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House of Representatives

The House met at 10:30 a.m. and was called to order by the Speaker pro tempore (Mr. PENCE).

DESIGNATION OF SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
June 18, 2002.

I hereby appoint the Honorable MIKE PENCE to act as Speaker pro tempore on this day.

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

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. PALLONE) for 5 minutes.

REQUEST TO ADDRESS THE HOUSE FOR ONE MINUTE

Mr. PALLONE. Mr. Speaker, the gentlewoman from Florida would like to ask unanimous consent to do a 1-minute.

The SPEAKER pro tempore. The Chair cannot entertain a 1-minute request at this time.

Ms. ROS-LEHTINEN. Could I ask the gentleman to yield a minute of his time?

Mr. PALLONE. Can she not take 5 minutes ahead of me?

The SPEAKER pro tempore. The gentleman from New Jersey has the floor for 5 minutes and may yield.

GOP PRESCRIPTION DRUG PLAN

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from New Jersey (Mr. PALLONE) is recognized during morning hour debates for 5 minutes.

Mr. PALLONE. Mr. Speaker, I yield to the gentlewoman from Florida (Ms. ROS-LEHTINEN).

RECOGNITION OF ANTHONY ZECCA

Ms. ROS-LEHTINEN. Mr. Speaker, I thank the gentleman from New Jersey for his kindness in yielding.

I would like to recognize Anthony Zecca on his retirement as chief of police for the Miccosukee Tribe of Indians. Chief Zecca has been a pillar of strength and trust for his community and has provided assistance and protection for all. His leadership as a law enforcement officer over the last 45 years has earned him respect and admiration from his community.

Chief Zecca began his career as a police officer with the New York Police Department and came to the Miccosukee Tribe in 1976. Within a year he was promoted to lieutenant and was appointed chief of police in 1978.

Please join me in recognizing Chief Anthony G. Zecca for the commendable service he has provided and for his commitment to the south Florida community. And I thank the gentleman from New Jersey (Mr. PALLONE), and I know that he knows the Miccosukee Tribe very well and knows Chief Zecca.

Mr. PALLONE. Mr. Speaker, I thank the gentlewoman from Florida (Ms. ROS-LEHTINEN). I met the chief on one occasion when I went down there with the gentlewoman's husband, and he is really an outstanding individual.

Let me say, Mr. Speaker, that the reason that I am in the well this morning is because of my concern about the Republican leadership effort to bring up their prescription drug bill today in the Committee on Energy and Commerce and in the Committee on Ways and Means. I have said many times that I am glad that the Republican leadership is finally willing to bring up a bill; however, it is quite clear that their legislation does nothing more than throw some money to private insurance companies in the hope that they will provide some sort of prescription drug benefit. And I am very concerned that, unlike the Democratic proposal which provides for a guaranteed Medicare benefit, 80 percent of which is being paid for by the Federal Government, and which brings down costs by giving the power to the Secretary of the Department of Health and Human Services to have 30 or 40 million seniors who can now negotiate lower drug prices, this is what we need. Democrats are proposing a Medicare benefit, a guaranteed benefit, 80 percent paid for by the Federal Government, just like what we have now for part B of Medicare that covers your doctor bills.

What the Republicans are proposing and bringing up in committee today and tomorrow is a sham. It is nothing more than an effort to try to convince the American people that somehow they are going to provide a benefit that will not exist. It is illusory because it is nothing more than giving money to private insurance companies without any guaranteed benefit, without any Medicare benefit, and without any cost control.

But I have said over and over again that Members do not have to take my word for it. In the last few weeks, commentators in the New York Times and various media around the country have pointed out rather dramatically that the Republican proposal will not work, that it is designed for failure, and if I could just use a couple of quotes to

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point that out, in Sunday's New York Times there was an article by Robert Pear, and it says, and I want to quote a few sections, under the Republican proposal, ''Medicare would pay subsidies to private entities to offer insurance covering the costs of prescription drugs. Such 'drug only' insurance does not exist and many private insurers doubt whether they could offer it at an affordable price.''

A quote: ''I am very skeptical that 'drug only' private plans would develop,'' said Bill Gradison, a former Congressman who was president of the Health Insurance Association of America from 1993 to 1998.

The insurance companies themselves are telling the Republican leadership that these drug-only policies will not work. They will not be offered. It is a hoax on the American people and on our seniors to suggest that somehow this Republican bill is going to provide a benefit. It will not provide a benefit. Nobody is even going to offer the benefit.

Today in the New York Times, an opinion piece by Paul Krugman, who is a regular contributor to the New York Times, says essentially the same thing. I just want to quote a couple of sections.

He says, ''The theory of the Republican bill is that competition among private insurance providers would somehow lead to lower costs. In fact, the almost certain result would be an embarrassing fiasco because the subsidy would have few, if any, takers. The trouble with drug insurance from a private insurer's point of view is that some people have much higher drug expenses than the average, while others have expenses that are much lower, and both sets of people know who they are. This means that any company that tries to offer drug insurance will find that it tries to offer a plan whose premiums reflect average drug costs. The only takers will be those who have above-average drug costs.''

