eating this food, eating regularly, and she's not. So she's not taking the meds because they hurt her stomach. Getting food literally helps her take her medication. I just thought to myself, look, what are we doing? Richest country in the history of the world can't take care of some people who happen to have some tough times?

The bottom line is most people on SNAP don't use the program forever—some do use it for a long time—but many only use it for about a year when they need it. And as I said, 41 percent are working. I personally don't mind, as an American taxpayer, helping seniors, children, and people with disabilities have a good, healthy nutritious meal.

So I have to abandon my friends now; I'm sorry to have to do that. But I am so proud that we're here tonight saying that it's not weakness; you're not some kind of a sucker if you have compassion for your fellow Americans who don't have enough food. You're not throwing away money. You're doing something that is absolutely necessary, and any compassionate society would have a way to help people who cannot eat.

It's simply not the case that our churches, our synagogues, our mosques

and other charities can pick up the slack if the government drops out of helping people who are food insecure.

So I'm going to then thank my good friend from California for carrying on this great tradition. We're going to stay there for the folks on SNAP tonight.

Ms. LEE of California. I want to thank our cochair of the Progressive Caucus, Congressman ELLISON, for, once again, his tremendous leadership, but also for that very powerful and very graphic statement, sharing the stories of people who are struggling just to survive. That's what this is really about. The majority of people on SNAP do not want to be on SNAP; they want to work. They want to take care of their families, and they want to live the American Dream.

Let me yield now to the gentlelady from Connecticut, Congresswoman DELAURO, a member of the Appropriations Committee's Subcommittee on Ag. I don't know of anyone who has fought the good fight on behalf of the poor, low-income individuals, middle-income individuals, the most vulnerable—our seniors—more than Congresswoman DELAURO. So I want to thank the gentlelady for really staying true to the cause and for being here tonight with us.

Ms. DELAURO. Thank you so much. It's an honor to join with you. I know where your heart, your head and your courage lie with regard to this issue. And we applaud you for your efforts with regard to the one caucus around this place that says that our goal and our mission is to make sure that people who are poor today, let us help them move out of that being poor. Let us help them move into the middle class, because in fact they do want to work, they do want to take care of their families. They're not just statistics. They are people to be upheld and respected and not to be vilified in so many ways as they are there. So I congratulate you and your efforts.

I'm proud to be here with you tonight and with my colleague, Congressman ELLISON, and the Progressive Caucus for his comments and remarks. I see that we are also joined by our colleague, Mr. JOHNSON. I want to thank you for your efforts as well.

As you're talking about, what tonight is all about is highlighting severe immoral cuts that are made to anti-hunger and nutrition programs, particularly the food stamp program; And that is coming from the House of Representatives in the farm bill that passed out of committee.

Everybody knows millions of families are struggling in this economy. Across this country, nearly 15 percent of American households were food insecure in 2010. Nearly 50 million Americans—over 60 million children—are struggling with hunger right now. It is about children; it is about the disabled; it is about seniors. And this is a problem all across this land.

My State of Connecticut, in my district—Connecticut statistically is the

richest State in the Nation because we have Fairfield County, and some parts of the State are known as the Gold Coast, with very affluent people. But we have such pockets of hunger that, in my district, one out of seven is food insecure.

I'm tired of the commentary on food insecurity. What that means—and my colleague knows this, we've talked about this—it is about being hungry. These folks, one out of seven doesn't know where their next meal is coming from.

In Mississippi, 24.5 percent suffer food hardship, nearly one in four people. West Virginia and Kentucky, that drops to just over 22 percent, one in five. In Ohio, nearly 20 percent. California, just over 19 percent.

The estimates of Americans at risk of going hungry here in this land of plenty are appalling. And at times such as this, our key Federal food security programs become all the more important.

This is especially true of food stamps, our country's most important effort to deal with hunger here at home and to ensure that American families can put food on the table for their kids. Right now, food stamps are helping over 47 million Americans—nearly half of them children—to meet their basic food needs. They make a tremendous difference for the health and the well-being of families, as our colleague, Mr. ELLISON, pointed out with his examples.

Food stamps have been proven to improve low-income children's health, their development, reduced food insecurity, and have a continuing positive influence into adulthood.

You know, I listen to people that talk about waste, fraud, abuse. Food stamps always has one of the lowest error rates of any government program.

□ 1900

Go to the IRS, go to Defense, go to a crop insurance program, and you will find waste, fraud, and abuse.

Food stamps are good for the economy. Economists agree that food stamps have a powerful, positive impact on economic growth.

Last month, Bloomberg ran an article called, "Best Stimulus Package May Be Food Stamps," because they get resources into the hands of families who are going to spend those dollars right away.

Most importantly, food stamps are the right thing to do. Ninety-nine percent of food stamp recipients have incomes below the poverty line. It is the job of good government to help vulnerable families get back on their feet. In the words of Harry Truman:

Nothing is more important in our national life than the welfare of our children, and proper nourishment comes first in attaining this welfare.

This is something that everyone in Washington used to agree on. In the past, there's been a strong tradition of

bipartisanship on hunger and nutrition. From the left, leaders like George McGovern, and from the right, leaders like Bob Dole, came together. They made a difference for families who were in need.

Over the past 30 years, policies aimed at debt and deficit reduction to keep programs that help the most vulnerable among us to get by have always been protected on a bipartisan basis from deep cuts. But the farm bill coming out of the House right now seeks to destroy that tradition. In the name of deficit reduction, the bill slashes food stamps by more than \$20 billion, hurting millions of Americans in our economy.

By eliminating categorical eligibility, their bill would force up to 2 million low-income Americans to go hungry. Their bill kicks 210,000 low-income children from the free school lunch program. It changes the relationship between SNAP and LIHEAP to take benefits from more low-income Americans—mostly seniors and working families with kids.

Let's be clear: this has nothing to do with deficit reduction and everything to do with the ideological priorities of a House majority. Ever since the Speaker took the gavel, this majority has tried to slash through the most crucial threads of our American social safety net.

Their Ryan budget cut over \$130 billion from food stamps, mostly by converting it to an inadequate block grant. Last year, when the House Ag Committee had to identify \$33 billion in 10-year savings from the programs of their jurisdiction, they singled out food stamps for all of the cuts—not direct payments, not crop insurance—just food stamps for the entire cut.

This is terrible policy. It will cause hunger and more health problems. These cuts are lopsided and are a dereliction of our responsibility to the American people, and of our moral responsibility.

Let me quote the U.S. Conference of Catholic Bishops. They said last year:

We must form a "circle of protection" around programs that serve the poor and the vulnerable in our Nation and throughout the world.

And as Catholic leaders wrote last month:

Congress should support access to adequate and nutritious food for those in need and oppose attempts to weaken or restructure these programs that would result in reduced benefits to hungry people.

The House farm bill does the opposite. It jeopardizes the growth and development of our children, it jeopardizes seniors, and it puts at risk those disabled Americans.

In my district yesterday, I went to the Cornerstone Christian Church in Milford, Connecticut, and the representatives there were the woman who volunteers in their food bank program, Reverend Stackhouse of the Church of the Redeemer, Lucy Nolan of End Hunger Connecticut, Nancy Carrington,

who heads up the Connecticut Food Bank, and a young woman whose name was Penny.

She had worked all of her adult life. She lost her job. She thought it was going to be easy to get another job and to be able to make her mortgage payments and all of the other financial obligations that she had. In the midst of this financial crisis, she and her husband separated, putting the burden of the family on her shoulders. She didn't know where to turn. She didn't know how she was going to put food on the table.

She went to the Connecticut food bank. They helped her to be able to access the food stamp program. That's where she is now—still looking for a job, still wanting to work. Her pride enables her to continue to look for that job. The courage of speaking before this group yesterday and the press, and to tell that story, took great courage—like so many others are telling that story, my colleagues tonight.

We do have an obligation. These are not statistics that we are talking about. These are flesh and blood Americans who are looking for a bridge. They don't want to be there forever. They want to be able to take care of themselves and their families.

It's a genius of the food stamp program to say in times of need: we're there and, yes, we rise in the participation. When it gets better economically, those numbers drop.

We have an obligation to those people—not to the statistics, but to those individuals who look to the Federal Government that says in a time of challenge: give me a little help, that's all I'm asking. I don't want everything. I know you don't have all those resources. Help me in this hour of need. That's what where our moral responsibility is.

Again, I say thank you to my colleagues for participating and for your steadfastness in dealing with this issue.

Ms. LEE of California. Let me thank the gentle lady for that very powerful—in many ways, very sad—statement. We shouldn't have to listen to you say this in the wealthiest and most powerful country in the world. These stories should not have to be told here, Congresswoman DELAURO.

Thank you also for reminding us—and I know that you are a person of tremendous faith, and there are many in this body who are believers who have a faith and who care about the least of these. However, when we look at this \$20 billion cut, you have to wonder where the people of faith are and how they understand this scripturally, I have to say. So thank you for raising this.

Ms. DELAURO. If I can make one more point, because in the committee—and the people shall be nameless—there was a lot of quoting of scripture when people voted for and passed a \$20 billion cut. I think it was one individual who said that in the

scripture it says: If you don't work, then you don't eat.

I went back to find out what kinds of subsidies from farm programs that the individual had access to. Quite frankly, it's in the millions of dollars. I'm delighted that this individual can take care of family, but he's doing it with the largesse and the kindness, if you will, of the Federal Government. That doesn't seem to bother the individual at all. But providing food for a child or a senior or a disabled individual is a bridge too far. We need to stop that and we need to call attention to it, and the people of this Nation need to know what is happening in this institution.

Ms. LEE of California. Absolutely. Thank you for that.

I just want to also remind us tonight that—well, first, I'm on the Budget Committee also. We had a debate about poverty. Both sides had something to say. Thank goodness at least we had a debate. But when it came to looking at the Ryan budget and the cuts that were enacted or that would be enacted if the Ryan budget passes, I can't for the life of me understand how anyone on the other side who wants to reduce poverty—as they said they do—could support the Ryan budget, because it cuts every single government program which lifts people out of poverty into the middle class and will actually put more people into poverty if the Ryan budget cuts are sustained.

□ 1910

Ms. DELAURO. I know my colleague Mr. JOHNSON is here to speak—and I think you understand this—but I think people need to know this. I want to take that crop insurance program for a moment—and I'm for crop insurance. I wish it covered people in my community, in my State.

My comment is, in the crop insurance program, 60 percent of those costs are picked up by the U.S. taxpayer. That doesn't include administrative costs. There is no income test, no wage threshold, no asset test, all of which apply to food stamp recipients. There are 26 individuals in this Nation who have received at a minimum \$1 million in a premium subsidy, and they don't have to follow conservation programs. They don't have to do anything but accept that premium subsidy, and we can't find out who they are because they are statutorily protected. Do you want to look at a program from which we could get money to deal with the deficit? Go there, and don't hurt poor kids, seniors and the disabled. Those folks in that program who are getting at least \$1 million are eating high on the hog. They are doing well.

So that's what we have to do, and that's what this country needs to know about. We are a good country. People have good values, and they will turn their backs on this effort as well.

Ms. LEE of California. Thank you for being with us tonight and for making it very clear.

Let me now yield a few minutes to my colleague from Georgia, Congress-

man HANK JOHNSON, who has been a tremendous leader on so many issues. He will talk about these bags that he brought here to the floor and about the food stamp challenge, which many of us have mounted and which I will speak to later.

Mr. JOHNSON of Georgia. Thank you. I am very happy to participate in this Special Order, especially with the esteemed women who are here—yourself, BARBARA LEE, and ROSA DELAURO, a person of great justice and passion who represents truth and righteousness and tries to do the right thing and fights for those who need a voice to fight for them.

I appreciate you, ROSA, for being here and for everything that you do.

BARBARA LEE—I've said it before—you are just a tremendous patriot, a wonderful person with a heart of gold, but with a fist of steel when it comes to what you believe in.

I deeply respect and honor both of those women.

Today, in a Judiciary Committee meeting in which we were engaged in the war on women—another abortion bill—I happened to notice that on the other side of the aisle there were no women on the panel. In fact, I discovered, to my horror, that there are no women on the Judiciary Committee, period, and here we are in the year 2013. On this side of the aisle, we've got some great women, like ROSA DELAURO from Connecticut, BARBARA LEE from California and so many others—NANCY PELOSI and DEBBIE WASSERMAN SCHULTZ. I can just name them forever, and I just appreciate being able to serve with them.

I'll tell you that I'm not always out doing a lot of shopping, but I had to go shopping today because I decided to take what we call the food stamp challenge. It mandates that we go out and that we spend no more than \$31.50 for one-week's worth of food. I'm just coming back from the local Safeway. Maybe I shouldn't give that name out because I might have gotten a better deal at Publix—I don't know—but I went to Safeway, and here is my bill. It is for \$29.76. I went through the supermarket, trying to find a week's worth of food that could get me through.

Pardon me for my choice of food, but I had to go back to my standard Quaker Oats oatmeal. I'm trying to be healthy. I can use this for breakfast or for dinner, but I got these for breakfast, my Homestyle waffles. They already have butter in them, so I didn't have to buy the butter. I did have to come up, of course, with some sugar-free syrup. I got that. I was pleased to find Oscar Mayer bacon on sale—two for \$5 and, I think it was, 99 cents. I got these two of the Oscar Mayer bacon. I didn't mean to get the maple, I meant to get the regular. Anyway—boom—that was \$5, \$6. I bought some milk, and I did splurge on some tea. I'm sorry. I splurged on some tea, but I did get some hot dogs and topped them off with some romaine noodles. I used to

eat those a lot when I was in college, too. So I have 6 of those in there and 10 of these in here. Then to splurge I also bought some bananas.

