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House of Representatives

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

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
February 1, 2006.

I hereby appoint the Honorable CANDICE S. MILLER to act as Speaker pro tempore on this day.

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

PRAYER

The Reverend Don Davidson, Pastor, First Baptist Church, Alexandria, Virginia, offered the following prayer:

Dear God, our Heavenly Father, maker of all that there is, the One in whom we live and move and have our being. We pause at the beginning of this day to acknowledge that You are God, and we are not. We are but Your servants, and we humbly bow before You.

Thank You for this rich and diverse country, the United States of America, and for this great deliberative body and the role each Member plays in leading our government and charting our Nation's course.

Grant these men and women wisdom and courage for the decisions of this hour. Give them strength for today and bright hope for tomorrow. Speak, Lord, and may these hear You and obey You, that Your will can be done on Earth just as it is in Heaven.

We confess our sinfulness, but we are reminded of the scripture that says if we confess our sins, You are faithful and just and will forgive us our sins and cleanse us from all unrighteousness. We ask for Your grace in abundance.

Through Jesus Christ, I pray. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

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

Mr. POE 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.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore. The Chair will entertain up to 15 one-minute speeches on each side.

HELP OUR LOCAL SMALL BUSINESSES

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

Mrs. KELLY. Madam Speaker, I rise today to urge my colleagues to work more collectively and comprehensively in Congress during the legislative year ahead to help our local small businesses. The President stressed last night that the tax and economic policies to help small businesses lead to continued economic growth and new jobs. Now is the time to put those words into action.

During the past month, I have held town hall forums with small business owners and employees in New York's Hudson Valley. We agreed that there are five areas that we should focus our efforts to help our small businesses:

One, lower health insurance costs for small businesses.

Two, stop excessive and redundant Federal regulations on small business.

Three, level the playing field for small businesses and give them the same advantages as larger companies.

Four, permanently end the death tax that is a direct hit on family-owned small businesses and family farms.

Five, extend tax relief for small businesses to help them grow and create jobs.

Let us fully demonstrate our commitment to small businesses by continuing to pursue legislative solutions to the challenges being faced by small businesses in the Hudson Valley and throughout our country.

THE ''CHALLENGER'' MAGNIFICENT SEVEN

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

Mr. POE. Madam Speaker, 20 years ago, the seven crew members of the space shuttle ''Challenger'' tragically died while seeking the wonders and worlds of space.

In the tradition of great explorers of the past like Columbus, the Conquistadores and Lewis and Clark, the astronauts aboard the space shuttle ''Challenger'' were exploring and embarking on the last frontier when they gave their lives on January 28, 1986.

That courageous ''Challenger'' crew of Francis Scobee, Michael Smith, Judith Resnick, Ellison Onizuka, Gregory Jarvis, high school teacher Christa McAuliffe and Texan Ronald McNair were the best of the brave, the bold and the brazen. They were not only remembered by NASA in my hometown of Houston, but throughout the world.

These magnificent seven epitomized the spirit of the explorers of old and

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will be remembered for their sense of adventure and courage. Space exploration is America's marvelous mission that will continue to be our dream and our goal.

These seven brothers and sisters of space and their enduring legacy are part of that goal to conquer and to challenge space. That's just the way it is.

RONALD REAGAN ORAL HISTORY PROJECT

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

Mr. GOODE. Madam Speaker, first I want to say it is a pleasure to be here with Reverend Don Davidson today. Reverend Davidson used to live in the Fifth District of Virginia, and I want to wish him the best in his new location in Alexandria.

Days before we observe Ronald Reagan's birthday, I think it important to share some of the achievements of Ronald Reagan's Oral History Project developed by the Miller Center at the University of Virginia.

This project began in August 2001. In 45 interviews, it has recorded volumes about President Reagan's political career. The purpose of the Oral History Project is to record recollections of persons apart from the pressures of incumbency.

A majority of the almost 3,000 pages of transcripts will be released later this month, and the Miller Center will hold a three-part forum to celebrate their release.

Nancy Reagan commented that the Miller Center has become a valuable part of our lives, as it works closely with the Ronald Reagan Presidential Library to create a definitive oral history of the Reagan presidency.

MINE SAFETY AND HEALTH ACT OF 2006

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

Mrs. CAPITO. Madam Speaker, first I would like to thank the Nation and my fellow West Virginians for their prayers during our month of sorrow caused by our coal mining accidents. As you know, two major mining accidents took place in West Virginia, killing 12 miners at Sago mine in Upshur County and 2 at the Alma mine in Logan County. Today the West Virginia Congressional delegation, on a bipartisan basis, will introduce the Federal Mine Safety and Health Act of 2006. This mine safety legislation will require the Mine Safety and Health Administration to issue regulations to provide for immediate notification of mine accidents, new regulations for mine safety teams, and to ensure a quick response and improve technology to keep miners safe.

This legislation creates an MSHA Office of Science and Technology and examine mine safety and rescue technologies, including refuge chambers. The world watched as tragedy was averted in Canada this past weekend because 72 trapped miners were able to escape to a designated safe haven. American miners deserve to have the best safety equipment as well.

It is important that this House act on legislation to improve the safety of our coal mines. I spent time with the friends and family of the Sago mine victims, both as we awaited the news of the rescue efforts and after we heard the tragic result. I do not want to watch more families endure what the families of the Sago victims have gone through.

I urge my colleagues, whether your State is a major producer of coal or not, to join the West Virginia delegation in helping to prevent future mine tragedies.

HELP AMERICA VOTE ACT

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

Mr. FITZPATRICK of Pennsylvania. Madam Speaker, I rise today in support of legislation that I introduced yesterday to delay penalties to local governments who are unable to meet the May deadlines imposed by the Help America Vote Act of 2002. As a former county commissioner with firsthand experience with local voting boards, I know how hard it is to maintain the high standards we hold for our democratic process while meeting prescribed Federal guidelines and deadlines. I know that many local governments across the Nation right now are struggling to meet HAVA's requirements at the risk of losing all of their Federal funding.

The ''Help America Vote Act'' was written to strengthen our election process, and to bring it up to date nationwide. For many areas this means buying new voting machines. This is no easy task, Madam Speaker, for many areas that are still using the same reliable machines that had been in use for many decades. Local governments need time to make such an important decision, not a deadline with a threat of Federal penalties.

My legislation buys more time for local governments who are acting in good faith to follow the letter of the law by extending HAVA's deadlines from May to the general election in November. This is commonsense reform of necessary legislation, and I urge my colleagues to support it.

SUPPORT OUR TROOPS

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

Mr. YOUNG of Florida. Madam Speaker, last night in this Chamber, as the President of the United States was encouraging Americans to support our troops, my wife was sitting in this gallery right over here, and she was ordered to leave the gallery because she was doing, and this was in the middle of the President's speech, what the President said we should all do.

She had on this shirt, a very conservative shirt, long sleeves, high neck. But it says ''Support our Troops.'' Someone at this door in the gallery ordered her to leave. When she got into the corridor, they explained to her that she was a demonstrator, that she was a protester. Besides that they lied about what she did. They said she had on a jacket, she flashed open the jacket and exposed this shirt. Not true. She did not have a jacket on. Then they called her a demonstrator and a protester.

When asked about this incident by a reporter from the St. Petersburg Times in my home district, they denied, denied, and said she left on her own volition.

My wife supports our troops on every day, every hour, every waking hour. It is with a passion, because of a passion that comes from the hours and the days and the weeks and the months that she has spent in our military hospitals ministering to those who have been wounded in the line of duties, helping with their families.

Yes, she has a real passion for our troops, and she shows it in many, many ways. Most members in this House know that. But because she had on a shirt that someone did not like that said ''Support our Troops,'' she was kicked out of this gallery while the President was speaking and encouraging Americans to support our troops. Shame, shame.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the House will stand in recess subject to the call of the Chair.

Accordingly (at 10 o'clock and 12 minutes a.m.), the House stood in recess subject to the call of the Chair.

□ 1305

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. LAHOOD) at 1 o'clock and 5 minutes p.m.

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 is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later today.

ELIMINATING FLOOR PRIVILEGES OF FORMER MEMBERS AND OFFICERS

Mr. DREIER. Mr. Speaker, I move to suspend the rules and agree to the resolution (H.Res. 648) to eliminate floor privileges and access to Member exercise facilities for registered lobbyists who are former Members or officers of the House.

The Clerk read as follows:

H. RES. 648

Resolved,

SECTION 1. FLOOR PRIVILEGES OF FORMER MEMBERS AND OFFICERS.

Clause 4 of rule IV of the Rules of the House of Representatives is amended to read as follows:

''4. (a) A former Member, Delegate, or Resident Commissioner; a former Parliamentarian of the House; or a former elected officer of the House or former minority employee nominated as an elected officer of the House shall not be entitled to the privilege of admission to the Hall of the House and rooms leading thereto if he or she—

''(1) is a registered lobbyist or agent of a foreign principal as those terms are defined in clause 5 of rule XXV;

''(2) has any direct personal or pecuniary interest in any legislative measure pending before the House or reported by a committee; or

''(3) is in the employ of or represents any party or organization for the purpose of influencing, directly or indirectly, the passage, defeat, or amendment of any legislative proposal.

''(b) The Speaker may promulgate regulations that exempt ceremonial or educational functions from the restrictions of this clause.''.

SEC. 2. PROHIBITING ACCESS TO MEMBER EXERCISE FACILITIES FOR LOBBYISTS WHO ARE FORMER MEMBERS OR OFFICERS.

(a) IN GENERAL.—The House of Representatives may not provide access to any exercise facility which is made available exclusively to Members and former Members, officers and former officers of the House of Representatives, and their spouses to any former Member, former officer, or spouse who is a lobbyist registered under the Lobbying Disclosure Act of 1995 or any successor statute or agent of a foreign principal as defined in clause 5 of rule XXV. For purposes of this section, the term ''Member of the House of Representatives'' includes a Delegate or Resident Commissioner to the Congress.

(b) REGULATIONS.—The Committee on House Administration shall promulgate regulations to carry out this section.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. DREIER) and the gentlewoman from New York (Ms. SLAUGHTER) each will control 20 minutes.

The Chair recognizes the gentleman from California.

PARLIAMENTARY INQUIRY

Mr. SNYDER. Mr. Speaker, a parliamentary inquiry, if I might. Because of the State of the Union last night, and we always have the tradition of lots of former Members, I have two or three parliamentary inquiries that I would like to ask about the rules of the House governing this debate today.

Under rule IV, clause 4, if I might read it, because I think most Members may not have looked at this in a while: ''former Members, Delegates and Resident Commissioners; former Parliamentarians of the House; and former elected officers and minority employees nominated and elected as officers of the House shall be entitled to the privileges of admission to the Hall of the House and rooms leading thereto only if,

''(1) they do not have any direct personal or pecuniary interest in any legislative measure pending before the House or reported by a committee; and,

''(2) they are not in the employ of or do not represent any party or organization for the purpose of influencing, directly or indirectly, the passage, defeat or amendment of any legislative measure pending before the House reported by a committee or under consideration in any of its committees or subcommittees.''

In Mr. DREIER's proposal today, it specifically includes all registered lobbyists, any former Members that are registered.

The SPEAKER pro tempore. What is the gentleman's inquiry?

Mr. SNYDER. My inquiry is this: Under the current rules that we are operating under today, do the rules prohibit any registered lobbyist who is a former Member from being on the floor of the House today or in the rooms adjoining thereto?

The SPEAKER pro tempore. Under certain circumstances, yes.

Does the gentleman have another inquiry?

Mr. SNYDER. Mr. Speaker, I would like a further amplification on that. Clearly, a registered lobbyist, since Mr. DREIER's legislation specifically refers to registered lobbyists, who are former Members, have a direct personal interest in this legislation pending today. I am not sure how that application, perhaps I have not been clear in my question, how a registered lobbyist who is a former Member could be on the House floor today when Mr. DREIER's legislation specifically involves registered lobbyists who are former Members.

The SPEAKER pro tempore. What is the gentleman's inquiry?

Mr. SNYDER. My inquiry is: Are those Members, former Members, who are registered lobbyists, are they not under current rules prohibited from being on the floor today because they would have, obviously, a personal interest in this, the intent of Mr. DREIER's bill?

The SPEAKER pro tempore. Would the gentleman restate his question.

Mr. SNYDER. Mr. Speaker, my question is: If a former Member, who is currently a registered lobbyist, may that former Member, who is currently a former lobbyist, be on the floor today during the consideration of this bill?

The SPEAKER pro tempore. Such a former Member should not be on the floor given the pendency of this motion.

Mr. SNYDER. Mr. Speaker, that is what my understanding was.

The SPEAKER pro tempore. Does the gentleman have another inquiry?

Mr. SNYDER. Mr. Speaker, I do. Under the rules that I just read, it refers to the Hall of the House and rooms leading thereto. I assume that means the Speaker's Lobby and the two cloakrooms. Is that the Speaker's interpretation of that rule?

The SPEAKER pro tempore. The gentleman is correct. It also includes the Rayburn Room, just off the House floor.

Mr. SNYDER. Mr. Speaker, my third parliamentary inquiry, under current rules, I see no exemption, under the current rule, for any kind of an educational function to occur during the consideration of this measure; is that correct?

The SPEAKER pro tempore. The gentleman is correct.

Mr. SNYDER. Mr. Speaker, my fourth parliamentary inquiry, this bill is now under our suspension calendar. Is it the Speaker's ruling that no amendments are allowed to broaden the application of this rule?

The SPEAKER pro tempore. The gentleman is correct.

The gentleman from California (Mr. DREIER) may proceed.

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

Mr. Speaker, let me begin by thanking my friend from Arkansas for pointing to some of the important aspects of this legislation.

We are committed to bold, strong, dynamic reform for this institution. The Republican Party, Mr. Speaker, has stood for reform ever since I can remember. When I was in the minority, we had the privilege of working on the Joint Committee on the Organization of Congress, and that committee made a wide range of recommendations that would have focused on improving the deliberative nature of this institution, the transparency that is necessary, and the accountability. Unfortunately, when we Republicans were in the minority, they were not implemented. When we won the majority in 1994, we proceeded with very sweeping reforms which focused on lobbying and a wide range of other areas.

I have always argued, Mr. Speaker, that when we are completed with reforms, what we should do is proceed with more reform; and it needs to be done in a way in which we recognize the deliberative nature of this institution. I love this institution, Mr. Speaker. I proudly describe myself as an institutionalist. But we have a problem that needs to be addressed.

We have just begun this process of beginning the reforms for the Second Session of the 109th Congress. We have been working on reforms in the past session of Congress and in Congresses before that, but today we begin the work following the President's great State of the Union message on the issue of reform; and that is why this measure that we are moving forward with is one that we believe is very important, very transparent and gets at a problem that does exist.

The fact of the matter is, every single American has the constitutional right to petition their government. It is a precious right that we need to protect, and we need to do everything possible to ensure that every American can in fact come to their elected representative and state their opinion.

Concern has come forward from a number of Members, and this has existed really since the beginning of time, or since the beginning of this institution, where we have now seen former Members who are registered lobbyists come to the House floor and engage in lobbying activity. It is against the rules, it is not supposed to happen, but in fact it has happened. That is why this resolution is designed to ensure, Mr. Speaker, that former Members of Congress who are registered lobbyists do not have any kind of advantage over the average American when it comes to access to Members of the United States House of Representatives.

This resolution is clear. It says for the House of Representatives, the House floor and the gym, that former Members of Congress are not able, if they are registered lobbyists, to have access there. We believe that this is a concern that needs to be addressed; and I hope very much that we will be able to, as I have been very pleased in the past several weeks to work in a bipartisan way on the passage of this measure.

Let me state, Mr. Speaker, that this is the first step in our process of greater reform. My friend from Arkansas has come forward with some very interesting ideas. He testified before the Rules Committee. I will say to him right now that I am very happy and pleased to look at the proposals that he has offered and consider them legislatively.

This is the first day of the Second Session of the 109th Congress, but there are a wide range of reforms that Speaker HASTERT and I and others have proposed. There are a wide range of reforms that have been proposed by our colleagues on the other side of the aisle.

So I am convinced we can, in a bipartisan way, work to increase the level of transparency and make sure that there is a greater degree of accountability to this institution. This step is one that we can begin with; and it is one that should enjoy, as I said, strong bipartisan support.

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

□ 1315

Ms. SLAUGHTER. Mr. Speaker, just over a year ago, on the very first day of the last session of Congress, I stood on the floor and watched the Republican majority force through a new set of House rules, rules designed to destroy the House Ethics Committee and to protect the leadership and their Members from any measure of real accountability.

And ironically they called it an ethics reform package. As a result of that package we still do not have a working ethics committee today.

On that day the word ''corruption'' became synonymous with Congress in the minds of many of the American people. 2005 went on to be a year defined by corruption in a way never before seen. The magnitude of the Republican culture of corruption overwhelming this House has only been exceeded by the high cost of that corruption for every man, woman and child in this country.

From the Medicare legislation affecting the health of our seniors, to the safety of our troops in Iraq, to the energy bills that determine if families can afford to heat their homes during the winter and drive their cars, nothing has proved too precious to avoid being sold for a price.

But despite this shameful record today, the Republican majority asks us to believe they have now seen the light and they are suddenly committed to producing an ethical Congress. And so we are opening this year with another ethics rules change.

It is a reform that I support, because the stranglehold lobbyists have over our process is indeed a tremendous problem facing our Nation.

The fact that there are 34,000 registered lobbyists in Washington today, 63 for each Member of Congress, demonstrates just how much power special interests wield in this Congress. And clearly, former Members of this body who lobby should not have special access to lawmakers on the floor or the gym.

But let me be clear, that this rules change is so minor in relation to the magnitude of the problem that it does not amount to a drop in the ocean. In fact, I suspect it is illegal already.

First, we know that they should not be here, but we have ignored that rule and done nothing to enforce it. But more importantly, shifting the blame for the rampant corruption in Washington only to lobbyists is part of an effort to avoid the central issue.

Corrupt lobbyists like Jack Abramoff have done much harm to this country, but they can only be as corrupt as those in power allow them to be. Let me say that again. They have done a lot to harm the country, but they can only be as corrupt as those in power allow them to be.

A true responsibility for corruption begins and ends here in this Chamber with those who pull the strings. Lobbyists are simply the symptom. The disease is here. Because after all, lobbyists are writing the bills that come out of this House because the Republican leadership wanted it that way. House rules are being ignored and our ethics process destroyed because the Republican leadership wants it that way.

We now have a government that is too corrupt to sustain itself any longer, too undemocratic to even pretend to be a democracy. We simply cannot allow Band-aid packages like the one presented today to take the place of real reform. It is self-evident now that those who put America up for sale have neither the ability nor the credibility to lead us in a new direction.

It is going to take a lot more than preventing former Members from going to the House gym to produce an ethical Congress. If we ever hope to restore true democracy to our government, it is going to take a fundamental change in the culture of this institution, one devoutly to be wished and felt and certainly a thing that we will work hard for on this side.

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

Mr. DREIER. Mr. Speaker, I yield 3 minutes to my good friend and classmate, the gentleman from Ohio (Mr. OXLEY), the distinguished chairman of the Committee on Financial Services.

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

Mr. OXLEY. Mr. Speaker, I have no particular problem with dealing with former Member/lobbyists on the floor of the House. This is where we do our business. The rule frankly has always been that there is no lobbying on the floor of the House. And, frankly, in 24 plus years here, I have never had that experience, even since I have been committee chairman. So to some extent we are somewhat tilting at windmills.

My big concern really is what the message is in terms of Members, former Members who are lobbyists in the wellness center, as we call it. I happen to chair that, and I have been for a number of years, one of the last vestiges of bipartisanship and camaraderie in this institution that many of us share, many times with former Members who have continually been members of the wellness center and have come down and enjoyed the camaraderie, the exercise.

Not once in that time have I been lobbied, nor have I heard any complaints since I have been chairman of the wellness center about lobbying taking place. I think it is a perhaps unwritten rule. Maybe it ought to be a written rule, but to ban these distinguished former Members that we all served with on both sides of the aisle, whether it is Lee Hamilton or whether it is Jack Fields or Jack Quinn or Bill Archer, former chairman of the Ways and Means Committee, I think really does a disservice to this institution, and I am really concerned about it.

Let us take a look at the language of this proposal. It basically says if you are a former Member/lobbyist, a Bill Archer or a Jack Fields, you are no longer welcome in the wellness center, you can just go ahead and clean out your locker. But if you are a convicted felon, and not a former Member/lobbyist, you can participate in the wellness center. It seems to me rather incongruous and rather upside down towards trying to come to grips with some of these alleged problems that are out there.

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

Mr. OXLEY. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, as I said at the outset, I thank my friend for yielding, this is the first step in the beginning of the 109th Congress second session in dealing with this issue of reform, and we are open to making any kind of modification. I will tell you the notion of having convicted felons having access to the House floor obviously we find that abhorrent, and so I will just assure my friend that that is an issue that we are more than happy to address.

Mr. FRANK of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. OXLEY. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I do suggest a possible compromise, because there is a certain self-interest. Let us be honest among the Members. Perhaps the modification could be that any former Member using any piece of equipment would have to yield to a current Member.

Mr. OXLEY. Well, I think the gentleman from Massachusetts makes a good point. I think once we start down this slippery slope it is really not in the best interests of this institution. And I think, talking to Members privately on both sides of the aisle, I think that we have clearly overreached here. I have no problem with the floor privileges, but the wellness center is a different animal.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. MEEHAN).

Mr. MEEHAN. Mr. Speaker, I rise to urge my colleagues to support comprehensive lobbying reform. Over the past few years special interests have had a larger and larger say over who gets what in America, and the voices of average citizens are being shut out.

The worst excesses of the Congress of the 1980s pale in comparison with what is going on in Washington today. K Street has become Congress' back office. That is where the bills are written and the deals are made. Lobbyists from the energy companies wrote the energy bill to increase their already excessive profits, and lobbyists from the pharmaceutical industry wrote the prescription drug bill that actually makes it illegal for the Federal Government to buy drugs in bulk for the 40 million Americans who are on Medicare.

Sadly, today's proposal does nothing to address the abuses of power that have allowed lobbyists unfettered access to government. Something barring former lawmakers, current lobbyists form the gym or the floor of the House and calling it lobbying reform is sort of like putting a Band-aid on a broken leg. It does not even begin to address the real problems that have allowed the system to get so out of control.

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

Mr. MEEHAN. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, I will be happy to yield the gentleman additional time if it is necessary. The gentleman was not here on the floor when I gave my opening statement, and from the private conversation that you and I have had, I would like to again state for the record, Mr. Speaker, that this is simply a first step in dealing with the issue of comprehensive reform of the lobbying and ethics process to which my friend referred.

I would like to for the record say that. I thank my friend for yielding.

Mr. MEEHAN. Mr. Speaker, I look forward to working on bipartisan lobbying reform, but it is seems to me pretty clear that we need real lobbying reform. There is no reason why, given the discussions we have been having across the Capitol over a period of 6 or 8 months now, why we cannot come in with a comprehensive proposal and have an opportunity to debate it.

We need to make the process more transparent, through disclosure. We need to have tougher restrictions on gifts. We need a tougher enforcement program and, most importantly, we need to fix the badly broken ethics system. So it seems to me if we are really committed to reforming the House, then putting this Band-aid really does not get at the crux of the issue.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume to enter into a colloquy with the gentleman.

I want to simply say once again, Mr. Speaker, that all of the items that he has outlined, whether it is dealing with the issue of a gift ban, greater transparency and accountability, looking at the issue of privately funded travel, all of these are issues, as the gentleman knows and as others know, that Speaker HASTERT is committed to addressing in a comprehensive way.

And it is our intention, I hope very much that as we craft legislation, that we will be able to do so in a bipartisan way. We felt strongly, Mr. Speaker, that at the outset here, as we begin the second session of the 109th Congress, that this issue which falls within the jurisdiction of the Rules Committee, which I am privileged to chair, could be addressed on the opening day to make it clear that we are committed to comprehensive reform.

And so anyone who would lead someone to believe otherwise is just plain wrong. So I would simply say to my colleague that I do look forward to working. He has very, very creative, good, interesting and important ideas in the legislative package that he has put forward, and I am committed to looking at every single one of those as we craft our legislation.

I am happy to yield to my friend.

Mr. MEEHAN. Mr. Speaker, I am happy to hear all of that, but the crux of the issue here is that there is no way that not allowing former Members, for example, to be in the gym and to be on the floor would have undone what was done in the energy bill, for example. There is no way that that would stop the $8 billion of tax credits for the oil industry. There is no way that we would not have passed a Medicare prescription drug bill that actually makes it illegal to buy prescriptions in bulk if somehow former Members were not allowed to come to the floor.

All I am saying is, while I recognize the fact that this is one of the ideas that is out there, we really need to, and I am willing to sit down, I would love to work with the majority on this, but we need to have comprehensive reform.

Mr. Speaker, I am worried that by taking little pieces here that sound like could be, might be some kind of reform, we miss the crux of the issue, which is changing that system that allows legislation at 3 o'clock in the morning and a vote is left open.

Mr. DREIER. Mr. Speaker, reclaiming my time.

Mr. Speaker, I would simply say that the Republican Party has been and continues to be the party of reform. We are committed with this first step that we are taking today, with this package, that addresses something that is just not right.

Former Members of Congress, who are registered lobbyists should not have access to the floor of the House of Representatives, and that is something that we are going to do. It is not a Band-aid. No one is arguing that this is comprehensive reform. This is a first step towards the large process which will allow us to address the concerns that have come forward.

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

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, the problem that we are dealing with is exemplified by what we are dealing with today, a bill that comes to the floor under suspension of the rules. I do not think the party of reform distinguishes itself by bringing up this issue in a way that does not allow amendment. Why not bring this to the floor in an open rule?

The fact is that we have had in this House for years now, under Republican rule, a suppression of democracy, a failure to throw things open. Why was there a necessity to have this under a suspension? Why should not this be open?

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

Mr. FRANK of Massachusetts. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding.

Mr. Speaker, let me just state that the process of suspension of rules is a time honored structure that has existed here which requires a super majority. This measure will not pass unless two-thirds of the Members, a bipartisan coalition of Members, vote in support of it.

Mr. FRANK of Massachusetts. Mr. Speaker, reclaiming my time, the gentleman misses the point entirely. The

question is not whether we pass something, which frankly seems to me rather trivial. I am going to vote for it, I think it is better than not. It is interesting it took the party of reform, what, 11 years to stumble across it.

But what is important is what is not here. The gentleman misunderstands the legislative process if he thinks that he satisfies it by saying, okay, we will take one piece of this and we will bring it up and we will decide what is up and what is not, and we will open it up to debate.

It is the lack of debate that has been a problem. It is also the case, of course, that the corruption we are dealing with goes very deep. And I have to say that the suggestion that the Republican Party, the assertion, is a party of reform simply does not square with the facts.

Let us talk about some of the legislation. The problem frankly has not been former Members. When you came to prescription drugs and dealing with the pharmaceutical industry in general, it has been future former Members.

□ 1330

That is current Members who plan to be former Members in the arms of the industry that they were voting to regulate.

Frankly, Mr. Speaker, we have got a serious systemic problem of corruption that I am prepared at this point to correct myself. I am one of those who talks about in Washington a vast right-wing conspiracy. It now seems clear to me that we instead have had a vast right-wing kleptocracy, and putting people out of the gym is not a beginning of dealing seriously with that problem.

Mr. DREIER. Mr. Speaker, I am very happy to yield 4 minutes to the gentleman from Florida (Mr. LINCOLN DIAZ-BALART), the distinguished vice chairman of the Committee on Rules, my friend from Miami.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I thank the distinguished chairman for the time. I was walking by here and then stumbled here on this interesting debate.

I think our friends have to decide which of two arguments that have been propounded is really the argument they have to come down upon in support of.

One is, we have heard, that we offer lack of democracy. We just heard that. I guess that means insufficient input, ability for Members, et cetera. Another debate we just heard is that the legislation that we brought forth should do more.

We have presented this resolution the first day that we are back to do what we are able to do on the first day we are back, having done it through regular order. In other words, the Rules Committee had a hearing on this resolution and brought it forth yesterday for the consideration of the floor today.

With regard to the other aspects that have been mentioned here, it is precisely because of our offer of full democracy, regular order, the committee process that the Speaker has instructed that this legislation go through, the ethics reform go through, that it is not before us in its completion today. In other words, with regard to all these other ideas that have been mentioned, precisely they are going to be considered, not only under regular order by the appropriate committees, but the Speaker has asked that all of those committees act with great promptness; in other words, that they report back within 4 to 6 weeks.

So we are offering what we are offering today, which is important, which I am glad as my friend from Massachusetts says he is going to vote for and I will join with him in voting for. In addition, we are offering so much democracy that we are submitting to the regular order the consideration of all of these ideas that have been mentioned by the distinguished Member from Massachusetts (Mr. MEEHAN) and others.

So substantive ideas of importance, the first day we are back we have brought forth to the floor, due to the leadership and instruction of the Speaker, who has demanded that we act immediately, and with regard to input ability, ability for discussion, for thought, et cetera; in other words, plenty of democracy, we are also offering that, Mr. Speaker, with regard to all of these other important ideas which our friends on the other side of the aisle have mentioned. They have mentioned some of them.

So in summary, Mr. Speaker, this is an important piece of legislation that I am glad we are bringing forth today. It shows the seriousness of the Speaker of the House, of the chairman of the Rules Committee, of the Committee of Rules generally and the leadership to consider this important issue. So I am glad we are considering it the first day we are back.

Mr. DREIER. Mr. Speaker, may I inquire of the Chair how much time is remaining on both sides?

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from California (Mr. DREIER) has 6 minutes remaining. The gentlewoman from New York (Ms. SLAUGHTER) has 12 minutes remaining.

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

Ms. SLAUGHTER. Mr. Speaker, I am pleased to yield 2½ minutes to the gentleman from North Carolina (Mr. PRICE).

(Mr. PRICE of North Carolina asked and was given permission to revise and extend his remarks.)

Mr. PRICE of North Carolina. Mr. Speaker, I first want to commend my colleague from California, Mr. DREIER, for introducing what he rightly says is a first step toward reining in the culture of abuse and corruption that has been laid bare by the various scandals currently surrounding this institution.

I know that broader lobbying reform is on the way, but I want to suggest that lobbying abuses are only part of a more comprehensive problem that is going to require a more comprehensive solution.

Congressional scholars Norman Ornstein and Tom Mann put it this way in a recent article: ''This is not simply a problem of a rogue lobbyist or a pack of them. Nor is it a matter of a handful of disconnected, corrupt lawmakers taking favors in return for official actions.

''The problem starts not with lobbyists but inside Congress. Over the past 5 years, the rules and norms that govern congressional deliberation, debate and voting have routinely been violated, especially in the House of Representatives, in ways that mark a dramatic break from custom.''

Lobbying reform alone is not going to right this ship. We need a comprehensive plan that gets to the root of the problem, the deterioration and mismanagement of our institutions of governance, particularly this institution.

Congressional Democrats have offered such a plan in the Honest Leadership and Open Government Act, introduced today. Yesterday I joined my colleagues Mr. OBEY, Mr. FRANK and Mr. ALLEN, along with 127 other original cosponsors, in introducing H. Res. 659, a 14-point plan that would address many of the abuses of power that we have witnessed in recent years. Among many other things, our plan would reform the earmarking process, end protracted rollcalls, require House-Senate conference committees to actually meet and vote, and ensure Members that they have time to read and understand what they are voting on.

I will gladly support the first step that we are taking today, but unless we enact meaningful and comprehensive reforms of the way this Chamber conducts its business, Jack Abramoff will be the least of our concerns.

Ms. SLAUGHTER. Mr. Speaker, may I inquire if my colleague has more speakers.

Mr. DREIER. I do not have any more speakers on this side. We are expecting no requests.

Ms. SLAUGHTER. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas (Mr. SNYDER).

Mr. DREIER. Mr. Speaker, I yield 30 seconds to the gentleman from Arkansas (Mr. SNYDER).

Mr. SNYDER. Mr. Speaker, I thank the gentlewoman from New York (Ms. SLAUGHTER) for the time. I thank the gentleman from California (Mr. DREIER) for his courtesy yesterday in letting me testify before his committee and then this discussion today.

Unfortunately, this has been a rushed process. Our first day back in the new session and we start out with a bill being presented without amendment, with very little understanding of it. As the gentleman from California (Mr. DREIER) pointed out, it already is against the rules of lobbying that we have been hearing about on the House floor, as he indicated in his floor comments just a short time ago, is already

against the rules. The problem on the House floor is enforcement, and so any changes we are making about lobbying on the House floor is essentially just a repeat of what is already the rule.

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

Mr. SNYDER. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, I will just clarify again. If former Members of Congress, who are registered lobbyists, being paid to represent interests, are not allowed to even enter the Chamber when we are doing our work here on the House floor, it is very clear there will not be a problem. I thank my friend for yielding.

Mr. SNYDER. Mr. Speaker, as you pointed out, you indicated, under the current rules the activities you have heard about are already not allowed under our current rules.

Mr. DREIER. Right, but the best way to enforce this, of course, is just to ensure that those who are paid lobbyists do not even get to come on to the House floor.

Mr. SNYDER. Well, that is what the current rule is. It is not just about lobbying on the floor. It is privilege. This is the current rule, the privilege of admission to the hall of the House. That is the current rule.

Let me continue with my comments.

To me I agree with the gentleman from Massachusetts' (Mr. MEEHAN) comment. This is probably not the greatest place to start but it is a place to start, but our goal ought to be this. Our goal ought to be for Joe Q. Arkansas back home, that wants to come to the Nation's capital and lobby, how can he be treated fairly and equally alongside everyone else. We have a situation now where former Members, who are well sought after when they leave this body or the Senate to be lobbyists, they have privileges that Joe Q. and Jane Q. Arkansas do not have.

What are some of those? First of all, when they pull their car into one of the House parking lots, they show their former Member's ID, they are waved right in. They get a parking place. They do not have to stand in the security lines. They can just walk. They are bypassed on around. They can roam all through the halls of the Capitol or any of the office buildings in the House or the Senate side. They have access to the Members' dining room where only Members, and I have been lobbied at the Members' dining room. They have access to memorial services. I have been actually lobbied at the memorial service for a former Member that had passed away. They can roam the halls at all hours, day or night. They can go to the rooms behind the committees that Joe Q. Arkansas cannot do.

So our goal ought to be to provide equality with people from back home.

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

Mr. SNYDER. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, just a quick comment. I will say that every single one of those items that my friend from Arkansas has mentioned, Mr. Speaker, we are more than willing to look at and consider as we work on this issue of comprehensive reform. I thank my friend for yielding.

Mr. SNYDER. Mr. Speaker, based on that comment, I am going to vote for the gentleman's bill today. I am very disappointed if we come to the end of this year and I do not have an opportunity to present these ideas on the floor of the House for debate.

I have an alternative I filed yesterday, and I encourage Members to take a look at, H. Res. 663, and it says if you register as a former Member to be a registered lobbyist, you do not get the former Members' privileges. Once you no longer are a registered lobbyist you get them back. It seems to be very, very clear, and we do not have to get into this mumbo-jumbo about the gym versus not the gym and all those kinds of things.

There is also a section of the bill being proposed today that I think may be a weakening of current law. Under current law, this is what it says currently: The Speaker shall promulgate such regulations as may be necessary to implement this rule and to ensure its enforcement. That language is being changed under the proposal by Mr. DREIER, and it says, ''The Speaker may promulgate regulations that exempt ceremonial or educational functions from the restrictions of this clause.''

First of all, we will not have the opportunity, I do not believe, to vote on whatever regulation the Speaker puts out. Educational function can be all kinds of things in this body. For example, my fear is that it could be interpreted to be, during the heat of a close vote on a Medicare prescription drug bill, that very well respected former Member Billy Tauzin could be brought over here to meet with 12 undecided Members, not to lobby, but to educate these undecided Members on what this bill means. Somebody is going to have to explain to me, it is very clear from the way of the language of this bill is written, that the intent is that former Members who are registered lobbyists who have a personal or pecuniary interest or are lobbying on behalf of whatever is on the floor of the House would be allowed, under the Speaker's exemption to come and perform an educational function in one of these rooms back here.

I do not think that Joe Q. Arkansas is going to have that opportunity. Jane Q. Arkansas is not going to have that opportunity. That is the problem when we pick on one little portion about this. We do not have hearings, we do not have discussion, we do not get people like Thomas Mann and Norm Ornstein and the Heritage Foundation to really thrash this stuff through and have the Members thrash it through.

Mr. DREIER. Mr. Speaker, if the gentleman would further yield, I am just reading from the committee report here, Mr. Speaker, and it is very specific in saying that you referred to ''educational functions from the restrictions of this clause, such as a joint meeting to receive a message from a foreign head of state,'' and last night the State of the Union message would have obviously been an exemption; ''a tour when the House is not in session'' when no Members of Congress are on the House floor. I suppose they could be conceivably when the House is not in session but I do not know when they have ever been. Or for Former Member's Day, when there is a conclave of former Members of the House and Senate who come here to the House floor for the former Members' meeting.

So we are very specific and I thank my friend for yielding.

Mr. SNYDER. Mr. Speaker, reclaiming my time, the language of the bill says educational functions. There are already exemptions for ceremonial events, but you are still going to have to explain to me when we have a vote on whatever regulation the Speaker comes out on this, and why Billy Tauzin, coming over here during the heat of a close vote on Medicare, would not be able to have scheduled for him in the cloakroom an educational function to educate undecided Members at 2 a.m. on what a bill means, not to lobby.

So I think that is one of the things that people have not talked about, are not aware it is in the bill. I am going to support this bill, but I think this is a very, very poor way, in a rushed manner, in a nontransparent manner to begin this discussion of reform of this body.

Mr. DREIER. Mr. Speaker, let me yield myself such time as I may consume to respond to the gentleman by simply saying we all know what it is that we are trying to do here, and I believe that we are in a position where we will address those things.

The prospect of the kind of gathering taking place in the cloakroom, which my friend just outlined, is obviously outrageous, and I will say that I am determined to make sure that it does not happen. I will say that, again, all of the issues that my friend has brought forward we look forward to addressing in comprehensive legislation.

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

□ 1345

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, this bill is the fox adjusting the lock on the hen house door. I intend to submit for the record before the end of the day an article from 1995 when the then Speaker of the House set up the K Street Project. K stands for kleptomania or kleptocracy. I'm not sure exactly what the K stands for, but this project was set up in 1995; and what is going on today is an absolutely predictable result of what was done in 1995 when the

lobbyists were told, Don't hire any Democrats. You only hire Republicans. You only give to Republicans. You don't give to Democrats.

For us to come out here today and put a bill up here as though it were going to do anything, when it is proposed by the people who put the K Street Project together in the first place, is absolutely unbelievable. This House is in a delusional state that anything is changing on behalf of the people.

The fact is that this is what you get when you have a K Street Project in place. And they are not fixing it this way, and they want to wrap us all around it and say, well, you'll help us fix it this way by keeping some old Member out of the gym from playing basketball with me. Come on, they have all got my phone number. They have got everybody's phone number in this whole building. And for you to think that this silly little piece of legislation is going to do one thing about cleaning up this town is simply nonsense.

We ought to be talking about public funding of elections. Then we would be talking about reform. But you are not going to reform it by keeping a couple of guys off the floor or a couple of guys out of the gym or whatever. That is simply not going to work, and it is foolish. Everyone should vote ''no'' on this rule.

[From the Washington Post, Nov. 27, 1995]

SPEAKER AND HIS DIRECTORS MAKE THE CASH FLOW RIGHT

(By David Maraniss and Michael Weisskopf)

In the annals of the House Republican revolution, a pivotal moment came last April when an unsuspecting corporate lobbyist entered the inner chamber of Majority Whip Tom DeLay, whose aggressive style has earned him the nickname ''the Hammer.'' The Texas congressman was standing at his desk that afternoon, examining a document that listed the amounts and percentages of money that the 400 largest political action committees had contributed to Republicans and Democrats over the last two years. Those who gave heavily to the GOP were labeled ''Friendly,'' the others ''Unfriendly.''

''See, you're in the book,'' DeLay said to his visitor, leafing through the list. At first the lobbyist was not sure where his group stood, but DeLay helped clear up his confusion. By the time the lobbyist left the congressman's office, he knew that to be a friend of the Republican leadership his group would have to give the party a lot more money.

It didn't take long for the word to spread around town about the Hammer and his book. By some accounts—apocryphal as it turns out—DeLay even made lobbyists turn to their contribution totals and initial them, like a report card. Such stories actually make DeLay's job easier. When an aide once asked whether efforts should be made to quell the legend, DeLay leaned back in his chair and said, ''No, let it get bigger.''

Inside the House Republican leadership, the former pest exterminator from Houston is the enforcer. His mission is to ensure that money flows along the same stream as policy, that the probusiness deregulatory agenda of the House Republicans receives the undivided financial support of the corporate interests that benefit from it. His motto is an unabashedly blunt interpretation of the dictums of Speaker Newt Gingrich: ''If you want to play in our revolution, you have to live by our rules.''

The role of money in the revolution has been obscured by the titanic clash with President Clinton and the Democrats over balanced budgets and the reshaping of the federal government, but it is part of that larger struggle. Money is at the center of Gingrich's transformation of the House. With the new alignment of ideological allies in the business and political worlds, there are unparalleled opportunities for both the people who give the money and the people who receive it.

It is such an obvious quid pro quo that it goes almost unnoticed. From House Republicans come measures that gratify industry: weakening environmental standards, loosening workplace safety rules, limiting the legal liability of corporations, defunding nonprofit groups that present an opposing view. From the beneficiaries of that legislation come millions of dollars in campaign contributions.

''The Republicans have a wonderful situation,'' said one trade association president, a longtime Democrat. ''They don't have to prostitute themselves. They are ideologically in sync'' with the corporate PACs. ''Every politician dreams of being able to meet your conscience and raise money at the same time.''

Yet money is also the source of increasing tension among House Republicans that could ultimately weaken them, if not tear them apart. The conflict, in essence, is between ideology and populist reform. One wing wants to collect as much corporate money as possible to sustain and expand the revolution. Another wing fears that this will disillusion voters who brought the Republicans to power to change the traditional ways of doing business in Washington. Gingrich stands in the middle aware, people around him say, that his tenure could depend in part on his ability to resolve the conflict.

Gingrich, DeLay and their comrades have set in motion a historic shift in campaign giving. As recently as 1993 the National Republican Congressional Committee, the main vehicle for fundraising for House GOP candidates, was millions of dollars in debt. But by soliciting contributions from the corporate world through a combination of tenacity, cheerleading and intimidation—''playing offense'' all the time, as DeLay describes it—the revolution has established a formidable money machine. The turnaround has been dramatic. House Republicans received 58 percent of the money from the top 400 PACs during the first six months this year and their numbers are rising every month. Last year two of every three PAC dollars went to the ruling Democrats. The trend is evident in all industries, including those with traditional Democratic ties.

The Transportation Political Education League, for example, gave only 3 percent to the Republicans last year but 42 percent this year. The No. 1 corporate contributor to the GOP in 1995, United Parcel Service, which worked closely with DeLay and the leadership in fighting federal workplace safety regulations, also made a decisive partisan transformation, its contributions going from 53 percent Democratic to 71 percent Republican in one year.

The once-threadbare NRCC raised a record $18.7 million from January through June, four times as much as its Democratic counterpart. Its two elite organizations, which offer private sessions with House leaders at the Capitol Hill Club, are suddenly fat and happy: 225 corporations and political action committees have joined the House Council at $5,000 apiece, and 150 are enrolled in the Congressional Forum for $15,000 to $20,000 each. Rep. Bill Paxon of New York, the NRCC's chairman, estimates that he has met privately with ''200 to 300'' chief executive officers of Fortune 500 companies to make his pitch.

''If you believe in the revolution and what's happening, then it's time to follow common sense,'' Paxon tells them. ''Why do you support the enemy? Why do you give money to people who are out there consciously every day trying to undermine what's good for you?'' He often leaves, Paxon says, with a financial pledge.

Another $20 million, double the Democratic number, has come to the party in unrestricted contributions known as soft money, used for party rebuilding efforts, voter drives and policy initiatives. Leading the way in the soft money realm this year have been tobacco companies that, concerned about regulation by the Food and Drug Administration, gave a record $1.5 million to the Republicans during the first six months, tenfold what they gave two years ago.

Gingrich, DeLay, Majority Leader Dick Armey of Texas and Republican Conference Chairman John Boehner of Ohio all have established separate PACs this year with goals of raising millions of dollars more. Gingrich's new PAC, dubbed ''Monday Morning'' in honor of a refrain from his swearing-in speech, has already raised more than $330,000, with pledges of an additional $60,000 since its inception a few months ago.

Advised by kitchen cabinets of industry lobbyists, these leadership fund-raising operations will distribute money to Republican congressional candidates, strengthening the bond between the revolution and industry while reinforcing the loyalty of House colleagues to Gingrich and his lieutenants.

The freshman class, 73 Republican newcomers who consider themselves the vanguard of the revolution, has proved as ambitious in the fund-raising realm as elsewhere. They have bumped up the average price of a fund-raising ticket fourfold from the previous term to $1,000, hired professional consultants to run their events and solicit contributions, and formed steering committees of lobbyists to advise them. Almost all have liquidated their campaign debts in the first 10 months of their first term, and more than half belong to the NRCC's $100,000 Club, having at least that much cash ready for next year. The average Republican freshman raised $123,000 in the first six months, nearly double the amount of their Democratic colleagues.

Even reform-minded freshmen who oppose PACs have pursued them aggressively. Sam Brownback of Kansas solicited Washington lobbyists to contribute to a fund-raising event for him soon after he had returned from Ross Perot's United We Stand convention in August. There he had given a speech denouncing the Washington lobbying scene as ''a domestication process where you bring in new, fresh legislators and then you start to try to tame them and assist them with gifts and meals and trips almost like you would a horse with a sugar cube.'' Several lobbyists who received Brownback's fund-raising invitation angrily turned him down.

A few days after the House Republicans took power last January, DeLay turned to one of his most trusted allies in the lobbying community, David Rehr of the National Beer Wholesalers Association, and said, ''I want you to do something with the freshmen just to get them on the right course.'' Rehr was a member of a small group of Washington lobbyists who had remained loyal to the Republicans throughout the long period of Democratic control. His informal duties now included serving as a PAC adviser to both DeLay and the NRCC.

Rehr set up a seminar at NRCC headquarters entitled ''Seven Steps in Liquidating Your Debt and Building for the Future,'' and more than a quarter of the freshman class attended. Rehr instructed them to set up steering committees of PAC supporters to be their ''eyes and ears'' in the Washington community. He suggested that they contact the NRCC and House committee chairmen for a list of PACs relevant to their committee assignments.

Make contacts personally, Rehr, whose own PAC contributed $144,492 to the House Republicans in the first six months this year, advised the freshmen. If a PAC opposed them during the campaign, they should not take it personally. Those PACs, he said, should now be considered ''additional prospects.''

Rehr is among a new breed of Capitol Hill operators on the rise, fortyish, ideological and fervently committed to the House revolution and its two primary bankers, DeLay and Paxon. The lobbyists span the corporate world, commanding networks of business allies along with large PACs of their own organizations. Dan Mattoon of BellSouth, another lecturer at the NRCC seminar, is the leadership's main link to local telephone companies. Bob Rusbuldt, a top insurance lobbyist, taps the financial resources of the related fields of mortgage banking and real estate. Jim Boland of Philip Morris draws from the tobacco industry and its food subsidiaries. Freelance lobbyists such as former Bush White House aide Gary Andres bring lists of diverse clients and the ability to penetrate new fund-raising channels.

The Republican takeover has been a time for ''cashing in,'' as a PAC director close to Gingrich put it, and also a time for ''getting right.'' Lobbyists whose PACs or clients once gave heavily to Democrats have been eager to show they found religion, leading to such scenes as the one late one recent night at one of the steak and cigar restaurants fashionable along Pennsylvania Avenue.

''Man,'' said a lobbyist approaching a GOP leadership aide and pleading to be restored to good graces, ''just want to tell you, we've given like 70 percent to you guys now.''

DeLay, for his part, has launched what has come to be known as the ''K Street Strategy,'' named for the downtown Washington avenue lined with lobbying headquarters, law firms and trade associations. The strategy is to pressure those firms to remove Democrats from top jobs and replace them with Republicans.

Headhunters now call DeLay's office in search of recommendations. When one corporation lobbyist sought a meeting with the whip, DeLay telephoned the firm's CEO and complained that his agent in Washington was ''a hard-core libera1.'' If the company wanted to get in to see him, DeLay added, ''you need to hire a Republican.'' The hard-core liberal lobbyist was soon transferred to London.

One drug company hired a Democrat to head its office, but after he was unmasked at a DeLay fund-raiser, he called the whip's office the next day to plead that his firm not be scorned by the House Republicans. His position was only temporary, he said, and he would soon be replaced by someone more aligned with the revolution.

''There are just a lot of people down on K Street who gained their prominence by being Democrat and supporting the Democrat cause, and they can't regain their prominence unless they get us out of here,'' said DeLay. ''We're just following the old adage of punish your enemies and reward your friends. We don't like to deal with people who are trying to kill the revolution. We know who they are. The word is out.''

At times, Republican leaders have had to choose between friends, and money may have been a factor. When the Commerce Committee voted on a sweeping telecommunications deregulation bill in May, for example, its legislation appeared to favor AT&T and other long-distance firms over the regional Bell companies. A last-minute amendment by Chairman Thomas Bliley would have complicated entry of the seven regional Bells into the long-distance market. AT&T has a plant in Bliley's Richmond district and a new PAC profile: reversing a past preference for Democrats, it has given 58 percent to GOP lawmakers this year.

But the baby Bells, with combined PAC donations double those of AT&T and with influential lobbyists such as Mattoon, appealed the decision. Help came from Paxon and deputy whip Denny Hastert of Illinois, both Commerce Committee members who had voted for the Bliley provision as part of the May bill. But after hearing from Bell lobbyists, they argued for change at a Speaker's Advisory Group meeting in early July, contending that the Bells would be prevented from competing, a participant said. Gingrich directed Bliley to ''rescrub'' the bill, and by mid-July the Bliley provision was deleted. Two weeks before the new bill passed the House, Pacific Telesis Group's chief executive hosted a fund-raiser for Gingrich at his San Francisco home, raising $20,000.

Paxon said he was guided by his ''driving passion'' for deregulation, not fund-raising calculations, in siding with the Bells. ''I haven't sat down with a legislative calendar,'' he said, ''and said this is the time to go after this industry group.''

But some fund-raising efforts have been less than subtle. Ways and Means Committee Chairman Bill Archer lectured corporate leaders not to give to Democrats. In an Oct. 23 letter, signed by the Oklahoma GOP delegation, corporate lobbyists were told that they were expected to support freshman Tom Coburn in his tough reelection race.

''As you are courted by others to get involved in this race, we want to make our position clear,'' the letter read. ''We strongly support our good friend and colleague, Tom Coburn, and we will be unified as we work on his behalf. We trust you will join us in our effort and certainly not oppose us.''

That letter was mild compared with a similar dispatch earlier in the year from DeLay, a no-nonsense missive that helped establish his reputation as ''the Hammer.'' Days before freshman Randy Tate of Washington state was to hold a fund-raiser in Washington, DeLay sent out a letter listing the exact sum each PAC had given to the losing cause of Tate's Democratic opponent in 1994, Mike Kreidler.

While he was ''surprised to see you opposed Randy Tate,'' DeLay wrote, ''you now have the opportunity to work toward a positive future relationship.'' The note got more demanding—''your immediate support for Randy Tate is personally important to me and the House Republican leadership team''—before closing with an offer of redemption: ''I hope I can count on you being on the winning team. ''

The aftermath of that letter captures DeLay's unapologetic mode of operation. A reporter received a copy of it and called DeLay's PAC director, Karl Gallant. Gallant asked the reporter how he obtained the letter. When he was told it came from a lobbyist, Gallant responded, ''That tells me it's effective. They want you to write a negative story so we'll back off. You just made my day.''

DeLay agreed, distributing the article to his colleagues. ''It had great impact,'' DeLay said later. ''It raised him (Tate) a bunch of money. We know who we sent the letters to and who we got checks from.''

One other result: Kreidler recently decided not to challenge Tate in 1996, citing as one factor his difficulty in raising PAC money.

For Gingrich, learning the value of fund-raising has been a gradual process. Staffers at the NRCC in the 1970s and early 1980s would roll their eyes when the small-college history professor with mutton-chop sideburns strolled through the door, knowing they were in for a long day of lectures on the Ming dynasty and a barrage of expensive ideas for promoting his conservative opportunity society. ''In those early days Newt was very naive about money,'' said Steve Stockmeyer, then the executive director of the NRCC. ''He was always coming up with ideas on how to spend it, not raise it.''

But despite his early naivete about the ways of money, Gingrich, more than DeLay or any other figure, was most responsible for turning the revolution into a money machine.

Two years ago the financial situation for the Republicans seemed bleak. They were ''walking in the valley of the shadow of death,'' as Paxon, installed by Gingrich as chairman of the NRCC, put it.

They were the minority party in the House and Senate and without the White House. Their fund-raising relied largely on a direct-mail list that had become utterly obsolete. Of the more than 1 million names on it, only one in 10 had given to the party in recent years. Many were in nursing homes or dead. But by April 1994 Gingrich had become convinced that the Republicans would seize control of the House that year. He went over to the NRCC and wrote personal appeals for funds claiming that the Republicans would soon be in the majority.

''Gingrich was for my purposes the whole ballgame when we wanted to raise money,'' said Grace Wiegers, then director of fund-raising for the NRCC and now the head of Gingrich's leadership PAC, Monday Morning.

In August and September he met individually with more than 150 Republican members, assigning fund-raising tasks and goals to each. Incumbents from safe seats were asked to raise $50,000 for Republican challengers or vulnerable colleagues. Ranking minority members of House committees made pledges to Gingrich to raise even larger amounts traveling for other candidates on the road.

When the revolution arrived, Gingrich had a system already in place for maintaining and expanding the money operation. DeLay would be his hammer. Paxon would serve as cheerleader. Majority Leader Armey would position himself as ideological arbiter, attacking corporations for funding nonprofit agencies that opposed the revolution. Conference Chairman Boehner would nourish business coalitions, bringing them in for regular Thursday sessions to plan how the corporate world could advance conservative policy. Committee chairmen Bliley of Commerce, Archer of Ways and Means and Bud Shuster of Transportation would cultivate industries in their turfs.

The lines between elected revolutionaries and their business cohorts occasionally blurred. Lobbyists helped DeLay write his regulatory moratorium bill. Shuster raised money for the revolution with the assistance of his former political aide, Ann Eppard, a lobbyist whose clients included Amtrak, Conrail, Federal Express and the Pennsylvania Turnpike Authority, all of whom had issues pending before Shuster's committee.

Eppard maintains a close relationship with her old boss. At the same time that she was soliciting money from industry for the ''Bud Shuster Portrait Committee'' which commissioned a painting of the chairman in his committee room, she was also sending out fundraising letters for Republican candidates. One to industry colleagues on behalf of a Virginia candidate ended with the bold-faced assertion: ''This dinner is of personal importance to Chairman Shuster.''

Given the place Gingrich assigned to fundraising, his handshake agreement with President Clinton in June to form a bipartisan commission on campaign finance reform took his allies by surprise. More than any other act, it revealed the tensions within his revolution.

At the next meeting of the House leadership, the tone, said one participant, was, ''Why the hell did you go and do that?''

Armey, responsible for scheduling the revolution's legislative agenda, worried about how he would be able to fit the issue into an already packed calendar. DeLay, and to a lesser degree Paxon, questioned whether the timing was right and whether the Republicans should cede anything to Clinton and the Democrats now that the revolution's money machine was operating so effectively. Gingrich's response was that the handshake ''buys us time.'' He needed to think the issue through, he said.

Another wing of Gingrich's House, represented by populist freshmen Brownback and Linda Smith of Washington, along with veteran moderate Christopher Shays of Connecticut, was pushing Gingrich from the other side. If the Republicans did not clean up Washington and prove that they were not continuing business as usual, they said, the revolution would collapse from a fatal flaw of political hubris. If reform did not happen on the Republican watch, said Shays, it would become ''our Achilles'' heel'' While Shays and Brownback took Gingrich's handshake with Clinton as a sign that he supported reform, Smith was skeptical. She said she thought he was just stalling.

Gingrich found himself in a familiar position: on both sides of a debate and looking for another way entirely. He understood the call for reform and had a lingering resentment toward PACs for funding the Democrats when they controlled Congress. But he also, he and his aides say, felt equally strongly that the revolutionaries should not unilaterally disarm themselves while they were engaged in a more profound struggle of what he called the ''Information Age.''

The real fight, Gingrich told his aides, was not over money but information and how it is disseminated. Money was one weapon in that struggle and important to the movement as a way to counter the American mass media, which the speaker considered largely hostile to the revolution.

Gingrich said as little as possible about the issue after the handshake, promising that at some point he would deliver a white paper on the subject. As months went by, the reformers grew increasingly agitated. At Shays's request, Gingrich met with the reformers in his office late on the afternoon of Sept. 29 just before the Columbus Day break. While Shays hoped to discuss another reform issue involving a gift ban, the meeting devolved into a tense confrontation over campaign finance reform between Gingrich and Smith, who had just planted a story with conservative columnist Robert Novak in which she said that the leadership was not telling the truth about their intentions on reform.

''He got so mad. He kicked the staff out and yelled at them, he was so unhappy,'' Smith recalled. The session was ''testy and pointed,'' according to Brownback. Gingrich was overwhelmed by other concerns that day, including Medicare and Bosnia. He was late for a meeting at the White House, and freshman Smith kept jabbing at him.

Noting that Smith was working with Common Cause and United We Stand in pushing campaign reform, Gingrich told her that she had to decide whether she wanted to be an outsider or work with the House leadership. ''Whatever you decide is okay with me,'' he said. ''We just have to know.''

Smith wanted to know why Gingrich needed a time-consuming commission, why he could not just support legislation eliminating PACs, as he had when he was in the minority. She told the speaker that he tried to carry too much of the burden himself and that he should let others take the load on this issue.

Then, according to Smith's recollection of the scene, corroborated by others in the room, ''Newt looked at me and said, Nobody can do it but me! I have the most experience. I'm the only one who can do this. I'll just have to take some time this week and write a paper on it.' ''

Shortly after that meeting the leadership announced that the Oversight Committee would hold hearings on campaign finance reform starting Nov. 2 and that Gingrich would be the first to testify. One aide took memos from a group of informal advisers, including Stockmeyer, the former NRCC director who now ran the National Association of Business PACs. PACs were invented as a reform in the 1970s, he noted, and another round of reforms doing away with them would probably create a system that was worse.

Sen. Mitch McConnell of Kentucky sent a letter over to the House noting that the Republicans had killed campaign finance reform before the 1994 elections—''proof positive that this issue is not a hindrance to us at the polls.'' In a handwritten P.S., McConnell added: ''We'd be foolish to throwaway our ability to compete.''

Another Gingrich aide began piecing together his speech. He plunged into a long assigned reading list and followed up on the speaker's request to compare the amount of money spent in political campaigns with what is spent in advertising products. Companies spent $100 million selling two stomach acid pills recently, he discovered, one-sixth of the total amount spent on all congressional campaigns last year. One of the great myths of American politics, Gingrich concluded, was that campaigns are too expensive. He believed that most of the criticism of the campaign system came from ''nonsensical socialist analysis based on hatred of the free enterprise system.''

Smith was sitting one row behind Gingrich and off to his right when he delivered those conclusions at the hearing. She wanted to watch his eyes and his facial expressions as a means of gauging his earnestness, she said, but as he continued to attack the reformers, including some of the groups she had been working with, she became increasingly distraught.

''His anger at the media drove what he said,'' she concluded. She retreated to her office, where she reached a final decision on Gingrich's earlier ultimatum to her. She would work from the outside.

Gingrich's lieutenants expressed satisfaction with his speech. If reform is inevitable, they say, it will not involve the elimination of PACs and it will not diminish the role of money in the revolution. DeLay said he would work the system until PACs gave an appropriate amount to the Republicans. ''Ninety percent would be about right,'' he declared. DeLay has a running competition with Gingrich over who can raise more money. There are scores of revolutionaries doing the same thing, but he is not worried that they might trip over each other.

''It's a big country,'' said the Hammer.

PARLIAMENTARY INQUIRY

Mr. SNYDER. Mr. Speaker, under the rules of the House, this is a proposal to change the rules, when a provision says the Speaker may promulgate regulations, under the rules of the House, will there or will there not be a vote of approval of those promulgated regulations by the Speaker on the definition of educational functions?

The SPEAKER pro tempore (Mr. LAHOOD). The Chair will read this.

Mr. SNYDER. You're a great reader, Mr. Speaker.

The SPEAKER pro tempore. The degree to which the pending proposal changes the status quo is a matter for the House to debate. It is not the function of the Chair to interpret a legislative proposal while it is under debate.

Mr. SNYDER. I am sorry, when the Speaker promulgates regulations, regardless of a minor change or a major change, my inquiry is: Does that or does that not require a vote of the body?

The SPEAKER pro tempore. I will stand by what I said. The terms of the resolution must speak for themselves.

Mr. SNYDER. I will stand with you, Mr. Speaker. Thank you.

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

Mr. DREIER. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I want to close this debate by saying again that we do have a problem that exists, and we are committed to bringing about major institutional reform. Increasing the level of transparency and disclosure is a high priority. We have seen guilty pleas from lobbyists who have done things that are absolutely reprehensible, and we want to do everything that we can, in a bipartisan way, to ensure that those things never happen again.

Every American has the right to petition their government. Every single American has the right to petition their government. We do not believe that anyone should have an unfair advantage over any other American when it comes to that. That is why what we are doing here today is the right thing to do. Former Members of Congress who are registered lobbyists should not be on the House floor when the House of Representatives is doing its business.

Today, we begin the work of the Second Session of the 109th Congress, and it is very apparent that we will be able to enjoy strong bipartisan support for this first step on the road to reform. There are many other things that need to be addressed. The Speaker of the House has been working on this. I have been working with him on this issue, and he is committed to getting input from Members on both sides of the aisle and to work in a bicameral way with our colleagues who serve in the other body.

I have had countless meetings with Democrats and Republicans. I have been listening to proposals, and I believe that we are going to have an opportunity to address those understandable concerns so that the American people will once again be able to hold this institution in high regard. It is a challenge. This is the greatest deliberative body known to man, but I believe that it is our responsibility to do what it is that we are going to do here today.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today in support of H. Res. 648, Mr.

DREIER's provision to eliminate floor privileges and access to Member exercise facilities for registered lobbyists who are former Members or officers of the House.

Since the founding of our country, interest groups, or ''factions,'' as Madison called them in 1787, were seen as both a boon and a bane to giving the American people fair representation. Fully 90 years before votes were finally given to African Americans and former slaves, and 150 years before universal suffrage, our Founding Fathers understood the dangers of interest groups and the biased effect they can have on policy and law.

Unfortunately, in 2006, the interest groups now have the higher hand at the expense of our citizens and constituents. The pockets of powerful Members of Congress, and the unequal access former Members of Congress have, supercede their responsibility to their constituents. This is unequal access to democracy.

Reforms are desperately needed, and for once, we have bipartisan agreement. The difficulty now, is determining where reform is needed urgently and unequivocally, and seeing it through to established law.

As a co-sponsor for the Honest Leadership and Open Government Act of 2006, which we will all be considering soon enough, I can say that today's bill should be the beginning of many reforms.

The Honest Leadership and Open Government Act of 2006:

Limits gifts and travel: Bans gifts, including meals, tickets, entertainment and travel, from lobbyists and non-governmental organizations that retain or employ lobbyists, prohibits lobbyists from funding, arranging, planning or participating in congressional travel.

Regulates Member travel on private jets: Requires Members to pay full charter costs when using corporate jets for official travel and to disclose relevant information in the CONGRESSIONAL RECORD, including the owner or lessee of the aircraft and the other passengers on the flight.

Shuts down the K Street Project: Makes it a criminal offense and a violation of the House Rules for Members to take or withhold official action, or threaten to do so, with the intent to influence private employment decisions.

Slows the revolving door: Prohibits former Members, executive branch officials and senior staff from lobbying their former colleagues for 2 years; eliminates floor and gym privileges for former Members and officers who are lobbyists; and requires Members and senior staff to disclose outside job negotiations.

Ends the practice of adding special interest provisions in the dead of the night: Prohibits consideration of conference reports and other legislation not available in printed form and on the Internet for at least 24 hours; requires full and open debate in conference and a vote by the conferees on the final version of the legislation; prohibits consideration of a conference report that contains matters different from what the conferees voted on.

Toughens public disclosure of lobbying activities: Requires lobbyists to file quarterly reports with more information, including campaign contributions, fundraisers and other events that honor Members, and the name of each Member contacted. Report must be in electronic format, searchable on the Internet; increases civil and criminal penalties for lobbyists who violate the rules.

The most obvious place to begin these reforms is here, where we conduct business every day. It is unconscionable that we would allow this access to special interest groups in a place where citizens of this country are not allowed to step. The House has played favorites, against the people we took an oath to protect and serve.

Lobbyists should not be allowed on the floor, or in exercise rooms maintained for the well-being and personal use of congressional Members, staff, and employees.

I am ashamed that we have to urge my Republican colleagues to adopt more effective measures. It should be a no-brainer. Let's start with this simple reform and keep it going until we succeed in delivering the government ''of the people, by the people, and for the people,'' back to the people.

It is for these reasons that I vigorously support drawing a clear ethical line at that door and preventing unjust and unethical influence in our place of business. I urge my colleagues to also extend their support for H. Res. 648 and renew our dedication to our constituencies and ethical principles.

Mr. PAUL. Mr. Speaker, anyone who doubts that symbols often take priority over substance in Washington only needs to consider that among our first items of business the House of Representatives is considering this year is a measure banning from the House gym former members of Congress who are now lobbyists. This bill is being rushed to the floor in order to assure the American people that Congress is ''cracking down'' on lobbying practices in response to recent scandals.

This measure does nothing to address the root cause of the scandals—the ever-growing size and power of the Federal Government. As long the Federal Government continues to regulate, tax, and subsidize the American people, there will be attempts to influence those who write the laws and regulations under which the people must live. Human nature being what it is, there will also be those lobbyists and policymakers who will manipulate the power of the regulatory state to enrich themselves. As I have said before, and I fear I will have plenty of opportunity to say again, the only way to get special interest money and influence out of politics is to get the money and power out of Washington. Instead of passing new regulations and laws regulating the people's right to petition their government, my colleagues should refuse to vote for any legislation that violates the constitutional limits on Federal power or enriches a special interest at the expense of American taxpayers. Returning to constitutional government is the only way to ensure that our republican institutions will not be corrupted by powerful interests seeking special privileges.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. DREIER) that the House suspend the rules and agree to the resolution, H. Res. 648.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. DREIER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this question will be postponed.

RELATING TO CONSIDERATION OF S. 1932, DEFICIT REDUCTION ACT OF 2005

Mr. PUTNAM. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 653 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 653

Resolved, That the House hereby concurs in the Senate amendment to the House amendment to the bill (S. 1932) to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 2006 (H. Con. Res. 95).

UNFUNDED MANDATE POINT OF ORDER

Mr. MCDERMOTT. Mr. Speaker, pursuant to section 426 of the Congressional Budget Act of 1974, I make a point of order against consideration of this rule, H. Res. 653. Section 425 of that same act states that a point of order lies against legislation which imposes an unfunded mandate in excess of specified amounts against State or local governments. Section 426 of the Budget Act specifically states that a rule may not waive the application of section 425.

H. Res. 653 states that the House hereby concurs in the Senate amendment to the bill S. 1932 to provide for reconciliation. This self-executing rule effectively waives the application of section 425 to provisions in the underlying bill on child support enforcement which the Congressional Budget Office informs us impose an intergovernmental mandate as defined by the Unfunded Mandates Reform Act.

Therefore, I make a point of order that the rule may not be considered pursuant to section 426.

The SPEAKER pro tempore. The gentleman from Washington makes a point of order that the resolution violates section 426(a) of the Congressional Budget Act of 1974.

In accordance with section 426(b)(2) of that Act, the gentleman has met the threshold burden to identify the specific language in the resolution on which the point of order is predicated.

Under section 426(b)(4) of the Act, the gentleman from Washington (Mr. MCDERMOTT) and the gentleman from Florida (Mr. PUTNAM) each will control 10 minutes of debate on the question of consideration.

Pursuant to section 426(b)(3) of the Act, after that debate, the Chair will put the question of consideration, to wit: Will the House now consider the resolution?

The Chair recognizes the gentleman from Washington (Mr. MCDERMOTT) for 10 minutes.

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

Mr. Speaker, I have no doubt that a lot of moderate Republicans wish they were somewhere else today, anywhere where they could escape the embarrassment of voting against the American people one more time in a brand-new year just after that State of the Union last night.

Here we go again. The first legislative act of 2006 looks just like the last legislative day of 2005. Republicans call this a reconciliation, but it is really Republican resignation from meeting the needs of American people or addressing the issues that threaten our security.

This vote will occur out in the open on the House floor, but the deals were cut in secret behind closed doors with the American people locked out and the Republican Party locked in.

Until Republican leaders got what they wanted, and it is not in the best interest of the American people, we have before us today an example of the President's ownership society: you own the problem. This bill removes Federal money from child support enforcement and for caring for abused kids, requiring States to pick up the tab.

Republicans will twist arms to pass this unconscionable and unfunded mandate. If you are a middle-class student, Republican reconciliation will have you seeing red because your college education will be awash in high-priced debt. Republican leaders care so much about middle-class America that they are cutting $12 billion in student loans.

Want an education? Financial institutions give Republicans a lot more money than you do. Now you get to give the financial institutions a whole lot more money. That is some rabbit-out-of-the-hat trick. By the magic of Republican reconciliation, students will pay more, your parents will pay more when they try to help you, and America will pay more when we deny the next generation the opportunity to get a higher education.

Republicans increase the interest rate for their core corporate constituency and increase the failure rate of the Nation investing in a more important asset: our next generation. Republican reconciliation offers dollars that make no sense. That is what happens when Republican Members have to answer to their leadership before their constituents.

Republicans talk about security, but there is no security in gutting a student loan program that invests in America's future. There is no common sense either. That is no surprise, of course. Republican reconciliation sacrifices common sense for uncommon greed.

Students from solid middle-class families will suffer. So will seniors who use Medicare, because almost $7 billion in Medicare cuts are buried inside this Republican reconciliation. Seniors will pay more so that America's wealthiest can keep more.

The Republicans have squandered our commitment to America's distinguished citizens in order to trade need for greed. Part B premiums for some Medicare beneficiaries are going up because the Republicans locked themselves into a conference committee without the Democrats and locked the American people out.

On Friday, the nonpartisan Congressional Budget Office informed us that $28 billion in cuts to Medicaid in this bill would impose new costs on 13 million poor and working-poor recipients. These are the people the President said last night we are taking care of your health care. Brother, you don't want a guy like that taking care of you.

By 2015, new fees would end insurance coverage for 65,000 Medicaid enrollees, 60 percent of them children.

□ 1400

Meanwhile, the cost of prescription drugs will rise and the number of people helped will fall.

It all happened when Republicans gathered and locked out America. Why debate in public when you can decide it in secrecy? That is the way the Republicans like to do it. They hope no one will notice. They forgot that when middle America is floundering in a lifeboat with loss of pensions, loss of health care, loss of jobs, the Republicans capsize the boat. It is hard not to notice. Water is pouring in all around us, just like New Orleans. Remember when the President said, ''Brownie, you are doing a heck of a job.'' He sure did. Rarely have we seen so much lost over so little, dinner.

Republicans have raised the bar with reconciliation. As bad as it will be for students and as hard as it will be for seniors, Republicans saved their worst tactics for our most vulnerable and defenseless citizens: Kids in foster care, kids in single parent households, kids in low-income families, and kids in families with a disabled parent.

This reconciliation cuts almost $3 billion from programs for America's most vulnerable children. Deadbeat dads, have a great day, guys. The Republicans have given you a head start out of responsibility. Someone may find you eventually. The program to make sure that child support is paid crumbles under this Republican rule.

Today Republicans have resigned from their responsibility to take care of America's interests. They say all of these problems are up to the States to solve on their own because that is what they mean by an ownership society: States own the problems.

Republicans are now telling States to put more welfare recipients into makework activities, but they do not provide any resources to achieve that goal. They do not even let child care funding keep pace with inflation. So States may have to cut child care assistance to pay for the new welfare requirements. It is just one more unfunded mandate for the States and one more burden for working families.

Now, cash would be nice, but they have drained the Treasury to pay for the President's economic stimulus. Now it is an addiction. Just keep giving the wealthiest Americans more and more money. There is no end to how much money the President is willing to give them, and there is no end to how much money it will take from a host of foreign governments to finance a deficit rising higher than the sky.

Reconciliation by Republicans is a one-point program: Make the rich richer. It was crafted in secret. At least now finally it is out in the open.

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

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

Mr. Speaker, the bill before us today has changed somewhat from its travels in the Senate. The rhetoric on the other side of the aisle has not. It is the same old tired class-warfare rhetoric, more befitting of a response to the State of the Union than anything at all related to a parliamentary inquiry regarding unfunded mandates.

The specific point as it relates to an unfunded mandate claim by the other side regarding the child support changes in the Deficit Reduction Act is simply not correct. According to the GAO, in 2004 the Federal Government paid 88 percent of all child support program costs. Eighty-eight percent. Ten States made money on their program from the taxpayers from the other 40 States. Ten States retained more child support collections than it cost them to operate it. They actually generated substantial profit with the Federal Government picking up 100 percent of their costs, the Federal Government obviously not being a nebulous concept, the Federal government being the other 40 States subsidizing 10 States' child support programs to the tune of a profit.

Over the next 5 years, the Federal Government will spend nearly $20 billion on child support program costs. That is after the changes that are made here in the Deficit Reduction Act, and still far more than the States are expected to spend. States continue to receive $500 million in Federal incentive funds every year, on top of $2 in Federal funds for every $1 of State funds spent for a 66 percent Federal matching rate. Not a bad deal.

Set in this context, this claim of unfunded mandates is simply not correct and not meaningful. The child support savings in the Deficit Reduction Act result from ending the practice of States claiming Federal matching funds for spending Federal child support incentive funds, double dipping, if you will.

This double dipping cannot be justified. Closing this loophole, which is what it amounts to, saves $1.6 billion over 5 years with no impact on services being provided to the clients. The change would not take effect until fiscal year 2008, giving States 2 years to adjust to the change. And States could replace every penny of expected Federal savings by increasing their own

spending modestly with the Federal Government filling in the difference. States could unlock $2 Federal dollars for every $1 spent under the program's 66 percent match rate. So if States want to increase spending by $900 million, they would have to pony up $300 million of their own. Again, not a bad deal for the States. I think it is a return that most investors would accept readily.

CBO's letter that the gentleman refers to shows it is impossible to achieve even modest savings in this open-ended entitlement program without raising an underfunded mandate objection. Unless your goal is to prevent any reduction in Federal spending, which I think it is fair to stipulate is their goal, this is not a meaningful objection.

Even with this change, CBO expects child support collections will grow each and every year and the projections bear that out, rising from $24 billion today to $28 billion in 2010 and $34 billion in 2015, clearly only a Democratic definition of a cut.

Other features of the Deficit Reduction Act would provide States significant Federal welfare funds, including $17 billion in annual TANF block grants through 2010 and $3 billion in mandatory child care through 2010, a $1 billion increase above current law.

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

Mr. McDERMOTT. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Michigan (Mr. LEVIN), who stopped the attempt to privatize Social Security.

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

Mr. LEVIN. Mr. Speaker, last night the President of the United States said, ''Wise policies such as welfare reform have made a difference in the character of our country.''

What you are doing on the Republican side, I am afraid, is in character. It is not class warfare on our side, it is your warfare against the children of America.

It is not our definition, it is CBO's and I quote from a letter of January 31 to Mr. RANGEL: ''As requested by your staff, CBO has reviewed the child support provisions in the conference agreement for S. 1932, the Deficit Reduction Act of 2005, and we have determined that those provisions contain an intergovernmental mandate as defined in the Unfunded Mandates Reform Act.'' That is what CBO says.

And CBO says something else. That this conference report, with the changes you have made, will lead to a reduction in the amount collected for the kids of America in child support of $8.4 billion. That is CBO, not Democrats saying that.

So I just want to tell everybody who is thinking of voting for this conference report, you should expect now, next week, June, July, August, September, October, and yes, in November, the citizens of this country and of your district, will be asking you to justify how you cut funding for child support in a way that would lead to the kids of your district and America combined losing $8.4 billion in child support. That is kids who need it, families who need it, from people who owe it.

Yes, as the President said yesterday, there are some wise policies that make a difference in the character of our country, not what you are doing today.

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

I remind the gentleman that today we will spend $24 billion on the child support collection program to which he refers. By 2010, we will spend $28 billion on the same program; by 2015, $34 billion.

The gentleman is worried about June, July, August, September, October, and yes, even November. We are worried about 2010, 2020, and 2030, about getting our arms around an exploding entitlement program that is engorging the entire Federal budget, and your actions to stop any and all responsible budgeting to prevent entitlement spending from taking up two-thirds of the Federal budget within the decade, to prevent any meaningful Social Security reform that would guarantee that GenX-ers out there will have the same opportunities that those in their seventies have, to prevent the types of entitlement reforms that are needed to save the very programs that you are so proud of in Social Security and Medicaid and Medicare, that are worthy pillars of this domestic government, you block each and every time, including this action which is a very modest savings that still generates more money each and every year by substantial sums than the previous and still guarantees a high level of service to the young people.

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

Mr. PUTNAM. I yield to the gentleman from Michigan.

Mr. LEVIN. Does the gentleman deny point blank the estimate of CBO, we do not control it, that this bill will lead to a reduction of $8.4 billion in child support for the kids of America? Do you deny the CBO estimate?

Mr. PUTNAM. Mr. Speaker, reclaiming my time, nowhere in the CBO score for this report is there any estimates that States will lose TANF funds for failure to operate satisfactory child support programs. They would score as an additional Federal savings if they did, and that is just not there.

I think I have answered the gentleman's question.

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

Mr. McDERMOTT. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, it probably does not surprise most Americans when Republicans and Democrats have different opinions on a bill, so let me highlight the opinion of a third voice, U.S. Conference of Catholic Bishops. Here is what they say about the legislation before us.

Our Bishops' Conference is deeply disappointed that the final budget reconciliation conference agreement coming once again before the House of Representatives includes provisions in these areas which we believe could prove harmful to many low-income children, families, elderly and people with disabilities who are least able to provide for themselves. Because of these concerns, we ask you to oppose the budget reconciliation conference agreement.

BISHOPS' PRESIDENT URGES HOUSE TO REJECT BUDGET AGREEMENT

WASHINGTON (January 30, 2006).—The recent budget reconciliation bill fails to ''meet the needs of the most vulnerable among us,'' said Bishop William S. Skylstad, president of the United States Conference of Catholic Bishops in a January 24 letter to the House of Representatives.

Bishop Skylstad said the greatest concerns were over: increased Medicaid cost-sharing burdens; cuts to child support enforcement; changes in Temporary Assistance for Needy Families programs which underfund work programs and childcare; and cuts to agriculture conservation programs.

''We urge you to reject the conference agreement and work for policies that put poor children and families first,'' Bishop Skylstad said.

The text of the entire letter follows.

JANUARY 24, 2006.

HOUSE OF REPRESENTATIVES,
Washington, DC.

DEAR REPRESENTATIVE: In December, as President of the United States Conference of Catholic Bishops, I wrote to you expressing serious concerns about provisions in the budget reconciliation bill. The proposed changes in Medicaid, child support enforcement funding, Temporary Assistance for Needy Families (TANF), and agriculture conservation programs, in particular, could have a negative impact upon the most vulnerable in our nation.

Our Bishops' Conference is deeply disappointed that the final budget reconciliation conference agreement coming once again before the House of Representatives includes provisions in these areas which we believe could prove harmful to many low-income children, families, elderly and people with disabilities who are least able to provide for themselves. Because of these concerns, we ask you to oppose the budget reconciliation conference agreement.

Among the areas of most concern to us are:

Increased Medicaid cost-sharing burdens and eroding federal benefit standards which can result in low-income children, families, pregnant women, elderly and those with disabilities not getting the care they need.

Cuts to child support enforcement, which will mean collecting billions less in child support for children and families than under current law.

TANF-related provisions, including:

Immediate and significant changes in state TANF work rules (although additional proposals to increase hours worked per week were wisely abandoned) without providing sufficient additional funding needed to run work programs and provide child care. This will mean states may have to choose between cutting child care for low-income working families, reducing other services for low-income people, or cutting back on cash assistance for needy families; policies that could have the effect of disadvantaging two-parent families and married couples; and failure to restore TANF benefit eligibility to recently-arrived legal immigrants. Cuts to

key agriculture conservation programs, which will undermine efforts to promote soil conservation, improve water quality, protect wildlife, and maintain biodiversity.

We recognize that the bill also includes positive elements, such as additional funding for victims of Hurricane Katrina and a program to promote marriage and healthy families. We are also grateful that cuts to the Food Stamps program were dropped from the package. However, we believe that, overall, the impact of this bill will be to fail to meet the needs of the most vulnerable among us. Therefore, we urge you to reject the conference agreement and work for policies that put poor children and families first.

There are many challenges and much tumult in Washington that demand the attention of our leaders. However, an essential priority of government is to provide for the general welfare of its people, especially ''the least among us.''

Mr. PUTNAM. Mr. Speaker, I yield myself the balance of my time.

This debate has devolved into a 10-minute extension of the overall concept of deficit reduction. The unfunded mandates claim does not ring true. There is more money going into these States. States have been double-dipping, and the action in this bill today will simply close that loophole and end that practice, particularly by the 10 States that have been operating on Federal dollars at a profit.

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

The SPEAKER pro tempore (Mr. SIMPSON). The question is: Will the House now consider the resolution?

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

Mr. McDERMOTT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 226, nays 201, not voting 6, as follows:

[Roll No. 2]

YEAS—226

Aderholt
Akin
Alexander
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boustany
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole (OK)
Conaway
Crenshaw
Cubin
Culberson
Davis (KY)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Feeney
Ferguson
Fitzpatrick (PA)
Flake
Foley
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Green (WI)
Gutknecht
Hall
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Hulshof
Hyde
Inglis (SC)
Issa
Jenkins
Jindal
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
Kuhl (NY)
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris
Mica
Miller (FL)
Miller (MI)
Moran (KS)
Murphy
Musgrave
Myrick
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Otter
Oxley
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schmidt
Schwarz (MI)
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shuster
Simmons
Simpson
Smith (NJ)
Smith (TX)
Sodrel
Souder
Stearns
Sullivan
Sweeney
Tancredo
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NAYS—201

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Butterfield
Capps
Capuano
Cardin
Cardoza
Carnahan
Carson
Case
Chandler
Clay
Cleaver
Clyburn
Conyers
Cooper
Costa
Costello
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Harman
Hastings (FL)
Herseth
Higgins
Hinchey
Hinojosa
Holden
Holt
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick (MI)
Kind
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren, Zoe
Lowey
Lynch
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy
McCollum (MN)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Schiff
Schwartz (PA)
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—6

Hastert
Hooley
Hunter
Istook
Miller, Gary
Shimkus

□ 1436

Mr. LARSON of Connecticut and Mr. SCOTT of Virginia changed their vote from ''yea'' to ''nay.''

Mr. AKIN, Mr. BROWN of South Carolina, and Mrs. CUBIN changed their vote from ''nay'' to ''yea.''

So the question of consideration was decided in the affirmative.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from Florida (Mr. PUTNAM) is recognized for 1 hour.

Mr. PUTNAM. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentlewoman from New York (Ms. SLAUGHTER), 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.

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

Mr. PUTNAM. Mr. Speaker, we are dealing with the Deficit Reduction Act yet again to address some technical amendments that were made by the Senate. House Resolution 653 provides that the House agree with the Senate amendments to the House passed version of S. 1932. S. 1932 provides for reconciliation as described in the Congressional budget resolution of 2006.

As a member of both the Rules Committee and the Budget Committee and a conferee on this legislation, I am pleased to bring this legislation to the floor for what we hope will be its final, final consideration.

For the first time since 1997, the Congressional budget resolution included deficit reduction instructions to authorizing committees to find and achieve mandatory program savings for a more accountable government. It does this by finding smarter ways to spend and by slowing the rate of the growth of government, especially on the mandatory side of the ledger.