What Krugman is saying here and what others are saying is that no insurance company is going to provide this insurance, because the only person that would take it would be someone who has extremely high drug costs, and they cannot operate an insurance system that way. I do not want to get into all the details, but the bottom line is that we are getting this uniform chorus around the country telling us that the Republican proposal to simply provide money to private insurers will not work.

What are the Republicans going to do? They know this is not going to work. They are going to try to shove it down the throats of the Congress in committee tomorrow or the next day, and bring it to the floor next week. They know it will not work, so what they are doing is use the pharmaceutical drug companies to spend millions of dollars on advertising to say it is a good proposal, and it is not.

RECOGNITION OF TEACHERS OF THE YEAR

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from Texas (Mr. SAM JOHNSON) is recognized during morning hour debates for 5 minutes.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I hate to hear them talking about drugs this early in the morning, because the Republican plan will work. We believe in democracy and free enterprise, and that is how it is going to work.

Mr. Speaker, we have good teachers and we have great teachers, and it is an honor to bring to my colleagues' attention distinguished teachers from the Third Congressional District of Texas. I am pleased to recognize these recipients of the Teacher of the Year Award, who enable our students to understand and learn from each other and strive to achieve their goals.

Great teachers nurture our country's best hope for tomorrow: our children. Children may be a fraction of our society, but they are 100 percent of our future. The perseverance and dedication of our teachers challenge and shape students to dream, to work, to make those dreams come true.

Unfortunately, educators work with little public thanks or appreciation, even though top-notch teachers are essential to a strong future. These dedicated educators in particular go beyond the call of duty and selflessly make our children and our country a better place.

It is my distinct honor to present the teachers of the year from Garland, Texas, and Richardson, Texas:

In Garland Independent School District, the teacher of the year is Carol Clark.

In Richardson Independent School District, the teachers of the year are Betty Jackson and Kari Gilbertson.

As the highest-ranking Texan on the Committee on Education and the Workforce, I know firsthand the importance of a quality education. However, it is outstanding teachers like these who strive for excellence. I thank these hometown heroes and excellent educators for all they do for Garland, for Richardson, for our children, for America, and for freedom. God bless them.

NO TAX BREAKS FOR CORPORATIONS RENOUNCING AMERICA ACT

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from Texas (Mr. DOGGETT) is recognized during morning hour debates for 5 minutes.

Mr. DOGGETT. Mr. Speaker, September 11 really brought out the best in Americans when all of us are continuing to be asked to sacrifice some for our country, and some have sacrificed their all. Unfortunately, certain of our multinational corporations are offering less, indeed, much less.

Over the years, the United States has rightly entered into tax treaties with countries around the world to avoid taxing the same income twice for their businesses, as well as for ours. These treaties are so broadly worded, however, that some corporations can exploit them to evade taxes not just on their foreign earnings, but on what they earn right here at home.

These corporations use gaps in the tax treaties to shift U.S. earnings abroad to countries like the Barbados or Luxembourg that impose little or no tax. This income vanishing act occurs through the creation of affiliated foreign shell corporations that make high-interest loans or obtain hefty royalty fees from the American companies.

To stop this abuse, today I am introducing the ''No Tax Breaks for Corporations Renouncing America Act.'' This abuse results from the broad way in which our tax treaties test foreign ownership and residency. Before globalization, one could assume that a company with stock listed on the stock exchange was a company from one of the countries with which it was listed, but that is no longer the case. My legislation, by narrowing the provision, ensures that tax treaties are used only for their intended beneficiaries, not for those corporations whose phony claim to foreign citizenship is based on little more than a new mailbox.

By exploiting the tax treaty loophole, companies who renounce their U.S. citizenship are reaping a windfall. Corporate freeloaders are taking treaties designed to eliminate double taxation and are using them instead to eliminate all taxation on some of their income.

These corporate ''ex-patriots'' are selective in waving the Star-Spangled Banner. Yes, they want to be American to enjoy the protection of our Armed Forces, the protection and reliability of our courts, and to seek business from the Federal Government; but when it comes time to pay, to pay their fair share to keep America strong, Old Glory suddenly comes down the flagpole, and they claim they are foreigners.

These fair-weather friends choose to wrap themselves in the flag when that is convenient, and renounce the flag and say they are foreigners and wrap themselves in a tax treaty when that is convenient; we have to put a stop to that. It is time to end the practice of them sending Uncle Sam a postcard that says, ''Sorry, you can find me in Barbados, glad you are not here.''

American executives who want to evade U.S. taxes on U.S. income by moving their mailbox to an island and hold beachside board meetings, are entitled to a tan, not a tax break.

Take companies like Cooper Industries and Stanley Tools. They make tools, shovels, and the like; but we might think that when Stanley says it is making something great, it had in mind beach tools like this from its new