That all ended up costing \$29.76. I actually had an over-ring because I bought two heads of broccoli. Do we call those "heads" of broccoli? But two things of broccoli, I bought those. Those ran me over, so I had to go through the indignity of standing there while the cashier called for an over-ring. They had to come over there and fix that and redo the whole thing with people in line behind me and everything, and with people trying to get in and out of the store. They would have looked at me even more funny if I'd had food stamps to make the purchase, and they would have wondered why was I eating Oscar Mayer bacon.

This is what I'm going to be eating for the next 7 days starting tomorrow. It's going to be a challenge. I certainly will not be eating three meals a day. I will eat in the morning, and then I will eat in the evening. So between this meat, these starches, that fruit—and this is a starch here, with no greens—I think they had greens at Safeway, but there are some places—they call them food deserts—in the central cities where there is no supermarket, where there are no fresh fruits, even if I'd had the money to buy them. Nonetheless, this is not the most healthy of diets, but it will keep the hunger pangs away, I believe, for a week. If I were a child who was living on this and going to school every day, I'm not sure how angry or depressed or how, really, ready to learn I would be.

This is reality, so I am looking forward to participating in this. I understand you've done it now for a number of years, BARBARA. This will be my first year. I can't say that I've been looking forward to it, but I have been getting ready for it.

□ 1920

Ms. LEE of California. Let me first thank the gentleman for that very powerful statement and also sharing with us what you were able to purchase. Also, much of what you purchased has a high sodium content and, as you said, very few fresh fruits and vegetables.

But what is just so tragic is that as Members of Congress, we don't live on this budget each and every day. There's an end in sight for us. But for millions of Americans, there is no end in sight. This is their existence.

What we're trying to do is to make sure that that is no more and that people have the right to eat healthy, nutritious foods without worrying about health consequences, without worrying about the \$20 billion which will cut substantially their ability to buy even the kinds of foods that are unhealthy.

So thank you very much for being here with us.

Let me now yield to the gentleman from Massachusetts, who serves on the Agriculture Committee, chairs our

Hunger Caucus and has been a tremendous and consistent champion on behalf of those who are hungry, not only here, but throughout the world, and also fights for food security. I just want to thank him for being with us tonight, and thank you for your leadership.

Congressman MCGOVERN has also taken the food stamp challenge many times and has really helped organize all of us here to be very focused on what is the real deal as it relates to the least of us.

Thank you again.

Mr. MCGOVERN. I want to thank my distinguished colleague from California for organizing this and for her leadership on this and so many other issues aimed at trying to eliminate poverty in this country. I also want to thank all my colleagues who have already spoken on this issue.

I want to come to the floor just to remind people that hunger is a real problem in the United States of America. We have close to 50 million of our fellow citizens who are hungry, and 17 million are kids. We are the richest, most prosperous Nation in the world, and we have close to 50 million people in this country who are hungry. I'm ashamed of that fact. We all should be ashamed of that fact. What is particularly maddening about this issue is that it is solvable. This is a solvable problem.

Hunger is a political condition. We have the food. We have the resources. We have the infrastructure. We have everything but the political will to end it.

Hunger is a problem that costs us dearly. People say to me, Oh, we can't spend any more money; we have a tough budget situation. I remind them that we can't afford not to. The cost of hunger in this country is astronomical.

We pay an incredible amount in terms of avoidable health care costs. People who don't eat on a regular basis, their immune systems are compromised and they end up spending more time in a hospital. Senior citizens who can't afford their prescription drugs and their food take their prescription drugs on an empty stomach and end up in hospitals. There's a cost to that. There is a human cost and there's a financial cost to it. Children who are hungry who go to school don't learn. Workers who are hungry and go to work lack in productivity. We pay for this.

This is solvable. It is solvable.

Now, I have come to this floor every week for the last 13 weeks with this sign, "End Hunger Now," and I have given a speech every week about what we need to do to end hunger, a different perspective on hunger. I have tried to raise awareness on this issue because there is not a single community in the United States of America, not a single congressional district that is hunger free.

One of the tools that we have to combat hunger is the SNAP program. It is

not the answer to everything. It is not a perfect program, but it is one of the tools that we utilize to help alleviate hunger in this country. And we are now considering a farm bill next week, which is stunning to me, because rather than being a bill that helps expand opportunities for our farmers and helps alleviate hunger, it will be a farm bill that makes hunger worse.

The House of Representatives is going to consider a bill that came out of the House Agriculture Committee that cuts SNAP by \$20.5 billion. Two million people will lose their benefits. Hundreds of thousands of kids who qualify right now for free breakfast and lunch at school because their parents are on SNAP will lose that benefit.

I've had people say to me, Well, you know, those people ought to go out and look for a job. The fact of the matter is that millions and millions and millions of people who are on SNAP right now work. They work full-time, but they earn so little they still qualify for this benefit.

We ought to have a debate in this Congress about ensuring that work pays a livable wage, that when people go to work and they work full-time, they ought not have to live in poverty. But that, unfortunately, is not the reality as we speak. The reality is that there are millions of people who are working and earn so little that they need this benefit to feed their kids and feed their families.

As we emerge from this difficult economic crisis, we need to make sure that this safety net is in place. We need to ensure that people have enough to eat. That shouldn't be a controversial issue.

To my Republican friends, I would say that this used to be a bipartisan issue. The great antihunger programs that our country has emerged as a result of bipartisan cooperation. In the 1970s, Senator Bob Dole of Kansas and Senator George McGovern of South Dakota worked together to help strengthen these programs to the point that in the 1970s we almost eliminated hunger in America. We made progress. We came close.

Then we undid all of this. We turned our backs on those who were struggling, and now we have close to 50 million people who are hungry in this country. That, to me, is a national scandal. And rather than putting forward a farm bill that makes hunger worse, we ought to be talking about a farm bill that helps solve this problem.

I've urged the White House to call a conference or a summit on food and nutrition to bring us all together, all the various agencies that have some role in combatting hunger: the charities, the food banks, the churches, the synagogues, the mosques, the doctors, the teachers, the nutritionists, the people who are involved in this issue one way or another. Let's bring us all together and actually come up with a plan to end this scourge. We can do this.

You're not going to solve a problem without a plan, and we do not have a

plan. But as we wait to develop that plan, let's not take away what is there right now to help keep people from being hungry to literally starving.

When you cut a program like this by \$20 billion—by the way, a program with one of the lowest error rates of any Federal program that we have. I wish I could find a missile program that the Pentagon is championing that has a lower error rate than the SNAP program. It would be phenomenal, quite frankly. It would save billions of dollars if the Pentagon ran their missile programs as efficiently as this program is run. Yet it has been demonized and it has been diminished. People have demagogued this program. All it does is provide people the ability to buy food; that's all it does. The fact that we would be taking away this safety net at this difficult time is something I don't think we should do.

To my Democratic colleagues who are saying that we ought to support a farm bill even though it has \$20 billion of cuts in it, we'll send it to conference and hopefully it will all get better, don't do that. Our priority, if it stands for anything—we have stood by and for those who are poor, those who are struggling, those who are vulnerable—let's not throw that away. Let's not trash our principles. This is not the bill that should be moving forward, not a bill that makes hunger worse.

I want to also call attention to the fact that I joined with Congresswoman LEE and others in taking the food stamp challenge today, and I just will remind you that this SNAP challenge that we took today means that we live on an average SNAP benefit, which is \$1.50 a meal and it is \$4.50 a day. I mean, how much does a Starbucks coffee cost? This is what people live on.

□ 1930

Critics will say this is meant as a supplement, not to be the entire food budget. Well, I'm going to tell you something: things are tough for a lot of people. This is their entire food budget. In fact, what they do is they utilize this modest benefit, and then they go to food banks and they go to their churches and they go to their charities and look for additional food because this doesn't provide enough.

And so those of us in Congress who are trying to call attention to the fact that this is an important program—and by the way, it's not an overly generous program. We are doing the SNAP challenge. Some say this is a gimmick, it's a stunt. Well, you know what? We're trying to call attention to a real problem in this country. And if you think it's a gimmick or a stunt, you take the challenge. You live on this for a week. You see how difficult it is. It's hard to be poor. It takes a lot of time to try to make ends meet, to try to put a grocery list together that will get you through the week. And we're doing it just for ourselves. Imagine doing it when you have kids. I'm a parent of a 15-year-old boy and an 11-year-old girl.

I couldn't imagine the anguish of wondering whether or not I could put food on the table to make sure they have enough to eat. This is the United States of America. We should be trying to lift people up, not put people down.

Let me just say finally, none of us here believe that this should be a permanent condition. In fact, what we need to do is have a conversation about how to extend these ladders of opportunity for people so they can climb out of poverty, so they won't need this, so they can be on their own, so they can have a job. That's why so many of us have been complaining about the fact that we have a lot of debates here on the floor, a lot of bills, but we don't seem to have many bills that deal with job creation. That's the answer. That's the answer. You want to get people off of SNAP, give them a job that pays a livable wage.

I'll just say in conclusion that I appreciate the opportunity to be able to highlight this issue. I'll tell you, I have spent an awful lot of time as cochair of the House Hunger Caucus meeting with people who are struggling in this country and meeting with families who have kids who are hungry. You meet a child who is hungry, it breaks your heart. You can't get it out of your mind. And that there are hungry children in this country—in this country—is something that should not be.

I would urge my colleagues on both sides of the aisle, let's come together and reject these cuts in the farm bill. Reject these cuts in SNAP, and let's try to figure out a way to restore those moneys so that people will not go without, and then let's have a farm bill that we can be proud of. If we cannot reverse the \$20.5 billion in cuts in SNAP, then there's no way we should support that farm bill. No way. Republicans and Democrats should join together and say no, we're not going to support a farm bill that makes hunger worse.

I appreciate this opportunity, and I look forward to working with the gentlewoman from California and others in trying to find ways to make sure that people in this country have enough to eat, and also make sure that we develop a plan to help people transition off of this assistance so they can be independent and productive like all of the people we know who are struggling want to be.

Ms. LEE of California. I thank the gentleman from Massachusetts very much for that very powerful and clear presentation, but also for what you do each and every day for the last 13 years. This is part of your life's work. So thank you very much for not only talking about why we need to not cut the \$20 billion, but also why we need to build these ladders of opportunity so that people can get a good-paying job and lift themselves out of poverty.

Congressman MCGOVERN mentioned the food stamp challenge that many of us are taking; Congressman JOHNSON; our Congressional Black Caucus chair,

MARCIA FUDGE; Congresswoman JAN SCHAKOWSKY; our Democratic Caucus vice chair, Mr. CROWLEY. Approximately 25 Members will be taking part in this food stamp challenge, in addition to who will speak next, the Congresswoman from the District of Columbia, Congresswoman ELEANOR HOLMES NORTON, because we need to raise the level of awareness of what is taking place not only here in Washington, D.C., in this body, but in the District of Columbia where we all have to thank Congresswoman NORTON, who is our representative during the week. We need to make sure that we recommit ourselves to fighting hunger, fighting poverty, and to not voting for this agriculture bill if the \$20 billion cut remains.

So, Congresswoman NORTON, thank you very much, and thank you for allowing us to be at your grocery stores today and to work with people in your district to really see and understand what is going on here in the District of Columbia.

Ms. NORTON. I thank the gentlelady from California for her consistent, heartfelt, energetic leadership on this issue for many years. And I see the gentleman from Georgia is here. I am so pleased he brought down his stash for the week. I had to ask him, Did you really get those bananas? He budgeted so well that he was able to stay within the \$31.50 for the week.

Now we've done this before, and I can tell you, it's not pleasant if you're really adhering to this budget. But we had an effect before. When Members joined together and took the challenge, we were able not only to keep the cuts from occurring, but to raise the level for those on food stamps.

I was interested to hear the gentleman from Massachusetts talk about the low error rate, something like 3 percent. I just sat through a committee hearing this morning, and the discussion was about how much waste and fraud reported in a 2011 report about the wars in Afghanistan and Iraq. They reported that about 30 percent was attributed to waste and fraud. Here we have poor people in a program with the lowest error rate I've seen in a long time.

I want to thank all of the Members who visited at what I call our neighborhood Capitol Hill Safeway at 14th and D Streets, Southeast, where we had the help of employees who helped guide us toward the least expensive food.

What we're talking about here is the House outdoing the Senate. The Senate bill already cuts \$4 billion. The House wants to up that five times. How much damage can we do and sit up straight and feel that we are worthy to be in the Congress of the United States?

We succeeded because of the stimulus in raising the per meal amount from \$1.40 a day—isn't that an amazing number—to \$4.50 a day. When I was going down the aisle, one of the clerks said to me, Don't you want to get some water? I said, God, go to the spigot, please. I

hope people are not buying water on the food stamp challenge because you'll have to eat it. Bottled water is very expensive—and unnecessary.

We believe at least 20 million children will be affected, and 10 million of them are labeled in deep poverty. These people are going to be off the rolls altogether. The reason they are on food stamps at all is because in our wisdom, food stamps, SNAP, has become an entitlement. There are some on the other side who want to take that away from them. I don't know where poor people would be. TANF, for example, its rolls have not increased. So what people have at least been able to do is eat.

