United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, SECOND SESSION

Vol. 148 WASHINGTON, THURSDAY, NOVEMBER 14, 2002 *No. 147—Part II*

House of Representatives

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H. CON. RES. 507

Mrs. JONES of Ohio. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H. Con. Res. 507.

The SPEAKER pro tempore (Mr. ISAKSON). Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

REDUCING PREEXISTING PAYGO BALANCES

Mr. NUSSLE. Mr. Speaker, pursuant to House Resolution 602, I call up the bill (H.R. 5708) to reduce preexisting PAYGO balances, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The text of H.R. 5708 is as follows:

H.R. 5708

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

SECTION 1. Reduction of Preexisting PAYGO Balances.

Upon the enactment of this Act, the Director of the Office of Management and Budget shall reduce any balances of direct spending and receipts legislation for all fiscal years under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 to zero.

The SPEAKER pro tempore. Pursuant to House Resolution 602, the gentleman from Iowa (Mr. NUSSLE) and the gentleman from South Carolina (Mr. SPRATT) each will control 30 minutes.

The Chair recognizes the gentleman from Iowa (Mr. NUSSLE).

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

I rise in favor of the bill before us, H.R. 5708. It is a bill that would prevent the automatic spending cuts in Medicare and other entitlements.

Under the Budget Enforcement Act of 1990, entitlement and tax legislation must be offset on a year-by-year basis. We do this so that it will not increase the deficit or reduce the surplus.

NOTICE

If the 107th Congress, 2d Session, adjourns sine die on or before November 22, 2002, a final issue of the Congressional Record for the 107th Congress, 2d Session, will be published on Monday, December 16, 2002, in order to permit Members to revise and extend their remarks.

All material for insertion must be signed by the Member and delivered to the respective offices of the Official Reporters of Debates (Room HT–60 or S–123 of the Capitol), Monday through Friday, between the hours of 10:00 a.m. and 3:00 p.m. through Friday, December 13. The final issue will be dated Monday, December 16, 2002, and will be delivered on Tuesday, December 17, 2002.

None of the material printed in the final issue of the Congressional Record may contain subject matter, or relate to any event that occurred after the sine die date.

Senators' statements should also be submitted electronically, either on a disk to accompany the signed statement, or by e-mail to the Official Reporters of Debates at ''Record@Sec.Senate.gov''.

Members of the House of Representatives' statements may also be submitted electronically by e-mail, to accompany the signed statement, and formatted according to the instructions for the Extensions of Remarks template at http://clerkhouse.house.gov. The Official Reporters will transmit to GPO the template formatted electronic file only after receipt of, and authentication with, the hard copy, and signed manuscript. Deliver statements to the Official Reporters in Room HT–60.

Members of Congress desiring to purchase reprints of material submitted for inclusion in the Congressional Record may do so by contacting the Congressional Printing Management Division, at the Government Printing Office, on 512–0224, between the hours of 8:00 a.m. and 4:00 p.m. daily.

By order of the Joint Committee on Printing.

MARK DAYTON, *Chairman.*

Printed on recycled paper.

If such legislation is not offset, then automatic spending cuts, often called a sequester, are triggered in selected entitlement programs, including Medicare. This so-called pay-as-you-go rule, or what we refer to around here oftentimes as PAYGO, expired at the end of September; but the Office of Management and Budget is still required to trigger a sequester for previously enacted legislation.

On various occasions during which the Federal Government was running large surpluses, this Congress saw fit to depart from the PAYGO rule for selected measures. This was the case with the tax bill enacted last year. Similarly this year on both sides of the aisle, we have promoted initiatives to provide prescription drug benefit coverage under Medicare, and we also did so without offsetting entitlement cuts or tax increases.

But as we know, last year's recession and the shock of the terrorist attacks are still affecting our economy and have changed the budget outlook considerably. As a result, these and other such measures could trigger what we refer to as a PAYGO sequester several weeks after the Congress adjourns. Should we fail to enact this bill, the Office of Management and Budget has estimated that Medicare and other entitlements should be reduced by almost $125 billion in fiscal year 2003. Given various rules that exempt certain programs from sequestration, or that limit the size of any sequester, the maximum sequester would still be substantial, about $31 billion, all of which would have to be absorbed in 1 year.

The magnitude of these cuts would be so great as to cause a 4 percent reduction in certain Medicare payments and cuts ranging in the billions in such key programs as crop insurance, the Department of Defense health fund, payments to States for child support enforcement, veterans education and readjustment, and the September 11 victims compensation fund. With the other body unable to pass even a budget this year, we were obviously unable to reach an agreement on legislation to extend PAYGO and other budget rules. It is my hope that this can be done next year as part of a normal budget process.

I would close by reminding our Members and colleagues that the PAYGO rule contributed to the taming of deficits over the past 7 years, and it is my hope that a successor to PAYGO can be developed and coupled with caps on distressary appropriations.

Mr. Speaker, in short, what this bill does is prevents automatic spending cuts in Medicare and other entitlements. As we know in years past, particularly in years of surplus while the PAYGO rule was used, it was not a perfect rule because it suggested that tax cuts and entitlement reforms go on what we call the PAYGO scorecard. Every year in a very routinized way, the last bill has taken care of this concern in years of surplus. That would have been the intention this year. However, this controversy looms as a result of the fact that we have had this triple budget threat of a downturn in the economy, the terrorist attacks, and the war on terrorism.

Mr. Speaker, I believe all of us want to avoid Draconian cuts to Medicare and to other entitlements or to prevent tax increases in order to pay for this during a time of recession. What we need is a plan, and we have a plan. The House passed a plan. The President has endorsed that plan. If we stick to that plan, we can get back to surpluses, we can get back to fiscal discipline. But in the meantime, let us take this ministerial opportunity to take care of this unfortunate situation so that we can avoid something automatic happening while Congress is not in session.

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

Mr. SPRATT. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. STENHOLM).

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

□ 1900

Mr. STENHOLM. Mr. Speaker, a year ago the Blue Dogs warned about the danger of making long-term commitments for tax cuts or new spending programs. We were concerned that the projections were based on unrealistic assumptions and that the projected surpluses could vanish as quickly as they materialized. We were concerned that the large tax cuts and increased spending would drive up the deficit and the national debt. Our warnings were ignored, and now we are told we will be borrowing virtually all of our Social Security surplus for the next decade and beyond.

After passing legislation that would rack up an additional debt of $127 billion next year alone, Congress is considering legislation that would wipe the slate clean to remove all those costs from the ledger. The bill before us wipes the slate clean not just for this year and next year but for each of the next 5 years, allowing us to avoid responsibility for legislation adding over $550 billion in new national debt.

I do not want to cut Medicare or veterans benefits, farm assistance, or child support enforcement. However, we object strongly to clearing the scorecard for the next 5 years, which allows Congress and the President to ignore the impact of legislation that will increase the deficit for the next 5 years without working to plan to stem the tide of red ink.