The Deficit Reduction Act seeks to curb the unsustainable growth rate of mandatory programs that are set to consume 62 percent of our total budget in the next decade if left unchecked. The agreement will stimulate reform of these entitlement programs, many of which are outdated, inefficient and excessively costly.

Mr. Speaker, I am proud of this legislation, and I am proud of the work that this House, through its authorizing

committees, through the Budget Committee process, through, in short, regular order has achieved. I am proud of that. I am proud that this legislation begins a long-term effort at slowing the growth of entitlement spending.

Our goal was to control government spending so that Americans can keep more of their own money instead of having the government seize more. The authorizing committees from both Chambers have worked very hard to find savings within their individual jurisdictions that total nearly $40 billion in efficiency. The agreement allows programs and agencies to weed out waste, fraud, abuse, duplication of effort, so that we can channel more Federal dollars to programs that succeed and to the people who are truly in need, to serve the intended populations more efficiently, more effectively, and in smarter ways.

I look forward to passing this reform bill and reaffirming sound oversight and fiscal responsibility here in Washington. This legislation is a step towards smarter, more competent government. I urge Members to support it.

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

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

I insert in the RECORD two documents referring to this bill.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON GOVERNMENT REFORM,
Washington, DC, January 30, 2006.

BUDGET RECONCILIATION AND THE ALEXANDER STRATEGY GROUP

VOTE NO UNTIL WE KNOW

DEAR COLLEAGUE: Do you know why the pending Budget Reconciliation Conference Report contains none of the $10 billion in cuts to pharmaceutical companies that passed the Senate?

Neither do I.

But I have a guess. On the back of this letter is the interim disclosure for the first six months of 2005, showing:

PhRMA,
The Alexander Strategy Group,
Ed Buckham, and
Tony Rudy

all working together on ''Medicare, Medicaid, Prescription Drug Issues, and Budget Process.'' (The final disclosure forms are not due until February 15).

Postpone the vote on Budget Reconciliation until after an investigation is conducted on the role of the scandal-ridden Alexander Strategy Group in the negotiations. Ask the Speaker to create a bipartisan investigation.

You don't want to vote in favor of a tainted bill. Vote No until we know.

Sincerely,

HENRY A. WAXMAN,
Ranking Minority Member.

Clerk of the House of Representatives	Secretary of the Senate
Legislative Resource Center	Office of Public Records
B-106 Cannon Building	232 Hart Building
Washington, DC 20515	Washington, DC 20510

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LEGISLATIVE RESOURCE CENTER

3

2005 AUG 15 PM 3:30

OFFICE OF THE CLERK
U.S. HOUSE OF REPRESENTATIVES

LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - **All Filers Are Required to Complete This Page**

1. Registrant Name
Alexander Strategy Group

2. Address ☐ Check if different than previously reported
3000 K St NW, Suite 101

3. Principal Place of Business (if different from line 2)
City: Washington, D.C. State/zip (or Country): 20007

4. Contact Name: Edward Stewart
Telephone: (202) 339-8900
E-mail (optional):

5. Senate ID #: 47176-75

7. Client Name ☐ Self
Pharmaceutical Research & Manufacturers of America

6. House ID #: 34431~~046~~ 006

TYPE OF REPORT 8. Year 2005 Midyear (January 1-June 30) ☑ **OR** Year End (July 1-December 31) ☐

9. Check if this filing amends a previously filed version of this report ☐

10. Check if this is a Termination Report ☐ ⇨ Termination Date _____ 11. No Lobbying Activity ☐

INCOME OR EXPENSES - Complete Either Line 12 OR Line 13

12. Lobbying Firms

INCOME relating to lobbying activities for this reporting period was:

Less than $10,000 ☐

$10,000 or more ☑ ⇨ $ $180,000.00
Income (nearest $20,000)

Provide a good faith estimate, rounded to the nearest $20,000, of all lobbying related income from the client (including all *payments to the registrant by any other entity for lobbying* activities on behalf of the client).

13. Organizations

EXPENSES relating to lobbying activities for this reporting period were:

Less than $10,000 ☐

$10,000 or more ☐ ⇨ $ _____
Expenses (nearest $20,000)

14. REPORTING METHOD. Check box to indicate expense accounting method. See instructions for description of options.

☐ **Method A.** Reporting amounts using LDA definitions only
☐ **Method B.** Reporting amounts under section 6033(b)(8) of the Internal Revenue Code
☐ **Method C.** Reporting amounts under section 162(e) of the Internal Revenue Code

Signature _____ Date 7/25/05

Printed Name and Title Edward Stewart, Partner

LD-2 (REV. 4/03)

Registrant Name Alexander Strategy Group Client Name Pharmaceutical Research & Manufacturers of America

LOBBYING ACTIVITY. *Select as many codes as necessary to reflect the general issue areas in which the registrant* engaged in lobbying on behalf of the client during the reporting period. **Using a separate page for each code,** provide information as requested. Attach additional page(s) as needed.

15. General issue area code CSP (one per page)

16. Specific lobbying issues

Medicare
Medicaid
Prescription Drug Issues
Budget Process

17. House(s) of Congress and Federal agencies contacted ☐ Check if None

House of Represenatatives
Senate

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)	New
Terry Allen		☐
Ed Buckham		☐
Tony Rudy,Dan Gans		☐
Allison Shulman		☑
John Powell		☑
Ed Stewart, Terry Haines		☐
Karl Gallant, Chris Bertelli		☐
Paul Behrends, Jim Hayes		☐

19. Interest of each foreign entity in the specific issues listed on line 16 above ☑ Check if None

Signature Date 7/25/05

Printed Name and Title Edward Stewart, Partner

Form LD-2 (Rec. 4/03) Page 2 of 3

Registrant Name Alexander Strategy Group Client Name Pharmaceutical Research & Manufacturers of America

Information Update Page - Complete ONLY where registration information has changed.

20. Client new address

21. Client new principal place of business (if different from line 20)

City State/Zip (or Country)

22. New general description of client's business or activites

LOBBYIST UPDATE

23. Name of each previously reported individual who is **no longer** expected to act as a lobbyist for the client

Jim Hayes and Chris Bertelli

ISSUE UPDATE

24. General lobbying issues previously reported that **no longer** pertain

AFFILIATED ORGANIZATIONS

25. Add the following affiliated organization(s)

Name	Address	Principal Place of Business (city and state or country)

26. Name of each previously reported organization that is **no longer** affiliated with the registrant or client

FOREIGN ENTITIES

27. Add the following foreign entities

Name	Address	Principal place of business (city and state or country)	Amount of contribution for lobbying activities	Ownership percentage in client

28. Name of each previously reported foreign entity that **no longer** owns, or controls, or is affiliated with the registrant, client or affiliated organization

Signature Date 7/25/05

Printed Name and Title Edward Stewart, Partner

Form LD-2 (Rev. 4/03) Page 3 of 3

Ms. SLAUGHTER. Mr. Speaker, we have heard a great deal from the Republican Party recently about its commitment to reforming the way the House does business.

Again today the Republicans have told us that they have learned from their mistakes, and they will never again allow special interests to distract them from doing the work of the American people.

Actions speak louder than words, and this budget bill before us today is proof that despite all the talk of reform nothing has changed with its leadership. This is a bill that cuts Medicare spending by $6.4 billion. It cuts child support enforcement by $1.5 billion. It cuts $343 million from foster care programs.

Last year, we knew what was behind this bill. It was tax cuts for the very rich. In order to offset the administration's unprecedented giveaway to the country's richest citizens, they are willing to cut the services to the neediest Americans. All of us, while we were home in January, heard from citizen after citizen, constituent after constituent, of the harm that this bill would do to them, begging us not to vote for it. Such an indefensible set of priorities is still the major reason why the majority gave us this bill again today, but this year things are even worse.

We are being asked to vote on a bill that more than ever before proves that the culture of corruption is alive and well in this Congress. At the behest of the drug and managed care industries, who met with the key legislators in closed, backdoor sessions, the Republican conferees have changed this legislation so that it will save these industries a total of $42 billion.

Now, how do they suggest that we pay for this new and improved giveaway to the corporate lobby? By increasing the co-payments and reducing health coverage for children, for seniors and for people with disabilities who rely on Medicaid.

This last year showed us the terrible consequences of poor leadership. We saw a national disaster turn into a national tragedy because of a failed government response. We saw self-interest run amok as top lawmakers violated the people's trust, and they were indicted and forced to step down in the wake of scandal. We saw our troops and the people of Iraq struggle heroically to lift not just the weight of a vicious insurgency, but also the burden of poor planning and unfulfilled promises from the White House.

Here again today, Republicans are acting to make the American people victims of unscrupulous, disingenuous leadership, while they talk of reform and change, and we cannot afford another year like the last one.

Remember, that as you cut the very life out of these programs, you are doing it to provide a tax cut for the richest Americans.

□ 1445

Every Member of this body needs to know the serious consequences of this vote today. A vote for this bill is a vote to literally take away health care from our children so we can give more money to the super-rich. A vote for this bill is a vote to weaken Medicare for our struggling seniors, who are having enough trouble with the so-called Medicare reform bill that we passed here and is giving everybody a fit trying to understand Medicare part D and that thousands are doing without their medication because of it.

It will also put college education farther out of the reach of our students, even though the President last night discussed that our competitiveness depends on what we are teaching our students today, so we can fund more tax-cut giveaways. Remember, that is what you are voting for.

A vote for this bill supports the culture of corruption, and also America can and must do better than this budget reconciliation and what this party is offering us today. I urge all of my colleagues to vote ''no'' on this bill and vote ''yes'' for a new day here in Washington.

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

Mr. PUTNAM. Mr. Speaker, I am pleased to yield 5 minutes to the distinguished chairman of the Energy and Commerce Committee, Mr. BARTON.

(Mr. BARTON of Texas asked and was given permission to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Speaker, I rise today in support of H. Res. 653, a resolution that will concur in the Senate amendment to S. 1932, the Deficit Reduction Act of 2005. In passing this resolution, the House will make important reforms in telecommunications and Medicaid, which are under the jurisdiction of the Energy and Commerce Committee.

This resolution is necessary because when the other body took up the budget reform package, or the reconciliation package, they struck three items of the conference report that had a nonfinancial impact under what is called the Byrd Rule in the other body.

The three items are a report requiring value-based purchasing for the Health and Human Services Department to report to Congress on a date certain for a hospital or for a value-based purchasing program. That was the first thing struck.

The second thing struck was a MedPAC report which would have provided a Medicare Payment Advisory Commission report to Congress on that same hospital value-based purchasing program.

The third thing that was struck was a section that would have shielded from legal liability certain hospitals and physicians who enforce cost-sharing requirements for nonemergency care in emergency rooms absent a finding of gross negligence.

Those are the only three changes from the conference report that this body, the House of Representatives, passed by a six-vote margin before we recessed for the holidays. So, substantively, with those changes, the bill before us, if this resolution passes that brings the bill up for consideration, is identical.

With regard to the issues that are in the jurisdiction of the Energy and Commerce Committee, which I chair, the legislation would effectively put us in the Digital Age on February 17, 2009. America and television sets would go all digital on that day. The analog television signals that have come into our homes over the air since the birth of TVs since the 1940s, or maybe in some cases since the 1930s, would end; and we would have the new era finally before us.

In 2004, at my first DTV hearing since becoming chairman of the Energy and Commerce Committee, I announced that expediting the DTV transition would be a top priority. I also noted that the 85 percent loophole in the current law has delayed the consumer benefits of digital television, and it has prevented the clearing of very vital broadcast spectrum for critical public safety and wireless broadband uses.

The DTV legislation in the pending bill brings needed certainty that will allow consumers, broadcasters, cable and satellite operators, manufacturers, retailers, and the government to prepare for the end of the transition. It includes a strong consumer education measure. It helps ensure that all consumers have continued access to broadcast programming, regardless of whether they use analog or digital televisions or whether they watch television signals broadcast by a local station or subscribe to cable TV.

The package also includes necessary revisions to Medicaid. Medicaid is a victim of its own success. The program has grown so expensive that it is unsustainable in its current form. The Nation's Governors on both sides of the aisle understand the grim future of Medicaid without reform. They told us over and over in hearings before the Energy and Commerce Committee that Medicaid will bankrupt the States unless some reasonable reforms are enacted. These were Democrat Governors and Republican Governors. They told us what they needed done, and we attempted to do it.

The proposal that is embedded in the pending legislation contains commonsense reforms and will help fix some of the flaws in the current Medicaid program to ensure that it will continue to be the safety net that protects our Nation's most vulnerable citizens.

Some of these reforms include allowing States to charge some basic copays to higher-income beneficiaries, reducing Medicaid overpayments for drugs, and providing the States with the flexibility to tailor their benefit package to meet the specific health care needs of the beneficiaries. We would also make it more difficult to hide assets so that wealthy clients can pretend to be poor

to qualify for long-term Medicaid coverage in nursing homes.

We were tasked in the budget resolution to reduce the growth of Federal spending in this program. Overall, the net savings over a 5-year period are a little over $4.5 billion. It is the right thing to do, regardless of the budget implication; but the budget implication is positive.

I recognize that some of my critics will say that even a modest reform will hurt the poor. I would submit to you that Medicaid in its current form is hurting the poor.

CLARIFYING THE TREATMENT OF DISTRIBUTOR SERVICE FEES UNDER THE NEW MEDICAID PHARMACY REIMBURSEMENT REFORMS

I want to clarify specifically how bona fide services fees, which are negotiated between a manufacturer and pharmaceutical distributor, should be treated under the new Medicaid pharmacy reimbursement metric. Manufacturers pay bona fide service fees for specific services provided by the distributor. Service fees are a relatively new business model to the pharmaceutical distribution industry and how they should be treated under federal reimbursement programs first came into question when the new Average Sales Price (ASP) metric under the Medicare Modernization Act was being recently implemented.

I am pleased to note that Congress specifically did not include service fees as a price concession to be incorporated into the calculation of ASP and CMS subsequently confirmed that, ''Bona fide service fees that are paid by a manufacturer to an entity, that represent fair market value for bona-fide service provided by the entity, and are not passed on in whole or in part to a client or customer of the entity should not be included in the calculation of ASP.''

The conferees did not intend to have bona fide services fees included in the calculation of the Medicaid Average Manufacturer Price (AMP) based reimbursement methodology as established in the pharmacy reimbursement provisions of the conference agreement.

CLARIFYING CHANGES TO MEDICAID THIRD PARTY LIABILITY STANDARD

The provision regarding the meaning of a new Medicaid third-party liability provision included in section 6036 of the conference agreement on S. 1932, the ''Deficit Reduction Act of 2005'' seeks to clarify the obligation of third parties that are legally responsible for payment of a claim for a health care item or service, and the requirements for third parties to provide states with coverage eligibility and claims data. Specifically, that section amends the list of third parties named in section 1902(a)(25) of the Social Security Act for which states must ascertain the legal liability to pay for medical care and services available under the state's Medicaid plan. The provision adds ''pharmacy benefit managers'' to this list, and introduces a new phrase ''legally responsible for payment of a claim for a health care item or service''.

Under current law, Medicaid is the payor of last resort. In general, federal law requires that available third parties must meet their legal obligation to pay claims before the Medicaid program pays for the care of an individual. The Conference Report amends the list of third parties named in Section 1902(a)(25) of the Social Security Act for which states must take all reasonable measures to ascertain the legal liability to include, among others, pharmacy benefits managers.

I would like to clarify that the addition of pharmacy benefit managers to the definition of liable third parties is in the instance when they are at risk for the underlying benefit, such as operating as a plan sponsor for purposes of providing health benefits or as a risk-bearing entity under the new Medicare Part D program as a stand-alone PDP. This addition is not meant to make pharmacy benefit managers liable when they are acting merely in an administrative capacity on behalf of a liable third party.

The intent is not to create an additional liability where none exists today. Pharmacy benefit managers may or may not be liable third parties. It is dependent upon whether they are ultimately responsible for the payment of a claim. It is my understanding that the health plan or employer contracting with the pharmacy benefit manager is ultimately at risk for the underlying claim, so it is my belief this will not create new liability for the pharmacy benefit manager. I understand that this same intention was addressed in a colloquy on the Senate side between Senator BOND and Senator GRASSLEY on December 21, 2005.

CLARIFYING MEDICAID'S COVERAGE FOR EPSDT SERVICES

There have recently been some public discussions about what benefits states would be required to provide for children under the benefit flexibility provisions contained in Section 6044 of the Deficit Reduction Act. Section 6044 specifies that states may provide flexible benefit packages, but only if such package provides, for any child under age 19, wrap around benefits packages that consist of ''early and periodic screening, diagnostic, and treatment services defined in section 1905(r).''

This language reflects the clear legislative intent by both the House and Senate that all children should continue to receive access to coverage of early and periodic screening, diagnostic, and treatment services (''EPSDT'') services. That was what Members agreed to and the language was drafted accordingly. In addition, this is exactly how the Congressional Budget Office (''CBO'') scored this proposal. In the most recent score of S. 1932, CBO said that ''states would be permitted to enroll children in a benchmark benefit plan but would be required to provide supplemental coverage of all other Medicaid benefits, including early and periodic screening, diagnostic, and treatment services.''

In a statement released during the Senate debate on S. 1932, CMS Administrator Mark McClellan also indicated that CMS had determined that children under age 19 will still be entitled to receive EPSDT benefits if they are enrolled in benchmark or benchmark equivalent coverage. Further, Administrator McClellan said that in implementing section 6044, CMS would not approve any state plan amendment that does not include the provision of EPSDT services for children.

Congress clearly intended for all children under Medicaid to continue to receive EPSDT services and we will work with Administrator McClellan to ensure that all children will continue to receive access to these important services.

CLARIFYING MEDICAID'S NEW CO-PAYMENT POLICIES

In implementing the new premium and cost sharing provisions contained in section 6041, it was the intent of Congress that Medicaid populations below one hundred percent of the federal poverty level would be exempt from the general application of cost sharing and premiums. The only two exceptions to this rule were that these individuals could still be subject to minimal co-payments for non-preferred drugs and could be charged co-payments if they sought non-emergency services in an emergency room.

CLARIFYING INTENT ON MEDICARE ADVANTAGE BUDGET NEUTRALITY ADJUSTMENT

The phase out of the budget neutrality adjustment for Medicare Advantage plans under section 5301 of S. 1932, the Deficit Reduction Act and the joint statement which accompanied the Conference Report in the Senate requiring adjustments for differences in coding patterns is intended to include adjustments for coding that is inaccurate or incomplete for the purpose of establishing risk scores that are consistent across both fee-for-service and Medicare Advantage settings, even if such coding is accurate or complete for other purposes.

Ms. SLAUGHTER. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from South Carolina (Mr. SPRATT), the ranking member of the Budget Committee.

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

Mr. SPRATT. Mr. Speaker, it is easy to criticize the contents of this reconciliation bill because it hurts children, single-parent families, students struggling to finance their college education, and many others who are the most vulnerable among us. But I rise today to criticize the process because this a process known as reconciliation; and the purpose of reconciliation is that as you come to the end of a budget season, we use this to change mandatory spending and change revenues so that you reconcile the actual budget to what otherwise would occur.

Ordinarily in the past, reconciliation has led to deficit reduction. That is the purpose. That is the reason it is a priority process in the budget process. In the budget summit agreement of 1990, we saved $482 billion in budget reconciliation; in 1993, we saved $433 billion in reconciliation; in the balanced budget agreement of 1997, we saved $118 billion.

So what do we save today when you put together this spending-cut bill, $39 billion in reconciled spending cuts, with the tax bill that will follow it, the reconciliation tax bill? You add $17 billion to the deficit over that period of time. There is no deficit reduction.

Worse still, if you look back at all of the taxes we passed in this budget cycle this previous year leading up to fiscal year 2006, starting with the transportation bill and including the energy bill and including a 1-year patch, $31 billion, in the Alternative Minimum Tax, the total tax reduction comes to $122 billion. But let me remind you, I just included and we have just included, they just included in this tax bill, $31 billion, a 1-year fix in the AMT. If all of these taxes are reflected

on a 5-year basis, there is an additional $167 billion to add to that.

Here is the bottom line. Here is what you are voting for today if you vote for this bill. If you look at it over a true 5-year time period and add up all of the taxes in addition to the reconciliation tax cuts that have been passed in this budget cycle, the addition to the deficit is $380 billion after deducting the $40 billion included in this reconciliation bill. That is the net effect on the deficit.

So anybody coming here to the well of the House or going to the voting machine to register his or vote thinking that this is going to reduce the deficit has another thought coming. This bill will increase the deficit, considering the tax cuts that have been passed this past year. It will leave us with a deficit increase of $280 billion over the next 5 years. That is why the process is a sham and that is reason enough to vote against the bill.

Mr. PUTNAM. Mr. Speaker, I yield 2 minutes to another gentleman from Florida (Mr. CRENSHAW), a distinguished member of the Committee on the Budget.

Mr. CRENSHAW. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in strong support of this Deficit Reduction Act. It takes another giant step in trying to get our own financial house in order here in Congress, and that is what the American people want. They want us to control the way we spend their dollars.

We took a step when we cut taxes, as was pointed out just a minute ago. When you cut taxes across the board and you let people keep more of what they earn, well, guess what is happening? They get to decide whether to spend it, whether they want to save it, whether they want to invest it; and when that happens, the economy begins to grow.

We have had 2½ years of positive growth in the economy. What happened? The deficit has gone down because more money comes into the Treasury when the economy grows.

Then last year we took step two. We wrote a budget here in this House that actually reduced nondefense spending by one-half of one percent. That is the first time that has happened since Ronald Reagan was President, and that is another giant step in the right direction.

Here we are now, step three. We are looking at deficit reduction. And now we are looking at the areas in our budget that the appropriations process does not even impact. We are talking about the so-called mandatory spending, entitlement spending, the things that are on automatic pilot. That is where more than half of our money goes in this Congress.

So we are simply saying for the first time in 7 years, let's begin to get a handle on that. Let's control that part of the budget. Because everybody knows the government needs money to provide services. But what we are saying right now is we need reform. We need discipline to rein in spending. We need courage to make decisions that are difficult at times because we have to live like every American has to live, by setting priorities and tightening our belts.

Finally, this is an act that will bring commitment to make sure that every task of government is accomplished more efficiently and more effectively than it ever has been before. That is what this Deficit Reduction Act does, and I urge its passage.

Ms. SLAUGHTER. Mr. Speaker, I yield 3½ minutes to the gentleman from Maryland (Mr. HOYER), the minority whip.

Mr. HOYER. Mr. Speaker, I wish I had at least a half an hour to respond to my friend from Florida who just spoke.

We have run up $1.58 trillion of additional deficits in the last 60 months under your leadership. Last night, the President of the United States addressed the American people from this House Chamber. He demanded that we make his tax cuts permanent. Of course, he also urged new Federal spending, among other things for energy independence, a good objective; on education, math and science, a good objective; prevention and treatment for HIV/AIDS. All worthy endeavors of our great Nation.

But President Bush and this Republican Congress, which have had complete control of our Federal Government for 5 years, continue to refuse to answer the most basic, most obvious and most necessary question: How do we pay for these plans and proposals?

The plain truth is, they do not pay for them. The plain truth is, the President and this Republican Congress have pursued the most irresponsible fiscal policies in the history of our Nation, turning a projected $5.6 trillion surplus into a $4 trillion deficit today, a $9.6 trillion turnaround in 60 months.

Now President Bush and this Republican Congress want to enact tax cuts, even as we face record budget deficits and debt brought about by their policies, even as they prepare to ask for a $780 billion increase in the debt limit, the fourth time they have done so.

Today's budget bill is part and parcel of the Republican Party's free-lunch philosophy. Our Republican friends claim that they are going to cut $40 billion to ''restore fiscal discipline.'' Now, you inherited $5.6 trillion surplus. You followed an administration that had four budget surpluses in a row.

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And you want to restore fiscal discipline to the extraordinary fiscal irresponsibility you have been pursuing for 5 years. A good objective, folks.

But the reality is they plan on cutting an additional $70 billion in taxes. Cut $40 billion in spending, cut $70 billion in taxes. You do not have to be much above the sixth grade to understand that is going to add to your deficit.

No, while the President called for increased funding for education last night, this Republican majority today wants to cut funds for students going to college. While the President recognized the need to make health insurance more affordable, this majority today intends to cut funding for Medicaid to the poorest of citizens.

Meanwhile, we now know that as the Republican budget axe fell on the poor and students, powerful special interests in the dark of night in the conference got $20 billion in cuts back, back. Half of all of the cuts they got back.

I urge my colleagues, vote against this irresponsible, mean-spirited, negative proposal, which is contrary to the interests of the American people and the product of Republican fiscal irresponsibility, and a pretense of support for priorities of education and health care, while at the same time cutting our investment in education of our children and the health of our people, and imposing upon our children and our grandchildren the extraordinary costs of our fiscal profligacy.

I would hope that a number of you would in fact be fiscally responsible and vote ''no'' on this bad package.

Mr. PUTNAM. Mr. Speaker, I yield 2 minutes to the senior member of the Budget Committee, the gentleman from Kansas (Mr. RYUN).

Mr. RYUN of Kansas. Mr. Speaker, recently the Congressional Budget Office released its economic and budget projections for the coming decade; and they reiterate what we already know, that is, that mandatory spending is growing at an unsustainable rate.

If we do not slow down the growth, we are going to have some very tough choices in the years to come and the days ahead, because the growth, by 2030, is expected to continue at 60 percent. At a time when the economy is strong and growing, we cannot forget the problems of mandatory spending programs, that they loom very large.

In his State of the Union address, President Bush warned that the retirement of baby boomers will present future Congresses with impossible choices. And these are the choices: staggering tax increases, immense deficit, or deep cuts in each category of spending.

Right now the House has a choice. We can either begin to address the growing entitlement by passing the Deficit Reduction Act, or we can continue to ignore the problem and leave those difficult choices for a future date.

By passing the Deficit Reduction Act today, the House is choosing to address that problem. The Deficit Reduction Act will begin the process of reform in mandatory spending and save the American taxpayers $40 billion over the next 5 years. The American people elected us to Congress to spend their dollars wisely. We cannot assert that doing our job as we have been allows those programs to grow without review.

The Medicare program, for example, has run on autopilot for almost 40 years without any review. The Deficit Reduction Act will make important changes to reform Medicaid and other important programs to ensure that we are being responsible stewards of taxpayers' dollars.

It is important that the House, as we begin 2006, that we show fiscal restraint. It is also important in the House that we unite behind the concept that bigger government is not better government. And it is also important in the House that we pass the Deficit Reduction Act.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. DINGELL).

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

Mr. DINGELL. Mr. Speaker, my colleagues have recalled that there was no conference on this important legislation. Instead, my Republican colleagues met behind closed doors with a bevy of lobbyists for the health insurance companies and the pharmaceutical houses.

Democratic Members were entirely excluded from this. This is a product of special-interest lobbying, and the stench of special interest hangs over the Chamber as we consider it today.

The bill was brought to the floor in the dead of night; and a couple of hours later, the Members of this body voted on it without ever having seen it, or without a copy of it ever having been printed. The Congressional Budget Office now tells us what went on behind those closed doors in those secret meetings. Special interests and their lobbyists, who were well represented, won. Everybody else was excluded, and everybody else lost.

The conferees made important decisions on health care, because the House and the Senate took very different approaches to the issue. The Senate decided not to harm Medicaid beneficiaries, instead cutting overpayments to Medicare HMOs and reducing unjustified payments to drug companies.

Our Republican colleagues heard the concerns of these special interests and instead chose to raise costs and to cut services to working families, to the poor, the elderly, the disabled, and children covered by Medicaid.

Now, here are the specifics, and you can see them on this chart right here. The Senate cut $36 billion in overpayments to HMOs and Medicare. That included $26 billion in savings by more accurately calculating their payments.

The negotiators, without any help from anybody but the lobbyists, rewrote the provision to save just $4 billion, providing a $22 billion windfall to the HMOs.

The Senate also eliminated a $10 billion slush fund designed to induce HMOs to participate in the prescription drug program by overpayments. The Republican conferees dropped this provision, providing another $10 billion gift to HMOs, for a total of $32 billion.

Finally, the Senate included a provision designed to get the best prices for Medicaid by increasing rebates from drug companies for a nearly $10 billion saving. My good Republican colleagues dropped that provision too.

Instead, our colleagues on the Republican side went after the people who could not be represented in the room and who could not afford to have cuts. Through a combination of benefit reductions, increased copayments and premiums, along with rules making it harder for the elderly to gain access to nursing homes, they saved $25 billion. They sweated it out of the hides of the poor and the unfortunate.

According to the CBO, about 13 million Medicaid enrollees will pay more to see their doctor. CBO reports that 80 percent of the savings comes from the decreased use of services. Look at what they did. Vote against it. This is an outrage.

Mr. Speaker, my colleagues should recall there was no open conference on this important legislation. Instead my Republican colleagues met behind closed doors to negotiate an agreement among themselves and, apparently, lobbyist friends. It was brought to the floor in the dead of night, and a couple of hours later Members voted on it sight unseen.

The Congressional Budget Office (CBO) now confirms what went on behind those closed doors. Special interests and their lobbyists who were well represented won—everyone else was excluded and lost.

The conferees had very important decisions to make in health care because the House and Senate took very different approaches to the issue. The Senate elected not to harm Medicaid beneficiaries, instead cutting overpayments to Medicare HMOs and reducing payments to drug companies. Our House Republican colleagues instead chose to raise costs and cut services to working families, the poor, the elderly, the disabled, and children covered by Medicaid.

Here are the specifics: The Senate bill cut $36 billion in overpayments to the HMOs in Medicare. That included $26 billion in savings by more accurately calculating their payments. But the negotiators rewrote the provision to save just $4 billion, providing a $22 billion windfall to the HMOs.

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Finally, the Senate included a provision designed to get the best prices for Medicaid by increasing rebates from drug companies for a nearly $10 billion saving. That provision was dropped.

Instead our Republican colleagues went after the people who couldn't afford to be in that room—the Medicaid beneficiaries. Through a combination of benefit reductions, increased copayments and premiums, along with rules making it harder for the elderly to gain access to nursing homes, they saved $25 billion.

According to CBO, about 13 million Medicaid enrollees will pay more to see their doctor. CBO reports 80 percent of the savings from this provision will come from decreased use of services. So this bill will be adding to the rolls of the uninsured—contrary to the goal of expanding coverage touted by President Bush last night.

This bill is Exhibit A for special interests and lobbyists writing legislation behind closed doors at the expense of the ordinary citizen. Vote "no."

Mr. PUTNAM. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. DEAL).

Mr. DEAL of Georgia. Mr. Speaker, if we want to talk about who won and who lost, let us talk about who did win. It was not special interests. It was those who qualify under the Family Opportunity Act who for the first time for families with disabled children who may be up to 300 percent of poverty will now be able to receive services. That will be 115,000 children who are disabled that will gain Medicaid coverage by 2015, according to CBO.

The Home and Community Based Services, the estimate is that another 120,000 enrollees will be able to take advantage of this, getting services in their own home or in their community, rather than having to go to a nursing home.

With the program that is included of money following the person, instead of people having to go into a nursing home again, they will be able to have services in their own home; and it is estimated that another 100,000 people are going to qualify for that over the next 8- to 9-year period.

So those are some of the people who are certainly going to be benefited. Now let us talk about the program overall. Medicaid is a program that is out of control. Even with the reforms of slowing it down by three-tenths of 1 percent over the next 5 years, it is still going to grow at an estimated 7 percent growth rate; and over the next 10 years, we are going to be spending in State and Federal money $5.2 trillion.

Let us talk about some of the claims that have been made during the time we have been in recess that are without substance and fact. One is with regard to copays. The Governors told us they wanted to be able to put some personal responsibility back into the program and that copays were one way to do it. But we wanted to make sure that we did not hurt the most vulnerable.

As a result, there are no enforceable copays to be charged to beneficiaries and families with incomes below the Federal poverty level. In addition, copays cannot be charged to a select group of individuals in these big categories: mandatory children, individuals receiving adoption and foster care assistance, preventive care and immunizations, pregnancy-related services, hospice residents, institutional spend-down populations, emergency services, family planning services, women who qualify for Medicaid under the breast and cervical cancer eligibility.

Also one of the claims is that we would do away with the early screening of children. It is specifically included in the plan that these children must be

included in the so-called ESPDT program regardless of whether the State elects to provide services in an optional format or otherwise.

One of the other areas is with regard to the reforms we have made in asset transfers, the so-called ''millionaires on Medicaid.'' Yes, we have tightened the rules, as we should do. But we have specifically made sure that anyone who is in a legitimate hardship area will have an exclusion, and States are required to provide a review process to make sure that that happens.

So we believe overall that the reforms are needed. There are the kinds of reforms that the Governors have asked us to make so that we can keep the program solvent; otherwise, as the Governors' national representatives on a unanimous basis told us in the committee, if we do not, Medicaid over the long haul will be unsustainable.

So therefore I urge you to adopt the provisions that are included in this bill.

Ms. SLAUGHTER. Mr. Speaker I yield 3 minutes to the gentleman from California (Mr. GEORGE MILLER).

(Mr. GEORGE MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. GEORGE MILLER of California. Mr. Speaker, Members of the House, last night the President stood before this Nation and said that it was important that we educate new math and science teachers and that we bring new people to the math and science fields and that America's students start to study math and science and engineering so that America can remain competitive in the world.

Today, we vote to make student loans far more expensive for those students who take up the President's challenge. We make it more expensive for those students, and we make it more expensive for their parents. Of the $12 billion, the $12 billion, the largest cuts in the history of the student loan program that this legislation takes out of the budget, almost 70 percent of those savings are generated by increasing, by continuing the practice of forcing students and parent borrowers to pay excessive interest rates, and in many cases by raising the interest rates on the parents who then borrow additional money to finance their children's higher education.

Many Members are standing up on the Republican side of the aisle and talking about the courage that they have to make these cuts. What is the courage, what is the judgment, what is the morality of making it more difficult for young people to achieve a higher education, to achieve an advanced degree, to participate to the fullest extent of their talents in the American economy, and to participate in the quest that the President had asked for, to make our economy more innovative, more competitive in a globalized world?

I do not understand it. I do not understand the message of the President saying we want more of your children to get more higher education, and then the budget cuts today that say we are going to make it $12 billion more expensive for these children to do this.

We are going to increase the fees on parents that go into debt, on students who go into debt. Most of those students are working at jobs while they are trying to get that education. But that is what happens in this legislation today.

Either the President has it right and you have it wrong, or the President was not telling us the truth about what he truly wanted to do on behalf of increasing math and science education, and advanced degrees in math, science and engineering. And yet we understand the imperative of this being done, because of the competition that we face from China, India, North Korea, Japan, and other nations of the world who now are graduating 300,000 engineers in China and the same in India, and we are graduating 70,000.

Do we understand the imperative nature of getting these degrees done? Apparently not. Because we are going to make it more expensive with this legislation. Actually, you are going to make it more expensive, because I am not voting for this bill, because I understand what parents and students go through to try to figure out how to finance that education, and how they sit around the kitchen table and figure out the sacrifices that they can make.

The better idea that the Republicans have is that they are going to make it more expensive for students to go to college, an idea that we ought to reject; and I would hope that others on the Republican side of the aisle would reject this very bad idea.

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It is an idea that we ought to reject, and I would hope that others on the Republican side of the aisle would reject this very bad idea.

Mr. PUTNAM. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Texas (Mr. HENSARLING), who also serves on the Budget Committee.

Mr. HENSARLING. Mr. Speaker, yet again we consider this historic piece of legislation, and it is historic because today we can begin the process of reforming out-of-control government spending. What happens if we listen to our Democrat friends who tell us we should fail to act?

Retiring Federal Reserve Chairman Alan Greenspan has said, ''As a Nation, we may have already made promises to coming generations of retirees that we will be unable to fulfill.'' That is the Democrat plan.

The Brookings Institution has said expected growth on entitlement programs along with projected increases in interest on the debt and defense will absorb all of the government's currently projected revenues within 8 years, leaving nothing for any other program. No more veterans programs, no more Federal student loans, no more low-income housing programs. That is the Democrat plan.

The General Accountability Office has said that without reforms that we are going to have to double taxes on the next generation just to balance the budget. That is the Democrat plan.

Mr. Speaker, during this debate we are hearing a lot about budget cuts. Everybody is entitled to their own opinion, but they are not entitled to their own facts.

I looked up ''cut'' in the dictionary. It means to reduce. Yet, under this modest set of reforms, we see that Federal spending will grow at 4.3 percent a year. What we call entitlement spending will grow 6.3 percent a year. Medicaid will grow 7.5 percent a year. TANF and other welfare programs will grow at 8.5 percent a year, and the list goes on and on and on.

What we will cut if we do not pass this legislation is the family budget. It will be cut by $40 billion. That is $40 billion that could help nearly 2 million families to make a down payment on a new home. $40 billion could help almost 1 million families put a child through college. We need to realize that every time we increase the Federal budget we are cutting the family budget. Democrats want to cut the family budget, double taxes on our children and call that compassion.

We need to adopt this rule.

Ms. SLAUGHTER. Mr. Speaker, I am pleased to yield 2 minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, it seems the House has voted on this legislation countless times, and people may be wondering what has changed about this conference report since the House passed this bill at 6:00 in the morning late last year.

This is it. Here is what has changed. This is a Washington Post article: Closed door deal makes $22 billion difference. The Washington Post reported last week the Republican leadership met with lobbyists behind closed doors to restore a $22 billion slush fund for HMOs, a slush fund that the Senate had the decency to drop from this legislation. As one health care lobbyist said, ''$22 billion is a lot of money.''

But instead of foregoing this latest example of corporate welfare, Republicans have instead put these cuts on the backs of those who cannot afford lobbyists. These include poor children and working families who will face new costs and higher premiums, reducing care for 1.6 million Americans and kicking over 65,000 Americans, mostly whom have kids, off of Medicaid. Others who will be off of Medicaid are working but do not receive health care through their employer. This, less than 24 hours after the President's call to expand health care in his State of the Union address.

$22 billion is a lot of money, enough to restore the $12.7 billion in student loan assistance cut from this legislation, the $1.5 billion of cuts to child

and foster care support, and the $7 billion of cuts in health care for families.

Some may look at this brazen example of cronyism at its worst, at all the indictments and plea bargains we have seen, and say, well, that is just the way Washington works. That is how Washington operates today under Republican leadership and a Republican administration.

But that is not the way that it ought to work. Regardless of which party is in power, the people's business ought never to be made and done behind closed doors, much less critical budget decisions that can mean life and death for some families.

The American people deserve better from this body. It is time we gave them a reason to expect better.

PARLIAMENTARY INQUIRY

Mr. FORD. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman may inquire.

Mr. FORD. Mr. Speaker, I have heard all the debate and I am curious. To my friend Mr. PUTNAM, the President just left Nashville, and out of curiosity does the President know that you all are introducing this after what he said last night?

The SPEAKER pro tempore. The gentleman has not stated a proper parliamentary inquiry.

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

I would like to correct the gentlewoman from Connecticut with regards to the Washington Post article. As is common in this media culture of get-it-fast instead of get-it-right, there was no lobby fix.

The Deficit Reduction Act establishes a timeline for phasing out overpayments to Medicare advantage plans. The Secretary of HHS had already proposed correcting those payment levels but had not set a timeline. Until the Secretary acts, Medicare is currently paying too much to those Medicare advantage plans, and the Deficit Reduction Act sets the timeline for the Secretary to fix it.

The simple explanation for the $22 billion reduction in CBO score is that the Deficit Reduction Act assumes that once the payment system is fixed over the next 5 years the Secretary will have the good sense to keep paying them at the proper level.

So it is incorrect to say that there was a $22 billion giveaway. CBO's estimate assumes that the Secretary will revert to overpaying those same people.

Mr. Speaker, I am pleased to yield 2 minutes to my good friend from Indiana (Mr. PENCE).

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

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

I rise in strong support of the rule and of the Deficit Reduction Act. It is an important first step toward restoring public confidence in the fiscal integrity of our national government.

2005 will be remembered as a year of good intentions, bad disasters and promises kept. Congress early last year adopted the toughest budget since the Reagan years and, under the leadership of the Appropriations Committee, reported one bill after another on time and on budget.

And then came Katrina, 90,000 square miles of our gulf coast destroyed and $60 billion appropriated in just 6 days. After the storm, many here in Congress thought that fiscal discipline was the last thing that Congress should be thinking about, preferring to raise taxes or increase the national debt instead of making tough choices, but not this majority.

Seeing that a catastrophe of nature could become a catastrophe of debt, dozens of House conservatives challenged our colleagues to offset the cost of Hurricane Katrina with budget cuts, and I will always believe that that effort sparked a national debate that led to this moment.

The American people wanted Washington to pay for Katrina with budget cuts, and Washington got the message. In direct response to the call for cuts, Speaker Dennis Hastert unveiled a bold plan which we consider today to find cuts from every area of the Federal Government, and the Hastert plan, with nearly $40 billion in entitlement savings, becomes a reality.

So, Mr. Speaker, for Americans troubled by a rising tide of red ink here in Washington, D.C., 2006 begins with reason for optimism, as this Congress demonstrates the ability to make touch choices in tough times to put our fiscal house in order.

I urge all my colleagues to support the Deficit Reduction Act.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. SOLIS).

Ms. SOLIS. Mr. Speaker, today I rise in strong opposition to this misguided and irresponsible bill.

Just last night President Bush spoke about working together to build prosperity for our country, but this legislation pays for the prosperity of the richest, the wealthiest in our society while cutting vital services to very needy individuals.

Since President Bush has been in office, the number of Americans in this country living in poverty has grown by 6 million people. In total, 13 million children, including 4.7 million children under the age of six, now live in poverty because of this administration.

Health care costs have risen by 60 percent, and the number of uninsured keeps skyrocketing. More than 13 million Latinos alone continue to be uninsured.

The cost of college education increased by 40 percent because of this administration's misguided approach, forcing typical students to borrow $17,000 in Federal loans and leaving almost 40 percent of student borrowers in unmanageable debt.

Yet this bill cuts another $40 billion in vital programs, Medicaid, Medicare, student loans, and protects more than $70 billion in tax breaks for the wealthy. These programs are critical, not just to low-income people but to the working class Americans of this country.

The reality is that this legislation will do very little to reduce the budget. It will do nothing to help the most vulnerable in our society, and it will do nothing but continue on the wrong path, down the wrong road. Working men and women and children will continue to fall, and our senior citizens will also be caught up in that net.

The bill is not compassionate, it is not decent, and I do not support this legislation. I urge my colleagues to please protect the health and well-being of our citizens and to oppose this legislation.

Mr. PUTNAM. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Mr. Speaker, I thank the gentleman for the time.

For those of us that are deficit hawks and have pushed this bill to cut spending by $40 billion, I think it is important to recognize that between 1995 and 2005, we have seen spending swell on the part of the Federal Government from $1.5 trillion to $2.5 trillion. We have seen it go up $1 trillion in 10 years, and we could cooperate I guess to push it up another trillion, but let me explain my concerns with the national debt that is past $8 trillion and a deficit that is projected to hit $337 billion.

If we fail to confront this challenge of ever higher spending, crowding out the private sector, then the coming decades will be very difficult. Our standard of living will decline, and we will become a much more vulnerable country. This Deficit Reduction Act, this $40 billion, is a good start.

I think that we recognize that Americans, if they ran their personal finances the way the Federal Government has been run, we would be close to bankruptcy. I think Americans recognize it is time for belt tightening, and I think they know that an attempt to just keep increasing the public sphere at the expense of the private sphere and increasing taxes as a result is not the answer.

We need fiscal restraint. We need common sense when it comes to the budget. The future of all Americans depends on an economy free of crippling deficits, free of crippling tax hikes and free of a skyrocketing national debt.

It is incumbent on all of us that we step up to the plate and take responsibility for the Nation's future and that immediate future holds frankly a massive cost that I think all of us know is before us because we have a generation of baby boomers that are set to retire. If we are to ensure the long-term solvency of Medicare and Social Security then we must ensure not only that the budget is balanced but that we begin to pay down our enormous national debt.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama (Mr. DAVIS).

Mr. DAVIS of Alabama. Mr. Speaker, a number of us believe that there is no finer orator in the House than my friend from Indiana who runs the Republican Study Committee. I wish he were still here because I was struck by some words he used.

He said that this was the toughest budget since Reagan. He said that we were in very tough times and this budget was laden with tough choices.

Where my good friend and my very eloquent friend from Indiana was mistaken is who are we tough on. If this was truly the toughest budget in 20 years, if it had sacrifice all across the board, there would be support for it from the more conservative Members on this side of the aisle. If this were truly a budget that made tough choices and directed those choices at all of our people and not some of our people, there would be significant support for it from the conservative side of this aisle.

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There is a reason why there is not. Because it is not tough on everybody.

The average person, Mr. Speaker, earning over $1 million a year, the people who will benefit so handsomely from the President's tax cuts, will get a tax cut this April 15 of $103,000. You could lower that number to $90,000, Mr. Speaker, and recoup every single Medicaid cut that is made.

And I am sure my friends on the other side will say, well, yes, we need to cut Medicaid. Understand who goes on Medicaid. It is not the people who are sitting in this Chamber or our families. It is people who are crushed at the poverty line or near the poverty line. They are the ones whose wages have been frozen. This budget would make them, 13 million of them, pay more than they do today for the cost of Medicare. And it is projected it would put 60,000 of them off the Medicaid rolls all together.

The one word we have not heard in this debate, and it ought to inform it, is not just the word ''tough'' but the word ''fair.''

Mr. PUTNAM. Mr. Speaker, may I inquire as to the time remaining on each side.

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from Florida (Mr. PUTNAM) has 8½ minutes remaining and the gentlewoman from New York (Ms. SLAUGHTER) has 7½ minutes remaining.

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

Ms. SLAUGHTER. Mr. Speaker, I am pleased to yield 2½ minutes to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, last night the President said that in order to keep America competitive, we need to invest in America. So what is the first thing the Republican Congress does? It cuts $12.5 billion from college assistance for kids who are trying to go to college. It is a fascinating way to invest in America's competitiveness and the future. I wonder why nobody else has thought of that.

This is the Republican Congress where the rhetoric of the President last night meets the Republican reality. We kept $14.5 billion in subsidies to big oil and big gas companies, $22 billion in subsidies to the HMO slush fund, and $49 billion for the pharmaceutical industry, all the while we cut $12.5 billion from children trying to go to college, $8 billion from child support collection, and $16 billion from Medicaid.

We increased copayments and premiums leaving thousands of children without children's health care; but we kept in place the subsidies to big oil, big energy companies and big health care interests. What has happened in America?

We have seen a 38 percent increase in college costs in the last 5 years under the Republican watch, and you guys cut $12.7 billion from kids going to college in assistance. We have seen a 78 percent increase in the cost of energy; yet you subsidize Big Oil with $14 billion in taxpayer subsidies. We have seen a 58 percent increase in health care premiums, $3,600 to the average family in America. So what do you do? You cut 6 million children from health care and give the HMOs a $22 billion additional hit for their slush fund and give pharmaceutical companies everything they need.

This budget maintains the status quo. It says of the last 6 years, if you like the economy you have, if you like the investments you have, we will give you two more years to sign on for that.

It is time for a change. It is time for a new direction. It is time to put the American people first by investing in their education, their health care, and child support collection. It is not just the poor that are being affected. This budget and these cuts affect the middle class.

As my colleague from Alabama said, we have heard the word toughness, but we have not heard the word fairness from you. It is not every American in the boat. This is a narrow budget that divides America, rather than unites America.

While Americans are struggling with wages and incomes that have been stagnant for 5 years, with rising health care costs, rising college costs, and rising energy costs, you guys cut children on college assistance, nutrition, health care, and child support. When it comes to women and children, you give a whole new meaning to women and children first. It is time to put the American people first and to set new priorities and change the direction.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. RYAN).

Mr. RYAN of Ohio. Mr. Speaker, I thank the gentlewoman for yielding me this time.

This is kind of funny. It keeps happening. Any time we are having this debate, we hear words or phrases like ''fiscal integrity'' and how we are making these cuts because we are going to ''balance the budget.'' No one is balancing any budget here. Who are we kidding? We are borrowing the money, billion upon billion upon billion, from the Chinese to fund tax cuts that are going primarily to the top 1 percent of the people.

You are making cuts that are hurting middle-class and poor kids. That is the fact. I am not making this up. But if we try to talk about cutting the energy subsidies or cutting the subsidies to the HMOs or asking simple things like having the Secretary of Health and Human Services negotiate the drug prices on behalf of the Medicare recipients, or asking for reimportation for drugs coming in from Canada to help lower the price, we cannot even hear a word from the Republican majority on these issues.

I had a meeting the other day with a school board member from Youngstown city schools. And I asked him, I said, how many kids live in poverty in this school district? He said, 90 percent. Ninety percent of the kids that go to school in Youngstown city schools live in poverty. And I asked him how many qualify for free and reduced lunch, to maybe get another number. He said, we don't even hand out the form any more because it costs us more to administer the form and the program than to just give it to everybody.

Ninety percent of the kids in Youngstown and you are cutting $12 billion from giving these kids an opportunity to go to college? No Child Left Behind is underfunded in Ohio $1.5 billion a year, just in Ohio alone, while some of these other countries are graduating much higher percentages of kids in math and science.

Let us wake up. We need these kids on the field competing in a global economy, and you will not get them there by cutting education and cutting health care. You want to compete with China? You want to compete with India? Fund these programs.

We are not saying you don't need to change some things, and we are willing to work with you to do it, but for God's sake don't cut programs to kids living in poverty and middle-class kids. You are cutting their health care, you are cutting their education, and you are giving tax breaks to rich people. Period, dot.

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

Ms. SLAUGHTER. Mr. Speaker, I yield 1½ minutes to the gentleman from Tennessee (Mr. FORD).

Mr. FORD. Mr. Speaker, I thank the gentlewoman for yielding me this time, and I want to first of all congratulate TIM RYAN, because I think he framed this debate as clearly as he should, and as clearly as it has been today, along with both ARTUR DAVIS and RAHM EMANUEL.

Mr. Speaker, I will yield to Mr. DAVIS to finish his point, but before doing

that, the only point I wanted to make is that I thought I heard the President say all these things last night about making investments to make the country more competitive. And I just don't know if he knows you all are doing this today. Maybe we should call him and let him know. I am going to send him something, along with ARTUR and RAHM and TIM, to let him know what we have done, and maybe he won't sign this if and when it arrives on his desk.

I want to clarify something my colleague, ARTUR DAVIS from Alabama, said. He said if we cut the tax cut that will go to millionaires this year, it is an average of $103,000. So if you earn $1 million and you are watching, listen closely. If not, it doesn't affect you. You get a $103,000 tax break if you are a millionaire. If we cut it to $90,000, what can you do?

Mr. DAVIS of Alabama. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Alabama.

Mr. DAVIS of Alabama. Mr. Speaker, I thank my colleague for yielding to me. That cut was from $103,000 to $90,000.

Mr. FORD. And that is still a tax cut; is that right?

Mr. DAVIS of Alabama. It is still a tax cut, and it would yield approximately $2.6 billion, enough to recoup the Medicaid cuts.

And I make that point, Mr. FORD, simply because last night we heard the President tell us that we are all bound together in this long twilight struggle against terrorists around the world. And if we are all bound together to face terrorists around the world, it is very interesting that a day later we sever a lot of those bonds when it comes to whether we care about education or whether we care about health care.

The President had it right last night. Either we are connected to each other or we are not. And that is where this budget is so wrong.

Mr. FORD. So, Mr. Speaker, so if millionaires took a $65,000 tax cut as opposed to a $103,000 tax cut, we could pay for the student loan program.

Mr. PUTNAM. Mr. Speaker, both of the gentlemen are very eloquent, except they miss the overall point, which is that we are debating the technical amendments to what the House passed long before the President's State of the Union speech.

The three changes that were made by the Senate, that we are dealing with today and that are different than what we have already voted on as a body, deal with a value-based purchasing report, a MedPAC report, MedPAC being the Medicare Payment Advisory Commission, and medical liability. Three items that, for technical rule reasons in the Senate, were stripped, causing the bill to be sent back over here.

The timing of this, situated as it is the day after the President's State of the Union, is irrelevant to the overall issue. We have already voted on this except for these three changes.

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

Ms. SLAUGHTER. Mr. Speaker, I yield 20 seconds to the gentleman from Tennessee (Mr. FORD).

Mr. FORD. Mr. Speaker, just for the gentleman from Florida, you are saying that these cuts that are being talked about today are imaginary, or are they real? And I would be happy to yield to the gentleman. Are they imaginary cuts or real cuts? Maybe we have got the wrong bill.

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

Mr. FORD. I yield to the gentleman from Florida.

Mr. PUTNAM. Under your definition, sir, people continue to get more money year after year after year and it is a cut. Under your definition.

Mr. FORD. Reclaiming my time, Mr. Speaker, I love Mr. PUTNAM, but he knows he is wrong.

Mr. Speaker, we are making cuts. The President asked us to make investments. That is the reality of what we are doing here this afternoon.

Ms. SLAUGHTER. Mr. Speaker, may I inquire how much time remains on my side.

The SPEAKER pro tempore. The gentlewoman from New York has 1 minute and 10 seconds remaining.

Ms. SLAUGHTER. Mr. Speaker, I yield 10 seconds to the gentleman from Alabama (Mr. DAVIS).

Mr. DAVIS of Alabama. In 10 seconds, for the 13 million families who will have to pay more money for health care, that is a cut. Because that is less money they can use on food that now they are having to use on health care. And these are the poorest people in our country, Mr. PUTNAM.

Mr. PUTNAM. Mr. Speaker, I am pleased to yield such time as he may consume to the gentleman from Iowa (Mr. NUSSLE), the distinguished chairman of the Budget Committee.

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

It is interesting to listen to my colleagues who talk about the President's suggesting we invest in America and somehow they heard government only invest in America. Isn't that interesting?

I can tell you that my folks that I represent in Iowa, when they hear invest in America or invest in Iowa or invest in your community, they think that means them. They think that means Americans investing in America.

Unfortunately, we actually have people, ladies and gentlemen, who believe that when somebody says invest in America, what that means is take money from Americans, take it to Washington, invent fancy programs, fill fancy white buildings full of bureaucrats, create all sorts of bureaucracy and red tape and paperwork, and have those bureaucrats, with our blessing, invest in America.

Now, I do not know about you, but I heard it a little differently last night. The President and I, and those of us who agree with the plan that we have adopted this year, believe in and trust that people make better decisions about their daily lives and the investment in their businesses and their families and their communities much better than the government can for them.

We have a plan. That plan calls for growing the economy by letting people make those decisions with their money. We talk about money out here all the time as if it is our money. It is not our money. Ladies and gentlemen, this is the taxpayers' money. They are the ones who earn it. They are the ones who sweat for it. They are the ones who are concerning themselves every day about ensuring that they can support themselves, let alone being able to send a little bit of it out here.

And the reason why we believe, and it has worked, that we believe that reducing taxes actually helps us grow the pie is because the facts are in. In the last 17 quarters, as a result of us reducing taxes, our economy has grown.

We have heard people come out here today to say when you cut taxes it means the government is going to have less money. It is exactly the opposite. I think we need some of the President's science and math education for maybe even some of us. Because every time in our history that we have reduced taxes, the math shows us that the economy grows and actually more revenue comes into the Treasury. Last year was the largest increase in revenue to our Treasury, in a year when we reduced taxes. Now, you cannot explain that unless you understand basic economics.

Our plan calls for growing the economy and reducing spending, and that is exactly what we did this last year. We held the line on nondefense, nonhomeland security spending because we wanted to protect our country, but we knew we had to reform spending in the discretionary accounts.

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Mr. Speaker, today marks the opportunity to close the books on this process, reform government spending.

Let me remind you what kind of government we have got. In so many instances, we have what I believe is an ineffective Katrina bureaucracy. We saw a little bit of that down in the gulf coast, but what we all know is that same Katrina mentality and bureaucracy permeates so much of our bureaucracy here in Washington. Unless we constantly are vigilant about ensuring that we reform government at all levels, we are never going to get our arms around fiscal discipline and fiscal responsibility.

Finally, this achieves savings, not cuts, not gouging people. My goodness, the kind of rhetoric you hear out here. We are trying to make a modest reduction, giving people at the local level, our Govenors and our authorities at the State level some flexibility so they can deliver a much better product for the people that we care about and are

concerned about. These programs need our reform. You cannot assume because you have always done it one way, just continuing it without this kind of oversight and reform will continue to get good results.

These programs have gotten good results in many instances, but too many of them are not achieving the results we need. We need those results. We can achieve savings. We have a plan to accomplish it. It allows us to do so by growing the economy, and I believe it is a fiscal plan that will continue to get us the success that we have seen.

In the last 2 years, we have experienced $200 billion of deficit reduction as a result of this plan. I have no doubt we will hear from one more speaker that will second guess everything that we have done, and I will remind that speaker that the President last night, while they love to quote him about everything else, also said second guessing is not a plan, is not a strategy. If you have got a plan, if you have a strategy, we would love to see it. But thus far we have not seen it. We have a plan. It is working. We need to adopt it today, and we need to get about the business of reforming this government, achieving savings and ensuring that the taxpayers are supported in this body.

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

Ms. SLAUGHTER. Mr. Speaker, I yield the balance of my time to the gentlewoman from California (Ms. PELOSI), the distinguished minority leader.

Ms. PELOSI. Mr. Speaker, I thank the distinguished ranking member on the Rules Committee for her leadership in fighting the fight for a budget that is a reflection of the values and priorities of the American people and her leadership in opposition to what the religious community has called this immoral Republican budget.

Mr. Speaker, yesterday and later today we will continue the debate on a resolution honoring and celebrating the life and service and leadership of Coretta Scott King.

One of the stories I like best about the Kings is in the 1950s they traveled to India to learn more about nonviolence, the nonviolence practiced by Mahatma Gandhi, and they brought that back to America and it was a major part of the civil rights movement.

Why I mention it today is because in Sanskrit the name for nonviolence is also translated ''truth insistence.'' Wasn't that what the civil rights movement was about, the insistence on truth in our country? Truth insistence is exactly what is required when we talk about the Republican budget.

Last night in the State of the Union address we heard a great deal of rhetoric about investments the President was going to make in education, research and development, and you name it. But that rhetoric is a far cry from the reality of the budget that the Republicans are bringing to this floor today, which not only does not make those investments in the manner described by the President, it indeed cuts them.

Last night in the State of the Union address the President talked about the importance of educating our children to help keep America competitive. But this budget today tells a different story. The truth is the budget follows the track record of woefully underfunding No Child Left Behind. It increases the cost of student loans to America's families who are struggling to send their children to college. How can that help make America more competitive?

Every time we invest in education, we bring more revenue into the Treasury than any other initiative you can name. No tax cut, no tax credit, no anything, nothing brings more to the Treasury of the Government than investing in the education of our people. So these were not only wrong cuts in terms of competitiveness, they also increase the deficit.

Last night the President said in his State of the Union address, ''A hopeful society gives special attention to children.'' Now I would like to know what kind of attention that the President is giving to the children because the truth is this budget today slashes funding to help care for America's poorest children. It drastically cuts funding for the initiative that enforces the payment of child support. Others have talked about nutrition, and of course good nutrition has a direct impact on the education of these children.

The truth is that this budget is an exact contradiction of the rhetoric that the President presented last night.

Now let us look at the title of it. It is called the Budget Reconciliation Spending Cuts Act. Yet the truth is the policies in this budget will increase the deficit by $300 billion, heaping mountains of debt on our children, and the sad truth is all of this to pay for a tax cut for the wealthiest people in our country.

Republicans will try to say to defend these measures, as evidence of their so-called fiscal responsibility, that this is about small government. But the fact is, the truth is, that this is not about small government, this is about small-minded, petty government that does not meet the needs of the American people.

Republicans will try to defend these measures again by calling for fiscal responsibility, and I would like to talk about the $42 billion difference. It has been widely reported that this bill had a chance, there was an opportunity to reduce excessive Medicare payments that the Federal Government makes to big business HMOs because of a loophole in the law. There was bipartisan agreement that this would take place. But in a closed-door meeting the Republicans eliminated that, and they gave a $22 billion bonanza to the HMOs, and this at the expense of America's children and those in need.

We also were going to get better drug prices for Medicaid, and this relates to the children, from drug manufacturers and eliminate a Medicare slush fund for managed care. By doing those two things, we were going to save the taxpayers another $20 billion. So it was a $42 billion difference in this budget, at the expense of children and seniors to the benefit of the industries to whom the Republicans in Congress are handmaidens.

In the conference committee, without a single Democrat in the room because Democrats were not allowed in the room, this $42 billion worth of savings disappeared from the budget. The $42 billion difference, that is the difference between a closed and corrupt Congress and an open and honest Congress.

Since Democrats did not get a seat at the table in the writing of this bill, who did? America's low-income children did not get a seat at the table, and they are paying the price in their education, their health care and child support.

America's seniors did not get a seat at the table because the bill makes it harder for seniors to qualify for long-term care, and even forces some to forfeit their homes in order to pay for long-term care.

The truth is the drug manufacturers, managed care companies and HMOs clearly get a seat. They came up the big winners with the special interest driven Medicare prescription drug bill that was foisted on America's seniors, and they came up big winners in this budget bill. It would be nice if America's children and seniors had a seat at the table instead of big business.

My colleagues, the truth is that, as our friends in the religious community, almost every religious denomination in the country, has been lobbying against this legislation. They call it a budget deprived of spiritual hope and of nourishing resources. That is the truth about the Republican budget and the Democrats insist that the public know it. I am very proud that we will have 100 percent of our Democratic Members voting ''no'' on this immoral budget.

Mr. PUTNAM. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, once again the other side is trying to have it both ways. In alternating speaker form, we are in turn told we are awash in a sea of red ink and that this measure is not adequate to deal with the deficit, and then the next speaker says we have consistently underbudgeted for the Nation's priorities and have not spent anywhere nearly enough money for all of the things that they would like to see spent.

Their metaphors are as limitless as their desire to spend the hardworking Americans' money in the sense we have heard that we are going to throw away Tiny Tim's crutches when we did this at the end of last year, we were told that we were the Grinch, and we were quoted to extensively from literary and

historic figures, and the bottom line is this: We have an explosion of baby-boomers in this country that will create a demographic crisis and we have an explosion on the mandatory side of our budget that will consume two-thirds of it within less than a decade. Already half of the Federal budget is on autopilot. This is the first step since 1997 in beginning to get our arms around that problem.

I urge Members to support this first step towards long-term fiscal discipline and fiscal health for this Nation.

Mr. FARR. Mr. Speaker, for the third time, I rise in strong opposition to the Deficit Reduction Act (S. 1932). This is a second chance to right a wrong and I urge my colleagues to vote wisely. With a deficit of more than $300 billion in 2005, there is little question that something needs to be done about the federal budget. But S. 1932 is nothing more than smoke and mirrors because it will actually increase the deficit. Let me explain.

I've heard loud and clear from my constituents that they do not support this slash and burn budget. They do not want over $11 billion in cuts to student loans or $6.4 billion in cuts to Medicare, particularly at this time when the prescription drug plan is failing miserably. We already have a shortage of doctors on the Central Coast who accept Medicare patients, and this Republican-drafted bill freezes physician payments for doctors who accept Medicare patients. This misguided attempt at deficit reduction will further exacerbate our physician shortage.

This kind of penny-wise pound-foolish legislation translates into a greater strain on state and local resources. And when our state, county and local governments cannot pick up the slack, families and children will only be left with smoke and mirrors. I urge my colleagues to stand up for middle class Americans and defeat this bill.

Mr. SHAYS. Mr. Speaker, it is my understanding that there has been some confusion about Congress's intent regarding the new section 1937 of the Social Security Act, as added by the Deficit Reduction Act. This provision will give states the flexibility they need to provide benchmark benefit packages for Medicaid beneficiaries. Congressional intent is clear, however, that a State may not fail to provide Medicaid Early and Periodic Screening Diagnostic and Treatment (EPSDT) services for children.

To address this confusion, the Centers for Medicare & Medicaid Services (CMS) has issued a statement that clarifies section 1937 to specify that States requesting benchmark benefits will be required to provide EPSDT services for children. I submit for the RECORD the CMS statement to help clarify Congressional intent regarding this provision.

STATEMENT BY MARK B. MCCLELLAN, M.D., PH.D., ADMINISTRATOR, CENTERS FOR MEDICARE & MEDICAID SERVICES

Questions have been raised about the new section 1937 of the Social Security Act (SSA) (as added by the Deficit Reduction Act of 2005) that permits states to provide Medicaid benefits to children through benchmark coverage or benchmark equivalent coverage. If a state chooses to exercise this option, the specific issue has been raised as to whether children under 19 will still be entitled to receive EPSDT benefits in addition to the benefits provided by the benchmark coverage or benchmark equivalent coverage. The short answer is: children under 19 will receive EPSDT benefits.

After a careful review, including consultation with the Office of General Counsel, CMS has determined that children under 19 will still be entitled to receive EPSDT benefits if enrolled in benchmark coverage or benchmark equivalent coverage under the new section 1937. CMS will review each State plan amendment (SPA) submitted under the new section 1937 and will not approve any SPA that does not include the provision of EPSDT services for children under 19 as defined in section! 905(r) of the SSA.

In the case of children under the age of 19, new section] 937(a)(1) is clear that a state may exercise the option to provide Medicaid benefits through enrollment in coverage that at a minimum has two parts. The first part of the coverage will be benchmark coverage or benchmark equivalent coverage, as required by subsection (a)(1)(A)(i), and the second part of the coverage will be wrap-around coverage of EPDST services as defined in section I905(r) of the SSA, as required by subsection (a)(J)(A)(ii). A State cannot exercise the option under section 1937 with respect to children under 19 if EPSDT services are not included in the total coverage provided to such children.

Subparagraph (C) of section 1937(a)(1) permits states to also add wrap-around or additional benefits. In the case of children under 19, wrap-around or additional benefits that a state could choose to provide under subparagraph (C) must be a benefit in addition to the benchmark coverage or benchmark equivalent coverage and the EPSDT services that the state is already required to provide under subparagraph (A) of that section. Subparagraph (C) does not in any way give a state the flexibility to fail to provide the EPSDT services required by subparagraph (A)(ii) of section 1937(a)(1).

Mr. THOMAS. Mr. Speaker, I submit the following for the RECORD.

Mr. Speaker, we are here once again to pass the Deficit Reduction Act. The House approved it in December, but another vote is required due to technical changes made in the Senate. This bill is an important step in removing wasteful and unnecessary spending from the budget. Certainly, more can always be done, but this compromise legislation is a first step on what will be a long road of getting our mandatory spending programs under control. The Conference Report reduces the deficit by more than $35 billion over the next five years, nearly $8 billion of which falls into the Ways and Means Committee's jurisdiction.

Under this Conference Report, the Continued Dumping and Subsidy Offset Act, commonly known as the "Byrd amendment," will be permanently repealed, after a brief two-year phase out. The Byrd amendment is not a trade remedy; it is corporate welfare which benefits very few companies and results in negative consequences for many domestic manufacturers—as recently identified by the Government Accountability Office. In addition, it is inconsistent with U.S. international trade obligations. Repealing the Byrd Amendment is the only way to end retaliation against U.S. exports resulting from this violation.

This legislation will reduce wasteful federal spending by eliminating a loophole that currently allows states to claim federal matching funds for spending federal child support incentive funds. The incentive payments will continue, providing states a total of $2.4 billion over the next five years. But states won't get additional federal funds when they spend these federal bonuses, thus ending this double dipping. It is also important to note that this conference agreement maintains the current generous federal matching rate of 66 percent for child support administrative expenditures.

This Conference Report would also address some of the wasteful spending in Medicare while improving quality in the program. For instance, under the legislation, Medicare will pay for service and maintenance of beneficiary-owned durable medical equipment when repairs are actually required, as opposed to current law, which pays regular service payments regardless of whether the equipment is actually serviced. The bill also allows beneficiaries to own their oxygen equipment after 36 months of rental, while still providing coverage of necessary service and maintenance of that equipment.

To improve quality, the legislation includes provisions to encourage hospitals to follow evidence-based guidelines that can reduce the incidence of preventable hospital-acquired infections.

To explore ways to improve cooperation between health care providers and achieve savings in the health care system, the legislation provides for six gain sharing demonstration projects. As a conferee, I intend that these projects be tested broadly in order to produce valid results and policy recommendations. Also, I intend that these projects not be limited to six individual hospitals and that hospital chains and associations are eligible to apply and participate.

To ensure accurate payment for Medicare Advantage plans, the legislation codifies the phase-out of the budget neutrality factor for risk adjustments for those plans. This change will ensure that traditional fee-for-service and Medicare Advantage plans are being compared and paid accurately. This provision requires adjustments for differences in coding patterns, and the intent of that section is to include adjustments for coding that is inaccurate or incomplete for the purpose of establishing risk scores that are consistent across both fee-for-service and Medicare Advantage settings, even if such coding is accurate or complete for other purposes. Other common-sense reforms in the Medicare program will add up to billions of dollars in savings, while improving quality and service for beneficiaries.

Finally, this Conference Report will extend and improve the 1996 welfare reform law for the next five years. It continues current funding for the nation's welfare to work program, despite a 60 percent welfare caseload decline since 1996. And it includes provisions encouraging more work and self-sufficiency, promoting healthy marriages and responsible fatherhood, and increasing child care funding by $1 billion over the next five years.

Mr. Speaker, I urge my colleagues, once again, to support this legislation.

Ms. WOOLSEY. Mr. Speaker, I don't need to remind anyone in this Chamber of the saying that all politics are local. This budget has real effects on the local level, especially in my home State of California.

As a former welfare recipient, I am concerned with the increased work requirements to TANF. The Legislative Analyst's Office (California's version of the Congressional Budget Office) has said that the State will not be able to meet these new requirements, costing them $400 million in the first year alone.

These requirements undermine the bipartisan work that has been done on the State

level to help people get the education they need to obtain a decent paying job. Work requirements without the support of education and child care fail to address the real needs of the working poor.

Mr. Speaker, this issue is too important to be buried in a budget conference report. I urge my colleagues to oppose this bill and give the reauthorization of TANF the careful consideration it deserves.

Mr. TOWNS. Mr. Speaker, I rise today in strong opposition to the Budget Reconciliation Conference Report. The draconian slashes presently included in the report will cause serious harm to the millions of low-income children and families, elderly and disabled individuals who rely on Medicaid for essential health and long-term services and Supplemental Security Income (SSI) and Temporary Assistance for Needy Families (TANF) for critical income support.

Of particular concern is the impact of Medicaid cuts on persons living with HIV/AIDS. Nationally, as well as in New York state, Medicaid is the single largest provider of health care for persons living with HIV/AIDS. There are an estimated 72,000 HIV-infected New Yorkers that are enrolled in Medicaid. This is a critical payer of health care for poor persons living with HIV. The proposed changes to the Medicaid system in the budget reconciliation bill would severely limit the ability of poor people with chronic health conditions to afford medical care and life-saving medications. Many residents of the 10th Congressional District of Brooklyn rely on Medicaid to access life-sustaining health care services and medications. I am strongly opposed to the Medicaid slashes because they especially jeopardize the lives of these individuals, who are among the most vulnerable in my district.

Also of grave concern is the negative impact of these slashes on education. This report includes the largest cut to financial aid in history. The significant cuts to the student loan program places an unfair burden on students and families in pursuit of the American dream of higher education. Many students, especially those studying at public universities like the City College of New York (CUNY), already face financial hardships. These student loan program cuts will make it even more difficult for struggling students to complete their education and will also force them to pay thousands of extra dollars back on their student loans. Clearly, this is unacceptable in our great Nation.

I urge all Members of Congress today to stand in agreement and rise up in opposition to this Budget Reconciliation Conference Report. The draconian slashes included in the report will prove disastrous to the health and well-being of the American people.

Ms. MATSUI. Mr. Speaker, this is the third time the House has voted on this budget package and there is good reason this legislation is having such a difficult time receiving final approval from Congress. While we all agree that this Nation cannot continue to spend beyond its means at the expense of future generations, this budget package will do nothing to right our precarious fiscal situation. If you take even a cursory glance at this legislation, it is readily apparent that the Republican method of deficit reduction is to disproportionately pass the burden on to hard-working Americans and the poorest among us. It ignores the idea of shared sacrifice the American people expect and deserve.

My constituents in Sacramento are outraged—I have received hundreds of phone calls and I have stacks of letters; they are astounded that this bill would cut funding for Medicaid, student loans and child support enforcement in order to finance up to $70 billion in tax cuts. Clearly, they have good reason to be outraged. In fact, I completely agree with them.

For instance, according to the Congressional Budget Office, the budget package will cut Medicaid funding by $28 billion over the next decade and impose new co-payments on participants. The result will be that 65,000 individuals will stop participating in Medicaid over the next decade, 60 percent of whom will be children. In total, 13 million Medicaid participants—over a quarter of whom are children—will face higher financial barriers to health care coverage.

Yet, at the same time Congressional Republicans went ahead with their plans to worsen the health care crisis in this country, they modified one provision in this bill to save the health insurance industry $22 billion over 10 years, according to the Washington Post. As their profits show, this industry is not suffering from falling profits, particularly when you factor in the lavish benefits they received from the President's disastrous prescription drug plan.

Congress needs to get back to common sense budgeting that fairly distributes the burden of deficit reduction. And we need to reinstitute the pay-go budget rules that brought us fiscal surpluses during the 1990s. Congress should be protecting the vital programs that our community depends on and the safety net that protects the weakest among us, while still ensuring long-term fiscal responsibility. I urge my colleagues to vote against this legislation so we can start reducing the deficit in a way that is in the best interest of the vast majority of the American people.

Mr. MORAN of Virginia. Mr. Speaker, I rise today in support of America's working families and in opposition to the spending cuts included in the budget reconciliation conference agreement.

While I am committed to restoring fiscal discipline to the House, cuts to essential social services that aid the most vulnerable in our society are not the appropriate way to achieve this goal. Indeed, none of the savings from the cuts included in this legislation will be used to pay down the deficit, but rather to help finance reconciliation tax cuts for the wealthiest in our society.

Under this bill, $39 billion over 5 years will be cut from social services programs that aid families in need. These spending cuts will negatively impact an estimated 58 million Americans who currently participate in Medicaid, student loans, child support, and Medicare.

The package includes $28 billion in cuts to Medicaid over 10 years, 75 percent of which affect provisions that will increase the number of the uninsured and under-insured by raising co-payments and premiums, cutting benefits, and tightening access to long-term care. The misplaced priorities inherent in this bill will force the neediest in our society to pay more for health care, increasing the growing ranks of the uninsured in America.

In addition to facing higher costs, Medicaid recipients will also be required to submit a passport or birth certificate to maintain or gain eligibility. This provision may prove to be a barrier for vulnerable families who participate in the Medicaid program. It will certainly result in fewer adults and children accessing Medicaid services or having to unnecessarily delay access to critical doctor visits or hospital stays.

By cutting $12 billion in student aid programs, this bill will make it more difficult for students to afford a college education. It will raise the cost of college for students and their families through increased interest rates and loan fees. This bill will be the largest student aid cut ever and shows a lack of commitment by the majority party for the education of our next generation.

Families and children who rely on child support payments and other safety net programs will also be hurt by this legislation; $2.6 billion will be cut from child support enforcement, foster care programs, and Supplemental Security Income. Regrettably, the reduction in child support enforcement funds will result in the loss of billions of dollars in potential child support payments, reducing child support collections by $2.9 billion over 5 years and $8.4 billion over 10 years. This is directly taking money out of the hands of single parents struggling to raise their children on their own.

Mr. Speaker, the bottom line is that the shameful cuts offered by the majority hurt our Nation's most vulnerable citizens in a direct effort to provide more tax cuts for wealthy Americans. I, therefore, strongly oppose this legislation.

Mr. BACHUS. Mr. Speaker, today, we have the opportunity to make significant improvements in our Federal Deposit Insurance system. We do this from a position of strength, as both the insurance fund and the banking industry are extremely healthy. What better time than to fine tune the system and establish a strong footing going forward.

BASIC PRINCIPLES OF REFORM: FAIRNESS AND FLEXIBILITY

The fundamental driving principles of reform were to provide fairness to all insured depository institutions by assessing each based on risk and provide the FDIC with greater flexibility to manage the fund to reflect different economic conditions.

Regarding fairness: The bill provides greater fairness to insured banks in many important ways. First, it authorized the FDIC to revise the risk-based formula to better reflect the risk each institution poses to the insurance fund. In providing this authority, our Committee looked to and relied upon examples provided by the FDIC regarding how the new system might work, including FDIC representations that about 42 percent of all banks would likely remain in the lowest risk category. We know that the very nature of bank loans involves risk. Therefore, we expect the FDIC to form a reasonable system that encourages appropriate risk-taking, consistent with safe and sound banking, and with premiums at a level that protect the best run banks from being overcharged and that don't inadvertently stop lending. In this bill, we make explicit that the size of the financial institution should not bar an institution from being in the lowest risk category. It is risk that matters, not size. We expect the FDIC to time assessments in such a manner that banks are able to plan for such an expense, thereby avoiding unexpected or untimely costs on the bank.

Secondly, the bill recognizes that about 10 percent of institutions have never paid a premium to the FDIC to support its operations.

This has put a burden on those institutions that fully capitalized the insurance funds in the mid-1990s. Thus, this legislation provides that those institutions that capitalized the fund with initial credits—in proportion to each institution's financial contribution to FDIC—that are intended to offset premium assessments for many years to come. Those institutions that have not financially supported the FDIC would not have these credits and would begin to pay premiums to the FDIC. Moreover, should the insurance fund grow to the upper regions of the normal operating range for the FDIC, banks would be entitled to a cash dividend in proportion to their historic financial contributions.

Regarding flexibility: The bill provides FDIC greater flexibility to manage the insurance fund. The law that our bill replaces constrained the FDIC from charging most banks when the reserve ratio remained above a certain level and would force FDIC to charge high premiums, 23 basis points, at times when it made the least sense. Our bill allows the FDIC to manage the fund within a wide range, with the idea that assessments would remain reasonably constant and predictable.

Importantly, this bill is not intended to raise more money than what the FDIC would have collected under the old law. Nor is this bill intended to encourage the FDIC to build the fund to the highest possible level. In fact, we know that each dollar sent to the FDIC means that there are fewer dollars that can support lending in our communities. And as we considered this bill, we heard testimony that suggested that each dollar sent to Washington means that eight dollars of lending is lost. We cannot afford to restrict lending in our communities just to have more money added to the nearly $50 billion already in the insurance fund.

To protect against the fund growing too quickly, the legislation provides an automatic braking system that would return as a dividend 50 percent of any excess when the reserve ratio of the fund is above 1.35 percent. It also caps the fund level, providing a 100 percent dividend when the reserve ratio exceeds the upper limit of the range at 1.50 percent. This assures that money will remain in our communities. And while we provided the FDIC some authority to suspend the 50 percent dividend under extraordinary circumstances where it expects losses over a 1-year timeframe to be significant, our expectation is that this authority be used rarely and be reviewed each year when the new designated reserve ratio is set. The intention of this exception is that it be temporary and not a regular event, and that the FDIC communicates to Congress and the industry its justifications.

DESIGNED FOR THE FUTURE

Not only does the legislation provide fairness and flexibility, it also anticipates needed changes in the coverage levels over time. We know that inflation has cut in half the real value of the current insurance coverage since it was last changed in 1980. We also know that as the baby boomers move into retirement, that the current coverage level was inadequate to protect their life-long savings. Thus, this bill increased to $250,000 the insurance limit on retirement accounts.

The House has repeatedly voted overwhelmingly in favor of legislation that would automatically index coverage levels based on inflation. The other body has only recently passed deposit insurance reform. The indexing language included in the Senate reconciliation bill required the FDIC to ''determine whether'' to increase coverage based on the amount of inflation increase plus a long list of factors. The compromise language we have agreed to calls on the FDIC and NCUA to jointly consider just three narrow factors. Those factors are (1) the overall state of the Deposit Insurance Fund and economic conditions affecting insured depository institutions; (2) potential problems affecting insured depository institutions; and (3) whether the increase will cause the reserve ratio of the fund to fall below 1.15 percent of estimated insured deposits. If the FDIC and NCUA elect not to increase coverage, they must make the case based on these three narrow factors. The key language in the compromise is that the FDIC and NCUA, ''upon determining that an inflation adjustment is appropriate, shall jointly prescribe the amount by which'' coverage ''shall be increased by calculating'' the amount of inflation. This change in language, from ''determine whether'' to ''shall jointly prescribe'' is a clear statement that Congress is establishing a presumption that the agencies will increase coverage if warranted by past inflation.

STRONGER THAN EVER

This legislation will make the insurance fund even stronger than it already is and, in combination with the extensive regulatory and supervisory authorities of the FDIC, ensures that the fund and the banking industry will remain strong for a very long time.

Ms. JACKSON-LEE of Texas. Mr. Speaker, we have before us, for the third time, the Budget Reconciliation Spending Cuts Act. Reigning in spending is an idea that everyone in this House can agree on. Many of my colleagues and I are deeply disturbed where this $40 billion in spending cuts is coming from, however. In a time when it is getting harder and harder for the lower class to get by in this country, the Republicans are asking the poor, the downtrodden, the disabled and the young to sacrifice on behalf of the rich. I want to emphasize that these cuts are not meant to free up money to rebuild the gulf coast, or reduce the deficit, or even help our troops in Iraq. In fact, many of these proposed cuts will actually hurt those affected by Katrina. Overall, these spending cuts, when combined with $86 billion in tax cuts for the rich, will increase the deficit and the national debt, and increase the burden placed on our neediest families.

MEDICAID

In the United States, there are 45 million Americans living today without any health insurance at all. We have one of the worst records of all of the developed nations when it comes to providing health care to our citizens. This conference agreement cuts $6.9 billion over 5 years from Medicaid and State Children's Health Insurance Program, SCHIP. A large portion of the ''savings'' in Medicaid comes from language that will allow States to reduce the number of beneficiaries eligible for Medicaid, and increase the costs for others. The purported ''savings'' in the Medicaid program found in this conference agreement will be paid for directly out of the constituents' pocketbooks. This bill makes it even harder for families in need to afford healthcare.

MEDICARE

The conference report includes provisions that will reduce spending on Medicare by a net total of $6.4 billion over 5 years. The agreement reduces Medicare payouts for certain services, and requires beneficiaries to purchase, rather than rent certain medical equipment. In the agreement, also cut are payments to home health care providers, making it even more difficult to provide adequate care to the elderly.

STUDENT LOANS

As founder and co-chair of the Congressional Children's Caucus, as a person who understands the value of our Nation's youth, and as a mother of two, I really want to bring focus on the effect this bill will have on our Nation's children. If you have children who are in, or considering going to college, I want you to listen to this: this agreement, if passed today, will place an added burden of $12.7 billion directly on students over the next 5 years. This is accomplished through adding fees to the processing of student loans, and increasing the interest rates on paying back those loans. Students borrowing money for college will pay thousands of dollars more on their student loans. This is in the face of college costs up over 7 percent this past year alone. Voting ''yes'' for this agreement will harm one of our most precious national resources, our students.

CHILD SUPPORT ENFORCEMENT

This conference report cuts matching funds to child support enforcement. In other words, we are cutting $1.6 billion to fund that enforces collections on dead-beat dads. It is said that for every $1 put in to child care enforcement, $4 is collected for the families. This cut will seriously harm States' abilities to help families receive child support that is owed to them. The CBO estimates that this policy change will reduce child-support collections by $2.9 billion over 5 years and $8.4 billion over 10 years.

CHILD WELFARE

The bill cuts $577 million from foster care programs by reducing the number of children eligible for foster care. The burden of covering the newly ineligible children is shifted to the states, who are already eye-ball deep in budget crises and will leave some children without the care they need.

LIHEAP

Another important aspect of this bill is the addition of $250 million for Low-Income Home Energy Assistance Program for this year, and $750 million for next year. I appreciate the addition of this money into the conference report, but am concerned that this will not be sufficient. Especially around the gulf coast and in my district of Houston, we are experiencing abnormally high energy costs after the damage caused by Katrina and Rita, and many of the infrastructures of homes in the area has been damaged. I hope we can consider subsidizing this LIHEAP program further in this upcoming session.

JUDICIARY

As a member of the House Judiciary Committee, I would also like to briefly comment on the increased costs to citizens for access to our court system. The cost for filing in Federal appeals court will increase by 80 percent, and the cost for filing in Federal district court will increase by 40 percent. Fees for bankruptcy claims will also significantly increase. Increased fees are marginal to wealthy individuals, but could be restrictive to our poorer constituents who already feel that they have limited access to the judicial system.