And let me tell you about eating. The calculation is that the monthly amount of food stamps will last you about 2½ weeks. If you're eating anywhere near what you should be on \$4.50 a day, it's going to last you, according to all the statistics, 2½ weeks. What do you think people do the rest of the month on a month's worth of food stamps that lasts 2½ weeks? They go to the churches or the food pantries. They get the rest of what they need from the pantries, which is why the charities' cupboards are bare. You go there, and even the food charities are begging for food because so many people are coming to the pantries because food stamps cannot sustain a family. These are the poorest people. So all we're trying to do is just try to raise the consciousness really right here in the House of Representatives.

□ 1940

If we got even where the Senate was, that would mean hundreds of thousands of people losing foods stamps that have no other sustenance.

What more can we do to people on food stamps?

It seems to me we have hit bottom, with a provision in the Senate bill that seeks to ban certain ex-convicts from receiving food stamps for life.

Now, wait a minute. I understand—they list certain kinds of violent crimes, and it's very easy to get everybody worked up about giving them any food. I mean, if this is what you want to do to them, why don't you just give them a life sentence and leave them in jail where they'll be fed three meals a day.

But this provision means that if you committed one of these crimes, and they do mean only murders, rapists and pedophiles, so these are not people for whom anybody will speak up. If you've committed one of those crimes, even if it was a single crime, even if it was decades ago, even if you've been doing well—but, of course, if you committed one of those crimes you're not doing well, perhaps, so you may need food stamps. Not only would you not be permitted food stamps, but the family allotment would be decreased by your portion.

What are we trying to do?

By the way, don't they say they have a lot of Christians on the other side of

the aisle, Christian conservatives? Where are they? Where are they?

Aren't these the people that Jesus would have reached out to and said, let me feed you because nobody else will?

I just don't think that when you hit people when they're down as low as they can get, you ought to be proud of yourselves as a Congress.

We even find, among low-income workers, if I could make just one point, most of them try to keep from getting on food stamps. And you have some States going out and saying, Instead of going hungry, these are low-income people who work on the pantries—I think you're entitled to SNAP.

We had people in the streets here in the District of Columbia, just last month, who work in these iconic buildings, Federal buildings, for retail, and some of these are great big retailers, like fast food who pay them the minimum wage with no benefits. Guess who pays?

Those who, in fact, have some knowledge, supplement their low incomes with food stamps. And guess where they get their health care? You and me, the taxpayers.

Why are we allowing people to pay people so little that they depend upon the taxpayers to make up the rest?

So my good friend from California, I say to you, thank you for taking your usual leadership here and again, particularly your leadership on the SNAP challenge.

Don't feel sorry for us. We're going to have plenty to eat before and after. It doesn't begin, I think, until the 13th, for a week. We ask only that you think deeply about those who we will represent on this SNAP challenge.

I yield, and thank the gentlelady from California.

Ms. LEE of California. Let me thank the gentlelady from the District of Columbia, first of all, for working day and night on behalf of the residents of the District of Columbia.

Secondly, for really laying out additional impacts and how this \$20 billion cut and what the bill will actually do in a very negative way. I mean, the whole, all of the issues that you raised, many people don't even know are in the bills. And so that's why we try to beat the drum a little bit down here on the floor, and you certainly have awakened America in terms of what some of the really critical issues are in this bill. So thank you again for your leadership and your friendship.

How many minutes do I have left, Mr. Speaker?

The SPEAKER pro tempore. The gentlelady has 3 minutes.

Ms. LEE of California. Let me just conclude, before I yield to the gentleman from Georgia.

Now, I am a former food stamp recipient myself. Of course, I'm not proud of that, but I am. I didn't talk about it for a long time because of the stigma associated with being on public assistance and on food stamps. But I decided a couple of years ago, when we

started to see these tremendous cuts and assaults on these safety net programs, to really talk about my personal experience.

And I was going to college, raising two little boys who are phenomenal young men now raising their own families. But it was very difficult, very difficult. I would not be here if it were not for the lifeline that the American people extended to me when I was a single mother struggling to care for my kids.

No one wants to be on food stamps. I did not want to be on food stamps. Everyone wants a job. Everyone wants to take care of their kids and their family, but there are bumps in the road sometimes, and the economy hasn't turned around for a lot of people. And so that bridge over troubled waters, that needs to be there. You know, that needs to be there.

And so I hope that Democrats and Republicans reject these cuts. We need to stop sequestration. We need to start creating jobs and build these ladders of opportunity for people.

And I hope, and many of us hope, that the President will veto this bill if it gets off this floor with this \$20 billion cut because, first of all, it's morally wrong, it's fiscally irresponsible, it will hurt our economy, and we need to lift people, build these ladders of opportunity and lift the economy for all.

Let me now yield to the gentleman from Georgia for a concluding statement.

Mr. JOHNSON of Georgia. Thank you, BARBARA LEE. Thank you, ELEANOR HOLMES NORTON, for what you bring to the table to this Congress. And on behalf of your constituents, one of whom is me, during the week, as I'm a D.C. resident. I mean, I'm a D.C. native; I had to move to Georgia before I could come to Congress.

But anyway, Mr. Speaker, on behalf of the Safe Climate Caucus, and as a member of the Armed Services Committee, I'd like to take a moment to discuss two major implications of climate change for the Department of Defense.

First, climate change will shape the operating environment, roles and missions that the Department undertakes. It may have significant geopolitical impacts around the world, contributing to greater competition for more limited and critical life-sustaining resources like food and water.

While the effects of climate change alone do not cause conflict, they may act as accelerants of instability or conflict in parts of the world.

Second, the Department will need to adjust to the impacts of climate change on its facilities and infrastructure.

With that, after pointing out that we're spending \$3 billion on an east coast missile defense system which is totally unnecessary, I will yield back.

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

Ms. LEE of California. Thank you, Mr. Speaker. SNAP works.

FREEDOM OF CONSCIENCE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2013, the gentleman from Nebraska (Mr. FORTENBERRY) is recognized for 60 minutes as the designee of the majority leader.

Mr. FORTENBERRY. Mr. Speaker, tonight's discussion is not about politics. It's not about partisanship. It's about principle. It's about an American ideal, an ideal so common, so ordinary that we don't think about it very much; yet this ideal is essential to a well-functioning, orderly, and just society. In fact, it should define the nature of the relationship between the government and her people.

Mr. Speaker, when a person uses right reason and sound judgment when they believe something is right or wrong, that is a sacred space. That is called conscience.

Conscience is inextricably intertwined with the inherent rights and dignity of all persons. It is, therefore, only just that governing authority have the highest level of sensitivity to upholding and protecting the person's free exercise of deeply held, reasoned beliefs.

Mr. Speaker, I want to read two emails that I received from constituents back home. Katie, from Nebraska, says this to me:

Please do everything in your power to ensure that our hospitals, service agencies, and universities are allowed to carry out their work unhindered by laws that go against their conscience. I do not want to see good agencies and businesses shut down because they were forced to choose between the law and their conscience.

Karen McGivney-Lecht wrote to me and said this:

As a woman's health practitioner and as a Catholic, I need the ability to stay within my faith boundaries. I would be unable to work if I was required to provide the services this HHS mandate has imposed.

□ 1950

Now, Mr. Speaker, what are they talking about? What are they referring to? Let's take a few moments and unpack the issue here. Let's review the multiple layers.

The Department of Health and Human Services proposed a rule, commonly known as the HHS mandate, which will take full effect this coming August. This mandate, authorized by the 2010 health care law known as ObamaCare, would require all health care plans to cover in full—and consequently, every American—to subsidize procedures and drugs that many Americans consider to be ethically divisive. Americans who cannot in good conscience comply with this mandate will now be subject to ruinous fines if they do not obey simply for exercising their First Amendment rights, exercising their religious freedom, exercising the deeper philosophical principle of the rights of conscience as rightly exercised by reasonable persons doing what they believe to be right, what they believe to be good, what they believe to be just.

Mr. Speaker, I simply find it difficult to understand how we can let this happen, how we got to this place in our country, how we can willfully cross a threshold that Republicans and Democrats of an earlier, wiser era sought scrupulously to avoid. For the first time in our history, Mr. Speaker, the new health care law provides the Secretary of Health and Human Services the discretionary authority to mandate the coverage of drugs and procedures such as abortion-producing drugs. Many Americans reasonably find these drugs and procedures controversial. In past times, they were considered to be electives. If a person or an organization didn't want to choose them, they didn't have to.

In 1993, Congress passed the Religious Freedom Restoration Act, a Federal law signed into law by President Clinton. The Religious Freedom Restoration Act ensures that Federal officials cannot reach into the private sphere to substantially burden the practice of religion. In view of the many philosophical and diverse religious perspectives in this country that all contribute to our vibrant civic culture, members of both parties, Mr. Speaker, worked to pass that important piece of legislation.

Now, however, we have the HHS mandate, which is clearly an affront to established law and precedent. Conscience protections in health care have always been championed by members of both parties since Senator Frank Church authored the widely popular Church Amendment in 1973 to protect objections of conscience to abortions and sterilization.

So, Mr. Speaker, what has changed? What has so dramatically changed in this body? We have lost our collective sense of respect for divergent views. We have lost our sense that the government must protect that sacred right of conscience and not coerce her citizens into doing something that they fundamentally believe is unjust or wrong.

While the HHS mandate is arguably a small component of the 2010 health care law, it does bring us face-to-face with a stark new reality here in Washington that we fervently hope will not become the new normal in America. We have recently heard of the discrimination against Americans by certain employees at the IRS, IRS employees targeting Americans because of their religious or philosophical or political leanings. The IRS is the very agency set to implement the new health care law.

Mr. Speaker, a good government must ensure that those in position of authority are committed to two principles: fairness and impartiality. These revelations about religious and political targeting have done much to undermine the public trust.

But, Mr. Speaker, the HHS mandate is also a form of discrimination. It primarily targets people in faith communities, the very people who have been the backstop of compassionate care for

the poor, the vulnerable, and the marginalized in our society today.

When the new health care law was under consideration, it was said that if you like your health care, you can keep it. Now, however, we are finding out that you may not be able to keep your health care plan. You may not be able to keep your doctor. You may not even be able to keep your own faith traditions, given this governmental threat.

Mr. Speaker, no American should be forced to choose between their conscience and their livelihood. No American should be forced to choose between their faith and their job. No American should be forced to choose between their deeply held, reasoned beliefs and the law. That's a false choice. It's un-American, and it's wrong.

I want to thank my colleagues who have joined me tonight to share other stories of Americans who are deeply concerned about the impact of this mandate upon them, but who also, I think, are going to discuss the very purpose of our government, which, at its core, should be to protect the dignity and the rights of every person, beginning with the fundamental right of the reasonable exercise of conscience. Mr. Speaker, this is not some theoretical debate. This is about the preservation of our way of life, the ability to work as we choose, the ability to serve as we see fit with what should be support from our government.

With that said, I'd like to now call upon and yield time to my good friend, JOE PITTS, who heads the Values Action Team, who has been a stalwart leader for years upon years now for basic protections for the most vulnerable and the calling forth of leadership in the whole arena of human rights. JOE PITTS is from Pennsylvania. He is a Vietnam War veteran. He flew 116 combat missions in service to our country.

JOE.

Mr. PITTS. Mr. Speaker, I want to thank the gentleman from Nebraska (Mr. FORTENBERRY) for his outstanding leadership on this issue that we're discussing tonight, the right of conscience. And I come tonight to the floor with alarm over how this administration is trampling on our First Amendment rights.

Freedom of assembly means that Americans can come together to petition the government, but the IRS has targeted conservative groups for extra scrutiny, throwing up roadblocks to their organization.

Freedom of the press means that journalists can work on stories without government interference, but the Justice Department subpoenaed multiple telephone numbers for the Associated Press and investigated a FOX News journalist as a "coconspirator."

Freedom of religion means that the government does not get to tell you to violate your beliefs, but ObamaCare is forcing even explicitly religious employers to provide services they have moral objections to.

Our freedoms are clearly under assault by government bureaucrats who claim that they know what is best for all Americans. Over 60 organizations around the country, nonprofits and businesses, are suing the Federal Government to protect their rights.

One of those businesses is located in my district, in Lancaster County, Conestoga Wood Specialties of East Earl, Pennsylvania. For nearly 40 years, this family-owned business has made high-quality doors and wood components for kitchen cabinets. They provide over 950 quality jobs in my district. The owners have provided good health insurance that comports with their Mennonite beliefs for their employees, but now they are being coerced into providing government-approved health care, required to pay for products that include abortion-inducing drugs and sterilization.

Anthony Hahn, President and CEO of Conestoga Wood Specialties Corporation, said this:

Being told that we must provide a health plan that includes a provision that violates the Christian beliefs of our family and the Christian values that our company was founded on is deeply troubling. Forcing Americans to surrender longstanding, deeply held principles in order to own and run a business is not merely troubling but unnecessary and unconstitutional.

And they've gone to court over this.

□ 2000

Americans should not have to sacrifice their religious rights when they enter the marketplace. ObamaCare would fine Conestoga Wood Specialties up to \$36,500 per employee per year—\$34 million a year for not providing government-approved insurance, but only about \$2 million for not providing any insurance at all. This is madness. Clearly, this law is out of control.

Conestoga and many others are fighting for their rights in court, but here in Congress, we too have an obligation to defend the Constitution.

The Founding Fathers established a Bill of Rights because they knew that the government would always be tempted to abuse its power. Democratic elections do not protect the rights of unpopular minorities. In fact, all too often an unbound democracy becomes a tyranny of the majority.

The bureaucrats at the HHS may feel that they know what is best for all Americans, but being an American means the freedom to decide on your own, to let your convictions guide your life. What kind of Nation will we be when the IRS decides who gets to assemble, when the Department of Justice decides who reports the news, and when HHS decides what religious beliefs are worthy of First Amendment protection?