I agree with what the gentleman from Iowa (Mr. NUSSLE) said a moment ago. This is not the time to be talking about spending cuts or tax increases. I agree. But why not in 2004, 2005, 2006, 2007, and 2008? Why do we feel compelled tonight to say we are going to wipe the slate clean for the next 5 years when we have constantly and the motion to recommit tonight will allow us to do just that? The motion that the gentleman from Kansas (Mr. MOORE) will offer will say we do not object to wiping the scorecard clean for 2002 and 2003. Obviously 9/11/01 has made a big change in the economics of this country. But let us sit down in the next Congress and let us work out the details of how we are in fact going to deal with these exploding deficits. Let us not exempt new tax cuts or new spending increases from the hard decisions that this body should be trying to make in order to bring our budget back under control. That is what we object to. I do not understand the rationale of why we need to do this for 2004, 2005, 2006, 2007, and 2008. And I would be glad to yield to the chairman if he could answer that question because he made a very compelling argument a moment ago of why we should not do it now.

I do not want to cut Medicare right now. In fact, we need to do just the opposite. We do have to recognize the rationale of the situation we are in today, but why do we want to do it for these outyears? I do not understand that.

Just yesterday Federal Reserve Chairman Alan Greenspan reiterated the importance of restoring the budget enforcement rules for the Federal budget. We should not ignore the chairman's request of this body. ''It's important for Congress and the administration to have a long-term budget structure which we continuously update and evaluate so that we have a mechanism to make judgments . . . relative priorities within the overall budget choice process or with respect to the economy . . . we need to get the process back to where it was. We need to reestablish the basic caps on discretionary spending, on PAYGO, introduce new things like triggers or other things which give us a vehicle to function with.''

I believe the chairman has agreed with that in the past. I certainly do. Earlier this year Chairman Greenspan told the Committee on the Budget that failing to preserve budget enforcement rules would be a grave mistake. Tonight we are about to do just that. We are about to make a grave mistake saying we are going to waive all PAYGO rules, all discretionary caps, everything for the next 8 years in order to do what? Accomplish somebody's political agenda? Or are we going to seriously roll up our sleeves in the next Congress and deal with it?

Vote for the motion to recommit. Let us wipe the PAYGO slate clean for 2002 and 2003. Wipe it clean. We all will agree, but do not do it for 2004, 2005, 2006, 2007, 2008. That will not be a fiscally responsible thing for this House to do.

Mr. NUSSLE. Mr. Speaker I yield myself such time as I may consume.

Mr. Speaker, while I certainly enjoy the philosophical discussion of budget process and budget enforcement with maybe the best of them, the fact of the matter is that this is a real vote and

you are either going to vote yes to prevent automatic sequestration of Medicare or you are not. It is either a vote to allow OMB, or not even allow, to force OMB for automatic sequestration of Medicare or you are not. So a vote in favor of this bill prevents Medicare cuts. A vote against this bill or a vote even for that matter for the motion to recommit allows Medicare cuts, and it is that simple.

So we will have a lot of time to talk about budget process for many years, weeks, months to come, but the fact of the matter is that this is a real bill. It has real consequences, and therefore it should be passed.

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

Mr. SPRATT. Mr. Speaker, I yield 4 minutes to the gentleman from Florida (Mr. DAVIS).

Mr. DAVIS of Florida. Mr. Speaker, I would like to respond to the comments just made by the chairman of the Committee on the Budget. It is correct to say that probably every Member of this body is opposed to cutting Medicare spending to fund the effects of the tax cut whose size in retrospect was way too large given the condition of the economy and the cost to our country of maintaining security at home and abroad, but there is another point involved here in the motion to recommit, and this is what we need to debate.

We are not cutting taxes tonight or spending money. We are engaged in accounting. We just spent a year preaching to corporate America about the need to be open and honest to shareholders and investors and to the public about admitting when they were in deficit and doing the math correctly, and here we are tonight in direct defiance of that principle because what we are voting upon is whether we are going to be honest first with ourselves and then with the American people that we are in deficit spending and in balance only because we are relying upon the Social Security Trust Fund. Every Member of Congress who went home the last campaign campaigned upon fiscal responsibility, the virtues of balancing the budget and paying down the debt, and there are many Democrats and some Republicans that increasingly will argue for that. It has had benefits in terms of interest rates. It has benefits in terms of preparing Social Security and Medicare for the retirement of the baby boomers. One of the key principles that brought Democrats and Republicans together to balance the budget was the principle of pay as you go because pay as you go has meant, until today after this vote, that if you want to increase spending, Medicare or other discretionary spending under formulas or programs, or if you wanted to increase taxes, you had to pay as you go. You had to consider the impact that would have on the balanced budget, growing the deficit.

Tonight we are throwing those rules out. We are saying for the next 5 years, whether it is increased spending or additional tax cuts, we do not care what impact it has on the size of the deficit. We are going to dig deeper.

Let us think back to the things we said to corporate America and what we promised the people we represent. Let us have a direct, open, and honest debate tonight. Let us admit to ourselves we made a mistake in terms of the size of the tax cut. We need to come straight with the American public. It starts by coming straight with ourselves. Let us reinstate PAYGO starting the year after this. Let us vote for the motion to recommit because what the motion to recommit says, and my colleagues are going to hear this over and over again, is let us commit, let us make the President commit to a plan to get back to a balanced budget, to stop relying upon the Social Security Trust Fund. The motion to recommit says it is not going to happen tomorrow. We have got security problems we need to deal with. We have got funding at home we need to deal with, but we need to have a plan, and we need to be honest with the folks at home just as we said to corporations across America, we have got a problem, we have got a growing deficit and we are going in the right direction and not the wrong direction. It starts by reinstating the PAYGO principle. I would ask my colleagues, Democrats and Republicans, that care about fiscal responsibility and the growing budget deficit to vote for the motion to recommit.

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

Mr. SPRATT. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, I want to thank the gentleman from South Carolina (Mr. SPRATT) for yielding me this time.

Mr. Speaker, I think that I want to caution my friends on the Democratic side do not get excited. You guys understand this President is in total control of this country, and he lied to us about taxes and now it is coming home to roost. Do not get exercised because you have got to save your voice. We are going to have 2 years of this stuff where they can do anything they want. This bill is simply giving them the keys to the hen house. The fox has now got it. He has got votes in the Senate, got votes in the House, and the President is going to send up stuff here and he does not have to balance any budget anymore.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. ISAKSON). The Chair would respectfully rule that the gentleman not make such personal references to the President of the United States. The gentleman may proceed in order.

Mr. MCDERMOTT. But you all understand where it is coming from, do you not? I mean it is not falling out of the sky. This is a concentrated effort, and what they wanted to do was they wanted to give all those taxes away so there would be no money to deal with social programs, and now it happens and they are suddenly afraid. They were fools before. They were saying, well, you can give it all away and we do not have to worry. We will just stiffen our spine and when the people come in here begging, we will send them away. Then they suddenly found out that the people coming in here were veterans.

I mean we are going to war. We are going to create a whole bunch more veterans. Are we going to take care of them? Go to my veterans hospital and you will find out what they are doing right now. Or poor people, of course they do not count anyway. So never mind. Let them yell all they want. And education, well, what do we care about stooges? Let them pile on some more debt.