KATRINA

I would also like to express my concern over the reduction of $400 million in Katrina health care relief funding from the original House bill. Further, unlike either the House or the Senate bills, this is a capped amount of money as opposed to a guaranteed funding stream. The $2.1 billion towards Katrina health care relief offered in this agreement is a fraction of what should be a much more substantial recovery package for the region. I again hope we can find it in our hearts and our budgets next year to further help the damaged gulf coast and its inhabitants.

Allow me to cite some of the specific cuts I, and our constituents across the country, will find so objectionable in this conference report:

Medicaid—The report cuts Medicaid spending by $6.9 billion nationwide.

Medicare—The report cuts Medicare spending by $6.4 billion nationwide.

Student Loans—The report cuts spending on student loan program by $12.7 billion over 4 years.

Child Support—The report cuts $1.6 billion from child support programs over 5 years. Custodial parents will receive $2.9 billion less child support over 5 years and $8.4 billion less over 10 years.

Child Welfare—The report cuts $577 million from foster care programs by reducing the number of children eligible for foster care. The burden is shifted to the States, who are already deep in budget crises and cannot afford this extra strain.

Judiciary—The report raises $553 million by increasing the fees paid to file for bankruptcy or for civil case filing.

This is not how we take care of our own in Texas, and this is not how we do things in the United States. This conference agreement launches an unabashed attack on the American way by slashing funding towards those that are most vulnerable. And don't you be fooled. These spending cuts aren't meant to offset the costs of rebuilding the gulf coast, these spending cuts are meant to offset tax cuts that will benefit the rich.

Mr. Speaker, we cannot allow the burden of the $40 billion in tax cuts to be placed on the backs of our Nation's neediest families. The decision to vote up or down on this legislation isn't a blurry line involving political ideology; it isn't a debate of republican vs. democratic philosophy. This is black and white. Passing this conference agreement will hurt the children, hurt the poor, hurt the old and hurt the young. I am strongly opposed to this legislation, and I implore my colleagues on both sides of the aisle to vote against these unthinkable cuts.

Mr. VAN HOLLEN. Mr. Speaker, we are here today because of a few minor changes the Senate made to this legislation after it passed the House last year. Those changes did not alter the defective nature of the underlying bill—or my fundamental opposition to it.

From the single largest cut to student aid in the forty year history of the Higher Education Act to new burdens placed on poor people and children served by Medicaid, this reconciliation package targets those with the least in order to pay—or I should really say, partially pay—for tax cuts that flow disproportionately to those with the most.

That's right: When this $39 billion in spending cuts is paired with the $122 billion in tax cuts the House has already approved, the Deficit Reduction Act actually increases the deficit by over $80 billion.

Furthermore, as recent press reports have highlighted, it didn't have to be this way. When it comes to restraining government spending, there are plenty of other choices we could have made—like eliminating $22 billion in overpayments to Medicare HMOs or terminating the $10 billion Medicare PPO slush fund or restoring $9.6 billion in drug company rebates to the Medicaid program. All of these provisions were stripped out of this conference report behind closed doors in the middle of the night.

The Republican leadership here in Congress has allowed special interest lobbyists to drive the legislative process. As a result, the powerful win—and the people we are supposed to serve lose.

Although several higher education provisions I authored related to curtailing excessive lender subsidies, strengthening the school-as-lender program and providing mandatory deferment for active duty military are included in this report, these positive steps are in and of themselves not sufficient to overcome the overarching misdirection of the underlying bill.

For that reason, we should reject this legislation and put an end to the special interest politics that produced it.

Mr. DAVIS of Illinois. Mr. Speaker, last night, the President charged us to encourage economic progress, fight disease, and spread hope in hopeless lands. Unfortunately, this budget bill ignores the economic wellbeing, health, and hopes of the poor within our own nation. Just the idea of some of these draconian measures is enough to send chills up and down one's spine because we are talking about programs that provide basic assistance to vulnerable, low-income families and individuals. The proposed cuts come almost entirely from healthcare and education. We are talking about cutting programs that provide help to people with disabilities, to people who make use of the earned income tax credit, to people who use Supplemental Security Income programs, to people relying on the Temporary Assistance to Needy Families, and to the elderly. Although I do not think it is the majority's intention, these cuts effectively target low-income and minority Americans.

I am disappointed and discouraged that education bears one-third—31 percent—of the budget cuts. Education is central to developing economic progress and a successful citizenry. These education cuts impede access to education for hundreds of thousands of low-income and middle-income students. Financial barriers are the key to determining whether most low income, first generation, and minority students will successfully complete college. Indeed, only 54 percent of lowincome students obtain degrees, compared to 77 percent of high-income students. I will soon introduce legislation to help meet the needs of these students, but I fear that it will not cover the ground lost here.

The societal costs of these cuts are great, and my state and district will dramatically feel their effects. In Illinois, residents with a bachelor's degree enjoy almost double the salary of those with only a high school diploma, a 2.5 percent lower unemployment rate, and a dramatically lower likelihood of receiving public assistance. Undermining the ability of individuals to access education affects their long-term ability to be productive citizens. Moreover, 26 percent of Illinois residents have a bachelor's degree, most of whom required student loans to help them attain their degrees. In my district, I have over 40 institutions of higher education, each of which will suffer from this legislation. At the University of Illinois at Chicago alone, almost 10,000 students depend on the Direct Student Loan program to enable them to attend college. The increased fees and interest rates in this bill will burden a dependent undergraduate student at this respected university with an additional $2,500 in debt. It will burden a dental student with an additional $19,000 in debt over the life of their loan.

This bill continues its war on the poor by undermining the adequate health care, with 50 percent of the proposed cuts coming from Medicaid and Medicare. Although health care coverage continues to be an issue of great concern to many Americans, the House leadership and the Bush administration have brought before us a bill that makes drastic cuts in our nation's health care commitments. Over the next 10 years, nearly $50 billion will be squeezed out of Medicare and Medicaid—the very programs that ensure health coverage for our most vulnerable citizens, low-income seniors, and children. The non-partisan Congressional Budget Office estimates that 65,000 Americans, 60 percent of whom are children, will lose access to Medicaid coverage by 2015. Furthermore, health care costs will increase for an estimated 20 million Americans and 1.6 million will lose vital dental, vision, and mental health services. I can just imagine what this will do to the more than 20 hospitals, health centers, and private physician practices in my district. Imagine the large number of children and poor people who will not be able to access adequate health care. These provisions ignore the needs of our most vulnerable and will have a very real impact in human terms.

Further, these cuts jeopardize the well-being of our most needy—children and families needing temporary assistance. This legislation fails to provide the funding necessary to support low-income families, especially foster care children living with grandparents and other relative providers. One of the most egregious aspects of the bill is that it rewards states for cutting caseloads rather than for successfully moving individuals from welfare to work. This reward system defines success as low-numbers without attention to whether our most vulnerable families are making it. This legislation fails to provide the financial support necessary for families to meet the new requirements, and it sets parents up for failure.

This bill also attacks relative caregivers on multiple fronts. As of 2003, 23 percent of foster children lived with relatives, and, unfortunately, these providers are much more likely than non-kin providers to live in poverty. Rather than support these families, this bill reduces financial support to children living with relatives, encourages non-relative placements, and jeopardizes the ability of states to provide safe and stable placements for children. Given that African-American grandparents serve as kinship care providers at higher rates than other racial/ethnic groups, the elimination of federally funded foster care assistance for thousands of children who live in low-income homes with relatives unfairly discriminate against relative caregivers who are most often African American. These cuts are particularly

upsetting to me because I represent a congressional district with the second highest percentage of grandparents caring for their grandchildren.

The estimated ''savings'' from cuts in the welfare provisions are clearly at the expense of the states and families, and the cuts will negatively affect a state's ability to achieve safety, permanency, and well-being for children in the foster care system, in addition to creating a disincentive to care for these children in need. While noteworthy, this is unfortunately not the only place in this bill in which our most vulnerable citizens who hold little sway in Washington are squeezed to reward the connected and the wealthy.

This legislation comes up short in terms of the needs of businesses as well. Small businesses account for 99.7 percent of America's employers, they are the economic engine that drives America because they create three-fourths of all new jobs, employ half our workers, account for half of our gross domestic product and contribute more than 55 percent of innovations. Yet, the Deficit Reduction Act provides no money for the Small Business Administration's flagship 7(a) Loan Program. It is the agency's largest and most important program in terms of number of loans and program level supported. The 7(a) Program provides loan guarantees to eligible small businesses that have been unsuccessful in obtaining private financing on reasonable terms.

One of the worst offenses of this budget bill is that it legitimizes cutting the basic rights of education, safety, and health to support $70 billion in tax cuts for the extremely wealthy. In essence and in reality, we are talking about Robin Hood in reverse; that is, take from the poor and give to the rich. We are allowing a tremendous burden to be put on working class families to cover budget irresponsibility. Ford Motor Company and General Motors announced plans to lay-off 60,000 workers; workers who have families that are already trying to make ends meet in our in our sluggish economy. I am strongly in favor of our government operating on sound fiscal policies. I am in favor of reducing the deficit to the extent prudent and possible. I am in favor of budget reconciliation, but not on the backs of the poor, needy, and most vulnerable sectors of our society.

This bill is bad for Chicago, for Illinois, and for the nation. I can do nothing less than oppose this bill. As a matter of fact, it would be a dereliction of my duty and responsibility if I were to vote for the Deficit Reduction Act that is before us. I will vote prudently and sensibly.

Mr. ORTIZ. Mr. Speaker, when we passed the Federal budget last year, Democrats offered an alternative that would have achieved a balanced budget in 10 years, 10 years to spread out the pain of finally paying our bills again and freeing up the future for our children. When we passed this budget last spring, we were told there was no fat in it—it was all bone. When you cut bone, you fall down. Last year, the House struck out on this bill.

Today the House is striking out again even if this bill passes today, let it forever be known as the ''3 strikes and you're out'' budget. Strike 1: It hits hard our senior citizens, currently struggling under a difficult Medicare drug benefit, strike 2: It squeezes our middle class that pays the taxes and struggles to pay the household bills, and strike 3: It hits our children and students, who represent the future of this Nation.

Three strikes, today Congress hits all 3 components of American society with these budget cuts.

But let's get to why this bill is before us today. We're not here because the hurricanes busted the budget. It's not the war, it's just that many people in this House demand that we spend the Treasury's money on tax cuts for wealthier Americans. Period. It's about nothing more than spending this money on tax cuts today which mean tax increases on our children tomorrow.

Budgets are a reflection of who we are and what we value. The budget cuts offered in the House of Representatives today—which I oppose—simply do not represent the values that we say are important to us in this nation. We value each other, we value the rule of law, we value education and keeping our families safe. South Texans have been astounded at the depth of cuts in the Federal budget, which mean Texas students will be less likely to stay in school or go to college. Low income Texas children will be sicker with the cut in health benefits. Seniors will lose essential services.

Today's bill will increase the deficit by $17 billion, give more tax cuts to the wealthy, and hurt those who use student loans, who need health care and who benefit from rural programs. We have got to come up with a budget that represents the right priorities for students, seniors, Katrina families and rural Americans. We had an opportunity to vote for such a budget last spring, with the right priorities, that paid down the deficit—authored by JOHN SPRATT—but the House rejected it.

When the $38.8 billion in spending cuts in this package are combined with the total of $122 billion in tax cuts passed by the House in 2005, Republicans are increasing the deficit by $83 billion over the next 5 years. Plus, when an AMT fix is included over the 5-year period, Republicans are actually increasing the deficit by $321 billion. Calling this a deficit reduction bill is not truthful.

It is incumbent upon all of us in Congress to help all Americans, not just the wealthy few. We can do better than this—and we must. This package is cutting vital services upon which working families depend, including the following:

GOP conference report slashes Medicaid by $6.9 billion over 5 years and $28.3 billion over 10 years. The conference report allows states to charge Medicaid enrollees more to get the health care that they need—allowing substantial increases in co-payments and premiums for many low-income enrollees. This increased cost-sharing achieves savings of $1.9 billion of 5 years and $9.9 billion over 10 years. Studies have shown that this increased cost-sharing will result in a decline in enrollees' use of health care services and a worsening of their health status.

Seventy percent of the GOP Raid on Student Aid falls directly on students and parents. Seventy percent of the gross savings in higher education in the conference report are achieved by increasing college loan costs for parent borrowers and by continuing the practice of forcing student and parent borrowers in many cases to pay excessive interest rates on their loans.

GOP conference report will result in $8.4 billion in reduced child support collections. CBO has estimated that the conference report will lead to $8.4 billion in reduced child support collections upon which hundreds of thousands of struggling single parents rely, pushing more children into poverty and letting deadbeat dads off the hook.

Mr. MARKEY. Mr. Speaker, I rise today in strong opposition to this nearly $40 billion cut from programs to help poor and middle class Americans.

Last night, in the State of the Union, President Bush said, ''our greatness is not measured in power or luxuries, but by who we are and how we treat one another. So we strive to be a compassionate, decent, hopeful society.''

Yet the Republican's first act after the President uttered those words is to take hope and help away from those who need it most.

This Republican reconciliation bill slashes $11.9 billion from student loan programs to help kids go to college.

It cuts $6.4 billion from Medicare and makes elderly beneficiaries pay higher premiums for their health care.

It cuts $1.5 billion from programs to make sure that dead beat dads take responsibility for their actions and pay their child support.

And it takes away $6.9 billion from Medicaid which helps the poorest and sickest children and families in our country get healthcare.

And all of the money that is taken away from the poor and middle class will go straight into the pockets of millionaires. The Republican Reconciliation Tax Cut bill gives the top 1 percent of Americans who are millionaires will get $32,000 extra dollars a year. The average American family will get approximately $7.00 from that bill.

While the Republicans claim that this Reconciliation process will reduce the deficit, it will have the exact opposite effect.

The Republican Reconciliation package will increase the deficit by giving more and more tax cuts to the ultra-rich.

While cutting Medicaid, Medicare and student loans will do little to offset the $122 billion dollars in tax cuts that the Republicans have passed over the past year, it will have an enormous impact on the lives of average Americans.

What does this say about who we are and how we treat one another?

It says that this Republican Congress believes that it is more important to make their fat cat friends fatter than it is to provide education, health care and child support to those who need it most.

So much for compassion and decency.

This Republican bill does not simply rob the poor of resources. The proposed cuts rob the poor of opportunity by targeting programs that work to bridge the gap between rich and poor and even the playing field for all American families.

Our country deserves better than empty promises and recycled rhetoric from our leaders.

Vote ''no'' on this irresponsible, short-sighted and immoral Republican Reconciliation package.

Mr. ETHERIDGE. Mr. Speaker, once again, I rise in opposition to this misguided budget cut bill.

Let me state clearly that I strongly support tough budget discipline to reverse the policies of the past five years, to rein in the annual deficits, balance the budget again and pay off the national debt. I am tremendously proud that in my first term in the U.S. House, Congress worked together with the White House in a bipartisan manner to balance the budget

for the first time in a generation. That cooperative action produced broad-based economic growth and record budget surpluses.

Unfortunately, the current White House and Congressional Republican Leadership have squandered those surpluses and passed reckless budget legislation that has replaced those surpluses with chronic deficits and record national debt. This bill offers more of the same.

This conference report contains harmful cuts to essential services and does nothing to reduce the budget deficits or offset the costs of recovery from Hurricane Katrina or the ongoing war in Iraq. At a time when American families are getting squeezed, the budget reconciliation package cuts funding for priorities including Medicare and Medicaid, student loans, child support and food stamps that assist the. working poor and the middle class.

Specifically, this legislation will cut Medicaid by nearly $7 billion, cut Medicare by $6.4 billion, cut student loans by more than $12 billion, and cut child support by $8.4 billion. The bill also breaks the promise of the Farm Bill by cutting $2.7 billion from commodity, conservation and rural development funds. Although I am pleased this version of the bill abandons earlier attempts to open the Arctic Wildlife Refuge and coastal areas like the Outer Banks to oil and gas drilling and a few other modest improvements, these changes in no way compensate for the bill's fundamental flaws.

Congress should reject this legislation and go back to the drawing board to produce a responsible federal budget for the American people. I support pay-as-you-go (PAYGO) budget rules to enact budget discipline and restore fairness and equity to the budget process. I want Congress and the President to work together across the partisan divide to balance the budget once again, pay down the national debt and invest in our people and our country's economic competitiveness in the 21st century global marketplace.

I urge my colleagues to join me in voting against these senseless budget cuts.

Mr. BISHOP of Utah. Mr. Speaker, the Budget Deficit Act of 2005 has the noble goal of being a first step in a long time toward bringing fiscal sanity to the federal budget. Forty billion dollars is a small but correct step in regaining control of our budget, and we can not retreat and drop this burden on the backs of our citizens. For that reason it is important to pass this legislation, but like all bills with multiple titles there are some negative aspects hidden within the 700 plus pages of monetary policy.

I am very disturbed at the introduction of a certain new entitlement program with new mandatory spending in this reconciliation bill. The Academic Competitiveness Grant Program, inserted in Conference under Title VII, section 401 of S. 1932, authorizes $3.5 billion in new spending. It is wrong!

This new entitlement offers scholarships to worthy kids who have completed a ''rigorous secondary school program of study''—that part is justifiable—''established by a state or local government education agency''—that part is obvious—''and recognized as such by the Secretary.''—that part is illegal and indefensible. Current law specifically prohibits this control of state curriculum by the federal government. It reads, ''No provision of any applicable program shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school, or school system.'' (US Code, Title 20, Chapter 31, Subchapter ill, Sec. 1232a) The simple phrase, ''recognized as such by the Secretary'' will potentially extend federal intrusion into what is Constitutionally a state and local responsibility. The language does not openly insert the federal Education Secretary into education curriculum control, but opens the door for such control for the first time in history. A state not willing to subject itself to the deadening hand of federal control and regulation, will seriously harm students in that state and in their ability to finance a higher education. No state will be able to resist this type of financial extortion, and will ultimately succumb to the control of the federal Education Secretary. One can only hope this was not the subtle intent of the Senators who snuck this provision into the Conference Report, but it is the practical result.

Also frustrating is the lack of deliberation over the merits of this new program and its new spending. The Academic Competitiveness Grant Program was slipped into the Conference Report for S. 1932 after versions without the program passed both the Senate and House. This new federal program of mandatory spending was never heard by a committee in the House or Senate. It was never voted on the floor of either House or Senate. It is a clear violation of the Senate's ''Byrd Rule.'' This program managed to bypass the scrutiny, input, and deliberation of regular order and was unwisely attached to a must-pass savings bill. In a bill dedicated to limiting spending, The Academic Competitiveness Grant Program creates a new almost $4 billion spending entitlement, diminishing the savings or making even deeper reductions in other legitimate programs.

Even if the Academic Competitiveness Grant Program is the panacea for poor student scores in math and science, it is the wrong approach. It threatens to undermine the responsibility of states over education; it threatens to undermine federal law; and it threatens to undermine freedoms guaranteed in the Constitution.

Mr. KUCINICH. Mr. Speaker, the bill before us today cuts approximately $12 billion from the federal student programs. Under this bill, the tax cuts for the super-rich are placed on the backs of students and their families. Under this bill, student borrowers—already saddled with $17,500 in debt—will be forced to pay even more for his or her college loans.

The bill raises student loan interest rate caps and raises student loan taxes and fees. It places billions of dollars in student aid at risk by cutting $2.2 billion in critical funds used to carry out and administer the student aid programs.

Some of the excessive subsidies to large lending institutions are finally cut but no protections are put in place to ensure that students will not have those costs passed on to to them as well. Rather than reinvesting those dollars into low-interest loans and additional grants, this bill uses the money for alleged deficit reduction.

This bill is a travesty. It masquerades as a budget reconciliation, but is truly a tax cut for the wealthy paid for by students. The Higher Education Act was intended to help provide all Americans, regardless of their income-level, with greater educational opportunities. The Act recognizes the shared benefits, by both society and the individual, of a higher education. But instead of working to further those goals, the changes to student loan programs that we are faced with today undermine the goal of HEA.

We must make it clear that we place students above tax cuts for the wealthy and defeat this bill. I urge my colleagues to stand with me and oppose H. Res. 653.

Mr. BACHUS. Mr. Speaker, I rise in strong support of the Deposit Insurance Reform legislation included in S. 1932, the Deficit Reduction Act of 2005.

I want to begin by thanking Financial Services Committee Chairman OXLEY for his relentless efforts on moving this deposit insurance reform legislation. He has shown tremendous leadership in steering this complex bill through the legislative process, and I am deeply grateful that he gave me the opportunity to work on this landmark piece of legislation. I also want to thank the Ranking Member of the Committee, Mr. FRANK, for his support. This was truly a bipartisan effort, and I believe we have a better legislative product because of that. In addition, I want to express my deep appreciation for Senator SHELBY's work on increasing coverage for retirement accounts to $250,000.

Deposit insurance reform has been thoroughly discussed and debated over several years. During both the 107th (H.R. 3717) and 108th (H.R. 522) Congress, I introduced comprehensive deposit insurance reform legislation. The legislation was a byproduct of recommendations made by the FDIC in early 2001, a series of hearings held in my Subcommittee on proposed reforms to the Federal deposit insurance system, and broad-based bipartisan cooperation. H.R. 3717 passed the House in the 107th Congress by a vote of 408–18, and H.R. 522 passed the House in the 108th Congress by a vote of 411–11. During this Congress, Congresswoman HOOLEY and I introduced this same legislation—H.R. 1185—with Chairman OXLEY and Ranking Member FRANK. On May 4, 2005, H.R. 1185 passed the House by a vote of 413 to 10. The legislation is supported by the American Association of Retired Persons (AARP) as well as all of the banking and credit union trade associations.

Federal deposit insurance has been a hallmark of our nation's banking system for more than 70 years. The reforms made by this legislation will ensure that this system that has served America's savers and depositors so well for so long will continue to do so for future generations.

What does the legislation do? First, it merges the separate insurance funds that currently apply to deposits held by banks on the one hand and savings associations on the other, creating a stronger and more stable fund that will benefit banks and thrifts alike.

Second, the bill makes a number of changes designed to address the ''pro-cyclical'' bias of the current system, which results in sharply higher premiums being assessed at ''down'' points in the business cycle, when banks can least afford to pay them and when funds are most needed for lending to jumpstart economic growth. By giving the FDIC greater discretion to manage the insurance funds based on industry conditions and

economic trends, the legislation will ease volatility in the banking system and facilitate recovery from economic downturns.

Third, the legislation makes monumental changes to law with regard to deposit insurance coverage levels. The system has gone 25 years without such an adjustment—the longest period in its history—and the increases provided for in the legislation are critical if deposit insurance is to maintain its relevance. The legislation establishes a permanent indexation system to ensure that coverage levels keep pace with inflation by indexing coverage from its current level of $100,000 every five years. The indexation, which begins in 2010, applies to all accounts, including retirement and municipal accounts. Without these changes, deposit insurance will wither on the vine, which is an unacceptable outcome for the millions of Americans who depend upon it to protect their savings.

The legislation also immediately increases deposit insurance coverage available to retirement accounts, including IRAs and 401ks, from its current level of $100,000 to $250,000. Particularly in light of volatility on Wall Street and other developments that have shaken confidence in the markets in recent years, senior citizens and those planning for retirement need a convenient, conservative, and secure place for their retirement savings. With the higher coverage levels provided for in this bill, the American banking system will give seniors that safe haven. That is why the AARP has enthusiastically endorsed the coverage increases in this bill.

All of us have heard from community bankers in our districts about the challenges they face in competing for deposits with large money-center banks that are perceived by the market—rightly or wrongly—as being "too big to fail." By strengthening the deposit insurance system, the conference report will help small, neighborhood-based financial institutions across the country, particularly in rural America, continue to play an important role in financing economic development. The deposits that community banks are able to attract through the Federal deposit insurance guarantee are cycled back into local communities in the form of consumer and small business loans, community development projects, and home mortgages. If this source of funding dries up, it will have devastating consequences for the economic vitality of small-town America.

I want to again commend Chairman OXLEY for the tremendous leadership he has shown in steering this complex bill through the legislative process. I also want to thank Ranking Member FRANK, Congresswoman HOOLEY, Senator SHELBY, Senator SARBANES, Senator ENZI, Senator CRAPO, Senator ENZI, and Senator JOHNSON for all of their work on this legislation.

Let me also take this opportunity to thank the staff members on the House Financial Services Committee who worked on this legislation. Both Chairman OXLEY and Ranking Member FRANK are to be commended for assembling such a talented group of staff to work on Deposit Insurance Reform legislation. On the majority side, I would like to thank Bob Foster, Carter McDowell, Peggy Peterson, Tom Duncan, Peter Barrett and Dina Ellis who serves as my designee on the Committee. I want to give a special thanks to Jim Clinger who recently left the Committee to work at the Department of Justice. Without Jim's hard work, dedication and knowledge we would not be here today, and I am grateful for all of his efforts. I would also like to thank Larry Lavender, Warren Tryon and Kim Olive of my staff for their work on this issue. On the minority staff, I would like to thank the following staff members: Jeanne Roslanowick, Jaime Lizarraga, Erika Jeffers, Ken Swab and Matt Schumaker of Congresswoman HOOLEY's staff.

In closing, Mr. Speaker, let me just say that this legislation will promote the stability and soundness of the banking system. It will also provide assurance to working families, retirees, and others who place their hard-earned savings in U.S. banks, thrifts, and credit unions that their FDIC-insured deposits are safe and secure.

Mr. COOPER. Mr. Speaker, I would like to discuss a provision of S. 1932 that has caused great concern among hospitals throughout the State of Tennessee and in my own district. This provision relates to the calculation of Medicare disproportionate share payments for hospitals, commonly known as the DSH adjustment.

Congress created the DSH adjustment to provide appropriate funding to hospitals and other Medicare providers who care for a disproportionate share of low income inpatients. However, since its enactment into law, there has been a dispute between hospitals throughout the country and the Centers for Medicare and Medicaid Services (CMS) over how to calculate the DSH adjustment. Fifteen hospitals in Tennessee took CMS to court over this dispute in the case of Cookeville Regional Medical Center v. Thompson. At issue in Cookeville was whether CMS should include all Medicaid days related to a patient's stay in the DSH calculation, even if the patient was only eligible for Medicaid benefits through a federally approved Medicaid 1115 waiver program. CMS took the position it would exclude Medicare waiver days from the DSH calculation prior to January 20, 2000, in its discussion of an interim final rule promulgated on January 20, 2000.

On September 30, 2005, the United States District Court for the District of Columbia agreed with the Tennessee hospitals that Medicare waiver days must be included for the years 1994 to 2000. The Court determined that Congress intended to include these days in the DSH calculation when it enacted the Medicare DSH statute. CMS's interim final rule did not change that. For the Tennessee hospitals, the decision in Cookeville means up to $100 million in corrected payments covering the years 1994 to 1999. CMS appealed the District Court's September 30th decision on December 23rd.

Mr. Speaker, I thought that this resolved the matter, however I was disturbed to see language in S. 1932 that CMS might argue applies to the Cookeville case on appeal. Section 5002(b) of the Medicare Title of S. 1932 ratifies the interim final rule promulgated on January 20, 2000 by CMS and makes it effective on the date it was promulgated. In other words, CMS might attempt to accomplish legislatively what it could not accomplish in Cookeville.

I rise today to state, as a member of the House Budget Committee which has jurisdiction over S. 1932, the Deficit Reduction Act, that Sec 5002(b) should not be used to reverse the Cookeville decision and deny Tennessee its correct DSH payments as determined under the Medicare statute for the years 1994 through 1999.

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

The previous question was ordered.

The SPEAKER pro tempore (Mr. SIMPSON). The question is on the resolution.

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

Ms. SLAUGHTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this question will be postponed.

USA PATRIOT ACT 5-WEEK EXTENSION

Mr. SENSENBRENNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4659) to amend the USA PATRIOT Act to extend the sunset of certain provisions of such Act.

The Clerk read as follows:

H.R. 4659

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

SECTION 1. EXTENSION OF CERTAIN PROVISIONS OF THE USA PATRIOT ACT.

Section 224(a) of the Uniting and Strengthening America by Providing Appropriate Tolls Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001 (Public Law 107–56; 115 Stat. 295) is amended by striking ''February 3, 2006'' and inserting ''March 10, 2006''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from Virginia (Mr. SCOTT) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin.

GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 4659 currently under consideration.

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

There was no objection.

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

Mr. Speaker, I rise in support of H.R. 4659, to extend until March 10 crucial provisions of the PATRIOT Act set to expire this Friday.

On December 23 of last year, both Houses unanimously passed a short-term extension of the PATRIOT Act to preserve critical antiterrorism initiatives that were set to expire at the end of last year. Unfortunately, we must

pass another extension today because a minority of Members of the other body have blocked an up-or-down vote on the conference report for H.R. 3199, the USA PATRIOT and Terrorism Prevention Reauthorization Act of 2005 which the full House passed by a broad bipartisan vote of 257–171 on December 14.

The opponents in the other body have repeatedly cited their concern for civil liberties as a justification for their obstruction. Ironically, the conference report that has been blocked contains dozens of vital civil liberty protections, many included at their request.

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The original PATRIOT Act contains none of these protections. As a result, we are once again forced to extend the current PATRIOT Act rather than to implement the current important civil liberties protections contained in the conference report that even its detractors acknowledge is an improvement over current law.

When the PATRIOT Act was first passed in October of 2001, I pledged to rigorously examine its implementation to ensure that new law enforcement authorities did not violate civil liberties. Since April of 2005 alone, the House Judiciary Committee received testimony from 35 witnesses during 12 hearings on the PATRIOT Act. In addition to hearings, I have requested, along with Ranking Member CONYERS, written responses from the Attorney General to detailed questions regarding use of the PATRIOT Act and whether any of its provisions have been used to violate individuals' civil liberties.

A chronology of these legislative and oversight activities follows:

OVERSIGHT OF THE USA PATRIOT ACT FROM OCTOBER, 2001, TO NOVEMBER, 2005:

1. November 9, 2005, Department of Justice classified briefing for Committee on the Judiciary staff on press accounts of FBI use of NSLs;
2. October 25, 2005, Department of Justice classified briefing for House & Senate Committees on the Judiciary and Committees on Intelligence staff on press accounts of FBI use of NSLs;
3. October 6, 2005, Department of Justice classified briefing for Committee on the Judiciary Members and staff on press accounts of mistakes in FBI applications to the Foreign Intelligence Surveillance Court under the USA PATRIOT Act;
4. July 12, 2005, letter from Assistant Attorney General William Moschella to the House Committee on the Judiciary responding to July 1, 2005, letter regarding use of the USA PATRIOT Act;
5. July 12, 2005, letter from Assistant Attorney General William Moschella to the House Committee on the Judiciary responding to May 19, 2005, letter regarding use of the USA PATRIOT Act;
6. July 11, 2005, letter from Assistant Attorney General William Moschella to Rep. Bobby Scott responding to questions regarding use of the USA PATRIOT Act;
7. July 11, 2005, letter from Assistant Attorney General William Moschella to the House Committee on the Judiciary regarding use of the USA PATRIOT Act;
8. July 5, 2005, letter from FBI Director Meuller to Senate Committee on the Judiciary responding to questions regarding use of the USA PATRIOT Act;
9. July 1, 2005, letter from Assistant Attorney General William Moschella to Rep. Bobby Scott responding to questions regarding use of the USA PATRIOT Act;
10. July 1, 2005, letter from House Committee on the Judiciary to the Attorney General regarding use of the USA PATRIOT Act; .
11. June 29, 2005, letter from Assistant Attorney General William Moschella to the Senate Committee on the Judiciary responding to April 5, 2005, letter regarding use of the USA PATRIOT Act;
12. June 10, 2005, House Committee on the Judiciary hearing on reauthorization of the USA PATRIOT Act;
13. June 8, 2005, House Committee on the Judiciary hearing on reauthorization of the USA PATRIOT Act;
14. May 26, 2005, House Subcommittee on Crime, Terrorism, & Homeland Security hearing on Material Witness Provisions of the Criminal Code & the Implementation of the USA PATRIOT Act; Section 505 that Addresses National Security Letters; & Section 804 that Addresses Jurisdiction over Crimes Committed at U.S. Facilities Abroad;
15. May 19, 2005, letter from House Committee on the Judiciary to the Attorney General regarding use of the USA PATRIOT Act;
16. May 10, 2005, House Subcommittee on Crime, Terrorism, & Homeland Security hearing on the prohibition of Material Support to Terrorists & Foreign Terrorist Organizations & on the DOJ Inspector General's Reports on Civil Liberty Violations under the USA PATRIOT Act;
17. May 10, 2005, Senate Committee on the Judiciary hearing on continued oversight of the USA PATRIOT Act;
18. May 5, 2005, House Subcommittee on Crime, Terrorism, & Homeland Security hearing on Section 212 of the USA PATRIOT Act that Allows Emergency Disclosure of Electronic Communications to Protect Life and Limb;
19. May 3, 2005, House Subcommittee on Crime, Terrorism, & Homeland Security hearing on Sections 201, 202, 213, & 223 of the USA PATRIOT Act & Their Effect on Law Enforcement Surveillance;
20. April 28, 2005, House Subcommittee on Crime, Terrorism, & Homeland Security hearing: Section 218 of the USA PATRIOT Act—If It Expires Will the ''Wall'' Return?;
21. April 28, 2005, House Subcommittee on Crime, Terrorism, & Homeland Security hearing: Have Sections 206 and 215 Improved Foreign Intelligence Surveillance Act (FISA) Investigations?;
22. April 26, 2005, letter from Assistant Attorney General William Moschella to Senator Dianne Feinstein responding to April 4, 2005, letter regarding use of the USA PATRIOT Act;
23. April 26, 2005, House Subcommittee on Crime, Terrorism, & Homeland Security hearing: Have Sections 204, 207, 214, & 225 of the USA PATRIOT Act, & Sections 6001 & 6002 of the Intelligence Reform & Terrorism Prevention Act of 2004, improved FISA Investigations?;
24. April 21, 2005, House Subcommittee on Crime, Terrorism, & Homeland Security hearing on Crime, Terrorism, & the Age of Technology—(Section 209: Seizure of Voice-Mail Messages Pursuant to Warrants; Section 217: Interception of Computer Trespasser Communications; & Section 220: Nationwide Service of Search Warrants for Electronic Evidence);
25. April 20, 2005, Senate Subcommittee on Terrorism, Technology, & Homeland Security hearing: A Review of the Material Support to Terrorism Prohibition;
26. April 19, 2005, House Subcommittee on Crime, Terrorism, & Homeland Security hearing on Sections 203(b) and (d) of the USA PATRIOT Act and their Effect on Information Sharing;
27. April 6, 2005, House Committee on the Judiciary hearing with Attorney General Gonzales;
28. April 5, 2005, Senate Committee on the Judiciary hearing on Oversight of the USA PATRIOT Act;
29. March 22, 2005, Department of Justice law enforcement sensitive briefing for Committee on the Judiciary Members and staff on the use of FISA under the USA PATRIOT Act;
30. September 22, 2004, Senate Committee on the Judiciary hearing: A Review of Counter-Terrorism Legislation & Proposals, Including the USA PATRIOT Act & the SAFE Act May 5, 2004, Senate Committee on the Judiciary hearing: Aiding Terrorists—a Review of the Material Support Statute;
31. May 20, 2004, Senate Committee on the Judiciary hearing on FBI Oversight: Terrorism;
32. April 14, 2004, Senate Committee on the Judiciary hearing on Preventing & Responding to Acts of Terrorism: A Review of Current Law;
33. February 3, 2004, Department of Justice briefing for House Committee on the Judiciary staff on its views of S. 1709, the ''Security and Freedom Ensured (SAFE) Act of 2003,'' and H.R. 3352, the House companion bill, as both bills proposed changes to the USA PATRIOT Act;
34. November 20, 2003, request by Chairmen Sensenbrenner & Hostettler to GAO requesting a study of the implementation of the USA PATRIOT Act anti-money laundering provisions. Report was released on June 6, 2005;
35. October 29, 2003, Department of Justice classified briefing for Committee on the Judiciary Members & staff on the use of FISA under the USA PATRIOT Act;
36. September 10, 2003, Senate Subcommittee on Terrorism, Technology, & Homeland Security hearing on Terrorism: Two Years After 9/11, Connecting the Dots;
37. August 7, 2003, Department of Justice briefing for House Committee on the Judiciary Members and staff regarding the long-standing authority for law enforcement to conduct delayed searches & collect business records & the effect of the USA PATRIOT Act on those authorities;
38. July 23, 2003, Senate Committee on the Judiciary hearing on Law Enforcement & Terrorism;
39. June 13, 2003, letter from Assistant Secretary for Legislative Affairs at the Department of Homeland Security, Pamela J. Turner, to the House Committee on the Judiciary responding to questions regarding the USA PATRIOT Act;
40. June 10, 2003, Department of Justice classified briefing for Committee on the Judiciary Members & staff on the use of FISA under the USA PATRIOT Act;
41. June 5, 2003, House Committee on the Judiciary hearing on the U.S. Department of Justice, including its use of the provisions authorized by the USA PATRIOT Act;
42. May 20, 2003, House Subcommittee on the Constitution hearing: Anti-Terrorism Investigations and the Fourth Amendment After September 11th: Where and When Can Government Go to Prevent Terrorist Attacks;
43. May 13, 2003, letter from Acting Assistant Attorney General, Jamie Brown to the House Committee on the Judiciary responding to questions regarding the USA PATRIOT Act;
44. April 1, 2003, letter from the House Committee on the Judiciary to the Attorney General regarding use of the USA PATRIOT Act;

45. October 9, 2002, Senate Subcommittee on Terrorism, Technology, & Homeland Security hearing: Tools Against Terror: How the Administration is Implementing New Laws in the Fight to Protect our Homeland;

46. September 20, 2002, letter from Assistant Attorney General, Daniel Bryant, to the House Committee on the Judiciary responding to questions regarding the USA PATRIOT Act;

47. September 10, 2002, Senate Committee on the Judiciary hearing on the USA PATRIOT Act in Practice: Shedding Light on the FISA Process;

48. August 26, 2002, letter from Assistant Attorney General, Daniel Bryant, to the House Committee on the Judiciary responding to questions regarding the USA PATRIOT Act;

49. July 26, 2002, letter from Assistant Attorney General Daniel Bryant to the House Committee on the Judiciary responding to questions regarding the USA PATRIOT Act;

50. July 25, 2002, Senate Committee on the Judiciary hearing on the Department of Justice, including its implementation of the authorities granted by the USA PATRIOT Act;

51. June 13, 2002, letter from the House Committee on the Judiciary to the Attorney General regarding use of the USA PATRIOT Act;

52. April 17, 2002, Senate Subcommittee on Administrative Oversight and the Courts hearing: ''Should the Office of Homeland Security Have More Power? A Case Study in Information Sharing;''

53. December 6, 2001, Senate Committee on the Judiciary hearing on DOJ Oversight: Preserving our Freedoms While Defending Against Terrorism;

54. December 4, 2001, Senate Committee on the Judiciary hearing on DOJ Oversight: Preserving our Freedoms While Defending Against Terrorism;

55. November 28, 2001, Senate Committee on the Judiciary hearing on DOJ Oversight: Preserving our Freedoms While Defending Against Terrorism; and

56. October 3, 2001, Senate Subcommittee on the Constitution, Civil Rights, & Property Rights hearing: Protecting Constitutional Freedoms in the Face of Terrorism.

Mr. SENSENBRENNER. The Inspector General has issued six reports and found no evidence that law enforcement has abused the PATRIOT Act. Opponents of the PATRIOT Act have repeatedly pointed to the Brandon Mayfield case as an example of abuse of the act. Members of Congress asked the DOJ Inspector General to examine whether the PATRIOT Act was abused in this case. On January 6, 2006, the Inspector General concluded: ''We do not find any evidence that the FBI misused any of the provisions of the PATRIOT Act in conducting its investigation of Mayfield.''

Even though no credible evidence of abuse of the PATRIOT Act has been received by Congress, the conference report adopted over 30 new additional civil liberty protections to address concerns about the potential for misuse. For example, the conference report contained several new reporting requirements that will provide additional information for congressional oversight of the act. These provisions establish specific procedures to consult legal counsel and seek judicial review for those wishing to challenge the national security letter or a section 215 order, two of the authorities most criticized by opponents.

Additionally, the conference report increases accountability by requiring the FBI director, deputy director, or executive assistant director to authorize applications that request the FISA court to issue a section 215 order for certain records, including library records, medical records, educational record and tax return records. The conference report also requires public reporting of the aggregate use of section 215 orders.

Because time does not permit me to detail all of the civil liberty protections contained in the conference report, the following list details each of those safeguards.

ADDITIONAL CIVIL LIBERTIES PROTECTIONS CONTAINED IN THE CONFERENCE REPORT ON H.R. 3199, THE ''USA PATRIOT IMPROVEMENT AND REAUTHORIZATION ACT OF 2005''

The conference report contains the following additional safeguards:

Requires a description of a specific target in both the application and the court order for ''roving wiretaps,'' and specific facts in the application that show that the target's actions may thwart surveillance efforts—if the target's true identity is unknown.

Requires that the FBI must notify the court within 10 days after beginning surveillance of any new phone for all ''roving wiretaps.'' The notice must include the total number of electronic surveillances conducted under the court's multipoint order.

Includes new reporting requirements to Congress, including new details about the use of ''roving'' authority.

Requires that for delayed notice search warrants that notice of the search be given within 30 days of its execution, unless the facts justify a later date, eliminating the open-ended period of delay permissible under current law.

Allows for extensions of the delay period in giving notice of a search, but only upon an updated showing of the need for further delay. Also, it limits any extension to 90 days or less, unless the facts of the case justify a longer delay.

Adds new reporting requirements to Congress on the use of delayed notice search warrants.

Requires for section 215 orders, relating to investigator's access to business records, a statement of facts showing reasonable grounds to believe that the records or other things sought are relevant to an authorized investigation to protect against international terrorism or espionage. This provides additional safeguards to the original USA PATRIOT Act, which required the government only to certify that the records at issue were sought for an authorized investigation—without any factual showing.

Requires a three part test for section 215 orders that ensures the records are sought for: a foreign power or an agent of a foreign power; the activities of a suspected agent of a foreign power who is the subject of an authorized investigation; or an individual in contact with, or known to, a suspected agent of a foreign power who is the subject of an authorized investigation. This test combined with the newly required statement of facts should mitigate concerns of government ''fishing expeditions,'' while maintaining the flexibility for legitimate terrorism investigations.

Explicitly guarantees the right for recipients of section 215 orders to consult legal counsel and seek judicial review.

Requires high level approval by either the FBI Director, Deputy Director, or Executive Assistant Director for requests for certain records, including library records, medical records, educational records, and tax return records.

Limits the scope of section 215 orders to materials that could be obtained via grand jury subpoena or a similar court order for the production of records.

Limits retention, and prohibits dissemination, of information concerning U.S. persons.

Requires that the DOJ Inspector General conduct two separate audits of the FBI's use of section 215 orders that will examine: any noteworthy facts or circumstances relating to 215 orders, including any improper or illegal use of the authority; the manner in which such information is collected, retained, analyzed, and disseminated by the FBI; and an assessment of whether the minimization procedures protect the constitutional rights of United States persons.

Requires enhanced reporting to Congress of section 215 orders, including a breakdown of its use to obtain library records, medical records, educational records, and other sensitive types of records.

Requires public reporting of the aggregate use of section 215 orders.

Allows recipients of National Security Letters (NSLs) to consult with legal counsel.

Creates an explicit right to judicial review of NSL requests.

Permits a reviewing court to modify or set aside an NSL if compliance would be unreasonable, oppressive, or otherwise unlawful—this is the same standard used to modify or quash a subpoena in a criminal case.

Provides for judicial review of the nondisclosure requirements.

Adds a ''knowing and willfully'' standard that must be proven before someone who discloses an NSL can be subject to a 1-year misdemeanor offense.

Requires the DOJ IG to conduct two comprehensive audits of the FBI's use of NSLs.

Requires the Attorney General and the Director of National Intelligence to submit to Congress a report on the feasibility of applying minimization procedures to NSLs to ensure the protection of constitutional rights of U.S. persons.

Adds a new ''sunshine'' provision that requires annual public reporting on NSLs.

Provides for expanded congressional access to significant FISA reporting currently provided to the Intelligence Committees.

Includes a provision requiring the FISA Court to submit its rules and procedures to Congress.

Creates new reporting requirements for the use of emergency authorities under FISA.

Requires new reporting on the use of emergency disclosures of communications information made under section 212 of the USA PATRIOT Act.

Requires the Department of Justice to submit a report to Congress on the Department's data-mining activities.

Mr. SENSENBRENNER. I would remind Members, Mr. Speaker, of both Houses that the conference committee dissolved after the conference report was filed and the House acted in a bipartisan manner to approve it. I believe it is healthy to continue to debate the merits of the PATRIOT Act and to continue vigorous congressional oversight of its authorities. But it is also imperative that we not play political games with the vital tools our law enforcement and intelligence communities need to keep us safe from additional attacks on American soil.

We must not rebuild the wall of separation between the FBI and CIA and return to the pre-9/11 mindset that made

America vulnerable to a terrorist attack. I urge my colleagues to join me in supporting this extension of the PATRIOT Act so as to give the other body the time to expeditiously pass the conference report on H.R. 3199. As recent events have highlighted, the threat of terrorism has not receded, nor has the urgency of continued vigilance.

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

Mr. SCOTT of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I intend to support this short extension today. And doing so will give the Members an opportunity to work together to work on the conference report from the last Congress to include some commonsense improvements to ensure that there are appropriate protections for our citizens' civil rights and civil liberties.

Now, many of the provisions of the original PATRIOT Act for which concerns had been expressed have proven to be noncontroversial and have not operated to threaten civil liberties. Other provisions, however, have become more problematic. This extension will give us the time to look at things like the searches for libraries and other intrusive records; second, a standard for issuing national security letters which are essentially subpoenas without probable cause and without the normal checks and balances and a mechanism for making sure that personal information obtained under these letters is destroyed or properly protected.

A review of wire taps, I think, is appropriate, the roving wiretaps and also review of wiretaps under the President's new NSA policy which many legal scholars believe are just illegal. Those are spying on domestic law-abiding citizens. If there is probable cause that someone is breaking the law, obviously a criminal warrant could be given. We need to look and see exactly what is being done and review the law to determine whether or not they are, in fact, illegal. The elimination of totally unnecessary provisions in the conference report involving habeas corpus and expanding the death penalty had nothing to do with the original PATRIOT Act.

Mr. Speaker, as the chairman has indicated, there are improvements in the PATRIOT Act that are in the conference report, but we need to make sure that we have a version that can pass. We can pass a PATRIOT Act. The Senate has passed the PATRIOT Act several times on virtually a unanimous vote or even unanimous consent. The House Judiciary Committee passed unanimously the original PATRIOT Act until a late-night switch to another version that no one had read. But we can pass a PATRIOT Act; and if we use our time effectively, we can develop an act which serves the needs of law enforcement without allowing the unnecessary spying on law-abiding citizens.

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

Mr. SENSENBRENNER. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. HYDE), my distinguished predecessor as chairman of the Judiciary Committee.

Mr. HYDE. Mr. Speaker, I take the floor to remind my colleagues of two home truths that may have been forgotten in the 4 years and 4 months since September 11, 2001.

The first of these is that we are a Nation at war. Decades of dealing with terror networks like al Qaeda as a matter of law enforcement or criminal justice helped bring us to September 11. We passed the PATRIOT Act because we understood that we are at war with international terrorism and that wartime measures were required.

The second home truth is that this war is being fought in a technological environment as different from World War II as the technology of World War II is different from the technology of the War Between the States. In a high velocity age of digital communications, the President and those most directly responsible for forestalling another attack of this sort that Osama bin Laden recently threatened must have the means appropriate to the life-or-death task at hand.

If my colleagues will permit me, there has been something surreal, even unreal, about the recent debate on this front. We seem to have forgotten that the terrorists who hijacked the plane that was flown into the Pentagon on September 11 received more than a dozen calls from al Qaeda operatives in Yemen while the terrorists were living in San Diego, and that the NSA, fearful of being accused of domestic spying, did not act.

Do we want a repeat of that? I do not think any of us do. But those who seem to imagine that President Bush is a greater threat to civil liberties than Osama bin Laden is to American lives and liberties need to stop politicizing this issue and work with the rest of us to strike a rational balance between a legitimate concern for civil liberties and the imperative need to equip the agencies responsible for our national security with the technological tools necessary to do their job in an environment where a few hours' delay might prove lethal.

Let us refuse to tie our hands again as our hands were tied before September 11, with the gravest results. The PATRIOT Act is as necessary today as the reauthorization of the draft was in the dangerous months before Pearl Harbor. A few months before that devastating surprise attack, this House came within one vote of essentially dismantling the U.S. Army by refusing to reauthorize conscription. Wiser counsels prevailed.

Let us rise to our responsibility as those who saw more clearly in mid-1941 rose to theirs, and let us give those charged with the weighty responsibility of providing for our national security in a new kind of war, fought with new kinds of weapons, the tools and the legal authority they need to do their crucial job.

Mr. SCOTT of Virginia. Mr. Speaker, I now yield such time as she may consume to the gentlewoman from California (Ms. HARMAN), the ranking member of the Select Committee on Intelligence.

(Ms. HARMAN asked and was given permission to revise and extend her remarks.)

Ms. HARMAN. Mr. Speaker, I strongly support powerful, flexible, and modern tools to detect the plans and intentions of terrorists who may be operating in our country. For that reason, I voted for the PATRIOT Act, even though I believed and still believe there is room for improvement.

We are being asked today to extend the PATRIOT Act for 5 weeks so that Congress can continue to work on some of its most controversial provisions. I think this extension makes good sense. We must extend it, mend it, but not end it.

To that end, I hope we can soon reach agreement on critical issues. First, we should modify the report to explicitly require that records sought under Section 215—commonly called the Library provision—be connected to a foreign power or an agent of a foreign power. This is the traditional FISA standard. A looser standard invites "fishing expeditions."

Second, we should explicitly state 215 recipients have the right to challenge a gag order in court.

Third, we should ensure that National Security Leaders are not used as back doors for getting library circulation, medical, tax and educational institutions records, and to modify the "conclusive presumption" language which makes it virtually impossible for NSL recipients to challenge "gag" orders in court. These and other critical changes to NSLs are included H.R. 4570—a bill that I, my colleagues on the Intelligence Committee, Representative CONYERS and other congressional leaders introduced in December.

As part of the negotiations, Congress must also insist that the President provide the facts on his NSA terrorist surveillance program. His refusal to brief the 36 Members of the intelligence committees, even though hundreds of people in the executive branch have been briefed, violates the requirements of the National Security Act of 1947.

The President also needs to explain why current law, the Foreign Intelligence Surveillance Act, does not provide an adequate framework for his program. Some claim that FISA cannot handle modern communications. But the fact is that the administration requested, and Congress passed as part of the PATRIOT Act of 2001, numerous changes to FISA to deal with phones, e-mail and the Internet. For example, Congress lowered the legal standards for FISA pen registers and trap-and-trace devices to make it easier to track the calls of terrorists who may be in the U.S. We also expanded these pen traps to cover e-mail and the Internet,

and we granted roving John Doe wiretap authority to deal with the issue of unidentified terrorists switching phones.

Moreover, in the 2002 Intelligence Authorization Act, we extended the FISA emergency provision to 72 hours, so that surveillance is not delayed by the paperwork involved in getting a warrant. All of these authorities were powers that the President asked for and supported.

Mr. Speaker, FISA is modern, flexible, and effective. Since 1979, 19,000 warrants have been approved. Those who prepare the warrants tell me the process is efficient. If the President believes otherwise, he must come to Congress and explain why.

Mr. Speaker, the message conferees, and I am one, must send is that the American people want to do whatever is necessary to defend America. Let me repeat: the American people want to do whatever is necessary to defend America. But we also want our President to follow the law.

Mr. SCOTT of Virginia. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I do not believe that any of us in the backdrop of 9/11 have changed our attitude about the consistency and the value and the importance and the crucialness of fighting the war on terror. With not enough time to pursue that debate, let me simply say that this extension is crucial for a reasonable response to the needs of the American people to have their liberty protected. And I read very quickly a statement from ''On Liberty,'' written in 1859: ''Protection therefore against the tyranny of the magistrate is not enough. There needs protection against also the tyranny of the prevailing opinion and feeling.''

This is an important extension, and I wish it were longer because it is crucial that we investigate beyond the infringement on library records, beyond the infringement in terms of wiretapping, is the President's NSA terrorist surveillance program and the lack of use of FISA.

□ 1615

FISA is an effective tool, and as I heard the President use the term, to be hit again, obviously striking at the fear and the hearts of Americans. None of us want to be hit again, but we do want to protect our civil liberties. This extension will allow that very effective debate, and we will get the right way to fix the PATRIOT Act and protect America.

One of our Founding Fathers, John Quincy Adams, made the following statement regarding the importance of civil liberties:

Individual liberty is individual power, and as the power of a community is a mass compounded of individual powers, the nation which enjoys the most freedom must necessarily be in proportion to its numbers the most powerful nation.

I have in my hand a copy of chapter 1 of John Stuart Mill's On Liberty, written in 1859. Selections of this chapter are quite fitting for today's proceeding:

Protection, therefore, against the tyranny of the magistrate is not enough; *there needs protection also against the tyranny of the prevailing opinion and feeling; against the tendency of society to impose, by other means than civil penalties, its own ideas and practices as rules of conduct on those who dissent from them*; to fetter the development, and, if possible, prevent the formation, of any individuality not in harmony with its ways, and compel all characters to fashion themselves upon the model of its own. *There is a limit to the legitimate interference of collective opinion with individual independence; and to find that limit, and maintain it against encroachment, is as indispensable to a good condition of human affairs, as protection against political despotism*. (emphasis added).

We passed the PATRIOT Act in 2001 6 weeks after the terrorist attacks of September 11. While the actual bill passed by wide margins in both Chambers of Congress, I made the record clearly reflect my strong reservations about provisions that pose serious threats to fundamental freedoms and civil liberties.

In my capacity as a member of the House Judiciary Committee, I joined a caucus of members in submitting letters to the administration and to the Department of Justice requesting documentation and statements that speak to the protection of individual rights in light of the potentially dangerous provisions contained within the bill.

Congress included in the bill a ''sunset clause'' that provides an expiration date for over a dozen provisions on December 31, 2005 unless we act to renew them. This fact was the impetus behind several hearings held by the committee in the first session of the 109th Congress. One of the most talked about issues surrounding the PATRIOT Act is the President's authority to conduct warrantless electronic surveillance searches—in essence, execute an order that allows the National Security Agency, NSA, to monitor, without a warrant, the international, and sometimes domestic, telephone calls and e-mail messages of hundreds and possibly even thousands of citizens and legal residents inside the United States.

I do not oppose the monitoring of telephone calls and e-mail messages when it is necessary for national security reasons. I oppose engaging in such monitoring without a warrant as the law specifies. We have a Foreign Intelligence Surveillance Court that was established for the sole purpose of issuing such warrants when they are justified. That court should have been allowed to decide whether the telephone calls and e-mail messages of American citizens and legal residents is justified by security needs. Doing this kind of surveillance without a warrant is illegal.

The day after this monitoring became public, President Bush admitted that he had authorized it but argued that he had the authority to do so. According to the President, his order was ''fully consistent with my constitutional responsibilities and authorities.'' But his constitutional duty is to ''take care that the laws be faithfully executed'', article II, section 3; the law here clearly establishes well-defined procedures for eavesdropping on U.S. persons, and the fact is, President Bush ordered that those procedures not be followed. Further, from a statutory argument point of view, it is not credible that the 2001 authorization to use force provides authority for the President to ignore the requirements of FISA. It is very doubtful that the courts would sustain the President on this basis. From a constitutional standpoint, the President can try to make a case, although it is weak, that he does have constitutional authority to conduct warrantless wiretaps of American citizens in the U.S.. for national security purposes. Because the Supreme Court has never said he does not have this power, some regard it as an open question. However, passage of FISA seriously undermines this argument.

In closing let me note that this 6-week extension is not enough time to resolve the important issues that surround the PATRIOT Act. Further I am very disappointed, but not surprised that the Republicans have not been willing to come to the table to meet with us in an effort to come to some middle ground.

Mr. SCOTT of Virginia. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. NADLER).

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

Mr. NADLER. Mr. Speaker, none of us here deny that some of the provisions of the PATRIOT Act are very useful in fighting the war on terrorism. No one wants the PATRIOT Act to be eliminated, but the PATRIOT Act should be amended to safeguard civil liberties.

Section 215 should be amended to provide meaningful protection from abuse by an overzealous government seeking sensitive and personal documentation. We should replace the mere showing of relevance standard with a three-part test that was the basis of the Senate compromise. Recipients of section 215 orders and of section 505 national security letters must be allowed a meaningful court challenge to the gag order, and the national security letter authority should sunset in order to guarantee Congressional oversight.

We also must be mindful, while debating this, of the President's claim of extraordinary power to wiretap Americans in conversation he says with people who are terrorists abroad. We do not know that is the only wiretapping that is going on. It may be thousands, may be hundreds of thousands of Americans are being wiretapped. We do not know. This is all secret. It only got out because it leaked.

The President claims the power to do this against the apparently plain language of the law. Many of us think it is illegal. Many people think this is illegal the President claims inherent power or that we authorized this when we authorized the use of force in Afghanistan. Well, maybe, but we ought to be holding hearings. It is an abdication of responsibility for the Judiciary and Intelligence Committees of this House not to be holding hearings on this.

Why should the hearings only occur in the Senate? Is this House not an

equal branch of the government? So I urge this bill. This extension ought to pass so that we can work out the problem of modification of the PATRIOT Act, and we ought not to abdicate our responsibility. I urge the chairman of the Judiciary Committee to hold hearings so that we can examine these issues.

Mr. SCOTT of Virginia. Mr. Speaker, I yield 1½ minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, I rise in strong opposition to this legislation, because it should become crystal clear that the administration is currently and will continue to abuse, attack and outright deny the civil liberties of American citizens in defiance of our Constitution. This administration is illegally wiretapping American citizens, illegally collecting information on peace groups and illegally using signing statements to ignore the torture ban recently enacted by the Congress. The administration is violating the laws Congress has passed, and they are violating the U.S. Constitution.

I will not vote to give this administration any police powers until I am assured that their attack on our democracy is reined in. This Congress is walking away from the checks and balances of our democracy.

I do not believe that this Congress was zealous in oversight investigation prior to 2001. I am not a partisan. I have joined my colleagues in an oversight role prior to 2001. However, since that time we have ignored our constitutional duty, and 200 years of American democracy has suffered. The complacency of Congress is clearly viewed by the administration as a license to ignore the laws it disagrees with and demand Congress pass extended police powers.

I reject this complacency in defense of the United States Constitution. I will not vote to give a single new police power to this administration. The bill before us today enables the FBI to investigate any American for any reason, without the checks and balances of a judicial system. History tells us that unchecked police powers with little or no oversight will be abused, and citizens will be harmed.

The administration's record in this area is concrete proof that history repeats itself. I am for a strong police function that protects citizens of this great Nation, not a police function which nullifies our constitutional rights.

Mr. SCOTT of Virginia. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Speaker, in a difficult week, well, weeks, following September 11th, Congress passed the U.S. PATRIOT Act in an effort to comfort and protect a shocked and grieving Nation. Yet even in the face of all that, Congress found 16 of the PATRIOT Act's provisions to be so egregious and far-reaching that they were not made permanent, and were slated to expire within 4 years.

Yet somehow, here we are, in the midst of having learned that our President has authorized the NSA to spy on Americans without a warrant, still debating if it is a good idea to further compromise our privacy, and make permanent some of the PATRIOT Act's worse provisions, such as roving wiretaps and expanded access to personal information like medical, library, financial records.

Threats to our civil liberties and freedoms are mounting, an open-ended war, a President copping a ''I can because I say I can'' attitude, and a dangerous view of what executive powers are bestowed on our President in the U.S. Constitution. We cannot continue on this slippery slope.

As the elected leaders this country, we must vote to protect Americans from dangerous infringements of civil rights and liberties. That is why I encourage my colleagues to oppose extending the PATRIOT Act today.

Mr. SCOTT of Virginia. Mr. Speaker, I yield myself such time as I may consume.

I would hope that we would give this brief extension to the PATRIOT Act and that we would use this time effectively to review the NSA wiretaps and also to use this time effectively to develop a bill that can pass both Chambers.

I yield back the balance of my time.

Mr. SENSENBRENNER. I yield myself the balance of my time.

Mr. Speaker, the two speakers who proposed this brief 5-week extension of the PATRIOT Act are symptomatic of the problems that the opponents of the PATRIOT Act have attempted to tar it with. They are wrong.

First, no Federal court has declared unconstitutional as violative of civil rights any of the 16 provisions of the PATRIOT Act that the sunsets were applied to, none whatsoever.

As I stated in my opening remarks, the Inspector General of the Department of Justice is required by the PATRIOT Act to report on civil rights violations to the two Judiciary Committees twice per year. We have received six of those reports on time, and the number of civil rights violations that have been found by the DOJ Inspector General have been zero.

Furthermore, there is a provision in the PATRIOT Act that anybody whose civil rights have been violated can obtain a statutory judgment of $10,000 in addition to any proven monetary damages against the Justice Department if they are successful in a lawsuit. The Justice Department has not paid out one dime in either monetary or statutory damages under this law.

The PATRIOT Act has nothing to do with NSA wiretaps, and anybody who has been familiar with the operation of the PATRIOT Act knows very, very clearly that it does not have anything to do with NSA wiretaps, and I really wish that the opponents would read the law and stick to the proven testimony of the operation of this act. To say that the Judiciary Committee has not conducted oversight is living in a dream world, and it does not comport with the facts.

Mr. CONYERS and I have sent joint oversight letters to the Justice Department and published the nonclassified results of those oversight letters on the committee's website. Last year we had 12 hearings on the PATRIOT Act and the 16 provisions that expire. And guess what? There was no criticism about 14 of the 16 provisions, which the conference report makes permanent. And to say that the 16 provisions that were passed in the PATRIOT Act in October of 2001 were so egregious that sunsets had to be applied really does not talk about what happened then. Every expansion of law enforcement authority contained in the 2001 bill contained a sunset, and we did the oversight, and we found that in 14 of the 16 provisions there was not a problem. And even the witnesses the Democrats brought before the Judiciary Committee said that there was no problem in 14 of the 16 provisions. In the two provisions where there is a sunset in the conference report, there have not been any civil rights violations proven. I have just said that, but one would think that the people's rights were being trampled on. No courts found that, the DOJ Inspector General has not found that, and I really wish that people who do not like the PATRIOT Act would stick to the facts.

Now I would like to talk a little bit about what good the PATRIOT Act has done, and I am going to give credit to Deroy Murdock, who is a New York-based columnist with the Scripps Howard News Service and a senior fellow with the Atlas Economic Research Foundation in Arlington, Virginia. It says: ''Let the Numbers do the Talking.''

First, the total number of individuals who Islamic fanatics murdered on September 11, 2001: 2,977 people whose civil rights were snuffed out because they were murdered;

The cash sum that PATRIOT Act section 371 let Customs agents seize when terror-tied New Jersey imam Alaa al-Sadawi tried to smuggle funds into Egypt in his father's airline luggage: $659,000;

Pounds of heroin the three al Qaeda- and Taliban-linked San Diego weapons dealers offered undercover FBI agents as partial payment for four Stinger anti-aircraft missiles until PATRIOT Act sections 218 and 504 helped authorities unravel their conspiracy: 1,320 pounds of heroin;

Total terror-related defendants captured with the help of PATRIOT Act provisions: 401;

Total terror-related defendants who have pled guilty or who have been convicted with the aid of PATRIOT Act provisions: 212;

Total feet the Brooklyn Bridge would have plunged into the New York City's East River had the PATRIOT Act not helped authorities stop Iyman Faris's

plan to sever the span's cables with acetylene torches: 119. That is New York City.

According to Federal prosecutor Ken Wainstein's January 3 comments after meeting with President Bush, the number of U.S. attorneys who use ''the PATRIOT Act tools each and every day in his or her efforts'': 93, out of 93 U.S. attorneys;

As U.S. Attorney Roslynn Mauskopf notes, total years of prison time earned under the PATRIOT Act by Osama bin Laden's self-proclaimed spiritual adviser, Mohammed al-Moayad, for trying to funnel $20 million to al Qaeda and Hamas: 75;

Number of scholars, former Cabinet members, and other prominent Americans, including Democratic ex-CIA Directors James Woolsey and James Schlesinger, who joined in signing a January 25 open letter advocating the PATRIOT Act's reauthorization: 68;

Years that David Wayne Hull, former Imperial Wizard of the White Knights of the Ku Klux Klan, will spend behind bars after PATRIOT Act section 201 helped convict him for plotting to blow up abortion clinics with hand grenades: 12;

Number of Northern Virginia Islamofascists jailed after the PATRIOT Act's information-sharing provisions let spies and cops jointly determine that they had trained in Afghan and Pakistani terror camps between 1999 and 2001: Eight;

Total al Qaeda associates in Lackawanna, New York who were jailed for 7 to 10 years after the PATRIOT Act finally let cops and intelligence officers sit in the same room to discuss each other's investigations: Six;

According to the Associated Press, the number of tickets for American Airlines Flight 77 that Pentagon-bound 9/11 hijackers Khalid al-Mihdhar and Nawaf al-Hazmi purchased online, using William Patterson University's library computers, that might have been detected had PATRIOT Act section 215 been in place: Two;

The number of the Portland Seven extremists who escaped the PATRIOT Act by being killed by Pakistani troops on October 3, 2003: One.

□ 1630

The number of individuals whom Muslim terrorists have killed on American soil since the adoption of the PATRIOT Act: zero.

Mr. Speaker, this law is working. This law has not violated anybody's civil liberty rights. It has not been held unconstitutional by any Federal court in the country. All of the arguments against the PATRIOT Act are a red herring. It has kept us safer. We ought to continue it. We ought to vote for this bill.

Ms. LEE. Mr. Speaker, I rise in total opposition to the extension of this unpatriotic act.

The NSA's warrantless domestic spying scandal has shown how this President has a tendency to overstep the rule of law.

Expanding the administration's powers, in light of these recent developments, may even be unnecessary.

That said, we should be repealing these undemocratic provisions, not continuing to expand government's reach into the private lives of the American people.

Since 2001, the PATRIOT Act has been used more than 150 times to secretly search private homes, and nearly 90 percent of those cases had nothing to do with terrorism.

Americans have rejected provisions in this legislation like sneak-and-peek searches, national security letters, and roving John Doe wiretaps.

And Americans have rejected unwarranted searches of private residences, libraries, businesses, and medical records.

I don't know how much clearer we need to be.

All the administration's word games and sugar-coating will do nothing to change the fact that we can protect our nation and protect civil liberties at the same time.

The PATRIOT Act fails to do so.

Vote ''no'' on this extension, and keep our civil liberties and our civil rights off the chopping board.

Ms. WATERS. Mr. Speaker, I rise in opposition not only to the lack of opportunity that a five-week sunset will provide but to the underlying legislation that it extends, the USA PATRIOT Act passed during the 107th Congress, Public Law 107–56. Similarly, I felt that the prior-enacted five-week extension, Public Law 109–160, that expires this Friday, February 3, 2006, was inadequate. For the sake of the American people and pursuant to the words of the President of the United States just last night in his State of the Union Address, I hope that the draconian provisions that were contained in the House-passed measure have been removed or drastically improved. Alas, even the process of negotiating the betterment of this very important legislation was kept a secret until brought to the Floor.

I voted in favor of a motion to recommit this Conference Report with instructions, which would have replaced the text of the conference report with the text of the original bill passed by the Senate. The original Senate bill included many more civil liberties protections than does this conference report. That Senate measure would have included a process of judicial review for recipients of a National Security Letter as well as a standard requiring the Government to show a connection to a suspected terrorist or organization when requesting business or library records. The sunsets to the Conference Report that we consider today still require the Government to demonstrate ''relevance'' in an investigation.

The underlying conference report seeks to make 14 of 16 controversial PATRIOT Act provisions permanent. In making these provisions permanent, Congress will relinquish its responsibility to review their use, granting more permanent power to the executive branch. Congressional oversight has been maintained only through the two provisions scheduled to sunset in 4 years, as well as through the inclusion of a ''lone wolf'' provision, also scheduled to sunset in 4 years. Congress has a responsibility to check the power of the executive branch, not cede that authority, potentially threatening the civil liberties of our citizens. The underlying conference report unfortunately still fails to safeguard individual privacy rights, and allows the Government, with little burden of proof, to scrutinize nearly every aspect of a person's life.

The President stated in his ''State of the Union'' address last night that ''Our country must . . . remain on the offensive against terrorism here at home.'' However, in doing so, we cannot allow terrorism to erode our national security or our civil liberties.

I would like to address the following words stated by the President, again in his address:

> . . . based on authority given to me by the Constitution and by statute—I have authorized a terrorist surveillance program to aggressively pursue the international communications of suspected al-Qaida operatives and affiliates to and from America. Previous presidents have used the same constitutional authority. I have—and Federal courts have approved the use of that authority. Appropriate Members of Congress have been kept informed. This terrorist surveillance program has helped prevent terrorist attacks. It remains essential to the security of America.

I authored a letter to the President that is currently being circulated and has already been signed by 50 of my colleagues that categorically negates these assertions based on well-settled caselaw, Federal statutes that remain in the books, and the words of the U.S. Constitution.

At no point during the floor debate of the Authorization to Use Military Force, AUMF, Resolution was there any discussion that the authorization to use military force would extend to the use of warrantless searches and vest the President with the broad authority to intercept telephone calls and other electronic communications of American citizens on American soil without first obtaining a warrant. To the contrary, it was stated during the debate that the authorization ''provides no new or additional grants of power to the President.'' (see CONGRESSIONAL RECORD dated Sept. 14, 2001, page H5677)

It is our duty to uphold the provisions of the U.S. Constitution, preserve the system of checks and balances between branches of our Government, and to protect the rights of the American people to the greatest extent possible. We must remain committed to protect the United States from terrorist attacks and to exercise our legislative responsibility to support any lawful means of preventing any future terrorist activity. However, it is our duty to clarify the mischaracterization of our actions. Congress simply did not intend for the AUMF to be used as justification for programs such as the one currently in use by the NSA.

I join my many colleagues, many victims of terrorism, and many victims of racial and religious profiling in opposing the underlying conference report for H.R. 3199.

Of particular concern to me are a number of immigration-related provisions that cast such a broad net to allow for the detention and deportation of people engaging in innocent associational activity and constitutionally protected speech and that permit the indefinite detention of immigrants and noncitizens who are not terrorists. (Carlina Tapia Ruano, Statement for Oversight Hearing on the Reauthorization of the USA PATRIOT Act before the House Committee on the Judiciary, June 10, 2005.)

Among these troubling provisions are those that:

Authorize the Attorney General, AG, to arrest and detain noncitizens based on mere suspicion, and require that they remain in detention irrespective of any relief they may be eligible for or granted.'' (In order to grant

someone relief from deportation, an immigration judge must find that the person is not a terrorist, a criminal, or someone who has engaged in fraud or misrepresentation.) When relief from deportation is granted, no person should be subject to continued detention based merely on the Attorney General's unproven suspicions.

Require the AG to bring charges against a person who has been arrested and detained as a ''certified'' terrorist suspect within seven days, but the law does not require that those charges be based on terrorism-related offenses. As a result, an alien can be treated as a terrorist suspect despite being charged with only a minor immigration violation, and may never have his or her day in court to prove otherwise.

Make material support for groups that have not been officially designated as ''terrorist organizations'' a deportable offense. Under this law, people who make innocent donations to charitable organizations that are secretly tied to terrorist activities would be presumed guilty unless they can prove they are innocent. Restrictions on material support should be limited to those organizations that have officially been designated terrorist organizations.

Deny legal permanent residents readmission to the U.S. based solely on speech protected by the First Amendment. The laws punish those who ''endorse,'' ''espouse,'' or ''persuade others to support terrorist activity or terrorist organizations.'' Rather than prohibiting speech that incites violence or criminal activity, these new grounds of inadmissibility punish speech that ''undermines the United States' efforts to reduce or eliminate terrorist activity.'' This language is unconstitutionally vague and overbroad, and will undeniably have a chilling effect on constitutionally protected speech.

Authorize the AG and the Secretary of State to designate domestic groups as terrorist organizations and block any noncitizen who belongs to them from entering the country. Under this provision, the mere payment of membership dues is a deportable offense. This vague and overly broad language constitutes guilt by association. Our laws should punish people who commit crimes, not punish people based on their beliefs or associations.

While every step must be taken to protect the American public from further terrorist acts, our government must not trample on the Constitution in the process and on those basic rights and protections that make American democracy so unique.

While the PATRIOT Act may not deserve all of the ridicule that is heaped against it, there is little doubt that the legislation has been repeatedly and seriously misused by the Justice Department. Consider the following:

Its been used more than 150 times to secretly search an individual's home, with nearly 90 percent of those cases having had nothing to do with terrorism.

It was used against Brandon Mayfield, an innocent Muslim American, to tap his phones, seize his property, copy his computer, spy on his children, and take his DNA, all without his knowledge.

Its been used to deny, on account of his political beliefs, the admission to the United States of a Swiss citizen and prominent Muslim Scholar to teach at Notre Dame University.

Its been used to unconstitutionally coerce an Internet Service Provider to divulge information about email activity and Web surfing on its system, and then to gag that Provider from even disclosing the abuse to the public.

Because of gag restrictions, we will never know how many times its been used to obtain reading records from library and book stores, but we do know that libraries have been solicited by the Department of Justice—voluntarily or under threat of the PATRIOT Act—for reader information on more than 200 occasions since September 11.

Its been used to charge, detain and prosecute a Muslim student in Idaho for posting Internet Web site links to objectionable materials, even though the same links were available on the U.S. Government's Web site.

Even worse than the PATRIOT Act has been the unilateral abuse of power by the Administration. Since September 11, our Government has detained and verbally and physically abused thousands of immigrants without time limit, for unknown and unspecified reasons, and targeted tens of thousands of Arab-Americans for intensive interrogations and immigration screenings. All this serves to accomplish is to alienate Muslim and Arab Americans—the key groups to fighting terrorism in our own county—who see a Justice Department that has institutionalized racial and ethnic profiling, without the benefit of a single terrorism conviction.

Mr. Speaker, the sunset proposed in the bill before us is insufficient to allow adequate consideration by the House; therefore, I oppose it.

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

The SPEAKER pro tempore (Mr. FOLEY). The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 4659.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SENSENBRENNER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this question will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on questions previously postponed.

Votes will be taken in the following order:

H. Res. 648, by the yeas and nays;

H. Res. 653, by the yeas and nays;

H.R. 4659, by the yeas and nays.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes may be conducted as 5-minute votes.

ELIMINATING FLOOR PRIVILEGES OF FORMER MEMBERS AND OFFICERS

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, H. Res. 648.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. DREIER) that the House suspend the rules and agree to the resolution, H. Res. 648, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 379, nays 50, answered ''present'' 1, not voting 3, as follows:

[Roll No. 3]

YEAS—379

Ackerman
Aderholt
Alexander
Allen
Andrews
Baca
Bachus
Baldwin
Barrett (SC)
Barrow
Bass
Bean
Beauprez
Becerra
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonner
Bono
Boozman
Boren
Boswell
Boucher
Boustany
Boyd
Bradley (NH)
Brady (PA)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Butterfield
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cantor
Capito
Capps
Cardin
Cardoza
Carnahan
Carson
Carter
Case
Castle
Chabot
Chandler
Chocola
Cleaver
Clyburn
Coble
Cole (OK)
Conaway
Conyers
Cooper
Costa
Costello
Cramer
Crenshaw
Crowley
Cuellar
Culberson
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (KY)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Doolittle
Doyle
Drake
Dreier
Duncan
Edwards
Ehlers
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Fitzpatrick (PA)
Foley
Forbes
Ford
Fortenberry
Fossella
Foxx
Frank (MA)
Franks (AZ)
Frelinghuysen
Gallegly
Gerlach
Gibbons
Gilchrest
Gingrey
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green (WI)
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall
Harman
Harris
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hensarling
Herger
Herseth
Higgins
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inglis (SC)
Inslee
Israel
Issa
Jackson-Lee (TX)
Jefferson
Jenkins
Jindal
Johnson (CT)
Johnson (IL)
Jones (NC)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick (MI)
Kind
King (NY)
Kirk
Kline
Knollenberg
Kolbe
Kuhl (NY)
LaHood
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel E.
Lynch
Mack
Maloney
Manzullo
Marchant
Markey
Marshall
Matheson
Matsui
McCarthy
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McGovern
McHenry
McHugh
McIntyre

McKeon
McMorris
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, George
Moore (KS)
Moore (WI)
Moran (KS)
Murphy
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Pallone
Pascrell
Pastor
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Platts
Poe
Pombo
Pomeroy
Porter
Price (GA)
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Saxton
Schakowsky
Schiff
Schmidt
Schwartz (PA)
Schwarz (MI)
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Simmons
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Sodrel
Solis
Souder
Spratt
Stark
Stearns
Strickland
Sullivan
Sweeney
Tancredo
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Westmoreland
Wexler
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Young (FL)

NAYS—50

Abercrombie
Akin
Baird
Baker
Bartlett (MD)
Barton (TX)
Bonilla
Brady (TX)
Burgess
Burton (IN)
Cannon
Capuano
Clay
Cubin
DeLay
Flake
Garrett (NJ)
Gillmor
Gutknecht
Hastings (FL)
Hefley
Jackson (IL)
Johnson, E. B.
Johnson, Sam
Jones (OH)
King (IA)
Kingston
Kucinich
McDermott
McKinney
Miller (FL)
Mollohan
Moran (VA)
Murtha
Otter
Oxley
Paul
Pearce
Pitts
Sabo
Sessions
Shuster
Simpson
Stupak
Tanner
Thomas
Towns
Whitfield
Wynn
Young (AK)

ANSWERED ''PRESENT''—1

Owens

NOT VOTING—3

Blumenauer
Istook
Miller, Gary

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. FOLEY) (during the vote). Members are advised that there are 2 minutes remaining in this vote.

□ 1701

Messrs. JACKSON of Illinois, DELAY, BAKER, KUCINICH and FLAKE changed their vote from ''yea'' to ''nay''.

Ms. WOOLSEY, Mr. PICKERING and Mr. CLEAVER changed their vote from ''nay'' to ''yea''.

So (two-thirds of those voting having responded in the affirmative) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DEFICIT REDUCTION ACT OF 2005

The SPEAKER pro tempore (Mr. FOLEY). The pending business is the vote on adoption of House Resolution 653 on which the yeas and nays are ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 216, nays 214, not voting 3, as follows:

[Roll No. 4]

YEAS—216

Aderholt
Akin
Alexander
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boustany
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole (OK)
Conaway
Crenshaw
Cubin
Culberson
Davis (KY)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Feeney
Ferguson
Fitzpatrick (PA)
Flake
Foley
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gibbons
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Green (WI)
Gutknecht
Hall
Harris
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Hulshof
Hunter
Hyde
Inglis (SC)
Issa
Jenkins
Jindal
Johnson (CT)
Johnson, Sam
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
Kuhl (NY)
LaHood
Latham
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCaul (TX)
McCotter
McCrery
McHenry
McKeon
McMorris
Mica
Miller (FL)
Miller (MI)
Moran (KS)
Murphy
Musgrave
Myrick
Neugebauer
Northup
Norwood
Nunes
Nussle
Osborne
Otter
Oxley
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schmidt
Schwarz (MI)
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Smith (TX)
Sodrel
Souder
Stearns
Sullivan
Tancredo
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Westmoreland
Whitfield
Wicker
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NAYS—214

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Boren
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Butterfield
Capps
Capuano
Cardin
Cardoza
Carnahan
Carson
Case
Chandler
Clay
Cleaver
Clyburn
Conyers
Cooper
Costa
Costello
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Gerlach
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Harman
Hastings (FL)
Herseth
Higgins
Hinchey
Hinojosa
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (IL)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick (MI)
Kind
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Leach
Lee
Levin
Lewis (GA)
Lipinski
Lofgren, Zoe
Lowey
Lynch
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy
McCollum (MN)
McDermott
McGovern
McHugh
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Ney
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Ramstad
Rangel
Reyes
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Schiff
Schwartz (PA)
Scott (GA)
Scott (VA)
Serrano
Sherman
Simmons
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Sweeney
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Wexler
Wilson (NM)
Woolsey
Wu
Wynn

NOT VOTING—3

Blumenauer
Istook
Miller, Gary

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes remaining.

□ 1711

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.

The SPEAKER pro tempore. Pursuant to House Resolution 653, the House concurs in the Senate amendment to the House amendment to S. 1932.

The text of the Senate amendment to the House amendment is as follows:

In lieu of the matter proposed to be inserted by the House amendment to the text of the bill, insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Deficit Reduction Act of 2005''.

SEC. 2. TABLE OF TITLES.

The table of titles is as follows:

TITLE I—AGRICULTURE PROVISIONS

TITLE II—HOUSING AND DEPOSIT INSURANCE PROVISIONS

TITLE III—DIGITAL TELEVISION TRANSITION AND PUBLIC SAFETY

TITLE IV—TRANSPORTATION PROVISIONS

TITLE V—MEDICARE

TITLE VI—MEDICAID AND SCHIP

TITLE VII—HUMAN RESOURCES AND OTHER PROVISIONS

TITLE VIII—EDUCATION AND PENSION BENEFIT PROVISIONS

TITLE IX—LIHEAP PROVISIONS

TITLE X—JUDICIARY RELATED PROVISIONS

TITLE I—AGRICULTURE PROVISIONS

SECTION 1001. SHORT TITLE.

This title may be cited as the ''Agricultural Reconciliation Act of 2005''.

Subtitle A—Commodity Programs

SEC. 1101. NATIONAL DAIRY MARKET LOSS PAYMENTS.

(a) AMOUNT.—Section 1502(c) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7982(c)) is amended by striking paragraph (3) and inserting the following new paragraph:

''(3)(A) during the period beginning on the first day of the month the producers on a dairy farm enter into a contract under this section and ending on September 30, 2005, 45 percent;

''(B) during the period beginning on October 1, 2005, and ending on August 31, 2007, 34 percent; and

''(C) during the period beginning on September 1, 2007, 0 percent.''.

(b) DURATION.—Section 1502 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7982) is amended by striking ''2005'' each place it appears in subsections (f) and (g)(1) and inserting ''2007''.

(c) CONFORMING AMENDMENTS.—Section 1502 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7982) is amended—

(1) in subsection (g)(1), by striking ''and subsection (h)''; and

(2) by striking subsection (h).

SEC. 1102. ADVANCE DIRECT PAYMENTS.

(a) COVERED COMMODITIES.—Section 1103(d)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7913(d)(2)) is amended in the first sentence by striking ''2007 crop years'' and inserting ''2005 crop years, up to 40 percent of the direct payment for a covered commodity for the 2006 crop year, and up to 22 percent of the direct payment for a covered commodity for the 2007 crop year,''.

(b) PEANUTS.—Section 1303(e)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7953(e)(2)) is amended in the first sentence by striking ''2007 crop years'' and inserting ''2005 crop years, up to 40 percent of the direct payment for the 2006 crop year, and up to 22 percent of the direct payment for the 2007 crop year,''.

SEC. 1103. COTTON COMPETITIVENESS PROVISIONS.

(a) REPEAL OF AUTHORITY TO ISSUE COTTON USER MARKETING CERTIFICATES.—Section 1207 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7937) is amended—

(1) by striking subsection (a); and

(2) in subsection (b)(1)—

(A) in subparagraph (B), by striking '', adjusted for the value of any certificate issued under subsection (a),''; and

(B) in subparagraph (C), by striking '', for the value of any certificates issued under subsection (a)''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect on August 1, 2006.

Subtitle B—Conservation

SEC. 1201. WATERSHED REHABILITATION PROGRAM.

The authority to obligate funds previously made available under section 14(h)(1) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)(1)) for a fiscal year and unobligated as of October 1, 2006, is hereby cancelled effective on that date.

SEC. 1202. CONSERVATION SECURITY PROGRAM.

(a) EXTENSION.—Section 1238A(a) of the Food Security Act of 1985 (16 U.S.C. 3838a(a)) is amended by striking ''2007'' and inserting ''2011''.