I'm not a Catholic. I'm not a Mennonite. We don't share the same ideas about what is morally objectionable on everything, but I do not believe that my ideals should be forced on them. Under ObamaCare, we can't choose our

doctor; we can't choose our health insurance plan. Now we lose our First Amendment rights.

At one time Pennsylvania was perhaps the only place in the world where people could freely practice their religious beliefs without fear of persecution. In a world where people were killing each other over theology, William Penn established a safe harbor in our colony, and Penn's once radical idea became the foundation for our Nation's concept of religious freedom.

The actions of the HHS remind us that our rights are not guaranteed. We must stand up and protect them. We must continually demand that the government respect that which has been granted to us by God. And I'm proud to stand with my colleagues tonight in defense of religious freedom, to stand with my constituents at Conestoga Wood Specialties.

We should pass the Health Care Conscience Rights Act and make it clear that this House of Representatives will not stand by while minority religious beliefs are under attack. What a sad day for America when our fundamental rights like religious freedom and freedom of conscience are under attack by the heavy hand of government. We must pass this bill.

Mr. FORTENBERRY. Thank you, Congressman PITTS, for your forceful words and your leadership. We're very, very grateful.

I would now like to call upon my good friend, Dr. JOHN FLEMING from Louisiana. As a dedicated physician who cares deeply about the health care system in our country, I know you can provide us with extraordinary insights into the problems with the implementation of the new health care law. But I think it's important to point out that you are one of the lead cosponsors and a coauthor of the Health Care Conscience Rights Act, and we are very grateful for your leadership as well.

Dr. FLEMING.

Mr. FLEMING. I thank the gentleman from Nebraska (Mr. FORTENBERRY) for bringing us together this evening with a number of colleagues talking about an extremely important topic today, and that is health care conscience rights. You've heard some of the major points here, and I'm going to touch on more.

On August 1, 2013, the administration's coercive health care mandate will take effect. It will force religious organizations, American family businesses, universities, and countless others across the great country of ours to violate the deeply held moral and religious beliefs that we have. The HHS mandate is a serious affront to religious freedom and leaves American businesses, nonprofit religious organizations, and individuals with three terrible decisions.

First, they could violate their conscience and religious convictions and comply with the mandate, purchasing and providing items and services they find morally objectionable.

Second, they could resist the mandate, not complying with the Federal regulations, and face fines up to \$100 per employee, per day.

Or third, they could drop employee health coverage altogether—which defeats the purpose, the basic idea of ObamaCare to begin with—leaving employees to fend for themselves and still pay a Federal fine of \$2,000 per employee, per year, according to the business that employs that person.

These are not actually choices, but a top-down, burdensome Federal regulatory scheme that forces the American public to participate in a government-run health care plan that violates their values.

Who are we talking about? Who will be affected by the HHS mandate? Mr. Speaker, to date, 61 cases and over 200 plaintiffs have filed suit against the Federal Government to preserve their First Amendment right of freedom of religion. One of the nonprofit lawsuits was filed by Louisiana College, a private Baptist college in Pineville, Louisiana just outside of my district.

Offering degrees in art, music, science, nursing, social work and teaching, this central Louisiana school has over 70 programs of study, has a student enrollment of about 1,500 students, and a faculty/student ratio of 13-1.

The HHS mandate requires that Louisiana College provide employee health insurance covering abortion-inducing drugs and counseling on the use of such drugs. This, Mr. Speaker, is a violation of Louisiana College's belief that all life is sacred, including the life of the unborn.

Who else? Hobby Lobby is another example of a well-known business throughout the country—we have 11 stores in Louisiana—employing more than 2,000 people in 41 States. The business practice of Hobby Lobby mirrors their religious principles. Their hours of operation are family friendly, and they are closed on Sundays. Employee pay is important.

Well, what is the anecdote to this problem created by ObamaCare and the rules rolled out of this administration? I'm going to just quickly touch on them, and then yield back to my good friend from Nebraska.

Section 3 provides much needed protections to ensure that the Federal Government cannot force individuals, charities and businesses to buy plans for their employees that provide or facilitate coverage of items or services to which they have a deeply held moral or religious objection.

Section four provides much needed protections to ensure that any government agency that receives Federal funds cannot force pro-life health care entities to be complicit in abortion or discriminate against them because they are pro-life.

Section 5 of the Conscience Rights Act amends title II of the Public Health Service Act. It includes a private right of action for victims who

have been discriminated against. You see, at this time, Mr. Speaker, people who are discriminated against, or coerced or forced in some way by this mandate don't have access to courts. This opens up a private right of action so that those of us who may object through our conscience will have our day in court.

Just in conclusion I would like to say, Mr. Speaker, that ObamaCare has provided many, many problems and really no solutions. But there are even unintended consequences, and that is forcing people of conscience to have to make that decision on whether to end providing certain care for their employees or for their—really to their patients—or suffer large fines, or just give up on health care coverage at all for their employees.

I think it's time that this country comes together and decides, let's make health care attractive and affordable and protect life, and protect those who want to protect life, and not have this top-down, bureaucratic, coercive system that's now in law that will require many of us to do many things against our conscience. That is simply un-American.

With that, I thank the gentleman for his time today.

Mr. FORTENBERRY. Dr. FLEMING, thank you as well for your leadership. To know that you gave up a medical practice to enter into public service and stand here today defending this deep, essential American principle, the rights of conscience, and as it affects those who are most vulnerable in our society, is frankly deeply moving to me and I'm grateful for your leadership. Thank you so much.

I would now like to call upon my good friend, Congressman CHRIS SMITH from New Jersey. And if you don't mind me calling you the "Dean" of the tireless efforts on behalf of so many of us to fight for human rights and the poor and the marginalized around the world. Your tireless efforts have been an extraordinary example to me, and I'm very, very grateful not only for your mentorship, but for your friendship.

Congressman SMITH.

□ 2010

Mr. SMITH of New Jersey. Mr. FORTENBERRY, thank you for your extraordinary leadership. This has been a very tough fight. You have been walking point, and doing it with great class and with great precision. I think your opening comments for this Special Order which you have sponsored just summed up the issue so eloquently. I want to thank you for your leadership. It is making a difference. And while we may not have success on the short-term, I do believe on the intermediate and long-term we will prevail over time, and I thank you for your leadership, Mr. FORTENBERRY.

Mr. Speaker, President Obama today is using the coercive power of the state to force tens of millions of people of

faith and people of conscience to violate a fundamental conviction or suffer a severe penalty. What Mr. Obama has done is unconscionable, unprecedented, and violates religious freedom. By coercing all insurance plans, including those offered by faith-based institutions, to pay for drugs and devices that are contrary to their deeply held beliefs, including subsidizing abortion drugs like Ella and Plan B, President Obama demonstrates a reckless disregard for conscience rights.

Everyone must comply, regardless of moral convictions or religious tenets, simply because his administration says so. Mr. Obama's means of coercing compliance—absolutely ruinous fines of \$100 per day per employee that total up to over \$36,000 per year per employee. Just people listening at home, our Members who may be listening to today's important Special Order, \$36,500 per employee per year.

When faith-based organizations refuse to comply, Obama's mandate will impose incalculable harm on millions of children educated in faith-based schools, as well as the poor, the sick, the disabled, and frail elderly who are served with such compassion and dignity by faith-based entities.

Even Notre Dame, which heaped praise and honors and an honorary degree on President Obama in 2009, will be crushed by this cruel mandate. Astonishingly, it was President Obama in his 2009 speech at Notre Dame University, who said:

Let's honor the conscience of those who disagree with abortion and draft a sensible conscience clause.

Mr. Speaker, another promise broken; more empty, misleading rhetoric from the President who has excelled at that.

Mr. Speaker, the fact of the matter is approximately 4,600 employees are covered under Notre Dame's self-insured health plan, which means that Notre Dame will face fines of over \$100 million a year when they refuse to comply with the Obama mandate.

If Mr. Obama's attack on conscience rights isn't reversed, faith-based employers will be discriminated against and fined, and employees who today benefit from health insurance plans provided by their faith-based employer will be dumped into government health exchanges. And even when they do that, the fines to faith-based organizations are also without precedent. If a faith-based entity scraps its own insurance coverage because of the Obama mandate, they are then fined \$2,000 per employee.

Mr. Speaker, Mr. Obama's attack on conscience rights fits a dangerous emerging pattern. The United States Conference of Catholic Bishops had a Federal grant to assist human trafficking victims under a law that I wrote, known as the Trafficking Victims Protection Act of 2000, and did an absolutely superb job, according to all professional reviews, assisting trafficking victims in this country. In 2011,

however, the USCCB, or the Conference of Catholic Bishops, was blatantly discriminated against and thrown out of the program simply because they would not refer for abortions. That was it. Throw it out of the program.

The Health Care Conscience Rights Act reasserts and restores conscience rights, Mr. Speaker, by making absolutely clear that no one can be compelled to subsidize certain so-called services in private insurance plans contrary to their religious beliefs or moral convictions.

Again, I want to thank Mr. FORTENBERRY. He had introduced the legislation in the last Congress and was the first individual in this House to come out of the blocks to recognize just how damaging the Barack Obama anticonscience initiative really is. We need to move on this. We need to protect those men and women of conscience, those of religious belief who will not bow and will not go in the direction that this administration is demanding.

Mr. FORTENBERRY. Thank you, Congressman SMITH, for your very powerful words. I think, before you leave, I should say this. We also value your leadership. For decades now you've stood in this House well, even when it wasn't the most popular thing to do—as it isn't now—to talk about that which is right and just, that which is higher and good, to, in a sense, provoke the conscience of this body to a more meaningful engagement. So I want to thank you again for your strong leadership.

Let's turn now to my good friend Dr. BILL CASSIDY, another physician in the House of Representatives, from Louisiana. Again, like I told Dr. JOHN FLEMING, I think it's important that everybody knows that you left a medical practice to enter into public service, and we're very, very grateful for the example you've provided, and your leadership as well. I know you have some broader concerns about the issue of conscience and religious freedom, so we look forward to hearing your comments.

Mr. CASSIDY. Thank you, Congressman FORTENBERRY.

Mr. Speaker, a couple of things. First, I associate myself with the remarks made by my colleagues. I think that there is a concern regarding our religious freedoms here in the United States.

But for just a moment, I want to draw the attention of those watching and the Speaker to an issue of Pastor Saeed Abedini. He is an American, originally from Iran, who is now incarcerated for 8 years—this is his sentence in Iran—for crimes, as they defined it, that happened 13 years ago. This is a question of religious freedom which involves an American citizen who happens now to be abroad.

Pastor Abedini is 33 years old, was born in Iran, and there converted from Islam to Christianity. Here, that would not be a big deal because we have reli-

gious freedom. Theoretically, so does Iran.

In his early twenties, he helped start house churches. It was legal to do so. At some point, he moved to the United States and married his wife, who I gather her family also is originally from Iran. They have two children and they live in Idaho.

He went back to Iran to work on a nonsectarian orphanage. He was arrested by the state police and incarcerated, at first they said for activities disruptive to the state. Now they apparently are attributing it to his work in house churches around the year 2000. But he has been incarcerated in prison and is tortured. He's been taken to the hospital on a couple of occasions. The physician recommended that he be admitted to a hospital. The Iranian Government will not allow it. He went to seek medical care on another occasion. The nurse refused to touch him saying that because he was a Christian, or if he had been Baha'i, either, she would not touch him.

So here we have a fellow, an American, who is being imprisoned for activities which happened 13 years ago in a country which is a signatory to the UN Declaration of Human Rights in which someone may have religious freedom.

Now, it is upon we, as Americans, if you're a person of faith, to pray for the Abedini family. If you're a person not necessarily of faith but just believe in human rights, this is something which should be incredibly important to you. If you're just a person who has compassion for a 33-year-old man whose wife and two children are here alone as he is being imprisoned and tortured for no other crime than attempting to start an orphanage for children who might not have another option, even that would offend someone who is of no faith whatsoever.

So what can we as Americans do? One, we have to draw attention to it. We have a resolution that has been submitted that calls upon the U.S. State Department to intervene on his behalf—and, in fairness, the State Department has attempted to do so in the past, but there is some feeling they could do more—and for the Iranian Government to free him.

So one, we have this resolution before Members of Congress. If you're watching this, ask your Member of Congress to sign on to this resolution. It has bipartisan support now.

□ 2020

Number two, contact our State Department and ask them to redouble their efforts to free Pastor Abedini.

Number three, include him and his family in your prayers. We can only imagine if our loved ones were abroad, in prison, being tortured, without access to health care, and what that would mean for both wife, children, and also parents.

Lastly, join us all in admiration for a man in his commitment to the people

whom he loves, who was willing to risk something that he knew might be a possibility as he was living out his faith, caring for those, treating those as he would have them treat him but, as an impulse of his faith, going to those who were otherwise without care.

So thank you for allowing me to speak on behalf of Pastor Abedini, and I thank you for having this discussion of religious freedom here tonight.

Mr. FORTENBERRY. Thank you, Dr. CASSIDY, for your powerful words as well.

As you were speaking, I was reminded of the fact that this is America. We disagree with what the President and the Secretary of Health and Human Services have done with health care, particularly imposing this harsh mandate. We need the right type of health care reform, but one that is going to protect our liberties and not simply shift more unsustainable cost and spending to the government.

Those are the normal debates that we have, but we have that debate, and we can have it right here without fear of that type of retribution that so many people in other places have who are exercising their deeply held beliefs, their rights of conscience, their faith perspectives; but they do so under grave threat. This is still America.