This is a blank check to the executive branch to write and spend endlessly. And an unfortunate chairman of the committee has to come out here and defend this all by himself. No one will come here and speak with him. He is the only one. They put him out there and they said you are the chairman, you go carry this and just take the lumps, it will not make any difference because down at the White House we will write up some stuff and we will spend on war, we will spend the $200 billion going to war in Iraq over the next 10 years. That is no problem. We can find that anywhere.

Let us see what else we can find. Oh, we have got to have that insurance for terrorism. Of course that will not cost anything. And in this bill that is coming up next they have got additional money for Medicare. Do my colleagues know what they did? They went down to CBO and they said CBO, do not score this, do not show it cost anything, so they can bring it out here and they can say it does not cost anything, CBO says there is no scoring.

I mean this game is rigged, and you are watching this game be rigged right in front of your eyes. This will be when you come back and want to balance the budget and you look for some rules, you gave them away on whatever this is, the 15th of November. Vote for the recommittal.

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

Again for the benefit of the Members, a yes vote is to follow the budget, follow our plan that we have put in place, and a no vote cuts Medicare, crop insurance, military health, child enforcement, veterans education, and the victims of September 11. It is that simple. Again, these are good discussions, nice philosophical arguments, but the facts are still the facts. If you vote for the motion to recommit, you are cutting Medicare. If you vote yes, you are allowing us to continue to follow the budget plan that has been put in place.

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

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

Let me make clear that the motion to recommit will wipe clean the scorecard, $125 billion on the scorecard this

year. It will wipe it clean for 2003. It will only apply to the future and it will only require that the President give us a budget which shows some light at the end of the tunnel, a balanced budget by 2008. So for this year and next year, it will allow us the freedom of movement without being concerned about it.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BENTSEN).

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

□ 1915

Mr. BENTSEN. Mr. Speaker, this will probably be the last legislative item that I will debate in my House career; and it is ironic that, given that when I came here as a Member of the House we heard about how we had deficits as far as the eye can see, and, in fact, even before that when I was a member of the staff of this body back in the 1980s we went through a quadrupling of the national debt and we went through Gramm-Rudman I and Gramm-Rudman II, and we never could seem to get a handle on the deficit until 1990 with the Budget Control and Enforcement Act, and we imposed PAYGO and spending caps. Then we extended it in 1993. Then when I got here the Republicans extended in 1997. Then, lo and behold, we got control of the deficit, and we began to argue about how much public debt we could pay down.

Now, in the age of deficits again where we are going to have a $200 billion deficit in the current fiscal year, apparently, we are going to repeal all the rules. We might as well repeal the Unified Budget Act and go back to the pre-68 rules when we do not know what the real budget is, the Committee on Appropriations can spend what they want to, the Committee on Ways and Means and Energy and Commerce committee can spend what they want to, and at some point, at some point, the American people will pay the tab.

I am afraid that is where we are heading with this. I do not think this is where the chairman wants to go, but I understand he has to follow his orders. But how ironic, coming in when it was deficits as far as the eye can see, and we had a chance to pay down the debt and we started to do it, I leave on a note where once again it is deficits as far as the eye can see; and we are not doing anything to correct it. In fact, we are stepping on the gas to make it even worse.

I think we are going to regret this day for a long time when we see our national debt balloon far beyond anything this country has ever seen before, and I do not think there is any Member of this House who has an idea of how they are going to deal with it, particularly if they do this today. So I hope we will defeat this really unsatisfactory piece of legislation.

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

Mr. SPRATT. Mr. Speaker, I yield 4 minutes to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise in support of the motion to recommit, which our distinguished colleague from South Carolina (Mr. SPRATT) will be offering.

Today's vote represents a fork in the road of Federal budgeting. We must decide whether to continue down the path of deeper budget deficits or to take those first difficult steps toward returning to a balanced budget.

The pay-as-you-go rule expired at the end of fiscal year 2002. However, PAYGO sequestration for prior laws extends through 2006. These PAYGO rules, which were adopted as part of the 1990 bipartisan budget agreement, have been crucial to the progress that we made during the 1990s to go from record budget deficits to budget surpluses, surpluses that let us retire $400 billion in the national debt.

With the help of PAYGO and statutory limits on discretionary spending, we were able to improve the bottom line of the budget for 8 consecutive years, culminating in surpluses for fiscal years 1998 through 2000. Unfortunately, the 10-year, $5.6 trillion surplus that was projected less than 2 years ago has almost disappeared, and the budget has fallen back into annual deficit.

Now more than ever, it is essential that we reaffirm our commitment to the budget tools that can help us restore budget discipline and return the Federal Government to a balanced budget. That is why I am disappointed that the Republican leadership has decided to bring to the floor legislation that would eliminate PAYGO sequestration for all future years to which the law applies.

Mr. Speaker, no one wants across-the-board cuts to Medicare or veterans' education or child support enforcement or other domestic priorities; and contrary to the assertion of the chairman of the Committee on the Budget, the motion to recommit would do no such thing.

The Republican solution, that we ignore the long-term budget deficits facing our Nation, will not make them go away. We should not ignore our budget problems; we should work to solve them.

The Spratt motion to recommit would avoid domestic spending cuts by clearing the PAYGO scorecard for 2002 and 2003. But unlike H.R. 5708, the Spratt motion would require the President to submit a budget that achieves balance within 5 years, excluding the Social Security trust fund surplus, before clearing the PAYGO scorecard for fiscal years 2004 through 2006. The motion to recommit would, therefore, hold Republicans and the President to their professed goal of achieving fiscal balance and protecting Social Security revenues in the process. To avoid future across-the-board cuts, the President would have to reverse course and move the budget back into surplus.

Mr. Speaker, for several months we have been urging the President to hold bipartisan budget negotiations to chart a path back to fiscal control. It is well past time for the President to present Congress with a budget that acknowledges the new fiscal realities confronting our Nation. I urge my colleagues to vote for the motion to recommit and to take the first steps toward restoring fiscal discipline to the Federal budget.

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

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KIND).

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

Mr. KIND. Mr. Speaker, I thank my friend for yielding me time.

Mr. Speaker, this is not some type of rhetorical debating society we are having tonight or some philosophical argument. This is a group of Members who feel it is important enough to stand up in this body tonight to warn the American people about the disastrous fiscal course that this Congress and this administration have embarked upon, which is leading to exploding deficits again and an accumulation of a national debt at exactly the wrong moment in our Nation's mystery, when we have close to 80 million Americans, so-called baby boom generation, all marching lockstep to their retirement in a few short years; and the decisions that we need to make today to prepare the next generation to deal with that challenge are not being made. In fact, one of the fiscal disciplinary rules that has worked well to rein in spending, to maintain balance in our budgetary choices, they are seeking to waive over the next 5 years.

I think everyone agrees that this bill before us is a recognition of a failed budgetary policy of large tax cuts that were not paid for and new spending programs were not paid for. To avoid the inevitable across-the-board cuts with Medicare and veterans benefits and farm programs, we have to pass this legislation.