(b) FUNDING.—Section 1241(a)(3) of the Food Security Act of 1985 (16 U.S.C. 3841(a)(3)) is amended by striking ''not more than $6,037,000,000'' and all that follows through ''2014.'' and inserting the following: ''not more than—

''(A) $1,954,000,000 for the period of fiscal years 2006 through 2010; and

''(B) $5,650,000,000 for the period of fiscal years 2006 through 2015.''.

SEC. 1203. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

(a) EXTENSION.—Section 1240B(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3839aa–2(a)(1)) is amended by striking ''2007'' and inserting ''2010''.

(b) LIMITATION ON PAYMENTS.—Section 1240G of the Food Security Act of 1985 (16 U.S.C. 3839aa–7) is amended by striking ''the period of fiscal years 2002 through 2007'' and inserting ''any six-year period''.

(c) FUNDING.—Section 1241(a)(6) of the Food Security Act of 1985 (16 U.S.C. 3841(a)(6)) is amended—

(1) by striking ''and'' at the end of subparagraph (D); and

(2) by striking subparagraph (E) and inserting the following new subparagraphs:

''(E) $1,270,000,000 in each of fiscal years 2007 through 2009; and

''(F) $1,300,000,000 in fiscal year 2010.''.

Subtitle C—Energy

SEC. 1301. RENEWABLE ENERGY SYSTEMS AND ENERGY EFFICIENCY IMPROVEMENTS PROGRAM.

Section 9006(f) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8106(f)) is amended by striking ''2007'' and inserting ''2006 and $3,000,000 for fiscal year 2007''.

Subtitle D—Rural Development

SEC. 1401. ENHANCED ACCESS TO BROADBAND TELECOMMUNICATIONS SERVICES IN RURAL AREAS.

The authority to obligate funds previously made available under section 601(j)(1) of the Rural Electrification Act of 1936 for a fiscal year and unobligated as of October 1, 2006, is hereby cancelled effective on that date.

SEC. 1402. VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANTS.

The authority to obligate funds previously made available under section 231(b)(4) of the Agricultural Risk Protection Act of 2000 (Pub. L. 106–224; 7 U.S.C. 1621 note) for a fiscal year and unobligated as of October 1, 2006, is hereby cancelled effective on that date.

SEC. 1403. RURAL BUSINESS INVESTMENT PROGRAM.

(a) TERMINATION OF FISCAL YEAR 2007 AND SUBSEQUENT FUNDING.—Subsection (a)(1) of section 384S of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009cc–18) is amended by inserting after ''necessary'' the following: ''through fiscal year 2006''.

(b) CANCELLATION OF UNOBLIGATED PRIOR-YEAR FUNDS.—The authority to obligate funds previously made available under such section and unobligated as of October 1, 2006, is hereby cancelled effective on that date.

SEC. 1404. RURAL BUSINESS STRATEGIC INVESTMENT GRANTS.

The authority to obligate funds previously made available under section 385E of the Consolidated Farm and Rural Development Act and unobligated as of October 1, 2006, is hereby cancelled effective on that date.

SEC. 1405. RURAL FIREFIGHTERS AND EMERGENCY PERSONNEL GRANTS.

(a) TERMINATION OF FISCAL YEAR 2007 FUNDING.—Subsection (c) of section 6405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 2655) is amended by striking ''2007'' and inserting ''2006''.

(b) CANCELLATION OF UNOBLIGATED PRIOR-YEAR FUNDS.—The authority to obligate funds previously made available under such section for a fiscal year and unobligated as of October 1, 2006, is hereby cancelled effective on that date.

Subtitle E—Research

SEC. 1501. INITIATIVE FOR FUTURE FOOD AND AGRICULTURE SYSTEMS.

(a) TERMINATION OF FISCAL YEAR 2007, 2008, AND 2009 TRANSFERS.—Subsection (b)(3)(D) of section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621) is amended by striking ''2006'' and inserting ''2009''.

(b) TERMINATION OF MULTI-YEAR AVAILABILITY OF FISCAL YEAR 2006 FUNDS.—Paragraph (6) of subsection (f) of such section is amended to read as follows:

''(6) AVAILABILITY OF FUNDS.—

''(A) TWO-YEAR AVAILABILITY.—Except as provided in subparagraph (B), funds for grants under this section shall be available to the Secretary for obligation for a 2-year period beginning on the date of the transfer of the funds under subsection (b).

''(B) EXCEPTION FOR FISCAL YEAR 2006 TRANSFER.—In the case of the funds required to be transferred by subsection (b)(3)(C), the funds shall be available to the Secretary for obligation for the 1-year period beginning on October 1, 2005.''

TITLE II—HOUSING AND DEPOSIT INSURANCE PROVISIONS

Subtitle A—FHA Asset Disposition

SEC. 2001. DEFINITIONS.

For purposes of this subtitle, the following definitions shall apply:

(1) The term ''affordability requirements'' means any requirements or restrictions imposed by the Secretary, at the time of sale, on a multifamily real property or a multifamily loan, such as use restrictions, rent restrictions, and rehabilitation requirements.

(2) The term ''discount sale'' means the sale of a multifamily real property in a transaction, such as a negotiated sale, in which the sale price is lower than the property market value and is set outside of a competitive bidding process that has no affordability requirements.

(3) The term ''discount loan sale'' means the sale of a multifamily loan in a transaction, such as a negotiated sale, in which the sale price is lower than the loan market value and is set outside of a competitive bidding process that has no affordability requirements.

(4) The term ''loan market value'' means the value of a multifamily loan, without taking into account any affordability requirements.

(5) The term ''multifamily real property'' means any rental or cooperative housing project of 5 or more units owned by the Secretary that prior to acquisition by the Secretary was security for a loan or loans insured under title II of the National Housing Act.

(6) The term ''multifamily loan'' means a loan held by the Secretary and secured by a multifamily rental or cooperative housing project of 5 or more units that was formerly insured under title II of the National Housing Act.

(7) The term ''property market value'' means the value of a multifamily real property for its current use, without taking into account any affordability requirements.

(8) The term ''Secretary'' means the Secretary of Housing and Urban Development.

SEC. 2002. APPROPRIATED FUNDS REQUIREMENT FOR BELOW-MARKET SALES.

(a) DISCOUNT SALES.—Notwithstanding any other provision of law, except for affordability requirements for the elderly and disabled required by statute, disposition by the Secretary of a multifamily real property during fiscal years 2006 through 2010 through a discount sale under sections 207(l) or 246 of the National Housing Act (12 U.S.C. 1713(l), 1715z–11), section 203 of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z–11), or section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (12 U.S.C. 1715z–11a), shall be subject to the availability of appropriations to the extent that the property market value exceeds the sale proceeds. If the multifamily real property is sold, during such fiscal years, for an amount equal to or greater than the property market value then the transaction is not subject to the availability of appropriations.

(b) DISCOUNT LOAN SALES.—Notwithstanding any other provision of law and in accordance with the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.), a discount loan sale during fiscal years 2006 through 2010 under section 207(k) of the National Housing Act (12 U.S.C. 1713(k)), section 203(k) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z–11(k)), or section 204(a) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (12 U.S.C. 1715z–11a(a)), shall be subject to the availability of appropriations to the extent that the loan market value exceeds the sale proceeds. If the multifamily loan is sold, during such fiscal years, for an amount equal to or greater than the loan market value then the transaction is not subject to the availability of appropriations.

(c) APPLICABILITY.—This section shall not apply to any transaction that formally commences within one year prior to the enactment of this section.

SEC. 2003. UP-FRONT GRANTS.

(a) 1997 ACT.—Section 204(a) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (12 U.S.C. 1715z–11a(a)) is amended by adding at the end the following new sentence: ''A grant provided under this subsection during fiscal years 2006 through 2010 shall be available only to the extent that appropriations are made in advance for such purposes and shall not be derived from the General Insurance Fund.''.

(b) 1978 ACT.—Section 203(f)(4) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z–11(f)(4)) is amended by adding at the end the following new sentence: ''This paragraph shall be effective during fiscal years 2006 through 2010 only to the extent that such budget authority is made available for use under this paragraph in advance in appropriation acts.''.

(c) APPLICABILITY.—The amendments made by this section shall not apply to any transaction that formally commences within one year prior to the enactment of this section.

Subtitle B—Deposit Insurance

SEC. 2101. SHORT TITLE.

This subtitle may be cited as the ''Federal Deposit Insurance Reform Act of 2005''.

SEC. 2102. MERGING THE BIF AND SAIF.

(a) IN GENERAL.—

(1) MERGER.—The Bank Insurance Fund and the Savings Association Insurance Fund shall be merged into the Deposit Insurance Fund.

(2) DISPOSITION OF ASSETS AND LIABILITIES.—All assets and liabilities of the Bank Insurance Fund and the Savings Association Insurance Fund shall be transferred to the Deposit Insurance Fund.

(3) NO SEPARATE EXISTENCE.—The separate existence of the Bank Insurance Fund and the Savings Association Insurance Fund shall cease on the effective date of the merger thereof under this section.

(b) REPEAL OF OUTDATED MERGER PROVISION.—Section 2704 of the Deposit Insurance Funds Act of 1996 (12 U.S.C. 1821 note) is repealed.

(c) EFFECTIVE DATE.—This section shall take effect no later than the first day of the first calendar quarter that begins after the end of the 90-day period beginning on the date of the enactment of this Act.

SEC. 2103. INCREASE IN DEPOSIT INSURANCE COVERAGE.

(a) IN GENERAL.—Section 11(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(1)) is amended—

(1) by striking subparagraph (B) and inserting the following new subparagraph:

''(B) NET AMOUNT OF INSURED DEPOSIT.—The net amount due to any depositor at an insured depository institution shall not exceed the standard maximum deposit insurance amount as determined in accordance with subparagraphs (C), (D), (E) and (F) and paragraph (3).''; and

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

''(E) STANDARD MAXIMUM DEPOSIT INSURANCE AMOUNT DEFINED.—For purposes of this Act, the term 'standard maximum deposit insurance amount' means $100,000, adjusted as provided under subparagraph (F) after March 31, 2010.

''(F) INFLATION ADJUSTMENT.—

''(i) IN GENERAL.—By April 1 of 2010, and the 1st day of each subsequent 5-year period, the Board of Directors and the National Credit Union Administration Board shall jointly consider the factors set forth under clause (v), and, upon determining that an inflation adjustment is appropriate, shall jointly prescribe the amount by which the standard maximum deposit insurance amount and the standard maximum share insurance amount (as defined in section 207(k) of the Federal Credit Union Act) applicable to any depositor at an insured depository institution shall be increased by calculating the product of—

''(I) $100,000; and

''(II) the ratio of the published annual value of the Personal Consumption Expenditures Chain-Type Price Index (or any successor index thereto), published by the Department of Commerce, for the calendar year preceding the year in which the adjustment is calculated under this clause, to the published annual value of such index for the calendar year preceding the date this subparagraph takes effect under the Federal Deposit Insurance Reform Act of 2005.

The values used in the calculation under subclause (II) shall be, as of the date of the calculation, the values most recently published by the Department of Commerce.

''(ii) ROUNDING.—If the amount determined under clause (ii) for any period is not a multiple of $10,000, the amount so determined shall be rounded down to the nearest $10,000.

''(iii) PUBLICATION AND REPORT TO THE CONGRESS.—Not later than April 5 of any calendar year in which an adjustment is required to be calculated under clause (i) to the standard maximum deposit insurance amount and the standard maximum share insurance amount under such clause, the Board of Directors and the National Credit Union Administration Board shall—

''(I) publish in the Federal Register the standard maximum deposit insurance amount, the standard maximum share insurance amount, and the amount of coverage under paragraph (3)(A) and section 207(k)(3) of the Federal Credit Union Act, as so calculated; and

''(II) jointly submit a report to the Congress containing the amounts described in subclause (I).

''(iv) 6-MONTH IMPLEMENTATION PERIOD.—Unless an Act of Congress enacted before July 1 of the calendar year in which an adjustment is required to be calculated under clause (i) provides otherwise, the increase in the standard maximum deposit insurance amount and the standard maximum share insurance amount shall take effect on January 1 of the year immediately succeeding such calendar year.

''(v) INFLATION ADJUSTMENT CONSIDERATION.—In making any determination under clause (i) to increase the standard maximum deposit insurance amount and the standard maximum share insurance amount, the Board of Directors and the National Credit Union Administration Board shall jointly consider—

''(I) the overall state of the Deposit Insurance Fund and the economic conditions affecting insured depository institutions;

''(II) potential problems affecting insured depository institutions; or

''(III) whether the increase will cause the reserve ratio of the fund to fall below 1.15 percent of estimated insured deposits.''.

(b) COVERAGE FOR CERTAIN EMPLOYEE BENEFIT PLAN DEPOSITS.—Section 11(a)(1)(D) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(1)(D)) is amended to read as follows:

''(D) COVERAGE FOR CERTAIN EMPLOYEE BENEFIT PLAN DEPOSITS.—

''(i) PASS-THROUGH INSURANCE.—The Corporation shall provide pass-through deposit insurance for the deposits of any employee benefit plan.

''(ii) PROHIBITION ON ACCEPTANCE OF BENEFIT PLAN DEPOSITS.—An insured depository institution that is not well capitalized or adequately capitalized may not accept employee benefit plan deposits.

''(iii) DEFINITIONS.—For purposes of this subparagraph, the following definitions shall apply:

''(I) CAPITAL STANDARDS.—The terms 'well capitalized' and 'adequately capitalized' have the same meanings as in section 38.

''(II) EMPLOYEE BENEFIT PLAN.—The term 'employee benefit plan' has the same meaning as in paragraph (5)(B)(ii), and includes any eligible deferred compensation plan described in section 457 of the Internal Revenue Code of 1986.

''(III) PASS-THROUGH DEPOSIT INSURANCE.—The term 'pass-through deposit insurance' means, with respect to an employee benefit plan, deposit insurance coverage based on the interest of each participant, in accordance with regulations issued by the Corporation.''.

(c) INCREASED AMOUNT OF DEPOSIT INSURANCE FOR CERTAIN RETIREMENT ACCOUNTS.—Section 11(a)(3)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(3)(A)) is amended by striking ''$100,000'' and inserting ''$250,000 (which amount shall be subject to inflation adjustments as provided in paragraph (1)(F), except that $250,000 shall be substituted for $100,000 wherever such term appears in such paragraph)''.

(d) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date the final regulations required under section 9(a)(2) take effect.

SEC. 2104. SETTING ASSESSMENTS AND REPEAL OF SPECIAL RULES RELATING TO MINIMUM ASSESSMENTS AND FREE DEPOSIT INSURANCE.

(a) SETTING ASSESSMENTS.—Section 7(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)) is amended—

(1) by striking subparagraphs (A) and (B) and inserting the following new subparagraphs:

''(A) IN GENERAL.—The Board of Directors shall set assessments for insured depository institutions in such amounts as the Board of Directors may determine to be necessary or appropriate, subject to subparagraph (D).

''(B) FACTORS TO BE CONSIDERED.—In setting assessments under subparagraph (A), the Board of Directors shall consider the following factors:

''(i) The estimated operating expenses of the Deposit Insurance Fund.

''(ii) The estimated case resolution expenses and income of the Deposit Insurance Fund.

''(iii) The projected effects of the payment of assessments on the capital and earnings of insured depository institutions.

''(iv) The risk factors and other factors taken into account pursuant to paragraph (1) under the risk-based assessment system, including the requirement under such paragraph to maintain a risk-based system.

''(v) Any other factors the Board of Directors may determine to be appropriate.''; and

(2) by inserting after subparagraph (C) the following new subparagraph:

''(D) NO DISCRIMINATION BASED ON SIZE.—No insured depository institution shall be barred from the lowest-risk category solely because of size.''.

(b) ASSESSMENT RECORDKEEPING PERIOD SHORTENED.—Paragraph (5) of section 7(b) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)) is amended to read as follows:

''(5) DEPOSITORY INSTITUTION REQUIRED TO MAINTAIN ASSESSMENT-RELATED RECORDS.—Each insured depository institution shall maintain all records that the Corporation may require for verifying the correctness of any assessment on the insured depository institution under this subsection until the later of—

''(A) the end of the 3-year period beginning on the due date of the assessment; or

''(B) in the case of a dispute between the insured depository institution and the Corporation with respect to such assessment, the date of a final determination of any such dispute.''.

(c) INCREASE IN FEES FOR LATE ASSESSMENT PAYMENTS.—Subsection (h) of section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828(h)) is amended to read as follows:

''(h) PENALTY FOR FAILURE TO TIMELY PAY ASSESSMENTS.—

''(1) IN GENERAL.—Subject to paragraph (3), any insured depository institution which fails or refuses to pay any assessment shall be subject to a penalty in an amount of not more than 1 percent of the amount of the assessment due for each day that such violation continues.

''(2) EXCEPTION IN CASE OF DISPUTE.—Paragraph (1) shall not apply if—

''(A) the failure to pay an assessment is due to a dispute between the insured depository institution and the Corporation over the amount of such assessment; and

''(B) the insured depository institution deposits security satisfactory to the Corporation for payment upon final determination of the issue.

''(3) SPECIAL RULE FOR SMALL ASSESSMENT AMOUNTS.—If the amount of the assessment which an insured depository institution fails or refuses to pay is less than $10,000 at the time of such failure or refusal, the amount of any penalty to which such institution is subject under paragraph (1) shall not exceed $100 for each day that such violation continues.

''(4) AUTHORITY TO MODIFY OR REMIT PENALTY.—The Corporation, in the sole discretion of the Corporation, may compromise, modify or remit any penalty which the Corporation may assess or has already assessed under paragraph (1) upon a finding that good cause prevented the timely payment of an assessment.''.

(d) STATUTE OF LIMITATIONS FOR ASSESSMENT ACTIONS.—Subsection (g) of section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817(g)) is amended to read as follows:

''(g) ASSESSMENT ACTIONS.—

''(1) IN GENERAL.—The Corporation, in any court of competent jurisdiction, shall be entitled to recover from any insured depository institution the amount of any unpaid assessment lawfully payable by such insured depository institution.

''(2) STATUTE OF LIMITATIONS.—The following provisions shall apply to actions relating to assessments, notwithstanding any other provision in Federal law, or the law of any State:

''(A) Any action by an insured depository institution to recover from the Corporation the overpaid amount of any assessment shall be brought within 3 years after the date the assessment payment was due, subject to the exception in subparagraph (E).

''(B) Any action by the Corporation to recover from an insured depository institution the underpaid amount of any assessment shall be brought within 3 years after the date the assessment payment was due, subject to the exceptions in subparagraphs (C) and (E).

''(C) If an insured depository institution has made a false or fraudulent statement with intent to evade any or all of its assessment, the Corporation shall have until 3 years after the date of discovery of the false or fraudulent statement in which to bring an action to recover the underpaid amount.

''(D) Except as provided in subparagraph (C), assessment deposit information contained in records no longer required to be maintained pursuant to subsection (b)(4) shall be considered conclusive and not subject to change.

''(E) Any action for the underpaid or overpaid amount of any assessment that became due before the amendment to this subsection under the Federal Deposit Insurance Reform Act of 2005 took effect shall be subject to the statute of limitations for assessments in effect at the time the assessment became due.''.

(e) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date that the final regulations required under section 9(a)(5) take effect.

SEC. 2105. REPLACEMENT OF FIXED DESIGNATED RESERVE RATIO WITH RESERVE RANGE.

(a) IN GENERAL.—Section 7(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(3)) is amended to read as follows:

''(3) DESIGNATED RESERVE RATIO.—

''(A) ESTABLISHMENT.—

''(i) IN GENERAL.—Before the beginning of each calendar year, the Board of Directors shall designate the reserve ratio applicable with respect to the Deposit Insurance Fund and publish the reserve ratio so designated.

''(ii) RULEMAKING REQUIREMENT.—Any change to the designated reserve ratio shall be made by the Board of Directors by regulation after notice and opportunity for comment.

''(B) RANGE.—The reserve ratio designated by the Board of Directors for any year—

''(i) may not exceed 1.5 percent of estimated insured deposits; and

''(ii) may not be less than 1.15 percent of estimated insured deposits.

''(C) FACTORS.—In designating a reserve ratio for any year, the Board of Directors shall—

''(i) take into account the risk of losses to the Deposit Insurance Fund in such year and future years, including historic experience and potential and estimated losses from insured depository institutions;

''(ii) take into account economic conditions generally affecting insured depository institutions so as to allow the designated reserve ratio to increase during more favorable economic conditions and to decrease during less favorable economic conditions, notwithstanding the increased risks of loss that may exist during such less favorable conditions, as determined to be appropriate by the Board of Directors;

''(iii) seek to prevent sharp swings in the assessment rates for insured depository institutions; and

''(iv) take into account such other factors as the Board of Directors may determine to be appropriate, consistent with the requirements of this subparagraph.

''(D) PUBLICATION OF PROPOSED CHANGE IN RATIO.—In soliciting comment on any proposed change in the designated reserve ratio in accordance with subparagraph (A), the Board of Directors shall include in the published proposal a thorough analysis of the data and projections on which the proposal is based.''.

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date that the final regulations required under section 9(a)(1) take effect.

SEC. 2106. REQUIREMENTS APPLICABLE TO THE RISK-BASED ASSESSMENT SYSTEM.

Section 7(b)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(1)) is amended by adding at the end the following new subparagraphs:

''(E) INFORMATION CONCERNING RISK OF LOSS AND ECONOMIC CONDITIONS.—

''(i) SOURCES OF INFORMATION.—For purposes of determining risk of losses at insured depository institutions and economic conditions generally affecting depository institutions, the Corporation shall collect information, as appropriate, from all sources the Board of Directors considers appropriate, such as reports of condition, inspection reports, and other information from all Federal banking agencies, any information available from State bank supervisors, State insurance and securities regulators, the Securities and Exchange Commission (including information described in section 35), the Secretary of the Treasury, the Commodity Futures Trading Commission, the Farm Credit Administration, the Federal Trade Commission, any Federal reserve bank or Federal home loan bank, and other regulators of financial institutions, and any information available from credit rating entities, and other private economic or business analysts.

''(ii) CONSULTATION WITH FEDERAL BANKING AGENCIES.—

''(I) IN GENERAL.—Except as provided in subclause (II), in assessing the risk of loss to the Deposit Insurance Fund with respect to any insured depository institution, the Corporation shall consult with the appropriate Federal banking agency of such institution.

''(II) TREATMENT ON AGGREGATE BASIS.—In the case of insured depository institutions that are well capitalized (as defined in section 38) and, in the most recent examination, were found to be well managed, the consultation under subclause (I) concerning the assessment of the risk of loss posed by such institutions may be made on an aggregate basis.

''(iii) RULE OF CONSTRUCTION.—No provision of this paragraph shall be construed as providing any new authority for the Corporation to require submission of information by insured depository institutions to the Corporation.

''(F) MODIFICATIONS TO THE RISK-BASED ASSESSMENT SYSTEM ALLOWED ONLY AFTER NOTICE AND COMMENT.—In revising or modifying the risk-based assessment system at any time after the date of the enactment of the Federal Deposit Insurance Reform Act of 2005, the Board of Directors may implement such revisions or modification in final form only after notice and opportunity for comment.''.

SEC. 2107. REFUNDS, DIVIDENDS, AND CREDITS FROM DEPOSIT INSURANCE FUND.

(a) IN GENERAL.—Subsection (e) of section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817(e)) is amended to read as follows:

''(e) REFUNDS, DIVIDENDS, AND CREDITS.—

''(1) REFUNDS OF OVERPAYMENTS.—In the case of any payment of an assessment by an insured depository institution in excess of the amount due to the Corporation, the Corporation may—

''(A) refund the amount of the excess payment to the insured depository institution; or

''(B) credit such excess amount toward the payment of subsequent assessments until such credit is exhausted.

''(2) DIVIDENDS FROM EXCESS AMOUNTS IN DEPOSIT INSURANCE FUND.—

''(A) RESERVE RATIO IN EXCESS OF 1.5 PERCENT OF ESTIMATED INSURED DEPOSITS.—If, at the end of a calendar year, the reserve ratio of the Deposit Insurance Fund exceeds 1.5 percent of estimated insured deposits, the Corporation shall

declare the amount in the Fund in excess of the amount required to maintain the reserve ratio at 1.5 percent of estimated insured deposits, as dividends to be paid to insured depository institutions.

''(B) RESERVE RATIO EQUAL TO OR IN EXCESS OF 1.35 PERCENT OF ESTIMATED INSURED DEPOSITS AND NOT MORE THAN 1.5 PERCENT.—If, at the end of a calendar year, the reserve ratio of the Deposit Insurance Fund equals or exceeds 1.35 percent of estimated insured deposits and is not more than 1.5 percent of such deposits, the Corporation shall declare the amount in the Fund that is equal to 50 percent of the amount in excess of the amount required to maintain the reserve ratio at 1.35 percent of the estimated insured deposits as dividends to be paid to insured depository institutions.

''(C) BASIS FOR DISTRIBUTION OF DIVIDENDS.—

''(i) IN GENERAL.—Solely for the purposes of dividend distribution under this paragraph, the Corporation shall determine each insured depository institution's relative contribution to the Deposit Insurance Fund (or any predecessor deposit insurance fund) for calculating such institution's share of any dividend declared under this paragraph, taking into account the factors described in clause (ii).

''(ii) FACTORS FOR DISTRIBUTION.—In implementing this paragraph in accordance with regulations, the Corporation shall take into account the following factors:

''(I) The ratio of the assessment base of an insured depository institution (including any predecessor) on December 31, 1996, to the assessment base of all eligible insured depository institutions on that date.

''(II) The total amount of assessments paid on or after January 1, 1997, by an insured depository institution (including any predecessor) to the Deposit Insurance Fund (and any predecessor deposit insurance fund).

''(III) That portion of assessments paid by an insured depository institution (including any predecessor) that reflects higher levels of risk assumed by such institution.

''(IV) Such other factors as the Corporation may determine to be appropriate.

''(D) NOTICE AND OPPORTUNITY FOR COMMENT.—The Corporation shall prescribe by regulation, after notice and opportunity for comment, the method for the calculation, declaration, and payment of dividends under this paragraph.

''(E) LIMITATION.—The Board of Directors may suspend or limit dividends paid under subparagraph (B), if the Board determines in writing that—

''(i) a significant risk of losses to the Deposit Insurance Fund exists over the next 1-year period; and

''(ii) it is likely that such losses will be sufficiently high as to justify a finding by the Board that the reserve ratio should temporarily be allowed—

''(I) to grow without requiring dividends under subparagraph (B); or

''(II) to exceed the maximum amount established under subsection (b)(3)(B)(i).

''(F) CONSIDERATIONS.—In making a determination under subparagraph (E), the Board shall consider—

''(i) national and regional conditions and their impact on insured depository institutions;

''(ii) potential problems affecting insured depository institutions or a specific group or type of depository institution;

''(iii) the degree to which the contingent liability of the Corporation for anticipated failures of insured institutions adequately addresses concerns over funding levels in the Deposit Insurance Fund; and

''(iv) any other factors that the Board determines are appropriate.

''(G) REVIEW OF DETERMINATION.—

''(i) ANNUAL REVIEW.—A determination to suspend or limit dividends under subparagraph (E) shall be reviewed by the Board of Directors annually.

''(ii) ACTION BY BOARD.—Based on each annual review under clause (i), the Board of Directors shall either renew or remove a determination to suspend or limit dividends under subparagraph (E), or shall make a new determination in accordance with this paragraph. Unless justified under the terms of the renewal or new determination, the Corporation shall be required to provide cash dividends under subparagraph (A) or (B), as appropriate.

''(3) ONE-TIME CREDIT BASED ON TOTAL ASSESSMENT BASE AT YEAR-END 1996.—

''(A) IN GENERAL.—Before the end of the 270-day period beginning on the date of the enactment of the Federal Deposit Insurance Reform Act of 2005, the Board of Directors shall, by regulation after notice and opportunity for comment, provide for a credit to each eligible insured depository institution (or a successor insured depository institution), based on the assessment base of the institution on December 31, 1996, as compared to the combined aggregate assessment base of all eligible insured depository institutions, taking into account such factors as the Board of Directors may determine to be appropriate.

''(B) CREDIT LIMIT.—The aggregate amount of credits available under subparagraph (A) to all eligible insured depository institutions shall equal the amount that the Corporation could collect if the Corporation imposed an assessment of 10.5 basis points on the combined assessment base of the Bank Insurance Fund and the Savings Association Insurance Fund as of December 31, 2001.

''(C) ELIGIBLE INSURED DEPOSITORY INSTITUTION DEFINED.—For purposes of this paragraph, the term 'eligible insured depository institution' means any insured depository institution that—

''(i) was in existence on December 31, 1996, and paid a deposit insurance assessment prior to that date; or

''(ii) is a successor to any insured depository institution described in clause (i).

''(D) APPLICATION OF CREDITS.—

''(i) IN GENERAL.—Subject to clause (ii), the amount of a credit to any eligible insured depository institution under this paragraph shall be applied by the Corporation, subject to subsection (b)(3)(E), to the assessments imposed on such institution under subsection (b) that become due for assessment periods beginning after the effective date of regulations prescribed under subparagraph (A).

''(ii) TEMPORARY RESTRICTION ON USE OF CREDITS.—The amount of a credit to any eligible insured depository institution under this paragraph may not be applied to more than 90 percent of the assessments imposed on such institution under subsection (b) that become due for assessment periods beginning in fiscal years 2008, 2009, and 2010.

''(iii) REGULATIONS.—The regulations prescribed under subparagraph (A) shall establish the qualifications and procedures governing the application of assessment credits pursuant to clause (i).

''(E) LIMITATION ON AMOUNT OF CREDIT FOR CERTAIN DEPOSITORY INSTITUTIONS.—In the case of an insured depository institution that exhibits financial, operational, or compliance weaknesses ranging from moderately severe to unsatisfactory, or is not adequately capitalized (as defined in section 38) at the beginning of an assessment period, the amount of any credit allowed under this paragraph against the assessment on that depository institution for such period may not exceed the amount calculated by applying to that depository institution the average assessment rate on all insured depository institutions for such assessment period.

''(F) SUCCESSOR DEFINED.—The Corporation shall define the term 'successor' for purposes of this paragraph, by regulation, and may consider any factors as the Board may deem appropriate.

''(4) ADMINISTRATIVE REVIEW.—

''(A) IN GENERAL.—The regulations prescribed under paragraphs (2)(D) and (3) shall include provisions allowing an insured depository institution a reasonable opportunity to challenge administratively the amount of the credit or dividend determined under paragraph (2) or (3) for such institution.

''(B) ADMINISTRATIVE REVIEW.—Any review under subparagraph (A) of any determination of the Corporation under paragraph (2) or (3) shall be final and not subject to judicial review.''.

(b) DEFINITION OF RESERVE RATIO.—Section 3(y) of the Federal Deposit Insurance Act (12 U.S.C. 1813(y)) (as amended by section 2105(b) of this subtitle) is amended by adding at the end the following new paragraph:

''(3) RESERVE RATIO.—The term 'reserve ratio', when used with regard to the Deposit Insurance Fund other than in connection with a reference to the designated reserve ratio, means the ratio of the net worth of the Deposit Insurance Fund to the value of the aggregate estimated insured deposits.''.

SEC. 2108. DEPOSIT INSURANCE FUND RESTORATION PLANS.

Section 7(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(3)) (as amended by section 2105(a) of this subtitle) is amended by adding at the end the following new subparagraph:

''(E) DIF RESTORATION PLANS.—

''(i) IN GENERAL.—Whenever—

''(I) the Corporation projects that the reserve ratio of the Deposit Insurance Fund will, within 6 months of such determination, fall below the minimum amount specified in subparagraph (B)(ii) for the designated reserve ratio; or

''(II) the reserve ratio of the Deposit Insurance Fund actually falls below the minimum amount specified in subparagraph (B)(ii) for the designated reserve ratio without any determination under subclause (I) having been made,

the Corporation shall establish and implement a Deposit Insurance Fund restoration plan within 90 days that meets the requirements of clause (ii) and such other conditions as the Corporation determines to be appropriate.

''(ii) REQUIREMENTS OF RESTORATION PLAN.—A Deposit Insurance Fund restoration plan meets the requirements of this clause if the plan provides that the reserve ratio of the Fund will meet or exceed the minimum amount specified in subparagraph (B)(ii) for the designated reserve ratio before the end of the 5-year period beginning upon the implementation of the plan (or such longer period as the Corporation may determine to be necessary due to extraordinary circumstances).

''(iii) RESTRICTION ON ASSESSMENT CREDITS.—As part of any restoration plan under this subparagraph, the Corporation may elect to restrict the application of assessment credits provided under subsection (e)(3) for any period that the plan is in effect.

''(iv) LIMITATION ON RESTRICTION.—Notwithstanding clause (iii), while any restoration plan under this subparagraph is in effect, the Corporation shall apply credits provided to an insured depository institution under subsection (e)(3) against any assessment imposed on the institution for any assessment period in an amount equal to the lesser of—

''(I) the amount of the assessment; or

''(II) the amount equal to 3 basis points of the institution's assessment base.

''(v) TRANSPARENCY.—Not more than 30 days after the Corporation establishes and implements a restoration plan under clause (i), the Corporation shall publish in the Federal Register a detailed analysis of the factors considered and the basis for the actions taken with regard to the plan.''.

SEC. 2109. REGULATIONS REQUIRED.

(a) IN GENERAL.—Not later than 270 days after the date of the enactment of this Act, the Board of Directors of the Federal Deposit Insurance Corporation shall prescribe final regulations, after notice and opportunity for comment—

(1) designating the reserve ratio for the Deposit Insurance Fund in accordance with section 7(b)(3) of the Federal Deposit Insurance Act (as amended by section 2105 of this subtitle);

(2) implementing increases in deposit insurance coverage in accordance with the amendments made by section 2103 of this subtitle;

(3) implementing the dividend requirement under section 7(e)(2) of the Federal Deposit Insurance Act (as amended by section 2107 of this subtitle);

(4) implementing the 1-time assessment credit to certain insured depository institutions in accordance with section 7(e)(3) of the Federal Deposit Insurance Act, as amended by section 2107 of this subtitle, including the qualifications and procedures under which the Corporation would apply assessment credits; and

(5) providing for assessments under section 7(b) of the Federal Deposit Insurance Act, as amended by this subtitle.

(b) TRANSITION PROVISIONS.—

(1) CONTINUATION OF EXISTING ASSESSMENT REGULATIONS.—No provision of this subtitle or any amendment made by this subtitle shall be construed as affecting the authority of the Corporation to set or collect deposit insurance assessments pursuant to any regulations in effect before the effective date of the final regulations prescribed under subsection (a).

(2) TREATMENT OF DIF MEMBERS UNDER EXISTING REGULATIONS.—As of the date of the merger of the Bank Insurance Fund and the Savings Association Insurance Fund pursuant to section 2102, the assessment regulations in effect immediately before the date of the enactment of this Act shall continue to apply to all members of the Deposit Insurance Fund, until such regulations are modified by the Corporation, notwithstanding that such regulations may refer to ''Bank Insurance Fund members'' or ''Savings Association Insurance Fund members''.

TITLE III—DIGITAL TELEVISION TRANSITION AND PUBLIC SAFETY

SEC. 3001. SHORT TITLE; DEFINITION.

(a) SHORT TITLE.—This title may be cited as the ''Digital Television Transition and Public Safety Act of 2005''.

(b) DEFINITION.—As used in this Act, the term ''Assistant Secretary'' means the Assistant Secretary for Communications and Information of the Department of Commerce.

SEC. 3002. ANALOG SPECTRUM RECOVERY: FIRM DEADLINE.

(a) AMENDMENTS.—Section 309(j)(14) of the Communications Act of 1934 (47 U.S.C. 309(j)(14)) is amended—

(1) in subparagraph (A)—

(A) by inserting ''full-power'' before ''television broadcast license''; and

(B) by striking ''December 31, 2006'' and inserting ''February 17, 2009'';

(2) by striking subparagraph (B);

(3) in subparagraph (C)(i)(I), by striking ''or (B)'';

(4) in subparagraph (D), by striking ''subparagraph (C)(i)'' and inserting ''subparagraph (B)(i)''; and

(5) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

(b) TERMINATIONS OF ANALOG LICENSES AND BROADCASTING.—The Federal Communications Commission shall take such actions as are necessary—

(1) to terminate all licenses for full-power television stations in the analog television service, and to require the cessation of broadcasting by full-power stations in the analog television service, by February 18, 2009; and

(2) to require by February 18, 2009, that all broadcasting by Class A stations, whether in the analog television service or digital television service, and all broadcasting by full-power stations in the digital television service, occur only on channels between channels 2 and 36, inclusive, or 38 and 51, inclusive (between frequencies 54 and 698 megahertz, inclusive).

(c) CONFORMING AMENDMENTS.—

(1) Section 337(e) of the Communications Act of 1934 (47 U.S.C. 337(e)) is amended—

(A) in paragraph (1)—

(i) by striking ''CHANNELS 60 TO 69'' and inserting ''CHANNELS 52 TO 69'';

(ii) by striking ''person who'' and inserting ''full-power television station licensee that'';

(iii) by striking ''746 and 806 megahertz'' and inserting ''698 and 806 megahertz''; and

(iv) by striking ''the date on which the digital television service transition period terminates, as determined by the Commission'' and inserting ''February 17, 2009''; and

(B) in paragraph (2), by striking ''746 megahertz'' and inserting ''698 megahertz''.

SEC. 3003. AUCTION OF RECOVERED SPECTRUM.

(a) DEADLINE FOR AUCTION.—Section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)) is amended—

(1) by redesignating the second paragraph (15) of such section (as added by section 203(b) of the Commercial Spectrum Enhancement Act (Pub. L. 108–494; 118 Stat. 3993)), as paragraph (16) of such section; and

(2) in the first paragraph (15) of such section (as added by section 3(a) of the Auction Reform Act of 2002 (Pub. L. 107–195; 116 Stat. 716)), by adding at the end of subparagraph (C) the following new clauses:

''(v) ADDITIONAL DEADLINES FOR RECOVERED ANALOG SPECTRUM.—Notwithstanding subparagraph (B), the Commission shall conduct the auction of the licenses for recovered analog spectrum by commencing the bidding not later than January 28, 2008, and shall deposit the proceeds of such auction in accordance with paragraph (8)(E)(ii) not later than June 30, 2008.

''(vi) RECOVERED ANALOG SPECTRUM.—For purposes of clause (v), the term 'recovered analog spectrum' means the spectrum between channels 52 and 69, inclusive (between frequencies 698 and 806 megahertz, inclusive) reclaimed from analog television service broadcasting under paragraph (14), other than—

''(I) the spectrum required by section 337 to be made available for public safety services; and

''(II) the spectrum auctioned prior to the date of enactment of the Digital Television Transition and Public Safety Act of 2005.''.

(b) EXTENSION OF AUCTION AUTHORITY.—Section 309(j)(11) of such Act (47 U.S.C. 309(j)(11)) is amended by striking ''2007'' and inserting ''2011''.

SEC. 3004. RESERVATION OF AUCTION PROCEEDS.

Section 309(j)(8) of the Communications Act of 1934 (47 U.S.C. 309(j)(8)) is amended—

(1) in subparagraph (A), by striking ''subparagraph (B) or subparagraph (D)'' and inserting ''subparagraphs (B), (D), and (E)'';

(2) in subparagraph (C)(i), by inserting before the semicolon at the end the following: '', except as otherwise provided in subparagraph (E)(ii)''; and

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

''(E) TRANSFER OF RECEIPTS.—

''(i) ESTABLISHMENT OF FUND.—There is established in the Treasury of the United States a fund to be known as the Digital Television Transition and Public Safety Fund.

''(ii) PROCEEDS FOR FUNDS.—Notwithstanding subparagraph (A), the proceeds (including deposits and upfront payments from successful bidders) from the use of a competitive bidding system under this subsection with respect to recovered analog spectrum shall be deposited in the Digital Television Transition and Public Safety Fund.

''(iii) TRANSFER OF AMOUNT TO TREASURY.—On September 30, 2009, the Secretary shall transfer $7,363,000,000 from the Digital Television Transition and Public Safety Fund to the general fund of the Treasury.

''(iv) RECOVERED ANALOG SPECTRUM.—For purposes of clause (i), the term 'recovered analog spectrum' has the meaning provided in paragraph (15)(C)(vi).''.

SEC. 3005. DIGITAL-TO-ANALOG CONVERTER BOX PROGRAM.

(a) CREATION OF PROGRAM.—The Assistant Secretary shall—

(1) implement and administer a program through which households in the United States may obtain coupons that can be applied toward the purchase of digital-to-analog converter boxes; and

(2) make payments of not to exceed $990,000,000, in the aggregate, through fiscal year 2009 to carry out that program from the Digital Television Transition and Public Safety Fund established under section 309(j)(8)(E) of the Communications Act of 1934 (47 U.S.C. 309(j)(8)(E)).

(b) CREDIT.—The Assistant Secretary may borrow from the Treasury beginning on October 1, 2006 such sums as may be necessary, but not to exceed $1,500,000,000, to implement this section. The Assistant Secretary shall reimburse the Treasury, without interest, as funds are deposited into the Digital Television Transition and Public Safety Fund.

(c) PROGRAM SPECIFICATIONS.—

(1) LIMITATIONS.—

(A) TWO-PER-HOUSEHOLD MAXIMUM.—A household may obtain coupons by making a request as required by the regulations under this section between January 1, 2008, and March 31, 2009, inclusive. The Assistant Secretary shall ensure that each requesting household receives, via the United States Postal Service, no more than two coupons.

(B) NO COMBINATIONS OF COUPONS.—Two coupons may not be used in combination toward the purchase of a single digital-to-analog converter box.

(C) DURATION.—All coupons shall expire 3 months after issuance.

(2) DISTRIBUTION OF COUPONS.—The Assistant Secretary shall expend not more than $100,000,000 on administrative expenses and shall ensure that the sum of—

(A) all administrative expenses for the program, including not more than $5,000,000 for consumer education concerning the digital television transition and the availability of the digital-to-analog converter box program; and

(B) the total maximum value of all the coupons redeemed, and issued but not expired, does not exceed $990,000,000.

(3) USE OF ADDITIONAL AMOUNT.—If the Assistant Secretary transmits to the Committee on Energy and Commerce of the House of Representatives and Committee on Commerce, Science, and Transportation of the Senate a statement certifying that the sum permitted to be expended under paragraph (2) will be insufficient to fulfill the requests for coupons from eligible households—

(A) paragraph (2) shall be applied—

(i) by substituting ''$160,000,000'' for ''$100,000,000''; and

(ii) by substituting ''$1,500,000,000'' for ''$990,000,000'';

(B) subsection (a)(2) shall be applied by substituting ''$1,500,000,000'' for ''$990,000,000''; and

(C) the additional amount permitted to be expended shall be available 60 days after the Assistant Secretary sends such statement.

(4) COUPON VALUE.—The value of each coupon shall be $40.

(d) DEFINITION OF DIGITAL-TO-ANALOG CONVERTER BOX.—For purposes of this section, the term ''digital-to-analog converter box'' means a stand-alone device that does not contain features or functions except those necessary to enable a consumer to convert any channel broadcast in the digital television service into a format that the consumer can display on television receivers designed to receive and display signals only in the analog television service, but may also include a remote control device.

SEC. 3006. PUBLIC SAFETY INTEROPERABLE COMMUNICATIONS.

(a) CREATION OF PROGRAM.—The Assistant Secretary, in consultation with the Secretary of the Department of Homeland Security—

(1) may take such administrative action as is necessary to establish and implement a grant program to assist public safety agencies in the acquisition of, deployment of, or training for the use of interoperable communications systems that utilize, or enable interoperability with communications systems that can utilize, reallocated public safety spectrum for radio communication; and

(2) shall make payments of not to exceed $1,000,000,000, in the aggregate, through fiscal year 2010 to carry out that program from the Digital Television Transition and Public Safety Fund established under section 309(j)(8)(E) of the Communications Act of 1934 (47 U.S.C. 309(j)(8)(E)).

(b) CREDIT.—The Assistant Secretary may borrow from the Treasury beginning on October 1, 2006 such sums as may be necessary, but not to exceed $1,000,000,000, to implement this section. The Assistant Secretary shall reimburse the Treasury, without interest, as funds are deposited into the Digital Television Transition and Public Safety Fund.

(c) CONDITION OF GRANTS.—In order to obtain a grant under the grant program, a public safety agency shall agree to provide, from non-Federal sources, not less than 20 percent of the costs of acquiring and deploying the interoperable communications systems funded under the grant program.

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

(1) PUBLIC SAFETY AGENCY.—The term ''public safety agency'' means any State, local, or tribal government entity, or nongovernmental organization authorized by such entity, whose sole or principal purpose is to protect the safety of life, health, or property.

(2) INTEROPERABLE COMMUNICATIONS SYSTEMS.—The term ''interoperable communications systems'' means communications systems which enable public safety agencies to share information amongst local, State, Federal, and tribal public safety agencies in the same area via voice or data signals.

(3) REALLOCATED PUBLIC SAFETY SPECTRUM.—The term ''reallocated public safety spectrum'' means the bands of spectrum located at 764–776 megahertz and 794–806 megahertz, inclusive.

SEC. 3007. NYC 9/11 DIGITAL TRANSITION.

(a) FUNDS AVAILABLE.—From the Digital Television Transition and Public Safety Fund established under section 309(j)(8)(E) of the Communications Act of 1934 (47 U.S.C. 309(j)(8)(E)) the Assistant Secretary shall make payments of not to exceed $30,000,000, in the aggregate, which shall be available to carry out this section for fiscal years 2007 through 2008. The Assistant Secretary may borrow from the Treasury beginning October 1, 2006 such sums as may be necessary not to exceed $30,000,000 to implement and administer the program in accordance with this section. The Assistant Secretary shall reimburse the Treasury, without interest, as funds are deposited into the Digital Television Transition and Public Safety Fund.

(b) USE OF FUNDS.—The sums available under subsection (a) shall be made available by the Assistant Secretary by grant to be used to reimburse the Metropolitan Television Alliance for costs incurred in the design and deployment of a temporary digital television broadcast system to ensure that, until a permanent facility atop the Freedom Tower is constructed, the members of the Metropolitan Television Alliance can provide the New York City area with an adequate digital television signal as determined by the Federal Communications Commission.

(c) DEFINITIONS.—For purposes of this section:

(1) METROPOLITAN TELEVISION ALLIANCE.—The term ''Metropolitan Television Alliance'' means the organization formed by New York City television broadcast station licensees to locate new shared facilities as a result of the attacks on September 11, 2001 and the loss of use of shared facilities that housed broadcast equipment.

(2) NEW YORK CITY AREA.—The term ''New York City area'' means the five counties comprising New York City and counties of northern New Jersey in immediate proximity to New York City (Bergen, Essex, Union, and Hudson Counties) .

SEC. 3008. LOW-POWER TELEVISION AND TRANSLATOR DIGITAL-TO-ANALOG CONVERSION.

(a) CREATION OF PROGRAM.—The Assistant Secretary shall make payments of not to exceed $10,000,000, in the aggregate, during the fiscal year 2008 and 2009 period from the Digital Television Transition and Public Safety Fund established under section 309(j)(8)(E) of the Communications Act of 1934 (47 U.S.C. 309(j)(8)(E)) to implement and administer a program through which each eligible low-power television station may receive compensation toward the cost of the purchase of a digital-to-analog conversion device that enables it to convert the incoming digital signal of its corresponding full-power television station to analog format for transmission on the low-power television station's analog channel. An eligible low-power television station may receive such compensation only if it submits a request for such compensation on or before February 17, 2009. Priority compensation shall be given to eligible low-power television stations in which the license is held by a nonprofit corporation and eligible low-power television stations that serve rural areas of fewer than 10,000 viewers.

(b) CREDIT.—The Assistant Secretary may borrow from the Treasury beginning October 1, 2006 such sums as may be necessary, but not to exceed $10,000,000, to implement this section. The Assistant Secretary shall reimburse the Treasury, without interest, as funds are deposited into the Digital Television Transition and Public Safety Fund.

(c) ELIGIBLE STATIONS.—For purposes of this section, the term ''eligible low-power television station'' means a low-power television broadcast station, Class A television station, television translator station, or television booster station—

(1) that is itself broadcasting exclusively in analog format; and

(2) that has not purchased a digital-to-analog conversion device prior to the date of enactment of the Digital Television Transition and Public Safety Act of 2005.

SEC. 3009. LOW-POWER TELEVISION AND TRANSLATOR UPGRADE PROGRAM.

(a) ESTABLISHMENT.—The Assistant Secretary shall make payments of not to exceed $65,000,000, in the aggregate, during fiscal year 2009 the Digital Television Transition and Public Safety Fund established under section 309(j)(8)(E) of the Communications Act of 1934 (47 U.S.C. 309(j)(8)(E)) to implement and administer a program through which each licensee of an eligible low-power television station may receive reimbursement for equipment to upgrade low-power television stations from analog to digital in eligible rural communities, as that term is defined in section 610(b)(2) of the Rural Electrification Act of 1937 (7 U.S.C. 950bb(b)(2)). Such reimbursements shall be issued to eligible stations no earlier than October 1, 2010. Priority reimbursements shall be given to eligible low-power television stations in which the license is held by a non-profit corporation and eligible low-power television stations that serve rural areas of fewer than 10,000 viewers.

(b) ELIGIBLE STATIONS.—For purposes of this section, the term ''eligible low-power television station'' means a low-power television broadcast station, Class A television station, television translator station, or television booster station—

(1) that is itself broadcasting exclusively in analog format; and

(2) that has not converted from analog to digital operations prior to the date of enactment of the Digital Television Transition and Public Safety Act of 2005.

SEC. 3010. NATIONAL ALERT AND TSUNAMI WARNING PROGRAM.

The Assistant Secretary shall make payments of not to exceed $156,000,000, in the aggregate, during the fiscal year 2007 through 2012 period from the Digital Television Transition and Public Safety Fund established under section 309(j)(8)(E) of the Communications Act of 1934 (47 U.S.C. 309(j)(8)(E)) to implement a unified national alert system capable of alerting the public, on a national, regional, or local basis to emergency situations by using a variety of communications technologies. The Assistant Secretary shall use $50,000,000 of such amounts to implement a tsunami warning and coastal vulnerability program.

SEC. 3011. ENHANCE 911.

The Assistant Secretary shall make payments of not to exceed $43,500,000, in the aggregate, from the Digital Television Transition and Public Safety Fund established under section 309(j)(8)(E) of the Communications Act of 1934 (47 U.S.C. 309(j)(8)(E)) to implement the ENHANCE 911 Act of 2004.

SEC. 3012. ESSENTIAL AIR SERVICE PROGRAM.

(a) IN GENERAL.—If the amount appropriated to carry out the essential air service program under subchapter II of chapter 417 of title 49, United States Code, equals or exceeds $110,000,000 for fiscal year 2007 or 2008, then the Secretary of Commerce shall make $15,000,000 available, from the Digital Television Transition and Public Safety Fund established by section 309(j)(8)(E) of the Communications Act of 1934 (47 U.S.C. 309(j)(8)(E)), to the Secretary of Transportation for use in carrying out the essential air service program for that fiscal year.

(b) APPLICATION WITH OTHER FUNDS.—Amounts made available under subsection (a) for any fiscal year shall be in addition to any amounts—

(1) appropriated for that fiscal year; or

(2) derived from fees collected pursuant to section 45301(a)(1) of title 49, United States Code, that are made available for obligation and expenditure to carry out the essential air service program for that fiscal year.

(c) ADVANCES.—The Secretary of Transportation may borrow from the Treasury such sums as may be necessary, but not to exceed $30,000,000 on a temporary and reimbursable basis to implement subsection (a). The Secretary of Transportation shall reimburse the Treasury, without interest, as funds are deposited into the Digital Television Transition and Public Safety Fund under section 309(j)(8)(E) of the Communications Act of 1934 (47 U.S.C. 309(j)(8)(E)) and made available to the Secretary under subsection (a).

SEC. 3013. SUPPLEMENTAL LICENSE FEES.

In addition to any fees assessed under the Communications Act of 1934 (47 U.S.C. 151 et seq.), the Federal Communications Commission shall assess extraordinary fees for licenses in the aggregate amount of $10,000,000, which shall be deposited in the Treasury during fiscal year 2006 as offsetting receipts.

TITLE IV—TRANSPORTATION PROVISIONS

SEC. 4001. EXTENSION OF VESSEL TONNAGE DUTIES.

(a) EXTENSION OF DUTIES.—Section 36 of the Act entitled ''An Act to provide revenue, equalize duties and encourage the industries of the United States, and for other purposes'', approved August 5, 1909 (36 Stat. 111; 46 U.S.C. App. 121), is amended—

(1) by striking ''9 cents per ton'' and all that follows through ''2002,'' the first place it appears and inserting ''4.5 cents per ton, not to exceed in the aggregate 22.5 cents per ton in any one year, for fiscal years 2006 through 2010,''; and

(2) by striking ''27 cents per ton'' and all that follows through ''2002,'' and inserting ''13.5

cents per ton, not to exceed 67.5 cents per ton per annum, for fiscal years 2006 through 2010,''.

(b) CONFORMING AMENDMENT.—The Act entitled ''An Act concerning tonnage duties on vessels entering otherwise than by sea'', approved March 8, 1910 (36 Stat. 234; 46 U.S.C. App. 132), is amended by striking ''9 cents per ton'' and all that follows through ''and 2 cents'' and inserting ''4.5 cents per ton, not to exceed in the aggregate 22.5 cents per ton in any one year, for fiscal years 2006 through 2010, and 2 cents''.

TITLE V—MEDICARE

Subtitle A—Provisions Relating to Part A

SEC. 5001. HOSPITAL QUALITY IMPROVEMENT.

(a) SUBMISSION OF HOSPITAL DATA.—Section 1886(b)(3)(B) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)) is amended—

(1) in clause (i)—

(A) in subclause (XIX), by striking ''2007'' and inserting ''2006''; and

(B) in subclause (XX), by striking ''for fiscal year 2008 and each subsequent fiscal year,'' and inserting ''for each subsequent fiscal year, subject to clause (viii),'';

(2) in clause (vii)—

(A) in subclause (I), by striking ''for each of fiscal years 2005 through 2007'' and inserting ''for fiscal years 2005 and 2006''; and

(B) in subclause (II), by striking ''Each'' and inserting ''For fiscal years 2005 and 2006, each''; and

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

''(viii)(I) For purposes of clause (i) for fiscal year 2007 and each subsequent fiscal year, in the case of a subsection (d) hospital that does not submit, to the Secretary in accordance with this clause, data required to be submitted on measures selected under this clause with respect to such a fiscal year, the applicable percentage increase under clause (i) for such fiscal year shall be reduced by 2.0 percentage points. Such reduction shall apply only with respect to the fiscal year involved and the Secretary shall not take into account such reduction in computing the applicable percentage increase under clause (i) for a subsequent fiscal year, and the Secretary and the Medicare Payment Advisory Commission shall carry out the requirements under section 5001(b) of the Deficit Reduction Act of 2005.

''(II) Each subsection (d) hospital shall submit data on measures selected under this clause to the Secretary in a form and manner, and at a time, specified by the Secretary for purposes of this clause.

''(III) The Secretary shall expand, beyond the measures specified under clause (vii)(II) and consistent with the succeeding subclauses, the set of measures that the Secretary determines to be appropriate for the measurement of the quality of care furnished by hospitals in inpatient settings.

''(IV) Effective for payments beginning with fiscal year 2007, in expanding the number of measures under subclause (III), the Secretary shall begin to adopt the baseline set of performance measures as set forth in the November 2005 report by the Institute of Medicine of the National Academy of Sciences under section 238(b) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

''(V) Effective for payments beginning with fiscal year 2008, the Secretary shall add other measures that reflect consensus among affected parties and, to the extent feasible and practicable, shall include measures set forth by one or more national consensus building entities.

''(VI) For purposes of this clause and clause (vii), the Secretary may replace any measures or indicators in appropriate cases, such as where all hospitals are effectively in compliance or the measures or indicators have been subsequently shown not to represent the best clinical practice.

''(VII) The Secretary shall establish procedures for making data submitted under this clause available to the public. Such procedures shall ensure that a hospital has the opportunity to review the data that are to be made public with respect to the hospital prior to such data being made public. The Secretary shall report quality measures of process, structure, outcome, patients' perspectives on care, efficiency, and costs of care that relate to services furnished in inpatient settings in hospitals on the Internet website of the Centers for Medicare & Medicaid Services.''.

(b) PLAN FOR HOSPITAL VALUE BASED PURCHASING PROGRAM.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall develop a plan to implement a value based purchasing program for payments under the Medicare program for subsection (d) hospitals beginning with fiscal year 2009.

(2) DETAILS.—Such a plan shall include consideration of the following issues:

(A) The on-going development, selection, and modification process for measures of quality and efficiency in hospital inpatient settings.

(B) The reporting, collection, and validation of quality data.

(C) The structure of value based payment adjustments, including the determination of thresholds or improvements in quality that would substantiate a payment adjustment, the size of such payments, and the sources of funding for the value based payments.

(D) The disclosure of information on hospital performance.

In developing such a plan, the Secretary shall consult with relevant affected parties and shall consider experience with such demonstrations that are relevant to the value based purchasing program under this subsection.

(c) QUALITY ADJUSTMENT IN DRG PAYMENTS FOR CERTAIN HOSPITAL ACQUIRED INFECTIONS.—

(1) IN GENERAL.—Section 1886(d)(4) of the Social Security Act (42 U.S.C. 1395ww(d)(4)) is amended by adding at the end the following new subparagraph:

''(D)(i) For discharges occurring on or after October 1, 2008, the diagnosis-related group to be assigned under this paragraph for a discharge described in clause (ii) shall be a diagnosis-related group that does not result in higher payment based on the presence of a secondary diagnosis code described in clause (iv).

''(ii) A discharge described in this clause is a discharge which meets the following requirements:

''(I) The discharge includes a condition identified by a diagnosis code selected under clause (iv) as a secondary diagnosis.

''(II) But for clause (i), the discharge would have been classified to a diagnosis-related group that results in a higher payment based on the presence of a secondary diagnosis code selected under clause (iv).

''(III) At the time of admission, no code selected under clause (iv) was present.

''(iii) As part of the information required to be reported by a hospital with respect to a discharge of an individual in order for payment to be made under this subsection, for discharges occurring on or after October 1, 2007, the information shall include the secondary diagnosis of the individual at admission.

''(iv) By not later than October 1, 2007, the Secretary shall select diagnosis codes associated with at least two conditions, each of which codes meets all of the following requirements (as determined by the Secretary):

''(I) Cases described by such code have a high cost or high volume, or both, under this title.

''(II) The code results in the assignment of a case to a diagnosis-related group that has a higher payment when the code is present as a secondary diagnosis.

''(III) The code describes such conditions that could reasonably have been prevented through the application of evidence-based guidelines.

The Secretary may from time to time revise (through addition or deletion of codes) the diagnosis codes selected under this clause so long as there are diagnosis codes associated with at least two conditions selected for discharges occurring during any fiscal year.

''(v) In selecting and revising diagnosis codes under clause (iv), the Secretary shall consult with the Centers for Disease Control and Prevention and other appropriate entities.

''(vi) Any change resulting from the application of this subparagraph shall not be taken into account in adjusting the weighting factors under subparagraph (C)(i) or in applying budget neutrality under subparagraph (C)(iii).''.

(2) NO JUDICIAL REVIEW.—Section 1886(d)(7)(B) of such Act (42 U.S.C. 1395ww(d)(7)(B)) is amended by inserting before the period the following: '', including the selection and revision of codes under paragraph (4)(D)''.

SEC. 5002. CLARIFICATION OF DETERMINATION OF MEDICAID PATIENT DAYS FOR DSH COMPUTATION.

(a) IN GENERAL.—Section 1886(d)(5)(F)(vi) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(F)(vi)) is amended by adding after and below subclause (II) the following:

''In determining under subclause (II) the number of the hospital's patient days for such period which consist of patients who (for such days) were eligible for medical assistance under a State plan approved under title XIX, the Secretary may, to the extent and for the period the Secretary determines appropriate, include patient days of patients not so eligible but who are regarded as such because they receive benefits under a demonstration project approved under title XI.''.

(b) RATIFICATION AND PROSPECTIVE APPLICATION OF PREVIOUS REGULATIONS.—

(1) IN GENERAL.—Subject to paragraph (2), regulations described in paragraph (3), insofar as such regulations provide for the treatment of individuals eligible for medical assistance under a demonstration project approved under title XI of the Social Security Act under section 1886(d)(5)(F)(vi) of such Act, are hereby ratified, effective as of the date of their respective promulgations.

(2) NO APPLICATION TO CLOSED COST REPORTS.—Paragraph (1) shall not be applied in a manner that requires the reopening of any cost reports which are closed as of the date of the enactment of this Act.

(3) REGULATIONS DESCRIBED.—For purposes of paragraph (1), the regulations described in this paragraph are as follows:

(A) 2000 REGULATION.—Regulations promulgated on January 20, 2000, at 65 Federal Register 3136 et seq., including the policy in such regulations regarding discharges occurring prior to January 20, 2000.

(B) 2003 REGULATION.—Regulations promulgated on August 1, 2003, at 68 Federal Register 45345 et seq.

SEC. 5003. IMPROVEMENTS TO THE MEDICARE-DEPENDENT HOSPITAL (MDH) PROGRAM.

(a) 5-YEAR EXTENSION.—

(1) EXTENSION OF PAYMENT METHODOLOGY.—Section 1886(d)(5)(G) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(G)) is amended—

(A) in clause (i), by striking ''October 1, 2006'' and inserting ''October 1, 2011''; and

(B) in clause (ii)(II)—

(i) by striking ''October 1, 2006'' and inserting ''October 1, 2011''; and

(ii) by inserting ''or for discharges in the fiscal year'' after ''for the cost reporting period''.

(2) CONFORMING AMENDMENTS.—

(A) EXTENSION OF TARGET AMOUNT.—Section 1886(b)(3)(D) of such Act (42 U.S.C. 1395ww(b)(3)(D)) is amended—

(i) in the matter preceding clause (i)—

(I) by striking ''beginning'' and inserting ''occurring''; and

(II) by striking ''October 1, 2006'' and inserting ''October 1, 2011''; and

(ii) in clause (iv), by striking ''through fiscal year 2005'' and inserting ''through fiscal year 2011''.

(B) PERMITTING HOSPITALS TO DECLINE RECLASSIFICATION.—Section 13501(e)(2) of the Omnibus Budget Reconciliation Act of 1993 (42 U.S.C. 1395ww note) is amended by striking ''through fiscal year 2005'' and inserting ''through fiscal year 2011''.

(b) OPTION TO USE 2002 AS BASE YEAR.—Section 1886(b)(3) of such Act (42 U.S.C. 1395ww(b)(3)) is amended—

(1) in subparagraph (D), by inserting ''subject to subparagraph (K),'' after ''(d)(5)(G)),''; and

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

''(K)(i) With respect to discharges occurring on or after October 1, 2006, in the case of a medicare-dependent, small rural hospital, for purposes of applying subparagraph (D)—

''(I) there shall be substituted for the base cost reporting period described in subparagraph (D)(i) the 12-month cost reporting period beginning during fiscal year 2002; and

''(II) any reference in such subparagraph to the 'first cost reporting period' described in such subparagraph is deemed a reference to the first cost reporting period beginning on or after October 1, 2006.

''(ii) This subparagraph shall only apply to a hospital if the substitution described in clause (i)(I) results in an increase in the target amount under subparagraph (D) for the hospital.''.

(c) ENHANCED PAYMENT FOR AMOUNT BY WHICH THE TARGET EXCEEDS THE PPS RATE.—Section 1886(d)(5)(G)(ii)(II) of such Act (42 U.S.C. 1395ww(d)(5)(G)(iv)(II)) is amended by inserting ''(or 75 percent in the case of discharges occurring on or after October 1, 2006)'' after ''50 percent''.

(d) ENHANCED DISPROPORTIONATE SHARE HOSPITAL (DSH) TREATMENT FOR MEDICARE-DEPENDENT HOSPITALS.—Section 1886(d)(5)(F)(xiv)(II) of such Act (42 U.S.C. 1395ww(d)(5)(F)(xiv)(II)) is amended by inserting ''or, in the case of discharges occurring on or after October 1, 2006, as a medicare-dependent, small rural hospital under subparagraph (G)(iv)'' before the period at the end.

SEC. 5004. REDUCTION IN PAYMENTS TO SKILLED NURSING FACILITIES FOR BAD DEBT.

(a) IN GENERAL.—Section 1861(v)(1) of the Social Security Act (42 U.S.C. 1395x(v)(1)) is amended by adding at the end the following new subparagraph:

''(V) In determining such reasonable costs for skilled nursing facilities with respect to cost reporting periods beginning on or after October 1, 2005, the amount of bad debts otherwise treated as allowed costs which are attributable to the coinsurance amounts under this title for individuals who are entitled to benefits under part A and—

''(i) are not described in section 1935(c)(6)(A)(ii) shall be reduced by 30 percent of such amount otherwise allowable; and

''(ii) are described in such section shall not be reduced.''.

(b) TECHNICAL AMENDMENT.—Section 1861(v)(1)(T) of such Act (42 U.S.C. 1395x(v)(1)(T)) is amended by striking ''section 1833(t)(5)(B)'' and inserting ''section 1833(t)(8)(B)''.

SEC. 5005. EXTENDED PHASE-IN OF THE INPATIENT REHABILITATION FACILITY CLASSIFICATION CRITERIA.

(a) IN GENERAL.—Notwithstanding section 412.23(b)(2) of title 42, Code of Federal Regulations, the Secretary of Health and Human Services shall apply the applicable percent specified in subsection (b) in the classification criterion used under the IRF regulation (as defined in subsection (c)) to determine whether a hospital or unit of a hospital is an inpatient rehabilitation facility under the Medicare program under title XVIII of the Social Security Act.

(b) APPLICABLE PERCENT.—For purposes of subsection (a), the applicable percent specified in this subsection for cost reporting periods—

(1) beginning during the 12-month period beginning on July 1, 2006, is 60 percent;

(2) beginning during the 12-month period beginning on July 1, 2007, is 65 percent; and

(3) beginning on or after July 1, 2008, is 75 percent.

(c) IRF REGULATION.—For purposes of subsection (a), the term ''IRF regulation'' means the rule published in the Federal Register on May 7, 2004, entitled ''Medicare Program; Final Rule; Changes to the Criteria for Being Classified as an Inpatient Rehabilitation Facility'' (69 Fed. Reg. 25752).

SEC. 5006. DEVELOPMENT OF A STRATEGIC PLAN REGARDING PHYSICIAN INVESTMENT IN SPECIALTY HOSPITALS.

(a) DEVELOPMENT.—

(1) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall develop a strategic and implementing plan to address issues described in paragraph (2) regarding physician investment in specialty hospitals (as defined in section 1877(h)(7)(A) of the Social Security Act (42 U.S.C. 1395nn(h)(7)(A)).

(2) ISSUES DESCRIBED.—The issues described in this paragraph are the following:

(A) Proportionality of investment return.

(B) Bona fide investment.

(C) Annual disclosure of investment information.

(D) The provision by specialty hospitals of—

(i) care to patients who are eligible for medical assistance under a State plan approved under title XIX of the Social Security Act, including patients not so eligible but who are regarded as such because they receive benefits under a demonstration project approved under title XI of such Act; and

(ii) charity care.

(E) Appropriate enforcement.

(b) REPORTS.—

(1) INTERIM REPORT.—Not later than 3 months after the date of the enactment of this Act, the Secretary shall submit an interim report to the appropriate committees of jurisdiction of Congress on the status of the development of the plan under subsection (a).

(2) FINAL REPORT.—Not later than six months after the date of the enactment of this Act, the Secretary shall submit a final report to the appropriate committees of jurisdiction of Congress on the plan developed under subsection (a) together with recommendations for such legislation and administrative actions as the Secretary considers appropriate.

(c) CONTINUATION OF SUSPENSION ON ENROLLMENT.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall continue the suspension on enrollment of new specialty hospitals (as so defined) under title XVIII of the Social Security Act until the earlier of—

(A) the date that the Secretary submits the final report under subsection (b)(2); or

(B) the date that is six months after the date of the enactment of this Act.

(2) EXTENSION OF SUSPENSION.—If the Secretary fails to submit the final report described in subsection (b)(2) by the date required under such subsection, the Secretary shall—

(A) extend the suspension on enrollment under paragraph (1) for an additional two months; and

(B) provide a certification to the appropriate committees of jurisdiction of Congress of such failure.

(d) WAIVER.—In developing the plan and report required under this section, the Secretary may waive such requirements of section 553 of title 5, United States Code, as the Secretary determines necessary.

(e) FUNDING.—Out of any funds in the Treasury not otherwise appropriated, there are appropriated to the Secretary for fiscal year 2006, $2,000,000 to carry out this section.

SEC. 5007. MEDICARE DEMONSTRATION PROJECTS TO PERMIT GAINSHARING ARRANGEMENTS.

(a) ESTABLISHMENT.—The Secretary shall establish under this section a qualified gainsharing demonstration program under which the Secretary shall approve demonstration projects by not later than November 1, 2006, to test and evaluate methodologies and arrangements between hospitals and physicians designed to govern the utilization of inpatient hospital resources and physician work to improve the quality and efficiency of care provided to Medicare beneficiaries and to develop improved operational and financial hospital performance with sharing of remuneration as specified in the project. Such projects shall be operational by not later than January 1, 2007.

(b) REQUIREMENTS DESCRIBED.—A demonstration project under this section shall meet the following requirements for purposes of maintaining or improving quality while achieving cost savings:

(1) ARRANGEMENT FOR REMUNERATION AS SHARE OF SAVINGS.—The demonstration project shall involve an arrangement between a hospital and a physician under which the hospital provides remuneration to the physician that represents solely a share of the savings incurred directly as a result of collaborative efforts between the hospital and the physician.

(2) WRITTEN PLAN AGREEMENT.—The demonstration project shall be conducted pursuant to a written agreement that—

(A) is submitted to the Secretary prior to implementation of the project; and

(B) includes a plan outlining how the project will achieve improvements in quality and efficiency.

(3) PATIENT NOTIFICATION.—The demonstration project shall include a notification process to inform patients who are treated in a hospital participating in the project of the participation of the hospital in such project.

(4) MONITORING QUALITY AND EFFICIENCY OF CARE.—The demonstration project shall provide measures to ensure that the quality and efficiency of care provided to patients who are treated in a hospital participating in the demonstration project is continuously monitored to ensure that such quality and efficiency is maintained or improved.

(5) INDEPENDENT REVIEW.—The demonstration project shall certify, prior to implementation, that the elements of the demonstration project are reviewed by an organization that is not affiliated with the hospital or the physician participating in the project.

(6) REFERRAL LIMITATIONS.—The demonstration project shall not be structured in such a manner as to reward any physician participating in the project on the basis of the volume or value of referrals to the hospital by the physician.

(c) WAIVER OF CERTAIN RESTRICTIONS.—

(1) IN GENERAL.—An incentive payment made by a hospital to a physician under and in accordance with a demonstration project shall not constitute—

(A) remuneration for purposes of section 1128B of the Social Security Act (42 U.S.C. 1320a–7b);

(B) a payment intended to induce a physician to reduce or limit services to a patient entitled to benefits under Medicare or a State plan approved under title XIX of such Act in violation of section 1128A of such Act (42 U.S.C. 1320a–7a); or

(C) a financial relationship for purposes of section 1877 of such Act (42 U.S.C. 1395nn).

(2) PROTECTION FOR EXISTING ARRANGEMENTS.—In no case shall the failure to comply with the requirements described in paragraph (1) affect a finding made by the Inspector General of the Department of Health and Human Services prior to the date of the enactment of this Act that an arrangement between a hospital and a physician does not violate paragraph (1)

or (2) of section 1128A(a) of the Social Security Act (42 U.S.C. 1320a–7(a)).

(d) PROGRAM ADMINISTRATION.—

(1) SOLICITATION OF APPLICATIONS.—By not later than 90 days after the date of the enactment of this Act, the Secretary shall solicit applications for approval of a demonstration project, in such form and manner, and at such time specified by the Secretary.

(2) NUMBER OF PROJECTS APPROVED.—The Secretary shall approve not more than 6 demonstration projects, at least 2 of which shall be located in a rural area.

(3) DURATION.—The qualified gainsharing demonstration program under this section shall be conducted for the period beginning on January 1, 2007, and ending on December 31, 2009.

(e) REPORTS.—

(1) INITIAL REPORT.—By not later than December 1, 2006, the Secretary shall submit to Congress a report on the number of demonstration projects that will be conducted under this section.

(2) PROJECT UPDATE.—By not later than December 1, 2007, the Secretary shall submit to Congress a report on the details of such projects (including the project improvements towards quality and efficiency described in subsection (b)(2)(B)).

(3) QUALITY IMPROVEMENT AND SAVINGS.—By not later than December 1, 2008, the Secretary shall submit to Congress a report on quality improvement and savings achieved as a result of the qualified gainsharing demonstration program established under subsection (a).

(4) FINAL REPORT.—By not later than May 1, 2010, the Secretary shall submit to Congress a final report on the information described in paragraph (3).

(f) FUNDING.—

(1) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, there are appropriated to the Secretary for fiscal year 2006 $6,000,000, to carry out this section.

(2) AVAILABILITY.—Funds appropriated under paragraph (1) shall remain available for expenditure through fiscal year 2010.

(g) DEFINITIONS.—For purposes of this section:

(1) DEMONSTRATION PROJECT.—The term ''demonstration project'' means a project implemented under the qualified gainsharing demonstration program established under subsection (a).

(2) HOSPITAL.—The term ''hospital'' means a hospital that receives payment under section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)), and does not include a critical access hospital (as defined in section 1861(mm) of such Act (42 U.S.C. 1395x(mm))).

(3) MEDICARE.—The term ''Medicare'' means the programs under title XVIII of the Social Security Act.

(4) PHYSICIAN.—The term ''physician'' means, with respect to a demonstration project, a physician described in paragraph (1) or (3) of section 1861(r) of the Social Security Act (42 U.S.C. 1395x(r)) who is licensed as such a physician in the area in which the project is located and meets requirements to provide services for which benefits are provided under Medicare. Such term shall be deemed to include a practitioner described in section 1842(e)(18)(C) of such Act (42 U.S.C. 1395u(e)(18)(C)).

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

SEC. 5008. POST-ACUTE CARE PAYMENT REFORM DEMONSTRATION PROGRAM.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—By not later than January 1, 2008, the Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall establish a demonstration program for purposes of understanding costs and outcomes across different post-acute care sites. Under such program, with respect to diagnoses specified by the Secretary, an individual who receives treatment from a provider for such a diagnosis shall receive a single comprehensive assessment on the date of discharge from a subsection (d) hospital (as defined in section 1886(d)(1)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(1)(B))) of the needs of the patient and the clinical characteristics of the diagnosis to determine the appropriate placement of such patient in a post-acute care site. The Secretary shall use a standardized patient assessment instrument across all post-acute care sites to measure functional status and other factors during the treatment and at discharge from each provider. Participants in the program shall provide information on the fixed and variable costs for each individual. An additional comprehensive assessment shall be provided at the end of the episode of care.

(2) NUMBER OF SITES.—The Secretary shall conduct the demonstration program under this section with sufficient numbers to determine statistically reliable results.

(3) DURATION.—The Secretary shall conduct the demonstration program under this section for a 3-year period.

(b) WAIVER AUTHORITY.—The Secretary may waive such requirements of titles XI and XVIII of the Social Security Act (42 U.S.C. 1301 et seq.; 42 U.S.C. 1395 et seq.) as may be necessary for the purpose of carrying out the demonstration program under this section.

(c) REPORT.—Not later than 6 months after the completion of the demonstration program under this section, the Secretary shall submit to Congress a report on such program, that includes the results of the program and recommendations for such legislation and administrative action as the Secretary determines to be appropriate.

(d) FUNDING.—The Secretary shall provide for the transfer from the Federal Hospital Insurance Trust Fund established under section 1817 of the Social Security Act (42 U.S.C. 1395i), $6,000,000 for the costs of carrying out the demonstration program under this section.

Subtitle B—Provisions Relating to Part B

CHAPTER 1—PAYMENT PROVISIONS

SEC. 5101. BENEFICIARY OWNERSHIP OF CERTAIN DURABLE MEDICAL EQUIPMENT (DME).

(a) DME.—

(1) IN GENERAL.—Section 1834(a)(7)(A) of the Social Security Act (42 U.S.C. 1395m(a)(7)(A)) is amended to read as follows:

''(A) PAYMENT.—In the case of an item of durable medical equipment not described in paragraphs (2) through (6), the following rules shall apply:

''(i) RENTAL.—

''(I) IN GENERAL.—Except as provided in clause (iii), payment for the item shall be made on a monthly basis for the rental of the item during the period of medical need (but payments under this clause may not extend over a period of continuous use (as determined by the Secretary) of longer than 36 months).

''(II) PAYMENT AMOUNT.—Subject to subparagraph (B), the amount recognized for the item, for each of the first 3 months of such period, is 10 percent of the purchase price recognized under paragraph (8) with respect to the item, and, for each of the remaining months of such period, is 7.5 percent of such purchase price.

''(ii) OWNERSHIP AFTER RENTAL.—On the first day that begins after the 36th continuous month during which payment is made for the rental of an item under clause (i), the supplier of the item shall transfer title to the item to the individual.

''(iii) PURCHASE AGREEMENT OPTION FOR POWER-DRIVEN WHEELCHAIRS.—In the case of a power-driven wheelchair, at the time the supplier furnishes the item, the supplier shall offer the individual the option to purchase the item, and payment for such item shall be made on a lump-sum basis if the individual exercises such option.

''(iv) MAINTENANCE AND SERVICING.—After the supplier transfers title to the item under clause (ii) or in the case of a power-driven wheelchair for which a purchase agreement has been entered into under clause (iii), maintenance and servicing payments shall, if the Secretary determines such payments are reasonable and necessary, be made (for parts and labor not covered by the supplier's or manufacturer's warranty, as determined by the Secretary to be appropriate for the particular type of durable medical equipment), and such payments shall be in an amount determined to be appropriate by the Secretary.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to items furnished for which the first rental month occurs on or after January 1, 2006.

(b) OXYGEN EQUIPMENT.—

(1) IN GENERAL.—Section 1834(a)(5) of such Act (42 U.S.C. 1395m(a)(5)) is amended—

(A) in subparagraph (A), by striking ''and (E)'' and inserting ''(E), and (F)''; and

(B) by adding at the end the following new subparagraph:

''(F) OWNERSHIP OF EQUIPMENT.—

''(i) IN GENERAL.—Payment for oxygen equipment (including portable oxygen equipment) under this paragraph may not extend over a period of continuous use (as determined by the Secretary) of longer than 36 months.

''(ii) OWNERSHIP.—

''(I) TRANSFER OF TITLE.—On the first day that begins after the 36th continuous month during which payment is made for the equipment under this paragraph, the supplier of the equipment shall transfer title to the equipment to the individual.

''(II) PAYMENTS FOR OXYGEN AND MAINTENANCE AND SERVICING.—After the supplier transfers title to the equipment under subclause (I)—

''(aa) payments for oxygen shall continue to be made in the amount recognized for oxygen under paragraph (9) for the period of medical need; and

''(bb) maintenance and servicing payments shall, if the Secretary determines such payments are reasonable and necessary, be made (for parts and labor not covered by the supplier's or manufacturer's warranty, as determined by the Secretary to be appropriate for the equipment), and such payments shall be in an amount determined to be appropriate by the Secretary.''.

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendments made by paragraph (1) shall take effect on January 1, 2006.

(B) APPLICATION TO CERTAIN INDIVIDUALS.—In the case of an individual receiving oxygen equipment on December 31, 2005, for which payment is made under section 1834(a) of the Social Security Act (42 U.S.C. 1395m(a)), the 36-month period described in paragraph (5)(F)(i) of such section, as added by paragraph (1), shall begin on January 1, 2006.

SEC. 5102. ADJUSTMENTS IN PAYMENT FOR IMAGING SERVICES.

(a) MULTIPLE PROCEDURE PAYMENT REDUCTION FOR IMAGING EXEMPTED FROM BUDGET NEUTRALITY.—Section 1848(c)(2)(B) of the Social Security Act (42 U.S.C. 1395w–4(c)(2)(B)) is amended—

(1) in clause (ii)(II), by striking ''clause (iv)'' and inserting ''clauses (iv) and (v)'';

(2) in clause (iv) in the heading, by inserting ''OF CERTAIN ADDITIONAL EXPENDITURES'' after ''EXEMPTION''; and

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

''(v) EXEMPTION OF CERTAIN REDUCED EXPENDITURES FROM BUDGET-NEUTRALITY CALCULATION.—The following reduced expenditures, as estimated by the Secretary, shall not be taken into account in applying clause (ii)(II):

''(I) REDUCED PAYMENT FOR MULTIPLE IMAGING PROCEDURES.—Effective for fee schedules established beginning with 2007, reduced expenditures attributable to the multiple procedure payment reduction for imaging under the final rule published by the Secretary in the Federal Register on November 21, 2005 (42 CFR 405, et al.)

insofar as it relates to the physician fee schedules for 2006 and 2007.''.

(b) REDUCTION IN PHYSICIAN FEE SCHEDULE TO OPD PAYMENT AMOUNT FOR IMAGING SERVICES.—Section 1848 of such Act (42 U.S.C. 1395w–4) is amended—

(1) in subsection (b), by adding at the end the following new paragraph:

''(4) SPECIAL RULE FOR IMAGING SERVICES.—

''(A) IN GENERAL.—In the case of imaging services described in subparagraph (B) furnished on or after January 1, 2007, if—

''(i) the technical component (including the technical component portion of a global fee) of the service established for a year under the fee schedule described in paragraph (1) without application of the geographic adjustment factor described in paragraph (1)(C), exceeds

''(ii) the Medicare OPD fee schedule amount established under the prospective payment system for hospital outpatient department services under paragraph (3)(D) of section 1833(t) for such service for such year, determined without regard to geographic adjustment under paragraph (2)(D) of such section,

the Secretary shall substitute the amount described in clause (ii), adjusted by the geographic adjustment factor described in paragraph (1)(C), for the fee schedule amount for such technical component for such year.

''(B) IMAGING SERVICES DESCRIBED.—For purposes of subparagraph (A), imaging services described in this subparagraph are imaging and computer-assisted imaging services, including X-ray, ultrasound (including echocardiography), nuclear medicine (including positron emission tomography), magnetic resonance imaging, computed tomography, and fluoroscopy, but excluding diagnostic and screening mammography.''; and

(2) in subsection (c)(2)(B)(v), as added by subsection (a)(3), by adding at the end the following new subclause:

''(II) OPD PAYMENT CAP FOR IMAGING SERVICES.—Effective for fee schedules established beginning with 2007, reduced expenditures attributable to subsection (b)(4).''.

SEC. 5103. LIMITATION ON PAYMENTS FOR PROCEDURES IN AMBULATORY SURGICAL CENTERS.

Section 1833(i)(2) of the Social Security Act (42 U.S.C. 1395l(i)(2)) is amended—

(1) in subparagraph (A), by inserting ''subject to subparagraph (E),'' after ''subparagraph (D),'';

(2) in subparagraph (D)(ii), by inserting before the period at the end the following: ''and taking into account reduced expenditures that would apply if subparagraph (E) were to continue to apply, as estimated by the Secretary''; and

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

''(E) With respect to surgical procedures furnished on or after January 1, 2007, and before the effective date of the implementation of a revised payment system under subparagraph (D), if—

''(i) the standard overhead amount under subparagraph (A) for a facility service for such procedure, without the application of any geographic adjustment, exceeds

''(ii) the Medicare OPD fee schedule amount established under the prospective payment system for hospital outpatient department services under paragraph (3)(D) of section 1833(t) for such service for such year, determined without regard to geographic adjustment under paragraph (2)(D) of such section,

the Secretary shall substitute under subparagraph (A) the amount described in clause (ii) for the standard overhead amount for such service referred to in clause (i).''.

SEC. 5104. UPDATE FOR PHYSICIANS' SERVICES FOR 2006.

(a) UPDATE FOR 2006.—Section 1848(d) of the Social Security Act (42 U.S.C. 1395w–4(d)) is amended—

(1) in paragraph (4)(B), in the matter preceding clause (i), by striking ''paragraph (5)'' and inserting ''paragraphs (5) and (6)''; and

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

''(6) UPDATE FOR 2006.—The update to the single conversion factor established in paragraph (1)(C) for 2006 shall be 0 percent.''.