Mr. CASSIDY. The United States has historically been a beacon of human rights to the rest of the world, and so it is no accident that a fellow comes to the United States seeking religious freedom.

I think the undertone of what others here have spoken is the sense that some of our commitment to religious freedom is under siege by forces of secularism. Now, you can be secular if you wish; but nonetheless, the First Amendment says that the right to practice religion shall not be infringed upon. So with all of these kinds of trimming at the margins, at the edges, of someone's ability to practice her faith or his faith, one, it affects us, but, two, it also affects our standing in the rest of the world in our ability to advocate for those who do not have the same freedom as we.

If others see our example as substituting religious freedom for something which is less so, how much less will our beacon be dimmed? That will have tragedy, not only for us, but also for them.

Mr. FORTENBERRY. That is an outstanding point to make. It's something, as I tried to state earlier, that we so take for granted—our rights of conscience as we exercise them through faith, through prudential judgment in our everyday lives. It has been embedded in our culture and, therefore, in our government until very recently, until this measure has come along and is coercing people unjustly into violating that sacred space, that right of conscience.

By the way, this is not just people of faith who are speaking out. Other persons of goodwill can see the funda-

mental principle here in that, if we erode that, we are eroding something that is essential to human dignity and the very flourishing of democratic ideals, themselves. So thank you for pointing that out.

The gentleman from Michigan, if you are ready to speak, I'd love to hear from you.

Congressman WALBERG is a good friend, who has been here a long time, again, championing these issues, standing up for what he believes to be right and just, and being a good partner in trying, as well, to exercise his rights of good conscience before this body about what is essential and good.

So thank you, Congressman WALBERG, for coming tonight.

Mr. WALBERG. I thank the gentleman from Nebraska. I thank you for your leadership, and I thank you for the opportunity to stand with principled legislators. We are not talking about parties here. We are talking about people who understand rights and responsibilities.

The First Amendment to our Constitution says so clearly that Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof. Tonight, we are talking about rights of conscience. Our First Amendment liberty affirms that for us. It affirms us for greater principles than just political or even governmental.

In approximately the year my father was born, 1903, Abraham Kuyper, a theologian—and I take great comfort in the fact that theologians sometimes aspire to political life in coming from the pastorate myself and pastoring for over a decade—this theologian who became the Prime Minister of the Netherlands, said:

When principles that run against your deepest convictions begin to win the day, then battle is your calling, and peace has become sin. You must at the price of dearest peace lay your convictions bare before friend and enemy with all the fire of your faith.

That's a powerful statement. It's a statement that, I'm sure, Mr. Kuyper would have said to his brethren in the Netherlands is not coming simply from my religious convictions but, rather, is coming from my conviction for freedom and the right given us by the Creator God. So he fought. Sadly, as we know the course in the Netherlands, they've gone away from the freedom of life, and we know the impact upon the unborn. We know the impact upon the infirm. We know the impact upon the elderly. We know the impact upon the frail, upon the disabled in the Netherlands. Their lives are cast off. Their lives are not as secure.

So here tonight, Mr. Speaker, we stand for rights of conscience that go way beyond just issues of medicine and issues of government. It goes to the core of life and to the sanctity of it and to the humanity of each and every individual.

We have talked about some people and about their convictions of things

like life, abortifacient, contraceptives, and people who are compassionate to businesses and compassionate in using their businesses for the good of people, like the Greens already referred to with Hobby Lobby, who allegedly have given over \$500 million to charities and who give to their employees and benefit them and see that as an outflow of their religious life as well;

Or we go over to St. Louis, where Chris and Paul Griesedieck, who run a 105-year-old business that they've carried on from their father and grandfather, with 150 employees who have taken stands for their religious beliefs, as well, and have very clearly stated that they will not abandon their beliefs in order to stay in business. The impact is upon all of their people;

Or we look at an 85-year-old gentleman by the name of Charles Sharpe, also from northeast Missouri, who has made millions in the insurance business, but who took that and founded Heartland Ministries in 1992, providing rehabilitation services to men and women who are battling drug and alcohol addiction, and employing 170 employees. Yet if this HHS mandate comes down on them, those employees will lose their jobs because of millions of dollars in fines.

I can go to businesses in my district like Eden Foods, which has challenged the insurance rule on religious grounds; or a garden center in Oakland County, Michigan doing the same—employing many, many employees and providing benefits—and is now being challenged with this HHS mandate. I could go on and on.

Mr. Speaker, it is time for us who understand what America is about to stand firmly with our convictions and to uphold liberties that go way beyond ourselves. Our Framers and Founders understood that. John Witherspoon said that a Republic once equally poised must either preserve its virtue or lose its liberty.

We are losing our liberty.

John Adams—and I close with this—the second President of the United States said that our Constitution was made only for a moral and religious people. It is wholly inadequate to the government of any other.

Mr. Speaker, the people of the United States are great people, and this government is a great government; but when the attack comes on what makes America America—its liberty and its freedom and its moral and traditional value heritage that is now being impinged upon to the point of violating rights of conscience—we must stand and stand firmly.

So I thank the gentleman from Nebraska for pulling us together so as to speak out clearly tonight; and I would hope, Mr. Speaker, that those who are listening and watching tonight on C-SPAN will speak out very strongly to their communities and their families, calling us back to decency, order, conviction—and a conscience that even God can honor.

□ 2030

Mr. FORTENBERRY. I thank the gentleman from Michigan for his thoughtful and powerful remarks. I particularly noted what you said, that the rights of conscience go way beyond the issues of health care. That was very well put. Thank you very much for your leadership on this issue, as well.

I want to turn now to Congressman DAN LIPINSKI and yield time to him.

As I said earlier in the beginning of this hour, this is not about politics and it's not about partisanship. It's about principle. Congressman LIPINSKI and I do not share the same party affiliation, but we share this principle. He has been one of the key lead cosponsors on this initiative, the Health Care Conscience Rights Act, and has stood, as well, side by side in helping to promote this effort to revive an understanding of this fundamentally American principle that transcends the philosophical differences we tend to find with the pushing and shoving that go around here.

So I'm very grateful, Congressman LIPINSKI, for your willingness to come tonight and speak with us.

Mr. LIPINSKI. Thank you, Mr. FORTENBERRY. Thank you for yielding and leading us here tonight. I'm glad to join you here from this side of the aisle.

Mr. Speaker, religious freedom is our first freedom, as stated right there in the First Amendment. This is not just freedom to worship as we hear it defined now in many ways. It is not just freedom to worship in our own homes, in our churches, synagogues, mosques, temples. It is freedom to practice and live out religious faith here in America.

On June 21 through July 4, the U.S. Conference of Catholic Bishops is having a Fortnight for Freedom to pray, educate, and act for religious freedom. But this is not just a Catholic issue. This is an issue for all Americans. It's an American issue. Just as you said this is not just a Republican issue.

Freedom is what our country was founded on. We just recently commemorated Memorial Day for all of those who have died for our country and for freedom. Friday is Flag Day. Again, we'll be remembering what America is all about in our freedom. And on the Fourth of July, we celebrate the freedom that our country was born to serve and to live out and be a beacon for the rest of the world. We need to uphold that freedom, and the HHS mandate, amongst other efforts, other things that have been done by the Federal Government, unfortunately, in recent years has really run counter to freedom.

Mr. Speaker, I want Americans to understand what this is about. It's not about birth control or abortion, although we were told in the health care law, ObamaCare was not going to cover abortion, though we know the HHS mandate requires the abortion-induc-

ing drugs. But that's not what the core of this is about. It's about freedom. It's about taking away Americans' freedom, requiring them to participate in activities that violate their conscience.

Unfortunately, I think there's been a lot of misdirection on this, and I think it's important for all of us to focus back on what this is about. It's about freedom for all Americans to live their lives according to their conscience, whether or not they are practicing faith or not. It's to live according to their conscience.

So, Mr. Speaker, I just am very happy to join with my colleagues in helping to support, protect and call upon Americans to speak up, rise up and bring that message to Congress, to their Representatives, that freedom must be protected. We must do it now. We cannot continue to let freedom slip away. And I'm very happy to join my colleagues tonight.

Mr. FORTENBERRY. Before you leave, Congressman LIPINSKI, let me first of all say thanks. I'm very deeply grateful to you for two things. One is your personal friendship. The second is the gift of your leadership on these essential American issues. I think most American people want to see what we just did: Republicans and Democrats standing right here and focusing on that which can be constructively achieved for the greater good. So for you providing that example of strong bipartisanship in this effort, I'm very grateful. Thank you so much.

Mr. Speaker, may I inquire as to how much time we have remaining.

The SPEAKER pro tempore (Mr. COOK). The gentleman has 12½ minutes remaining.

Mr. FORTENBERRY. Mr. Speaker, now I'd like to turn to my new friend, Congressman MARK MEADOWS, from near Ashland, North Carolina. He was newly elected for this Congress. And I'm just going to say this—and I hope this doesn't embarrass you—I consider you a rising star. Your thoughtfulness, your immediate engagement on that which is most important around here, your willingness to look for good outcomes, to me, has been a great example.

So we are grateful for your willingness to come tonight, and I turn it over to you.

Mr. MEADOWS. I thank the gentleman from Nebraska, and I, too, would echo just the fact that we're friends. And I appreciate your leadership on this and the heart that it represents.

Mr. Speaker, I rise today to join with my colleagues in strong opposition to the Obama administration's attack on our fundamental religious freedoms that we have, our First Amendment rights that must be protected.

This HHS mandate that has been mentioned many times tonight is an unprecedented government overreach that forces charities and businesses to buy plans for their employees and provide coverage in areas that violate their deeply held religious beliefs.

We've already heard about Hobby Lobby and the fact that they're facing fines of some \$1.3 million a day just for believing and upholding those values that they hold dear. And I'd love to say that I wish that it was just with ObamaCare that we're having this attack, but it's not.

Throughout our Nation, we're seeing our religious liberties being attacked in a number of areas. In New York, the school board has been working there for two decades to block Bronx Household of Faith from meeting in a public building for their worship services on Sundays.

In Montana, we see that Canyon Ferry Road Baptist Church faced election law charges just for a volunteer passing out petitions to place a marriage amendment on a Montana ballot.

In Louisiana, we saw a Federal contractor order Calvary Baton Rouge Church to stop feeding people who were left homeless during Hurricane Katrina's aftermath just because the group offered voluntary prayer service and Bible studies.

These are painful examples, Mr. Speaker. But one that comes home to me—and I'll share this and close with this—in my home district, a 6-year-old writing a poem about her grandfather who served our country honorably put in there that he prayed to God for peace and he prayed to God for strength, and yet they wanted to strike the word "God" from that poem.

We have created a culture that, quite frankly, we cannot continue to support. We must stand up and stand against it. So tonight I join with so many of our colleagues, and those who are watching, I hope that you will understand the true point to which we've come that we must stand up and fight.

In the rotunda of this very building is a painting of the Mayflower where they had a particular person there, William Brewster, who had a Bible open. The foundation of our country was really about religious freedoms, and we have it there as a reminder of that. To me, that's got a special meaning because William Brewster, holding that Bible there for those freedoms that we must hold dear, is my 11th great grandfather. I'm a direct descendent of that. So today I am here joining with him and my colleagues to say that we must stand and we must fight back and make sure that we protect this freedom and not yield.

With that, I thank my friend and colleague.

Mr. Speaker, I rise today in strong opposition to the Obama administration's attacks on our fundamental First Amendment right to religious freedom.

The HHS mandate is an unprecedented government overreach that forces charities and businesses to buy plans for their employees that provide coverage of items or services that violate their deeply-held religious convictions.

Individuals, non-profits, and businesses that fail to comply will face massive fines.

We're already seeing this happen with Hobby Lobby, facing fines of up to \$1.3 million

a day because of refusing on religious grounds to include abortion coverage in employee healthcare packages.

Organizations that do not comply with the mandate will face fines of up to \$2,000 per employee per day. Those who can't pay may have to make the incredibly difficult decision to drop insurance coverage for their employees. This administration has made it more costly to defend and protect our religious freedoms than it is to provide healthcare.

Americans should never be penalized like this simply for following their conscience.

Violations of religious liberty aren't just limited to Obamacare, however.

Throughout our nation, we are seeing an increase in attacks on our religious liberty:

In New York, the school board has been trying for nearly two decades to block Bronx Household of Faith from meeting in a public school building for worship services on Sundays.

In Montana, Canyon Ferry Road Baptist Church faced election law charges after a volunteer passed out petitions to place a marriage amendment on the Montana ballot.

In Louisiana, a federal contractor ordered Calvary Baton Rouge Church to stop feeding people left homeless by Hurricane Katrina because the group offered a voluntary prayer service and Bible study.

And the list continues.

These violations of religious freedom are becoming more frequent because our government is sanctioning this type of discrimination against people of faith.

Religious liberty does not simply mean allowing people to attend a worship service. It protects the fundamental right to—live all aspects of our lives in a way that is consistent with our religious beliefs.

Religious freedom, often referred to as our “first freedom,” is one of the bedrocks that make America such a tremendous nation. Our Founding Fathers knew a country could not flourish without defending this fundamental truth.

Thomas Jefferson emphasized the value of freedom of conscience when he stated that “no provision in our Constitution ought to be dearer to man than that which protects the rights of conscience against the enterprises of the civil authority.”

Throughout our history, Americans have been able to freely choose and live out their faith, abiding by conscience in their day-to-day lives.