But I for the life of me do not understand why we cannot deal with the fiscal mess created this fiscal year, give them a little leeway in the next fiscal year, but then support a motion to recommit that calls upon the President to submit a balanced budget plan that leaves our hands and their hands off from Social Security surpluses in the following years so we have a chance to reverse the fiscal course that we have embarked upon.

What is different today than in the past is we do not have the luxury of the 1990s to bring the budget back into balance and to run surpluses to reduce the debt before the baby boomers start their retirement. It is now or never. We can be back next year having another philosophical debate, but at that time we are going to be much deeper in the hole; and I cannot think of anything

more morally irresponsible than to leave the next generation with this mountain of debt for them to bail the country out of.

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

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, in 1990, President Bush, looking at runaway deficits, put his political career on the line, convened a bipartisan summit on the budget and produced some very important budget rules to get a handle on these out-of-control deficits. Perhaps the most important facets of those rules were pay-as-you-go requirements, requirements that if you spend more tax money, you have got to show where it is accounted for in the budget so you do not run the deficits deeper. If you cut revenue, you got to show where it is accounted for and reduce spending so you do not run those deficits deeper. Those pay-as-you-go requirements have been critical to getting us to a surplus.

Now we are once again dealing with another President and runaway deficits, and we are looking at a completely different response.

I have read with interest accounts of the majority in terms of their agenda for the Congress ahead: make the tax cuts permanent, add prescription drug coverage to Medicare. On the one hand you reduce revenue, on the other hands you increase spending. I am wondering how does all this add up? With this legislation we see they have no intention whatsoever of making it add up. They are going to do it on the deficit. They are going to run up the debt.

Now, the motion to recommit deals with every spending problem that the chairman has illustrated tonight, Medicare fraud programs, the like of it. But over the long term, can we not agree as Republicans and Democrats that this is not the decade to run government on the debt? Because next decade, as the baby boomers retire, expenses are inevitably going to go up, and go up significantly.

This will be the greatest self-indulgent act of the self-indulgent baby boom generation if we do not pay our way now and rely on the kids to bail out the debt that this will bring upon the country. There is not a family I represent that plans for their retirement by running up the debt with the hope that the children will pay for them in retirement. It is wrong for us to do it as a country. Let us reject this approach. Let us pass the motion to recommit.

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

Mr. Speaker, the very distinguished gentleman who just spoke suggested that he read with interest our plan, and we all appreciate the fact that he did read with interest our plan. At least we have a plan to read. Since September 11, the Democrats in both bodies have yet to present a plan on how to deal with this.

We understand that you oppose our position. We understand that you oppose the President's plan. We understand that you oppose the direction that we have taken, and that is fine. You have a right to do so.

But I also believe if you are going to complain, you also need to propose; and as of yet, your side has yet to propose an alternative. That is why tonight we are forced to continue to go down the road that we are going, continue to follow the plan that we have put into place in the House, together with the President, and that is why tonight it is important for us to vote down the motion to recommit, which would not follow that plan, and allow this bill to pass so that we do not provide cuts in Medicare and crop insurance, which I know are important to the gentleman as well as to myself and our States, as well as to military health, child enforcement, veterans' education and the victims of September 11.

It is, again, not a philosophical discussion, as the gentleman from Wisconsin said. These are real issues that are going to affect people in a real way. We want to prevent the cuts from happening. As of yet, we see no plan on how to accomplish what you are demanding from the President, even from your side, not even an idea, not even a plan.

A few are bold enough to come down and say raise taxes. A few are bold enough to come down and say that entitlements should be increased. But, by and large, I have not seen anything that has gotten close to a majority of support from the Democratic side.

So I would suggest to the gentleman that while he reads with interest our plan, we wait with interest for yours.

Mr. SPRATT. I yield 30 seconds to the gentleman from North Dakota (Mr. POMEROY).

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

I would just say in response to my friend from Iowa, the question I had about the gentleman's plan is how we pay for it. I see the revenue cuts, I see the spending increases, and the question I had was, How is this paid for?

I believe that by eliminating the budget rules, as you do in this resolution, the answer is clear: you have no intention of paying for it. You will pay for it on the debt that you will pass on to our children.

We would propose in our motion to recommit another way. Let us at least agree that by 5 years from now, by 5 years from now, on a bipartisan basis, we will be having plans to get us to a balanced budget and stop the debt on our children.

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

Mr. Speaker, the gentleman is asking how are we going to pay for it? We passed a budget. That is how we are going to pay for it.

But I guess my question is, How did you pay for your Medicare plan that you voted for which costs $1 trillion? How were you going to pay for that? Let me see here: POMEROY, POMEROY, why, my goodness, POMEROY is on here, without a budget. The gentleman from North Dakota voted for a plan that cost $1 trillion, and yet he has the audacity to come down and ask how I am going to pay for it?

Let me look at another one here. Let us see, tax cuts. Oh, I cannot believe the gentleman from North Dakota would have voted for tax relief. POMEROY. My goodness, he voted to reduce revenue, and he does not have a budget; and he comes down and asks me how I am going to do it?

The double standard here is amazing.

□ 1930

We have a plan. I know the gentleman does not like it. Fine. Vote no. That is fine. But realize that when the gentleman votes no tonight, he is voting no for seniors. He is voting no for farmers. He is voting no for folks who are veterans. He is voting no for people who rely on these programs. Go ahead and vote no. Knock yourself out. Have a great philosophical discussion. These are facts that the gentleman cannot avoid. That is what he is voting no on. So it is great that he gets to vote for these great programs, trillion dollar drug benefits that the gentleman does not pay for and tax cuts that are not paid for, but then he comes down here and complains about our budget. Come up with a budget, come up with a plan, come up with some ideas, and then come back and tell us why ours are wrong. Otherwise, just vote no tonight and suffer the consequences.

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

Mr. SPRATT. Mr. Speaker, I yield 15 seconds to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I would just say back to my friend, the gentleman from Iowa, the issue is over 5 years, can we not agree we ought to balance the budget? The gentleman's plan does not balance the budget, the plan runs up on the debt. The gentleman has run into the budget rules that require pay-as-you-go requirements and tonight he eliminates those budget rules. This is Katie-bar-the-door on deficit spending and the chairman of the Committee on the Budget owes a great deal of personal responsibility for this action.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. TANNER).

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

Mr. TANNER. Mr. Speaker, right now, I do not believe that the majority of the people in this country realize that we are in debt over $6 trillion; we are paying $1 billion a day in interest on consumption that we are either unwilling to make cuts to bring the budget into balance, or we are unwilling and do not have the courage to raise

the revenue for a first class, world class military, a first class system of education, a health care system second to none.

Last year we ran a unified deficit of $159 billion. The statutory debt ceiling will probably have to be increased again next year, creating further incentive for Congress to borrow more money, and it is in this light we are asked to vote on a bill that throws out the PAYGO rules, and for erasing the $60 billion debt. We are here tonight because the PAYGO rules have failed. We are passing on more and more debt to our children. Those are the facts.