(b) NOT TREATED AS CHANGE IN LAW AND REGULATION IN SUSTAINABLE GROWTH RATE DETERMINATION.—The amendments made by subsection (a) shall not be treated as a change in law for purposes of applying section 1848(f)(2)(D) of the Social Security Act (42 U.S.C. 1395w–4(f)(2)(D)).

(c) MEDPAC REPORT.—

(1) IN GENERAL.—By not later than March 1, 2007, the Medicare Payment Advisory Commission shall submit a report to Congress on mechanisms that could be used to replace the sustainable growth rate system under section 1848(f) of the Social Security Act (42 U.S.C. 1395w–4(f)).

(2) REQUIREMENTS.—The report required under paragraph (1) shall—

(A) identify and examine alternative methods for assessing volume growth;

(B) review options to control the volume of physicians' services under the Medicare program while maintaining access to such services by Medicare beneficiaries;

(C) examine the application of volume controls under the Medicare physician fee schedule under section 1848 of the Social Security Act (42 U.S.C. 1395w–4);

(D) identify levels of application of volume controls, such as group practice, hospital medical staff, type of service, geographic area, and outliers;

(E) examine the administrative feasibility of implementing the options reviewed under subparagraph (B), including the availability of data and time lags;

(F) examine the extent to which the alternative methods identified and examined under subparagraph (A) should be specified in such section 1848; and

(G) identify the appropriate level of discretion for the Secretary of Health and Human Services to change payment rates under the Medicare physician fee schedule or otherwise take steps that affect physician behavior.

Such report shall include such recommendations on alternative mechanisms to replace the sustainable growth rate system as the Medicare Payment Advisory Commission determines appropriate.

(3) FUNDING.—Out of any funds in the Treasury not otherwise appropriated, there are appropriated to the Medicare Payment Advisory Commission $550,000, to carry out this subsection.

SEC. 5105. THREE-YEAR TRANSITION OF HOLD HARMLESS PAYMENTS FOR SMALL RURAL HOSPITALS UNDER THE PROSPECTIVE PAYMENT SYSTEM FOR HOSPITAL OUTPATIENT DEPARTMENT SERVICES.

Section 1833(t)(7)(D)(i) of the Social Security Act (42 U.S.C. 1395l(t)(7)(D)(i)) is amended—

(1) by inserting ''(I)'' before ''In the case''; and

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

''(II) In the case of a hospital located in a rural area and that has not more than 100 beds and that is not a sole community hospital (as defined in section 1886(d)(5)(D)(iii)), for covered OPD services furnished on or after January 1, 2006, and before January 1, 2009, for which the PPS amount is less than the pre-BBA amount, the amount of payment under this subsection shall be increased by the applicable percentage of the amount of such difference. For purposes of the previous sentence, with respect to covered OPD services furnished during 2006, 2007, or 2008, the applicable percentage shall be 95 percent, 90 percent, and 85 percent, respectively.''.

SEC. 5106. UPDATE TO THE COMPOSITE RATE COMPONENT OF THE BASIC CASE-MIX ADJUSTED PROSPECTIVE PAYMENT SYSTEM FOR DIALYSIS SERVICES.

Section 1881(b)(12) of the Social Security Act (42 U.S.C. 1395rr(b)(12)) is amended—

(1) in subparagraph (F), in the flush matter at the end, by striking ''Nothing'' and inserting ''Except as provided in subparagraph (G), nothing'';

(2) by redesignating subparagraph (G) as subparagraph (H); and

(3) by inserting after subparagraph (F) the following new subparagraph:

''(G) The Secretary shall increase the amount of the composite rate component of the basic case-mix adjusted system under subparagraph (B) for dialysis services furnished on or after January 1, 2006, by 1.6 percent above the amount of such composite rate component for such services furnished on December 31, 2005.''.

SEC. 5107. REVISIONS TO PAYMENTS FOR THERAPY SERVICES.

(a) EXCEPTION TO CAPS FOR 2006.—

(1) IN GENERAL.—Section 1833(g) of the Social Security Act (42 U.S.C. 1395l(g)) is amended—

(A) in each of paragraphs (1) and (3), by striking ''paragraph (4)'' and inserting ''paragraphs (4) and (5)''; and

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

''(5) With respect to expenses incurred during 2006 for services, the Secretary shall implement a process under which an individual enrolled under this part may, upon request of the individual or a person on behalf of the individual, obtain an exception from the uniform dollar limitation specified in paragraph (2), for services described in paragraphs (1) and (3) if the provision of such services is determined to be medically necessary. Under such process, if the Secretary does not make a decision on such a request for an exception within 10 business days of the date of the Secretary's receipt of the request, the Secretary shall be deemed to have found the services to be medically necessary.''.

(2) TIMELY IMPLEMENTATION.—The Secretary of Health and Human Services shall waive such provisions of law and regulation (including those described in section 110(c) of Pub. L. 108–173) as are necessary to implement the amendments made by paragraph (1) on a timely basis and, notwithstanding any other provision of law, may implement such amendments by program instruction or otherwise. There shall be no administrative or judicial review under section 1869 or section 1878 of the Social Security Act (42 U.S.C. 1395ff and 1395oo), or otherwise of the process (including the establishment of the process) under section 1833(g)(5) of such Act, as added by paragraph (1).

(b) IMPLEMENTATION OF CLINICALLY APPROPRIATE CODE EDITS IN ORDER TO IDENTIFY AND ELIMINATE IMPROPER PAYMENTS FOR THERAPY SERVICES.—By not later than July 1, 2006, the Secretary of Health and Human Services shall implement clinically appropriate code edits with respect to payments under part B of title XVIII of the Social Security Act for physical therapy services, occupational therapy services, and speech-language pathology services in order to identify and eliminate improper payments for such services, including edits of clinically illogical combinations of procedure codes and other edits to control inappropriate billings.

CHAPTER 2—MISCELLANEOUS

SEC. 5111. ACCELERATED IMPLEMENTATION OF INCOME-RELATED REDUCTION IN PART B PREMIUM SUBSIDY.

Section 1839(i)(3)(B) of the Social Security Act (42 U.S.C. 1395r(i)(3)(B)) is amended—

(1) in the heading, by striking ''5-YEAR'' and inserting ''3-YEAR'';

(2) in the matter preceding clause (i), by striking ''2011'' and inserting ''2009'';

(3) in clause (i), by striking ''20 percent'' and inserting ''33 percent'';

(4) in clause (ii), by striking ''40 percent'' and inserting ''67 percent''; and

(5) by striking clauses (iii) and (iv).

SEC. 5112. MEDICARE COVERAGE OF ULTRASOUND SCREENING FOR ABDOMINAL AORTIC ANEURYSMS.

(a) IN GENERAL.—Section 1861 of the Social Security Act (42 U.S.C. 1395x) is amended—

(1) in subsection (s)(2)—

(A) by striking ''and'' at the end of subparagraph (Y);

(B) by adding ''and'' at the end of subparagraph (Z) and moving such subparagraph 2 ems to the left; and

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

''(AA) ultrasound screening for abdominal aortic aneurysm (as defined in subsection (bbb)) for an individual—

''(i) who receives a referral for such an ultrasound screening as a result of an initial preventive physical examination (as defined in section 1861(ww)(1));

''(ii) who has not been previously furnished such an ultrasound screening under this title; and

''(iii) who—

''(I) has a family history of abdominal aortic aneurysm; or

''(II) manifests risk factors included in a beneficiary category recommended for screening by the United States Preventive Services Task Force regarding abdominal aortic aneurysms;''; and

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

''Ultrasound Screening for Abdominal Aortic Aneurysm

''(bbb) The term 'ultrasound screening for abdominal aortic aneurysm' means—

''(1) a procedure using sound waves (or such other procedures using alternative technologies, of commensurate accuracy and cost, that the Secretary may specify) provided for the early detection of abdominal aortic aneurysm; and

''(2) includes a physician's interpretation of the results of the procedure.''.

(b) INCLUSION OF ULTRASOUND SCREENING FOR ABDOMINAL AORTIC ANEURYSM IN INITIAL PREVENTIVE PHYSICAL EXAMINATION.—Section 1861(ww)(2) of such Act (42 U.S.C. 1395x(ww)(2)) is amended by adding at the end the following new subparagraph:

''(L) Ultrasound screening for abdominal aortic aneurysm as defined in section 1861(bbb).''.

(c) PAYMENT FOR ULTRASOUND SCREENING FOR ABDOMINAL AORTIC ANEURYSM.—Section 1848(j)(3) of such Act (42 U.S.C. 1395w–4(j)(3)) is amended by inserting ''(2)(AA),'' after ''(2)(W),''.

(d) FREQUENCY.—Section 1862(a)(1) of such Act (42 U.S.C. 1395y(a)(1)) is amended—

(1) by striking ''and'' at the end of subparagraph (L);

(2) by striking the semicolon at the end of subparagraph (M) and inserting '', and''; and

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

''(N) in the case of ultrasound screening for abdominal aortic aneurysm which is performed more frequently than is provided for under section 1861(s)(2)(AA);''.

(e) NON-APPLICATION OF PART B DEDUCTIBLE.—Section 1833(b) of such Act (42 U.S.C. 1395l(b)) is amended in the first sentence—

(1) by striking ''and'' before ''(6)''; and

(2) by inserting '', and (7) such deductible shall not apply with respect to ultrasound screening for abdominal aortic aneurysm (as defined in section 1861(bbb))'' before the period at the end.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after January 1, 2007.

SEC. 5113. IMPROVING PATIENT ACCESS TO, AND UTILIZATION OF, COLORECTAL CANCER SCREENING.

(a) NON-APPLICATION OF DEDUCTIBLE FOR COLORECTAL CANCER SCREENING TESTS.—Section 1833(b) of the Social Security Act (42 U.S.C. 1395l(b)), as amended by section 5112(e), is amended in the first sentence—

(1) by striking ''and'' before ''(7)''; and

(2) by inserting '', and (8) such deductible shall not apply with respect to colorectal cancer screening tests (as described in section 1861(pp)(1))'' before the period at the end.

(b) CONFORMING AMENDMENTS.—Paragraphs (2)(C)(ii) and (3)(C)(ii) of section 1834(d) of such Act (42 U.S.C. 1395m(d)) are each amended—

(1) by striking ''DEDUCTIBLE AND'' in the heading; and

(2) in subclause (I), by striking ''deductible or'' each place it appears.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after January 1, 2007.

SEC. 5114. DELIVERY OF SERVICES AT FEDERALLY QUALIFIED HEALTH CENTERS.

(a) COVERAGE.—

(1) IN GENERAL.—Section 1861(aa)(3) of the Social Security Act (42 U.S.C. 1395x(aa)(3)) is amended—

(A) in subparagraph (A), by striking '', and'' and inserting ''and services described in subsections (qq) and (vv); and'';

(B) in subparagraph (B), by striking ''sections 329, 330, and 340'' and inserting ''section 330''; and

(C) in the flush matter at the end, by inserting ''by the center or by a health care professional under contract with the center'' after ''outpatient of a Federally qualified health center''.

(2) CONSOLIDATED BILLING.—The first sentence of section 1842(b)(6)(F) of such Act (42 U.S.C. 1395u(b)(6)(F)) is amended—

(A) by striking ''and (G)'' and inserting ''(G)''; and

(B) by inserting before the period at the end the following: '', and (H) in the case of services described in section 1861(aa)(3) that are furnished by a health care professional under contract with a Federally qualified health center, payment shall be made to the center''.

(b) TECHNICAL CORRECTIONS.—Clauses (i) and (ii)(II) of section 1861(aa)(4)(A) of such Act (42 U.S.C. 1395x(aa)(4)(A)) are each amended by striking ''(other than subsection (h))''.

(c) EFFECTIVE DATES.—The amendments made by this section shall apply to services furnished on or after January 1, 2006.

SEC. 5115. WAIVER OF PART B LATE ENROLLMENT PENALTY FOR CERTAIN INTERNATIONAL VOLUNTEERS.

(a) IN GENERAL.—

(1) WAIVER OF PENALTY.—Section 1839(b) of the Social Security Act (42 U.S.C. 1395r(b)) is amended in the second sentence by inserting the following before the period at the end: ''or months for which the individual can demonstrate that the individual was an individual described in section 1837(k)(3)''.

(2) SPECIAL ENROLLMENT PERIOD.—

(A) IN GENERAL.—Section 1837 of such Act (42 U.S.C. 1395p) is amended by adding at the end the following new subsection:

''(k)(1) In the case of an individual who—

''(A) at the time the individual first satisfies paragraph (1) or (2) of section 1836, is described in paragraph (3), and has elected not to enroll (or to be deemed enrolled) under this section during the individual's initial enrollment period; or

''(B) has terminated enrollment under this section during a month in which the individual is described in paragraph (3),

there shall be a special enrollment period described in paragraph (2).

''(2) The special enrollment period described in this paragraph is the 6-month period beginning on the first day of the month which includes the date that the individual is no longer described in paragraph (3).

''(3) For purposes of paragraph (1), an individual described in this paragraph is an individual who—

''(A) is serving as a volunteer outside of the United States through a program—

''(i) that covers at least a 12-month period; and

''(ii) that is sponsored by an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; and

''(B) demonstrates health insurance coverage while serving in the program.''.

(B) COVERAGE PERIOD.—Section 1838 of such Act (42 U.S.C. 1395q) is amended by adding at the end the following new subsection:

''(f) Notwithstanding subsection (a), in the case of an individual who enrolls during a special enrollment period pursuant to section 1837(k), the coverage period shall begin on the first day of the month following the month in which the individual so enrolls.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a)(1) shall apply to months beginning with January 2007 and the amendments made by subsection (a)(2) shall take effect on January 1, 2007.

Subtitle C—Provisions Relating to Parts A and B

SEC. 5201. HOME HEALTH PAYMENTS.

(a) 2006 UPDATE.—Section 1895(b)(3)(B)(ii) of the Social Security Act (42 U.S.C. 1395fff(b)(3)(B)(ii)) is amended—

(1) in subclause (III), by striking ''each of 2005 and 2006'' and inserting ''all of 2005'';

(2) by striking ''or'' at the end of subclause (III);

(3) in subclause (IV), by striking ''2007 and'' and by redesignating such subclause as subclause (V); and

(4) by inserting after subclause (III) the following new subclause:

''(IV) 2006, 0 percent; and''.

(b) APPLYING RURAL ADD-ON POLICY FOR 2006.—Section 421(a) of Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Pub. L. 108–173; 117 Stat. 2283) is amended by inserting ''and episodes and visits beginning on or after January 1, 2006, and before January 1, 2007,'' after ''April 1, 2005,''.

(c) HOME HEALTH CARE QUALITY IMPROVEMENT.—Section 1895(b)(3)(B) of the Social Security Act (42 U.S.C. 1395fff(b)(3)(B)) is amended—

(1) in clause (ii)(V), as redesignated by subsection (a)(3), by inserting ''subject to clause (v),'' after ''subsequent year,''; and

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

''(v) ADJUSTMENT IF QUALITY DATA NOT SUBMITTED.—

''(I) ADJUSTMENT.—For purposes of clause (ii)(V), for 2007 and each subsequent year, in the case of a home health agency that does not submit data to the Secretary in accordance with subclause (II) with respect to such a year, the home health market basket percentage increase applicable under such clause for such year shall be reduced by 2 percentage points. Such reduction shall apply only with respect to the year involved, and the Secretary shall not take into account such reduction in computing the prospective payment amount under this section for a subsequent year, and the Medicare Payment Advisory Commission shall carry out the requirements under section 5201(d) of the Deficit Reduction Act of 2005.

''(II) SUBMISSION OF QUALITY DATA.—For 2007 and each subsequent year, each home health agency shall submit to the Secretary such data that the Secretary determines are appropriate for the measurement of health care quality. Such data shall be submitted in a form and manner, and at a time, specified by the Secretary for purposes of this clause.

''(III) PUBLIC AVAILABILITY OF DATA SUBMITTED.—The Secretary shall establish procedures for making data submitted under subclause (II) available to the public. Such procedures shall ensure that a home health agency has the opportunity to review the data that is to be made public with respect to the agency prior to such data being made public.''.

(d) MEDPAC REPORT ON VALUE BASED PURCHASING.—

(1) IN GENERAL.—Not later than June 1, 2007, the Medicare Payment Advisory Commission shall submit to Congress a report that includes recommendations on a detailed structure of value based payment adjustments for home health services under the Medicare program under title XVIII of the Social Security Act. Such report shall include recommendations concerning the determination of thresholds, the size of such payments, sources of funds, and the relationship of payments for improvement and attainment of quality.

(2) FUNDING.—Out of any funds in the Treasury not otherwise appropriated, there are appropriated to the Medicare Payment Advisory Commission $550,000, to carry out this subsection.

SEC. 5202. REVISION OF PERIOD FOR PROVIDING PAYMENT FOR CLAIMS THAT ARE NOT SUBMITTED ELECTRONICALLY.

(a) REVISION.—

(1) PART A.—Section 1816(c)(3)(B)(ii) of the Social Security Act (42 U.S.C. 1395h(c)(3)(B)(ii)) is amended by striking ''26 days'' and inserting ''28 days''.

(2) PART B.—Section 1842(c)(3)(B)(ii) of such Act (42 U.S.C. 1395u(c)(3)(B)(ii)) is amended by striking ''26 days'' and inserting ''28 days''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to claims submitted on or after January 1, 2006.

SEC. 5203. TIMEFRAME FOR PART A AND B PAYMENTS.

Notwithstanding sections 1816(c) and 1842(c)(2) of the Social Security Act or any other provision of law—

(1) any payment from the Federal Hospital Insurance Trust Fund under section 1817 of the Social Security Act (42 U.S.C. 1395i) or from the Federal Supplementary Medical Insurance Trust Fund under section 1841 of such Act (42 U.S.C. 1395t) for claims submitted under part A or B of title XVIII of such Act for items and services furnished under such part A or B, respectively, that would otherwise be payable during the period beginning on September 22, 2006, and ending on September 30, 2006, shall be paid on the first business day of October 2006; and

(2) no interest or late penalty shall be paid to an entity or individual for any delay in a payment by reason of the application of paragraph (1).

SEC. 5204. MEDICARE INTEGRITY PROGRAM FUNDING.

Section 1817(k)(4) of the Social Security Act (42 U.S.C. 1395i(k)(4)) is amended—

(1) in subparagraph (B), by striking ''The amount'' and inserting ''Subject to subparagraph (C), the amount''; and

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

''(C) ADJUSTMENTS.—The amount appropriated under subparagraph (A) for a fiscal year is increased as follows:

''(i) For fiscal year 2006, $100,000,000.''.

Subtitle D—Provisions Relating to Part C

SEC. 5301. PHASE-OUT OF RISK ADJUSTMENT BUDGET NEUTRALITY IN DETERMINING THE AMOUNT OF PAYMENTS TO MEDICARE ADVANTAGE ORGANIZATIONS.

(a) IN GENERAL.—Section 1853 of the Social Security Act (42 U.S.C. 1395w–23) is amended—

(1) in subsection (j)(1)—

(A) in subparagraph (A)—

(i) by inserting ''(or, beginning with 2007, 1/12 of the applicable amount determined under subsection (k)(1))'' after ''1853(c)(1)''; and

(ii) by inserting ''(for years before 2007)'' after ''adjusted as appropriate'';

(B) in subparagraph (B), by inserting ''(for years before 2007)'' after ''adjusted as appropriate''; and

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

''(k) DETERMINATION OF APPLICABLE AMOUNT FOR PURPOSES OF CALCULATING THE BENCHMARK AMOUNTS.—

''(1) APPLICABLE AMOUNT DEFINED.—For purposes of subsection (j), subject to paragraph (2), the term 'applicable amount' means for an area—

''(A) for 2007—

''(i) if such year is not specified under subsection (c)(1)(D)(ii), an amount equal to the amount specified in subsection (c)(1)(C) for the area for 2006—

''(I) first adjusted by the rescaling factor for 2006 for the area (as made available by the Secretary in the announcement of the rates on April 4, 2005, under subsection (b)(1), but excluding any national adjustment factors for coding intensity and risk adjustment budget neutrality that were included in such factor); and

''(II) then increased by the national per capita MA growth percentage, described in subsection (c)(6) for 2007, but not taking into account any adjustment under subparagraph (C) of such subsection for a year before 2004;

''(ii) if such year is specified under subsection (c)(1)(D)(ii), an amount equal to the greater of—

''(I) the amount determined under clause (i) for the area for the year; or

''(II) the amount specified in subsection (c)(1)(D) for the area for the year; and

''(B) for a subsequent year—

''(i) if such year is not specified under subsection (c)(1)(D)(ii), an amount equal to the amount determined under this paragraph for the area for the previous year (determined without regard to paragraph (2)), increased by the national per capita MA growth percentage, described in subsection (c)(6) for that succeeding year, but not taking into account any adjustment under subparagraph (C) of such subsection for a year before 2004; and

''(ii) if such year is specified under subsection (c)(1)(D)(ii), an amount equal to the greater of—

''(I) the amount determined under clause (i) for the area for the year; or

''(II) the amount specified in subsection (c)(1)(D) for the area for the year.

''(2) PHASE-OUT OF BUDGET NEUTRALITY FACTOR.—

''(A) IN GENERAL.—Except as provided in subparagraph (D), in the case of 2007 through 2010, the applicable amount determined under paragraph (1) shall be multiplied by a factor equal to 1 plus the product of—

''(i) the percent determined under subparagraph (B) for the year; and

''(ii) the applicable phase-out factor for the year under subparagraph (C).

''(B) PERCENT DETERMINED.—

''(i) IN GENERAL.—For purposes of subparagraph (A)(i), subject to clause (iv), the percent determined under this subparagraph for a year is a percent equal to a fraction the numerator of which is described in clause (ii) and the denominator of which is described in clause (iii).

''(ii) NUMERATOR BASED ON DIFFERENCE BETWEEN DEMOGRAPHIC RATE AND RISK RATE.—

''(I) IN GENERAL.—The numerator described in this clause is an amount equal to the amount by which the demographic rate described in subclause (II) exceeds the risk rate described in subclause (III).

''(II) DEMOGRAPHIC RATE.—The demographic rate described in this subclause is the Secretary's estimate of the total payments that would have been made under this part in the year if all the monthly payment amounts for all MA plans were equal to 1/12 of the annual MA capitation rate under subsection (c)(1) for the area and year, adjusted pursuant to subsection (a)(1)(C).

''(III) RISK RATE.—The risk rate described in this subclause is the Secretary's estimate of the total payments that would have been made under this part in the year if all the monthly payment amounts for all MA plans were equal to the amount described in subsection (j)(1)(A) (determined as if this paragraph had not applied) under subsection (j) for the area and year, adjusted pursuant to subsection (a)(1)(C).

''(iii) DENOMINATOR BASED ON RISK RATE.—The denominator described in this clause is equal to the total amount estimated for the year under clause (ii)(III).

''(iv) REQUIREMENTS.—In estimating the amounts under the previous clauses, the Secretary shall—

''(I) use a complete set of the most recent and representative Medicare Advantage risk scores under subsection (a)(3) that are available from the risk adjustment model announced for the year;

''(II) adjust the risk scores to reflect changes in treatment and coding practices in the fee-for-service sector;

''(III) adjust the risk scores for differences in coding patterns between Medicare Advantage plans and providers under the original Medicare fee-for-service program under parts A and B to the extent that the Secretary has identified such differences, as required in subsection (a)(1)(C);

''(IV) as necessary, adjust the risk scores for late data submitted by Medicare Advantage organizations;

''(V) as necessary, adjust the risk scores for lagged cohorts; and

''(VI) as necessary, adjust the risk scores for changes in enrollment in Medicare Advantage plans during the year.

''(v) AUTHORITY.—In computing such amounts the Secretary may take into account the estimated health risk of enrollees in preferred provider organization plans (including MA regional plans) for the year.

''(C) APPLICABLE PHASE-OUT FACTOR.—For purposes of subparagraph (A)(ii), the term 'applicable phase-out factor' means—

''(i) for 2007, 0.55;

''(ii) for 2008, 0.40;

''(iii) for 2009, 0.25; and

''(iv) for 2010, 0.05.

''(D) TERMINATION OF APPLICATION.—Subparagraph (A) shall not apply in a year if the amount estimated under subparagraph (B)(ii)(III) for the year is equal to or greater than the amount estimated under subparagraph (B)(ii)(II) for the year.

''(3) NO REVISION IN PERCENT.—

''(A) IN GENERAL.—The Secretary may not make any adjustment to the percent determined under paragraph (2)(B) for any year.

''(B) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to limit the authority of the Secretary to make adjustments to the applicable amounts determined under paragraph (1) as appropriate for purposes of updating data or for purposes of adopting an improved risk adjustment methodology.''.

(b) REFINEMENTS TO HEALTH STATUS ADJUSTMENT.—Section 1853(a)(1)(C) of such Act (42 U.S.C. 1395w–23) is amended—

(1) by designating the matter after the heading as a clause (i) with the following heading: ''IN GENERAL.—'' and indenting appropriately; and

(2) by adding at the end the following:

''(ii) APPLICATION DURING PHASE-OUT OF BUDGET NEUTRALITY FACTOR.—For 2006 through 2010:

''(I) In applying the adjustment under clause (i) for health status to payment amounts, the Secretary shall ensure that such adjustment reflects changes in treatment and coding practices in the fee-for-service sector and reflects differences in coding patterns between Medicare Advantage plans and providers under part A and B to the extent that the Secretary has identified such differences.

''(II) In order to ensure payment accuracy, the Secretary shall conduct an analysis of the differences described in subclause (I). The Secretary shall complete such analysis by a date necessary to ensure that the results of such analysis are incorporated into the risk scores only for 2008, 2009, and 2010. In conducting such

analysis, the Secretary shall use data submitted with respect to 2004 and subsequent years, as available.''.

SEC. 5302. RURAL PACE PROVIDER GRANT PROGRAM.

(a) DEFINITIONS.—In this section:

(1) CMS.—The term ''CMS'' means the Centers for Medicare & Medicaid Services.

(2) PACE PROGRAM.—The term ''PACE program'' has the meaning given that term in sections 1894(a)(2) and 1934(a)(2) of the Social Security Act (42 U.S.C. 1395eee(a)(2); 1396u–4(a)(2)).

(3) PACE PROVIDER.—The term ''PACE provider'' has the meaning given that term in section 1894(a)(3) or 1934(a)(3) of the Social Security Act (42 U.S.C. 1395eee(a)(3); 1396u–4(a)(3)).

(4) RURAL AREA.—The term ''rural area'' has the meaning given that term in section 1886(d)(2)(D) of the Social Security Act (42 U.S.C. 1395ww(d)(2)(D)).

(5) RURAL PACE PILOT SITE.—The term ''rural PACE pilot site'' means a PACE provider that has been approved to provide services in a geographic service area that is, in whole or in part, a rural area, and that has received a site development grant under this section.

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

(b) SITE DEVELOPMENT GRANTS AND TECHNICAL ASSISTANCE PROGRAM.—

(1) SITE DEVELOPMENT GRANTS.—

(A) IN GENERAL.—The Secretary shall establish a process and criteria to award site development grants to qualified PACE providers that have been approved to serve a rural area.

(B) AMOUNT PER AWARD.—A site development grant awarded under subparagraph (A) to any individual rural PACE pilot site shall not exceed $750,000.

(C) NUMBER OF AWARDS.—Not more than 15 rural PACE pilot sites shall be awarded a site development grant under subparagraph (A).

(D) USE OF FUNDS.—Funds made available under a site development grant awarded under subparagraph (A) may be used for the following expenses only to the extent such expenses are incurred in relation to establishing or delivering PACE program services in a rural area:

(i) Feasibility analysis and planning.

(ii) Interdisciplinary team development.

(iii) Development of a provider network, including contract development.

(iv) Development or adaptation of claims processing systems.

(v) Preparation of special education and outreach efforts required for the PACE program.

(vi) Development of expense reporting required for calculation of outlier payments or reconciliation processes.

(vii) Development of any special quality of care or patient satisfaction data collection efforts.

(viii) Establishment of a working capital fund to sustain fixed administrative, facility, or other fixed costs until the provider reaches sufficient enrollment size.

(ix) Startup and development costs incurred prior to the approval of the rural PACE pilot site's PACE provider application by CMS.

(x) Any other efforts determined by the rural PACE pilot site to be critical to its successful startup, as approved by the Secretary.

(E) APPROPRIATION.—

(i) IN GENERAL.—Out of funds in the Treasury not otherwise appropriated, there are appropriated to the Secretary to carry out this subsection for fiscal year 2006, $7,500,000.

(ii) AVAILABILITY.—Funds appropriated under clause (i) shall remain available for expenditure through fiscal year 2008.

(2) TECHNICAL ASSISTANCE PROGRAM.—The Secretary shall establish a technical assistance program to provide—

(A) outreach and education to State agencies and provider organizations interested in establishing PACE programs in rural areas; and

(B) technical assistance necessary to support rural PACE pilot sites.

(c) COST OUTLIER PROTECTION FOR RURAL PACE PILOT SITES.—

(1) ESTABLISHMENT OF FUND FOR REIMBURSEMENT OF OUTLIER COSTS.—Notwithstanding any other provision of law, the Secretary shall establish an outlier fund to reimburse rural PACE pilot sites for recognized outlier costs (as defined in paragraph (3)) incurred for eligible outlier participants (as defined in paragraph (2)) in an amount, subject to paragraph (4), equal to 80 percent of the amount by which the recognized outlier costs exceeds $50,000.

(2) ELIGIBLE OUTLIER PARTICIPANT.—For purposes of this subsection, the term ''eligible outlier participant'' means a PACE program eligible individual (as defined in sections 1894(a)(5) and 1934(a)(5) of the Social Security Act (42 U.S.C. 1395eee(a)(5); 1396u–4(a)(5))) who resides in a rural area and with respect to whom the rural PACE pilot site incurs more than $50,000 in recognized costs in a 12-month period.

(3) RECOGNIZED OUTLIER COSTS DEFINED.—

(A) IN GENERAL.—For purposes of this subsection, the term ''recognized outlier costs'' means, with respect to services furnished to an eligible outlier participant by a rural PACE pilot site, the least of the following (as documented by the site to the satisfaction of the Secretary) for the provision of inpatient and related physician and ancillary services for the eligible outlier participant in a given 12-month period:

(i) If the services are provided under a contract between the pilot site and the provider, the payment rate specified under the contract.

(ii) The payment rate established under the original Medicare fee-for-service program for such service.

(iii) The amount actually paid for the services by the pilot site.

(B) INCLUSION IN ONLY ONE PERIOD.—Recognized outlier costs may not be included in more than one 12-month period.

(3) OUTLIER EXPENSE PAYMENT.—

(A) PAYMENT FOR OUTLIER COSTS.—Subject to subparagraph (B), in the case of a rural PACE pilot site that has incurred outlier costs for an eligible outlier participant, the rural PACE pilot site shall receive an outlier expense payment equal to 80 percent of such costs that exceed $50,000.

(4) LIMITATIONS.—

(A) COSTS INCURRED PER ELIGIBLE OUTLIER PARTICIPANT.—The total amount of outlier expense payments made under this subsection to a rural PACE pilot site with respect to an eligible outlier participant for any 12-month period shall not exceed $100,000 for the 12-month period used to calculate the payment.

(B) COSTS INCURRED PER PROVIDER.—No rural PACE pilot site may receive more than $500,000 in total outlier expense payments in a 12-month period.

(C) LIMITATION OF OUTLIER COST REIMBURSEMENT PERIOD.—A rural PACE pilot site shall only receive outlier expense payments under this subsection with respect to costs incurred during the first 3 years of the site's operation.

(5) REQUIREMENT TO ACCESS RISK RESERVES PRIOR TO PAYMENT.—A rural PACE pilot site shall access and exhaust any risk reserves held or arranged for the provider (other than revenue or reserves maintained to satisfy the requirements of section 460.80(c) of title 42, Code of Federal Regulations) and any working capital established through a site development grant awarded under subsection (b)(1), prior to receiving any payment from the outlier fund.

(6) APPLICATION.—In order to receive an outlier expense payment under this subsection with respect to an eligible outlier participant, a rural PACE pilot site shall submit an application containing—

(A) documentation of the costs incurred with respect to the participant;

(B) a certification that the site has complied with the requirements under paragraph (4); and

(C) such additional information as the Secretary may require.

(7) APPROPRIATION.—

(A) IN GENERAL.—Out of funds in the Treasury not otherwise appropriated, there are appropriated to the Secretary to carry out this subsection for fiscal year 2006, $10,000,000.

(B) AVAILABILITY.—Funds appropriated under subparagraph (A) shall remain available for expenditure through fiscal year 2010.

(d) EVALUATION OF PACE PROVIDERS SERVING RURAL SERVICE AREAS.—Not later than 60 months after the date of enactment of this Act, the Secretary shall submit a report to Congress containing an evaluation of the experience of rural PACE pilot sites.

(e) AMOUNTS IN ADDITION TO PAYMENTS UNDER SOCIAL SECURITY ACT.—Any amounts paid under the authority of this section to a PACE provider shall be in addition to payments made to the provider under section 1894 or 1934 of the Social Security Act (42 U.S.C. 1395eee; 1396u–4).

TITLE VI—MEDICAID AND SCHIP

Subtitle A—Medicaid

CHAPTER 1—PAYMENT FOR PRESCRIPTION DRUGS

SEC. 6001. FEDERAL UPPER PAYMENT LIMIT FOR MULTIPLE SOURCE DRUGS AND OTHER DRUG PAYMENT PROVISIONS.

(a) MODIFICATION OF FEDERAL UPPER PAYMENT LIMIT FOR MULTIPLE SOURCE DRUGS; DEFINITION OF MULTIPLE SOURCE DRUGS.—Section 1927 of the Social Security Act (42 U.S.C. 1396r–8) is amended—

(1) in subsection (e)(4)—

(A) by striking ''The Secretary'' and inserting ''Subject to paragraph (5), the Secretary''; and

(B) by inserting ''(or, effective January 1, 2007, two or more)'' after ''three or more'';

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

''(5) USE OF AMP IN UPPER PAYMENT LIMITS.—Effective January 1, 2007, in applying the Federal upper reimbursement limit under paragraph (4) and section 447.332(b) of title 42 of the Code of Federal Regulations, the Secretary shall substitute 250 percent of the average manufacturer price (as computed without regard to customary prompt pay discounts extended to wholesalers) for 150 percent of the published price.'';

(3) in subsection (k)(7)(A)(i), in the matter preceding subclause (I), by striking ''are 2 or more drug products'' and inserting ''at least 1 other drug product''; and

(4) in subclauses (I), (II), and (III) of subsection (k)(7)(A)(i), by striking ''are'' and inserting ''is'' each place it appears.

(b) DISCLOSURE OF PRICE INFORMATION TO STATES AND THE PUBLIC.—Subsection (b)(3) of such section is amended—

(1) in subparagraph (A)—

(A) in clause (i), by inserting ''month of a'' after ''last day of each''; and

(B) by adding at the end the following: ''Beginning July 1, 2006, the Secretary shall provide on a monthly basis to States under subparagraph (D)(iv) the most recently reported average manufacturer prices for single source drugs and for multiple source drugs and shall, on at least a quarterly basis, update the information posted on the website under subparagraph (D)(v).''; and

(2) in subparagraph (D)—

(A) by striking ''and'' at the end of clause (ii);

(B) by striking the period at the end of clause (iii) and inserting a comma; and

(C) by inserting after clause (iii) the following new clauses:

''(iv) to States to carry out this title, and

''(v) to the Secretary to disclose (through a website accessible to the public) average manufacturer prices.''.

(c) DEFINITION OF AVERAGE MANUFACTURER PRICE.—

(1) EXCLUSION OF CUSTOMARY PROMPT PAY DISCOUNTS EXTENDED TO WHOLESALERS.—Subsection (k)(1) of such section is amended—

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

''(A) IN GENERAL.—Subject to subparagraph (B), the term'';

(B) by striking '', after deducting customary prompt pay discounts''; and

(C) by adding at the end the following:

''(B) EXCLUSION OF CUSTOMARY PROMPT PAY DISCOUNTS EXTENDED TO WHOLESALERS.—The average manufacturer price for a covered outpatient drug shall be determined without regard to customary prompt pay discounts extended to wholesalers.''.

(2) MANUFACTURER REPORTING OF PROMPT PAY DISCOUNTS.—Subsection (b)(3)(A)(i) of such section is amended by inserting '', customary prompt pay discounts extended to wholesalers,'' after ''(k)(1))''.

(3) REQUIREMENT TO PROMULGATE REGULATION.—

(A) INSPECTOR GENERAL RECOMMENDATIONS.—Not later than June 1, 2006, the Inspector General of the Department of Health and Human Services shall—

(i) review the requirements for, and manner in which, average manufacturer prices are determined under section 1927 of the Social Security Act, as amended by this section; and

(ii) shall submit to the Secretary of Health and Human Services and Congress such recommendations for changes in such requirements or manner as the Inspector General determines to be appropriate.

(B) DEADLINE FOR PROMULGATION.—Not later than July 1, 2007, the Secretary of Health and Human Services shall promulgate a regulation that clarifies the requirements for, and manner in which, average manufacturer prices are determined under section 1927 of the Social Security Act, taking into consideration the recommendations submitted to the Secretary in accordance with subparagraph (A)(ii).

(d) EXCLUSION OF SALES AT A NOMINAL PRICE FROM DETERMINATION OF BEST PRICE.—

(1) MANUFACTURER REPORTING OF SALES.—Subsection (b)(3)(A)(iii) of such section is amended by inserting before the period at the end the following: '', and, for calendar quarters beginning on or after January 1, 2007 and only with respect to the information described in subclause (III), for covered outpatient drugs''.

(2) LIMITATION ON SALES AT A NOMINAL PRICE.—Subsection (c)(1) of such section is amended by adding at the end the following new subparagraph:

''(D) LIMITATION ON SALES AT A NOMINAL PRICE.—

''(i) IN GENERAL.—For purposes of subparagraph (C)(ii)(III) and subsection (b)(3)(A)(iii)(III), only sales by a manufacturer of covered outpatient drugs at nominal prices to the following shall be considered to be sales at a nominal price or merely nominal in amount:

''(I) A covered entity described in section 340B(a)(4) of the Public Health Service Act.

''(II) An intermediate care facility for the mentally retarded.

''(III) A State-owned or operated nursing facility.

''(IV) Any other facility or entity that the Secretary determines is a safety net provider to which sales of such drugs at a nominal price would be appropriate based on the factors described in clause (ii).

''(ii) FACTORS.—The factors described in this clause with respect to a facility or entity are the following:

''(I) The type of facility or entity.

''(II) The services provided by the facility or entity.

''(III) The patient population served by the facility or entity.

''(IV) The number of other facilities or entities eligible to purchase at nominal prices in the same service area.

''(iii) NONAPPLICATION.—Clause (i) shall not apply with respect to sales by a manufacturer at a nominal price of covered outpatient drugs pursuant to a master agreement under section 8126 of title 38, United States Code.''.

(e) RETAIL SURVEY PRICES; STATE PAYMENT AND UTILIZATION RATES; AND PERFORMANCE RANKINGS.—Such section is further amended by inserting after subsection (e) the following new subsection:

''(f) SURVEY OF RETAIL PRICES; STATE PAYMENT AND UTILIZATION RATES; AND PERFORMANCE RANKINGS.—

''(1) SURVEY OF RETAIL PRICES.—

''(A) USE OF VENDOR.—The Secretary may contract services for—

''(i) the determination on a monthly basis of retail survey prices for covered outpatient drugs that represent a nationwide average of consumer purchase prices for such drugs, net of all discounts and rebates (to the extent any information with respect to such discounts and rebates is available); and

''(ii) the notification of the Secretary when a drug product that is therapeutically and pharmaceutically equivalent and bioequivalent becomes generally available.

''(B) SECRETARY RESPONSE TO NOTIFICATION OF AVAILABILITY OF MULTIPLE SOURCE PRODUCTS.—If contractor notifies the Secretary under subparagraph (A)(ii) that a drug product described in such subparagraph has become generally available, the Secretary shall make a determination, within 7 days after receiving such notification, as to whether the product is now described in subsection (e)(4).

''(C) USE OF COMPETITIVE BIDDING.—In contracting for such services, the Secretary shall competitively bid for an outside vendor that has a demonstrated history in—

''(i) surveying and determining, on a representative nationwide basis, retail prices for ingredient costs of prescription drugs;

''(ii) working with retail pharmacies, commercial payers, and States in obtaining and disseminating such price information; and

''(iii) collecting and reporting such price information on at least a monthly basis.

In contracting for such services, the Secretary may waive such provisions of the Federal Acquisition Regulation as are necessary for the efficient implementation of this subsection, other than provisions relating to confidentiality of information and such other provisions as the Secretary determines appropriate.

''(D) ADDITIONAL PROVISIONS.—A contract with a vendor under this paragraph shall include such terms and conditions as the Secretary shall specify, including the following:

''(i) The vendor must monitor the marketplace and report to the Secretary each time there is a new covered outpatient drug generally available.

''(ii) The vendor must update the Secretary no less often than monthly on the retail survey prices for covered outpatient drugs.

''(iii) The contract shall be effective for a term of 2 years.

''(E) AVAILABILITY OF INFORMATION TO STATES.—Information on retail survey prices obtained under this paragraph, including applicable information on single source drugs, shall be provided to States on at least a monthly basis. The Secretary shall devise and implement a means for providing access to each State agency designated under section 1902(a)(5) with responsibility for the administration or supervision of the administration of the State plan under this title of the retail survey price determined under this paragraph.

''(2) ANNUAL STATE REPORT.—Each State shall annually report to the Secretary information on—

''(A) the payment rates under the State plan under this title for covered outpatient drugs;

''(B) the dispensing fees paid under such plan for such drugs; and

''(C) utilization rates for noninnovator multiple source drugs under such plan.

''(3) ANNUAL STATE PERFORMANCE RANKINGS.—

''(A) COMPARATIVE ANALYSIS.—The Secretary annually shall compare, for the 50 most widely prescribed drugs identified by the Secretary, the national retail sales price data (collected under paragraph (1)) for such drugs with data on prices under this title for each such drug for each State.

''(B) AVAILABILITY OF INFORMATION.—The Secretary shall submit to Congress and the States full information regarding the annual rankings made under subparagraph (A).

''(4) APPROPRIATION.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to the Secretary of Health and Human Services $5,000,000 for each of fiscal years 2006 through 2010 to carry out this subsection.''.

(f) MISCELLANEOUS AMENDMENTS.—

(1) IN GENERAL.—Sections 1927(g)(1)(B)(i)(II) and 1861(t)(2)(B)(ii)(I) of such Act are each amended by inserting ''(or its successor publications)'' after ''United States Pharmacopoeia-Drug Information''.

(2) PAPERWORK REDUCTION.—The last sentence of section 1927(g)(2)(A)(ii) of such Act (42 U.S.C. 1396r–8(g)(2)(A)(ii)) is amended by inserting before the period at the end the following: '', or to require verification of the offer to provide consultation or a refusal of such offer''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(g) EFFECTIVE DATE.—Except as otherwise provided, the amendments made by this section shall take effect on January 1, 2007, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

SEC. 6002. COLLECTION AND SUBMISSION OF UTILIZATION DATA FOR CERTAIN PHYSICIAN ADMINISTERED DRUGS.

(a) IN GENERAL.—Section 1927(a) of the Social Security Act (42 U.S.C. 1396r–8(a)) is amended by adding at the end the following new paragraph:

''(7) REQUIREMENT FOR SUBMISSION OF UTILIZATION DATA FOR CERTAIN PHYSICIAN ADMINISTERED DRUGS.—

''(A) SINGLE SOURCE DRUGS.—In order for payment to be available under section 1903(a) for a covered outpatient drug that is a single source drug that is physician administered under this title (as determined by the Secretary), and that is administered on or after January 1, 2006, the State shall provide for the collection and submission of such utilization data and coding (such as J-codes and National Drug Code numbers) for each such drug as the Secretary may specify as necessary to identify the manufacturer of the drug in order to secure rebates under this section for drugs administered for which payment is made under this title.

''(B) MULTIPLE SOURCE DRUGS.—

''(i) IDENTIFICATION OF MOST FREQUENTLY PHYSICIAN ADMINISTERED MULTIPLE SOURCE DRUGS.—Not later than January 1, 2007, the Secretary shall publish a list of the 20 physician administered multiple source drugs that the Secretary determines have the highest dollar volume of physician administered drugs dispensed under this title. The Secretary may modify such list from year to year to reflect changes in such volume.

''(ii) REQUIREMENT.—In order for payment to be available under section 1903(a) for a covered outpatient drug that is a multiple source drug that is physician administered (as determined by the Secretary), that is on the list published under clause (i), and that is administered on or after January 1, 2008, the State shall provide for the submission of such utilization data and coding (such as J-codes and National Drug Code numbers) for each such drug as the Secretary may specify as necessary to identify the manufacturer of the drug in order to secure rebates under this section.

''(C) USE OF NDC CODES.—Not later than January 1, 2007, the information shall be submitted

under subparagraphs (A) and (B)(ii) using National Drug Code codes unless the Secretary specifies that an alternative coding system should be used.

''(D) HARDSHIP WAIVER.—The Secretary may delay the application of subparagraph (A) or (B)(ii), or both, in the case of a State to prevent hardship to States which require additional time to implement the reporting system required under the respective subparagraph.''.

(b) LIMITATION ON PAYMENT.—Section 1903(i)(10) of such Act (42 U.S.C. 1396b(i)(10)), is amended—

(1) by striking ''and'' at the end of subparagraph (A);

(2) by striking ''or'' at the end of subparagraph (B) and inserting ''and''; and

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

''(C) with respect to covered outpatient drugs described in section 1927(a)(7), unless information respecting utilization data and coding on such drugs that is required to be submitted under such section is submitted in accordance with such section; or''.

SEC. 6003. IMPROVED REGULATION OF DRUGS SOLD UNDER A NEW DRUG APPLICATION APPROVED UNDER SECTION 505(c) OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT.

(a) INCLUSION WITH OTHER REPORTED AVERAGE MANUFACTURER AND BEST PRICES.—Section 1927(b)(3)(A) of the Social Security Act (42 U.S.C. 1396r–8(b)(3)(A)) is amended—

(1) by striking clause (i) and inserting the following:

''(i) not later than 30 days after the last day of each rebate period under the agreement—

''(I) on the average manufacturer price (as defined in subsection (k)(1)) for covered outpatient drugs for the rebate period under the agreement (including for all such drugs that are sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act); and

''(II) for single source drugs and innovator multiple source drugs (including all such drugs that are sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act), on the manufacturer's best price (as defined in subsection (c)(1)(C)) for such drugs for the rebate period under the agreement;''; and

(2) in clause (ii), by inserting ''(including for such drugs that are sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act)'' after ''drugs''.

(b) CONFORMING AMENDMENTS.—Section 1927 of such Act (42 U.S.C. 1396r–8) is amended—

(1) in subsection (c)(1)(C)—

(A) in clause (i), in the matter preceding subclause (I), by inserting after ''or innovator multiple source drug of a manufacturer'' the following: ''(including the lowest price available to any entity for any such drug of a manufacturer that is sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act)''; and

(B) in clause (ii)—

(i) in subclause (II), by striking ''and'' at the end;

(ii) in subclause (III), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(IV) in the case of a manufacturer that approves, allows, or otherwise permits any other drug of the manufacturer to be sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act, shall be inclusive of the lowest price for such authorized drug available from the manufacturer during the rebate period to any manufacturer, wholesaler, retailer, provider, health maintenance organization, nonprofit entity, or governmental entity within the United States, excluding those prices described in subclauses (I) through (IV) of clause (i).''; and

(2) in subsection (k), as amended by section 6001(c)(1), by adding at the end the following:

''(C) INCLUSION OF SECTION 505(c) DRUGS.—In the case of a manufacturer that approves, allows, or otherwise permits any drug of the manufacturer to be sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act, such term shall be inclusive of the average price paid for such drug by wholesalers for drugs distributed to the retail pharmacy class of trade.''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on January 1, 2007.

SEC. 6004. CHILDREN'S HOSPITAL PARTICIPATION IN SECTION 340B DRUG DISCOUNT PROGRAM.

(a) IN GENERAL.—Section 1927(a)(5)(B) of the Social Security Act (42 U.S.C. 1396r–8(a)(5)(B)) is amended by inserting before the period at the end the following: ''and a children's hospital described in section 1886(d)(1)(B)(iii) which meets the requirements of clauses (i) and (iii) of section 340B(b)(4)(L) of the Public Health Service Act and which would meet the requirements of clause (ii) of such section if that clause were applied by taking into account the percentage of care provided by the hospital to patients eligible for medical assistance under a State plan under this title''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to drugs purchased on or after the date of the enactment of this Act.

CHAPTER 2—LONG-TERM CARE UNDER MEDICAID

Subchapter A—Reform of Asset Transfer Rules

SEC. 6011. LENGTHENING LOOK-BACK PERIOD; CHANGE IN BEGINNING DATE FOR PERIOD OF INELIGIBILITY.

(a) LENGTHENING LOOK-BACK PERIOD FOR ALL DISPOSALS TO 5 YEARS.—Section 1917(c)(1)(B)(i) of the Social Security Act (42 U.S.C. 1396p(c)(1)(B)(i)) is amended by inserting ''or in the case of any other disposal of assets made on or after the date of the enactment of the Deficit Reduction Act of 2005'' before '', 60 months''.

(b) CHANGE IN BEGINNING DATE FOR PERIOD OF INELIGIBILITY.—Section 1917(c)(1)(D) of such Act (42 U.S.C. 1396p(c)(1)(D)) is amended—

(1) by striking ''(D) The date'' and inserting ''(D)(i) In the case of a transfer of asset made before the date of the enactment of the Deficit Reduction Act of 2005, the date''; and

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

''(ii) In the case of a transfer of asset made on or after the date of the enactment of the Deficit Reduction Act of 2005, the date specified in this subparagraph is the first day of a month during or after which assets have been transferred for less than fair market value, or the date on which the individual is eligible for medical assistance under the State plan and would otherwise be receiving institutional level care described in subparagraph (C) based on an approved application for such care but for the application of the penalty period, whichever is later, and which does not occur during any other period of ineligibility under this subsection.''.

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

(d) AVAILABILITY OF HARDSHIP WAIVERS.—Each State shall provide for a hardship waiver process in accordance with section 1917(c)(2)(D) of the Social Security Act (42 U.S.C. 1396p(c)(2)(D))—

(1) under which an undue hardship exists when application of the transfer of assets provision would deprive the individual—

(A) of medical care such that the individual's health or life would be endangered; or

(B) of food, clothing, shelter, or other necessities of life; and

(2) which provides for—

(A) notice to recipients that an undue hardship exception exists;

(B) a timely process for determining whether an undue hardship waiver will be granted; and

(C) a process under which an adverse determination can be appealed.

(e) ADDITIONAL PROVISIONS ON HARDSHIP WAIVERS.—

(1) APPLICATION BY FACILITY.—Section 1917(c)(2) of the Social Security Act (42 U.S.C. 1396p(c)(2)) is amended—

(A) by striking the semicolon at the end of subparagraph (D) and inserting a period; and

(B) by adding after and below such subparagraph the following:

''The procedures established under subparagraph (D) shall permit the facility in which the institutionalized individual is residing to file an undue hardship waiver application on behalf of the individual with the consent of the individual or the personal representative of the individual.''.

(2) AUTHORITY TO MAKE BED HOLD PAYMENTS FOR HARDSHIP APPLICANTS.—Such section is further amended by adding at the end the following: ''While an application for an undue hardship waiver is pending under subparagraph (D) in the case of an individual who is a resident of a nursing facility, if the application meets such criteria as the Secretary specifies, the State may provide for payments for nursing facility services in order to hold the bed for the individual at the facility, but not in excess of payments for 30 days.''.

SEC. 6012. DISCLOSURE AND TREATMENT OF ANNUITIES.

(a) IN GENERAL.—Section 1917 of the Social Security Act (42 U.S.C. 1396p) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

''(e)(1) In order to meet the requirements of this section for purposes of section 1902(a)(18), a State shall require, as a condition for the provision of medical assistance for services described in subsection (c)(1)(C)(i) (relating to long-term care services) for an individual, the application of the individual for such assistance (including any recertification of eligibility for such assistance) shall disclose a description of any interest the individual or community spouse has in an annuity (or similar financial instrument, as may be specified by the Secretary), regardless of whether the annuity is irrevocable or is treated as an asset. Such application or recertification form shall include a statement that under paragraph (2) the State becomes a remainder beneficiary under such an annuity or similar financial instrument by virtue of the provision of such medical assistance.

''(2)(A) In the case of disclosure concerning an annuity under subsection (c)(1)(F), the State shall notify the issuer of the annuity of the right of the State under such subsection as a preferred remainder beneficiary in the annuity for medical assistance furnished to the individual. Nothing in this paragraph shall be construed as preventing such an issuer from notifying persons with any other remainder interest of the State's remainder interest under such subsection.

''(B) In the case of such an issuer receiving notice under subparagraph (A), the State may require the issuer to notify the State when there is a change in the amount of income or principal being withdrawn from the amount that was being withdrawn at the time of the most recent disclosure described in paragraph (1). A State shall take such information into account in determining the amount of the State's obligations for medical assistance or in the individual's eligibility for such assistance.

''(3) The Secretary may provide guidance to States on categories of transactions that may be treated as a transfer of asset for less than fair market value.

''(4) Nothing in this subsection shall be construed as preventing a State from denying eligibility for medical assistance for an individual

based on the income or resources derived from an annuity described in paragraph (1).''.

(b) REQUIREMENT FOR STATE TO BE NAMED AS A REMAINDER BENEFICIARY.—Section 1917(c)(1) of such Act (42 U.S.C. 1396p(c)(1)), is amended by adding at the end the following:

''(F) For purposes of this paragraph, the purchase of an annuity shall be treated as the disposal of an asset for less than fair market value unless—

''(i) the State is named as the remainder beneficiary in the first position for at least the total amount of medical assistance paid on behalf of the annuitant under this title; or

''(ii) the State is named as such a beneficiary in the second position after the community spouse or minor or disabled child and is named in the first position if such spouse or a representative of such child disposes of any such remainder for less than fair market value.''.

(c) INCLUSION OF TRANSFERS TO PURCHASE BALLOON ANNUITIES.—Section 1917(c)(1) of such Act (42 U.S.C. 1396p(c)(1)), as amended by subsection (b), is amended by adding at the end the following:

''(G) For purposes of this paragraph with respect to a transfer of assets, the term 'assets' includes an annuity purchased by or on behalf of an annuitant who has applied for medical assistance with respect to nursing facility services or other long-term care services under this title unless—

''(i) the annuity is—

''(I) an annuity described in subsection (b) or (q) of section 408 of the Internal Revenue Code of 1986; or

''(II) purchased with proceeds from—

''(aa) an account or trust described in subsection (a), (c), or (p) of section 408 of such Code;

''(bb) a simplified employee pension (within the meaning of section 408(k) of such Code); or

''(cc) a Roth IRA described in section 408A of such Code; or

''(ii) the annuity—

''(I) is irrevocable and nonassignable;

''(II) is actuarially sound (as determined in accordance with actuarial publications of the Office of the Chief Actuary of the Social Security Administration); and

''(III) provides for payments in equal amounts during the term of the annuity, with no deferral and no balloon payments made.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions (including the purchase of an annuity) occurring on or after the date of the enactment of this Act.

SEC. 6013. APPLICATION OF "INCOME-FIRST" RULE IN APPLYING COMMUNITY SPOUSE'S INCOME BEFORE ASSETS IN PROVIDING SUPPORT OF COMMUNITY SPOUSE.

(a) IN GENERAL.—Section 1924(d) of the Social Security Act (42 U.S.C. 1396r–5(d)) is amended by adding at the end the following new subparagraph:

''(6) APPLICATION OF 'INCOME FIRST' RULE TO REVISION OF COMMUNITY SPOUSE RESOURCE ALLOWANCE.—For purposes of this subsection and subsections (c) and (e), a State must consider that all income of the institutionalized spouse that could be made available to a community spouse, in accordance with the calculation of the community spouse monthly income allowance under this subsection, has been made available before the State allocates to the community spouse an amount of resources adequate to provide the difference between the minimum monthly maintenance needs allowance and all income available to the community spouse.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to transfers and allocations made on or after the date of the enactment of this Act by individuals who become institutionalized spouses on or after such date.

SEC. 6014. DISQUALIFICATION FOR LONG-TERM CARE ASSISTANCE FOR INDIVIDUALS WITH SUBSTANTIAL HOME EQUITY.

(a) IN GENERAL.—Section 1917 of the Social Security Act, as amended by section 6012(a), is further amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f)(1)(A) Notwithstanding any other provision of this title, subject to subparagraphs (B) and (C) of this paragraph and paragraph (2), in determining eligibility of an individual for medical assistance with respect to nursing facility services or other long-term care services, the individual shall not be eligible for such assistance if the individual's equity interest in the individual's home exceeds $500,000.

''(B) A State may elect, without regard to the requirements of section 1902(a)(1) (relating to statewideness) and section 1902(a)(10)(B) (relating to comparability), to apply subparagraph (A) by substituting for '$500,000', an amount that exceeds such amount, but does not exceed $750,000.

''(C) The dollar amounts specified in this paragraph shall be increased, beginning with 2011, from year to year based on the percentage increase in the consumer price index for all urban consumers (all items; United States city average), rounded to the nearest $1,000.

''(2) Paragraph (1) shall not apply with respect to an individual if—

''(A) the spouse of such individual, or

''(B) such individual's child who is under age 21, or (with respect to States eligible to participate in the State program established under title XVI) is blind or permanently and totally disabled, or (with respect to States which are not eligible to participate in such program) is blind or disabled as defined in section 1614,

is lawfully residing in the individual's home.

''(3) Nothing in this subsection shall be construed as preventing an individual from using a reverse mortgage or home equity loan to reduce the individual's total equity interest in the home.

''(4) The Secretary shall establish a process whereby paragraph (1) is waived in the case of a demonstrated hardship.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who are determined eligible for medical assistance with respect to nursing facility services or other long-term care services based on an application filed on or after January 1, 2006.

SEC. 6015. ENFORCEABILITY OF CONTINUING CARE RETIREMENT COMMUNITIES (CCRC) AND LIFE CARE COMMUNITY ADMISSION CONTRACTS.

(a) ADMISSION POLICIES OF NURSING FACILITIES.—Section 1919(c)(5) of the Social Security Act (42 U.S.C. 1396r(c)(5)) is amended—

(1) in subparagraph (A)(i)(II), by inserting ''subject to clause (v),'' after ''(II)''; and

(2) by adding at the end of subparagraph (B) the following new clause:

''(v) TREATMENT OF CONTINUING CARE RETIREMENT COMMUNITIES ADMISSION CONTRACTS.—Notwithstanding subclause (II) of subparagraph (A)(i), subject to subsections (c) and (d) of section 1924, contracts for admission to a State licensed, registered, certified, or equivalent continuing care retirement community or life care community, including services in a nursing facility that is part of such community, may require residents to spend on their care resources declared for the purposes of admission before applying for medical assistance.''.

(b) TREATMENT OF ENTRANCE FEES.—Section 1917 of such Act (42 U.S.C. 1396p), as amended by sections 6012(a) and 6014(a), is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

''(g) TREATMENT OF ENTRANCE FEES OF INDIVIDUALS RESIDING IN CONTINUING CARE RETIREMENT COMMUNITIES.—

''(1) IN GENERAL.—For purposes of determining an individual's eligibility for, or amount of, benefits under a State plan under this title, the rules specified in paragraph (2) shall apply to individuals residing in continuing care retirement communities or life care communities that collect an entrance fee on admission from such individuals.

''(2) TREATMENT OF ENTRANCE FEE.—For purposes of this subsection, an individual's entrance fee in a continuing care retirement community or life care community shall be considered a resource available to the individual to the extent that—

''(A) the individual has the ability to use the entrance fee, or the contract provides that the entrance fee may be used, to pay for care should other resources or income of the individual be insufficient to pay for such care;

''(B) the individual is eligible for a refund of any remaining entrance fee when the individual dies or terminates the continuing care retirement community or life care community contract and leaves the community; and

''(C) the entrance fee does not confer an ownership interest in the continuing care retirement community or life care community.''.

SEC. 6016. ADDITIONAL REFORMS OF MEDICAID ASSET TRANSFER RULES.

(a) REQUIREMENT TO IMPOSE PARTIAL MONTHS OF INELIGIBILITY.—Section 1917(c)(1)(E) of the Social Security Act (42 U.S.C. 1396p(c)(1)(E)) is amended by adding at the end the following:

''(iv) A State shall not round down, or otherwise disregard any fractional period of ineligibility determined under clause (i) or (ii) with respect to the disposal of assets.''.

(b) AUTHORITY FOR STATES TO ACCUMULATE MULTIPLE TRANSFERS INTO ONE PENALTY PERIOD.—Section 1917(c)(1) of such Act (42 U.S.C. 1396p(c)(1)), as amended by subsections (b) and (c) of section 6012, is amended by adding at the end the following:

''(H) Notwithstanding the preceding provisions of this paragraph, in the case of an individual (or individual's spouse) who makes multiple fractional transfers of assets in more than 1 month for less than fair market value on or after the applicable look-back date specified in subparagraph (B), a State may determine the period of ineligibility applicable to such individual under this paragraph by—

''(i) treating the total, cumulative uncompensated value of all assets transferred by the individual (or individual's spouse) during all months on or after the look-back date specified in subparagraph (B) as 1 transfer for purposes of clause (i) or (ii) (as the case may be) of subparagraph (E); and

''(ii) beginning such period on the earliest date which would apply under subparagraph (D) to any of such transfers.''.

(c) INCLUSION OF TRANSFER OF CERTAIN NOTES AND LOANS ASSETS.—Section 1917(c)(1) of such Act (42 U.S.C. 1396p(c)(1)), as amended by subsection (b), is amended by adding at the end the following:

''(I) For purposes of this paragraph with respect to a transfer of assets, the term 'assets' includes funds used to purchase a promissory note, loan, or mortgage unless such note, loan, or mortgage—

''(i) has a repayment term that is actuarially sound (as determined in accordance with actuarial publications of the Office of the Chief Actuary of the Social Security Administration);

''(ii) provides for payments to be made in equal amounts during the term of the loan, with no deferral and no balloon payments made; and

''(iii) prohibits the cancellation of the balance upon the death of the lender.

In the case of a promissory note, loan, or mortgage that does not satisfy the requirements of clauses (i) through (iii), the value of such note, loan, or mortgage shall be the outstanding balance due as of the date of the individual's application for medical assistance for services described in subparagraph (C).''.

(d) INCLUSION OF TRANSFERS TO PURCHASE LIFE ESTATES.—Section 1917(c)(1) of such Act (42 U.S.C. 1396p(c)(1)), as amended by subsection (c), is amended by adding at the end the following:

''(J) For purposes of this paragraph with respect to a transfer of assets, the term 'assets' includes the purchase of a life estate interest in another individual's home unless the purchaser resides in the home for a period of at least 1 year after the date of the purchase.''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to payments under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) for calendar quarters beginning on or after the date of enactment of this Act, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) EXCEPTIONS.—The amendments made by this section shall not apply—

(A) to medical assistance provided for services furnished before the date of enactment;

(B) with respect to assets disposed of on or before the date of enactment of this Act; or

(C) with respect to trusts established on or before the date of enactment of this Act.

(3) EXTENSION OF EFFECTIVE DATE FOR STATE LAW AMENDMENT.—In the case of a State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by a provision of this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of the session is considered to be a separate regular session of the State legislature.

Subchapter B—Expanded Access to Certain Benefits

SEC. 6021. EXPANSION OF STATE LONG-TERM CARE PARTNERSHIP PROGRAM.

(a) EXPANSION AUTHORITY.—

(1) IN GENERAL.—Section 1917(b) of the Social Security Act (42 U.S.C. 1396p(b)) is amended—

(A) in paragraph (1)(C)—

(i) in clause (ii), by inserting ''and which satisfies clause (iv), or which has a State plan amendment that provides for a qualified State long-term care insurance partnership (as defined in clause (iii))'' after ''1993,''; and

(ii) by adding at the end the following new clauses:

''(iii) For purposes of this paragraph, the term 'qualified State long-term care insurance partnership' means an approved State plan amendment under this title that provides for the disregard of any assets or resources in an amount equal to the insurance benefit payments that are made to or on behalf of an individual who is a beneficiary under a long-term care insurance policy if the following requirements are met:

''(I) The policy covers an insured who was a resident of such State when coverage first became effective under the policy.

''(II) The policy is a qualified long-term care insurance policy (as defined in section 7702B(b) of the Internal Revenue Code of 1986) issued not earlier than the effective date of the State plan amendment.

''(III) The policy meets the model regulations and the requirements of the model Act specified in paragraph (5).

''(IV) If the policy is sold to an individual who—

''(aa) has not attained age 61 as of the date of purchase, the policy provides compound annual inflation protection;

''(bb) has attained age 61 but has not attained age 76 as of such date, the policy provides some level of inflation protection; and

''(cc) has attained age 76 as of such date, the policy may (but is not required to) provide some level of inflation protection.

''(V) The State Medicaid agency under section 1902(a)(5) provides information and technical assistance to the State insurance department on the insurance department's role of assuring that any individual who sells a long-term care insurance policy under the partnership receives training and demonstrates evidence of an understanding of such policies and how they relate to other public and private coverage of long-term care.

''(VI) The issuer of the policy provides regular reports to the Secretary, in accordance with regulations of the Secretary, that include notification regarding when benefits provided under the policy have been paid and the amount of such benefits paid, notification regarding when the policy otherwise terminates, and such other information as the Secretary determines may be appropriate to the administration of such partnerships.

''(VII) The State does not impose any requirement affecting the terms or benefits of such a policy unless the State imposes such requirement on long-term care insurance policies without regard to whether the policy is covered under the partnership or is offered in connection with such a partnership.

In the case of a long-term care insurance policy which is exchanged for another such policy, subclause (I) shall be applied based on the coverage of the first such policy that was exchanged. For purposes of this clause and paragraph (5), the term 'long-term care insurance policy' includes a certificate issued under a group insurance contract.

''(iv) With respect to a State which had a State plan amendment approved as of May 14, 1993, such a State satisfies this clause for purposes of clause (ii) if the Secretary determines that the State plan amendment provides for consumer protection standards which are no less stringent than the consumer protection standards which applied under such State plan amendment as of December 31, 2005.

''(v) The regulations of the Secretary required under clause (iii)(VI) shall be promulgated after consultation with the National Association of Insurance Commissioners, issuers of long-term care insurance policies, States with experience with long-term care insurance partnership plans, other States, and representatives of consumers of long-term care insurance policies, and shall specify the type and format of the data and information to be reported and the frequency with which such reports are to be made. The Secretary, as appropriate, shall provide copies of the reports provided in accordance with that clause to the State involved.

''(vi) The Secretary, in consultation with other appropriate Federal agencies, issuers of long-term care insurance, the National Association of Insurance Commissioners, State insurance commissioners, States with experience with long-term care insurance partnership plans, other States, and representatives of consumers of long-term care insurance policies, shall develop recommendations for Congress to authorize and fund a uniform minimum data set to be reported electronically by all issuers of long-term care insurance policies under qualified State long-term care insurance partnerships to a secure, centralized electronic query and report-generating mechanism that the State, the Secretary, and other Federal agencies can access.''; and

(B) by adding at the end the following:

''(5)(A) For purposes of clause (iii)(III), the model regulations and the requirements of the model Act specified in this paragraph are:

''(i) In the case of the model regulation, the following requirements:

''(I) Section 6A (relating to guaranteed renewal or noncancellability), other than paragraph (5) thereof, and the requirements of section 6B of the model Act relating to such section 6A.

''(II) Section 6B (relating to prohibitions on limitations and exclusions) other than paragraph (7) thereof.

''(III) Section 6C (relating to extension of benefits).

''(IV) Section 6D (relating to continuation or conversion of coverage).

''(V) Section 6E (relating to discontinuance and replacement of policies).

''(VI) Section 7 (relating to unintentional lapse).

''(VII) Section 8 (relating to disclosure), other than sections 8F, 8G, 8H, and 8I thereof.

''(VIII) Section 9 (relating to required disclosure of rating practices to consumer).

''(IX) Section 11 (relating to prohibitions against post-claims underwriting).

''(X) Section 12 (relating to minimum standards).

''(XI) Section 14 (relating to application forms and replacement coverage).

''(XII) Section 15 (relating to reporting requirements).

''(XIII) Section 22 (relating to filing requirements for marketing).

''(XIV) Section 23 (relating to standards for marketing), including inaccurate completion of medical histories, other than paragraphs (1), (6), and (9) of section 23C.

''(XV) Section 24 (relating to suitability).

''(XVI) Section 25 (relating to prohibition against preexisting conditions and probationary periods in replacement policies or certificates).

''(XVII) The provisions of section 26 relating to contingent nonforfeiture benefits, if the policyholder declines the offer of a nonforfeiture provision described in paragraph (4).

''(XVIII) Section 29 (relating to standard format outline of coverage).

''(XIX) Section 30 (relating to requirement to deliver shopper's guide).

''(ii) In the case of the model Act, the following:

''(I) Section 6C (relating to preexisting conditions).

''(II) Section 6D (relating to prior hospitalization).

''(III) The provisions of section 8 relating to contingent nonforfeiture benefits.

''(IV) Section 6F (relating to right to return).

''(V) Section 6G (relating to outline of coverage).

''(VI) Section 6H (relating to requirements for certificates under group plans).

''(VII) Section 6J (relating to policy summary).

''(VIII) Section 6K (relating to monthly reports on accelerated death benefits).

''(IX) Section 7 (relating to incontestability period).

''(B) For purposes of this paragraph and paragraph (1)(C)—

''(i) the terms 'model regulation' and 'model Act' mean the long-term care insurance model regulation, and the long-term care insurance model Act, respectively, promulgated by the National Association of Insurance Commissioners (as adopted as of October 2000);

''(ii) any provision of the model regulation or model Act listed under subparagraph (A) shall be treated as including any other provision of such regulation or Act necessary to implement the provision; and

''(iii) with respect to a long-term care insurance policy issued in a State, the policy shall be deemed to meet applicable requirements of the model regulation or the model Act if the State plan amendment under paragraph (1)(C)(iii) provides that the State insurance commissioner for the State certifies (in a manner satisfactory to the Secretary) that the policy meets such requirements.

''(C) Not later than 12 months after the National Association of Insurance Commissioners issues a revision, update, or other modification of a model regulation or model Act provision

specified in subparagraph (A), or of any provision of such regulation or Act that is substantively related to a provision specified in such subparagraph, the Secretary shall review the changes made to the provision, determine whether incorporating such changes into the corresponding provision specified in such subparagraph would improve qualified State long-term care insurance partnerships, and if so, shall incorporate the changes into such provision.''.

(2) STATE REPORTING REQUIREMENTS.—Nothing in clauses (iii)(VI) and (v) of section 1917(b)(1)(C) of the Social Security Act (as added by paragraph (1)) shall be construed as prohibiting a State from requiring an issuer of a long-term care insurance policy sold in the State (regardless of whether the policy is issued under a qualified State long-term care insurance partnership under section 1917(b)(1)(C)(iii) of such Act) to require the issuer to report information or data to the State that is in addition to the information or data required under such clauses.

(3) EFFECTIVE DATE.—A State plan amendment that provides for a qualified State long-term care insurance partnership under the amendments made by paragraph (1) may provide that such amendment is effective for long-term care insurance policies issued on or after a date, specified in the amendment, that is not earlier than the first day of the first calendar quarter in which the plan amendment was submitted to the Secretary of Health and Human Services.

(b) STANDARDS FOR RECIPROCAL RECOGNITION AMONG PARTNERSHIP STATES.—In order to permit portability in long-term care insurance policies purchased under State long-term care insurance partnerships, the Secretary of Health and Human Services shall develop, not later than January 1, 2007, and in consultation with the National Association of Insurance Commissioners, issuers of long-term care insurance policies, States with experience with long-term care insurance partnership plans, other States, and representatives of consumers of long-term care insurance policies, standards for uniform reciprocal recognition of such policies among States with qualified State long-term care insurance partnerships under which—

(1) benefits paid under such policies will be treated the same by all such States; and

(2) States with such partnerships shall be subject to such standards unless the State notifies the Secretary in writing of the State's election to be exempt from such standards.

(c) ANNUAL REPORTS TO CONGRESS.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall annually report to Congress on the long-term care insurance partnerships established in accordance with section 1917(b)(1)(C)(ii) of the Social Security Act (42 U.S.C. 1396p(b)(1)(C)(ii)) (as amended by subsection (a)(1)). Such reports shall include analyses of the extent to which such partnerships expand or limit access of individuals to long-term care and the impact of such partnerships on Federal and State expenditures under the Medicare and Medicaid programs. Nothing in this section shall be construed as requiring the Secretary to conduct an independent review of each long-term care insurance policy offered under or in connection with such a partnership.

(2) APPROPRIATION.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to the Secretary of Health and Human Services, $1,000,000 for the period of fiscal years 2006 through 2010 to carry out paragraph (1).

(d) NATIONAL CLEARINGHOUSE FOR LONG-TERM CARE INFORMATION.—

(1) ESTABLISHMENT.—The Secretary of Health and Human Services shall establish a National Clearinghouse for Long-Term Care Information. The Clearinghouse may be established through a contract or interagency agreement.

(2) DUTIES.—

(A) IN GENERAL.—The National Clearinghouse for Long-Term Care Information shall—

(i) educate consumers with respect to the availability and limitations of coverage for long-term care under the Medicaid program and provide contact information for obtaining State-specific information on long-term care coverage, including eligibility and estate recovery requirements under State Medicaid programs;

(ii) provide objective information to assist consumers with the decisionmaking process for determining whether to purchase long-term care insurance or to pursue other private market alternatives for purchasing long-term care and provide contact information for additional objective resources on planning for long-term care needs; and

(iii) maintain a list of States with State long-term care insurance partnerships under the Medicaid program that provide reciprocal recognition of long-term care insurance policies issued under such partnerships.

(B) REQUIREMENT.—In providing information to consumers on long-term care in accordance with this subsection, the National Clearinghouse for Long-Term Care Information shall not advocate in favor of a specific long-term care insurance provider or a specific long-term care insurance policy.

(3) APPROPRIATION.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to carry out this subsection, $3,000,000 for each of fiscal years 2006 through 2010.

CHAPTER 3—ELIMINATING FRAUD, WASTE, AND ABUSE IN MEDICAID

SEC. 6031. ENCOURAGING THE ENACTMENT OF STATE FALSE CLAIMS ACTS.

(a) IN GENERAL.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended by inserting after section 1908A the following:

''STATE FALSE CLAIMS ACT REQUIREMENTS FOR INCREASED STATE SHARE OF RECOVERIES

''SEC. 1909. (a) IN GENERAL.—Notwithstanding section 1905(b), if a State has in effect a law relating to false or fraudulent claims that meets the requirements of subsection (b), the Federal medical assistance percentage with respect to any amounts recovered under a State action brought under such law, shall be decreased by 10 percentage points.

''(b) REQUIREMENTS.—For purposes of subsection (a), the requirements of this subsection are that the Inspector General of the Department of Health and Human Services, in consultation with the Attorney General, determines that the State has in effect a law that meets the following requirements:

''(1) The law establishes liability to the State for false or fraudulent claims described in section 3729 of title 31, United States Code, with respect to any expenditure described in section 1903(a).

''(2) The law contains provisions that are at least as effective in rewarding and facilitating qui tam actions for false or fraudulent claims as those described in sections 3730 through 3732 of title 31, United States Code.

''(3) The law contains a requirement for filing an action under seal for 60 days with review by the State Attorney General.

''(4) The law contains a civil penalty that is not less than the amount of the civil penalty authorized under section 3729 of title 31, United States Code.

''(c) DEEMED COMPLIANCE.—A State that, as of January 1, 2007, has a law in effect that meets the requirements of subsection (b) shall be deemed to be in compliance with such requirements for so long as the law continues to meet such requirements.

''(d) NO PRECLUSION OF BROADER LAWS.—Nothing in this section shall be construed as prohibiting a State that has in effect a law that establishes liability to the State for false or fraudulent claims described in section 3729 of title 31, United States Code, with respect to programs in addition to the State program under this title, or with respect to expenditures in addition to expenditures described in section 1903(a), from being considered to be in compliance with the requirements of subsection (a) so long as the law meets such requirements.''.

(b) EFFECTIVE DATE.—Except as provided in section 6035(e), the amendments made by this section take effect on January 1, 2007.

SEC. 6032. EMPLOYEE EDUCATION ABOUT FALSE CLAIMS RECOVERY.

(a) IN GENERAL.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended—

(1) in paragraph (66), by striking ''and'' at the end;

(2) in paragraph (67) by striking the period at the end and inserting ''; and''; and

(3) by inserting after paragraph (67) the following:

''(68) provide that any entity that receives or makes annual payments under the State plan of at least $5,000,000, as a condition of receiving such payments, shall—

''(A) establish written policies for all employees of the entity (including management), and of any contractor or agent of the entity, that provide detailed information about the False Claims Act established under sections 3729 through 3733 of title 31, United States Code, administrative remedies for false claims and statements established under chapter 38 of title 31, United States Code, any State laws pertaining to civil or criminal penalties for false claims and statements, and whistleblower protections under such laws, with respect to the role of such laws in preventing and detecting fraud, waste, and abuse in Federal health care programs (as defined in section 1128B(f));

''(B) include as part of such written policies, detailed provisions regarding the entity's policies and procedures for detecting and preventing fraud, waste, and abuse; and

''(C) include in any employee handbook for the entity, a specific discussion of the laws described in subparagraph (A), the rights of employees to be protected as whistleblowers, and the entity's policies and procedures for detecting and preventing fraud, waste, and abuse.''.

(b) EFFECTIVE DATE.—Except as provided in section 6035(e), the amendments made by subsection (a) take effect on January 1, 2007.

SEC. 6033. PROHIBITION ON RESTOCKING AND DOUBLE BILLING OF PRESCRIPTION DRUGS.

(a) IN GENERAL.—Section 1903(i)(10) of the Social Security Act (42 U.S.C. 1396b(i)), as amended by section 6002(b), is amended—

(1) in subparagraph (B), by striking ''and'' at the end;

(2) in subparagraph (C), by striking ''; or'' at the end and inserting '', and''; and

(3) by adding at the end the following:

''(D) with respect to any amount expended for reimbursement to a pharmacy under this title for the ingredient cost of a covered outpatient drug for which the pharmacy has already received payment under this title (other than with respect to a reasonable restocking fee for such drug); or''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the first day of the first fiscal year quarter that begins after the date of enactment of this Act.

SEC. 6034. MEDICAID INTEGRITY PROGRAM.

(a) ESTABLISHMENT OF MEDICAID INTEGRITY PROGRAM.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended—

(1) by redesignating section 1936 as section 1937; and

(2) by inserting after section 1935 the following:

''MEDICAID INTEGRITY PROGRAM

''SEC. 1936. (a) IN GENERAL.—There is hereby established the Medicaid Integrity Program (in this section referred to as the 'Program') under which the Secretary shall promote the integrity of the program under this title by entering into contracts in accordance with this section with eligible entities to carry out the activities described in subsection (b).

''(b) ACTIVITIES DESCRIBED—Activities described in this subsection are as follows:

''(1) Review of the actions of individuals or entities furnishing items or services (whether on a fee-for-service, risk, or other basis) for which payment may be made under a State plan approved under this title (or under any waiver of such plan approved under section 1115) to determine whether fraud, waste, or abuse has occurred, is likely to occur, or whether such actions have any potential for resulting in an expenditure of funds under this title in a manner which is not intended under the provisions of this title.

''(2) Audit of claims for payment for items or services furnished, or administrative services rendered, under a State plan under this title, including—

''(A) cost reports;

''(B) consulting contracts; and

''(C) risk contracts under section 1903(m).

''(3) Identification of overpayments to individuals or entities receiving Federal funds under this title.

''(4) Education of providers of services, managed care entities, beneficiaries, and other individuals with respect to payment integrity and quality of care.

''(c) ELIGIBLE ENTITY AND CONTRACTING REQUIREMENTS.—

''(1) IN GENERAL.—An entity is eligible to enter into a contract under the Program to carry out any of the activities described in subsection (b) if the entity satisfies the requirements of paragraphs (2) and (3).

''(2) ELIGIBILITY REQUIREMENTS.—The requirements of this paragraph are the following:

''(A) The entity has demonstrated capability to carry out the activities described in subsection (b).

''(B) In carrying out such activities, the entity agrees to cooperate with the Inspector General of the Department of Health and Human Services, the Attorney General, and other law enforcement agencies, as appropriate, in the investigation and deterrence of fraud and abuse in relation to this title and in other cases arising out of such activities.

''(C) The entity complies with such conflict of interest standards as are generally applicable to Federal acquisition and procurement.

''(D) The entity meets such other requirements as the Secretary may impose.

''(3) CONTRACTING REQUIREMENTS.—The entity has contracted with the Secretary in accordance with such procedures as the Secretary shall by regulation establish, except that such procedures shall include the following:

''(A) Procedures for identifying, evaluating, and resolving organizational conflicts of interest that are generally applicable to Federal acquisition and procurement.

''(B) Competitive procedures to be used—

''(i) when entering into new contracts under this section;

''(ii) when entering into contracts that may result in the elimination of responsibilities under section 202(b) of the Health Insurance Portability and Accountability Act of 1996; and

''(iii) at any other time considered appropriate by the Secretary.

''(C) Procedures under which a contract under this section may be renewed without regard to any provision of law requiring competition if the contractor has met or exceeded the performance requirements established in the current contract.

The Secretary may enter into such contracts without regard to final rules having been promulgated.

''(4) LIMITATION ON CONTRACTOR LIABILITY.—The Secretary shall by regulation provide for the limitation of a contractor's liability for actions taken to carry out a contract under the Program, and such regulation shall, to the extent the Secretary finds appropriate, employ the same or comparable standards and other substantive and procedural provisions as are contained in section 1157.

''(d) COMPREHENSIVE PLAN FOR PROGRAM INTEGRITY.—

''(1) 5-YEAR PLAN.—With respect to the 5-fiscal year period beginning with fiscal year 2006, and each such 5-fiscal year period that begins thereafter, the Secretary shall establish a comprehensive plan for ensuring the integrity of the program established under this title by combatting fraud, waste, and abuse.

''(2) CONSULTATION.—Each 5-fiscal year plan established under paragraph (1) shall be developed by the Secretary in consultation with the Attorney General, the Director of the Federal Bureau of Investigation, the Comptroller General of the United States, the Inspector General of the Department of Health and Human Services, and State officials with responsibility for controlling provider fraud and abuse under State plans under this title.

''(e) APPROPRIATION.—

''(1) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to carry out the Medicaid Integrity Program under this section, without further appropriation—

''(A) for fiscal year 2006, $5,000,000;

''(B) for each of fiscal years 2007 and 2008, $50,000,000; and

''(C) for each fiscal year thereafter, $75,000,000.

''(2) AVAILABILITY.—Amounts appropriated pursuant to paragraph (1) shall remain available until expended.

''(3) INCREASE IN CMS STAFFING DEVOTED TO PROTECTING MEDICAID PROGRAM INTEGRITY.—From the amounts appropriated under paragraph (1), the Secretary shall increase by 100 the number of full-time equivalent employees whose duties consist solely of protecting the integrity of the Medicaid program established under this section by providing effective support and assistance to States to combat provider fraud and abuse.

''(4) ANNUAL REPORT.—Not later than 180 days after the end of each fiscal year (beginning with fiscal year 2006), the Secretary shall submit a report to Congress which identifies—

''(A) the use of funds appropriated pursuant to paragraph (1); and

''(B) the effectiveness of the use of such funds.''.

(b) STATE REQUIREMENT TO COOPERATE WITH INTEGRITY PROGRAM EFFORTS.—Section 1902(a) of such Act (42 U.S.C. 1396a(a)), as amended by section 6033(a), is amended—

(1) in paragraph (67), by striking ''and'' at the end;

(2) in paragraph (68), by striking the period at the end and inserting ''; and''; and

(3) by inserting after paragraph (68), the following:

''(69) provide that the State must comply with any requirements determined by the Secretary to be necessary for carrying out the Medicaid Integrity Program established under section 1936.''.