Yet, through the mandate, this administration is now telling Christian business owners to check their faith at the door and comply.

And which agency will be tasked with ensuring that businesses comply with the mandate? None other than the IRS, which has already admitted to targeting organizations for their beliefs.

In the 11th District of North Carolina, my constituents continue to voice their concerns to me about these dangerous infringements on religious liberty. They want to ensure that our fundamental freedoms are protected, not trampled on by our government.

Our heritage, from the Mayflower until today, has been rooted in protecting our religious freedoms. [William Brewster]

This administration's decision to disregard our fundamental right to religious liberty cannot be ignored.

□ 2040

Mr. FORTENBERRY. What a powerful and beautiful story you shared with us. I had no idea about your family being one of the founding families of this country. And now 13 generations later, you stand here with the mantle of authority now on your shoulders directing the affairs of state. That has to be very gratifying and a proud moment for your entire family, but it is also proud for me to know because I consider us to be good friends. Thank you so much for your comments.

I now recognize my friend, the gentleman from Kansas (Mr. HUELSKAMP) for a few thoughts on the subject. Thank you as well for your tireless and strong leadership on the fundamental principles of protecting that which is necessary for all of us to understand at the core, where our liberty comes from.

Mr. HUELSKAMP. Thank you, Congressman FORTENBERRY. It is a pleasure to be here. I will warn you, as I will warn those who are listening, I'm going to try to be frank. And obviously, short, candid and truthful. But I think it may be uncomfortable to hear what is happening.

Simply put, the HHS mandate is a religion tax. You heard me right. If you morally or ethically disagree with the abortion, drugs, contraception, sterilization, it doesn't matter, under the President's health care plan, you will pay for it for your employees, for your family, and for yourself even if you don't want it. If you dare to follow your conscience and actually practice your faith and refuse to participate, you will be fined. You will be taxed. You will be forced to give your hard-earned money to Washington, even if you morally disagree.

That, my fellow Americans, is a religion tax; a faith tax; a tax on conscience; a tax on our freedom of religion. It's a shocking attack on that first right in the First Amendment, the right to believe in and follow the God we choose. As of now, there have been 31 lawsuits by nonprofits filed over the HHS mandate, another 30 lawsuits filed by for profit. These include hospitals, businesses, charities, religious colleges, Catholic dioceses, and many others. Let me illustrate the impact, particularly with Catholic services.

One in six patients in America are treated in Catholic hospitals. Catholic Charities provides an estimated 334 orphanages, feeds millions of Americans each year, serves thousands of our homeless each year, and the mandate punishes these individuals for feeding the homeless, takes away help for the sick, starves the hungry, and punishes the entrepreneur. Since the initial announcement, the administration has issued multiple updates claiming to modify the mandate. These are simply deceitful smoke screens. And even if some accommodation did exist in the language, the First Amendment is to be protected, not accommodated.

It's kind of like accommodating our freedom of speech by saying you use

your freedom of speech on Sunday, Monday, and Tuesday, but Wednesday, Thursday, Friday, and Saturday, that's probably not permitted. We should ask ourselves: How can the beacon of freedom known as America become home to religious intolerance on such a massive scale?

Frankly, there is a war on religious liberty in this country, and there is no one to ride in defense. It is up to us. We must be ever-vigilant in defense of our God-given rights. We must be ever-vigilant in safeguarding the protections in law for those rights. We must be ever-vigilant in standing for that first right of that First Amendment, religious liberty.

Thank you for your leadership, Congressman.

Mr. FORTENBERRY. Thank you, Congressman HUELSKAMP. I know you have to run. We are very grateful you were willing to share those powerful sentiments tonight.

I turn now to Congressman JIM JORDAN of Ohio, a former national championship wrestler in college, who now wrestles with some of the toughest issues right here on the House floor.

Mr. JORDAN. I thank the gentleman for yielding, and thank you for your leadership on this most fundamental, most basic of issues.

You think about the folks who started this place, this experiment in freedom we call America. In Europe they said you have to practice your faith a certain way. And they said, No, we don't, and we're willing to risk it all. We'll get on a boat and risk everything and practice our faith the way we think the good Lord wants us to. And they did. They risked everything to come here for that fundamental principle.

This experiment in freedom we call America, the greatest nation in history, was founded on that simple, yet basic and profound principle.

The document that started it all—it's probably been talked about, I haven't been here for the whole hour—but the document that started it all, the Declaration of Independence:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights.

The document that started this experiment in freedom started with this simple concept that there is a Creator, and that's where we derive our rights from. Not gifts from government, not grants from government, but gifts from the Creator. Gifts from God. And here's why this is so important: because this attack on this basic and most fundamental principle is not isolated.

Think about what we are witnessing in this country today regarding so many of your liberties. Start with the one we are talking about tonight, the most basic, your First Amendment right to practice your faith the way you think the good Lord wants you to. There is an attack on our First Amendment religious liberty rights. But there

is also a First Amendment attack on freedom of the press. We now know that what this Justice Department did relative to Mr. Rosen, First Amendment attack on freedom of the press. There is a violation, an attack on your First Amendment rights to free speech, political speech, as evidenced by the IRS issue. There are attacks on your Second Amendment rights. And as we just learned this past week, potentially your Fourth Amendment rights to be free from unreasonable search and seizure.

So this is critical because this is the issue that started it all, but it's also critical when viewed in context, when viewed in the overall attack on freedom, the overall attack on the Constitution, the overall attack on the Bill of Rights. And that's why I applaud the gentleman from Nebraska for his leadership, and as he well said, the gentleman from Illinois (Mr. LIPINSKI) on the other side of the aisle, who understands these basic principles and basic freedoms, and how central they are to the American experience and to what we call the United States of America.

Mr. FORTENBERRY. Thank you so much, Congressman JORDAN, for your thoughtful words and your powerful presentation. Thank you for your tireless leadership on this and so many other issues. Thank you for coming tonight.

I think it is most appropriate that the gentlewoman from Tennessee (Mrs. BLACK) gets to close the hour. DIANE BLACK is the primary author of the Health Care Conscience Rights Act. We have been proud to stand in partnership with you as you've taken the lead on this term, this Congress.

Mrs. BLACK. I thank you the gentleman from Nebraska for yielding. I'm getting a signal from Mr. Speaker that I have 1 minute left, so I'm going to reserve what I've written up, and just talk very briefly about what my colleagues have addressed up to this point in time.

The bill that we are talking about, the Health Care Conscience Rights bill, would simply take us back to where we were before a decision was made by Ms. Sebelius to change the way in which we have operated in this country now for over 235 years. All we're asking is to take us back to where our Founding Fathers had us from the beginning, as has just been talked about by Mr. JORDAN, about the founding principles of this country where people came here to be able to practice their deeply held beliefs without having government intrusion.

This is so important for the American people to understand, that this is not about the issues that sometimes are talked about from the other side about birth control. This is about religious freedom, and I thank the gentleman for leading this hour this evening. We will have many more conversations.

Once again, thank you for being a leader in this arena.

Mr. FORTENBERRY. Thank you, Congresswoman BLACK. We are so grateful for your leadership.

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

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 8 o'clock and 50 minutes p.m.), the House stood in recess.

□ 0300

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. SESSIONS) at 3 a.m.

REPORT ON RESOLUTION PROVIDING FOR FURTHER CONSIDERATION OF H.R. 1960, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2014

Mr. NUGENT, from the Committee on Rules, submitted a privileged report (Rept. No. 113-108) on the resolution (H. Res. 260) providing for further consideration of the bill (H.R. 1960) to authorize appropriations for fiscal year 2014 for military activities of the Department of Defense and for military construction, to prescribe military personnel strengths for such fiscal year, and for other purposes, which was referred to the House Calendar and ordered to be printed.

ADJOURNMENT

Mr. NUGENT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 1 minute a.m.), under its previous order, the House adjourned until today, Thursday, June 13, 2013, at 10 a.m. for morning-hour debate.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XIV, executive communications were taken from the Speaker's table and referred as follows:

1803. A letter from the Administrator, Department of Agriculture, transmitting the Department's final rule — Milk in the Northeast and Other Marketing Areas; Termination of Proceeding on Proposed Amendments to Tentative Marketing Agreements and Orders [Docket No.: AMS-DA-13-0016; AO-14-A74, et al.; DA-06-01] received May 28, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1804. A letter from the Administrator, Department of Agriculture, transmitting the Department's final rule — Cranberries Grown in States of Massachusetts, Rhode Island, Connecticut, New Jersey, Wisconsin, Michigan, Minnesota, Oregon, Washington, and Long Island in the State of New York; Changing Reporting Requirements [Docket No.: AMS-FV-12-0002; FV12-929-1 FIR] received May 28, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1805. A letter from the Administrator, Department of Agriculture, transmitting the Department's final rule — United States Standards for Grades of Almonds in the Shell [Doc. Number: AMS-FV-11-0046] received May 28, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1806. A letter from the Administrator, Department of Agriculture, transmitting the Department's final rule — Oranges, Grapefruit, Tangerines, and Tangelos Grown in Florida; Redistricting and Reapportionment of Grower Members, and Changing the Qualifications for Grower Membership on the Citrus Administrative Committee [Docket No.: AMS-FV-11-0076; FV11-905-1 FR] received May 28, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1807. A letter from the Administrator, Department of Agriculture, transmitting the Department's final rule — Pears Grown in Oregon and Washington; Assessment Rate Decrease for Processed Pears [Doc. No.: AMS-FV-12-0031; FV12-927-2 FIR] received May 28, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1808. A letter from the Administrator, Department of Agriculture, transmitting the Department's final rule — Revision of Regulations Defining Bona Fide Cotton Spot Markets [Doc. #:AMS-CN-12-0024] (RIN: 0581-AD26) received May 28, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1809. A letter from the Administrator, Department of Agriculture, transmitting the Department's final rule — Onions Grown in South Texas; Increased Assessment Rate [Doc. No.: AMS-FV-12-0039; FV12-959-1 FR] received May 28, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1810. A letter from the Administrator, Department of Agriculture, transmitting the Department's final rule — Pears Grown in Oregon and Washington; Modification of the Assessment Rate for Fresh Pears [Doc. No.: AMS-FV-12-0030; FV12-927-1 FR] received May 28, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1811. A letter from the Administrator, Department of Agriculture, transmitting the Department's final rule — Domestic Dates Produced or Packed in Riverside County, California; Decreased Assessment Rate [Docket No.: AMS-FV-12-0035; FV12-987-1 FIR] received May 28, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1812. A letter from the Administrator, Department of Agriculture, transmitting the Department's final rule — Irish Potatoes Grown in Washington; Decreased Assessment Rate [Doc. No.: AMS-FV-13-0010; FV13-946-1 IR] received May 28, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1813. A letter from the Administrator, Department of Agriculture, transmitting the Department's final rule — Irish Potatoes Grown in Colorado; Modification of the Handling Regulation for Area No. 2 [Doc. No.: AMS-FV-12-0043; FV12-948-1 FIR] received May 28, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1814. A letter from the Administrator, Department of Agriculture, transmitting the Department's final rule — Oranges and Grapefruit Grown in Lower Rio Grande Valley in Texas; Increased Assessments Rate [Doc. No.: AMS-FV-12-0038; FV12-906-1 FR] received May 28, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1815. A letter from the Principal Deputy Assistant Secretary, Reserve Affairs, Department of Defense, transmitting modernization priority assessments for the National Guard and Reserve equipment for Fiscal Year 2013; to the Committee on Appropriations.

1816. A letter from the Attorney, Bureau of Consumer Financial Protection, transmitting the Bureau's final rule — Loan Originator Compensation Requirements Under the Truth in Lending Act (Regulation Z): Prohibition on Financing Credit Insurance Premiums; Delay of Effective Date [Docket No.: CFPB-2013-0013] (RIN: 3170-AA37) received June 4, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

1817. A letter from the Attorney, Bureau of Consumer Financial Protection, transmitting the Bureau's final rule — Amendments to the 2013 Escrows Final Rule under the Truth in Lending Act (Regulation Z) [Docket No.: CFPB-2013-0009] (RIN: 3170-AA37) received June 3, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

1818. A letter from the Chief Counsel, Department of Homeland Security, transmitting the Department's final rule — Final Flood Elevation Determinations (Kenai Peninsula Borough, AK) [Docket ID: FEMA-2013-0002] received June 3, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

1819. A letter from the Secretary, Department of Health and Human Services, transmitting a report entitled, "Workplace Wellness Report to Congress"; to the Committee on Energy and Commerce.

1820. A letter from the Agency for International Development, transmitting a formal response to GAO report GAO-13-310; to the Committee on Foreign Affairs.

1821. A letter from the Chairman, Postal Service, transmitting the Semiannual Report of the Inspector General for the period of October 1, 2012 through March 31, 2013, pursuant to 5 U.S.C. app. (Insp. Gen. Act), section 5(b); to the Committee on Oversight and Government Reform.

1822. A letter from the Secretary, Department of Agriculture, transmitting the Department's semiannual report from the office of the Inspector General for the period ending March 31, 2013; to the Committee on Oversight and Government Reform.

1823. A letter from the Secretary, Department of Education, transmitting the Department's fiscal year 2012 annual report prepared in accordance with Section 203 of the Notification and Federal Employee Anti-discrimination and Retaliation Act of 2002 (No FEAR Act), Public Law 107-174; to the Committee on Oversight and Government Reform.

1824. A letter from the Executive Analyst, Department of Health and Human Services, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Oversight and Government Reform.

1825. A letter from the Executive Analyst, Department of Health and Human Services, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Oversight and Government Reform.