I would say to the gentleman from Iowa, my friend, you all are in control of this place, you are in charge, and all we are asking is that there be some plan put in place before we throw these rules out, these budgetary rules for 5 years, to at least get us, talk with us to get back to a plan that will let us get back in the black in 5 years.

Mr. Speaker, I came here in 1988 because our country was awash in red ink and, sadly, tonight, in 2002, we are back awash in a sea of red ink for as far as the eye can see. We are engaged in a generational mugging of the young people of this country on a scale that is massive and has never before been done, and we are unwilling, all of us, Democrats, Republicans, Independents, you name it, we are unwilling to face up to it. If my colleagues will not talk to us and bring these bills where we cannot even have a chance to sit down and say within the next 5 years can we not agree on a plan as Americans, not as Democrats and Republicans, as Americans with a moral obligation to those who follow. That is all we are asking for.

Mr. SPRATT. Mr. Speaker, I yield 1½ minutes to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Speaker, I thank the gentleman from South Carolina for yielding me this time, and I appreciate his leadership.

Mr. Speaker, I can tell my colleague this, I say to the gentleman from Iowa. He may think it is cute, he may think it is funny, he may think it is smart to stand over there and act like the Blue Dogs did not submit a plan. He may think that because he put a rule up here that would not let us put a plan on the floor to be voted on that he did something cute. But let me tell my colleague something. He can continue to be intellectually dishonest, he can continue to deceive the American people, but he is passing on a burden to our children and grandchildren, and I will not be a part of it, and he is going to answer for it one of these days, and he deserves it. But I can tell my colleague this: It is not cute. So when my colleague is over there making those smart remarks, just remember, it is not funny.

Mr. SPRATT. Mr. Speaker, I yield myself the remaining time to explain to everybody what is happening here.

In 1990, after years of trying to get our hands around the deficit, we finally had a budget summit with President Bush and we devised not only a 5-year plan for reducing the deficit, but we also passed something called a Budget Enforcement Act and it contained several new rules, budget process controls which have had a significant impact on our ability to get rid of the deficit.

In particular, we adopted a set of discretionary spending ceilings, a ceiling on discretionary spending, we adopted it in 1991, we renewed it in 1993, and we extended it in 1997, and that held discretionary spending to substantially lower rates of increase than the 1980s. We also adopted something called the pay-as-you-go rule, which said with respect to entitlement spending, if you want to liberalize the entitlement benefit or add a new one, you have to pay for it or you have to go through the catalog of all of the other entitlements and reduce the entitlement by enough to pay for the new one you are creating or an increase in the benefit that you are providing for. In addition, with respect to tax cuts, we said if you want a tax cut, it will have to be budget neutral. You can cut taxes one place, but you have to increase them elsewhere so the deficit is not worsened, or you can offset a tax cut with an entitlement cut so that once again it is budget neutral.

A lot of people at the time scoffed at these process changes on the grounds that we were just rearranging the deck chairs and they would not have any real results. One of those who was skeptical at the time was Alan Greenspan, the chairman of the Fed. When he appeared before our committee this March, March 2, he said in response to my question, Congressman, I thought that whole set of rules had very little chance of working, and I was wrong. It really did matter, much to my surprise. The PAYGO rules, for example, have been extremely and always very useful. That is what the Chairman of the Fed said. He came back to us in September and repeated and said the same thing.

The gentleman from Iowa (Mr. NUSSLE), the chairman of our committee, on June 27 acknowledged that the President was seeking an extension of the discretionary caps and the PAYGO requirement and implied that that needed to be done. I think he and I were in basic agreement on that.

What has happened is we never did it. I introduced legislation to that effect and it has never come to the floor of this place; we have never had a hearing on it. We have never done it. So we are here just before adjournment, the discretionary spending caps are gone in 2002. They are gone. The PAYGO rule has expired. It is gone. The 5-year budgets that we adopted in 1991 and 1993 and 1997 are gone. The last one ran out in 2002.

So all of the devices we had to control the budget that worked spectacularly well in the 1990s; we reduced the deficit from $290 billion when President Bush left office to $330 billion surplus in 2000. When President Bush came to office, the second President Bush came to office, unlike his father, we gave him a budget in surplus, $127 billion in surplus. It is gone, and the budget devices that worked so well to help us contain the deficit, reduce the deficit every year for 8 straight years in the 1990s are gone too, and there is no effort here to reintroduce them.

Now, there is one last vestige of the PAYGO rule. PAYGO required sequestration, across-the-board cuts. If you ignored the PAYGO rule and increased entitlements or cut taxes and therefore increased the deficit, there was a scorecard kept, and at the end of the year if that scorecard showed an excess amount on it, the law decreed across-the-board reductions in spending in selected accounts. We are now faced with that particular law for this year and for years to come, because even though the PAYGO rule has expired, it still applies as to existing law and future years.

This bill takes out that last vestige. We have done away with sequestration as to any future legislation, we have done away with the PAYGO rule and discretionary spending, no 5-year budget at all, it takes that last vestige. What it does, even worse, is it passes up the opportunity to take the legislation that we have offered to extend the PAYGO rule, to extend the authority for 5-year discretionary spending caps, to extend the authority for sequestration, to reinstall those budget disciplines, those process rules that got rid of the deficit in the 1990s, to reinstate them. This bill completely ignores that opportunity and simply wipes the slate clean.

So what is happening here? What is this all about? The purpose of this is to clear the way for the next session of Congress with no disciplines whatsoever; tax cuts as much as you want. There will be no restraints, no 60-vote margins in the Senate, no other restraints, no PAYGO rules that have to be waived, no scorecard, nothing. This takes away all of the discipline at a time when the budget is literally in free-fall.

We have a deficit that increases this year to $159 billion from a surplus of $127 billion last year. It goes up next year and the next year and the next year, and there is no plan in place, nothing implicit in the budget, no 5-year plan to deal with it, and this erases any hope whatsoever of that.

Now, we are offering, we are offering a motion to recommit. The gentleman from Kansas (Mr. MOORE) will offer that motion, and it will simply say as of this year, next year, go ahead and wipe the scorecard clean. But as to future years, the scorecard will still be there, the PAYGO rule will still have that remaining applicability. However, it will not apply if the President sends us a budget which gets in balance finally by the year 2008.

Mr. Speaker, that is a small thing to ask. If we are going to have any kind of

discipline, any kind of planning, it is the right thing to ask for. The right way to vote on this bill is to vote for the motion to recommit and then we will have something that we can live with and something that leaves at least some small modicum of discipline in place.

Mr. NUSSLE. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, budgeting is about choices, and it is about putting together a plan. We did so together with the President this last year. All of the items that we find on the PAYGO scorecard fit within that plan. All of the items as a result need to be taken care of as a result of that plan. This is our proposal to do so to avoid automatic sequestration by OMB.