(c) INCREASED FUNDING FOR MEDICAID FRAUD AND ABUSE CONTROL ACTIVITIES.—

(1) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Office of the Inspector General of the Department of Health and Human Services, without further appropriation, $25,000,000 for each of fiscal years 2006 through 2010, for activities of such Office with respect to the Medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(2) AVAILABILITY; AMOUNTS IN ADDITION TO OTHER AMOUNTS APPROPRIATED FOR SUCH ACTIVITIES.—Amounts appropriated pursuant to paragraph (1) shall—

(A) remain available until expended; and

(B) be in addition to any other amounts appropriated or made available to the Office of the Inspector General of the Department of Health and Human Services for activities of such Office with respect to the Medicaid program.

(3) ANNUAL REPORT.—Not later than 180 days after the end of each fiscal year (beginning with fiscal year 2006), the Inspector General of the Department of Health and Human Services shall submit a report to Congress which identifies—

(A) the use of funds appropriated pursuant to paragraph (1); and

(B) the effectiveness of the use of such funds.

(d) NATIONAL EXPANSION OF THE MEDICARE-MEDICAID (MEDI-MEDI) DATA MATCH PILOT PROGRAM.—

(1) REQUIREMENT OF THE MEDICARE INTEGRITY PROGRAM.—Section 1893 of the Social Security Act (42 U.S.C. 1395ddd) is amended—

(A) in subsection (b), by adding at the end the following:

''(6) The Medicare-Medicaid Data Match Program in accordance with subsection (g).''; and

(B) by adding at the end the following:

''(g) MEDICARE-MEDICAID DATA MATCH PROGRAM.—

''(1) EXPANSION OF PROGRAM.—

''(A) IN GENERAL.—The Secretary shall enter into contracts with eligible entities for the purpose of ensuring that, beginning with 2006, the Medicare-Medicaid Data Match Program (commonly referred to as the 'Medi-Medi Program') is conducted with respect to the program established under this title and State Medicaid programs under title XIX for the purpose of—

''(i) identifying program vulnerabilities in the program established under this title and the Medicaid program established under title XIX through the use of computer algorithms to look for payment anomalies (including billing or billing patterns identified with respect to service, time, or patient that appear to be suspect or otherwise implausible);

''(ii) working with States, the Attorney General, and the Inspector General of the Department of Health and Human Services to coordinate appropriate actions to protect the Federal and State share of expenditures under the Medicaid program under title XIX, as well as the program established under this title; and

''(iii) increasing the effectiveness and efficiency of both such programs through cost avoidance, savings, and recoupments of fraudulent, wasteful, or abusive expenditures.

''(B) REPORTING REQUIREMENTS.—The Secretary shall make available in a timely manner any data and statistical information collected by the Medi-Medi Program to the Attorney General, the Director of the Federal Bureau of Investigation, the Inspector General of the Department of Health and Human Services, and the States (including a Medicaid fraud and abuse control unit described in section 1903(q)). Such information shall be disseminated no less frequently than quarterly.

''(2) LIMITED WAIVER AUTHORITY.—The Secretary shall waive only such requirements of this section and of titles XI and XIX as are necessary to carry out paragraph (1).''.

(2) FUNDING.—Section 1817(k)(4) of such Act (42 U.S.C. 1395i(k)(4)), as amended by section 5204 of this Act, is amended—

(A) in subparagraph (A), by striking ''subparagraph (B)'' and inserting ''subparagraphs (B), (C), and (D)''; and

(B) by adding at the end the following:

''(D) EXPANSION OF THE MEDICARE-MEDICAID DATA MATCH PROGRAM.—The amount appropriated under subparagraph (A) for a fiscal year is further increased as follows for purposes of carrying out section 1893(b)(6) for the respective fiscal year:

''(i) $12,000,000 for fiscal year 2006.

''(ii) $24,000,000 for fiscal year 2007.

''(iii) $36,000,000 for fiscal year 2008.

''(iv) $48,000,000 for fiscal year 2009.

''(v) $60,000,000 for fiscal year 2010 and each fiscal year thereafter.''.

(e) DELAYED EFFECTIVE DATE FOR CHAPTER.—Except as otherwise provided in this chapter, in the case of a State plan under title XIX of the

Social Security Act which the Secretary determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by a provision of this chapter, the State plan shall not be regarded as failing to comply with the requirements of such Act solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of the session shall be considered to be a separate regular session of the State legislature.

SEC. 6035. ENHANCING THIRD PARTY IDENTIFICATION AND PAYMENT.

(a) CLARIFICATION OF THIRD PARTIES LEGALLY RESPONSIBLE FOR PAYMENT OF A CLAIM FOR A HEALTH CARE ITEM OR SERVICE.—Section 1902(a)(25) of the Social Security Act (42 U.S.C. 1396a(a)(25)) is amended—

(1) in subparagraph (A), in the matter preceding clause (i)—

(A) by inserting '', self-insured plans'' after ''health insurers''; and

(B) by striking ''and health maintenance organizations'' and inserting ''managed care organizations, pharmacy benefit managers, or other parties that are, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service''; and

(2) in subparagraph (G)—

(A) by inserting ''a self-insured plan,'' after ''1974,''; and

(B) by striking ''and a health maintenance organization'' and inserting ''a managed care organization, a pharmacy benefit manager, or other party that is, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service''.

(b) REQUIREMENT FOR THIRD PARTIES TO PROVIDE THE STATE WITH COVERAGE ELIGIBILITY AND CLAIMS DATA.—Section 1902(a)(25) of such Act (42 U.S.C. 1396a(a)(25)) is amended—

(1) in subparagraph (G), by striking ''and'' at the end;

(2) in subparagraph (H), by adding ''and'' after the semicolon at the end; and

(3) by inserting after subparagraph (H), the following:

''(I) that the State shall provide assurances satisfactory to the Secretary that the State has in effect laws requiring health insurers, including self-insured plans, group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974), service benefit plans, managed care organizations, pharmacy benefit managers, or other parties that are, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service, as a condition of doing business in the State, to—

''(i) provide, with respect to individuals who are eligible for, or are provided, medical assistance under the State plan, upon the request of the State, information to determine during what period the individual or their spouses or their dependents may be (or may have been) covered by a health insurer and the nature of the coverage that is or was provided by the health insurer (including the name, address, and identifying number of the plan) in a manner prescribed by the Secretary;

''(ii) accept the State's right of recovery and the assignment to the State of any right of an individual or other entity to payment from the party for an item or service for which payment has been made under the State plan;

''(iii) respond to any inquiry by the State regarding a claim for payment for any health care item or service that is submitted not later than 3 years after the date of the provision of such health care item or service; and

''(iv) agree not to deny a claim submitted by the State solely on the basis of the date of submission of the claim, the type or format of the claim form, or a failure to present proper documentation at the point-of-sale that is the basis of the claim, if—

''(I) the claim is submitted by the State within the 3-year period beginning on the date on which the item or service was furnished; and

''(II) any action by the State to enforce its rights with respect to such claim is commenced within 6 years of the State's submission of such claim;''.

(c) EFFECTIVE DATE.—Except as provided in section 6035(e), the amendments made by this section take effect on January 1, 2006.

SEC. 6036. IMPROVED ENFORCEMENT OF DOCUMENTATION REQUIREMENTS.

(a) IN GENERAL.—Section 1903 of the Social Security Act (42 U.S.C. 1396b) is amended—

(1) in subsection (i), as amended by section 104 of Public Law 109–91—

(A) by striking ''or'' at the end of paragraph (20);

(B) by striking the period at the end of paragraph (21) and inserting ''; or''; and

(C) by inserting after paragraph (21) the following new paragraph:

''(22) with respect to amounts expended for medical assistance for an individual who declares under section 1137(d)(1)(A) to be a citizen or national of the United States for purposes of establishing eligibility for benefits under this title, unless the requirement of subsection (x) is met.''; and

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

''(x)(1) For purposes of subsection (i)(23), the requirement of this subsection is, with respect to an individual declaring to be a citizen or national of the United States, that, subject to paragraph (2), there is presented satisfactory documentary evidence of citizenship or nationality (as defined in paragraph (3)) of the individual.

''(2) The requirement of paragraph (1) shall not apply to an alien who is eligible for medical assistance under this title—

''(A) and is entitled to or enrolled for benefits under any part of title XVIII;

''(B) on the basis of receiving supplemental security income benefits under title XVI; or

''(C) on such other basis as the Secretary may specify under which satisfactory documentary evidence of citizenship or nationality had been previously presented.

''(3)(A) For purposes of this subsection, the term 'satisfactory documentary evidence of citizenship or nationality' means—

''(i) any document described in subparagraph (B); or

''(ii) a document described in subparagraph (C) and a document described in subparagraph (D).

''(B) The following are documents described in this subparagraph:

''(i) A United States passport.

''(ii) Form N–550 or N–570 (Certificate of Naturalization).

''(iii) Form N–560 or N–561 (Certificate of United States Citizenship).

''(iv) A valid State-issued driver's license or other identity document described in section 274A(b)(1)(D) of the Immigration and Nationality Act, but only if the State issuing the license or such document requires proof of United States citizenship before issuance of such license or document or obtains a social security number from the applicant and verifies before certification that such number is valid and assigned to the applicant who is a citizen.

''(v) Such other document as the Secretary may specify, by regulation, that provides proof of United States citizenship or nationality and that provides a reliable means of documentation of personal identity.

''(C) The following are documents described in this subparagraph:

''(i) A certificate of birth in the United States.

''(ii) Form FS–545 or Form DS–1350 (Certification of Birth Abroad).

''(iii) Form I–97 (United States Citizen Identification Card).

''(iv) Form FS–240 (Report of Birth Abroad of a Citizen of the United States).

''(v) Such other document (not described in subparagraph (B)(iv)) as the Secretary may specify that provides proof of United States citizenship or nationality.

''(D) The following are documents described in this subparagraph:

''(i) Any identity document described in section 274A(b)(1)(D) of the Immigration and Nationality Act.

''(ii) Any other documentation of personal identity of such other type as the Secretary finds, by regulation, provides a reliable means of identification.

''(E) A reference in this paragraph to a form includes a reference to any successor form.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to determinations of initial eligibility for medical assistance made on or after July 1, 2006, and to redeterminations of eligibility made on or after such date in the case of individuals for whom the requirement of section 1903(z) of the Social Security Act, as added by such amendments, was not previously met.

(c) IMPLEMENTATION REQUIREMENT.—As soon as practicable after the date of enactment of this Act, the Secretary of Health and Human Services shall establish an outreach program that is designed to educate individuals who are likely to be affected by the requirements of subsections (i)(23) and (x) of section 1903 of the Social Security Act (as added by subsection (a)) about such requirements and how they may be satisfied.

CHAPTER 4—FLEXIBILITY IN COST SHARING AND BENEFITS

SEC. 6041. STATE OPTION FOR ALTERNATIVE MEDICAID PREMIUMS AND COST SHARING.

(a) IN GENERAL.—Title XIX of the Social Security Act is amended by inserting after section 1916 the following new section:

''STATE OPTION FOR ALTERNATIVE PREMIUMS AND COST SHARING

''SEC. 1916A. (a) STATE FLEXIBILITY.—

''(1) IN GENERAL.—Notwithstanding sections 1916 and 1902(a)(10)(B), a State, at its option and through a State plan amendment, may impose premiums and cost sharing for any group of individuals (as specified by the State) and for any type of services (other than drugs for which cost sharing may be imposed under subsection (c)), and may vary such premiums and cost sharing among such groups or types, consistent with the limitations established under this section. Nothing in this section shall be construed as superseding (or preventing the application of) section 1916(g).

''(2) DEFINITIONS.—In this section:

''(A) PREMIUM.—The term 'premium' includes any enrollment fee or similar charge.

''(B) COST SHARING.—The term 'cost sharing' includes any deduction, copayment, or similar charge.

''(b) LIMITATIONS ON EXERCISE OF AUTHORITY.—

''(1) INDIVIDUALS WITH FAMILY INCOME BETWEEN 100 AND 150 PERCENT OF THE POVERTY LINE.—In the case of an individual whose family income exceeds 100 percent, but does not exceed 150 percent, of the poverty line applicable to a family of the size involved, subject to subsections (c)(2) and (e)(2)(A)—

''(A) no premium may be imposed under the plan; and

''(B) with respect to cost sharing—

''(i) the cost sharing imposed under subsection (a) with respect to any item or service may not exceed 10 percent of the cost of such item or service; and

''(ii) the total aggregate amount of cost sharing imposed under this section (including any cost sharing imposed under subsection (c) or (e)) for all individuals in the family may not exceed

5 percent of the family income of the family involved, as applied on a quarterly or monthly basis (as specified by the State).

''(2) INDIVIDUALS WITH FAMILY INCOME ABOVE 150 PERCENT OF THE POVERTY LINE.—In the case of an individual whose family income exceeds 150 percent of the poverty line applicable to a family of the size involved, subject to subsections (c)(2) and (e)(2)(A)—

''(A) the total aggregate amount of premiums and cost sharing imposed under this section (including any cost sharing imposed under subsection (c) or (e)) for all individuals in the family may not exceed 5 percent of the family income of the family involved, as applied on a quarterly or monthly basis (as specified by the State); and

''(B) with respect to cost sharing, the cost sharing imposed with respect to any item or service under subsection (a) may not exceed 20 percent of the cost of such item or service.

''(3) ADDITIONAL LIMITATIONS.—

''(A) PREMIUMS.—No premiums shall be imposed under this section with respect to the following:

''(i) Individuals under 18 years of age that are required to be provided medical assistance under section 1902(a)(10)(A)(i), and including individuals with respect to whom aid or assistance is made available under part B of title IV to children in foster care and individuals with respect to whom adoption or foster care assistance is made available under part E of such title, without regard to age.

''(ii) Pregnant women.

''(iii) Any terminally ill individual who is receiving hospice care (as defined in section 1905(o)).

''(iv) Any individual who is an inpatient in a hospital, nursing facility, intermediate care facility for the mentally retarded, or other medical institution, if such individual is required, as a condition of receiving services in such institution under the State plan, to spend for costs of medical care all but a minimal amount of the individual's income required for personal needs.

''(v) Women who are receiving medical assistance by virtue of the application of sections 1902(a)(10)(A)(ii)(XVIII) and 1902(aa).

''(B) COST SHARING.—Subject to the succeeding provisions of this section, no cost sharing shall be imposed under subsection (a) with respect to the following:

''(i) Services furnished to individuals under 18 years of age that are required to be provided medical assistance under section 1902(a)(10)(A)(i), and including services furnished to individuals with respect to whom aid or assistance is made available under part B of title IV to children in foster care and individuals with respect to whom adoption or foster care assistance is made available under part E of such title, without regard to age.

''(ii) Preventive services (such as well baby and well child care and immunizations) provided to children under 18 years of age regardless of family income.

''(iii) Services furnished to pregnant women, if such services relate to the pregnancy or to any other medical condition which may complicate the pregnancy.

''(iv) Services furnished to a terminally ill individual who is receiving hospice care (as defined in section 1905(o)).

''(v) Services furnished to any individual who is an inpatient in a hospital, nursing facility, intermediate care facility for the mentally retarded, or other medical institution, if such individual is required, as a condition of receiving services in such institution under the State plan, to spend for costs of medical care all but a minimal amount of the individual's income required for personal needs.

''(vi) Emergency services (as defined by the Secretary for purposes of section 1916(a)(2)(D)).

''(vii) Family planning services and supplies described in section 1905(a)(4)(C).

''(viii) Services furnished to women who are receiving medical assistance by virtue of the application of sections 1902(a)(10)(A)(ii)(XVIII) and 1902(aa).

''(C) CONSTRUCTION.—Nothing in this paragraph shall be construed as preventing a State from exempting additional classes of individuals from premiums under this section or from exempting additional individuals or services from cost sharing under subsection (a).

''(4) DETERMINATIONS OF FAMILY INCOME.—In applying this subsection, family income shall be determined in a manner specified by the State for purposes of this subsection, including the use of such disregards as the State may provide. Family income shall be determined for such period and at such periodicity as the State may provide under this title.

''(5) POVERTY LINE DEFINED.—For purposes of this section, the term 'poverty line' has the meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section.

''(6) CONSTRUCTION.—Nothing in this section shall be construed—

''(A) as preventing a State from further limiting the premiums and cost sharing imposed under this section beyond the limitations provided under this section;

''(B) as affecting the authority of the Secretary through waiver to modify limitations on premiums and cost sharing under this section; or

''(C) as affecting any such waiver of requirements in effect under this title before the date of the enactment of this section with regard to the imposition of premiums and cost sharing.

''(d) ENFORCEABILITY OF PREMIUMS AND OTHER COST SHARING.—

''(1) PREMIUMS.—Notwithstanding section 1916(c)(3) and section 1902(a)(10)(B), a State may, at its option, condition the provision of medical assistance for an individual upon prepayment of a premium authorized to be imposed under this section, or may terminate eligibility for such medical assistance on the basis of failure to pay such a premium but shall not terminate eligibility of an individual for medical assistance under this title on the basis of failure to pay any such premium until such failure continues for a period of not less than 60 days. A State may apply the previous sentence for some or all groups of beneficiaries as specified by the State and may waive payment of any such premium in any case where the State determines that requiring such payment would create an undue hardship.

''(2) COST SHARING.—Notwithstanding section 1916(e) or any other provision of law, a State may permit a provider participating under the State plan to require, as a condition for the provision of care, items, or services to an individual entitled to medical assistance under this title for such care, items, or services, the payment of any cost sharing authorized to be imposed under this section with respect to such care, items, or services. Nothing in this paragraph shall be construed as preventing a provider from reducing or waiving the application of such cost sharing on a case-by-case basis.''.

(b) INDEXING NOMINAL COST SHARING AND CONFORMING AMENDMENT.—Section 1916 of such Act (42 U.S.C. 1396o) is amended—

(1) in subsection (f), by inserting ''and section 1916A'' after ''(b)(3)''; and

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

''(h) In applying this section and subsections (c) and (e) of section 1916A, with respect to cost sharing that is 'nominal' in amount, the Secretary shall increase such 'nominal' amounts for each year (beginning with 2006) by the annual percentage increase in the medical care component of the consumer price index for all urban consumers (U.S. city average) as rounded up in an appropriate manner.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to cost sharing imposed for items and services furnished on or after March 31, 2006.

SEC. 6042. SPECIAL RULES FOR COST SHARING FOR PRESCRIPTION DRUGS.

(a) IN GENERAL.—Section 1916A of the Social Security Act, as inserted by section 6041(a), is amended by inserting after subsection (b) the following new subsection:

''(c) SPECIAL RULES FOR COST SHARING FOR PRESCRIPTION DRUGS.—

''(1) IN GENERAL.—In order to encourage beneficiaries to use drugs (in this subsection referred to as 'preferred drugs') identified by the State as the least (or less) costly effective prescription drugs within a class of drugs (as defined by the State), with respect to one or more groups of beneficiaries specified by the State, subject to paragraph (2), the State may—

''(A) provide cost sharing (instead of the level of cost sharing otherwise permitted under section 1916, but subject to paragraphs (2) and (3)) with respect to drugs that are not preferred drugs within a class; and

''(B) waive or reduce the cost sharing otherwise applicable for preferred drugs within such class and shall not apply any such cost sharing for such preferred drugs for individuals for whom cost sharing may not otherwise be imposed under subsection (b)(3)(B).

''(2) LIMITATIONS.—

''(A) BY INCOME GROUP.—In no case may the cost sharing under paragraph (1)(A) with respect to a non-preferred drug exceed—

''(i) in the case of an individual whose family income does not exceed 150 percent of the poverty line applicable to a family of the size involved, the amount of nominal cost sharing (as otherwise determined under section 1916); or

''(ii) in the case of an individual whose family income exceeds 150 percent of the poverty line applicable to a family of the size involved, 20 percent of the cost of the drug.

''(B) LIMITATION TO NOMINAL FOR EXEMPT POPULATIONS.—In the case of an individual who is otherwise not subject to cost sharing due to the application of subsection (b)(3)(B), any cost sharing under paragraph (1)(A) with respect to a non-preferred drug may not exceed a nominal amount (as otherwise determined under section 1916).

''(C) CONTINUED APPLICATION OF AGGREGATE CAP.—In addition to the limitations imposed under subparagraphs (A) and (B), any cost sharing under paragraph (1)(A) continues to be subject to the aggregate cap on cost sharing applied under paragraph (1) or (2) of subsection (b), as the case may be.

''(3) WAIVER.—In carrying out paragraph (1), a State shall provide for the application of cost sharing levels applicable to a preferred drug in the case of a drug that is not a preferred drug if the prescribing physician determines that the preferred drug for treatment of the same condition either would not be as effective for the individual or would have adverse effects for the individual or both.

''(4) EXCLUSION AUTHORITY.—Nothing in this subsection shall be construed as preventing a State from excluding specified drugs or classes of drugs from the application of paragraph (1).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to cost sharing imposed for items and services furnished on or after March 31, 2006.

SEC. 6043. EMERGENCY ROOM COPAYMENTS FOR NON-EMERGENCY CARE.

(a) IN GENERAL.—Section 1916A of the Social Security Act, as inserted by section 6041 and as amended by section 6042, is further amended by adding at the end the following new subsection:

''(e) STATE OPTION FOR PERMITTING HOSPITALS TO IMPOSE COST SHARING FOR NON-EMERGENCY CARE FURNISHED IN AN EMERGENCY DEPARTMENT.—

''(1) IN GENERAL.—Notwithstanding section 1916 and section 1902(a)(1) or the previous provisions of this section, but subject to the limitations of paragraph (2), a State may, by amendment to its State plan under this title, permit a

hospital to impose cost sharing for non-emergency services furnished to an individual (within one or more groups of individuals specified by the State) in the hospital emergency department under this subsection if the following conditions are met:

''(A) ACCESS TO NON-EMERGENCY ROOM PROVIDER.—The individual has actually available and accessible (as such terms are applied by the Secretary under section 1916(b)(3)) an alternate non-emergency services provider with respect to such services.

''(B) NOTICE.—The hospital must inform the beneficiary after receiving an appropriate medical screening examination under section 1867 and after a determination has been made that the individual does not have an emergency medical condition, but before providing the non-emergency services, of the following:

''(i) The hospital may require the payment of the State specified cost sharing before the service can be provided.

''(ii) The name and location of an alternate non-emergency services provider (described in subparagraph (A)) that is actually available and accessible (as described in such subparagraph).

''(iii) The fact that such alternate provider can provide the services without the imposition of cost sharing described in clause (i).

''(iv) The hospital provides a referral to coordinate scheduling of this treatment.

Nothing in this subsection shall be construed as preventing a State from applying (or waiving) cost sharing otherwise permissible under this section to services described in clause (iii).

''(2) LIMITATIONS.—

''(A) FOR POOREST BENEFICIARIES.—In the case of an individual described in subsection (b)(1), the cost sharing imposed under this subsection may not exceed twice the amount determined to be nominal under section 1916, subject to the percent of income limitation otherwise applicable under subsection (b)(1).

''(B) APPLICATION TO EXEMPT POPULATIONS.—In the case of an individual who is otherwise not subject to cost sharing under subsection (b)(3), a State may impose cost sharing under paragraph (1) for care in an amount that does not exceed a nominal amount (as otherwise determined under section 1916) so long as no cost sharing is imposed to receive such care through an outpatient department or other alternative health care provider in the geographic area of the hospital emergency department involved.

''(C) CONTINUED APPLICATION OF AGGREGATE CAP; RELATION TO OTHER COST SHARING.—In addition to the limitations imposed under subparagraphs (A) and (B), any cost sharing under paragraph (1) is subject to the aggregate cap on cost sharing applied under paragraph (1) or (2) of subsection (b), as the case may be. Cost sharing imposed for services under this subsection shall be instead of any cost sharing that may be imposed for such services under subsection (a).

''(3) CONSTRUCTION.—Nothing in this section shall be construed—

''(A) to limit a hospital's obligations with respect to screening and stabilizing treatment of an emergency medical condition under section 1867; or

''(B) to modify any obligations under either State or Federal standards relating to the application of a prudent-layperson standard with respect to payment or coverage of emergency services by any managed care organization.

''(4) DEFINITIONS.—For purposes of this subsection:

''(A) NON-EMERGENCY SERVICES.—The term 'non-emergency services' means any care or services furnished in an emergency department of a hospital that the physician determines do not constitute an appropriate medical screening examination or stabilizing examination and treatment required to be provided by the hospital under section 1867.

''(B) ALTERNATE NON-EMERGENCY SERVICES PROVIDER.—The term 'alternative non-emergency services provider' means, with respect to non-emergency services for the diagnosis or treatment of a condition, a health care provider, such as a physician's office, health care clinic, community health center, hospital outpatient department, or similar health care provider, that can provide clinically appropriate services for the diagnosis or treatment of a condition contemporaneously with the provision of the non-emergency services that would be provided in an emergency department of a hospital for the diagnosis or treatment of a condition, and that is participating in the program under this title.''.

(b) GRANT FUNDS FOR ESTABLISHMENT OF ALTERNATE NON-EMERGENCY SERVICES PROVIDERS.—Section 1903 of the Social Security Act (42 U.S.C. 1396b), as amended by section 6037(a)(2), is amended by adding at the end the following new subsection:

''(y) PAYMENTS FOR ESTABLISHMENT OF ALTERNATE NON-EMERGENCY SERVICES PROVIDERS.—

''(1) PAYMENTS.—In addition to the payments otherwise provided under subsection (a), subject to paragraph (2), the Secretary shall provide for payments to States under such subsection for the establishment of alternate non-emergency service providers (as defined in section 1916A(e)(5)(B)), or networks of such providers.

''(2) LIMITATION.—The total amount of payments under this subsection shall not exceed $50,000,000 during the 4-year period beginning with 2006. This subsection constitutes budget authority in advance of appropriations Acts and represents the obligation of the Secretary to provide for the payment of amounts provided under this subsection.

''(3) PREFERENCE.—In providing for payments to States under this subsection, the Secretary shall provide preference to States that establish, or provide for, alternate non-emergency services providers or networks of such providers that—

''(A) serve rural or underserved areas where beneficiaries under this title may not have regular access to providers of primary care services; or

''(B) are in partnership with local community hospitals.

''(4) FORM AND MANNER OF PAYMENT.—Payment to a State under this subsection shall be made only upon the filing of such application in such form and in such manner as the Secretary shall specify. Payment to a State under this subsection shall be made in the same manner as other payments under section 1903(a).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to non-emergency services furnished on or after January 1, 2007.

SEC. 6044. USE OF BENCHMARK BENEFIT PACKAGES.

(a) IN GENERAL.—Title XIX of the Social Security Act, as amended by section 6035, is amended by redesignating section 1937 as section 1938 and by inserting after section 1936 the following new section:

''STATE FLEXIBILITY IN BENEFIT PACKAGES

''SEC. 1937. (a) STATE OPTION OF PROVIDING BENCHMARK BENEFITS.—

''(1) AUTHORITY.—

''(A) IN GENERAL.—Notwithstanding any other provision of this title, a State, at its option as a State plan amendment, may provide for medical assistance under this title to individuals within one or more groups of individuals specified by the State through enrollment in coverage that provides—

''(i) benchmark coverage described in subsection (b)(1) or benchmark equivalent coverage described in subsection (b)(2); and

''(ii) for any child under 19 years of age who is covered under the State plan under section 1902(a)(10)(A), wrap-around benefits to the benchmark coverage or benchmark equivalent coverage consisting of early and periodic screening, diagnostic, and treatment services defined in section 1905(r).

''(B) LIMITATION.—The State may only exercise the option under subparagraph (A) for an individual eligible under an eligibility category that had been established under the State plan on or before the date of the enactment of this section.

''(C) OPTION OF WRAP-AROUND BENEFITS.—In the case of coverage described in subparagraph (A), a State, at its option, may provide such wrap-around or additional benefits as the State may specify.

''(D) TREATMENT AS MEDICAL ASSISTANCE.—Payment of premiums for such coverage under this subsection shall be treated as payment of other insurance premiums described in the third sentence of section 1905(a).

''(2) APPLICATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), a State may require that a full-benefit eligible individual (as defined in subparagraph (C)) within a group obtain benefits under this title through enrollment in coverage described in paragraph (1)(A). A State may apply the previous sentence to individuals within 1 or more groups of such individuals.

''(B) LIMITATION ON APPLICATION.—A State may not require under subparagraph (A) an individual to obtain benefits through enrollment described in paragraph (1)(A) if the individual is within one of the following categories of individuals:

''(i) MANDATORY PREGNANT WOMEN.—The individual is a pregnant woman who is required to be covered under the State plan under section 1902(a)(10)(A)(i).

''(ii) BLIND OR DISABLED INDIVIDUALS.—The individual qualifies for medical assistance under the State plan on the basis of being blind or disabled (or being treated as being blind or disabled) without regard to whether the individual is eligible for supplemental security income benefits under title XVI on the basis of being blind or disabled and including an individual who is eligible for medical assistance on the basis of section 1902(e)(3).

''(iii) DUAL ELIGIBLES.—The individual is entitled to benefits under any part of title XVIII.

''(iv) TERMINALLY ILL HOSPICE PATIENTS.—The individual is terminally ill and is receiving benefits for hospice care under this title.

''(v) ELIGIBLE ON BASIS OF INSTITUTIONALIZATION.—The individual is an inpatient in a hospital, nursing facility, intermediate care facility for the mentally retarded, or other medical institution, and is required, as a condition of receiving services in such institution under the State plan, to spend for costs of medical care all but a minimal amount of the individual's income required for personal needs.

''(vi) MEDICALLY FRAIL AND SPECIAL MEDICAL NEEDS INDIVIDUALS.—The individual is medically frail or otherwise an individual with special medical needs (as identified in accordance with regulations of the Secretary).

''(vii) BENEFICIARIES QUALIFYING FOR LONG-TERM CARE SERVICES.—The individual qualifies based on medical condition for medical assistance for long-term care services described in section 1917(c)(1)(C).

''(viii) CHILDREN IN FOSTER CARE RECEIVING CHILD WELFARE SERVICES AND CHILDREN RECEIVING FOSTER CARE OR ADOPTION ASSISTANCE.—The individual is an individual with respect to whom aid or assistance is made available under part B of title IV to children in foster care and individuals with respect to whom adoption or foster care assistance is made available under part E of such title, without regard to age.

''(ix) TANF AND SECTION 1931 PARENTS.—The individual qualifies for medical assistance on the basis of eligibility to receive assistance under a State plan funded under part A of title IV (as in effect on or after the welfare reform effective date defined in section 1931(i)).

''(x) WOMEN IN THE BREAST OR CERVICAL CANCER PROGRAM.—The individual is a woman who is receiving medical assistance by virtue of the application of sections 1902(a)(10)(A)(ii)(XVIII) and 1902(aa).

''(xi) LIMITED SERVICES BENEFICIARIES.—The individual—

''(I) qualifies for medical assistance on the basis of section 1902(a)(10)(A)(ii)(XII); or

''(II) is not a qualified alien (as defined in section 431 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) and receives care and services necessary for the treatment of an emergency medical condition in accordance with section 1903(v).

''(C) FULL-BENEFIT ELIGIBLE INDIVIDUALS.—

''(i) IN GENERAL.—For purposes of this paragraph, subject to clause (ii), the term 'full-benefit eligible individual' means for a State for a month an individual who is determined eligible by the State for medical assistance for all services defined in section 1905(a) which are covered under the State plan under this title for such month under section 1902(a)(10)(A) or under any other category of eligibility for medical assistance for all such services under this title, as determined by the Secretary.

''(ii) EXCLUSION OF MEDICALLY NEEDY AND SPEND-DOWN POPULATIONS.—Such term shall not include an individual determined to be eligible by the State for medical assistance under section 1902(a)(10)(C) or by reason of section 1902(f) or otherwise eligible based on a reduction of income based on costs incurred for medical or other remedial care.

''(b) BENCHMARK BENEFIT PACKAGES.—

''(1) IN GENERAL.—For purposes of subsection (a)(1), each of the following coverages shall be considered to be benchmark coverage:

''(A) FEHBP-EQUIVALENT HEALTH INSURANCE COVERAGE.—The standard Blue Cross/Blue Shield preferred provider option service benefit plan, described in and offered under section 8903(1) of title 5, United States Code.

''(B) STATE EMPLOYEE COVERAGE.—A health benefits coverage plan that is offered and generally available to State employees in the State involved.

''(C) COVERAGE OFFERED THROUGH HMO.—The health insurance coverage plan that—

''(i) is offered by a health maintenance organization (as defined in section 2791(b)(3) of the Public Health Service Act), and

''(ii) has the largest insured commercial, non-medicaid enrollment of covered lives of such coverage plans offered by such a health maintenance organization in the State involved.

''(D) SECRETARY-APPROVED COVERAGE.—Any other health benefits coverage that the Secretary determines, upon application by a State, provides appropriate coverage for the population proposed to be provided such coverage.

''(2) BENCHMARK-EQUIVALENT COVERAGE.—For purposes of subsection (a)(1), coverage that meets the following requirement shall be considered to be benchmark-equivalent coverage:

''(A) INCLUSION OF BASIC SERVICES.—The coverage includes benefits for items and services within each of the following categories of basic services:

''(i) Inpatient and outpatient hospital services.

''(ii) Physicians' surgical and medical services.

''(iii) Laboratory and x-ray services.

''(iv) Well-baby and well-child care, including age-appropriate immunizations.

''(v) Other appropriate preventive services, as designated by the Secretary.

''(B) AGGREGATE ACTUARIAL VALUE EQUIVALENT TO BENCHMARK PACKAGE.—The coverage has an aggregate actuarial value that is at least actuarially equivalent to one of the benchmark benefit packages described in paragraph (1).

''(C) SUBSTANTIAL ACTUARIAL VALUE FOR ADDITIONAL SERVICES INCLUDED IN BENCHMARK PACKAGE.—With respect to each of the following categories of additional services for which coverage is provided under the benchmark benefit package used under subparagraph (B), the coverage has an actuarial value that is equal to at least 75 percent of the actuarial value of the coverage of that category of services in such package:

''(i) Coverage of prescription drugs.

''(ii) Mental health services.

''(iii) Vision services.

''(iv) Hearing services.

''(3) DETERMINATION OF ACTUARIAL VALUE.—The actuarial value of coverage of benchmark benefit packages shall be set forth in an actuarial opinion in an actuarial report that has been prepared—

''(A) by an individual who is a member of the American Academy of Actuaries;

''(B) using generally accepted actuarial principles and methodologies;

''(C) using a standardized set of utilization and price factors;

''(D) using a standardized population that is representative of the population involved;

''(E) applying the same principles and factors in comparing the value of different coverage (or categories of services);

''(F) without taking into account any differences in coverage based on the method of delivery or means of cost control or utilization used; and

''(G) taking into account the ability of a State to reduce benefits by taking into account the increase in actuarial value of benefits coverage offered under this title that results from the limitations on cost sharing under such coverage.

The actuary preparing the opinion shall select and specify in the memorandum the standardized set and population to be used under subparagraphs (C) and (D).

''(4) COVERAGE OF RURAL HEALTH CLINIC AND FQHC SERVICES.—Notwithstanding the previous provisions of this section, a State may not provide for medical assistance through enrollment of an individual with benchmark coverage or benchmark equivalent coverage under this section unless—

''(A) the individual has access, through such coverage or otherwise, to services described in subparagraphs (B) and (C) of section 1905(a)(2); and

''(B) payment for such services is made in accordance with the requirements of section 1902(bb).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on March 31, 2006.

CHAPTER 5—STATE FINANCING UNDER MEDICAID

SEC. 6051. MANAGED CARE ORGANIZATION PROVIDER TAX REFORM.

(a) IN GENERAL.—Section 1903(w)(7)(A)(viii) of the Social Security Act (42 U.S.C. 1396b(w)(7)(A)(viii)) is amended to read as follows:

''(viii) Services of managed care organizations (including health maintenance organizations, preferred provider organizations, and such other similar organizations as the Secretary may specify by regulation).''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendment made by subsection (a) shall be effective as of the date of the enactment of this Act.

(2) DELAY IN EFFECTIVE DATE.—

(A) IN GENERAL.—Subject to subparagraph (B), in the case of a State specified in subparagraph (B), the amendment made by subsection (a) shall be effective as of October 1, 2009.

(B) SPECIFIED STATES.—For purposes of subparagraph (A), the States specified in this subparagraph are States that have enacted a law providing for a tax on the services of a Medicaid managed care organization with a contract under section 1903(m) of the Social Security Act as of December 8, 2005.

(c) CLARIFICATION REGARDING NON-REGULATION OF TRANSFERS.—

(1) IN GENERAL.—Nothing in section 1903(w) of the Social Security Act (42 U.S.C. 1396b(w)) shall be construed by the Secretary of Health and Human Services as prohibiting a State's use of funds as the non-Federal share of expenditures under title XIX of such Act where such funds are transferred from or certified by a publicly-owned regional medical center located in another State and described in paragraph (2), so long as the Secretary determines that such use of funds is proper and in the interest of the program under title XIX.

(2) CENTER DESCRIBED.—A center described in this paragraph is a publicly-owned regional medical center that—

(A) provides level 1 trauma and burn care services;

(B) provides level 3 neonatal care services;

(C) is obligated to serve all patients, regardless of State of origin;

(D) is located within a Standard Metropolitan Statistical Area (SMSA) that includes at least 3 States, including the States described in paragraph (1);

(E) serves as a tertiary care provider for patients residing within a 125-mile radius; and

(F) meets the criteria for a disproportionate share hospital under section 1923 of such Act in at least one State other than the one in which the center is located.

(3) EFFECTIVE PERIOD.—This subsection shall apply through December 31, 2006.

SEC. 6052. REFORMS OF CASE MANAGEMENT AND TARGETED CASE MANAGEMENT.

(a) IN GENERAL.—Section 1915(g) of the Social Security Act (42 U.S.C. 1396n(g)(2)) is amended by striking paragraph (2) and inserting the following:

''(2) For purposes of this subsection:

''(A)(i) The term 'case management services' means services which will assist individuals eligible under the plan in gaining access to needed medical, social, educational, and other services.

''(ii) Such term includes the following:

''(I) Assessment of an eligible individual to determine service needs, including activities that focus on needs identification, to determine the need for any medical, educational, social, or other services. Such assessment activities include the following:

''(aa) Taking client history.

''(bb) Identifying the needs of the individual, and completing related documentation.

''(cc) Gathering information from other sources such as family members, medical providers, social workers, and educators, if necessary, to form a complete assessment of the eligible individual.

''(II) Development of a specific care plan based on the information collected through an assessment, that specifies the goals and actions to address the medical, social, educational, and other services needed by the eligible individual, including activities such as ensuring the active participation of the eligible individual and working with the individual (or the individual's authorized health care decision maker) and others to develop such goals and identify a course of action to respond to the assessed needs of the eligible individual.

''(III) Referral and related activities to help an individual obtain needed services, including activities that help link eligible individuals with medical, social, educational providers or other programs and services that are capable of providing needed services, such as making referrals to providers for needed services and scheduling appointments for the individual.

''(IV) Monitoring and followup activities, including activities and contacts that are necessary to ensure the care plan is effectively implemented and adequately addressing the needs of the eligible individual, and which may be with the individual, family members, providers, or other entities and conducted as frequently as necessary to help determine such matters as—

''(aa) whether services are being furnished in accordance with an individual's care plan;

''(bb) whether the services in the care plan are adequate; and

''(cc) whether there are changes in the needs or status of the eligible individual, and if so, making necessary adjustments in the care plan and service arrangements with providers.

''(iii) Such term does not include the direct delivery of an underlying medical, educational,

social, or other service to which an eligible individual has been referred, including, with respect to the direct delivery of foster care services, services such as (but not limited to) the following:

''(I) Research gathering and completion of documentation required by the foster care program.

''(II) Assessing adoption placements.

''(III) Recruiting or interviewing potential foster care parents.

''(IV) Serving legal papers.

''(V) Home investigations.

''(VI) Providing transportation.

''(VII) Administering foster care subsidies.

''(VIII) Making placement arrangements.

''(B) The term 'targeted case management services' are case management services that are furnished without regard to the requirements of section 1902(a)(1) and section 1902(a)(10)(B) to specific classes of individuals or to individuals who reside in specified areas.

''(3) With respect to contacts with individuals who are not eligible for medical assistance under the State plan or, in the case of targeted case management services, individuals who are eligible for such assistance but are not part of the target population specified in the State plan, such contacts—

''(A) are considered an allowable case management activity, when the purpose of the contact is directly related to the management of the eligible individual's care; and

''(B) are not considered an allowable case management activity if such contacts relate directly to the identification and management of the noneligible or nontargeted individual's needs and care.

''(4)(A) In accordance with section 1902(a)(25), Federal financial participation only is available under this title for case management services or targeted case management services if there are no other third parties liable to pay for such services, including as reimbursement under a medical, social, educational, or other program.

''(B) A State shall allocate the costs of any part of such services which are reimbursable under another federally funded program in accordance with OMB Circular A–87 (or any related or successor guidance or regulations regarding allocation of costs among federally funded programs) under an approved cost allocation program.

''(5) Nothing in this subsection shall be construed as affecting the application of rules with respect to third party liability under programs, or activities carried out under title XXVI of the Public Health Service Act or by the Indian Health Service.''.

(b) REGULATIONS.—The Secretary shall promulgate regulations to carry out the amendment made by subsection (a) which may be effective and final immediately on an interim basis as of the date of publication of the interim final regulation. If the Secretary provides for an interim final regulation, the Secretary shall provide for a period of public comments on such regulation after the date of publication. The Secretary may change or revise such regulation after completion of the period of public comment.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2006.

SEC. 6053. ADDITIONAL FMAP ADJUSTMENTS.

(a) HOLD HARMLESS FOR CERTAIN DECREASE.—Notwithstanding the first sentence of section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)), if, for purposes of titles XIX and XXI of the Social Security Act (42 U.S.C. 1396 et seq., 1397aa et seq.), the Federal medical assistance percentage determined for the State specified in section 4725(a) of Public Law 105–33 for fiscal year 2006 or fiscal year 2007 is less than the Federal medical assistance percentage determined for such State for fiscal year 2005, the Federal medical assistance percentage determined for such State for fiscal year 2005 shall be substituted for the Federal medical assistance percentage otherwise determined for such State for fiscal year 2006 or fiscal year 2007, as the case may be.

(b) HOLD HARMLESS FOR KATRINA IMPACT.—Notwithstanding any other provision of law, for purposes of titles XIX and XXI of the Social Security Act, the Secretary of Health and Human Services, in computing the Federal medical assistance percentage under section 1905(b) of such Act (42 U.S.C. 1396d(b)) for any year after 2006 for a State that the Secretary determines has a significant number of evacuees who were evacuated to, and live in, the State as a result of Hurricane Katrina as of October 1, 2005, shall disregard such evacuees (and income attributable to such evacuees) from such computation.

SEC. 6054. DSH ALLOTMENT FOR THE DISTRICT OF COLUMBIA.

(a) IN GENERAL.—For purposes of determining the DSH allotment for the District of Columbia under section 1923 of the Social Security Act (42 U.S.C. 1396r–4) for fiscal year 2006 and each subsequent fiscal year, the table in subsection (f)(2) of such section is amended under each of the columns for fiscal year 2000, fiscal year 2001, and fiscal year 2002, in the entry for the District of Columbia by striking ''32'' and inserting ''49''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if enacted on October 1, 2005, and shall only apply to disproportionate share hospital adjustment expenditures applicable to fiscal year 2006 and subsequent fiscal years made on or after that date.

SEC. 6055. INCREASE IN MEDICAID PAYMENTS TO INSULAR AREAS.

Section 1108(g) of the Social Security Act (42 U.S.C. 1308(g)) is amended—

(1) in paragraph (2), by inserting ''and subject to paragraph (3)'' after ''subsection (f)''; and

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

''(3) FISCAL YEARS 2006 AND 2007 FOR CERTAIN INSULAR AREAS.—The amounts otherwise determined under this subsection for Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa for fiscal year 2006 and fiscal year 2007 shall be increased by the following amounts:

''(A) For Puerto Rico, $12,000,000 for fiscal year 2006 and $12,000,000 for fiscal year 2007.

''(B) For the Virgin Islands, $2,500,000 for fiscal year 2006 and $5,000,000 for fiscal year 2007.

''(C) For Guam, $2,500,000 for fiscal year 2006 and $5,000,000 for fiscal year 2007.

''(D) For the Northern Mariana Islands, $1,000,000 for fiscal year 2006 and $2,000,000 for fiscal year 2007.

''(E) For American Samoa, $2,000,000 for fiscal year 2006 and $4,000,000 for fiscal year 2007.

Such amounts shall not be taken into account in applying paragraph (2) for fiscal year 2007 but shall be taken into account in applying such paragraph for fiscal year 2008 and subsequent fiscal years.''.

CHAPTER 6—OTHER PROVISIONS

Subchapter A—Family Opportunity Act

SEC. 6061. SHORT TITLE OF SUBCHAPTER.

This subchapter may be cited as the ''Family Opportunity Act of 2005'' or the ''Dylan Lee James Act''.

SEC. 6062. OPPORTUNITY FOR FAMILIES OF DISABLED CHILDREN TO PURCHASE MEDICAID COVERAGE FOR SUCH CHILDREN.

(a) STATE OPTION TO ALLOW FAMILIES OF DISABLED CHILDREN TO PURCHASE MEDICAID COVERAGE FOR SUCH CHILDREN.—

(1) IN GENERAL.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended—

(A) in subsection (a)(10)(A)(ii)—

(i) by striking ''or'' at the end of subclause (XVII);

(ii) by adding ''or'' at the end of subclause (XVIII); and

(iii) by adding at the end the following new subclause:

''(XIX) who are disabled children described in subsection (cc)(1);''; and

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

''(cc)(1) Individuals described in this paragraph are individuals—

''(A) who are children who have not attained 19 years of age and are born—

''(i) on or after January 1, 2001 (or, at the option of a State, on or after an earlier date), in the case of the second, third, and fourth quarters of fiscal year 2007;

''(ii) on or after October 1, 1995 (or, at the option of a State, on or after an earlier date), in the case of each quarter of fiscal year 2008; and

''(iii) after October 1, 1989, in the case of each quarter of fiscal year 2009 and each quarter of any fiscal year thereafter;

''(B) who would be considered disabled under section 1614(a)(3)(C) (as determined under title XVI for children but without regard to any income or asset eligibility requirements that apply under such title with respect to children); and

''(C) whose family income does not exceed such income level as the State establishes and does not exceed—

''(i) 300 percent of the poverty line (as defined in section 2110(c)(5)) applicable to a family of the size involved; or

''(ii) such higher percent of such poverty line as a State may establish, except that—

''(I) any medical assistance provided to an individual whose family income exceeds 300 percent of such poverty line may only be provided with State funds; and

''(II) no Federal financial participation shall be provided under section 1903(a) for any medical assistance provided to such an individual.''.

(2) INTERACTION WITH EMPLOYER-SPONSORED FAMILY COVERAGE.—Section 1902(cc) of such Act (42 U.S.C. 1396a(cc)), as added by paragraph (1)(B), is amended by adding at the end the following new paragraph:

''(2)(A) If an employer of a parent of an individual described in paragraph (1) offers family coverage under a group health plan (as defined in section 2791(a) of the Public Health Service Act), the State shall—

''(i) notwithstanding section 1906, require such parent to apply for, enroll in, and pay premiums for such coverage as a condition of such parent's child being or remaining eligible for medical assistance under subsection (a)(10)(A)(ii)(XIX) if the parent is determined eligible for such coverage and the employer contributes at least 50 percent of the total cost of annual premiums for such coverage; and

''(ii) if such coverage is obtained—

''(I) subject to paragraph (2) of section 1916(h), reduce the premium imposed by the State under that section in an amount that reasonably reflects the premium contribution made by the parent for private coverage on behalf of a child with a disability; and

''(II) treat such coverage as a third party liability under subsection (a)(25).

''(B) In the case of a parent to which subparagraph (A) applies, a State, notwithstanding section 1906 but subject to paragraph (1)(C)(ii), may provide for payment of any portion of the annual premium for such family coverage that the parent is required to pay. Any payments made by the State under this subparagraph shall be considered, for purposes of section 1903(a), to be payments for medical assistance.''.

(b) STATE OPTION TO IMPOSE INCOME-RELATED PREMIUMS.—Section 1916 of such Act (42 U.S.C. 1396o) is amended—

(1) in subsection (a), by striking ''subsection (g)'' and inserting ''subsections (g) and (i)''; and

(2) by adding at the end, as amended by section 6041(b)(2), the following new subsection:

''(i)(1) With respect to disabled children provided medical assistance under section 1902(a)(10)(A)(ii)(XIX), subject to paragraph (2),

a State may (in a uniform manner for such children) require the families of such children to pay monthly premiums set on a sliding scale based on family income.

''(2) A premium requirement imposed under paragraph (1) may only apply to the extent that—

''(A) in the case of a disabled child described in that paragraph whose family income—

''(i) does not exceed 200 percent of the poverty line, the aggregate amount of such premium and any premium that the parent is required to pay for family coverage under section 1902(cc)(2)(A)(i) and other cost-sharing charges do not exceed 5 percent of the family's income; and

''(ii) exceeds 200, but does not exceed 300, percent of the poverty line, the aggregate amount of such premium and any premium that the parent is required to pay for family coverage under section 1902(cc)(2)(A)(i) and other cost-sharing charges do not exceed 7.5 percent of the family's income; and

''(B) the requirement is imposed consistent with section 1902(cc)(2)(A)(ii)(I).

''(3) A State shall not require prepayment of a premium imposed pursuant to paragraph (1) and shall not terminate eligibility of a child under section 1902(a)(10)(A)(ii)(XIX) for medical assistance under this title on the basis of failure to pay any such premium until such failure continues for a period of at least 60 days from the date on which the premium became past due. The State may waive payment of any such premium in any case where the State determines that requiring such payment would create an undue hardship.''.

(c) CONFORMING AMENDMENTS.—(1) Section 1903(f)(4) of such Act (42 U.S.C. 1396b(f)(4)) is amended in the matter preceding subparagraph (A), by inserting ''1902(a)(10)(A)(ii)(XIX),'' after ''1902(a)(10)(A)(ii)(XVIII),''.

(2) Section 1905(u)(2)(B) of such Act (42 U.S.C. 1396d(u)(2)(B)) is amended by adding at the end the following sentence: ''Such term excludes any child eligible for medical assistance only by reason of section 1902(a)(10)(A)(ii)(XIX).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance for items and services furnished on or after January 1, 2007.

SEC. 6063. DEMONSTRATION PROJECTS REGARDING HOME AND COMMUNITY-BASED ALTERNATIVES TO PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES FOR CHILDREN.

(a) IN GENERAL.—The Secretary is authorized to conduct, during each of fiscal years 2007 through 2011, demonstration projects (each in the section referred to as a ''demonstration project'') in accordance with this section under which up to 10 States (as defined for purposes of title XIX of the Social Security Act) are awarded grants, on a competitive basis, to test the effectiveness in improving or maintaining a child's functional level and cost-effectiveness of providing coverage of home and community-based alternatives to psychiatric residential treatment for children enrolled in the Medicaid program under title XIX of such Act.

(b) APPLICATION OF TERMS AND CONDITIONS.—

(1) IN GENERAL.—Subject to the provisions of this section, for the purposes of the demonstration projects, and only with respect to children enrolled under such demonstration projects, a psychiatric residential treatment facility (as defined in section 483.352 of title 42 of the Code of Federal Regulations) shall be deemed to be a facility specified in section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)), and to be included in each reference in such section 1915(c) to hospitals, nursing facilities, and intermediate care facilities for the mentally retarded.

(2) STATE OPTION TO ASSURE CONTINUITY OF MEDICAID COVERAGE.—Upon the termination of a demonstration project under this section, the State that conducted the project may elect, only with respect to a child who is enrolled in such project on the termination date, to continue to provide medical assistance for coverage of home and community-based alternatives to psychiatric residential treatment for the child in accordance with section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)), as modified through the application of paragraph (1). Expenditures incurred for providing such medical assistance shall be treated as a home and community-based waiver program under section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)) for purposes of payment under section 1903 of such Act (42 U.S.C. 1396b).

(c) TERMS OF DEMONSTRATION PROJECTS.—

(1) IN GENERAL.—Except as otherwise provided in this section, a demonstration project shall be subject to the same terms and conditions as apply to a waiver under section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)), including the waiver of certain requirements under the first sentence of paragraph (3) of such section but not applying the second sentence of such paragraph.

(2) BUDGET NEUTRALITY.—In conducting the demonstration projects under this section, the Secretary shall ensure that the aggregate payments made by the Secretary under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) do not exceed the amount which the Secretary estimates would have been paid under that title if the demonstration projects under this section had not been implemented.

(3) EVALUATION.—The application for a demonstration project shall include an assurance to provide for such interim and final evaluations of the demonstration project by independent third parties, and for such interim and final reports to the Secretary, as the Secretary may require.

(d) PAYMENTS TO STATES; LIMITATIONS TO SCOPE AND FUNDING.—

(1) IN GENERAL.—Subject to paragraph (2), a demonstration project approved by the Secretary under this section shall be treated as a home and community-based waiver program under section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)) for purposes of payment under section 1903 of such Act (42 U.S.C. 1396b).

(2) LIMITATION.—In no case may the amount of payments made by the Secretary under this section for State demonstration projects for a fiscal year exceed the amount available under subsection (f)(2)(A) for such fiscal year.

(e) SECRETARY'S EVALUATION AND REPORT.—The Secretary shall conduct an interim and final evaluation of State demonstration projects under this section and shall report to the President and Congress the conclusions of such evaluations within 12 months of completing such evaluations.

(f) FUNDING.—

(1) IN GENERAL.—For the purpose of carrying out this section, there are appropriated, from amounts in the Treasury not otherwise appropriated, for fiscal years 2007 through 2011, a total of $218,000,000, of which—

(A) the amount specified in paragraph (2) shall be available for each of fiscal years 2007 through 2011; and

(B) a total of $1,000,000 shall be available to the Secretary for the evaluations and report under subsection (e).

(2) FISCAL YEAR LIMIT.—

(A) IN GENERAL.—For purposes of paragraph (1), the amount specified in this paragraph for a fiscal year is the amount specified in subparagraph (B) for the fiscal year plus the difference, if any, between the total amount available under this paragraph for prior fiscal years and the total amount previously expended under paragraph (1)(A) for such prior fiscal years.

(B) FISCAL YEAR AMOUNTS.—The amount specified in this subparagraph for—

(i) fiscal year 2007 is $21,000,000;

(ii) fiscal year 2008 is $37,000,000;

(iii) fiscal year 2009 is $49,000,000;

(iv) fiscal year 2010 is $53,000,000; and

(v) fiscal year 2011 is $57,000,000.

SEC. 6064. DEVELOPMENT AND SUPPORT OF FAMILY-TO-FAMILY HEALTH INFORMATION CENTERS.

Section 501 of the Social Security Act (42 U.S.C. 701) is amended by adding at the end the following new subsection:

''(c)(1)(A) For the purpose of enabling the Secretary (through grants, contracts, or otherwise) to provide for special projects of regional and national significance for the development and support of family-to-family health information centers described in paragraph (2), there is appropriated to the Secretary, out of any money in the Treasury not otherwise appropriated—

''(i) $3,000,000 for fiscal year 2007;

''(ii) $4,000,000 for fiscal year 2008; and

''(iii) $5,000,000 for fiscal year 2009.

''(B) Funds appropriated or authorized to be appropriated under subparagraph (A) shall—

''(i) be in addition to amounts appropriated under subsection (a) and retained under section 502(a)(1) for the purpose of carrying out activities described in subsection (a)(2); and

''(ii) remain available until expended.

''(2) The family-to-family health information centers described in this paragraph are centers that—

''(A) assist families of children with disabilities or special health care needs to make informed choices about health care in order to promote good treatment decisions, cost-effectiveness, and improved health outcomes for such children;

''(B) provide information regarding the health care needs of, and resources available for, such children;

''(C) identify successful health delivery models for such children;

''(D) develop with representatives of health care providers, managed care organizations, health care purchasers, and appropriate State agencies, a model for collaboration between families of such children and health professionals;

''(E) provide training and guidance regarding caring for such children;

''(F) conduct outreach activities to the families of such children, health professionals, schools, and other appropriate entities and individuals; and

''(G) are staffed—

''(i) by such families who have expertise in Federal and State public and private health care systems; and

''(ii) by health professionals.

''(3) The Secretary shall develop family-to-family health information centers described in paragraph (2) in accordance with the following:

''(A) With respect to fiscal year 2007, such centers shall be developed in not less than 25 States.

''(B) With respect to fiscal year 2008, such centers shall be developed in not less than 40 States.

''(C) With respect to fiscal year 2009 and each fiscal year thereafter, such centers shall be developed in all States.

''(4) The provisions of this title that are applicable to the funds made available to the Secretary under section 502(a)(1) apply in the same manner to funds made available to the Secretary under paragraph (1)(A).

''(5) For purposes of this subsection, the term 'State' means each of the 50 States and the District of Columbia.''.

SEC. 6065. RESTORATION OF MEDICAID ELIGIBILITY FOR CERTAIN SSI BENEFICIARIES.

(a) IN GENERAL.—Section 1902(a)(10)(A)(i)(II) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(i)(II)) is amended—

(1) by inserting ''(aa)'' after ''(II)'';

(2) by striking '') and'' and inserting ''and'';

(3) by striking ''section or who are'' and inserting ''section), (bb) who are''; and

(4) by inserting before the comma at the end the following: '', or (cc) who are under 21 years of age and with respect to whom supplemental security income benefits would be paid under

title XVI if subparagraphs (A) and (B) of section 1611(c)(7) were applied without regard to the phrase 'the first day of the month following' ".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to medical assistance for items and services furnished on or after the date that is 1 year after the date of enactment of this Act.

Subchapter B—Money Follows the Person Rebalancing Demonstration

SEC. 6071. MONEY FOLLOWS THE PERSON REBALANCING DEMONSTRATION.

(a) PROGRAM PURPOSE AND AUTHORITY.—The Secretary is authorized to award, on a competitive basis, grants to States in accordance with this section for demonstration projects (each in this section referred to as an "MFP demonstration project") designed to achieve the following objectives with respect to institutional and home and community-based long-term care services under State Medicaid programs:

(1) REBALANCING.—Increase the use of home and community-based, rather than institutional, long-term care services.

(2) MONEY FOLLOWS THE PERSON.—Eliminate barriers or mechanisms, whether in the State law, the State Medicaid plan, the State budget, or otherwise, that prevent or restrict the flexible use of Medicaid funds to enable Medicaid-eligible individuals to receive support for appropriate and necessary long-term services in the settings of their choice.

(3) CONTINUITY OF SERVICE.—Increase the ability of the State Medicaid program to assure continued provision of home and community-based long-term care services to eligible individuals who choose to transition from an institutional to a community setting.

(4) QUALITY ASSURANCE AND QUALITY IMPROVEMENT.—Ensure that procedures are in place (at least comparable to those required under the qualified HCB program) to provide quality assurance for eligible individuals receiving Medicaid home and community-based long-term care services and to provide for continuous quality improvement in such services.

(b) DEFINITIONS.—For purposes of this section:

(1) HOME AND COMMUNITY-BASED LONG-TERM CARE SERVICES.—The term "home and community-based long-term care services" means, with respect to a State Medicaid program, home and community-based services (including home health and personal care services) that are provided under the State's qualified HCB program or that could be provided under such a program but are otherwise provided under the Medicaid program.

(2) ELIGIBLE INDIVIDUAL.—The term "eligible individual" means, with respect to an MFP demonstration project of a State, an individual in the State—

(A) who, immediately before beginning participation in the MFP demonstration project—

(i) resides (and has resided, for a period of not less than 6 months or for such longer minimum period, not to exceed 2 years, as may be specified by the State) in an inpatient facility;

(ii) is receiving Medicaid benefits for inpatient services furnished by such inpatient facility; and

(iii) with respect to whom a determination has been made that, but for the provision of home and community-based long-term care services, the individual would continue to require the level of care provided in an inpatient facility and, in any case in which the State applies a more stringent level of care standard as a result of implementing the State plan option permitted under section 1915(i) of the Social Security Act, the individual must continue to require at least the level of care which had resulted in admission to the institution; and

(B) who resides in a qualified residence beginning on the initial date of participation in the demonstration project.

(3) INPATIENT FACILITY.—The term "inpatient facility" means a hospital, nursing facility, or intermediate care facility for the mentally retarded. Such term includes an institution for mental diseases, but only, with respect to a State, to the extent medical assistance is available under the State Medicaid plan for services provided by such institution.

(4) MEDICAID.—The term "Medicaid" means, with respect to a State, the State program under title XIX of the Social Security Act (including any waiver or demonstration under such title or under section 1115 of such Act relating to such title).

(5) QUALIFIED HCB PROGRAM.—The term "qualified HCB program" means a program providing home and community-based long-term care services operating under Medicaid, whether or not operating under waiver authority.

(6) QUALIFIED RESIDENCE.—The term "qualified residence" means, with respect to an eligible individual—

(A) a home owned or leased by the individual or the individual's family member;

(B) an apartment with an individual lease, with lockable access and egress, and which includes living, sleeping, bathing, and cooking areas over which the individual or the individual's family has domain and control; and

(C) a residence, in a community-based residential setting, in which no more than 4 unrelated individuals reside.

(7) QUALIFIED EXPENDITURES.—The term "qualified expenditures" means expenditures by the State under its MFP demonstration project for home and community-based long-term care services for an eligible individual participating in the MFP demonstration project, but only with respect to services furnished during the 12-month period beginning on the date the individual is discharged from an inpatient facility referred to in paragraph (2)(A)(i).

(8) SELF-DIRECTED SERVICES.—The term "self-directed" means, with respect to home and community-based long-term care services for an eligible individual, such services for the individual which are planned and purchased under the direction and control of such individual or the individual's authorized representative (as defined by the Secretary), including the amount, duration, scope, provider, and location of such services, under the State Medicaid program consistent with the following requirements:

(A) ASSESSMENT.—There is an assessment of the needs, capabilities, and preferences of the individual with respect to such services.

(B) SERVICE PLAN.—Based on such assessment, there is developed jointly with such individual or the individual's authorized representative a plan for such services for such individual that is approved by the State and that—

(i) specifies those services, if any, which the individual or the individual's authorized representative would be responsible for directing;

(ii) identifies the methods by which the individual or the individual's authorized representative or an agency designated by an individual or representative will select, manage, and dismiss providers of such services;

(iii) specifies the role of family members and others whose participation is sought by the individual or the individual's authorized representative with respect to such services;

(iv) is developed through a person-centered process that—

(I) is directed by the individual or the individual's authorized representative;

(II) builds upon the individual's capacity to engage in activities that promote community life and that respects the individual's preferences, choices, and abilities; and

(III) involves families, friends, and professionals as desired or required by the individual or the individual's authorized representative;

(v) includes appropriate risk management techniques that recognize the roles and sharing of responsibilities in obtaining services in a self-directed manner and assure the appropriateness of such plan based upon the resources and capabilities of the individual or the individual's authorized representative; and

(vi) may include an individualized budget which identifies the dollar value of the services and supports under the control and direction of the individual or the individual's authorized representative.

(C) BUDGET PROCESS.—With respect to individualized budgets described in subparagraph (B)(vi), the State application under subsection (c)—

(i) describes the method for calculating the dollar values in such budgets based on reliable costs and service utilization;

(ii) defines a process for making adjustments in such dollar values to reflect changes in individual assessments and service plans; and

(iii) provides a procedure to evaluate expenditures under such budgets.

(9) STATE.—The term "State" has the meaning given such term for purposes of title XIX of the Social Security Act.

(c) STATE APPLICATION.—A State seeking approval of an MFP demonstration project shall submit to the Secretary, at such time and in such format as the Secretary requires, an application meeting the following requirements and containing such additional information, provisions, and assurances, as the Secretary may require:

(1) ASSURANCE OF A PUBLIC DEVELOPMENT PROCESS.—The application contains an assurance that the State has engaged, and will continue to engage, in a public process for the design, development, and evaluation of the MFP demonstration project that allows for input from eligible individuals, the families of such individuals, authorized representatives of such individuals, providers, and other interested parties.

(2) OPERATION IN CONNECTION WITH QUALIFIED HCB PROGRAM TO ASSURE CONTINUITY OF SERVICES.—The State will conduct the MFP demonstration project for eligible individuals in conjunction with the operation of a qualified HCB program that is in operation (or approved) in the State for such individuals in a manner that assures continuity of Medicaid coverage for such individuals so long as such individuals continue to be eligible for medical assistance.

(3) DEMONSTRATION PROJECT PERIOD.—The application shall specify the period of the MFP demonstration project, which shall include at least 2 consecutive fiscal years in the 5-fiscal-year period beginning with fiscal year 2007.

(4) SERVICE AREA.—The application shall specify the service area or areas of the MFP demonstration project, which may be a statewide area or 1 or more geographic areas of the State.

(5) TARGETED GROUPS AND NUMBERS OF INDIVIDUALS SERVED.—The application shall specify—

(A) the target groups of eligible individuals to be assisted to transition from an inpatient facility to a qualified residence during each fiscal year of the MFP demonstration project;

(B) the projected numbers of eligible individuals in each targeted group of eligible individuals to be so assisted during each such year; and

(C) the estimated total annual qualified expenditures for each fiscal year of the MFP demonstration project.

(6) INDIVIDUAL CHOICE, CONTINUITY OF CARE.—The application shall contain assurances that—

(A) each eligible individual or the individual's authorized representative will be provided the opportunity to make an informed choice regarding whether to participate in the MFP demonstration project;

(B) each eligible individual or the individual's authorized representative will choose the qualified residence in which the individual will reside and the setting in which the individual will receive home and community-based long-term care services;

(C) the State will continue to make available, so long as the State operates its qualified HCB program consistent with applicable requirements, home and community-based long-term

care services to each individual who completes participation in the MFP demonstration project for as long as the individual remains eligible for medical assistance for such services under such qualified HCB program (including meeting a requirement relating to requiring a level of care provided in an inpatient facility and continuing to require such services, and, if the State applies a more stringent level of care standard as a result of implementing the State plan option permitted under section 1915(i) of the Social Security Act, meeting the requirement for at least the level of care which had resulted in the individual's admission to the institution).

(7) REBALANCING.—The application shall—

(A) provide such information as the Secretary may require concerning the dollar amounts of State Medicaid expenditures for the fiscal year, immediately preceding the first fiscal year of the State's MFP demonstration project, for long-term care services and the percentage of such expenditures that were for institutional long-term care services or were for home and community-based long-term care services;

(B)(i) specify the methods to be used by the State to increase, for each fiscal year during the MFP demonstration project, the dollar amount of such total expenditures for home and community-based long-term care services and the percentage of such total expenditures for long-term care services that are for home and community-based long-term care services; and

(ii) describe the extent to which the MFP demonstration project will contribute to accomplishment of objectives described in subsection (a).

(8) MONEY FOLLOWS THE PERSON.—The application shall describe the methods to be used by the State to eliminate any legal, budgetary, or other barriers to flexibility in the availability of Medicaid funds to pay for long-term care services for eligible individuals participating in the project in the appropriate settings of their choice, including costs to transition from an institutional setting to a qualified residence.

(9) MAINTENANCE OF EFFORT AND COST-EFFECTIVENESS.—The application shall contain or be accompanied by such information and assurances as may be required to satisfy the Secretary that—

(A) total expenditures under the State Medicaid program for home and community-based long-term care services will not be less for any fiscal year during the MFP demonstration project than for the greater of such expenditures for—

(i) fiscal year 2005; or

(ii) any succeeding fiscal year before the first year of the MFP demonstration project; and

(B) in the case of a qualified HCB program operating under a waiver under subsection (c) or (d) of section 1915 of the Social Security Act (42 U.S.C. 1396n), but for the amount awarded under a grant under this section, the State program would continue to meet the cost-effectiveness requirements of subsection (c)(2)(D) of such section or comparable requirements under subsection (d)(5) of such section, respectively.

(10) WAIVER REQUESTS.—The application shall contain or be accompanied by requests for any modification or adjustment of waivers of Medicaid requirements described in subsection (d)(3), including adjustments to the maximum numbers of individuals included and package of benefits, including one-time transitional services, provided.

(11) QUALITY ASSURANCE AND QUALITY IMPROVEMENT.—The application shall include—

(A) a plan satisfactory to the Secretary for quality assurance and quality improvement for home and community-based long-term care services under the State Medicaid program, including a plan to assure the health and welfare of individuals participating in the MFP demonstration project; and

(B) an assurance that the State will cooperate in carrying out activities under subsection (f) to develop and implement continuous quality assurance and quality improvement systems for home and community-based long-term care services.

(12) OPTIONAL PROGRAM FOR SELF-DIRECTED SERVICES.—If the State elects to provide for any home and community-based long-term care services as self-directed services (as defined in subsection (b)(8)) under the MFP demonstration project, the application shall provide the following:

(A) MEETING REQUIREMENTS.—A description of how the project will meet the applicable requirements of such subsection for the provision of self-directed services.

(B) VOLUNTARY ELECTION.—A description of how eligible individuals will be provided with the opportunity to make an informed election to receive self-directed services under the project and after the end of the project.

(C) STATE SUPPORT IN SERVICE PLAN DEVELOPMENT.—Satisfactory assurances that the State will provide support to eligible individuals who self-direct in developing and implementing their service plans.

(D) OVERSIGHT OF RECEIPT OF SERVICES.—Satisfactory assurances that the State will provide oversight of eligible individual's receipt of such self-directed services, including steps to assure the quality of services provided and that the provision of such services are consistent with the service plan under such subsection.

Nothing in this section shall be construed as requiring a State to make an election under the project to provide for home and community-based long-term care services as self-directed services, or as requiring an individual to elect to receive self-directed services under the project.

(13) REPORTS AND EVALUATION.—The application shall provide that—

(A) the State will furnish to the Secretary such reports concerning the MFP demonstration project, on such timetable, in such uniform format, and containing such information as the Secretary may require, as will allow for reliable comparisons of MFP demonstration projects across States; and

(B) the State will participate in and cooperate with the evaluation of the MFP demonstration project.

(d) SECRETARY'S AWARD OF COMPETITIVE GRANTS.—

(1) IN GENERAL.—The Secretary shall award grants under this section on a competitive basis to States selected from among those with applications meeting the requirements of subsection (c), in accordance with the provisions of this subsection.

(2) SELECTION AND MODIFICATION OF STATE APPLICATIONS.—In selecting State applications for the awarding of such a grant, the Secretary—

(A) shall take into consideration the manner in which, and extent to which, the State proposes to achieve the objectives specified in subsection (a);

(B) shall seek to achieve an appropriate national balance in the numbers of eligible individuals, within different target groups of eligible individuals, who are assisted to transition to qualified residences under MFP demonstration projects, and in the geographic distribution of States operating MFP demonstration projects;

(C) shall give preference to State applications proposing—

(i) to provide transition assistance to eligible individuals within multiple target groups; and

(ii) to provide eligible individuals with the opportunity to receive home and community-based long-term care services as self-directed services, as defined in subsection (b)(8); and

(D) shall take such objectives into consideration in setting the annual amounts of State grant awards under this section.

(3) WAIVER AUTHORITY.—The Secretary is authorized to waive the following provisions of title XIX of the Social Security Act, to the extent necessary to enable a State initiative to meet the requirements and accomplish the purposes of this section:

(A) STATEWIDENESS.—Section 1902(a)(1), in order to permit implementation of a State initiative in a selected area or areas of the State.

(B) COMPARABILITY.—Section 1902(a)(10)(B), in order to permit a State initiative to assist a selected category or categories of individuals described in subsection (b)(2)(A).

(C) INCOME AND RESOURCES ELIGIBILITY.—Section 1902(a)(10)(C)(i)(III), in order to permit a State to apply institutional eligibility rules to individuals transitioning to community-based care.

(D) PROVIDER AGREEMENTS.—Section 1902(a)(27), in order to permit a State to implement self-directed services in a cost-effective manner.

(4) CONDITIONAL APPROVAL OF OUTYEAR GRANT.—In awarding grants under this section, the Secretary shall condition the grant for the second and any subsequent fiscal years of the grant period on the following:

(A) NUMERICAL BENCHMARKS.—The State must demonstrate to the satisfaction of the Secretary that it is meeting numerical benchmarks specified in the grant agreement for—

(i) increasing State Medicaid support for home and community-based long-term care services under subsection (c)(5); and

(ii) numbers of eligible individuals assisted to transition to qualified residences.

(B) QUALITY OF CARE.—The State must demonstrate to the satisfaction of the Secretary that it is meeting the requirements under subsection (c)(11) to assure the health and welfare of MFP demonstration project participants.

(e) PAYMENTS TO STATES; CARRYOVER OF UNUSED GRANT AMOUNTS.—

(1) PAYMENTS.—For each calendar quarter in a fiscal year during the period a State is awarded a grant under subsection (d), the Secretary shall pay to the State from its grant award for such fiscal year an amount equal to the lesser of—

(A) the MFP-enhanced FMAP (as defined in paragraph (5)) of the amount of qualified expenditures made during such quarter; or

(B) the total amount remaining in such grant award for such fiscal year (taking into account the application of paragraph (2)).

(2) CARRYOVER OF UNUSED AMOUNTS.—Any portion of a State grant award for a fiscal year under this section remaining at the end of such fiscal year shall remain available to the State for the next 4 fiscal years, subject to paragraph (3).

(3) REAWARDING OF CERTAIN UNUSED AMOUNTS.—In the case of a State that the Secretary determines pursuant to subsection (d)(4) has failed to meet the conditions for continuation of a MFP demonstration project under this section in a succeeding year or years, the Secretary shall rescind the grant awards for such succeeding year or years, together with any unspent portion of an award for prior years, and shall add such amounts to the appropriation for the immediately succeeding fiscal year for grants under this section.

(4) PREVENTING DUPLICATION OF PAYMENT.—The payment under a MFP demonstration project with respect to qualified expenditures shall be in lieu of any payment with respect to such expenditures that could otherwise be paid under Medicaid, including under section 1903(a) of the Social Security Act. Nothing in the previous sentence shall be construed as preventing the payment under Medicaid for such expenditures in a grant year after amounts available to pay for such expenditures under the MFP demonstration project have been exhausted.

(5) MFP-ENHANCED FMAP.—For purposes of paragraph (1)(A), the ''MFP-enhanced FMAP'', for a State for a fiscal year, is equal to the Federal medical assistance percentage (as defined in the first sentence of section 1905(b)) for the State increased by a number of percentage points equal to 50 percent of the number of percentage points by which (A) such Federal medical assistance percentage for the State, is less than (B) 100 percent; but in no case shall the MFP-enhanced FMAP for a State exceed 90 percent.

(f) QUALITY ASSURANCE AND IMPROVEMENT; TECHNICAL ASSISTANCE; OVERSIGHT.—

(1) IN GENERAL.—The Secretary, either directly or by grant or contract, shall provide for technical assistance to, and oversight of, States for purposes of upgrading quality assurance and quality improvement systems under Medicaid home and community-based waivers, including—

(A) dissemination of information on promising practices;

(B) guidance on system design elements addressing the unique needs of participating beneficiaries;

(C) ongoing consultation on quality, including assistance in developing necessary tools, resources, and monitoring systems; and

(D) guidance on remedying programmatic and systemic problems.

(2) FUNDING.—From the amounts appropriated under subsection (h)(1) for the portion of fiscal year 2007 that begins on January 1, 2007, and ends on September 30, 2007, and for fiscal year 2008, not more than $2,400,000 shall be available to the Secretary to carry out this subsection during the period that begins on January 1, 2007, and ends on September 30, 2011.

(g) RESEARCH AND EVALUATION.—

(1) IN GENERAL.—The Secretary, directly or through grant or contract, shall provide for research on, and a national evaluation of, the program under this section, including assistance to the Secretary in preparing the final report required under paragraph (2). The evaluation shall include an analysis of projected and actual savings related to the transition of individuals to qualified residences in each State conducting an MFP demonstration project.

(2) FINAL REPORT.—The Secretary shall make a final report to the President and Congress, not later than September 30, 2011, reflecting the evaluation described in paragraph (1) and providing findings and conclusions on the conduct and effectiveness of MFP demonstration projects.

(3) FUNDING.—From the amounts appropriated under subsection (h)(1) for each of fiscal years 2008 through 2011, not more than $1,100,000 per year shall be available to the Secretary to carry out this subsection.

(h) APPROPRIATIONS.—

(1) IN GENERAL.—There are appropriated, from any funds in the Treasury not otherwise appropriated, for grants to carry out this section—

(A) $250,000,000 for the portion of fiscal year 2007 beginning on January 1, 2007, and ending on September 30, 2007;

(B) $300,000,000 for fiscal year 2008;

(C) $350,000,000 for fiscal year 2009;

(D) $400,000,000 for fiscal year 2010; and

(E) $450,000,000 for fiscal year 2011.

(2) AVAILABILITY.—Amounts made available under paragraph (1) for a fiscal year shall remain available for the awarding of grants to States by not later than September 30, 2011.

Subchapter C—Miscellaneous

SEC. 6081. MEDICAID TRANSFORMATION GRANTS.

(a) IN GENERAL.—Section 1903 of the Social Security Act (42 U.S.C. 1396b), as amended by sections 6037(a)(2) and 6043(b), is amended by adding at the end the following new subsection:

''(z) MEDICAID TRANSFORMATION PAYMENTS.—

''(1) IN GENERAL.—In addition to the payments provided under subsection (a), subject to paragraph (4), the Secretary shall provide for payments to States for the adoption of innovative methods to improve the effectiveness and efficiency in providing medical assistance under this title.

''(2) PERMISSIBLE USES OF FUNDS.—The following are examples of innovative methods for which funds provided under this subsection may be used:

''(A) Methods for reducing patient error rates through the implementation and use of electronic health records, electronic clinical decision support tools, or e-prescribing programs.

''(B) Methods for improving rates of collection from estates of amounts owed under this title.

''(C) Methods for reducing waste, fraud, and abuse under the program under this title, such as reducing improper payment rates as measured by annual payment error rate measurement (PERM) project rates.

''(D) Implementation of a medication risk management program as part of a drug use review program under section 1927(g).

''(E) Methods in reducing, in clinically appropriate ways, expenditures under this title for covered outpatient drugs, particularly in the categories of greatest drug utilization, by increasing the utilization of generic drugs through the use of education programs and other incentives to promote greater use of generic drugs.

''(F) Methods for improving access to primary and specialty physician care for the uninsured using integrated university-based hospital and clinic systems.

''(3) APPLICATION; TERMS AND CONDITIONS.—

''(A) IN GENERAL.—No payments shall be made to a State under this subsection unless the State applies to the Secretary for such payments in a form, manner, and time specified by the Secretary.

''(B) TERMS AND CONDITIONS.—Such payments are made under such terms and conditions consistent with this subsection as the Secretary prescribes.

''(C) ANNUAL REPORT.—Payment to a State under this subsection is conditioned on the State submitting to the Secretary an annual report on the programs supported by such payment. Such report shall include information on—

''(i) the specific uses of such payment;

''(ii) an assessment of quality improvements and clinical outcomes under such programs; and

''(iii) estimates of cost savings resulting from such programs.

''(4) FUNDING.—

''(A) LIMITATION ON FUNDS.—The total amount of payments under this subsection shall be equal to, and shall not exceed—

''(i) $75,000,000 for fiscal year 2007; and

''(ii) $75,000,000 for fiscal year 2008.

This subsection constitutes budget authority in advance of appropriations Acts and represents the obligation of the Secretary to provide for the payment of amounts provided under this subsection.

''(B) ALLOCATION OF FUNDS.—The Secretary shall specify a method for allocating the funds made available under this subsection among States. Such method shall provide preference for States that design programs that target health providers that treat significant numbers of Medicaid beneficiaries. Such method shall provide that not less than 25 percent of such funds shall be allocated among States the population of which (as determined according to data collected by the United States Census Bureau) as of July 1, 2004, was more than 105 percent of the population of the respective State (as so determined) as of April 1, 2000.

''(C) FORM AND MANNER OF PAYMENT.—Payment to a State under this subsection shall be made in the same manner as other payments under section 1903(a). There is no requirement for State matching funds to receive payments under this subsection.

''(5) MEDICATION RISK MANAGEMENT PROGRAM.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'medication risk management program' means a program for targeted beneficiaries that ensures that covered outpatient drugs are appropriately used to optimize therapeutic outcomes through improved medication use and to reduce the risk of adverse events.

''(B) ELEMENTS.—Such program may include the following elements:

''(i) The use of established principles and standards for drug utilization review and best practices to analyze prescription drug claims of targeted beneficiaries and identify outlier physicians.

''(ii) On an ongoing basis provide outlier physicians—

''(I) a comprehensive pharmacy claims history for each targeted beneficiary under their care;

''(II) information regarding the frequency and cost of relapses and hospitalizations of targeted beneficiaries under the physician's care; and

''(III) applicable best practice guidelines and empirical references.

''(iii) Monitor outlier physician's prescribing, such as failure to refill, dosage strengths, and provide incentives and information to encourage the adoption of best clinical practices.

''(C) TARGETED BENEFICIARIES.—For purposes of this paragraph, the term 'targeted beneficiaries' means Medicaid eligible beneficiaries who are identified as having high prescription drug costs and medical costs, such as individuals with behavioral disorders or multiple chronic diseases who are taking multiple medications.''.

SEC. 6082. HEALTH OPPORTUNITY ACCOUNTS.

Title XIX of the Social Security Act, as amended by sections 6035 and 6044, is amended—

(1) by redesignating section 1938 as section 1939; and

(2) by inserting after section 1937 the following new section:

''HEALTH OPPORTUNITY ACCOUNTS

''SEC. 1938. (a) AUTHORITY.—

''(1) IN GENERAL.—Notwithstanding any other provision of this title, the Secretary shall establish a demonstration program under which States may provide under their State plans under this title (including such a plan operating under a statewide waiver under section 1115) in accordance with this section for the provision of alternative benefits consistent with subsection (c) for eligible population groups in one or more geographic areas of the State specified by the State. An amendment under the previous sentence is referred to in this section as a 'State demonstration program'.

''(2) INITIAL DEMONSTRATION.—

''(A) IN GENERAL.—The demonstration program under this section shall begin on January 1, 2007. During the first 5 years of such program, the Secretary shall not approve more than 10 States to conduct demonstration programs under this section, with each State demonstration program covering 1 or more geographic areas specified by the State. After such 5-year period—

''(i) unless the Secretary finds, taking into account cost-effectiveness, quality of care, and other criteria that the Secretary specifies, that a State demonstration program previously implemented has been unsuccessful, such a demonstration program may be extended or made permanent in the State; and

''(ii) unless the Secretary finds, taking into account cost-effectiveness, quality of care, and other criteria that the Secretary specifies, that all State demonstration programs previously implemented were unsuccessful, other States may implement State demonstration programs.

''(B) GAO REPORT.—

''(i) IN GENERAL.—Not later than 3 months after the end of the 5-year period described in subparagraph (A), the Comptroller General of the United States shall submit a report to Congress evaluating the demonstration programs conducted under this section during such period.

''(ii) APPROPRIATION.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to the Comptroller General of the United States, $550,000 for the period of fiscal years 2007 through 2010 to carry out clause (i).

''(3) APPROVAL.—The Secretary shall not approve a State demonstration program under paragraph (1) unless the program includes the following:

''(A) Creating patient awareness of the high cost of medical care.

''(B) Providing incentives to patients to seek preventive care services.

''(C) Reducing inappropriate use of health care services.

''(D) Enabling patients to take responsibility for health outcomes.

''(E) Providing enrollment counselors and ongoing education activities.

''(F) Providing transactions involving health opportunity accounts to be conducted electronically and without cash.

''(G) Providing access to negotiated provider payment rates consistent with this section.

Nothing in this section shall be construed as preventing a State demonstration program from providing incentives for patients obtaining appropriate preventive care (as defined for purposes of section 223(c)(2)(C) of the Internal Revenue Code of 1986), such as additional account contributions for an individual demonstrating healthy prevention practices.

''(4) NO REQUIREMENT FOR STATEWIDENESS.—Nothing in this section or any other provision of law shall be construed to require that a State must provide for the implementation of a State demonstration program on a Statewide basis.

''(b) ELIGIBLE POPULATION GROUPS.—

''(1) IN GENERAL.—A State demonstration program under this section shall specify the eligible population groups consistent with paragraphs (2) and (3).

''(2) ELIGIBILITY LIMITATIONS DURING INITIAL DEMONSTRATION PERIOD.—During the initial 5 years of the demonstration program under this section, a State demonstration program shall not apply to any of the following individuals:

''(A) Individuals who are 65 years of age or older.

''(B) Individuals who are disabled, regardless of whether or not their eligibility for medical assistance under this title is based on such disability.

''(C) Individuals who are eligible for medical assistance under this title only because they are (or were within the previous 60 days) pregnant.