1826. A letter from the Secretary, Department of Housing and Urban Development, transmitting the Department's semiannual report from the office of the Inspector General for the period October 1, 2012 through March 31, 2013; to the Committee on Oversight and Government Reform.

1827. A letter from the Attorney-Advisor, Department of Transportation, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Oversight and Government Reform.

1828. A letter from the Secretary, Department of Treasury, transmitting the Department's semiannual reports from the Treasury Inspector General and the Treasury Inspector General for Tax Administration; to the Committee on Oversight and Government Reform.

1829. A letter from the Assistant General Counsel, General Law, Ethics, and Regulation, Department of the Treasury, transmitting two reports pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Oversight and Government Reform.

1830. A letter from the Director, Congressional Affairs, Federal Election Commission, transmitting the Commission's semiannual report from the office of the Inspector General for the period October 1, 2012 through March 31, 2013, pursuant to 5 U.S.C. app. (Insp. Gen. Act), section 5(b); to the Committee on Oversight and Government Reform.

1831. A letter from the Acting Director, Office of Personnel Management, transmitting the Office's semiannual report from the office of the Inspector General and the Management Response for the period October 1, 2012 through March 31, 2013; to the Committee on Oversight and Government Reform.

1832. A letter from the Acting Director, Office of Personnel Management, transmitting the Office's semiannual report from the office of the Inspector General and the Management Response for the period October 1, 2012 through March 31, 2013; to the Committee on Oversight and Government Reform.

1833. A letter from the Principal Deputy Assistant Attorney General, Department of Justice, transmitting the Department's Indian Country Investigations and Prosecution Report for calendar years 2011 and 2012; to the Committee on the Judiciary.

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. LUCAS: Committee on Agriculture. Supplemental report on H.R. 1947. A bill to provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2018, and for other purposes (Rept. 113-92, Pt. 3); Referred to the Committee of the Whole House of the state of the Union.

Mr. HENSARLING: Committee on Financial Services. H.R. 634. A bill to provide end user exemptions from certain provisions of the Commodity Exchange Act and the Securities Exchange Act of 1934, and for other purposes (Rept. 113-105, Pt. 1). Referred to the Committee of the Whole House on the state of the Union.

Mr. LUCAS: Committee on Agriculture. H.R. 634. A bill to provide end user exemptions from certain provisions of the Commodity Exchange Act and the Securities Exchange Act of 1934, and for other purposes (Rept. 113-105, Pt. 2). Referred to the Committee of the Whole House on the state of the Union.

Mr. LUCAS: Committee on Agriculture. H.R. 742. A bill to amend the Securities Exchange Act of 1934 and the Commodity Exchange Act to repeal the indemnification requirements for regulatory authorities to obtain access to swap data required to be provided by swaps entities under such Acts (Rept. 113-106, Pt. 1). Referred to the Committee of the Whole House on the state of the Union.

Mr. HENSARLING: Committee on Financial Services. H.R. 742. A bill to amend the Securities Exchange Act of 1934 and the Commodity Exchange Act to repeal the indemnification requirements for regulatory authorities to obtain access to swap data required to be provided by swaps entities under such Acts (Rept. 113-106, Pt. 2). Referred to the Committee of the Whole House on the state of the Union.

Mr. LUCAS: Committee on Agriculture. H.R. 1038. A bill to provide equal treatment for utility special entities using utility operations-related swaps, and for other purposes (Rept. 113-107). Referred to the Committee of the Whole House on the state of the Union.

Mr. NUGENT: Committee on Rules. House Resolution 260. Resolution providing for further consideration of the bill (H.R. 1960) to authorize appropriations for fiscal year 2014 for military activities of the Department of Defense and for military construction, to prescribe military personnel strengths for such fiscal year, and for other purposes (Rept. 113-108). 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. MILLER of Florida:

H.R. 2327. A bill to amend title 38, United States Code, to establish in the Department of Veterans Affairs a Veterans Economic Opportunity Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ROGERS of Michigan (for himself, Mr. BARROW of Georgia, Mrs. BLACKBURN, Mr. ROE of Tennessee, Mr. KINZINGER of Illinois, Mr. DUFFY, Mr. CLAY, Mr. HARRIS, Mrs. BAGHMANN, Mr. DUNCAN of South Carolina, Mr. CASSIDY, Mr. PALAZZO, Mr. CONAWAY, Mr. DENT, Mr. WOMACK, Mr. GRIMM, Mr. HUELSKAMP, Mr. ROKITA, Mr. JOYCE, Mr. MCKINLEY, Mr. GRIFFITH of Virginia, Mr. BISHOP of Georgia, Mr. BURGESS, Mrs. CAPITO, Mr. GINGREY of Georgia, and Mr. YOUNG of Indiana):

H.R. 2328. A bill to amend title XXVII of the Public Health Service Act to preserve consumer and employer access to licensed independent insurance producers; to the Committee on Energy and Commerce.

By Mr. SMITH of Nebraska (for himself, Mr. SAM JOHNSON of Texas, Mr. NUNES, Mr. TIBERI, Mr. ROSKAM, Mr. PRICE of Georgia, Mr. SCHOCK, Mrs. BLACK, Mr. REED, Mr. YOUNG of Indiana, Mr. KELLY of Pennsylvania, Mr. BENISHEK, and Ms. JENKINS):

H.R. 2329. A bill to amend title XVIII of the Social Security Act to provide for a maximum period of 2 years for submissions of Medicare part B claims originally submitted by hospitals as Medicare part A claims and of 60 days for certain such submissions for one-day stays; and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BILIRAKIS (for himself, Mr. BUTTERFIELD, Mrs. CAPPS, Mr. GUTHRIE, Mr. MICHAUD, Mr. MCKINLEY, Mr. GERLACH, Mr. HUIZENGA of Michigan, and Mr. MEEHAN):

H.R. 2330. A bill to amend title XVIII of the Social Security Act to provide comprehensive audiology services to Medicare beneficiaries, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GRIFFITH of Virginia:

H.R. 2331. A bill to provide for the conveyance of a small parcel of National Forest System land in Pound, Virginia; to the Committee on Agriculture.

By Mr. KILMER (for himself, Mr. KIND, Mr. MARKEY, Ms. MOORE, Mr. HECK of Washington, Mr. LARSEN of Washington, Mr. BECERRA, Mr. CÁRDENAS, Ms. MCCOLLUM, Mr. BLUMENAUER, Mr. HONDA, Ms. HANABUSA, Mr. POCAN, Ms. SLAUGHTER, Mr. COLE, Mr. KEATING, Mr. HASTINGS of Florida, Mr. GRIMM, Mr. CONYERS, Mr. MORAN, and Mr. YOUNG of Alaska):

H.R. 2332. A bill to amend the Internal Revenue Code of 1986 to recognize Indian tribal governments for purposes of determining under the adoption credit whether a child has special needs; to the Committee on Ways and Means.

By Mr. LARSEN of Washington (for himself and Mr. REICHERT):

H.R. 2333. A bill to amend the Small Business Act to provide for the permanent establishment of the State Trade and Export Promotion Grant Program, and for other purposes; to the Committee on Small Business.

By Mr. BEN RAY LUJÁN of New Mexico (for himself, Ms. MICHELLE LUJÁN GRISHAM of New Mexico, Mr. PEARCE, and Mr. CÁRDENAS):

H.R. 2334. A bill to assist coordination among science, technology, engineering, and mathematics efforts in the States, to strengthen the capacity of elementary schools, middle schools, and secondary schools to prepare students in science, technology, engineering, and mathematics, and for other purposes; to the Committee on Education and the Workforce.

By Mr. McDERMOTT:

H.R. 2335. A bill to prohibit Members of Congress from receiving pay when the Federal Government is unable to make payments or meet obligations because the public debt limit has been reached; to the Committee on House Administration.

By Mr. PEARCE:

H.R. 2336. A bill to direct the Secretary of Agriculture to convey lands of the former Fort Bayard Military Reservation in Grant County, New Mexico, to the village of Santa Clara, the city of Bayard, or the county of Grant in that State, in tracts of not less than 40 acres, and at market price at its present state of use as agricultural grazing lands as determined by the Secretary, for business and community development, and for other purposes; to the Committee on Agriculture, and in addition to the Committee on Natural Resources, 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. POLIS:

H.R. 2337. A bill to provide for the conveyance of the Forest Service Lake Hill Administrative Site in Summit County, Colorado; to the Committee on Natural Resources.

By Mr. POLIS (for himself and Mr. LATHAM):

H.R. 2338. A bill to amend the Elementary and Secondary Education Act of 1965 to aid gifted and talented and high-ability learners by empowering the Nation's teachers, and for other purposes; to the Committee on

Education and the Workforce, and in addition to the Committee on Science, Space, and Technology, 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. POLIS:

H.R. 2339. A bill to facilitate affordable workforce homeownership in, and develop the full-time resident communities of, high tourism areas, and for other purposes; to the Committee on Financial Services, 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. QUIGLEY (for himself, Mr. FOSTER, and Ms. DUCKWORTH):

H.R. 2340. A bill to amend title 23, United States Code, to protect States that have in effect laws or orders with respect to pay to play reform, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. ROONEY (for himself, Mr. BILLIRAKIS, Mr. BARBER, and Mr. SCHRAEDER):

H.R. 2341. A bill to amend title 38, United States Code, to require the Secretary of Veterans Affairs to consider the resources of individuals applying for pension that were recently disposed of by the individuals for less than fair market value when determining the eligibility of such individuals for such pension, and for other purposes; to the Committee on Veterans' Affairs.

By Ms. ROYBAL-ALLARD:

H.R. 2342. A bill to amend the Fair Labor Standards Act of 1938 to strengthen the provisions relating to child labor; to the Committee on Education and the Workforce.

By Ms. SCHWARTZ (for herself, Ms. FUDGE, Mr. BLUMENAUER, and Ms. PINGREE of Maine):

H.R. 2343. A bill to amend the Department of Agriculture Reorganization Act of 1994 to establish in the Department of Agriculture a Healthy Food Financing Initiative; to the Committee on Agriculture.

By Mr. SESSIONS (for himself and Mr. THOMPSON of California):

H.R. 2344. A bill to direct the Secretary of Defense to carry out a pilot program for investigational treatment of members of the Armed Forces for traumatic brain injury and post-traumatic stress disorder; to the Committee on Armed Services.

By Mr. TURNER:

H.R. 2345. A bill to amend title 5, United States Code, to prohibit the transfer or reprogramming of discretionary appropriations made available to the Internal Revenue Service, and for other purposes; to the Committee on Ways and Means, and in addition to the Committees on Oversight and Government Reform, and Appropriations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. FOXX:

H. Res. 257. A resolution electing certain Members to certain standing committees of the House of Representatives; considered and agreed to.

By Ms. ESTY:

H. Res. 258. A resolution providing for the consideration of the bill (H.R. 1565) to protect Second Amendment rights, ensure that all individuals who should be prohibited from buying a firearm are listed in the National Instant Criminal Background Check System, and provide a responsible and consistent background check process; to the Committee on Rules.

By Mr. HONDA (for himself and Mr. BERA):

H. Res. 259. A resolution recognizing the 100th anniversary of the founding of the Ghadar Party in the United States; to the Committee on Foreign Affairs.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 7 of rule XII of the Rules of the House of Representatives, the following statements are submitted regarding the specific powers granted to Congress in the Constitution to enact the accompanying bill or joint resolution.

By Mr. MILLER of Florida:

H.R. 2327.

Congress has the power to enact this legislation pursuant to the following:

Article I, section 8 of the Constitution of the United States.

By Mr. ROGERS of Michigan:

H.R. 2328.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 1: The Congress shall have Power to lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States.

Article I, Section 8, Clause 18 of the Constitution, which states "To make all Laws which shall be necessary and proper in the Government of the United States or in any Department or Officer thereof."

By Mr. SMITH of Nebraska:

H.R. 2329.

Congress has the power to enact this legislation pursuant to the following:

The constitutional authority on which this bill rests is the power of Congress to make rules for the government and regulation of the land and naval forces, as enumerated in Article I, Section 8, Clause 14 of the United States Constitution.

By Mr. BILIRAKIS:

H.R. 2330.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 3

By Mr. GRIFFITH of Virginia:

H.R. 2331.

Congress has the power to enact this legislation pursuant to the following:

This bill is enacted pursuant to the power granted to Congress under Article I, Section 8 of the United States Constitution.

By Mr. KILMER:

H.R. 2332.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 1

By Mr. LARSEN of Washington:

H.R. 2333.

Congress has the power to enact this legislation pursuant to the following:

Article 1, Section. 8. Clause 3: To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes;

By Mr. BEN RAY LUJÁN of New Mexico:

H.R. 2334.

Congress has the power to enact this legislation pursuant to the following:

Article 1, Section 8

By Mr. McDERMOTT:

H.R. 2335.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 6 of the Constitution of the United States.

By Mr. PEARCE:

H.R. 2336.

Congress has the power to enact this legislation pursuant to the following:

Article 4, Section 3, Clause 2 of the Constitution of the United States grants Congress the power to enact this law.

By Mr. POLIS:

H.R. 2337.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 1 (relating to the power of Congress to provide for the general welfare of the United States) and Clause 18 (relating to the power to make all laws necessary and proper for carrying out the powers vested in Congress)

Article IV, Section 3, Clause 2, (relating to the power of Congress to dispose of and make all needful rules and regulations respecting territory or other property belonging to the United States).

By Mr. POLIS:

H.R. 2338.