There has been a number of comments made tonight and I just want to respond to them. First of all, there have been those that say they want to sit down and they want to talk about the future budget, and that is fine. But you need a ticket to the dance and your ticket to the dance is to come up with a plan. Now, the Blue Dogs say they came up with a plan. Well, it is kind of interesting, the Blue Dogs, so-called Blue Dog plan was basically the Republican budget with a trigger. All right. That is kind of interesting. They did not really come up with any other ideas, except for the Republican budget with a trigger. Okay. It did not get any votes, and it did not get the majority of the votes, and, as a result, it really does not qualify much as a plan because it was our plan.

There were really no other plans brought to the table. There were individual bills, however; substitutes, individual proposals. The gentleman from Texas had a farm bill that evidently does not technically fit if in fact you do not have a budget. The gentleman wrote it, wrote it under our budget, supported it, worked hard on it, I compliment the gentleman on it, I voted for it, because it fit within our budget plan. It would not fit now, would it, I would say to the gentleman and to any of my colleagues. Yet should we have automatic spending cuts? Should we have automatic cuts in Medicare in order to pay for it? No. And that is what this bill tonight does. It basically says we should not have automatic cuts in Medicare in order to accomplish that.

□ 1945

I will admit to my colleagues on both sides, and the gentleman from Arkansas, if he thought I was trying to be funny, I was not, because there is nothing funny about it; this is very serious. It is serious for both sides, because it is fine to come down here and say that the tax cuts were too big. Then have the guts to introduce a bill to repeal them. Have the guts to come down here and vote to increase taxes.

They do not have a plan that does that. I do not see too many people with the guts to introduce that kind of legislation.

The same is true on our side, though. We always talk about spending restraint. Boy, we can be spellbinding some nights about how we are going to restrain spending, cut spending. We have even said ''cut spending'' when in fact that is not really what is going on very often around here. Maybe it is allowing it to grow less than somebody's idea of where it should be, and therefore somebody thinks it has been cut.

The bottom line is, as we go into this next budget, we have some huge choices that we are going to have to make. We have to be serious about them. But I do think that because of the situation that we find ourselves in it is fair to allow, particularly with PAYGO, which was never written to work during times of surpluses, it was only, only written and contemplated for times of deficits, that we should allow that to expire and rewrite the rules.

While we allow that to expire, wiping the slate clean I think is a fair thing to do, particularly if it is going to result in cuts in Medicare, crop insurance, veterans' education, child support recovery, and the victims of September 11.

So what we are suggesting tonight is very simple. That is what the vote is about. This is not about the budget. There is no budget process reform in this bill, trust me. I have written a budget process reform bill. I would know one when I saw it. This is not it, either. All this does is it does two things. It says, follow the budget; and do not allow for automatic cuts in Medicare, crop insurance, military, child support, veterans' education, September 11, and actually a whole host of other automatic cuts that would occur.

Mr. SPRATT. Mr. Speaker, will the gentleman yield?

Mr. NUSSLE. I yield to the gentleman from South Carolina.

Mr. SPRATT. Mr. Speaker, would it be the chairman's intention in the next Congress to introduce legislation, pass it through our committee, bring it to the floor, which would reinstate discretionary spending caps and the PAYGO rule for 5 additional years?

Mr. NUSSLE. Reclaiming my time, Mr. Speaker, the gentleman and I need to discuss that. I would be not only very happy to consider that, but I would even go further with regard to budget process issues. There are a number of them that should be discussed, now that we have an opportunity to do so.

I would hope that we can do that quietly and calmly and with sober regard to the consequences of our actions. We have not done that. Unfortunately, people around here do not necessarily follow the budget process as well as they should; and as a result, demagoguery has reigned with regard to many of these budget rules in the past with regard to changes that we have tried to bring to the floor.

I would hope that we could bring a budget process reform bill to the floor; I have written a PAYGO extension in the past that actually contemplated this very situation that we are in; and I would hope also caps.

Mr. SPRATT. If the gentleman would yield further, Mr. Speaker, and sequestration?

Mr. NUSSLE. I want to make the budget have the force of law, so that we cannot waive it all the time on the floor. That is a proposal that I recommended. There are a number that I would suggest that the committee and the Congress need to consider.

But tonight we have a very simple situation that we need to address. It has been ministerially addressed in years past, and we should do so again tonight, and join together and prevent cuts to Medicare, crop insurance, military health, child support enforcement, veterans' education, and the victims of September 11.

Let us follow the budget plan, let us pass this bill, and let us reject the motion to recommit, which basically says: let us not follow a plan, but let us wait and cut Medicare 3 years from now.

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

The SPEAKER pro tempore (Mr. ISAKSON). Pursuant to House Resolution 602, the bill is considered as read for amendment, and the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MOORE

Mr. MOORE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill in its present form?

Mr. MOORE. Yes, Mr. Speaker, I am.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. MOORE moves to recommit the bill H.R. 5708 to the Committee on the Budget with instructions to report the same back to the House forthwith with the following amendment:

Strike all after the enacting clause and insert the following:

SEC. 1. REDUCTION OF PREEXISTING PAYGO BALANCES.

Upon the enactment of this Act, the Director of the Office of Management and Budget shall reduce any balances of direct spending and receipts legislation for fiscal years 2002 and 2003 under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 to zero. If the President submits a budget for the Government under section 1105(a) of title 31, United States Code, that projects an on-budget balance or an on-budget surplus by fiscal year 2008, then such Director shall reduce all balances of direct spending and receipts legislation under such section 252 to zero.

Mr. MOORE (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kansas (Mr. MOORE) is recognized for 5 minutes in support of his motion to recommit.

Mr. EDWARDS. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Texas.

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

Mr. EDWARDS. Mr. Speaker, I rise in support of the motion to recommit and in opposition to the Republican deficit tax.

Mr. Speaker, if the House Republican leadership continues forward with its fiscally irresponsible tax policies, it will be responsible for passing the largest tax increase in American history—the deficit tax. The deficit tax is real. It is permanent. It is a tax on small businesses and families all across America. In fact, on a per capita basis, the deficit tax cost each American citizen over $1000 last year. Very simply, as the $6 trillion national debt is increased, it increases the interest payments on that debt, which must be paid by taxing hard-working American families.

As bad as the deficit tax is, there's even another burden resulting from increasing the national debt. It is called higher interest rates on loans for homes, cars, credit cards and small business. When the economy gets back on its feet, borrowing hundreds of billions of dollars to finance a huge national deficit will drive up interest rates, in effect, a tax increase on families and businesses.

We all know that this measure tonight to address the pay-go rules was necessary for this year and next in order to prevent major cuts in entitlement programs such as Medicare and veterans benefits. However, by opposing the Moore motion to recommit, the Republican leadership in this House is throwing out fiscal discipline rules for several years after that. I will vote for this measure, because we cannot allow Medicare and veterans benefits to be slashed, but the Republican leadership, by forcing an up or down vote on suspending pay-go rules for the next four to five years, is leading this House down the path of higher national debt, higher annual deficits, and, yes, a deficit tax on our families and our children for the rest of their lives.