''(D) Individuals who have been eligible for medical assistance for a continuous period of less than 3 months.

''(3) ADDITIONAL LIMITATIONS.—A State demonstration program shall not apply to any individual within a category of individuals described in section 1937(a)(2)(B).

''(4) LIMITATIONS.—

''(A) STATE OPTION.—This subsection shall not be construed as preventing a State from further limiting eligibility.

''(B) ON ENROLLEES IN MEDICAID MANAGED CARE ORGANIZATIONS.—Insofar as the State provides for eligibility of individuals who are enrolled in Medicaid managed care organizations, such individuals may participate in the State demonstration program only if the State provides assurances satisfactory to the Secretary that the following conditions are met with respect to any such organization:

''(i) In no case may the number of such individuals enrolled in the organization who participate in the program exceed 5 percent of the total number of individuals enrolled in such organization.

''(ii) The proportion of enrollees in the organization who so participate is not significantly disproportionate to the proportion of such enrollees in other such organizations who participate.

''(iii) The State has provided for an appropriate adjustment in the per capita payments to the organization to account for such participation, taking into account differences in the likely use of health services between enrollees who so participate and enrollees who do not so participate.

''(5) VOLUNTARY PARTICIPATION.—An eligible individual shall be enrolled in a State demonstration program only if the individual voluntarily enrolls. Except in such hardship cases as the Secretary shall specify, such an enrollment shall be effective for a period of 12 months, but may be extended for additional periods of 12 months each with the consent of the individual.

''(6) 1-YEAR MORATORIUM FOR REENROLLMENT.—An eligible individual who, for any reason, is disenrolled from a State demonstration program conducted under this section shall not be permitted to reenroll in such program before the end of the 1-year period that begins on the effective date of such disenrollment.

''(c) ALTERNATIVE BENEFITS.—

''(1) IN GENERAL.—The alternative benefits provided under this section shall consist, consistent with this subsection, of at least—

''(A) coverage for medical expenses in a year for items and services for which benefits are otherwise provided under this title after an annual deductible described in paragraph (2) has been met; and

''(B) contribution into a health opportunity account.

Nothing in subparagraph (A) shall be construed as preventing a State from providing for coverage of preventive care (referred to in subsection (a)(3)) within the alternative benefits without regard to the annual deductible.

''(2) ANNUAL DEDUCTIBLE.—The amount of the annual deductible described in paragraph (1)(A) shall be at least 100 percent, but no more than 110 percent, of the annualized amount of contributions to the health opportunity account under subsection (d)(2)(A)(i), determined without regard to any limitation described in subsection (d)(2)(C)(i)(II).

''(3) ACCESS TO NEGOTIATED PROVIDER PAYMENT RATES.—

''(A) FEE-FOR-SERVICE ENROLLEES.—In the case of an individual who is participating in a State demonstration program and who is not enrolled with a Medicaid managed care organization, the State shall provide that the individual may obtain demonstration program Medicaid services from—

''(i) any participating provider under this title at the same payment rates that would be applicable to such services if the deductible described in paragraph (1)(A) was not applicable; or

''(ii) any other provider at payment rates that do not exceed 125 percent of the payment rate that would be applicable to such services furnished by a participating provider under this title if the deductible described in paragraph (1)(A) was not applicable.

''(B) TREATMENT UNDER MEDICAID MANAGED CARE PLANS.—In the case of an individual who is participating in a State demonstration program and is enrolled with a Medicaid managed care organization, the State shall enter into an arrangement with the organization under which the individual may obtain demonstration program Medicaid services from any provider described in clause (ii) of subparagraph (A) at payment rates that do not exceed the payment rates that may be imposed under that clause.

''(C) COMPUTATION.—The payment rates described in subparagraphs (A) and (B) shall be computed without regard to any cost sharing that would be otherwise applicable under sections 1916 and 1916A.

''(D) DEFINITIONS.—For purposes of this paragraph:

''(i) The term 'demonstration program Medicaid services' means, with respect to an individual participating in a State demonstration program, services for which the individual would be provided medical assistance under this title but for the application of the deductible described in paragraph (1)(A).

''(ii) The term 'participating provider' means—

''(I) with respect to an individual described in subparagraph (A), a health care provider that has entered into a participation agreement with the State for the provision of services to individuals entitled to benefits under the State plan; or

''(II) with respect to an individual described in subparagraph (B) who is enrolled in a Medicaid managed care organization, a health care provider that has entered into an arrangement for the provision of services to enrollees of the organization under this title.

''(4) NO EFFECT ON SUBSEQUENT BENEFITS.—Except as provided under paragraphs (1) and (2), alternative benefits for an eligible individual shall consist of the benefits otherwise provided to the individual, including cost sharing relating to such benefits.

''(5) OVERRIDING COST SHARING AND COMPARABILITY REQUIREMENTS FOR ALTERNATIVE BENEFITS.—The provisions of this title relating to cost sharing for benefits (including sections 1916 and 1916A) shall not apply with respect to benefits to which the annual deductible under paragraph (1)(A) applies. The provisions of section 1902(a)(10)(B) (relating to comparability) shall not apply with respect to the provision of alternative benefits (as described in this subsection).

''(6) TREATMENT AS MEDICAL ASSISTANCE.—Subject to subparagraphs (D) and (E) of subsection (d)(2), payments for alternative benefits under this section (including contributions into a health opportunity account) shall be treated as medical assistance for purposes of section 1903(a).

''(7) USE OF TIERED DEDUCTIBLE AND COST SHARING.—

''(A) IN GENERAL.—A State—

''(i) may vary the amount of the annual deductible applied under paragraph (1)(A) based on the income of the family involved so long as it does not favor families with higher income over those with lower income; and

''(ii) may vary the amount of the maximum out-of-pocket cost sharing (as defined in subparagraph (B)) based on the income of the family involved so long as it does not favor families with higher income over those with lower income.

''(B) MAXIMUM OUT-OF-POCKET COST SHARING.—For purposes of subparagraph (A)(ii), the term 'maximum out-of-pocket cost sharing' means, for an individual or family, the amount by which the annual deductible level applied under paragraph (1)(A) to the individual or family exceeds the balance in the health opportunity account for the individual or family.

''(8) CONTRIBUTIONS BY EMPLOYERS.—Nothing in this section shall be construed as preventing an employer from providing health benefits coverage consisting of the coverage described in paragraph (1)(A) to individuals who are provided alternative benefits under this section.

''(d) HEALTH OPPORTUNITY ACCOUNT.—

''(1) IN GENERAL.—For purposes of this section, the term 'health opportunity account' means an account that meets the requirements of this subsection.

''(2) CONTRIBUTIONS.—

''(A) IN GENERAL.—No contribution may be made into a health opportunity account except—

''(i) contributions by the State under this title; and

''(ii) contributions by other persons and entities, such as charitable organizations, as permitted under section 1903(w).

''(B) STATE CONTRIBUTION.—A State shall specify the contribution amount that shall be deposited under subparagraph (A)(i) into a health opportunity account.

''(C) LIMITATION ON ANNUAL STATE CONTRIBUTION PROVIDED AND PERMITTING IMPOSITION OF MAXIMUM ACCOUNT BALANCE.—

''(i) IN GENERAL.—A State—

''(I) may impose limitations on the maximum contributions that may be deposited under subparagraph (A)(i) into a health opportunity account in a year;

''(II) may limit contributions into such an account once the balance in the account reaches a level specified by the State; and

''(III) subject to clauses (ii) and (iii) and subparagraph (D)(i), may not provide contributions described in subparagraph (A)(i) to a health opportunity account on behalf of an individual or family to the extent the amount of such contributions (including both State and Federal shares) exceeds, on an annual basis, $2,500 for each individual (or family member) who is an adult and $1,000 for each individual (or family member) who is a child.

''(ii) INDEXING OF DOLLAR LIMITATIONS.—For each year after 2006, the dollar amounts specified in clause (i)(III) shall be annually increased by the Secretary by a percentage that reflects the annual percentage increase in the medical care component of the consumer price index for all urban consumers.

''(iii) BUDGET NEUTRAL ADJUSTMENT.—A State may provide for dollar limitations in excess of those specified in clause (i)(III) (as increased under clause (ii)) for specified individuals if the State provides assurances satisfactory to the Secretary that contributions otherwise made to other individuals will be reduced in a manner so as to provide for aggregate contributions that do not exceed the aggregate contributions that would otherwise be permitted under this subparagraph.

''(D) LIMITATIONS ON FEDERAL MATCHING.—

''(i) STATE CONTRIBUTION.—A State may contribute under subparagraph (A)(i) amounts to a health opportunity account in excess of the limitations provided under subparagraph (C)(i)(III), but no Federal financial participation shall be provided under section 1903(a) with respect to contributions in excess of such limitations.

''(ii) NO FFP FOR PRIVATE CONTRIBUTIONS.—No Federal financial participation shall be provided under section 1903(a) with respect to any contributions described in subparagraph (A)(ii) to a health opportunity account.

''(E) APPLICATION OF DIFFERENT MATCHING RATES.—The Secretary shall provide a method under which, for expenditures made from a health opportunity account for medical care for which the Federal matching rate under section 1903(a) exceeds the Federal medical assistance percentage, a State may obtain payment under such section at such higher matching rate for such expenditures.

''(3) USE.—

''(A) GENERAL USES.—

''(i) IN GENERAL.—Subject to the succeeding provisions of this paragraph, amounts in a health opportunity account may be used for payment of such health care expenditures as the State specifies.

''(ii) GENERAL LIMITATION.—Subject to subparagraph (B)(ii), in no case shall such account be used for payment for health care expenditures that are not payment of medical care (as defined by section 213(d) of the Internal Revenue Code of 1986).

''(iii) STATE RESTRICTIONS.—In applying clause (i), a State may restrict payment for—

''(I) providers of items and services to providers that are licensed or otherwise authorized under State law to provide the item or service and may deny payment for such a provider on the basis that the provider has been found, whether with respect to this title or any other health benefit program, to have failed to meet quality standards or to have committed 1 or more acts of fraud or abuse; and

''(II) items and services insofar as the State finds they are not medically appropriate or necessary.

''(iv) ELECTRONIC WITHDRAWALS.—The State demonstration program shall provide for a method whereby withdrawals may be made from the account for such purposes using an electronic system and shall not permit withdrawals from the account in cash.

''(B) MAINTENANCE OF HEALTH OPPORTUNITY ACCOUNT AFTER BECOMING INELIGIBLE FOR PUBLIC BENEFIT.—

''(i) IN GENERAL.—Notwithstanding any other provision of law, if an account holder of a health opportunity account becomes ineligible for benefits under this title because of an increase in income or assets—

''(I) no additional contribution shall be made into the account under paragraph (2)(A)(i);

''(II) subject to clause (iii), the balance in the account shall be reduced by 25 percent; and

''(III) subject to the succeeding provisions of this subparagraph, the account shall remain available to the account holder for 3 years after the date on which the individual becomes ineligible for such benefits for withdrawals under the same terms and conditions as if the account holder remained eligible for such benefits, and such withdrawals shall be treated as medical assistance in accordance with subsection (c)(6).

''(ii) SPECIAL RULES.—Withdrawals under this subparagraph from an account—

''(I) shall be available for the purchase of health insurance coverage; and

''(II) may, subject to clause (iv), be made available (at the option of the State) for such additional expenditures (such as job training and tuition expenses) specified by the State (and approved by the Secretary) as the State may specify.

''(iii) EXCEPTION FROM 25 PERCENT SAVINGS TO GOVERNMENT FOR PRIVATE CONTRIBUTIONS.—Clause (i)(II) shall not apply to the portion of the account that is attributable to contributions described in paragraph (2)(A)(ii). For purposes of accounting for such contributions, withdrawals from a health opportunity account shall first be attributed to contributions described in paragraph (2)(A)(i).

''(iv) CONDITION FOR NON-HEALTH WITHDRAWALS.—No withdrawal may be made from an account under clause (ii)(II) unless the account holder has participated in the program under this section for at least 1 year.

''(v) NO REQUIREMENT FOR CONTINUATION OF COVERAGE.—An account holder of a health opportunity account, after becoming ineligible for medical assistance under this title, is not required to purchase high-deductible or other insurance as a condition of maintaining or using the account.

''(4) ADMINISTRATION.—A State may coordinate administration of health opportunity accounts through the use of a third party administrator and reasonable expenditures for the use of such administrator shall be reimbursable to the State in the same manner as other administrative expenditures under section 1903(a)(7).

''(5) TREATMENT.—Amounts in, or contributed to, a health opportunity account shall not be counted as income or assets for purposes of determining eligibility for benefits under this title.

''(6) UNAUTHORIZED WITHDRAWALS.—A State may establish procedures—

''(A) to penalize or remove an individual from the health opportunity account based on nonqualified withdrawals by the individual from such an account; and

''(B) to recoup costs that derive from such nonqualified withdrawals.''.

SEC. 6083. STATE OPTION TO ESTABLISH NON-EMERGENCY MEDICAL TRANSPORTATION PROGRAM.

(a) IN GENERAL.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)), as amended by sections 6033(a) and 6035(b), is amended—

(1) in paragraph (68), by striking ''and'' at the end;

(2) in paragraph (69) by striking the period at the end and inserting ''; and''; and

(3) by inserting after paragraph (69) the following:

''(70) at the option of the State and notwithstanding paragraphs (1), (10)(B), and (23), provide for the establishment of a non-emergency medical transportation brokerage program in order to more cost-effectively provide transportation for individuals eligible for medical assistance under the State plan who need access to medical care or services and have no other means of transportation which—

''(A) may include a wheelchair van, taxi, stretcher car, bus passes and tickets, secured transportation, and such other transportation as the Secretary determines appropriate; and

''(B) may be conducted under contract with a broker who—

''(i) is selected through a competitive bidding process based on the State's evaluation of the broker's experience, performance, references, resources, qualifications, and costs;

''(ii) has oversight procedures to monitor beneficiary access and complaints and ensure that transport personnel are licensed, qualified, competent, and courteous;

''(iii) is subject to regular auditing and oversight by the State in order to ensure the quality of the transportation services provided and the adequacy of beneficiary access to medical care and services; and

''(iv) complies with such requirements related to prohibitions on referrals and conflict of interest as the Secretary shall establish (based on the prohibitions on physician referrals under section 1877 and such other prohibitions and requirements as the Secretary determines to be appropriate).''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the date of the enactment of this Act.

SEC. 6084. EXTENSION OF TRANSITIONAL MEDICAL ASSISTANCE (TMA) AND ABSTINENCE EDUCATION PROGRAM.

Effective as if enacted on December 31, 2005, activities authorized by sections 510 and 1925 of the Social Security Act shall continue through December 31, 2006, in the manner authorized for fiscal year 2005, notwithstanding section 1902(e)(1)(A) of such Act, and out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated such sums as may be necessary for such purpose. Grants and payments may be made pursuant to this authority through the first quarter of fiscal year 2007 at the level provided for such activities through the first quarter of fiscal year 2006.

SEC. 6085. EMERGENCY SERVICES FURNISHED BY NON-CONTRACT PROVIDERS FOR MEDICAID MANAGED CARE ENROLLEES.

(a) IN GENERAL.—Section 1932(b)(2) of the Social Security Act (42 U.S.C. 1396u–2(b)(2)) is amended by adding at the end the following new subparagraph:

''(D) EMERGENCY SERVICES FURNISHED BY NON-CONTRACT PROVIDERS.—Any provider of emergency services that does not have in effect a contract with a Medicaid managed care entity that establishes payment amounts for services furnished to a beneficiary enrolled in the entity's Medicaid managed care plan must accept as payment in full no more than the amounts (less any payments for indirect costs of medical education and direct costs of graduate medical education) that it could collect if the beneficiary received medical assistance under this title other than through enrollment in such an entity. In a State where rates paid to hospitals under the State plan are negotiated by contract and not publicly released, the payment amount applicable under this subparagraph shall be the average contract rate that would apply under the State plan for general acute care hospitals or the average contract rate that would apply under such plan for tertiary hospitals.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2007.

SEC. 6086. EXPANDED ACCESS TO HOME AND COMMUNITY-BASED SERVICES FOR THE ELDERLY AND DISABLED.

(a) HOME AND COMMUNITY-BASED SERVICES AS AN OPTIONAL BENEFIT FOR ELDERLY AND DISABLED INDIVIDUALS.—Section 1915 of the Social Security Act (42 U.S.C. 1396n) is amended by adding at the end the following new subsection:

''(i) STATE PLAN AMENDMENT OPTION TO PROVIDE HOME AND COMMUNITY-BASED SERVICES FOR ELDERLY AND DISABLED INDIVIDUALS.—

''(1) IN GENERAL.—Subject to the succeeding provisions of this subsection, a State may provide through a State plan amendment for the provision of medical assistance for home and community-based services (within the scope of services described in paragraph (4)(B) of subsection (c) for which the Secretary has the authority to approve a waiver and not including room and board or such other services requested by the State as the Secretary may approve) for individuals eligible for medical assistance under

the State plan whose income does not exceed 150 percent of the poverty line (as defined in section 2110(c)(5)), without determining that but for the provision of such services the individuals would require the level of care provided in a hospital or a nursing facility or intermediate care facility for the mentally retarded, but only if the State meets the following requirements:

''(A) NEEDS-BASED CRITERIA FOR ELIGIBILITY FOR, AND RECEIPT OF, HOME AND COMMUNITY-BASED SERVICES.—The State establishes needs-based criteria for determining an individual's eligibility under the State plan for medical assistance for such home and community-based services, and if the individual is eligible for such services, the specific home and community-based services that the individual will receive.

''(B) ESTABLISHMENT OF MORE STRINGENT NEEDS-BASED ELIGIBILITY CRITERIA FOR INSTITUTIONALIZED CARE.—The State establishes needs-based criteria for determining whether an individual requires the level of care provided in a hospital, a nursing facility, or an intermediate care facility for the mentally retarded under the State plan or under any waiver of such plan that are more stringent than the needs-based criteria established under subparagraph (A) for determining eligibility for home and community-based services.

''(C) PROJECTION OF NUMBER OF INDIVIDUALS TO BE PROVIDED HOME AND COMMUNITY-BASED SERVICES.—

''(i) IN GENERAL.—The State submits to the Secretary, in such form and manner, and upon such frequency as the Secretary shall specify, the projected number of individuals to be provided home and community-based services.

''(ii) AUTHORITY TO LIMIT NUMBER OF ELIGIBLE INDIVIDUALS.—A State may limit the number of individuals who are eligible for such services and may establish waiting lists for the receipt of such services.

''(D) CRITERIA BASED ON INDIVIDUAL ASSESSMENT.—

''(i) IN GENERAL.—The criteria established by the State for purposes of subparagraphs (A) and (B) requires an assessment of an individual's support needs and capabilities, and may take into account the inability of the individual to perform 2 or more activities of daily living (as defined in section 7702B(c)(2)(B) of the Internal Revenue Code of 1986) or the need for significant assistance to perform such activities, and such other risk factors as the State determines to be appropriate.

''(ii) ADJUSTMENT AUTHORITY.—The State plan amendment provides the State with the option to modify the criteria established under subparagraph (A) (without having to obtain prior approval from the Secretary) in the event that the enrollment of individuals eligible for home and community-based services exceeds the projected enrollment submitted for purposes of subparagraph (C), but only if—

''(I) the State provides at least 60 days notice to the Secretary and the public of the proposed modification;

''(II) the State deems an individual receiving home and community-based services on the basis of the most recent version of the criteria in effect prior to the effective date of the modification to be eligible for such services for a period of at least 12 months beginning on the date the individual first received medical assistance for such services; and

''(III) after the effective date of such modification, the State, at a minimum, applies the criteria for determining whether an individual requires the level of care provided in a hospital, a nursing facility, or an intermediate care facility for the mentally retarded under the State plan or under any waiver of such plan which applied prior to the application of the more stringent criteria developed under subparagraph (B).

''(E) INDEPENDENT EVALUATION AND ASSESSMENT.—

''(i) ELIGIBILITY DETERMINATION.—The State uses an independent evaluation for making the determinations described in subparagraphs (A) and (B).

''(ii) ASSESSMENT.—In the case of an individual who is determined to be eligible for home and community-based services, the State uses an independent assessment, based on the needs of the individual to—

''(I) determine a necessary level of services and supports to be provided, consistent with an individual's physical and mental capacity;

''(II) prevent the provision of unnecessary or inappropriate care; and

''(III) establish an individualized care plan for the individual in accordance with subparagraph (G).

''(F) ASSESSMENT.—The independent assessment required under subparagraph (E)(ii) shall include the following:

''(i) An objective evaluation of an individual's inability to perform 2 or more activities of daily living (as defined in section 7702B(c)(2)(B) of the Internal Revenue Code of 1986) or the need for significant assistance to perform such activities.

''(ii) A face-to-face evaluation of the individual by an individual trained in the assessment and evaluation of individuals whose physical or mental conditions trigger a potential need for home and community-based services.

''(iii) Where appropriate, consultation with the individual's family, spouse, guardian, or other responsible individual.

''(iv) Consultation with appropriate treating and consulting health and support professionals caring for the individual.

''(v) An examination of the individual's relevant history, medical records, and care and support needs, guided by best practices and research on effective strategies that result in improved health and quality of life outcomes.

''(vi) If the State offers individuals the option to self-direct the purchase of, or control the receipt of, home and community-based service, an evaluation of the ability of the individual or the individual's representative to self-direct the purchase of, or control the receipt of, such services if the individual so elects.

''(G) INDIVIDUALIZED CARE PLAN.—

''(i) IN GENERAL.—In the case of an individual who is determined to be eligible for home and community-based services, the State uses the independent assessment required under subparagraph (E)(ii) to establish a written individualized care plan for the individual.

''(ii) PLAN REQUIREMENTS.—The State ensures that the individualized care plan for an individual—

''(I) is developed—

''(aa) in consultation with the individual, the individual's treating physician, health care or support professional, or other appropriate individuals, as defined by the State, and, where appropriate the individual's family, caregiver, or representative; and

''(bb) taking into account the extent of, and need for, any family or other supports for the individual;

''(II) identifies the necessary home and community-based services to be furnished to the individual (or, if the individual elects to self-direct the purchase of, or control the receipt of, such services, funded for the individual); and

''(III) is reviewed at least annually and as needed when there is a significant change in the individual's circumstances.

''(iii) STATE OPTION TO OFFER ELECTION FOR SELF-DIRECTED SERVICES.—

''(I) INDIVIDUAL CHOICE.—At the option of the State, the State may allow an individual or the individual's representative to elect to receive self-directed home and community-based services in a manner which gives them the most control over such services consistent with the individual's abilities and the requirements of subclauses (II) and (III).

''(II) SELF-DIRECTED SERVICES.—The term 'self-directed' means, with respect to the home and community-based services offered under the State plan amendment, such services for the individual which are planned and purchased under the direction and control of such individual or the individual's authorized representative, including the amount, duration, scope, provider, and location of such services, under the State plan consistent with the following requirements:

''(aa) ASSESSMENT.—There is an assessment of the needs, capabilities, and preferences of the individual with respect to such services.

''(bb) SERVICE PLAN.—Based on such assessment, there is developed jointly with such individual or the individual's authorized representative a plan for such services for such individual that is approved by the State and that satisfies the requirements of subclause (III).

''(III) PLAN REQUIREMENTS.—For purposes of subclause (II)(bb), the requirements of this subclause are that the plan—

''(aa) specifies those services which the individual or the individual's authorized representative would be responsible for directing;

''(bb) identifies the methods by which the individual or the individual's authorized representative will select, manage, and dismiss providers of such services;

''(cc) specifies the role of family members and others whose participation is sought by the individual or the individual's authorized representative with respect to such services;

''(dd) is developed through a person-centered process that is directed by the individual or the individual's authorized representative, builds upon the individual's capacity to engage in activities that promote community life and that respects the individual's preferences, choices, and abilities, and involves families, friends, and professionals as desired or required by the individual or the individual's authorized representative;

''(ee) includes appropriate risk management techniques that recognize the roles and sharing of responsibilities in obtaining services in a self-directed manner and assure the appropriateness of such plan based upon the resources and capabilities of the individual or the individual's authorized representative; and

''(ff) may include an individualized budget which identifies the dollar value of the services and supports under the control and direction of the individual or the individual's authorized representative.

''(IV) BUDGET PROCESS.—With respect to individualized budgets described in subclause (III)(ff), the State plan amendment—

''(aa) describes the method for calculating the dollar values in such budgets based on reliable costs and service utilization;

''(bb) defines a process for making adjustments in such dollar values to reflect changes in individual assessments and service plans; and

''(cc) provides a procedure to evaluate expenditures under such budgets.

''(H) QUALITY ASSURANCE; CONFLICT OF INTEREST STANDARDS.—

''(i) QUALITY ASSURANCE.—The State ensures that the provision of home and community-based services meets Federal and State guidelines for quality assurance.

''(ii) CONFLICT OF INTEREST STANDARDS.—The State establishes standards for the conduct of the independent evaluation and the independent assessment to safeguard against conflicts of interest.

''(I) REDETERMINATIONS AND APPEALS.—The State allows for at least annual redeterminations of eligibility, and appeals in accordance with the frequency of, and manner in which, redeterminations and appeals of eligibility are made under the State plan.

''(J) PRESUMPTIVE ELIGIBILITY FOR ASSESSMENT.—The State, at its option, elects to provide for a period of presumptive eligibility (not to exceed a period of 60 days) only for those individuals that the State has reason to believe may be eligible for home and community-based services. Such presumptive eligibility shall be limited to

medical assistance for carrying out the independent evaluation and assessment under subparagraph (E) to determine an individual's eligibility for such services and if the individual is so eligible, the specific home and community-based services that the individual will receive.

''(2) DEFINITION OF INDIVIDUAL'S REPRESENTATIVE.—In this section, the term 'individual's representative' means, with respect to an individual, a parent, a family member, or a guardian of the individual, an advocate for the individual, or any other individual who is authorized to represent the individual.

''(3) NONAPPLICATION.—A State may elect in the State plan amendment approved under this section to not comply with the requirements of section 1902(a)(1) (relating to statewideness) and section 1902(a)(10)(C)(i)(III) (relating to income and resource rules applicable in the community), but only for purposes of provided home and community-based services in accordance with such amendment. Any such election shall not be construed to apply to the provision of services to an individual receiving medical assistance in an institutionalized setting as a result of a determination that the individual requires the level of care provided in a hospital or a nursing facility or intermediate care facility for the mentally retarded.

''(4) NO EFFECT ON OTHER WAIVER AUTHORITY.—Nothing in this subsection shall be construed as affecting the option of a State to offer home and community-based services under a waiver under subsections (c) or (d) of this section or under section 1115.

''(5) CONTINUATION OF FEDERAL FINANCIAL PARTICIPATION FOR MEDICAL ASSISTANCE PROVIDED TO INDIVIDUALS AS OF EFFECTIVE DATE OF STATE PLAN AMENDMENT.—Notwithstanding paragraph (1)(B), Federal financial participation shall continue to be available for an individual who is receiving medical assistance in an institutionalized setting, or home and community-based services provided under a waiver under this section or section 1115 that is in effect as of the effective date of the State plan amendment submitted under this subsection, as a result of a determination that the individual requires the level of care provided in a hospital or a nursing facility or intermediate care facility for the mentally retarded, without regard to whether such individuals satisfy the more stringent eligibility criteria established under that paragraph, until such time as the individual is discharged from the institution or waiver program or no longer requires such level of care.''.

(b) QUALITY OF CARE MEASURES.—

(1) IN GENERAL.—The Secretary, acting through the Director of the Agency for Healthcare Research and Quality, shall consult with consumers, health and social service providers and other professionals knowledgeable about long-term care services and supports to develop program performance indicators, client function indicators, and measures of client satisfaction with respect to home and community-based services offered under State Medicaid programs.

(2) BEST PRACTICES.—The Secretary shall—

(A) use the indicators and measures developed under paragraph (1) to assess such home and community-based services, the outcomes associated with the receipt of such services (particularly with respect to the health and welfare of the recipient of the services), and the overall system for providing home and community-based services under the Medicaid program under title XIX of the Social Security Act; and

(B) make publicly available the best practices identified through such assessment and a comparative analyses of the system features of each State.

(3) APPROPRIATION.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to the Secretary of Health and Human Services, $1,000,000 for the period of fiscal years 2006 through 2010 to carry out this subsection.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) take effect on January 1, 2007, and apply to expenditures for medical assistance for home and community-based services provided in accordance with section 1915(i) of the Social Security Act (as added by subsections (a) and (b)) on or after that date.

SEC. 6087. OPTIONAL CHOICE OF SELF-DIRECTED PERSONAL ASSISTANCE SERVICES (CASH AND COUNSELING).

(a) EXEMPTION FROM CERTAIN REQUIREMENTS.—Section 1915 of the Social Security Act (42 U.S.C. 1396n), as amended by section 6086(a), is amended by adding at the end the following new subsection:

''(j)(1) A State may provide, as 'medical assistance', payment for part or all of the cost of self-directed personal assistance services (other than room and board) under the plan which are provided pursuant to a written plan of care to individuals with respect to whom there has been a determination that, but for the provision of such services, the individuals would require and receive personal care services under the plan, or home and community-based services provided pursuant to a waiver under subsection (c). Self-directed personal assistance services may not be provided under this subsection to individuals who reside in a home or property that is owned, operated, or controlled by a provider of services, not related by blood or marriage.

''(2) The Secretary shall not grant approval for a State self-directed personal assistance services program under this section unless the State provides assurances satisfactory to the Secretary of the following:

''(A) Necessary safeguards have been taken to protect the health and welfare of individuals provided services under the program, and to assure financial accountability for funds expended with respect to such services.

''(B) The State will provide, with respect to individuals who—

''(i) are entitled to medical assistance for personal care services under the plan, or receive home and community-based services under a waiver granted under subsection (c);

''(ii) may require self-directed personal assistance services; and

''(iii) may be eligible for self-directed personal assistance services,

an evaluation of the need for personal care under the plan, or personal services under a waiver granted under subsection (c).

''(C) Such individuals who are determined to be likely to require personal care under the plan, or home and community-based services under a waiver granted under subsection (c) are informed of the feasible alternatives, if available under the State's self-directed personal assistance services program, at the choice of such individuals, to the provision of personal care services under the plan, or personal assistance services under a waiver granted under subsection (c).

''(D) The State will provide for a support system that ensures participants in the self-directed personal assistance services program are appropriately assessed and counseled prior to enrollment and are able to manage their budgets. Additional counseling and management support may be provided at the request of the participant.

''(E) The State will provide to the Secretary an annual report on the number of individuals served and total expenditures on their behalf in the aggregate. The State shall also provide an evaluation of overall impact on the health and welfare of participating individuals compared to non-participants every three years.

''(3) A State may provide self-directed personal assistance services under the State plan without regard to the requirements of section 1902(a)(1) and may limit the population eligible to receive these services and limit the number of persons served without regard to section 1902(a)(10)(B).

''(4)(A) For purposes of this subsection, the term 'self-directed personal assistance services' means personal care and related services, or home and community-based services otherwise available under the plan under this title or subsection (c), that are provided to an eligible participant under a self-directed personal assistance services program under this section, under which individuals, within an approved self-directed services plan and budget, purchase personal assistance and related services, and permits participants to hire, fire, supervise, and manage the individuals providing such services.

''(B) At the election of the State—

''(i) a participant may choose to use any individual capable of providing the assigned tasks including legally liable relatives as paid providers of the services; and

''(ii) the individual may use the individual's budget to acquire items that increase independence or substitute (such as a microwave oven or an accessibility ramp) for human assistance, to the extent that expenditures would otherwise be made for the human assistance.

''(5) For purpose of this section, the term 'approved self-directed services plan and budget' means, with respect to a participant, the establishment of a plan and budget for the provision of self-directed personal assistance services, consistent with the following requirements:

''(A) SELF-DIRECTION.—The participant (or in the case of a participant who is a minor child, the participant's parent or guardian, or in the case of an incapacitated adult, another individual recognized by State law to act on behalf of the participant) exercises choice and control over the budget, planning, and purchase of self-directed personal assistance services, including the amount, duration, scope, provider, and location of service provision.

''(B) ASSESSMENT OF NEEDS.—There is an assessment of the needs, strengths, and preferences of the participants for such services.

''(C) SERVICE PLAN.—A plan for such services (and supports for such services) for the participant has been developed and approved by the State based on such assessment through a person-centered process that—

''(i) builds upon the participant's capacity to engage in activities that promote community life and that respects the participant's preferences, choices, and abilities; and

''(ii) involves families, friends, and professionals in the planning or delivery of services or supports as desired or required by the participant.

''(D) SERVICE BUDGET.—A budget for such services and supports for the participant has been developed and approved by the State based on such assessment and plan and on a methodology that uses valid, reliable cost data, is open to public inspection, and includes a calculation of the expected cost of such services if those services were not self-directed. The budget may not restrict access to other medically necessary care and services furnished under the plan and approved by the State but not included in the budget.

''(E) APPLICATION OF QUALITY ASSURANCE AND RISK MANAGEMENT.—There are appropriate quality assurance and risk management techniques used in establishing and implementing such plan and budget that recognize the roles and responsibilities in obtaining services in a self-directed manner and assure the appropriateness of such plan and budget based upon the participant's resources and capabilities.

''(6) A State may employ a financial management entity to make payments to providers, track costs, and make reports under the program. Payment for the activities of the financial management entity shall be at the administrative rate established in section 1903(a).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after January 1, 2007.

Subtitle B—SCHIP

SEC. 6101. ADDITIONAL ALLOTMENTS TO ELIMINATE FISCAL YEAR 2006 FUNDING SHORTFALLS.

(a) IN GENERAL.—Section 2104 of the Social Security Act (42 U.S.C. 1397dd) is amended by inserting after subsection (c) the following:

''(d) ADDITIONAL ALLOTMENTS TO ELIMINATE FUNDING SHORTFALLS.—

''(1) APPROPRIATION; ALLOTMENT AUTHORITY.—For the purpose of providing additional allotments to shortfall States described in paragraph (2), there is appropriated, out of any money in the Treasury not otherwise appropriated, $283,000,000 for fiscal year 2006.

''(2) SHORTFALL STATES DESCRIBED.—For purposes of paragraph (1), a shortfall State described in this paragraph is a State with a State child health plan approved under this title for which the Secretary estimates, on the basis of the most recent data available to the Secretary as of December 16, 2005, that the projected expenditures under such plan for such State for fiscal year 2006 will exceed the sum of—

''(A) the amount of the State's allotments for each of fiscal years 2004 and 2005 that will not be expended by the end of fiscal year 2005;

''(B) the amount, if any, that is to be redistributed to the State during fiscal year 2006 in accordance with subsection (f); and

''(C) the amount of the State's allotment for fiscal year 2006.

''(3) ALLOTMENTS.—In addition to the allotments provided under subsections (b) and (c), subject to paragraph (4), of the amount available for the additional allotments under paragraph (1) for fiscal year 2006, the Secretary shall allot—

''(A) to each shortfall State described in paragraph (2) such amount as the Secretary determines will eliminate the estimated shortfall described in such paragraph for the State; and

''(B) to each commonwealth or territory described in subsection (c)(3), the same proportion as the proportion of the commonwealth's or territory's allotment under subsection (c) (determined without regard to subsection (f)) to 1.05 percent of the amount appropriated under paragraph (1).

''(4) USE OF ADDITIONAL ALLOTMENT.—Additional allotments provided under this subsection are only available for amounts expended under a State plan approved under this title for child health assistance for targeted low-income children.

''(5) 1-YEAR AVAILABILITY; NO REDISTRIBUTION OF UNEXPENDED ADDITIONAL ALLOTMENTS.—Notwithstanding subsections (e) and (f), amounts allotted to a State pursuant to this subsection for fiscal year 2006 shall only remain available for expenditure by the State through September 30, 2006. Any amounts of such allotments that remain unexpended as of such date shall not be subject to redistribution under subsection (f) and shall revert to the Treasury on October 1, 2006.''.

(b) CONFORMING AMENDMENTS.—Section 2104 of the Social Security Act (42 U.S.C. 1397dd) is amended—

(1) in subsection (a), by inserting ''subject to subsection (d),'' after ''under this section,'';

(2) in subsection (b)(1), by inserting ''and subsection (d)'' after ''Subject to paragraph (4)''; and

(3) in subsection (c)(1), by inserting ''subject to subsection (d),'' after ''for a fiscal year,''.

(c) EFFECTIVE DATE.—The amendments made by this section apply to items and services furnished on or after October 1, 2005, without regard to whether or not regulations implementing such amendments have been issued.

SEC. 6102. PROHIBITION AGAINST COVERING NONPREGNANT CHILDLESS ADULTS WITH SCHIP FUNDS.

(a) PROHIBITION ON USE OF SCHIP FUNDS.—Section 2107 of the Social Security Act (42 U.S.C. 1397gg) is amended by adding at the end the following:

''(f) LIMITATION OF WAIVER AUTHORITY.—Notwithstanding subsection (e)(2)(A) and section 1115(a), the Secretary may not approve a waiver, experimental, pilot, or demonstration project that would allow funds made available under this title to be used to provide child health assistance or other health benefits coverage to a nonpregnant childless adult. For purposes of the preceding sentence, a caretaker relative (as such term is defined for purposes of carrying out section 1931) shall not be considered a childless adult.''.

(b) CONFORMING AMENDMENTS.—Section 2105(c)(1) of such Act (42 U.S.C. 1397ee(c)(1)) is amended—

(1) by inserting ''and may not include coverage of a nonpregnant childless adult'' after ''section 2101)''; and

(2) by adding at the end the following: ''For purposes of the preceding sentence, a caretaker relative (as such term is defined for purposes of carrying out section 1931) shall not be considered a childless adult.''.

(c) RULE OF CONSTRUCTION.—Nothing in this section or the amendments made by this section shall be construed to—

(1) authorize the waiver of any provision of title XIX or XXI of the Social Security Act (42 U.S.C. 1396 et seq., 1397aa et seq.) that is not otherwise authorized to be waived under such titles or under title XI of such Act (42 U.S.C. 1301 et seq.) as of the date of enactment of this Act;

(2) imply congressional approval of any waiver, experimental, pilot, or demonstration project affecting funds made available under the State children's health insurance program under title XXI of the Social Security Act (42 U.S.C. 1397aa et. seq.) or any amendment to such a waiver or project that has been approved as of such date of enactment; or

(3) apply to any waiver, experimental, pilot, or demonstration project that would allow funds made available under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.) to be used to provide child health assistance or other health benefits coverage to a nonpregnant childless adult that is approved before the date of enactment of this Act or to any extension, renewal, or amendment of such a waiver or project that is approved on or after such date of enactment.

(d) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect as if enacted on October 1, 2005, and shall apply to any waiver, experimental, pilot, or demonstration project that is approved on or after that date.

SEC. 6103. CONTINUED AUTHORITY FOR QUALIFYING STATES TO USE CERTAIN FUNDS FOR MEDICAID EXPENDITURES.

(a) IN GENERAL.—Section 2105(g)(1)(A) of the Social Security Act (42 U.S.C. 1397ee(g)(1)(A)) is amended by striking ''or 2001'' and inserting ''2001, 2004, or 2005''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to expenditures made under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) on or after October 1, 2005.

Subtitle C—Katrina Relief

SEC. 6201. ADDITIONAL FEDERAL PAYMENTS UNDER HURRICANE-RELATED MULTI-STATE SECTION 1115 DEMONSTRATIONS.

(a) IN GENERAL.—The Secretary of Health and Human Services shall pay to each eligible State, from amounts appropriated pursuant to subsection (e), amounts for the following purposes:

(1) Under the authority of an approved Multi-State Section 1115 Demonstration Project (in this section referred to as an ''section 1115 project'')—

(A) with respect to evacuees receiving health care under such project, for the non-Federal share of expenditures:

(i) for medical assistance furnished under title XIX of the Social Security Act, and

(ii) for child health assistance furnished under title XXI of such Act;

(B) with respect to evacuees who do not have other coverage for such assistance through insurance, including (but not limited to) private insurance, under title XIX or title XXI of the Social Security Act, or under State-funded health insurance programs, for the total uncompensated care costs incurred for medically necessary services and supplies or premium assistance for such persons, and for those evacuees receiving medical assistance under the project for the total uncompensated care costs incurred for medically necessary services and supplies beyond those included as medical assistance or child health assistance under the State's approved plan under title XIX or title XXI of the Social Security Act;

(C) with respect to affected individuals receiving health care under such project for the non-Federal share of the following expenditures:

(i) for medical assistance furnished under title XIX of the Social Security Act, and

(ii) for child health assistance furnished under title XXI of such Act; and

(D) with respect to affected individuals who do not have other coverage for such assistance through insurance, including (but not limited to) private insurance, under title XIX or title XXI of the Social Security Act, or under State-funded health insurance programs, for the total uncompensated care costs incurred for medically necessary services and supplies or premium assistance for such persons, and for those affected individuals receiving medical assistance under the project for the total uncompensated care costs incurred for medically necessary services and supplies beyond those included as medical assistance or child health assistance under the State's approved plan under title XIX or title XXI of the Social Security Act.

(2) For reimbursement of the reasonable administrative costs related to subparagraphs (A) through (D) of paragraph (1) as determined by the Secretary.

(3) Only with respect to affected counties or parishes, for reimbursement with respect to individuals receiving medical assistance under existing State plans approved by the Secretary of Health and Human Services for the following non-Federal share of expenditures:

(A) For medical assistance furnished under title XIX of the Social Security Act.

(B) For child health assistance furnished under title XXI of such Act.

(4) For other purposes, if approved by the Secretary under the Secretary's authority, to restore access to health care in impacted communities.

(b) DEFINITIONS.—For purposes of this section:

(1) The term ''affected individual'' means an individual who resided in an individual assistance designation county or parish pursuant to section 408 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as declared by the President as a result of Hurricane Katrina and continues to reside in the same State that such county or parish is located in.

(2) The term ''affected counties or parishes'' means a county or parish described in paragraph (1).

(3) The term ''evacuee'' means an affected individual who has been displaced to another State.

(4) The term ''eligible State'' means a State that has provided care to affected individuals or evacuees under a section 1115 project.

(c) APPLICATION TO MATCHING REQUIREMENTS.—The non-Federal share paid under this section shall not be regarded as Federal funds for purposes of Medicaid matching requirements, the effect of which is to provide fiscal relief to the State in which the Medicaid eligible individual originally resided.

(d) TIME LIMITS ON PAYMENTS.—

(1) No payments shall be made by the Secretary under subsection (a)(1)(A) or (a)(1)(C), for costs of health care provided to an eligible

evacuee or affected individual for services for such individual incurred after June 30, 2006.

(2) No payments shall be made by the Secretary under subsection (a)(1)(B) or (a)(1)(D) for costs of health care incurred after January 31, 2006.

(3) No payments may be made under subsection (a)(1)(B) or (a)(1)(D) for an item or service that an evacuee or an affected individual has received from an individual or organization as part of a public or private hurricane relief effort.

(e) APPROPRIATIONS.—For the purpose of providing funds for payments under this section, in addition to any funds made available for the National Disaster Medical System under the Department of Homeland Security for health care costs related to Hurricane Katrina, including under a section 1115 project, there is appropriated out of any money in the Treasury not otherwise appropriated, $2,000,000,000, to remain available to the Secretary until expended. The total amount of payments made under subsection (a) may not exceed the total amount appropriated under this subsection.

SEC. 6202. STATE HIGH RISK HEALTH INSURANCE POOL FUNDING.

(a) IN GENERAL.—There are hereby authorized and appropriated for fiscal year 2006—

(1) $75,000,000 for grants under subsection (b)(1) of section 2745 of the Public Health Service Act (42 U.S.C. 300gg-45); and

(2) $15,000,000 for grants under subsection (a) of such section.

(b) TREATMENT.—The amount appropriated under—

(1) paragraph (1) shall be treated as if it had been appropriated under subsection (c)(2) of such section; and

(2) paragraph (2) shall be treated as if it had been appropriated under subsection (c)(1) of such section.

(c) REFERENCES.—Effective upon the enactment of the State High Risk Pool Funding Extension Act of 2005—

(1) subsection (a)(1) shall be applied by substituting ''subsections (b)(2) and (c)(3)'' for ''subsection ''(b)(1)'';

(2) subsection (b)(1) shall be applied by substituting ''(d)(1)(B)'' for ''(c)(2)''; and

(3) subsection (b)(2) shall be applied by substituting ''(d)(1)(A)'' for ''(c)(1)''.

SEC. 6203. IMPLEMENTATION FUNDING.

For purposes of implementing the provisions of, and amendments made by, title V of this Act and this title—

(1) the Secretary of Health and Human Services shall provide for the transfer, in appropriate part from the Federal Hospital Insurance Trust Fund established under section 1817 of the Social Security Act (42 U.S.C. 1395i) and the Federal Supplementary Medical Insurance Trust Fund established under section 1841 of such Act (42 U.S.C. 1395t), of $30,000,000 to the Centers for Medicare & Medicaid Services Program Management Account for fiscal year 2006; and

(2) out of any funds in the Treasury not otherwise appropriated, there are appropriated to such Secretary for the Centers for Medicare & Medicaid Services Program Management Account, $30,000,000 for fiscal year 2006.

TITLE VII—HUMAN RESOURCES AND OTHER PROVISIONS

SEC. 7001. REFERENCES.

Except as otherwise expressly provided, wherever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Social Security Act.

Subtitle A—TANF

SEC. 7101. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES AND RELATED PROGRAMS FUNDING THROUGH SEPTEMBER 30, 2010.

(a) IN GENERAL.—Activities authorized by part A of title IV and section 1108(b) of the Social Security Act (adjusted, as applicable, by or under this subtitle, the amendments made by this subtitle, and the TANF Emergency Response and Recovery Act of 2005) shall continue through September 30, 2010, in the manner authorized for fiscal year 2004, and out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated such sums as may be necessary for such purpose. Grants and payments may be made pursuant to this authority on a quarterly basis through fiscal year 2010 at the level provided for such activities for the corresponding quarter of fiscal year 2004 (or, as applicable, at such greater level as may result from the application of this subtitle, the amendments made by this subtitle, and the TANF Emergency Response and Recovery Act of 2005), except that in the case of section 403(a)(3) of the Social Security Act, grants and payments may be made pursuant to this authority only through fiscal year 2008 and in the case of section 403(a)(4) of the Social Security Act, no grants shall be made for any fiscal year occurring after fiscal year 2005.

(b) CONFORMING AMENDMENTS.—Part A of title IV (42 U.S.C. 601 et seq.) is amended—

(1) in section 403(a)(3)(H)(ii), by striking ''December, 31, 2005'' and inserting ''fiscal year 2008'';

(2) in section 403(b)(3)(C)(ii), by striking ''2006'' and inserting ''2010''; and

(3) in section 409(a)(7)—

(A) in subparagraph (A), by striking ''or 2007'' and inserting ''2007, 2008, 2009, 2010, or 2011''; and

(B) in subparagraph (B)(ii), by striking ''2006'' and inserting ''2010''.

(c) EXTENSION OF THE NATIONAL RANDOM SAMPLE STUDY OF CHILD WELFARE THROUGH SEPTEMBER 30, 2010.—Activities authorized by section 429A of the Social Security Act shall continue through September 30, 2010, in the manner authorized for fiscal year 2004, and out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated such sums as may be necessary for such purpose. Grants and payments may be made pursuant to this authority on a quarterly basis through fiscal year 2010 at the level provided for such activities for the corresponding quarter of fiscal year 2004.

SEC. 7102. IMPROVED CALCULATION OF WORK PARTICIPATION RATES AND PROGRAM INTEGRITY.

(a) RECALIBRATION OF CASELOAD REDUCTION CREDIT.—

(1) IN GENERAL.—Section 407(b)(3)(A) (42 U.S.C. 607(b)(3)(A)) is amended—

(A) in clause (i), by inserting ''or any other State program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i))'' after ''this part''; and

(B) by striking clause (ii) and inserting the following:

''(ii) the average monthly number of families that received assistance under any State program referred to in clause (i) during fiscal year 2005.''.

(2) CONFORMING AMENDMENT.—Section 407(b)(3)(B) (42 U.S.C. 607(b)(3)(B)) is amended by striking ''and eligibility criteria'' and all that follows through the close parenthesis and inserting ''and the eligibility criteria in effect during fiscal year 2005''.

(b) INCLUSION OF FAMILIES RECEIVING ASSISTANCE UNDER SEPARATE STATE PROGRAMS IN CALCULATION OF PARTICIPATION RATES.—

(1) Section 407 (42 U.S.C. 607) is amended in each of subsections (a)(1), (a)(2), (b)(1)(B)(i), (c)(2)(A)(i), (e)(1), and (e)(2), by inserting ''or any other State program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i))'' after ''this part''.

(2) Section 411(a)(1) (42 U.S.C. 611(a)(1)) is amended—

(A) in subparagraph (A), by inserting ''or any other State program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i))'' before the colon; and

(B) in subparagraph (B)(ii), by inserting ''and any other State programs funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i))'' after ''this part''.

(c) IMPROVED VERIFICATION AND OVERSIGHT OF WORK PARTICIPATION.—

(1) IN GENERAL.—Section 407(i) (42 U.S.C. 607(i)) is amended to read as follows:

''(i) VERIFICATION OF WORK AND WORK-ELIGIBLE INDIVIDUALS IN ORDER TO IMPLEMENT REFORMS.—

''(1) SECRETARIAL DIRECTION AND OVERSIGHT.—

''(A) REGULATIONS FOR DETERMINING WHETHER ACTIVITIES MAY BE COUNTED AS 'WORK ACTIVITIES', HOW TO COUNT AND VERIFY REPORTED HOURS OF WORK, AND DETERMINING WHO IS A WORK-ELIGIBLE INDIVIDUAL.—

''(i) IN GENERAL.—Not later than June 30, 2006, the Secretary shall promulgate regulations to ensure consistent measurement of work participation rates under State programs funded under this part and State programs funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)), which shall include information with respect to—

''(I) determining whether an activity of a recipient of assistance may be treated as a work activity under subsection (d);

''(II) uniform methods for reporting hours of work by a recipient of assistance;

''(III) the type of documentation needed to verify reported hours of work by a recipient of assistance; and

''(IV) the circumstances under which a parent who resides with a child who is a recipient of assistance should be included in the work participation rates.

''(ii) ISSUANCE OF REGULATIONS ON AN INTERIM FINAL BASIS.—The regulations referred to in clause (i) may be effective and final immediately on an interim basis as of the date of publication of the regulations. If the Secretary provides for an interim final regulation, the Secretary shall provide for a period of public comment on the regulation after the date of publication. The Secretary may change or revise the regulation after the public comment period.

''(B) OVERSIGHT OF STATE PROCEDURES.—The Secretary shall review the State procedures established in accordance with paragraph (2) to ensure that such procedures are consistent with the regulations promulgated under subparagraph (A) and are adequate to ensure an accurate measurement of work participation under the State programs funded under this part and any other State programs funded with qualified State expenditures (as so defined).

''(2) REQUIREMENT FOR STATES TO ESTABLISH AND MAINTAIN WORK PARTICIPATION VERIFICATION PROCEDURES.—Not later than September 30, 2006, a State to which a grant is made under section 403 shall establish procedures for determining, with respect to recipients of assistance under the State program funded under this part or under any State programs funded with qualified State expenditures (as so defined), whether activities may be counted as work activities, how to count and verify reported hours of work, and who is a work-eligible individual, in accordance with the regulations promulgated pursuant to paragraph (1)(A)(i) and shall establish internal controls to ensure compliance with the procedures.''.

(2) STATE PENALTY FOR FAILURE TO ESTABLISH OR COMPLY WITH WORK PARTICIPATION VERIFICATION PROCEDURES.—Section 409(a) (42 U.S.C. 609(a)) is amended by adding at the end the following:

''(15) PENALTY FOR FAILURE TO ESTABLISH OR COMPLY WITH WORK PARTICIPATION VERIFICATION PROCEDURES.—

''(A) IN GENERAL.—If the Secretary determines that a State to which a grant is made under section 403 in a fiscal year has violated section 407(i)(2) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to not

less than 1 percent and not more than 5 percent of the State family assistance grant.

''(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) with respect to a fiscal year based on the degree of noncompliance.''.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on October 1, 2006.

SEC. 7103. GRANTS FOR HEALTHY MARRIAGE PROMOTION AND RESPONSIBLE FATHERHOOD.

(a) HEALTHY MARRIAGE AND FAMILY FUNDS.—Section 403(a)(2) (42 U.S.C. 603(a)(2)) is amended to read as follows:

''(2) HEALTHY MARRIAGE PROMOTION AND RESPONSIBLE FATHERHOOD GRANTS.—

''(A) IN GENERAL.—

''(i) USE OF FUNDS.—Subject to subparagraphs (B) and (C), the Secretary may use the funds made available under subparagraph (D) for the purpose of conducting and supporting research and demonstration projects by public or private entities, and providing technical assistance to States, Indian tribes and tribal organizations, and such other entities as the Secretary may specify that are receiving a grant under another provision of this part.

''(ii) LIMITATIONS.—The Secretary may not award funds made available under this paragraph on a noncompetitive basis, and may not provide any such funds to an entity for the purpose of carrying out healthy marriage promotion activities or for the purpose of carrying out activities promoting responsible fatherhood unless the entity has submitted to the Secretary an application which—

''(I) describes—

''(aa) how the programs or activities proposed in the application will address, as appropriate, issues of domestic violence; and

''(bb) what the applicant will do, to the extent relevant, to ensure that participation in the programs or activities is voluntary, and to inform potential participants that their participation is voluntary; and

''(II) contains a commitment by the entity—

''(aa) to not use the funds for any other purpose; and

''(bb) to consult with experts in domestic violence or relevant community domestic violence coalitions in developing the programs and activities.

''(iii) HEALTHY MARRIAGE PROMOTION ACTIVITIES.—In clause (ii), the term 'healthy marriage promotion activities' means the following:

''(I) Public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health.

''(II) Education in high schools on the value of marriage, relationship skills, and budgeting.

''(III) Marriage education, marriage skills, and relationship skills programs, that may include parenting skills, financial management, conflict resolution, and job and career advancement, for non-married pregnant women and non-married expectant fathers.

''(IV) Pre-marital education and marriage skills training for engaged couples and for couples or individuals interested in marriage.

''(V) Marriage enhancement and marriage skills training programs for married couples.

''(VI) Divorce reduction programs that teach relationship skills.

''(VII) Marriage mentoring programs which use married couples as role models and mentors in at-risk communities.

''(VIII) Programs to reduce the disincentives to marriage in means-tested aid programs, if offered in conjunction with any activity described in this subparagraph.

''(B) LIMITATION ON USE OF FUNDS FOR DEMONSTRATION PROJECTS FOR COORDINATION OF PROVISION OF CHILD WELFARE AND TANF SERVICES TO TRIBAL FAMILIES AT RISK OF CHILD ABUSE OR NEGLECT.—

''(i) IN GENERAL.—Of the amounts made available under subparagraph (D) for a fiscal year, the Secretary may not award more than $2,000,000 on a competitive basis to fund demonstration projects designed to test the effectiveness of tribal governments or tribal consortia in coordinating the provision to tribal families at risk of child abuse or neglect of child welfare services and services under tribal programs funded under this part.

''(ii) LIMITATION ON USE OF FUNDS.—A grant made pursuant to clause (i) to such a project shall not be used for any purpose other than—

''(I) to improve case management for families eligible for assistance from such a tribal program;

''(II) for supportive services and assistance to tribal children in out-of-home placements and the tribal families caring for such children, including families who adopt such children; and

''(III) for prevention services and assistance to tribal families at risk of child abuse and neglect.

''(iii) REPORTS.—The Secretary may require a recipient of funds awarded under this subparagraph to provide the Secretary with such information as the Secretary deems relevant to enable the Secretary to facilitate and oversee the administration of any project for which funds are provided under this subparagraph.

''(C) LIMITATION ON USE OF FUNDS FOR ACTIVITIES PROMOTING RESPONSIBLE FATHERHOOD.—

''(i) IN GENERAL.—Of the amounts made available under subparagraph (D) for a fiscal year, the Secretary may not award more than $50,000,000 on a competitive basis to States, territories, Indian tribes and tribal organizations, and public and nonprofit community entities, including religious organizations, for activities promoting responsible fatherhood.

''(ii) ACTIVITIES PROMOTING RESPONSIBLE FATHERHOOD.—In this paragraph, the term 'activities promoting responsible fatherhood' means the following:

''(I) Activities to promote marriage or sustain marriage through activities such as counseling, mentoring, disseminating information about the benefits of marriage and 2-parent involvement for children, enhancing relationship skills, education regarding how to control aggressive behavior, disseminating information on the causes of domestic violence and child abuse, marriage preparation programs, premarital counseling, marital inventories, skills-based marriage education, financial planning seminars, including improving a family's ability to effectively manage family business affairs by means such as education, counseling, or mentoring on matters related to family finances, including household management, budgeting, banking, and handling of financial transactions and home maintenance, and divorce education and reduction programs, including mediation and counseling.

''(II) Activities to promote responsible parenting through activities such as counseling, mentoring, and mediation, disseminating information about good parenting practices, skills-based parenting education, encouraging child support payments, and other methods.

''(III) Activities to foster economic stability by helping fathers improve their economic status by providing activities such as work first services, job search, job training, subsidized employment, job retention, job enhancement, and encouraging education, including career-advancing education, dissemination of employment materials, coordination with existing employment services such as welfare-to-work programs, referrals to local employment training initiatives, and other methods.

''(IV) Activities to promote responsible fatherhood that are conducted through a contract with a nationally recognized, nonprofit fatherhood promotion organization, such as the development, promotion, and distribution of a media campaign to encourage the appropriate involvement of parents in the life of any child and specifically the issue of responsible fatherhood, and the development of a national clearinghouse to assist States and communities in efforts to promote and support marriage and responsible fatherhood.

''(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $150,000,000 for each of fiscal years 2006 through 2010, for expenditure in accordance with this paragraph.''.

(b) COUNTING OF SPENDING ON CERTAIN PRO-FAMILY ACTIVITIES.—Section 409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)) is amended by adding at the end the following:

''(V) COUNTING OF SPENDING ON CERTAIN PRO-FAMILY ACTIVITIES.—The term 'qualified State expenditures' includes the total expenditures by the State during the fiscal year under all State programs for a purpose described in paragraph (3) or (4) of section 401(a).''.

Subtitle B—Child Care

SEC. 7201. ENTITLEMENT FUNDING.

Section 418(a)(3) (42 U.S.C. 618(a)(3)) is amended—

(1) by striking ''and'' at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting a semicolon; and

(3) by adding at the end the following:

''(G) $2,917,000,000 for each of fiscal years 2006 through 2010.''.

Subtitle C—Child Support

SEC. 7301. ASSIGNMENT AND DISTRIBUTION OF CHILD SUPPORT.

(a) MODIFICATION OF RULE REQUIRING ASSIGNMENT OF SUPPORT RIGHTS AS A CONDITION OF RECEIVING TANF.—Section 408(a)(3) (42 U.S.C. 608(a)(3)) is amended to read as follows:

''(3) NO ASSISTANCE FOR FAMILIES NOT ASSIGNING CERTAIN SUPPORT RIGHTS TO THE STATE.—A State to which a grant is made under section 403 shall require, as a condition of paying assistance to a family under the State program funded under this part, that a member of the family assign to the State any right the family member may have (on behalf of the family member or of any other person for whom the family member has applied for or is receiving such assistance) to support from any other person, not exceeding the total amount of assistance so paid to the family, which accrues during the period that the family receives assistance under the program.''.

(b) INCREASING CHILD SUPPORT PAYMENTS TO FAMILIES AND SIMPLIFYING CHILD SUPPORT DISTRIBUTION RULES.—

(1) DISTRIBUTION RULES.—

(A) IN GENERAL.—Section 457(a) (42 U.S.C. 657(a)) is amended to read as follows:

''(a) IN GENERAL.—Subject to subsections (d) and (e), the amounts collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

''(1) FAMILIES RECEIVING ASSISTANCE.—In the case of a family receiving assistance from the State, the State shall—

''(A) pay to the Federal Government the Federal share of the amount collected, subject to paragraph (3)(A);

''(B) retain, or pay to the family, the State share of the amount collected, subject to paragraph (3)(B); and

''(C) pay to the family any remaining amount.

''(2) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—In the case of a family that formerly received assistance from the State:

''(A) CURRENT SUPPORT.—To the extent that the amount collected does not exceed the current support amount, the State shall pay the amount to the family.

''(B) ARREARAGES.—Except as otherwise provided in an election made under section 454(34), to the extent that the amount collected exceeds the current support amount, the State—

''(i) shall first pay to the family the excess amount, to the extent necessary to satisfy support arrearages not assigned pursuant to section 408(a)(3);

''(ii) if the amount collected exceeds the amount required to be paid to the family under clause (i), shall—

''(I) pay to the Federal Government the Federal share of the excess amount described in this clause, subject to paragraph (3)(A); and

''(II) retain, or pay to the family, the State share of the excess amount described in this clause, subject to paragraph (3)(B); and

''(iii) shall pay to the family any remaining amount.

''(3) LIMITATIONS.—

''(A) FEDERAL REIMBURSEMENTS.—The total of the amounts paid by the State to the Federal Government under paragraphs (1) and (2) of this subsection with respect to a family shall not exceed the Federal share of the amount assigned with respect to the family pursuant to section 408(a)(3).

''(B) STATE REIMBURSEMENTS.—The total of the amounts retained by the State under paragraphs (1) and (2) of this subsection with respect to a family shall not exceed the State share of the amount assigned with respect to the family pursuant to section 408(a)(3).

''(4) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall distribute to the family the portion of the amount so collected that remains after withholding any fee pursuant to section 454(6)(B)(ii).

''(5) FAMILIES UNDER CERTAIN AGREEMENTS.—Notwithstanding paragraphs (1) through (3), in the case of an amount collected for a family in accordance with a cooperative agreement under section 454(33), the State shall distribute the amount collected pursuant to the terms of the agreement.''.

(B) STATE OPTION TO PASS THROUGH ADDITIONAL SUPPORT WITH FEDERAL FINANCIAL PARTICIPATION BEGINNING WITH FISCAL YEAR 2009.—

(i) IN GENERAL.—Section 457(a) (42 U.S.C. 657(a)) is amended by adding at the end the following:

''(7) STATE OPTION TO PASS THROUGH ADDITIONAL SUPPORT WITH FEDERAL FINANCIAL PARTICIPATION.—

''(A) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—Notwithstanding paragraph (2), a State shall not be required to pay to the Federal Government the Federal share of an amount collected on behalf of a family that formerly received assistance from the State to the extent that the State pays the amount to the family.

''(B) FAMILIES THAT CURRENTLY RECEIVE ASSISTANCE.—

''(i) IN GENERAL.—Notwithstanding paragraph (1), in the case of a family that receives assistance from the State, a State shall not be required to pay to the Federal Government the Federal share of the excepted portion (as defined in clause (ii)) of any amount collected on behalf of such family during a month to the extent that—

''(I) the State pays the excepted portion to the family; and

''(II) the excepted portion is disregarded in determining the amount and type of assistance provided to the family under such program.

''(ii) EXCEPTED PORTION DEFINED.—For purposes of this subparagraph, the term ''excepted portion'' means that portion of the amount collected on behalf of a family during a month that does not exceed $100 per month, or in the case of a family that includes 2 or more children, that does not exceed an amount established by the State that is not more than $200 per month.''.

(ii) EFFECTIVE DATE.—The amendment made by clause (i) shall take effect on October 1, 2008.

(iii) REDESIGNATION.—Effective October 1, 2009, paragraph (7) of section 457(a) of the Social Security Act (as added by clause (i)) is redesignated as paragraph (6).

(C) STATE PLAN TO INCLUDE ELECTION AS TO WHICH RULES TO APPLY IN DISTRIBUTING CHILD SUPPORT ARREARAGES COLLECTED ON BEHALF OF FAMILIES FORMERLY RECEIVING ASSISTANCE.—Section 454 (42 U.S.C. 654) is amended—

(i) by striking ''and'' at the end of paragraph (32);

(ii) by striking the period at the end of paragraph (33) and inserting ''; and''; and

(iii) by inserting after paragraph (33) the following:

''(34) include an election by the State to apply section 457(a)(2)(B) of this Act or former section 457(a)(2)(B) of this Act (as in effect for the State immediately before the date this paragraph first applies to the State) to the distribution of the amounts which are the subject of such sections and, for so long as the State elects to so apply such former section, the amendments made by subsection (b)(1) of section 7301 of the Deficit Reduction Act of 2005 shall not apply with respect to the State, notwithstanding subsection (e) of such section 7301.''.

(2) CURRENT SUPPORT AMOUNT DEFINED.—Section 457(c) (42 U.S.C. 657(c)) is amended by adding at the end the following:

''(5) CURRENT SUPPORT AMOUNT.—The term 'current support amount' means, with respect to amounts collected as support on behalf of a family, the amount designated as the monthly support obligation of the noncustodial parent in the order requiring the support or calculated by the State based on the order.''.

(c) STATE OPTION TO DISCONTINUE OLDER SUPPORT ASSIGNMENTS.—Section 457(b) (42 U.S.C. 657(b)) is amended to read as follows:

''(b) CONTINUATION OF ASSIGNMENTS.—

''(1) STATE OPTION TO DISCONTINUE PRE-1997 SUPPORT ASSIGNMENTS.—

''(A) IN GENERAL.—Any rights to support obligations assigned to a State as a condition of receiving assistance from the State under part A and in effect on September 30, 1997 (or such earlier date on or after August 22, 1996, as the State may choose), may remain assigned after such date.

''(B) DISTRIBUTION OF AMOUNTS AFTER ASSIGNMENT DISCONTINUATION.—If a State chooses to discontinue the assignment of a support obligation described in subparagraph (A), the State may treat amounts collected pursuant to the assignment as if the amounts had never been assigned and may distribute the amounts to the family in accordance with subsection (a)(4).

''(2) STATE OPTION TO DISCONTINUE POST-1997 ASSIGNMENTS.—

''(A) IN GENERAL.—Any rights to support obligations accruing before the date on which a family first receives assistance under part A that are assigned to a State under that part and in effect before the implementation date of this section may remain assigned after such date.

''(B) DISTRIBUTION OF AMOUNTS AFTER ASSIGNMENT DISCONTINUATION.—If a State chooses to discontinue the assignment of a support obligation described in subparagraph (A), the State may treat amounts collected pursuant to the assignment as if the amounts had never been assigned and may distribute the amounts to the family in accordance with subsection (a)(4).''.

(d) CONFORMING AMENDMENTS.—Section 6402(c) of the Internal Revenue Code of 1986 (relating to offset of past-due support against overpayments) is amended—

(1) in the first sentence, by striking ''the Social Security Act.'' and inserting ''of such Act.''; and

(2) by striking the third sentence and inserting the following: ''The Secretary shall apply a reduction under this subsection first to an amount certified by the State as past due support under section 464 of the Social Security Act before any other reductions allowed by law.''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this section, the amendments made by the preceding provisions of this section shall take effect on October 1, 2009, and shall apply to payments under parts A and D of title IV of the Social Security Act for calendar quarters beginning on or after such date, and without regard to whether regulations to implement the amendments (in the case of State programs operated under such part D) are promulgated by such date.

(2) STATE OPTION TO ACCELERATE EFFECTIVE DATE.—Notwithstanding paragraph (1), a State may elect to have the amendments made by the preceding provisions of this section apply to the State and to amounts collected by the State (and the payments under parts A and D), on and after such date as the State may select that is not earlier than October 1, 2008, and not later than September 30, 2009.

(f) USE OF TAX REFUND INTERCEPT PROGRAM TO COLLECT PAST-DUE CHILD SUPPORT ON BEHALF OF CHILDREN WHO ARE NOT MINORS.—

(1) IN GENERAL.—Section 464 (42 U.S.C. 664) is amended—

(A) in subsection (a)(2)(A), by striking ''(as that term is defined for purposes of this paragraph under subsection (c))''; and

(B) in subsection (c)—

(i) in paragraph (1)—

(I) by striking ''(1) Except as provided in paragraph (2), as used in'' and inserting ''In''; and

(II) by inserting ''(whether or not a minor)'' after ''a child'' each place it appears; and

(ii) by striking paragraphs (2) and (3).

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on October 1, 2007.

(g) STATE OPTION TO USE STATEWIDE AUTOMATED DATA PROCESSING AND INFORMATION RETRIEVAL SYSTEM FOR INTERSTATE CASES.—Section 466(a)(14)(A)(iii) (42 U.S.C. 666(a)(14)(A)(iii)) is amended by inserting before the semicolon the following: ''(but the assisting State may establish a corresponding case based on such other State's request for assistance)''.

SEC. 7302. MANDATORY REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS FOR FAMILIES RECEIVING TANF.

(a) IN GENERAL.—Section 466(a)(10)(A)(i) (42 U.S.C. 666(a)(10)(A)(i)) is amended—

(1) by striking ''parent, or,'' and inserting ''parent or''; and

(2) by striking ''upon the request of the State agency under the State plan or of either parent,''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2007.

SEC. 7303. DECREASE IN AMOUNT OF CHILD SUPPORT ARREARAGE TRIGGERING PASSPORT DENIAL.

(a) IN GENERAL.—Section 452(k)(1) (42 U.S.C. 652(k)(1)) is amended by striking ''$5,000'' and inserting ''$2,500''.

(b) CONFORMING AMENDMENT.—Section 454(31) (42 U.S.C. 654(31)) is amended by striking ''$5,000'' and inserting ''$2,500''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006.

SEC. 7304. MAINTENANCE OF TECHNICAL ASSISTANCE FUNDING.

Section 452(j) (42 U.S.C. 652(j)) is amended by inserting ''or the amount appropriated under this paragraph for fiscal year 2002, whichever is greater'' before '', which shall be available''.

SEC. 7305. MAINTENANCE OF FEDERAL PARENT LOCATOR SERVICE FUNDING.

Section 453(o) (42 U.S.C. 653(o)) is amended—

(1) in the first sentence, by inserting ''or the amount appropriated under this paragraph for fiscal year 2002, whichever is greater'' before '', which shall be available''; and

(2) in the second sentence, by striking ''for each of fiscal years 1997 through 2001''.

SEC. 7306. INFORMATION COMPARISONS WITH INSURANCE DATA.

(a) DUTIES OF THE SECRETARY.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following:

''(l) COMPARISONS WITH INSURANCE INFORMATION.—

''(1) IN GENERAL.—The Secretary, through the Federal Parent Locator Service, may—

''(A) compare information concerning individuals owing past-due support with information

maintained by insurers (or their agents) concerning insurance claims, settlements, awards, and payments; and

''(B) furnish information resulting from the data matches to the State agencies responsible for collecting child support from the individuals.

''(2) LIABILITY.—An insurer (including any agent of an insurer) shall not be liable under any Federal or State law to any person for any disclosure provided for under this subsection, or for any other action taken in good faith in accordance with this subsection.''.

(b) STATE REIMBURSEMENT OF FEDERAL COSTS.—Section 453(k)(3) (42 U.S.C. 653(k)(3)) is amended by inserting ''or section 452(l)'' after ''pursuant to this section''.

SEC. 7307. REQUIREMENT THAT STATE CHILD SUPPORT ENFORCEMENT AGENCIES SEEK MEDICAL SUPPORT FOR CHILDREN FROM EITHER PARENT.

(a) STATE AGENCIES REQUIRED TO SEEK MEDICAL SUPPORT FROM EITHER PARENT.—

(1) IN GENERAL.—Section 466(a)(19)(A) (42 U.S.C. 666(a)(19)(A)) is amended by striking ''which include a provision for the health care coverage of the child are enforced'' and inserting ''shall include a provision for medical support for the child to be provided by either or both parents, and shall be enforced''.

(2) CONFORMING AMENDMENTS.—

(A) TITLE IV–D.—

(i) Section 452(f) (42 U.S.C. 652(f)) is amended by striking ''include medical support as part of any child support order and enforce medical support'' and inserting ''enforce medical support included as part of a child support order''.

(ii) Section 466(a)(19) (42 U.S.C. 666(a)(19)), as amended by paragraph (1) of this subsection, is amended—

(I) in subparagraph (A)—

(aa) by striking ''section 401(e)(3)(C)'' and inserting ''section 401(e)''; and

(bb) by striking ''section 401(f)(5)(C)'' and inserting ''section 401(f)'';

(II) in subparagraph (B)—

(aa) by striking ''noncustodial'' each place it appears; and

(bb) in clause (iii), by striking ''section 466(b)'' and inserting ''subsection (b)''; and

(III) in subparagraph (C), by striking ''noncustodial'' each place it appears and inserting ''obligated''.

(B) STATE OR LOCAL GOVERNMENTAL GROUP HEALTH PLANS.—Section 401(e)(2) of the Child Support Performance and Incentive Act of 1998 (29 U.S.C. 1169 note) is amended, in the matter preceding subparagraph (A), by striking ''who is a noncustodial parent of the child''.

(C) CHURCH PLANS.—Section 401(f)(5)(C) of the Child Support Performance and Incentive Act of 1998 (29 U.S.C. 1169 note) is amended by striking ''noncustodial'' each place it appears.

(b) ENFORCEMENT OF MEDICAL SUPPORT REQUIREMENTS.—Section 452(f) (42 U.S.C. 652(f)), as amended by subsection (a)(2)(A)(i), is amended by inserting after the first sentence the following: ''A State agency administering the program under this part may enforce medical support against a custodial parent if health care coverage is available to the custodial parent at a reasonable cost, notwithstanding any other provision of this part.''.

(c) DEFINITION OF MEDICAL SUPPORT.—Section 452(f) (42 U.S.C. 652(f)), as amended by subsections (a)(2)(A)(i) and (b) of this section, is amended by adding at the end the following: ''For purposes of this part, the term 'medical support' may include health care coverage, such as coverage under a health insurance plan (including payment of costs of premiums, co-payments, and deductibles) and payment for medical expenses incurred on behalf of a child.''.

SEC. 7308. REDUCTION OF FEDERAL MATCHING RATE FOR LABORATORY COSTS INCURRED IN DETERMINING PATERNITY.

(a) IN GENERAL.—Section 455(a)(1)(C) (42 U.S.C. 655(a)(1)(C)) is amended by striking ''90 percent (rather than the percentage specified in subparagraph (A))'' and inserting ''66 percent''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2006, and shall apply to costs incurred on or after that date.

SEC. 7309. ENDING FEDERAL MATCHING OF STATE SPENDING OF FEDERAL INCENTIVE PAYMENTS.

(a) IN GENERAL.—Section 455(a)(1) (42 U.S.C. 655(a)(1)) is amended by inserting ''from amounts paid to the State under section 458 or'' before ''to carry out an agreement''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2007.

SEC. 7310. MANDATORY FEE FOR SUCCESSFUL CHILD SUPPORT COLLECTION FOR FAMILY THAT HAS NEVER RECEIVED TANF.

(a) IN GENERAL.—Section 454(6)(B) (42 U.S.C. 654(6)(B)) is amended—

(1) by inserting ''(i)'' after ''(B)'';

(2) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively;

(3) by adding ''and'' after the semicolon; and

(4) by adding after and below the end the following new clause:

''(ii) in the case of an individual who has never received assistance under a State program funded under part A and for whom the State has collected at least $500 of support, the State shall impose an annual fee of $25 for each case in which services are furnished, which shall be retained by the State from support collected on behalf of the individual (but not from the 1st $500 so collected), paid by the individual applying for the services, recovered from the absent parent, or paid by the State out of its own funds (the payment of which from State funds shall not be considered as an administrative cost of the State for the operation of the plan, and the fees shall be considered income to the program);''.

(b) CONFORMING AMENDMENTS.—Section 457(a)(3) (42 U.S.C. 657(a)(3)) is amended to read as follows:

''(3) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall distribute to the family the portion of the amount so collected that remains after withholding any fee pursuant to section 454(6)(B)(ii).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006.

SEC. 7311. EXCEPTION TO GENERAL EFFECTIVE DATE FOR STATE PLANS REQUIRING STATE LAW AMENDMENTS.

In the case of a State plan under part D of title IV of the Social Security Act which the Secretary determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this subtitle, the effective date of the amendments imposing the additional requirements shall be 3 months after the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of the session shall be considered to be a separate regular session of the State legislature.

Subtitle D—Child Welfare

SEC. 7401. STRENGTHENING COURTS.

(a) COURT IMPROVEMENT GRANTS.—

(1) IN GENERAL.—Section 438(a) (42 U.S.C. 629h(a)) is amended—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting a semicolon; and

(C) by adding at the end the following:

''(3) to ensure that the safety, permanence, and well-being needs of children are met in a timely and complete manner; and

''(4) to provide for the training of judges, attorneys and other legal personnel in child welfare cases.''.

(2) APPLICATIONS.—Section 438(b) (42 U.S.C. 629h(b)) is amended to read as follows:

''(b) APPLICATIONS.—

''(1) IN GENERAL.—In order to be eligible to receive a grant under this section, a highest State court shall submit to the Secretary an application at such time, in such form, and including such information and assurances as the Secretary may require, including—

''(A) in the case of a grant for the purpose described in subsection (a)(3), a description of how courts and child welfare agencies on the local and State levels will collaborate and jointly plan for the collection and sharing of all relevant data and information to demonstrate how improved case tracking and analysis of child abuse and neglect cases will produce safe and timely permanency decisions;

''(B) in the case of a grant for the purpose described in subsection (a)(4), a demonstration that a portion of the grant will be used for cross-training initiatives that are jointly planned and executed with the State agency or any other agency under contract with the State to administer the State program under the State plan under subpart 1, the State plan approved under section 434, or the State plan approved under part E; and

''(C) in the case of a grant for any purpose described in subsection (a), a demonstration of meaningful and ongoing collaboration among the courts in the State, the State agency or any other agency under contract with the State who is responsible for administering the State program under part B or E, and, where applicable, Indian tribes.

''(2) SEPARATE APPLICATIONS.—A highest State court desiring grants under this section for 2 or more purposes shall submit separate applications for the following grants:

''(A) A grant for the purposes described in paragraphs (1) and (2) of subsection (a).

''(B) A grant for the purpose described in subsection (a)(3).

''(C) A grant for the purpose described in subsection (a)(4).''.

(3) ALLOTMENTS.—Section 438(c) (42 U.S.C. 429h(c)) is amended—

(A) in paragraph (1)—

(i) by inserting ''of this section for a grant described in subsection (b)(2)(A) of this section'' after ''subsection (b)''; and

(ii) by striking ''paragraph (2) of this subsection'' and inserting ''subparagraph (B) of this paragraph'';

(B) in paragraph (2)—

(i) by striking ''this paragraph'' and inserting ''this subparagraph'';

(ii) by striking ''paragraph (1) of this subsection'' and inserting ''subparagraph (A) of this paragraph''; and

(iii) by inserting ''for such a grant'' after ''subsection (b)'';

(C) by redesignating and indenting paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(D) by inserting before and above such subparagraph (A) the following:

''(1) GRANTS TO ASSESS AND IMPROVE HANDLING OF COURT PROCEEDINGS RELATING TO FOSTER CARE AND ADOPTION.—''; and

(E) by adding at the end the following:

''(2) GRANTS FOR IMPROVED DATA COLLECTION AND TRAINING.—

''(A) IN GENERAL.—Each highest State court which has an application approved under subsection (b) of this section for a grant referred to in subparagraph (B) or (C) of subsection (b)(2) shall be entitled to payment, for each of fiscal years 2006 through 2010, from the amount made available under whichever of paragraph (1) or (2) of subsection (e) applies with respect to the grant, of an amount equal to the sum of $85,000 plus the amount described in subparagraph (B) of this paragraph for the fiscal year with respect to the grant.

''(B) FORMULA.—The amount described in this subparagraph for any fiscal year with respect to a grant referred to in subparagraph (B) or (C) of subsection (b)(2) is the amount that bears the same ratio to the amount made available under subsection (e) for such a grant (reduced by the dollar amount specified in subparagraph (A) of this paragraph) as the number of individuals in the State who have not attained 21 years of age bears to the total number of such individuals in all States the highest State courts of which have approved applications under subsection (b) for such a grant.''.

(4) FUNDING.—Section 438 (42 U.S.C. 629h) is amended by adding at the end the following:

''(e) FUNDING FOR GRANTS FOR IMPROVED DATA COLLECTION AND TRAINING.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Secretary, for each of fiscal years 2006 through 2010—

''(1) $10,000,000 for grants referred to in subsection (b)(2)(B); and

''(2) $10,000,000 for grants referred to in subsection (b)(2)(C).''.

(b) REQUIREMENT TO DEMONSTRATE MEANINGFUL COLLABORATION BETWEEN COURTS AND AGENCIES IN CHILD WELFARE SERVICES PROGRAMS.—Section 422(b) (42 U.S.C. 622(b)) is amended—

(1) by striking ''and'' at the end of paragraph (13);

(2) by striking the period at the end of paragraph (14) and inserting ''; and''; and

(3) by adding at the end the following:

''(15) demonstrate substantial, ongoing, and meaningful collaboration with State courts in the development and implementation of the State plan under subpart 1, the State plan approved under subpart 2, and the State plan approved under part E, and in the development and implementation of any program improvement plan required under section 1123A.''.

(c) USE OF CHILD WELFARE RECORDS IN STATE COURT PROCEEDINGS.—Section 471 (42 U.S.C. 671) is amended—

(1) in subsection (a)(8), by inserting ''subject to subsection (c),'' after ''(8)''; and

(2) by adding at the end the following:

''(c) USE OF CHILD WELFARE RECORDS IN STATE COURT PROCEEDINGS.—Subsection (a)(8) shall not be construed to limit the flexibility of a State in determining State policies relating to public access to court proceedings to determine child abuse and neglect or other court hearings held pursuant to part B or this part, except that such policies shall, at a minimum, ensure the safety and well-being of the child, parents, and family.''.

SEC. 7402. FUNDING OF SAFE AND STABLE FAMILIES PROGRAMS.

Section 436(a) (42 U.S.C. 629f(a)) is amended to read as follows:

''(a) AUTHORIZATION.—In addition to any amount otherwise made available to carry out this subpart, there are authorized to be appropriated to carry out this subpart $345,000,000 for fiscal year 2006. Notwithstanding the preceding sentence, the total amount authorized to be so appropriated for fiscal year 2006 under this subsection and under this subsection (as in effect before the date of the enactment of the Deficit Reduction Act of 2005) is $345,000,000.''.

SEC. 7403. CLARIFICATION REGARDING FEDERAL MATCHING OF CERTAIN ADMINISTRATIVE COSTS UNDER THE FOSTER CARE MAINTENANCE PAYMENTS PROGRAM.

(a) ADMINISTRATIVE COSTS RELATING TO UNLICENSED CARE.—Section 472 (42 U.S.C. 672) is amended by inserting after subsection (h) the following:

''(i) ADMINISTRATIVE COSTS ASSOCIATED WITH OTHERWISE ELIGIBLE CHILDREN NOT IN LICENSED FOSTER CARE SETTINGS.—Expenditures by a State that would be considered administrative expenditures for purposes of section 474(a)(3) if made with respect to a child who was residing in a foster family home or child-care institution shall be so considered with respect to a child not residing in such a home or institution—

''(1) in the case of a child who has been removed in accordance with subsection (a) of this section from the home of a relative specified in section 406(a) (as in effect on July 16, 1996), only for expenditures—

''(A) with respect to a period of not more than the lesser of 12 months or the average length of time it takes for the State to license or approve a home as a foster home, in which the child is in the home of a relative and an application is pending for licensing or approval of the home as a foster family home; or

''(B) with respect to a period of not more than 1 calendar month when a child moves from a facility not eligible for payments under this part into a foster family home or child care institution licensed or approved by the State; and

''(2) in the case of any other child who is potentially eligible for benefits under a State plan approved under this part and at imminent risk of removal from the home, only if—

''(A) reasonable efforts are being made in accordance with section 471(a)(15) to prevent the need for, or if necessary to pursue, removal of the child from the home; and

''(B) the State agency has made, not less often than every 6 months, a determination (or redetermination) as to whether the child remains at imminent risk of removal from the home.''.

(b) CONFORMING AMENDMENT.—Section 474(a)(3) (42 U.S.C. 674(a)(3)) is amended by inserting ''subject to section 472(i)'' before ''an amount equal to''.

SEC. 7404. CLARIFICATION OF ELIGIBILITY FOR FOSTER CARE MAINTENANCE PAYMENTS AND ADOPTION ASSISTANCE.