Congress has the power to enact this legislation pursuant to the following:

This bill is enacted pursuant to Article 1, Section 8, Clause 18 of US Constitution, to make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.

By Mr. POLIS:

H.R. 2339.

Congress has the power to enact this legislation pursuant to the following:

Article I, section 8, clause 1 (relating to the general welfare of the United States); and Article I, section 8, clause 3 (relating to the power to regulate interstate commerce).

By Mr. QUIGLEY:

H.R. 2340.

Congress has the power to enact this legislation pursuant to the following:

The constitutional authority on which this bill rests is the power of Congress to regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes; as enumerated in Article I, Section 8, Clause 3 of the United States Constitution.

By Mr. ROONEY:

H.R. 2341.

Congress has the power to enact this legislation pursuant to the following:

Article 1 Section 8

To regulate Commerce with Foreign nations, and among the several States, and with Indian Tribes.

By Ms. ROYBAL-ALLARD:

H.R. 2342.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 1

By Ms. SCHWARTZ:

H.R. 2343.

Congress has the power to enact this legislation pursuant to the following:

Article 1, Section 8

By Mr. SESSIONS:

H.R. 2344.

Congress has the power to enact this legislation pursuant to the following:

The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States;

By Mr. TURNER:

H.R. 2345.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 9, Clause 7 and Article I, Section 8, Clause 2 of the Constitution of the United States.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 24: Mr. MURPHY of Pennsylvania and Mr. KELLY of Pennsylvania.

H.R. 127: Mr. DUNCAN of South Carolina.

H.R. 139: Mr. PALLONE.

H.R. 198: Mr. TAKANO.

H.R. 217: Mr. PERRY.

H.R. 223: Mr. VAN HOLLEN.

H.R. 318: Mr. NEUGEBAUER.

H.R. 333: Ms. SINEMA and Mr. KEATING.

H.R. 343: Mr. LATHAM.

H.R. 352: Mr. WILSON of South Carolina, Mr. MCKINLEY, Mr. MULVANEY, Mr. BARTON and Mr. CHABOT.

H.R. 367: Mr. BRADY of Texas.

H.R. 437: Mr. TONKO and Ms. SHEA-PORTER.

H.R. 451: Mr. MILLER of Florida and Ms. BROWN of Florida.

H.R. 460: Mr. BRALEY of Iowa and Mr. BISHOP of Georgia.

H.R. 481: Mr. McDERMOTT.

H.R. 487: Mr. ROE of Tennessee.

H.R. 501: Mr. GRIJALVA.

H.R. 503: Mr. MESSER.

H.R. 508: Mr. PERRY.

H.R. 526: Mr. CONNOLLY.

H.R. 543: Mr. NEAL, Mr. ELLISON, and Mr. HASTINGS of Florida.

H.R. 596: Ms. BROWNLEY of California and Mr. STEWARD.

H.R. 630: Ms. ROYBAL-ALLARD.

H.R. 647: Mr. PAULSEN.

H.R. 649: Mr. GRAYSON.

H.R. 666: Ms. DELBENE.

H.R. 685: Mr. SMITH of Nebraska, Mr. LUMMIS, and Mr. KINZINGER of Illinois.

H.R. 693: Ms. TITUS and Mr. SMITH of New Jersey.

H.R. 698: Mr. TAKANO.

H.R. 712: Mr. LARSON of Connecticut.

H.R. 742: Mr. HASTINGS of Florida.

H.R. 763: Mr. MCKINLEY, Mr. GOHMERT, Mr. GARY G. MILLER of California, Mr. LAMBORN, Mr. BENTIVOLIO, and Mr. WILLIAMS.

H.R. 778: Mr. ROSKAM.

H.R. 813: Ms. SINEMA.

H.R. 867: Mr. SCHOCK.

H.R. 900: Ms. LEE of California.

H.R. 903: Mr. WALBERG and Mr. GRIFFIN of Arkansas.

H.R. 904: Mr. SARBANES, Mr. COSTA, and Mr. AMODEI.

H.R. 958: Mr. ISRAEL.

H.R. 961: Ms. ROYBAL-ALLARD.

H.R. 984: Mr. LARSEN of Washington.

H.R. 1014: Mr. NUGENT and Mr. GIBSON.

H.R. 1024: Mr. RODNEY DAVIS of Illinois, Mr. GRIFFIN of Arkansas, Mr. CARTWRIGHT, Mr. PERRY and Mr. BRADY of Pennsylvania.

H.R. 1078: Mrs. LUMMIS.

H.R. 1126: Mrs. LUMMIS.

H.R. 1129: Mrs. LOEBACK.

H.R. 1146: Mr. BARR.

H.R. 1148: Mr. WOMACK.

H.R. 1151: Mr. GENE GREEN of Texas and Mr. MULVANEY.

H.R. 1155: Mrs. MILLER of Michigan.

H.R. 1175: Ms. SHEA-PORTER.

H.R. 1187: Ms. DELAURO, Ms. MCCOLLUM, Mr. WAXMAN, Mr. GEORGE MILLER of California, Ms. VELÁZQUEZ, Ms. SCHAKOWSKY, Mr. LOWEY, and Ms. SCHWARTZ.

H.R. 1205: Mr. BUCSHON.

H.R. 1250: Mr. HINOJOSA and Mr. BARLETTA.

H.R. 1252: Ms. SLAUGHTER.

H.R. 1262: Mr. WELCH.

H.R. 1274: Mr. GUTHRIE.

H.R. 1333: Mr. BARBER.

H.R. 1339: Mr. LANCE.

H.R. 1414: Mr. SEAN PATRICK MALONEY of New York, Mr. KEATING, Mrs. DAVIS of California, and Ms. LOFGREN.

H.R. 1416: Mr. GHNGREY of Georgia.

H.R. 1455: Ms. CLARKE.

H.R. 1493: Mr. ISSA.

H.R. 1494: Mr. BARBER.

H.R. 1518: Mr. ISRAEL and Mr. FOSTER.

H.R. 1563: Mr. RUSH, Mr. KINGSTON and Mr. MEADOWS.

H.R. 1595: Mr. SEAN PATRICK MALONEY of New York and Ms. HAHN.

H.R. 1620: Mr. BARBER.

H.R. 1634: Mr. PAULSEN.

H.R. 1652: Mr. DEFAZIO, Ms. VELÁZQUEZ, Mr. CLEAVER, and Ms. CLARKE.

H.R. 1699: Mr. ELLISON and Mrs. LOWEY.

H.R. 1717: Mr. PAULSEN and Ms. KAPTUR.

H.R. 1726: Mr. MCCAUL, Mr. HASTINGS of Florida, Ms. ROS-LEHTINEN, and Ms. WASSERMAN SCHULTZ.

H.R. 1737: Mr. CÁRDENAS.

H.R. 1755: Mr. PASTOR of Arizona.

H.R. 1771: Mr. CONAWAY, Mr. MEEHAN, Mr. PEARCE, Mr. WESTMORELAND, and Mr. VARGAS.

H.R. 1772: Mr. BACHUS.

H.R. 1787: Mrs. HARTZLER, Ms. KUSTER, Mr. HASTINGS of Florida, and Mr. FORTENBERRY.

H.R. 1796: Ms. KELLY of Illinois, Mr. O'ROURKE, Mr. KIND, Mr. MCGOVERN, Mr. MURPHY of Florida, and Mr. RYAN of Ohio.

H.R. 1797: Mr. GOODLATTE, Mr. SANFORD, Mr. CULBERSON, Mr. RICE of South Carolina, Mr. WOLF, Mr. GRAVES of Missouri, Mr. WITTMAN, Mr. SMITH of Missouri, and Mr. PETRI.

H.R. 1801: Ms. WASSERMAN SCHULTZ, Mr. CARNEY, Mr. TAKANO, and Ms. TITUS.

H.R. 1823: Mr. PEARCE and Mr. REICHERT.

H.R. 1825: Mr. HUNTER, Mr. MESSER and Mr. KINZINGER of Illinois.

H.R. 1829: Mr. BUCSHON.

H.R. 1830: Ms. DUCKWORTH, Mr. RODNEY DAVIS of Illinois, and Mr. GENE GREEN of Texas.

H.R. 1843: Mr. CUMMINGS.

H.R. 1846: Mr. KING of New York.

H.R. 1852: Ms. SINEMA, Mr. RADEL, Mr. REED, Ms. SHEA-PORTER, and Ms. JENKINS.

H.R. 1857: Mr. HOLT.

H.R. 1864: Mr. KEATING, Mr. HECK of Washington, Mr. SHUSTER, Mr. NADLER, Mr. GRIJALVA, and Mr. AMODEI.

H.R. 1869: Mrs. HARTZLER and Ms. BROWNLEY of California.

H.R. 1871: Mrs. HARTZLER and Mr. McCLINTOCK.

H.R. 1882: Mr. PERRY.

H.R. 1893: Mr. LANGEVIN.

H.R. 1908: Mr. MESSER.

H.R. 1921: Ms. SCHWARTZ.

H.R. 1945: Ms. GABBARD and Mr. PAYNE.

H.R. 1961: Mr. LUTKEMEYER.

H.R. 1971: Mr. KILMER, Mr. NUGENT, Mr. SCHRADER, and Mr. GENE GREEN of Texas.

H.R. 2000: Mr. TIERNEY, Mr. MCGOVERN, Mr. VAN HOLLEN, and Mr. QUIGLEY.

H.R. 2002: Mr. NADLER.

H.R. 2003: Ms. PINGREE of Maine.

H.R. 2009: Mr. SENSENBRENNER, Mr. ROTHFUS, Mr. DESJARLAIS, and Mr. WENSTRUP.

H.R. 2016: Ms. JENKINS.

H.R. 2019: Mr. WILLIAMS, Mr. SMITH of Texas, Mr. BENISHEK, Mr. CUELLAR, and Mr. PAULSEN.

H.R. 2020: Mr. SEAN PATRICK MALONEY of New York, Mr. DOGGETT, Mr. WAXMAN, and Mr. HUFFMAN.

H.R. 2022: Mr. JONES.

H.R. 2026: Mr. BUTTERFIELD, Mr. GOHMERT, Mr. ADERHOLT, Mr. LAMALFA, Mr. SOUTHERLAND, Mr. MCKINLEY, Mr. GRIFFIN of Arkansas, Mr. GOSAR, Mr. WOMACK, and Mr. DAINES.

H.R. 2027: Mr. BUCSHON.

H.R. 2041: Mr. LATHAM.

H.R. 2045: Mr. ROE of Tennessee and Mr. PEARCE.

H.R. 2066: Ms. TITUS.

H.R. 2077: Ms. DEGETTE and Mr. MURPHY of Pennsylvania.

H.R. 2080: Mr. GEORGE MILLER of California.

H.R. 2089: Mr. RADEL.

H.R. 2093: Mr. MARCHANT, Mr. MULVANEY and Mr. WOMACK.

H.R. 2125: Mr. ROTHFUS and Mr. JONES.

H.R. 2138: Mr. ISSA and Mr. ROTHFUS.

H.R. 2162: Mr. PEARCE.

H.R. 2164: Mr. MILLER of Florida, Mr. LATTA and Mr. FORBES.

H.R. 2166: Mr. McDERMOTT.

H.R. 2186: Ms. ESHOO.

H.R. 2240: Mr. MORAN, Mr. GRIJALVA, Mr. HANNA, Mr. McDERMOTT, and Mr. POCAN.

H.R. 2255: Mr. CONNOLLY.

H.R. 2273: Mr. WALBERG.

H.R. 2277: Mr. YOHO.

H.R. 2288: Ms. SINEMA.

H.R. 2290: Ms. FUDGE and Mr. MARKEY.

H.R. 2300: Mr. MULVANEY, Mr. WENSTRUP, Mr. PITTENGER, Mr. DESJARLAIS, Mr. ROE of Tennessee, Mr. WILSON of South Carolina, Mr. OLSON, and Mrs. BACHMAN.

H.R. 2309: Ms. DUCKWORTH, Mr. PAYNE, Mr. MICHAUD, Mr. WILLIAMS and Mr. MARCHANT.

H.R. 2319: Mr. TIPTON.

H.J. Res. 34: Mr. LARSEN of Washington.

H. Con. Res. 24: Mr. AMODEI and Mr. MARCHANT.

H. Con. Res. 36: Mr. HASTINGS of Florida, Mr. KEATING, Mr. FARR, and Ms. KUSTER.

H. Res. 89: Mr. KINZINGER of Illinois, Mrs. CAROLYN B. MALONEY of New York and Mr. BERA of California.

H. Res. 104: Mr. ROTHFUS.

H. Res. 109: Mrs. DAVIS of California and Mr. PETERS of California.

H. Res. 147: Ms. JENKINS.

H. Res. 188: Mr. POSEY.

H. Res. 208: Ms. WILSON of Florida, Ms. TITUS, Mr. MICHAUD, and Mr. TIERNEY.

H. Res. 213: Mr. MARKEY, Mr. CARTWRIGHT, and Mr. WELCH.

H. Res. 218: Mr. FORBES, Ms. ROS-LEHTINEN, Mr. SHERMAN, and Mr. CHABOT.

H. Res. 227: Mr. WAXMAN, Mr. LANGEVIN, Ms. HAHN, Ms. MENG, Mr. CÁRDENAS, Mr. TIERNEY, Mr. DENHAM and Mr. MARKEY.

H. Res. 231: Mr. MICA, Mr. MESSER and Mr. RUNYAN.

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:

The amendment to be offered by Representative Howard P. “Buck” McKeon to H.R. 1960, the National Defense Authorization Act for Fiscal Year 2014, does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.