House Republicans may brag about tax cuts at election time, but they should be honest in telling our families and children that they are imposing a permanent deficit tax that will take dollars out of their paychecks for generations to come.

Instead of partisan budget bills, what this Congress should do for the good of our economy and the future of our children is to sit down on a bipartisan basis and make tough decisions on how to balance the federal budget.

That would be the right thing to do.

Mr. MOORE. Mr. Speaker, a year ago, several of my colleagues and I who believe in fiscal responsibility urged caution in making long-term commitments for tax cuts or new spending programs. We were concerned that budget projections were based on unrealistic economic assumptions and that the projected surplus might never materialize. We were concerned that large tax cuts and spending programs could drive up the deficit and add to our $6.3 trillion national debt. Our warnings were ignored.

This year, Congress will be borrowing virtually all of the Social Security surplus for the next decade. There were those who said we will have enough money for everything. That turned out not to be true, Mr. Speaker. Next year we will have a deficit of $127 billion.

Today Congress is considering legislation that would wipe the slate clean for the next 5 years. This would allow Congress to avoid responsibility for legislation, adding billions more to the national debt by wiping clean the PAYGO scorecard. What is worse, this bill provides no safeguard for the future, Mr. Speaker; no guarantees that our children and grandchildren will not suffer under a massive national debt, now at $6.3 trillion.

American families live by three basic rules: number one, do not spend more money than you make; number two, pay your debts; number three, invest in the basics of the future. I think Congress should live by those same simple rules.

I am glad that American families do not use Congress' accounting methods, Mr. Speaker. American families cannot wipe the slate clean when they overspend. The Blue Dogs have repeatedly said that Congress and the President need to sit down and develop a plan to deal with our escalating national debt: no recriminations, no finger-pointing, or blaming, but just sit down and try to come up with a plan out of this crisis. Unfortunately, our calls have been ignored, leaving us in the situation we face today.

This motion to recommit requires as a condition of waiving the PAYGO rules that the President present a balanced budget next year. The President's budget would be required to put us on a path to balancing the budget by 2008 without borrowing the Social Security surplus, a goal that I believe every Member of this Congress wants.

This motion to recommit allows the slate to be wiped clean for fiscal year 2003 to avoid sequestration, because it is too late to do anything about the current fiscal year. There would be no cuts in any programs that have been commented on by the chairman of the Committee on the Budget. This is the least we can do to stop the bleeding, to turn back red ink and get us in the black again, and to get our country out of the deficit ditch and back on the way to fiscal responsibility.

Mr. NUSSLE. Mr. Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore. The gentleman from Iowa (Mr. NUSSLE) is recognized for 5 minutes.

Mr. NUSSLE. Mr. Speaker, the President said in his first address to the Congress that there were three reasons why this country may have to return to deficits: one was an emergency, one was a war, one was an economic recession. There is no one in this body who predicted any of those three.

Warnings were not heeded? Wake up. There was not anybody warning about Osama bin Laden and September 11, so do not make those accusations. They are not true. That is why we find ourselves in a deficit.

The President submitted a plan last year, and he will submit a plan this year, which he must do by law. The House last year passed a plan. The House will do so again this year, which we must do so by law.

The other body, and I know I have to be careful, here. I do not want to say anything wrong, because we have our rules. However, my understanding is what I am allowed to say is that no budget passed in the other body last year. We will wait and see what happens this next year.

The point I am getting at is that we need a plan in order to move forward. The President has proved he has a plan. The House has proved they have a plan. No other plans have been presented. No other plans have received a majority of support. No other plans have seen the light of day. Therefore, let us follow the plan that the President has laid out.

Let us not allow us to get off track with absolutely no vision for the future, which is what is being suggested here tonight. Instead, let us reject the motion to recommit, and let us vote to prevent automatic cuts to Medicare, to veterans' health, to veterans' benefits, veterans' education, to crop insurance, and the like. These Draconian cuts are not necessary if we continue to follow the plan that the President and the House has laid out.

I urge my colleagues to vote ''no'' on the motion to recommit and vote to prevent these cuts on final passage.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. SPRATT. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—ayes 187, noes 201, not voting 43, as follows:

[Roll No. 481]

AYES—187

Abercrombie	Bentsen	Brady (PA)
Ackerman	Berkley	Brown (FL)
Allen	Berman	Brown (OH)
Andrews	Berry	Capps
Baca	Bishop	Capuano
Baird	Blumenauer	Cardin
Baldwin	Boswell	Carson (IN)
Barrett	Boucher	Carson (OK)

Clayton
Clement
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (TX)
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Lucas (KY)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mollohan
Moore
Murtha
Napolitano
Neal
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Shows
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu

NOES—201

Aderholt
Akin
Armey
Bachus
Baker
Bartlett
Barton
Bass
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Gutknecht
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Latham
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McKeon
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moran (KS)
Morella
Myrick
Nadler
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Pence
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skeen
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Sununu
Sweeney
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)

NOT VOTING—43

Baldacci
Ballenger
Barcia
Barr
Becerra
Bereuter
Blagojevich
Bonior
Borski
Boyd
Callahan
Clay
Clyburn
Combest
Condit
Conyers
Cooksey
Diaz-Balart
Doolittle
Ehrlich
Frost
Gillmor
Grucci
Hilliard
Hooley
Houghton
LaFalce
LaTourette
Lipinski
McInnis
McKinney
Moran (VA)
Oberstar
Obey
Paul
Peterson (PA)
Roukema
Smith (MI)
Stump
Tancredo
Toomey
Wynn
Young (FL)

□ 2023

Messrs. ABERCROMBIE, UDALL of Colorado and SNYDER changed their vote from ''no'' to ''aye.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. ISAKSON). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. NUSSLE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 366, noes 19, not voting 46, as follows:

[Roll No. 482]

AYES—366

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldwin
Barrett
Bartlett
Barton
Bass
Bentsen
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Boswell
Boucher
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clayton
Clement
Coble
Collins
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeLauro
DeLay
DeMint
Deutsch
Dicks
Dingell
Doggett
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Gutierrez
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Horn
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Lantos
Larsen (WA)
Larson (CT)
Latham
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, George
Miller, Jeff
Mollohan
Moore
Moran (KS)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Obey
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Pence
Peterson (MN)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stearns
Strickland
Stupak
Sullivan
Sununu
Sweeney
Tanner
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker

Wilson (NM)	Wolf	Wu
Wilson (SC)	Woolsey	Young (AK)

NOES—19

Blumenauer	Dooley	Stark
Capuano	Hill	Stenholm
Costello	Hinchey	Taylor (MS)
Coyne	Kleczka	Visclosky
DeFazio	Langevin	Waters
DeGette	Lee	
Delahunt	Olver	

NOT VOTING—46

Baldacci	Cooksey	McKinney
Ballenger	Diaz-Balart	Miller, Gary
Barcia	Doolittle	Moran (VA)
Barr	Ehrlich	Oberstar
Becerra	Frost	Paul
Bereuter	Graham	Peterson (PA)
Blagojevich	Greenwood	Roukema
Bonior	Grucci	Sawyer
Borski	Hilliard	Saxton
Boyd	Hooley	Stump
Callahan	Houghton	Tancredo
Clay	Jenkins	Toomey
Clyburn	LaFalce	Wynn
Combest	LaTourette	Young (FL)
Condit	Lipinski	
Conyers	McInnis	

□ 2033

Ms. WATERS changed her vote from ''aye'' to ''no.''

Ms. RIVERS changed her vote from ''no'' to ''aye.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BEREUTER. Mr. Speaker, on November 14, 2002, this Member unavoidably missed two roll call votes. On Roll Call Number 481 (motion to recommit on H.R. 5708, a bill to reduce pre-existing PAYBO Balances), this Member would have voted ''no.'' On Roll Call Number 482 (final passage of H.R. 5708), this Member would have voted ''aye.''

ARMED FORCES TAX FAIRNESS ACT OF 2002

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 609, I call up the bill (H.R. 5063) to amend the Internal Revenue Code of 1986 to provide a special rule for members of the uniformed services in determining the exclusion of gain from the sale of a principal residence and to restore the tax exempt status of death gratuity payments to members of the uniformed services and ask for its immediate consideration.

The Clerk read the title of the bill.

MOTION OFFERED BY MR. THOMAS

Mr. THOMAS. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore (Mr. SIMPSON). The Clerk will designate the motion.

The text of the motion is as follows:

A motion offered by Mr. THOMAS that the House concur in each of the Senate amendments with the respective amendment printed in House Report 107–784, as follows:

Senate amendments:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Armed Forces Tax Fairness Act of 2002''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

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

Sec. 1. Short title; etc.

TITLE I—IMPROVING TAX EQUITY FOR MILITARY PERSONNEL

Sec. 101. Exclusion from gross income of certain death gratuity payments.
Sec. 102. Exclusion of gain from sale of a principal residence by a member of the uniformed services or the Foreign Service.
Sec. 103. Exclusion for amounts received under Department of Defense Homeowners Assistance Program.
Sec. 104. Expansion of combat zone filing rules to contingency operations.
Sec. 105. Above-the-line deduction for overnight travel expenses of National Guard and Reserve members.
Sec. 106. Modification of membership requirement for exemption from tax for certain veterans' organizations.
Sec. 107. Clarification of treatment of certain dependent care assistance programs.

TITLE II—OTHER PROVISIONS

Sec. 201. Revision of tax rules on expatriation.
Sec. 202. Extension of IRS user fees.
Sec. 203. Partial payment of tax liability in installment agreements.

TITLE I—IMPROVING TAX EQUITY FOR MILITARY PERSONNEL

SEC. 101. EXCLUSION FROM GROSS INCOME OF CERTAIN DEATH GRATUITY PAYMENTS.

(a) IN GENERAL.—Subsection (b)(3) of section 134 (relating to certain military benefits) is amended by adding at the end the following new subparagraph:

''(C) EXCEPTION FOR DEATH GRATUITY ADJUSTMENTS MADE BY LAW.—Subparagraph (A) shall not apply to any adjustment to the amount of death gratuity payable under chapter 75 of title 10, United States Code, which is pursuant to a provision of law enacted after September 9, 1986.''.

(b) CONFORMING AMENDMENT.—Subparagraph (A) of section 134(b)(3) is amended by striking ''subparagraph (B)'' and inserting ''subparagraphs (B) and (C)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to deaths occurring after September 10, 2001.

SEC. 102. EXCLUSION OF GAIN FROM SALE OF A PRINCIPAL RESIDENCE BY A MEMBER OF THE UNIFORMED SERVICES OR THE FOREIGN SERVICE.

(a) IN GENERAL.—Subsection (d) of section 121 (relating to exclusion of gain from sale of principal residence) is amended by adding at the end the following new paragraph:

''(9) MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE.—

''(A) IN GENERAL.—At the election of an individual with respect to a property, the running of the 5-year period described in subsection (a) with respect to such property shall be suspended during any period that such individual or such individual's spouse is serving on qualified official extended duty as a member of the uniformed services or of the Foreign Service of the United States.

''(B) MAXIMUM PERIOD OF SUSPENSION.—The 5-year period described in subsection (a) shall not be extended more than 10 years by reason of subparagraph (A).

''(C) QUALIFIED OFFICIAL EXTENDED DUTY.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'qualified official extended duty' means any extended duty while serving at a duty station which is at least 50 miles from such property or while residing under Government orders in Government quarters.

''(ii) UNIFORMED SERVICES.—The term 'uniformed services' has the meaning given such term by section 101(a)(5) of title 10, United States Code, as in effect on the date of the enactment of this paragraph.

''(iii) FOREIGN SERVICE OF THE UNITED STATES.—The term 'member of the Foreign Service of the United States' has the meaning given the term 'member of the Service' by paragraph (1), (2), (3), (4), or (5) of section 103 of the Foreign Service Act of 1980.

''(iv) EXTENDED DUTY.—The term 'extended duty' means any period of duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period.

''(D) SPECIAL RULES RELATING TO ELECTION.—

''(i) ELECTION LIMITED TO 1 PROPERTY AT A TIME.—An election under subparagraph (A) with respect to any property may not be made if such an election is in effect with respect to any other property.

''(ii) REVOCATION OF ELECTION.—An election under subparagraph (A) may be revoked at any time.''.

(b) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendments made by section 312 of the Taxpayer Relief Act of 1997.

(2) WAIVER OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendment made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

SEC. 103. EXCLUSION FOR AMOUNTS RECEIVED UNDER DEPARTMENT OF DEFENSE HOMEOWNERS ASSISTANCE PROGRAM.

(a) IN GENERAL.—Section 132(a) (relating to the exclusion from gross income of certain fringe benefits) is amended by striking ''or'' at the end of paragraph (6), by striking the period at the end of paragraph (7) and inserting '', or'' and by adding at the end the following new paragraph:

''(8) qualified military base realignment and closure fringe.''.

(b) QUALIFIED MILITARY BASE REALIGNMENT AND CLOSURE FRINGE.—Section 132 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

''(n) QUALIFIED MILITARY BASE REALIGNMENT AND CLOSURE FRINGE.—For purposes of this section, the term 'qualified military base realignment and closure fringe' means 1 or more payments under the authority of section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374) to offset the adverse effects on housing values as a result of a military base realignment or closure.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made after the date of the enactment of this Act.

SEC. 104. EXPANSION OF COMBAT ZONE FILING RULES TO CONTINGENCY OPERATIONS.

(a) IN GENERAL.—Section 7508(a) (relating to time for performing certain acts postponed by reason of service in combat zone) is amended—

(1) by inserting ''or when deployed outside the United States away from the individual's permanent duty station while participating in an operation designated by the Secretary of Defense as a contingency operation (as defined in section 101(a)(13) of title 10, United States Code) or which became such a contingency operation by operation of law'' after ''section 112'',

(2) by inserting in the first sentence ''or at any time during the period of such contingency operation'' after ''for purposes of such section'',

(3) by inserting ''or operation'' after ''such an area'', and