(a) FOSTER CARE MAINTENANCE PAYMENTS.—Section 472(a) (42 U.S.C. 672(a)) is amended to read as follows:

''(a) IN GENERAL.—

''(1) ELIGIBILITY.—Each State with a plan approved under this part shall make foster care maintenance payments on behalf of each child who has been removed from the home of a relative specified in section 406(a) (as in effect on July 16, 1996) into foster care if—

''(A) the removal and foster care placement met, and the placement continues to meet, the requirements of paragraph (2); and

''(B) the child, while in the home, would have met the AFDC eligibility requirement of paragraph (3).

''(2) REMOVAL AND FOSTER CARE PLACEMENT REQUIREMENTS.—The removal and foster care placement of a child meet the requirements of this paragraph if—

''(A) the removal and foster care placement are in accordance with—

''(i) a voluntary placement agreement entered into by a parent or legal guardian of the child who is the relative referred to in paragraph (1); or

''(ii) a judicial determination to the effect that continuation in the home from which removed would be contrary to the welfare of the child and that reasonable efforts of the type described in section 471(a)(15) for a child have been made;

''(B) the child's placement and care are the responsibility of—

''(i) the State agency administering the State plan approved under section 471; or

''(ii) any other public agency with which the State agency administering or supervising the administration of the State plan has made an agreement which is in effect; and

''(C) the child has been placed in a foster family home or child-care institution.

''(3) AFDC ELIGIBILITY REQUIREMENT.—

''(A) IN GENERAL.—A child in the home referred to in paragraph (1) would have met the AFDC eligibility requirement of this paragraph if the child—

''(i) would have received aid under the State plan approved under section 402 (as in effect on July 16, 1996) in the home, in or for the month in which the agreement was entered into or court proceedings leading to the determination referred to in paragraph (2)(A)(ii) of this subsection were initiated; or

''(ii)(I) would have received the aid in the home, in or for the month referred to in clause (i), if application had been made therefor; or

''(II) had been living in the home within 6 months before the month in which the agreement was entered into or the proceedings were initiated, and would have received the aid in or for such month, if, in such month, the child had been living in the home with the relative referred to in paragraph (1) and application for the aid had been made.

''(B) RESOURCES DETERMINATION.—For purposes of subparagraph (A), in determining whether a child would have received aid under a State plan approved under section 402 (as in effect on July 16, 1996), a child whose resources (determined pursuant to section 402(a)(7)(B), as so in effect) have a combined value of not more than $10,000 shall be considered a child whose resources have a combined value of not more than $1,000 (or such lower amount as the State may determine for purposes of section 402(a)(7)(B)).

''(4) ELIGIBILITY OF CERTAIN ALIEN CHILDREN.—Subject to title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, if the child is an alien disqualified under section 245A(h) or 210(f) of the Immigration and Nationality Act from receiving aid under the State plan approved under section 402 in or for the month in which the agreement described in paragraph (2)(A)(i) was entered into or court proceedings leading to the determination described in paragraph (2)(A)(ii) were initiated, the child shall be considered to satisfy the requirements of paragraph (3), with respect to the month, if the child would have satisfied the requirements but for the disqualification.''.

(b) ADOPTION ASSISTANCE.—Section 473(a)(2) (42 U.S.C. 673(a)(2)) is amended to read as follows:

''(2)(A) For purposes of paragraph (1)(B)(ii), a child meets the requirements of this paragraph if the child—

''(i)(I)(aa) was removed from the home of a relative specified in section 406(a) (as in effect on July 16, 1996) and placed in foster care in accordance with a voluntary placement agreement with respect to which Federal payments are provided under section 474 (or section 403, as such section was in effect on July 16, 1996), or in accordance with a judicial determination to the effect that continuation in the home would be contrary to the welfare of the child; and

''(bb) met the requirements of section 472(a)(3) with respect to the home referred to in item (aa) of this subclause;

''(II) meets all of the requirements of title XVI with respect to eligibility for supplemental security income benefits; or

''(III) is a child whose costs in a foster family home or child-care institution are covered by the foster care maintenance payments being made with respect to the minor parent of the child as provided in section 475(4)(B); and

''(ii) has been determined by the State, pursuant to subsection (c) of this section, to be a child with special needs.

''(B) Section 472(a)(4) shall apply for purposes of subparagraph (A) of this paragraph, in any case in which the child is an alien described in such section.

''(C) A child shall be treated as meeting the requirements of this paragraph for the purpose of paragraph (1)(B)(ii) if the child—

''(i) meets the requirements of subparagraph (A)(ii);

''(ii) was determined eligible for adoption assistance payments under this part with respect to a prior adoption;

''(iii) is available for adoption because—

''(I) the prior adoption has been dissolved, and the parental rights of the adoptive parents have been terminated; or

''(II) the child's adoptive parents have died; and

''(iv) fails to meet the requirements of subparagraph (A) but would meet such requirements if—

''(I) the child were treated as if the child were in the same financial and other circumstances the child was in the last time the child was determined eligible for adoption assistance payments under this part; and

''(II) the prior adoption were treated as never having occurred.''.

Subtitle E—Supplemental Security Income

SEC. 7501. REVIEW OF STATE AGENCY BLINDNESS AND DISABILITY DETERMINATIONS.

Section 1633 (42 U.S.C. 1383b) is amended by adding at the end the following:

''(e)(1) The Commissioner of Social Security shall review determinations, made by State agencies pursuant to subsection (a) in connection with applications for benefits under this title on the basis of blindness or disability, that individuals who have attained 18 years of age are blind or disabled as of a specified onset date. The Commissioner of Social Security shall review such a determination before any action is taken to implement the determination.

''(2)(A) In carrying out paragraph (1), the Commissioner of Social Security shall review—

''(i) at least 20 percent of all determinations referred to in paragraph (1) that are made in fiscal year 2006;

''(ii) at least 40 percent of all such determinations that are made in fiscal year 2007; and

''(iii) at least 50 percent of all such determinations that are made in fiscal year 2008 or thereafter.

''(B) In carrying out subparagraph (A), the Commissioner of Social Security shall, to the extent feasible, select for review the determinations which the Commissioner of Social Security identifies as being the most likely to be incorrect.''.

SEC. 7502. PAYMENT OF CERTAIN LUMP SUM BENEFITS IN INSTALLMENTS UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

(a) IN GENERAL.—Section 1631(a)(10)(A)(i) (42 U.S.C. 1383(a)(10)(A)(i)) is amended by striking ''12'' and inserting ''3''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect 3 months after the date of the enactment of this Act.

Subtitle F—Repeal of Continued Dumping and Subsidy Offset

SEC. 7601. REPEAL OF CONTINUED DUMPING AND SUBSIDY OFFSET.

(a) REPEAL.—Effective upon the date of enactment of this Act, section 754 of the Tariff Act of 1930 (19 U.S.C. 1675c), and the item relating to section 754 in the table of contents of title VII of that Act, are repealed.

(b) DISTRIBUTIONS ON CERTAIN ENTRIES.—All duties on entries of goods made and filed before October 1, 2007, that would, but for subsection (a) of this section, be distributed under section 754 of the Tariff Act of 1930, shall be distributed as if section 754 of the Tariff Act of 1930 had not been repealed by subsection (a).

Subtitle G—Effective Date

SEC. 7701. EFFECTIVE DATE.

Except as otherwise provided in this title, this title and the amendments made by this title shall take effect as if enacted on October 1, 2005.

TITLE VIII—EDUCATION AND PENSION BENEFIT PROVISIONS

Subtitle A—Higher Education Provisions

SEC. 8001. SHORT TITLE; REFERENCE; EFFECTIVE DATE.

(a) SHORT TITLE.—This subtitle may be cited as the ''Higher Education Reconciliation Act of 2005''.

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this subtitle 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 Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

(c) EFFECTIVE DATE.—Except as otherwise provided in this subtitle or the amendments made by this subtitle, the amendments made by this subtitle shall be effective July 1, 2006.

SEC. 8002. MODIFICATION OF 50/50 RULE.

Section 102(a)(3) (20 U.S.C. 1002(a)(3)) is amended—

(1) in subparagraph (A), by inserting ''(excluding courses offered by telecommunications as defined in section 484(l)(4))'' after ''courses by correspondence''; and

(2) in subparagraph (B), by inserting ''(excluding courses offered by telecommunications as defined in section 484(l)(4))'' after ''correspondence courses''.

SEC. 8003. ACADEMIC COMPETITIVENESS GRANTS.

Subpart 1 of part A of title IV (20 U.S.C. 1070a) is amended by adding after section 401 the following new section:

''SEC. 401A. ACADEMIC COMPETITIVENESS GRANTS.

''(a) ACADEMIC COMPETITIVENESS GRANT PROGRAM.—

''(1) ACADEMIC COMPETITIVENESS GRANTS AUTHORIZED.—The Secretary shall award grants, in the amounts specified in subsection (d)(1), to eligible students to assist the eligible students in paying their college education expenses.

''(2) ACADEMIC COMPETITIVENESS COUNCIL.—

''(A) ESTABLISHMENT.—There is established an Academic Competitiveness Council (referred to in this paragraph as the 'Council'). From the funds made available under subsection (e) for fiscal year 2006, $50,000 shall be available to the Council to carry out the duties described in subparagraph (B). The Council shall be chaired by the Secretary of Education, and the membership of the Council shall consist of officials from Federal agencies with responsibilities for managing existing Federal programs that promote mathematics and science (or designees of such officials with significant decision-making authority).

''(B) DUTIES.—The Council shall—

''(i) identify all Federal programs with a mathematics or science focus;

''(ii) identify the target populations being served by such programs;

''(iii) determine the effectiveness of such programs;

''(iv) identify areas of overlap or duplication in such programs; and

''(v) recommend ways to efficiently integrate and coordinate such programs.

''(C) REPORT.—Not later than one year after the date of enactment of the Higher Education Reconciliation Act of 2005, the Council shall transmit a report to each committee of Congress with jurisdiction over a Federal program identified under subparagraph (B)(i), detailing the findings and recommendations under subparagraph (B), including recommendations for legislative or administrative action.

''(b) DESIGNATION.—A grant under this section—

''(1) for the first or second academic year of a program of undergraduate education shall be known as an 'Academic Competitiveness Grant'; and

''(2) for the third or fourth academic year of a program of undergraduate education shall be known as a 'National Science and Mathematics Access to Retain Talent Grant' or a 'National SMART Grant'.

''(c) DEFINITION OF ELIGIBLE STUDENT.—In this section the term 'eligible student' means a full-time student who, for the academic year for which the determination of eligibility is made—

''(1) is a citizen of the United States;

''(2) is eligible for a Federal Pell Grant; and

''(3) in the case of a student enrolled or accepted for enrollment in—

''(A) the first academic year of a program of undergraduate education at a two- or four-year degree-granting institution of higher education—

''(i) has successfully completed, after January 1, 2006, a rigorous secondary school program of study established by a State or local educational agency and recognized as such by the Secretary; and

''(ii) has not been previously enrolled in a program of undergraduate education;

''(B) the second academic year of a program of undergraduate education at a two- or four-year degree-granting institution of higher education—

''(i) has successfully completed, after January 1, 2005, a rigorous secondary school program of study established by a State or local educational agency and recognized as such by the Secretary; and

''(ii) has obtained a cumulative grade point average of at least 3.0 (or the equivalent as determined under regulations prescribed by the Secretary) at the end of the first academic year of such program of undergraduate education; or

''(C) the third or fourth academic year of a program of undergraduate education at a four-year degree-granting institution of higher education—

''(i) is pursuing a major in—

''(I) the physical, life, or computer sciences, mathematics, technology, or engineering (as determined by the Secretary pursuant to regulations); or

''(II) a foreign language that the Secretary, in consultation with the Director of National Intelligence, determines is critical to the national security of the United States; and

''(ii) has obtained a cumulative grade point average of at least 3.0 (or the equivalent as determined under regulations prescribed by the Secretary) in the coursework required for the major described in clause (i).

''(d) GRANT AWARD.—

''(1) AMOUNTS.—

''(A) The Secretary shall award a grant under this section in the amount of—

''(i) $750 for an eligible student under subsection (c)(3)(A);

''(ii) $1,300 for an eligible student under subsection (c)(3)(B); or

''(iii) $4,000 for an eligible student under subsection (c)(3)(C).

''(B) Notwithstanding subparagraph (A)—

''(i) the amount of such grant, in combination with the Federal Pell Grant assistance and other student financial assistance available to such student, shall not exceed the student's cost of attendance;

''(ii) if the amount made available under subsection (e) for any fiscal year is less than the amount required to be provided grants to all eligible students in the amounts determined under subparagraph (A) and clause (i) of this subparagraph, then the amount of the grant to each eligible student shall be ratably reduced; and

''(iii) if additional amounts are appropriated for any such fiscal year, such reduced amounts shall be increased on the same basis as they were reduced.

''(2) LIMITATIONS.—The Secretary shall not award a grant under this section—

''(A) to any student for an academic year of a program of undergraduate education described in subparagraph (A), (B), or (C) of subsection (c)(3) for which the student received credit before the date of enactment of the Higher Education Reconciliation Act of 2005; or

''(B) to any student for more than—

''(i) one academic year under subsection (c)(3)(A);

''(ii) one academic year under subsection (c)(3)(B); or

''(iii) two academic years under subsection (c)(3)(C).

''(e) FUNDING.—

''(1) AUTHORIZATION AND APPROPRIATION OF FUNDS.—There are authorized to be appropriated, and there are appropriated, out of any

money in the Treasury not otherwise appropriated, for the Department of Education to carry out this section—

''(A) $790,000,000 for fiscal year 2006;

''(B) $850,000,000 for fiscal year 2007;

''(C) $920,000,000 for fiscal year 2008;

''(D) $960,000,000 for fiscal year 2009; and

''(E) $1,010,000,000 for fiscal year 2010.

''(2) USE OF EXCESS FUNDS.—If, at the end of a fiscal year, the funds available for awarding grants under this section exceed the amount necessary to make such grants in the amounts authorized by subsection (d), then all of the excess funds shall remain available for awarding grants under this section during the subsequent fiscal year.

''(f) RECOGNITION OF PROGRAMS OF STUDY.—The Secretary shall recognize at least one rigorous secondary school program of study in each State under subsection (c)(3)(A) and (B) for the purpose of determining student eligibility under such subsection.

''(g) SUNSET PROVISION.—The authority to make grants under this section shall expire at the end of academic year 2010–2011.''.

SEC. 8004. REAUTHORIZATION OF FEDERAL FAMILY EDUCATION LOAN PROGRAM.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 421(b)(5) (20 U.S.C. 1071(b)(5)) is amended by striking ''an administrative cost allowance'' and inserting ''a loan processing and issuance fee''.

(b) EXTENSION OF AUTHORITY.—

(1) FEDERAL INSURANCE LIMITATIONS.—Section 424(a) (20 U.S.C. 1074(a)) is amended—

(A) by striking ''2004'' and inserting ''2012''; and

(B) by striking ''2008'' and inserting ''2016''.

(2) GUARANTEED LOANS.—Section 428(a)(5) (20 U.S.C. 1078(a)(5)) is amended—

(A) by striking ''2004'' and inserting ''2012''; and

(B) by striking ''2008'' and inserting ''2016''.

(3) CONSOLIDATION LOANS.—Section 428C(e) (20 U.S.C. 1078–3(e)) is amended by striking ''2004'' and inserting ''2012''.

SEC. 8005. LOAN LIMITS.

(a) FEDERAL INSURANCE LIMITS.—Section 425(a)(1)(A) (20 U.S.C. 1075(a)(1)(A)) is amended—

(1) in clause (i)(I), by striking ''$2,625'' and inserting ''$3,500''; and

(2) in clause (ii)(I), by striking ''$3,500'' and inserting ''$4,500''.

(b) GUARANTEE LIMITS.—Section 428(b)(1)(A) (20 U.S.C. 1078(b)(1)(A)) is amended—

(1) in clause (i)(I), by striking ''$2,625'' and inserting ''$3,500''; and

(2) in clause (ii)(I), by striking ''$3,500'' and inserting ''$4,500''.

(c) FEDERAL PLUS LOANS.—Section 428B (20 U.S.C. 1078–2) is amended—

(1) in subsection (a)(1)—

(A) in the matter preceding subparagraph (A), by striking ''Parents'' and inserting ''A graduate or professional student or the parents'';

(B) in subparagraph (A), by striking ''the parents'' and inserting ''the graduate or professional student or the parents''; and

(C) in subparagraph (B), by striking ''the parents'' and inserting ''the graduate or professional student or the parents'';

(2) in subsection (b), by striking ''any parent'' and inserting ''any graduate or professional student or any parent'';

(3) in subsection (c)(2), by striking ''parent'' and inserting ''graduate or professional student or parent''; and

(4) in subsection (d)(1), by striking ''the parent'' and inserting ''the graduate or professional student or the parent''.

(d) UNSUBSIDIZED STAFFORD LOANS FOR GRADUATE OR PROFESSIONAL STUDENTS.—Section 428H(d)(2) (20 U.S.C. 1078–8(d)(2)) is amended—

(1) in subparagraph (C), by striking ''$10,000'' and inserting ''$12,000''; and

(2) in subparagraph (D)—

(A) in clause (i), by striking ''$5,000'' and inserting ''$7,000''; and

(B) in clause (ii), by striking ''$5,000'' and inserting ''$7,000''.

(e) EFFECTIVE DATE OF INCREASES.—The amendments made by subsections (a), (b), and (d) shall be effective July 1, 2007.

SEC. 8006. PLUS LOAN INTEREST RATES AND ZERO SPECIAL ALLOWANCE PAYMENT.

(a) PLUS LOANS.—Section 427A(l)(2) (20 U.S.C. 1077a(l)(2)) is amended by striking ''7.9 percent'' and inserting ''8.5 percent''.

(b) CONFORMING AMENDMENTS FOR SPECIAL ALLOWANCES.—

(1) AMENDMENTS.—Subparagraph (I) of section 438(b)(2) (20 U.S.C. 1087–1(b)(2)) is amended—

(A) in clause (iii), by striking '', subject to clause (v) of this subparagraph'';

(B) in clause (iv), by striking '', subject to clause (vi) of this subparagraph''; and

(C) by striking clauses (v), (vi), and (vii) and inserting the following:

''(v) RECAPTURE OF EXCESS INTEREST.—

''(I) EXCESS CREDITED.—With respect to a loan on which the applicable interest rate is determined under subsection (k) or (l) of section 427A and for which the first disbursement of principal is made on or after April 1, 2006, if the applicable interest rate for any 3-month period exceeds the special allowance support level applicable to such loan under this subparagraph for such period, then an adjustment shall be made by calculating the excess interest in the amount computed under subclause (II) of this clause, and by crediting the excess interest to the Government not less often than annually.

''(II) CALCULATION OF EXCESS.—The amount of any adjustment of interest on a loan to be made under this subsection for any quarter shall be equal to—

''(aa) the applicable interest rate minus the special allowance support level determined under this subparagraph; multiplied by

''(bb) the average daily principal balance of the loan (not including unearned interest added to principal) during such calendar quarter; divided by

''(cc) four.

''(III) SPECIAL ALLOWANCE SUPPORT LEVEL.—For purposes of this clause, the term 'special allowance support level' means, for any loan, a number expressed as a percentage equal to the sum of the rates determined under subclauses (I) and (III) of clause (i), and applying any substitution rules applicable to such loan under clauses (ii), (iii), and (iv) in determining such sum.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall not apply with respect to any special allowance payment made under section 438 of the Higher Education Act of 1965 (20 U.S.C. 1087–1) before April 1, 2006.

SEC. 8007. DEFERMENT OF STUDENT LOANS FOR MILITARY SERVICE.

(a) FEDERAL FAMILY EDUCATION LOANS.—Section 428(b)(1)(M) (20 U.S.C. 1078(b)(1)(M)) is amended—

(1) by striking ''or'' at the end of clause (ii);

(2) by redesignating clause (iii) as clause (iv); and

(3) by inserting after clause (ii) the following new clause:

''(iii) not in excess of 3 years during which the borrower—

''(I) is serving on active duty during a war or other military operation or national emergency; or

''(II) is performing qualifying National Guard duty during a war or other military operation or national emergency; or''.

(b) DIRECT LOANS.—Section 455(f)(2) (20 U.S.C. 1087e(f)(2)) is amended—

(1) by redesignating subparagraph (C) as subparagraph (D); and

(2) by inserting after subparagraph (B) the following new subparagraph:

''(C) not in excess of 3 years during which the borrower—

''(i) is serving on active duty during a war or other military operation or national emergency; or

''(ii) is performing qualifying National Guard duty during a war or other military operation or national emergency; or''.

(c) PERKINS LOANS.—Section 464(c)(2)(A) (20 U.S.C. 1087dd(c)(2)(A)) is amended—

(1) by redesignating clauses (iii) and (iv) as clauses (iv) and (v), respectively; and

(2) by inserting after clause (ii) the following new clause:

''(iii) not in excess of 3 years during which the borrower—

''(I) is serving on active duty during a war or other military operation or national emergency; or

''(II) is performing qualifying National Guard duty during a war or other military operation or national emergency;''.

(d) DEFINITIONS.—Section 481 (20 U.S.C. 1088) is amended by adding at the end the following new subsection:

''(d) DEFINITIONS FOR MILITARY DEFERMENTS.—For purposes of parts B, D, and E of this title:

''(1) ACTIVE DUTY.—The term 'active duty' has the meaning given such term in section 101(d)(1) of title 10, United States Code, except that such term does not include active duty for training or attendance at a service school.

''(2) MILITARY OPERATION.—The term 'military operation' means a contingency operation as such term is defined in section 101(a)(13) of title 10, United States Code.

''(3) NATIONAL EMERGENCY.—The term 'national emergency' means the national emergency by reason of certain terrorist attacks declared by the President on September 14, 2001, or subsequent national emergencies declared by the President by reason of terrorist attacks.

''(4) SERVING ON ACTIVE DUTY.—The term 'serving on active duty during a war or other military operation or national emergency' means service by an individual who is—

''(A) a Reserve of an Armed Force ordered to active duty under section 12301(a), 12301(g), 12302, 12304, or 12306 of title 10, United States Code, or any retired member of an Armed Force ordered to active duty under section 688 of such title, for service in connection with a war or other military operation or national emergency, regardless of the location at which such active duty service is performed; and

''(B) any other member of an Armed Force on active duty in connection with such emergency or subsequent actions or conditions who has been assigned to a duty station at a location other than the location at which such member is normally assigned.

''(5) QUALIFYING NATIONAL GUARD DUTY.—The term 'qualifying National Guard duty during a war or other military operation or national emergency' means service as a member of the National Guard on full-time National Guard duty (as defined in section 101(d)(5) of title 10, United States Code) under a call to active service authorized by the President or the Secretary of Defense for a period of more than 30 consecutive days under section 502(f) of title 32, United States Code, in connection with a war, other military operation, or a national emergency declared by the President and supported by Federal funds.''.

(e) RULE OF CONSTRUCTION.—Nothing in the amendments made by this section shall be construed to authorize any refunding of any repayment of a loan.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to loans for which the first disbursement is made on or after July 1, 2001.

SEC. 8008. ADDITIONAL LOAN TERMS AND CONDITIONS.

(a) DISBURSEMENT.—Section 428(b)(1)(N) (20 U.S.C. 1078(b)(1)(N)) is amended—

(1) by striking ''or'' at the end of clause (i); and

(2) by striking clause (ii) and inserting the following:

''(ii) in the case of a student who is studying outside the United States in a program of study abroad that is approved for credit by the home institution at which such student is enrolled, and only after verification of the student's enrollment by the lender or guaranty agency, are, at the request of the student, disbursed directly to the student by the means described in clause (i), unless such student requests that the check be endorsed, or the funds transfer be authorized, pursuant to an authorized power-of-attorney; or

''(iii) in the case of a student who is studying outside the United States in a program of study at an eligible foreign institution, are, at the request of the foreign institution, disbursed directly to the student, only after verification of the student's enrollment by the lender or guaranty agency by the means described in clause (i).''.

(b) REPAYMENT PLANS: DIRECT LOANS.—Section 455(d)(1) (20 U.S.C. 1087e(d)(1)) is amended by striking subparagraphs (A), (B), and (C) and inserting the following:

''(A) a standard repayment plan, consistent with subsection (a)(1) of this section and with section 428(b)(9)(A)(i);

''(B) a graduated repayment plan, consistent with section 428(b)(9)(A)(ii);

''(C) an extended repayment plan, consistent with section 428(b)(9)(A)(v), except that the borrower shall annually repay a minimum amount determined by the Secretary in accordance with section 428(b)(1)(L); and''.

(c) ORIGINATION FEES.—

(1) FFEL PROGRAM.—Paragraph (2) of section 438(c) (20 U.S.C. 1087–1(c)) is amended—

(A) by striking the designation and heading of such paragraph and inserting the following:

''(2) AMOUNT OF ORIGINATION FEES.—

''(A) IN GENERAL.—''; and

(B) by adding at the end the following new subparagraph:

''(B) SUBSEQUENT REDUCTIONS.—Subparagraph (A) shall be applied to loans made under this part (other than loans made under sections 428C and 439(o))—

''(i) by substituting '2.0 percent' for '3.0 percent' with respect to loans for which the first disbursement of principal is made on or after July 1, 2006, and before July 1, 2007;

''(ii) by substituting '1.5 percent' for '3.0 percent' with respect to loans for which the first disbursement of principal is made on or after July 1, 2007, and before July 1, 2008;

''(iii) by substituting '1.0 percent' for '3.0 percent' with respect to loans for which the first disbursement of principal is made on or after July 1, 2008, and before July 1, 2009;

''(iv) by substituting '0.5 percent' for '3.0 percent' with respect to loans for which the first disbursement of principal is made on or after July 1, 2009, and before July 1, 2010; and

''(v) by substituting '0.0 percent' for '3.0 percent' with respect to loans for which the first disbursement of principal is made on or after July 1, 2010.''.

(2) DIRECT LOAN PROGRAM.—Subsection (c) of section 455 (20 U.S.C. 1087e(c)) is amended—

(A) by striking ''(c) LOAN FEE.—'' and inserting the following:

''(c) LOAN FEE.—

''(1) IN GENERAL.—''; and

(B) by adding at the end the following:

''(2) SUBSEQUENT REDUCTION.—Paragraph (1) shall be applied to loans made under this part, other than Federal Direct Consolidation loans and Federal Direct PLUS loans—

''(A) by substituting '3.0 percent' for '4.0 percent' with respect to loans for which the first disbursement of principal is made on or after the date of enactment of the Higher Education Reconciliation Act of 2005, and before July 1, 2007;

''(B) by substituting '2.5 percent' for '4.0 percent' with respect to loans for which the first disbursement of principal is made on or after July 1, 2007, and before July 1, 2008;

''(C) by substituting '2.0 percent' for '4.0 percent' with respect to loans for which the first disbursement of principal is made on or after July 1, 2008, and before July 1, 2009;

''(D) by substituting '1.5 percent' for '4.0 percent' with respect to loans for which the first disbursement of principal is made on or after July 1, 2009, and before July 1, 2010; and

''(E) by substituting '1.0 percent' for '4.0 percent' with respect to loans for which the first disbursement of principal is made on or after July 1, 2010.''.

(3) CONFORMING AMENDMENT.—Section 455(b)(8)(A) (20 U.S.C. 1087e(b)(8)(A)) is amended by inserting ''or origination fee'' after ''reductions in the interest rate''.

SEC. 8009. CONSOLIDATION LOAN CHANGES.

(a) CONSOLIDATION BETWEEN PROGRAMS.—Section 428C (20 U.S.C. 1078–3) is amended—

(1) in subsection (a)(3)(B)(i)—

(A) by inserting ''or under section 455(g)'' after ''under this section'' both places it appears;

(B) by inserting ''under both sections'' after ''terminates''

(C) by striking ''and'' at the end of subclause (III);

(D) by striking the period at the end of subclause (IV) and inserting ''; and''; and

(E) by adding at the end the following new subclause:

''(V) an individual may obtain a subsequent consolidation loan under section 455(g) only for the purposes of obtaining an income contingent repayment plan, and only if the loan has been submitted to the guaranty agency for default aversion.''; and

(2) in subsection (b)(5), by striking the first sentence and inserting the following: ''In the event that a lender with an agreement under subsection (a)(1) of this section denies a consolidation loan application submitted to the lender by an eligible borrower under this section, or denies an application submitted to the lender by such a borrower for a consolidation loan with income-sensitive repayment terms, the Secretary shall offer any such borrower who applies for it, a Federal Direct Consolidation loan. The Secretary shall offer such a loan to a borrower who has defaulted, for the purpose of resolving the default.''.

(b) REPEAL OF IN-SCHOOL CONSOLIDATION.—

(1) DEFINITION OF REPAYMENT PERIOD.—Section 428(b)(7)(A) (20 U.S.C. 1078(b)(7)(A)) is amended by striking ''shall begin—'' and all that follows through ''earlier date.'' and inserting the following: ''shall begin the day after 6 months after the date the student ceases to carry at least one-half the normal full-time academic workload (as determined by the institution).''.

(2) CONFORMING CHANGE TO ELIGIBLE BORROWER DEFINITION.—Section 428C(a)(3)(A)(ii)(I) (20 U.S.C. 1078–3(a)(3)(A)(ii)(I)) is amended by inserting ''as determined under section 428(b)(7)(A)'' after ''repayment status''.

(c) ADDITIONAL AMENDMENTS.—Section 428C (20 U.S.C. 1078–3) is amended in subsection (a)(3), by striking subparagraph (C).

(d) CONFORMING AMENDMENTS TO DIRECT LOAN PROGRAM.—Section 455 (20 U.S.C. 1087e) is amended—

(1) in subsection (a)(1) by inserting ''428C,'' after ''428B,'';

(2) in subsection (a)(2)—

(A) by striking ''and'' at the end of subparagraph (B);

(B) by redesignating subparagraph (C) as subparagraph (D); and

(C) by inserting after subparagraph (B) the following:

''(C) section 428C shall be known as 'Federal Direct Consolidation Loans'; and ''; and

(3) in subsection (g)—

(A) by striking the second sentence; and

(B) by adding at the end the following new sentences: ''To be eligible for a consolidation loan under this part, a borrower shall meet the eligibility criteria set forth in section 428C(a)(3). The Secretary, upon application for such a loan, shall comply with the requirements applicable to a lender under section 428C(b)(1)(F).''.

SEC. 8010. REQUIREMENTS FOR DISBURSEMENTS OF STUDENT LOANS.

Section 428G (20 U.S.C. 1078–7) is amended—

(1) in subsection (a)(3), by adding at the end the following: ''Notwithstanding section 422(d) of the Higher Education Amendments of 1998, this paragraph shall be effective beginning on the date of enactment of the Higher Education Reconciliation Act of 2005.'';

(2) in subsection (b)(1), by adding at the end the following: ''Notwithstanding section 422(d) of the Higher Education Amendments of 1998, the second sentence of this paragraph shall be effective beginning on the date of enactment of the Higher Education Reconciliation Act of 2005.''; and

(3) in subsection (e), by striking '', made to a student to cover the cost of attendance at an eligible institution outside the United States''.

SEC. 8011. SCHOOL AS LENDER.

Paragraph (2) of section 435(d) (20 U.S.C. 1085(d)(2)) is amended to read as follows:

''(2) REQUIREMENTS FOR ELIGIBLE INSTITUTIONS.—

''(A) IN GENERAL.—To be an eligible lender under this part, an eligible institution—

''(i) shall employ at least one person whose full-time responsibilities are limited to the administration of programs of financial aid for students attending such institution;

''(ii) shall not be a home study school;

''(iii) shall not—

''(I) make a loan to any undergraduate student;

''(II) make a loan other than a loan under section 428 or 428H to a graduate or professional student; or

''(III) make a loan to a borrower who is not enrolled at that institution;

''(iv) shall award any contract for financing, servicing, or administration of loans under this title on a competitive basis;

''(v) shall offer loans that carry an origination fee or an interest rate, or both, that are less than such fee or rate authorized under the provisions of this title;

''(vi) shall not have a cohort default rate (as defined in section 435(m)) greater than 10 percent;

''(vii) shall, for any year for which the institution engages in activities as an eligible lender, provide for a compliance audit conducted in accordance with section 428(b)(1)(U)(iii)(I), and the regulations thereunder, and submit the results of such audit to the Secretary;

''(viii) shall use any proceeds from special allowance payments and interest payments from borrowers, interest subsidies received from the Department of Education, and any proceeds from the sale or other disposition of loans, for need-based grant programs; and

''(ix) shall have met the requirements of subparagraphs (A) through (F) of this paragraph as in effect on the day before the date of enactment of the Higher Education Reconciliation Act of 2005, and made loans under this part, on or before April 1, 2006.

''(B) ADMINISTRATIVE EXPENSES.—An eligible lender under subparagraph (A) shall be permitted to use a portion of the proceeds described in subparagraph (A)(viii) for reasonable and direct administrative expenses.

''(C) SUPPLEMENT, NOT SUPPLANT.—An eligible lender under subparagraph (A) shall ensure that the proceeds described in subparagraph (A)(viii) are used to supplement, and not to supplant, non-Federal funds that would otherwise be used for need-based grant programs.''.

SEC. 8012. REPAYMENT BY THE SECRETARY OF LOANS OF BANKRUPT, DECEASED, OR DISABLED BORROWERS; TREATMENT OF BORROWERS ATTENDING SCHOOLS THAT FAIL TO PROVIDE A REFUND, ATTENDING CLOSED SCHOOLS, OR FALSELY CERTIFIED AS ELIGIBLE TO BORROW.

Section 437 (20 U.S.C. 1087) is amended—

(1) in the section heading, by striking ''**CLOSED SCHOOLS OR FALSELY CERTIFIED AS ELIGIBLE TO BORROW**'' *and inserting* ''**SCHOOLS THAT FAIL TO PROVIDE A REFUND, ATTENDING CLOSED SCHOOLS, OR FALSELY CERTIFIED AS ELIGIBLE TO BORROW**''*; and*

(2) in the first sentence of subsection (c)(1), by inserting ''or was falsely certified as a result of a crime of identity theft'' after ''falsely certified by the eligible institution''.

SEC. 8013. ELIMINATION OF TERMINATION DATES FROM TAXPAYER-TEACHER PROTECTION ACT OF 2004.

(a) EXTENSION OF LIMITATIONS ON SPECIAL ALLOWANCE FOR LOANS FROM THE PROCEEDS OF TAX EXEMPT ISSUES.—Section 438(b)(2)(B) (20 U.S.C. 1087–1(b)(2)(B)) is amended—

(1) in clause (iv), by striking ''and before January 1, 2006,''; and

(2) in clause (v)(II)—

(A) by striking ''and before January 1, 2006,'' each place it appears in divisions (aa) and (bb); and

(B) by striking '', and before January 1, 2006'' in division (cc).

(b) ADDITIONAL LIMITATION ON SPECIAL ALLOWANCE FOR LOANS FROM THE PROCEEDS OF TAX EXEMPT ISSUES.—Section 438(b)(2)(B) (20 U.S.C 1087–1(b)(2)(B)) is further amended by adding at the end thereof the following new clauses:

''(vi) Notwithstanding clauses (i), (ii), and (v), but subject to clause (vii), the quarterly rate of the special allowance shall be the rate determined under subparagraph (A), (E), (F), (G), (H), or (I) of this paragraph, as the case may be, for a holder of loans—

''(I) that were made or purchased on or after the date of enactment of the Higher Education Reconciliation Act of 2005; or

''(II) that were not earning a quarterly rate of special allowance determined under clauses (i) or (ii) of subparagraph (B) of this paragraph (20 U.S.C. 1087–1(b)(2)(b)) as of the date of enactment of the Higher Education Reconciliation Act of 2005.

''(vii) Clause (vi) shall be applied by substituting 'December 31, 2010' for 'the date of enactment of the Higher Education Reconciliation Act of 2005' in the case of a holder of loans that—

''(I) was, as of the date of enactment of the Higher Education Reconciliation Act of 2005, and during the quarter for which the special allowance is paid, a unit of State or local government or a nonprofit private entity;

''(II) was, as of such date of enactment, and during such quarter, not owned or controlled by, or under common ownership or control with, a for-profit entity; and

''(III) held, directly or through any subsidiary, affiliate, or trustee, a total unpaid balance of principal equal to or less than $100,000,000 on loans for which special allowances were paid under this subparagraph in the most recent quarterly payment prior to September 30, 2005.''.

(c) ELIMINATION OF EFFECTIVE DATE LIMITATION ON HIGHER TEACHER LOAN FORGIVENESS BENEFITS.—

(1) TECHNICAL CLARIFICATION.—The matter preceding paragraph (1) of section 2 of the Taxpayer-Teacher Protection Act of 2004 (Pub. L. 108–409; 118 Stat. 2299) is amended by inserting ''of the Higher Education Act of 1965'' after ''Section 438(b)(2)(B)''.

(2) AMENDMENT.—Paragraph (3) of section 3(b) of the Taxpayer-Teacher Protection Act of 2004 (20 U.S.C. 1078–10 note) is amended by striking '', and before October 1, 2005''.

(3) EFFECTIVE DATES.—The amendment made by paragraph (1) shall be effective as if enacted on October 30, 2004, and the amendment made by paragraph (2) shall be effective as if enacted on October 1, 2005.

(d) COORDINATION WITH SECOND HIGHER EDUCATION EXTENSION ACT OF 2005.—

(1) REPEAL.—Section 2 of the Second Higher Education Extension Act of 2005 is amended by striking subsections (b) and (c).

(2) EFFECT ON AMENDMENTS.—The amendments made by subsections (a) and (c) of this section shall be effective as if the amendments made in subsections (b) and (c) of section 2 of the Second Higher Education Extension Act of 2005 had not been enacted.

(e) ADDITIONAL CHANGES TO TEACHER LOAN FORGIVENESS PROVISIONS.—

(1) FFEL PROVISIONS.—Section 428J (20 U.S.C. 1078–10) is amended—

(A) in subsection (b)(1)(B), by inserting after ''1965'' the following: '', or meets the requirements of subsection (g)(3)''; and

(B) in subsection (g), by adding at the end the following new paragraph:

''(3) PRIVATE SCHOOL TEACHERS.—An individual who is employed as a teacher in a private school and is exempt from State certification requirements (unless otherwise applicable under State law), may, in lieu of the requirement of subsection (b)(1)(B), have such employment treated as qualifying employment under this section if such individual is permitted to and does satisfy rigorous subject knowledge and skills tests by taking competency tests in the applicable grade levels and subject areas. For such purposes, the competency tests taken by such a private school teacher shall be recognized by 5 or more States for the purpose of fulfilling the highly qualified teacher requirements under section 9101 of the Elementary and Secondary Education Act of 1965, and the score achieved by such teacher on each test shall equal or exceed the average passing score of those 5 States.''.

(2) DIRECT LOAN PROVISIONS.—Section 460 (20 U.S.C. 1087j) is amended—

(A) in subsection (b)(1)(A)(ii), by inserting after ''1965'' the following: '', or meets the requirements of subsection (g)(3)''; and

(B) in subsection (g), by adding at the end the following new paragraph:

''(3) PRIVATE SCHOOL TEACHERS.—An individual who is employed as a teacher in a private school and is exempt from State certification requirements (unless otherwise applicable under State law), may, in lieu of the requirement of subsection (b)(1)(A)(ii), have such employment treated as qualifying employment under this section if such individual is permitted to and does satisfy rigorous subject knowledge and skills tests by taking competency tests in the applicable grade levels and subject areas. For such purposes, the competency tests taken by such a private school teacher shall be recognized by 5 or more States for the purpose of fulfilling the highly qualified teacher requirements under section 9101 of the Elementary and Secondary Education Act of 1965, and the score achieved by such teacher on each test shall equal or exceed the average passing score of those 5 States.''.

SEC. 8014. ADDITIONAL ADMINISTRATIVE PROVISIONS.

(a) INSURANCE PERCENTAGE.—

(1) AMENDMENT.—Subparagraph (G) of section 428(b)(1) (20 U.S.C. 1078(b)(1)(G)) is amended to read as follows:

''(G) insures 98 percent of the unpaid principal of loans insured under the program, except that—

''(i) such program shall insure 100 percent of the unpaid principal of loans made with funds advanced pursuant to section 428(j) or 439(q);

''(ii) for any loan for which the first disbursement of principal is made on or after July 1, 2006, the preceding provisions of this subparagraph shall be applied by substituting '97 percent' for '98 percent'; and

''(iii) notwithstanding the preceding provisions of this subparagraph, such program shall insure 100 percent of the unpaid principal amount of exempt claims as defined in subsection (c)(1)(G);''.

(2) EFFECTIVE DATE OF AMENDMENT.—The amendment made by this subsection shall apply with respect to loans for which the first disbursement of principal is made on or after July 1, 2006.

(b) FEDERAL DEFAULT FEES.—

(1) IN GENERAL.—Subparagraph (H) of section 428(b)(1) (20 U.S.C. 1078(b)(1)(H)) is amended to read as follows:

''(H) provides—

''(i) for loans for which the date of guarantee of principal is before July 1, 2006, for the collection of a single insurance premium equal to not more than 1.0 percent of the principal amount of the loan, by deduction proportionately from each installment payment of the proceeds of the loan to the borrower, and ensures that the proceeds of the premium will not be used for incentive payments to lenders; or

''(ii) for loans for which the date of guarantee of principal is on or after July 1, 2006, for the collection, and the deposit into the Federal Student Loan Reserve Fund under section 422A of a Federal default fee of an amount equal to 1.0 percent of the principal amount of the loan, which fee shall be collected either by deduction from the proceeds of the loan or by payment from other non-Federal sources, and ensures that the proceeds of the Federal default fee will not be used for incentive payments to lenders;''.

(2) UNSUBSIDIZED LOANS.—Section 428H(h) (20 U.S.C. 1078–8(h)) is amended by adding at the end the following new sentences: ''Effective for loans for which the date of guarantee of principal is on or after July 1, 2006, in lieu of the insurance premium authorized under the preceding sentence, each State or nonprofit private institution or organization having an agreement with the Secretary under section 428(b)(1) shall collect and deposit into the Federal Student Loan Reserve Fund under section 422A, a Federal default fee of an amount equal to 1.0 percent of the principal amount of the loan, which fee shall be collected either by deduction from the proceeds of the loan or by payment from other non-Federal sources. The Federal default fee shall not be used for incentive payments to lenders.''.

(3) VOLUNTARY FLEXIBLE AGREEMENTS.—Section 428A(a)(1) (20 U.S.C. 1078–1(a)(1)) is amended—

(A) by striking ''or'' at the end of subparagraph (A);

(B) by striking the period at the end of subparagraph (B) and inserting ''; or''; and

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

''(C) the Federal default fee required by section 428(b)(1)(H) and the second sentence of section 428H(h).''.

(c) TREATMENT OF EXEMPT CLAIMS.—

(1) AMENDMENT.—Section 428(c)(1) (20 U.S.C. 1078(c)(1)) is amended—

(A) by redesignating subparagraph (G) as subparagraph (H), and moving such subparagraph 2 em spaces to the left; and

(B) by inserting after subparagraph (F) the following new subparagraph:

''(G)(i) Notwithstanding any other provisions of this section, in the case of exempt claims, the Secretary shall apply the provisions of—

''(I) the fourth sentence of subparagraph (A) by substituting '100 percent' for '95 percent';

''(II) subparagraph (B)(i) by substituting '100 percent' for '85 percent'; and

''(III) subparagraph (B)(ii) by substituting '100 percent' for '75 percent'.

''(ii) For purposes of clause (i) of this subparagraph, the term 'exempt claims' means claims with respect to loans for which it is determined that the borrower (or the student on whose behalf a parent has borrowed), without the lender's or the institution's knowledge at the time the loan was made, provided false or erroneous information or took actions that

caused the borrower or the student to be ineligible for all or a portion of the loan or for interest benefits thereon.''.

(2) EFFECTIVE DATE OF AMENDMENTS.—The amendments made by this subsection shall apply with respect to loans for which the first disbursement of principal is made on or after July 1, 2006.

(d) CONSOLIDATION OF DEFAULTED LOANS.—Section 428(c) (20 U.S.C. 1078(c)) is further amended—

(1) in paragraph (2)(A)—

(A) by inserting ''(i)'' after ''including''; and

(B) by inserting before the semicolon at the end the following: ''and (ii) requirements establishing procedures to preclude consolidation lending from being an excessive proportion of guaranty agency recoveries on defaulted loans under this part'';

(2) in paragraph (2)(D), by striking ''paragraph (6)'' and inserting ''paragraph (6)(A)''; and

(3) in paragraph (6)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(B) by inserting ''(A)'' before ''For the purpose of paragraph (2)(D),''; and

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

''(B) A guaranty agency shall—

''(i) on or after October 1, 2006—

''(I) not charge the borrower collection costs in an amount in excess of 18.5 percent of the outstanding principal and interest of a defaulted loan that is paid off through consolidation by the borrower under this title; and

''(II) remit to the Secretary a portion of the collection charge under subclause (I) equal to 8.5 percent of the outstanding principal and interest of such defaulted loan; and

''(ii) on and after October 1, 2009, remit to the Secretary the entire amount charged under clause (i)(I) with respect to each defaulted loan that is paid off with excess consolidation proceeds.

''(C) For purposes of subparagraph (B), the term 'excess consolidation proceeds' means, with respect to any guaranty agency for any Federal fiscal year beginning on or after October 1, 2009, the proceeds of consolidation of defaulted loans under this title that exceed 45 percent of the agency's total collections on defaulted loans in such Federal fiscal year.''.

(e) DOCUMENTATION OF FORBEARANCE AGREEMENTS.—Section 428(c) (20 U.S.C. 1078(c)) is further amended—

(1) in paragraph (3)(A)(i)—

(A) by striking ''in writing''; and

(B) by inserting ''and documented in accordance with paragraph (10)'' after ''approval of the insurer''; and

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

''(10) DOCUMENTATION OF FORBEARANCE AGREEMENTS.—For the purposes of paragraph (3), the terms of forbearance agreed to by the parties shall be documented by confirming the agreement of the borrower by notice to the borrower from the lender, and by recording the terms in the borrower's file.''.

(f) VOLUNTARY FLEXIBLE AGREEMENTS.—Section 428A(a) (20 U.S.C. 1078–1(a)) is further amended—

(1) in paragraph (1)(B), by striking ''unless the Secretary'' and all that follows through ''designated guarantor'';

(2) by striking paragraph (2);

(3) by redesignating paragraph (3) as paragraph (2); and

(4) by striking paragraph (4).

(g) FRAUD; REPAYMENT REQUIRED.—Section 428B(a)(1) (20 U.S.C. 1078–2(a)(1)) is further amended—

(1) by striking ''and'' at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph:

''(B) in the case of a graduate or professional student or parent who has been convicted of, or has pled nolo contendere or guilty to, a crime involving fraud in obtaining funds under this title, such graduate or professional student or parent has completed the repayment of such funds to the Secretary, or to the holder in the case of a loan under this title obtained by fraud; and''.

(h) DEFAULT REDUCTION PROGRAM.—Section 428F(a)(1) (20 U.S.C. 1078–6(a)(1)) is amended—

(1) in subparagraph (A), by striking ''consecutive payments for 12 months'' and inserting ''9 payments made within 20 days of the due date during 10 consecutive months'';

(2) by redesignating subparagraph (C) as subparagraph (D); and

(3) by inserting after subparagraph (B) the following new subparagraph:

''(C) A guaranty agency may charge the borrower and retain collection costs in an amount not to exceed 18.5 percent of the outstanding principal and interest at the time of sale of a loan rehabilitated under subparagraph (A).''.

(i) EXCEPTIONAL PERFORMANCE INSURANCE RATE.—Section 428I(b)(1) (20 U.S.C. 1078–9(b)(1)) is amended—

(1) in the heading, by striking ''100 PERCENT'' and inserting ''99 PERCENT''; and

(2) by striking ''100 percent of the unpaid'' and inserting ''99 percent of the unpaid''.

(j) UNIFORM ADMINISTRATIVE AND CLAIMS PROCEDURE.—Section 432(l)(1)(H) (20 U.S.C. 1082(l)(1)(H)) is amended by inserting ''and anticipated graduation date'' after ''status change''.

(1) Section 428(a)(3)(A)(v) (20 U.S.C. 1078(a)(3)(A)(v)) is amended—

(A) by striking ''or'' at the end of subclause (I);

(B) by striking the period at the end of subclause (II) and inserting ''; or''; and

(C) by adding after subclause (II) the following new subclause:

''(III) in the case of a loan disbursed through an escrow agent, 3 days before the first disbursement of the loan.''.

(2) Section 428(c)(1)(A) (20 U.S.C. 1078(c)(1)(A)) is amended by striking ''45 days'' in the last sentence and inserting ''30 days''.

(3) Section 428(i)(1) (20 U.S.C. 1078(i)(1)) is amended by striking ''21 days'' in the third sentence and inserting ''10 days''.

SEC. 8015. FUNDS FOR ADMINISTRATIVE EXPENSES.

Section 458 is amended to read as follows:

''SEC. 458. FUNDS FOR ADMINISTRATIVE EXPENSES.

''(a) ADMINISTRATIVE EXPENSES.—

''(1) MANDATORY FUNDS FOR FISCAL YEAR 2006.—For fiscal year 2006, there shall be available to the Secretary, from funds not otherwise appropriated, funds to be obligated for—

''(A) administrative costs under this part and part B, including the costs of the direct student loan programs under this part; and

''(B) account maintenance fees payable to guaranty agencies under part B and calculated in accordance with subsections (b) and (c),

not to exceed (from such funds not otherwise appropriated) $820,000,000 in fiscal year 2006.

''(2) AUTHORIZATION FOR ADMINISTRATIVE COSTS BEGINNING IN FISCAL YEARS 2007 THROUGH 2011.—For each of the fiscal years 2007 through 2011, there are authorized to be appropriated such sums as may be necessary for administrative costs under this part and part B, including the costs of the direct student loan programs under this part.

''(3) CONTINUING MANDATORY FUNDS FOR ACCOUNT MAINTENANCE FEES.—For each of the fiscal years 2007 through 2011, there shall be available to the Secretary, from funds not otherwise appropriated, funds to be obligated for account maintenance fees payable to guaranty agencies under part B and calculated in accordance with subsection (b).

''(4) ACCOUNT MAINTENANCE FEES.—Account maintenance fees under paragraph (3) shall be paid quarterly and deposited in the Agency Operating Fund established under section 422B.

''(5) CARRYOVER.—The Secretary may carry over funds made available under this section to a subsequent fiscal year.

''(b) CALCULATION BASIS.—Account maintenance fees payable to guaranty agencies under subsection (a)(3) shall not exceed the basis of 0.10 percent of the original principal amount of outstanding loans on which insurance was issued under part B.

''(c) BUDGET JUSTIFICATION.—No funds may be expended under this section unless the Secretary includes in the Department of Education's annual budget justification to Congress a detailed description of the specific activities for which the funds made available by this section have been used in the prior and current years (if applicable), the activities and costs planned for the budget year, and the projection of activities and costs for each remaining year for which administrative expenses under this section are made available.''.

SEC. 8016. COST OF ATTENDANCE.

Section 472 (20 U.S.C. 1087ll) is amended—

(1) by striking paragraph (4) and inserting the following:

''(4) for less than half-time students (as determined by the institution), tuition and fees and an allowance for only—

''(A) books, supplies, and transportation (as determined by the institution);

''(B) dependent care expenses (determined in accordance with paragraph (8)); and

''(C) room and board costs (determined in accordance with paragraph (3)), except that a student may receive an allowance for such costs under this subparagraph for not more than 3 semesters or the equivalent, of which not more than 2 semesters or the equivalent may be consecutive;'';

(2) in paragraph (11), by striking ''and'' after the semicolon;

(3) in paragraph (12), by striking the period and inserting ''; and''; and

(4) by adding at the end the following:

''(13) at the option of the institution, for a student in a program requiring professional licensure or certification, the one-time cost of obtaining the first professional credentials (as determined by the institution).''.

SEC. 8017. FAMILY CONTRIBUTION.

(a) FAMILY CONTRIBUTION FOR DEPENDENT STUDENTS.—

(1) AMENDMENTS.—Section 475 (20 U.S.C. 1087oo) is amended—

(A) in subsection (g)(2)(D), by striking ''$2,200'' and inserting ''$3,000''; and

(B) in subsection (h), by striking ''35'' and inserting ''20''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply with respect to determinations of need for periods of enrollment beginning on or after July 1, 2007.

(b) FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITHOUT DEPENDENTS OTHER THAN A SPOUSE.—

(1) AMENDMENTS.—Section 476 (20 U.S.C. 1087pp) is amended—

(A) in subsection (b)(1)(A)(iv)—

(i) in subclause (I), by striking ''$5,000'' and inserting ''$6,050'';

(ii) in subclause (II), by striking ''$5,000'' and inserting ''$6,050''; and

(iii) in subclause (III), by striking ''$8,000'' and inserting ''$9,700''; and

(B) in subsection (c)(4), by striking ''35'' and inserting ''20''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply with respect to determinations of need for periods of enrollment beginning on or after July 1, 2007.

(c) FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITH DEPENDENTS OTHER THAN A SPOUSE.—

(1) AMENDMENT.—Section 477(c)(4) (20 U.S.C. 1087qq(c)(4)) is amended by striking ''12'' and inserting ''7''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to determinations of need for periods of enrollment beginning on or after July 1, 2007.

(d) REGULATIONS; UPDATED TABLES.—Section 478(b) (20 U.S.C. 1087rr(b)) is amended—

(1) in paragraph (1), by adding at the end the following: ''For the 2007–2008 academic year, the Secretary shall revise the tables in accordance with this paragraph, except that the Secretary shall increase the amounts contained in the table in section 477(b)(4) by a percentage equal to the greater of the estimated percentage increase in the Consumer Price Index (as determined under the preceding sentence) or 5 percent.''; and

(2) in paragraph (2)—

(A) by striking ''2000–2001'' and inserting ''2007–2008''; and

(B) by striking ''1999'' and inserting ''2006''.

(e) EMPLOYMENT EXPENSE ALLOWANCE.—Section 478(h) (20 U.S.C. 1087rr(h)) is amended—

(1) by striking ''476(b)(4)(B),''; and

(2) by striking ''meals away from home, apparel and upkeep, transportation, and housekeeping services'' and inserting ''food away from home, apparel, transportation, and household furnishings and operations''.

SEC. 8018. SIMPLIFIED NEED TEST AND AUTOMATIC ZERO IMPROVEMENTS.

(a) AMENDMENTS.—Section 479 (20 U.S.C. 1087ss) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking clause (i) and inserting the following:

''(i) the student's parents—

''(I) file, or are eligible to file, a form described in paragraph (3);

''(II) certify that the parents are not required to file a Federal income tax return; or

''(III) received, or the student received, benefits at some time during the previous 12-month period under a means-tested Federal benefit program as defined under subsection (d); and''; and

(ii) in subparagraph (B), by striking clause (i) and inserting the following:

''(i) the student (and the student's spouse, if any)—

''(I) files, or is eligible to file, a form described in paragraph (3);

''(II) certifies that the student (and the student's spouse, if any) is not required to file a Federal income tax return; or

''(III) received benefits at some time during the previous 12-month period under a means-tested Federal benefit program as defined under subsection (d); and''; and

(B) in the matter preceding subparagraph (A) of paragraph (3), by striking ''A student or family files a form described in this subsection, or subsection (c), as the case maybe, if the student or family, respectively, files'' and inserting ''In the case of an independent student, the student, or in the case of a dependent student, the family, files a form described in this subsection, or subsection (c), as the case may be, if the student or family, as appropriate, files'';

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by striking subparagraph (A) and inserting the following:

''(A) the student's parents—

''(i) file, or are eligible to file, a form described in subsection (b)(3);

''(ii) certify that the parents are not required to file a Federal income tax return; or

''(iii) received, or the student received, benefits at some time during the previous 12-month period under a means-tested Federal benefit program as defined under subsection (d); and''; and

(ii) by striking subparagraph (B) and inserting the following:

''(B) the sum of the adjusted gross income of the parents is less than or equal to $20,000; or''; and

(B) in paragraph (2)—

(i) by striking subparagraph (A) and inserting the following:

''(A) the student (and the student's spouse, if any)—

''(i) files, or is eligible to file, a form described in subsection (b)(3);

''(ii) certifies that the student (and the student's spouse, if any) is not required to file a Federal income tax return; or

''(iii) received benefits at some time during the previous 12-month period under a means-tested Federal benefit program as defined under subsection (d); and''; and

(ii) by striking subparagraph (B) and inserting the following:

''(B) the sum of the adjusted gross income of the student and spouse (if appropriate) is less than or equal to $20,000.''; and

(3) by adding at the end the following:

''(d) DEFINITION OF MEANS-TESTED FEDERAL BENEFIT PROGRAM.—In this section, the term 'means-tested Federal benefit program' means a mandatory spending program of the Federal Government, other than a program under this title, in which eligibility for the program's benefits, or the amount of such benefits, are determined on the basis of income or resources of the individual or family seeking the benefit, and may include such programs as—

''(1) the supplemental security income program under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.);

''(2) the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

''(3) the free and reduced price school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.);

''(4) the program of block grants for States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

''(5) the special supplemental nutrition program for women, infants, and children established by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786); and

''(6) other programs identified by the Secretary.''.

(b) EVALUATION OF SIMPLIFIED NEEDS TEST.—

(1) ELIGIBILITY GUIDELINES.—The Secretary of Education shall regularly evaluate the impact of the eligibility guidelines in subsections (b)(1)(A)(i), (b)(1)(B)(i), (c)(1)(A), and (c)(2)(A) of section 479 of the Higher Education Act of 1965 (20 U.S.C. 1087ss(b)(1)(A)(i), (b)(1)(B)(i), (c)(1)(A), and (c)(2)(A)).

(2) MEANS-TESTED FEDERAL BENEFIT PROGRAM.—For each 3-year period, the Secretary of Education shall evaluate the impact of including the receipt of benefits by a student or parent under a means-tested Federal benefit program (as defined in section 479(d) of the Higher Education Act of 1965 (20 U.S.C. 1087ss(d)) as a factor in determining eligibility under subsections (b) and (c) of section 479 of the Higher Education Act of 1965 (20 U.S.C. 1087ss(b) and (c)).

SEC. 8019. ADDITIONAL NEED ANALYSIS AMENDMENTS.

(a) TREATING ACTIVE DUTY MEMBERS OF THE ARMED FORCES AS INDEPENDENT STUDENTS.—Section 480(d)(3) (20 U.S.C. 1087vv(d)(3)) is amended by inserting before the semicolon at the end the following: ''or is currently serving on active duty in the Armed Forces for other than training purposes''.

(b) DEFINITION OF ASSETS.—Section 480(f)(1) (20 U.S.C. 1087vv(f)(1)) is amended by inserting ''qualified education benefits (except as provided in paragraph (3)),'' after ''tax shelters,''.

(c) TREATMENT OF FAMILY OWNERSHIP OF SMALL BUSINESSES.—Section 480(f)(2) (20 U.S.C. 1087vv(f)(2)) is amended—

(1) in subparagraph (A), by striking ''or'';

(2) in subparagraph (B), by striking the period at the end and inserting ''; or''; and

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

''(C) a small business with not more than 100 full-time or full-time equivalent employees (or any part of such a small business) that is owned and controlled by the family.''.

(d) ADDITIONAL DEFINITIONS.—Section 480(f) is further amended by adding at the end the following new paragraphs:

''(3) A qualified education benefit shall not be considered an asset of a student for purposes of section 475.

''(4) In determining the value of assets in a determination of need under this title (other than for subpart 4 of part A), the value of a qualified education benefit shall be—

''(A) the refund value of any tuition credits or certificates purchased under a qualified education benefit; and

''(B) in the case of a program in which contributions are made to an account that is established for the purpose of meeting the qualified higher education expenses of the designated beneficiary of the account, the current balance of such account.

''(5) In this subsection:

''(A) The term 'qualified education benefit' means—

''(i) a qualified tuition program (as defined in section 529(b)(1)(A) of the Internal Revenue Code of 1986) or other prepaid tuition plan offered by a State; and

''(ii) a Coverdell education savings account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986).

''(B) The term 'qualified higher education expenses' has the meaning given the term in section 529(e) of the Internal Revenue Code of 1986.''.

(e) DESIGNATED ASSISTANCE.—Section 480(j) (20 U.S.C. 1087vv(j)) is amended—

(1) in the subsection heading, by striking ''; TUITION PREPAYMENT PLANS'';

(2) by striking paragraph (2);

(3) by redesignating paragraph (3) as paragraph (2); and

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

''(3) Notwithstanding paragraph (1) and section 472, assistance not received under this title may be excluded from both estimated financial assistance and cost of attendance, if that assistance is provided by a State and is designated by such State to offset a specific component of the cost of attendance. If that assistance is excluded from either estimated financial assistance or cost of attendance, it shall be excluded from both.''.

SEC. 8020. GENERAL PROVISIONS.

(a) ACADEMIC YEAR.—Paragraph (2) of section 481(a) (20 U.S.C. 1088(a)) is amended to read as follows:

''(2)(A) For the purpose of any program under this title, the term 'academic year' shall—

''(i) require a minimum of 30 weeks of instructional time for a course of study that measures its program length in credit hours; or

''(ii) require a minimum of 26 weeks of instructional time for a course of study that measures its program length in clock hours; and

''(iii) require an undergraduate course of study to contain an amount of instructional time whereby a full-time student is expected to complete at least—

''(I) 24 semester or trimester hours or 36 quarter credit hours in a course of study that measures its program length in credit hours; or

''(II) 900 clock hours in a course of study that measures its program length in clock hours.

''(B) The Secretary may reduce such minimum of 30 weeks to not less than 26 weeks for good cause, as determined by the Secretary on a case-by-case basis, in the case of an institution of higher education that provides a 2-year or 4-year program of instruction for which the institution awards an associate or baccalaureate degree.''.

(b) DISTANCE EDUCATION: ELIGIBLE PROGRAM.—Section 481(b) (20 U.S.C. 1088(b)) is

amended by adding at the end the following new paragraphs:

''(3) An otherwise eligible program that is offered in whole or in part through telecommunications is eligible for the purposes of this title if the program is offered by an institution, other than a foreign institution, that has been evaluated and determined (before or after the date of enactment of the Higher Education Reconciliation Act of 2005) to have the capability to effectively deliver distance education programs by an accrediting agency or association that—

''(A) is recognized by the Secretary under subpart 2 of part H; and

''(B) has evaluation of distance education programs within the scope of its recognition, as described in section 496(n)(3).

''(4) For purposes of this title, the term 'eligible program' includes an instructional program that, in lieu of credit hours or clock hours as the measure of student learning, utilizes direct assessment of student learning, or recognizes the direct assessment of student learning by others, if such assessment is consistent with the accreditation of the institution or program utilizing the results of the assessment. In the case of a program being determined eligible for the first time under this paragraph, such determination shall be made by the Secretary before such program is considered to be an eligible program.''.

(c) CORRESPONDENCE COURSES.—Section 484(l)(1) (20 U.S.C. 1091(l)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking ''for a program of study of 1 year or longer''; and

(B) by striking ''unless the total'' and all that follows through ''courses at the institution''; and

(2) by amending subparagraph (B) to read as follows:

''(B) EXCEPTION.—Subparagraph (A) shall not apply to an institution or school described in section 3(3)(C) of the Carl D. Perkins Vocational and Technical Education Act of 1998.''.

SEC. 8021. STUDENT ELIGIBILITY.

(a) FRAUD: REPAYMENT REQUIRED.—Section 484(a) (20 U.S.C. 1091(a)) is amended—

(1) by striking the period at the end of paragraph (5) and inserting ''; and''; and

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

''(6) if the student has been convicted of, or has pled nolo contendere or guilty to, a crime involving fraud in obtaining funds under this title, have completed the repayment of such funds to the Secretary, or to the holder in the case of a loan under this title obtained by fraud.''.

(b) VERIFICATION OF INCOME DATE.—Paragraph (1) of section 484(q) (20 U.S.C. 1091(q)) is amended to read as follows:

''(1) CONFIRMATION WITH IRS.—The Secretary of Education, in cooperation with the Secretary of the Treasury, is authorized to confirm with the Internal Revenue Service the information specified in section 6103(l)(13) of the Internal Revenue Code of 1986 reported by applicants (including parents) under this title on their Federal income tax returns for the purpose of verifying the information reported by applicants on student financial aid applications.''.

(c) SUSPENSION OF ELIGIBILITY FOR DRUG OFFENSES.—Section 484(r)(1) (20 U.S.C. 1091(r)(1)) is amended by striking everything preceding the table and inserting the following:

''(1) IN GENERAL.—A student who is convicted of any offense under any Federal or State law involving the possession or sale of a controlled substance for conduct that occurred during a period of enrollment for which the student was receiving any grant, loan, or work assistance under this title shall not be eligible to receive any grant, loan, or work assistance under this title from the date of that conviction for the period of time specified in the following table:''.

SEC. 8022. INSTITUTIONAL REFUNDS.

Section 484B (20 U.S.C. 1091b) is amended—

(1) in the matter preceding clause (i) of subsection (a)(2)(A), by striking ''a leave of'' and inserting ''1 or more leaves of'';

(2) in subsection (a)(3)(B)(ii), by inserting ''(as determined in accordance with subsection (d))'' after ''student has completed'';

(3) in subsection (a)(3)(C)(i), by striking ''grant or loan assistance under this title'' and inserting ''grant assistance under subparts 1 and 3 of part A, or loan assistance under parts B, D, and E,'';

(4) in subsection (a)(4), by amending subparagraph (A) to read as follows:

''(A) IN GENERAL.—After determining the eligibility of the student for a late disbursement or post-withdrawal disbursement (as required in regulations prescribed by the Secretary), the institution of higher education shall contact the borrower and obtain confirmation that the loan funds are still required by the borrower. In making such contact, the institution shall explain to the borrower the borrower's obligation to repay the funds following any such disbursement. The institution shall document in the borrower's file the result of such contact and the final determination made concerning such disbursement.'';

(5) in subsection (b)(1), by inserting ''not later than 45 days from the determination of withdrawal'' after ''return'';

(6) in subsection (b)(2), by amending subparagraph (C) to read as follows:

''(C) GRANT OVERPAYMENT REQUIREMENTS.—

''(i) IN GENERAL.—Notwithstanding subparagraphs (A) and (B), a student shall only be required to return grant assistance in the amount (if any) by which—

''(I) the amount to be returned by the student (as determined under subparagraphs (A) and (B)), exceeds

''(II) 50 percent of the total grant assistance received by the student under this title for the payment period or period of enrollment.

''(ii) MINIMUM.—A student shall not be required to return amounts of $50 or less.'';

(7) in subsection (d), by striking ''(a)(3)(B)(i)'' and inserting ''(a)(3)(B)''; and

(8) in subsection (d)(2), by striking ''clock hours—'' and all that follows through the period and inserting ''clock hours scheduled to be completed by the student in that period as of the day the student withdrew.''.

SEC. 8023. COLLEGE ACCESS INITIATIVE.

Part G is further amended by inserting after section 485C (20 U.S.C. 1092c) the following new section:

''SEC. 485D. COLLEGE ACCESS INITIATIVE.

''(a) STATE-BY-STATE INFORMATION.—The Secretary shall direct each guaranty agency with which the Secretary has an agreement under section 428(c) to provide to the Secretary the information necessary for the development of Internet web links and access for students and families to a comprehensive listing of the postsecondary education opportunities, programs, publications, Internet web sites, and other services available in the States for which such agency serves as the designated guarantor.

''(b) GUARANTY AGENCY ACTIVITIES.—

''(1) PLAN AND ACTIVITY REQUIRED.—Each guaranty agency with which the Secretary has an agreement under section 428(c) shall develop a plan, and undertake the activity necessary, to gather the information required under subsection (a) and to make such information available to the public and to the Secretary in a form and manner as prescribed by the Secretary.

''(2) ACTIVITIES.—Each guaranty agency shall undertake such activities as are necessary to promote access to postsecondary education for students through providing information on college planning, career preparation, and paying for college. The guaranty agency shall publicize such information and coordinate such activities with other entities that either provide or distribute such information in the States for which such guaranty agency serves as the designated guarantor.

''(3) FUNDING.—The activities required by this section may be funded from the guaranty agency's Operating Fund established pursuant to section 422B and, to the extent funds remain, from earnings on the restricted account established pursuant to section 422(h)(4).

''(4) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to require a guaranty agency to duplicate any efforts under way on the date of enactment of the Higher Education Reconciliation Act of 2005 that meet the requirements of this section.

''(c) ACCESS TO INFORMATION.—

''(1) SECRETARY'S RESPONSIBILITY.—The Secretary shall ensure the availability of the information provided, by the guaranty agencies in accordance with this section, to students, parents, and other interested individuals, through Internet web links or other methods prescribed by the Secretary.

''(2) GUARANTY AGENCY RESPONSIBILITY.—The guaranty agencies shall ensure that the information required by this section is available without charge in printed format for students and parents requesting such information.

''(3) PUBLICITY.—Not later than 270 days after the date of enactment of the Higher Education Reconciliation Act of 2005, the Secretary and guaranty agencies shall publicize the availability of the information required by this section, with special emphasis on ensuring that populations that are traditionally underrepresented in postsecondary education are made aware of the availability of such information.''.

SEC. 8024. WAGE GARNISHMENT REQUIREMENT.

Section 488A(a)(1) (20 U.S.C. 1095a(a)(1)) is amended by striking ''10 percent'' and inserting ''15 percent''.

Subtitle B—Pensions

SEC. 8201. INCREASES IN PBGC PREMIUMS.

(a) FLAT-RATE PREMIUMS.—

(1) SINGLE-EMPLOYER PLANS.—

(A) IN GENERAL.—Clause (i) of section 4006(a)(3)(A) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(A)) is amended by striking ''$19'' and inserting ''$30''.

(B) ADJUSTMENT FOR INFLATION.—Section 4006(a)(3) of such Act (29 U.S.C. 1306(a)(3)) is amended by adding at the end the following new subparagraph:

''(F) For each plan year beginning in a calendar year after 2006, there shall be substituted for the premium rate specified in clause (i) of subparagraph (A) an amount equal to the greater of—

''(i) the product derived by multiplying the premium rate specified in clause (i) of subparagraph (A) by the ratio of—

''(I) the national average wage index (as defined in section 209(k)(1) of the Social Security Act) for the first of the 2 calendar years preceding the calendar year in which such plan year begins, to

''(II) the national average wage index (as so defined) for 2004; and

''(ii) the premium rate in effect under clause (i) of subparagraph (A) for plan years beginning in the preceding calendar year.

If the amount determined under this subparagraph is not a multiple of $1, such product shall be rounded to the nearest multiple of $1.''.

(2) MULTIEMPLOYER PLANS.—

(A) IN GENERAL.—Section 4006(a)(3)(A) of such Act (29 U.S.C. 1306(a)(3)(A)) is amended—

(i) in clause (iii)—

(I) by inserting ''and before January 1, 2006,'' after ''Act of 1980,''; and

(II) by striking the period at the end and inserting '', or''; and

(ii) by adding at the end the following:

''(iv) in the case of a multiemployer plan, for plan years beginning after December 31, 2005, $8.00 for each individual who is a participant in such plan during the applicable plan year.''.

(B) ADJUSTMENT FOR INFLATION.—Section 4006(a)(3) of such Act (29 U.S.C. 1306(a)(3)), as amended by this subsection, is amended by adding at the end the following new subparagraph:

''(G) For each plan year beginning in a calendar year after 2006, there shall be substituted for the premium rate specified in clause (iv) of subparagraph (A) an amount equal to the greater of—

''(i) the product derived by multiplying the premium rate specified in clause (iv) of subparagraph (A) by the ratio of—

''(I) the national average wage index (as defined in section 209(k)(1) of the Social Security Act) for the first of the 2 calendar years preceding the calendar year in which such plan year begins, to

''(II) the national average wage index (as so defined) for 2004; and

''(ii) the premium rate in effect under clause (iv) of subparagraph (A) for plan years beginning in the preceding calendar year.

If the amount determined under this subparagraph is not a multiple of $1, such product shall be rounded to the nearest multiple of $1.''.

(b) PREMIUM RATE FOR CERTAIN TERMINATED SINGLE-EMPLOYER PLANS.—Subsection (a) of section 4006 of such Act (29 U.S.C. 1306) is amended by adding at the end the following:

''(7) PREMIUM RATE FOR CERTAIN TERMINATED SINGLE-EMPLOYER PLANS.—

''(A) IN GENERAL.—If there is a termination of a single-employer plan under clause (ii) or (iii) of section 4041(c)(2)(B) or section 4042, there shall be payable to the corporation, with respect to each applicable 12-month period, a premium at a rate equal to $1,250 multiplied by the number of individuals who were participants in the plan immediately before the termination date. Such premium shall be in addition to any other premium under this section.

''(B) SPECIAL RULE FOR PLANS TERMINATED IN BANKRUPTCY REORGANIZATION.—In the case of a single-employer plan terminated under section 4041(c)(2)(B)(ii) or under section 4042 during pendency of any bankruptcy reorganization proceeding under chapter 11 of title 11, United States Code, or under any similar law of a State or a political subdivision of a State (or a case described in section 4041(c)(2)(B)(i) filed by or against such person has been converted, as of such date, to such a case in which reorganization is sought), subparagraph (A) shall not apply to such plan until the date of the discharge or dismissal of such person in such case.

''(C) APPLICABLE 12-MONTH PERIOD.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—The term 'applicable 12-month period' means—

''(I) the 12-month period beginning with the first month following the month in which the termination date occurs, and

''(II) each of the first two 12-month periods immediately following the period described in subclause (I).

''(ii) PLANS TERMINATED IN BANKRUPTCY REORGANIZATION.—In any case in which the requirements of subparagraph (B)(i)(I) are met in connection with the termination of the plan with respect to 1 or more persons described in such subparagraph, the 12-month period described in clause (i)(I) shall be the 12-month period beginning with the first month following the month which includes the earliest date as of which each such person is discharged or dismissed in the case described in such clause in connection with such person.

''(D) COORDINATION WITH SECTION 4007.—

''(i) Notwithstanding section 4007—

''(I) premiums under this paragraph shall be due within 30 days after the beginning of any applicable 12-month period, and

''(II) the designated payor shall be the person who is the contributing sponsor as of immediately before the termination date.

''(ii) The fifth sentence of section 4007(a) shall not apply in connection with premiums determined under this paragraph.

''(E) TERMINATION.—Subparagraph (A) shall not apply with respect to any plan terminated after December 31, 2010.''.

(c) CONFORMING AMENDMENT.—Section 4006(a)(3)(B) of such Act (29 U.S.C. 1306(a)(3)(B)) is amended by striking ''subparagraph (A)(iii)'' and inserting ''clause (iii) or (iv) of subparagraph (A)''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to plan years beginning after December 31, 2005.

(2) PREMIUM RATE FOR CERTAIN TERMINATED SINGLE-EMPLOYER PLANS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendment made by subsection (b) shall apply to plans terminated after December 31, 2005.

(B) SPECIAL RULE FOR PLANS TERMINATED IN BANKRUPTCY.—The amendment made by subsection (b) shall not apply to a termination of a single-employer plan that is terminated during the pendency of any bankruptcy reorganization proceeding under chapter 11 of title 11, United States Code (or under any similar law of a State or political subdivision of a State), if the proceeding is pursuant to a bankruptcy filing occurring before October 18, 2005.

TITLE IX—LIHEAP PROVISIONS

SEC. 9001. FUNDING AVAILABILITY.

(a) IN GENERAL.—In addition to amounts otherwise made available, there are appropriated, out of any money in the Treasury not otherwise appropriated, to the Secretary of Health and Human Services for a 1-time only obligation and expenditure—

(1) $250,000,000 for fiscal year 2007 for allocation under section 2604(a) through (d) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8623(a) through (d)); and

(2) $750,000,000 for fiscal year 2007 for allocation under section 2604(e) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8623(e)).

(b) SUNSET.—The provisions of this section shall terminate, be null and void, and have no force and effect whatsoever after September 30, 2007. No monies provided for under this section shall be available after such date.

TITLE X—JUDICIARY RELATED PROVISIONS

Subtitle A—Civil Filing Adjustments

SEC. 10001. CIVIL CASE FILING FEE INCREASES.

(a) CIVIL ACTIONS FILED IN DISTRICT COURTS.—Section 1914(a) of title 28, United States Code, is amended by striking ''$250'' and inserting ''$350''.

(b) APPEALS FILED IN COURTS OF APPEALS.—The $250 fee for docketing a case on appeal or review, or docketing any other proceeding, in a court of appeals, as prescribed by the Judicial Conference, effective as of January 1, 2005, under section 1913 of title 28, United States Code, shall be increased to $450.

(c) EXPENDITURE LIMITATION.—Incremental amounts collected by reason of the enactment of this section shall be deposited in a special fund in the Treasury to be established after the enactment of this Act. Such amounts shall be available for the purposes specified in section 1931(a) of title 28, United States Code, but only to the extent specifically appropriated by an Act of Congress enacted after the enactment of this Act.

(d) EFFECTIVE DATE.—This section and the amendment made by this section shall take effect 60 days after the date of the enactment of this Act.

Subtitle B—Bankruptcy Fees

SEC. 11101. BANKRUPTCY FEES.

(a) BANKRUPTCY FILING FEES.—Section 1930(a) of title 28, United States Code, is amended—

(1) in paragraph (1)—

(A) in subparagraph (A) by striking ''$220'' and inserting ''$245''; and

(B) in subparagraph (B) by striking ''$150'' and inserting ''$235''; and

(2) in paragraph (2) by striking ''$1,000'' and inserting ''$2,750''.

(b) EXPENDITURE LIMITATION.—Incremental amounts collected by reason of the amendments made by subsection (a) shall be deposited in a special fund in the Treasury to be established after the enactment of this Act. Such amounts shall be available for the purposes specified in section 1931(a) of title 28, United States Code, but only to the extent specifically appropriated by an Act of Congress enacted after the enactment of this Act.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect 60 days after the date of the enactment of this Act.

VACATING ORDERING OF YEAS AND NAYS ON H.R. 4659, USA PATRIOT ACT 5-WEEK EXTENSION

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the ordering of the yeas and nays on H.R. 4659 be vacated to the end that the Chair put the question de novo.

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

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 4659.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

RESIGNATION AS CHAIRMAN AND ELECTION AS CHAIRMAN OF COMMITTEE ON HOUSE ADMINISTRATION

The SPEAKER pro tempore laid before the House the following resignation as chairman of the Committee on House Administration:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES, COMMITTEE ON HOUSE ADMINISTRATION,
Washington, DC, January 17, 2006.

Hon. J. DENNIS HASTERT,
Speaker of the House of Representatives, the Capitol, Washington, DC.

DEAR MR. SPEAKER: It has been an honor and a privilege to serve you and the House as Chairman of the Committee on House Administration for the past five years. I am grateful to you for the opportunity you gave me to serve in this position, and am very proud of my record of service.

Over the course of the past year, there have been numerous reports questioning the propriety of certain actions I have taken. I assure you that I have done absolutely nothing wrong, and I am convinced this truth will ultimately be shown and the accusations made against me will be proven groundless.

However, it has become clear to me that the allegations surrounding me and ensuing investigations have become a distraction within the Committee and our Conference. Therefore to preserve the integrity of the Committee on House Administration, I regret to inform you that I have decided to step down from the Chair at this time. My love and respect for this institution and the

Committee is too great for me to allow this distraction to interfere with our ability to get our important work done.

Our Conference has important issues to address for the American people in the upcoming year. I will continue to support the ideals of this party and country and assist you in any way I can as we move forward on our agenda. Once the allegations that have been made against me have been shown to be false, I look forward to resuming the Chair for the rest of my appointed term and continuing the important work of the Committee.

Sincerely,

BOB NEY.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

Ms. PRYCE of Ohio. Mr. Speaker, I offer a resolution (H. Res. 664) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 664

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

Committee on House Administration: Mr. Ehlers, Chairman.

Resolved, That the following named Member be, and that he hereby is, ranked as follows on the following standing committee of the House of Representatives:

Committee on House Administration: Mr. Ney, after Mr. Ehlers.

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1715

PROVIDING FOR AN ADJOURNMENT OF THE HOUSE

Ms. PRYCE of Ohio. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 332) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 332

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Wednesday, February 1, 2006, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned until 2 p.m. on Tuesday, February 7, 2006, or until the time of any reassembly pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the House adjourns on the legislative day of Wednesday, February 8, 2006, or Thursday, February 9, 2006, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned until 2 p.m. on Tuesday, February 14, 2006, or until the time of any reassembly pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker or his designee, after consultation with the Minority Leader, shall notify the Members of the House to reassemble at such place and time as he may designate if, in his opinion, the public interest shall warrant it.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

CONDITIONAL ADJOURNMENT TO FRIDAY, FEBRUARY 3, 2006

Ms. PRYCE of Ohio. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 2 p.m. on Friday, February 3, 2006, unless it sooner has received a message from the Senate transmitting its concurrence in House Concurrent Resolution 332, in which case the House shall stand adjourned pursuant to that concurrent resolution.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Ms. PRYCE of Ohio. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

APPOINTMENT OF HONORABLE MAC THORNBERRY AND HONORABLE TOM DAVIS TO ACT AS SPEAKER PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS THROUGH FEBRUARY 7, 2006

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

HOUSE OF REPRESENTATIVES,
Washington, DC, February 1, 2006.

I hereby appoint the Honorable MAC THORNBERRY and the Honorable TOM DAVIS to act as Speaker pro tempore to sign enrolled bills and joint resolutions through February 7, 2006.

J. DENNIS HASTERT
Speaker of the House of Representatives.

Without objection, the appointment is approved.

There was no objection.

HONORING THE LIFE AND ACCOMPLISHMENTS OF MRS. CORETTA SCOTT KING

The SPEAKER pro tempore. Pursuant to the order of the House of Tuesday, January 31, 2006, proceedings will now resume on the resolution (H. Res. 655) honoring the life and accomplishments of Mrs. Coretta Scott King and her contributions as a leader in the struggle for civil rights, and expressing condolences to the King family on her passing.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. When proceedings were postponed on that day, 3½ minutes of debate remained on the resolution. The gentleman from Wisconsin (Mr. SENSENBRENNER) had 3½ minutes remaining, and the gentleman from Michigan (Mr. CONYERS) had no time remaining.

The Chair recognizes the gentleman from Wisconsin.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the time for debate on the pending resolution be enlarged by 30 minutes, equally divided between myself and the gentleman from Michigan (Mr. CONYERS).

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

There was no objection.

The SPEAKER pro tempore. The gentleman from Wisconsin will have 18½ minutes, and the gentleman from Michigan will have 15 minutes.

Mr. SENSENBRENNER. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Speaker, I thank the gentleman for yielding me this time. I want to rise to say that I served with Coretta Scott King on the Federal Holiday Commission. She was the chair and I was vice-chair at her request. She did a wonderful job of carrying on the message of Dr. King. She traveled widely and was highly respected in her efforts to take the message across America and the world.

The fact that 50 States now acknowledge the Federal King holiday is in part out of respect for her leadership on the Federal Holiday Commission. The Commission was designed to achieve that. In addition, many communities across the country have celebrations of the King holiday and the life of Martin Luther King and bring to college students, to high school, and grade school students the story of how he impacted our Nation's future and our society. This happened because of her leadership as chairman of the Federal Holiday Commission.

She truly was a remarkable woman. She deserves enormous credit for carrying on the legacy of Dr. King and taking this message to America. I just have to say that she did this with great humility, with great understanding, and great ability to persuade those that she came in contact with, with groups and leaders across the Nation, of the importance of the King message.

Her life is something that we should all respect and cherish as part of the American scene. I think she deserves enormous credit for what she accomplished as chairman of the Holiday Commission. She made happen what the intent of Congress was in passing the holiday language, that the message be taken to the States and to the people of the Nation. Many of these celebrations are as a result of her efforts. A truly great woman. A great individual.

She has been recognized by many groups and well deserved all of the accolades that she has received. Her death is a great loss to our Nation; but her life was a great strength for our

Nation, and we are all indebted to her for the leadership she provided.

Mr. CONYERS. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from California (Mr. SCHIFF), a distinguished member of the Judiciary Committee.

And I would like to thank the chairman of the Judiciary Committee (Mr. SENSENBRENNER) for accommodating us with the extra time that we have here this evening for the Coretta Scott King resolution.

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

Mr. SCHIFF. Mr. Speaker, I rise today to honor the life of Mrs. Coretta Scott King, a civil rights icon. Raised on a small farm in Alabama, Coretta Scott found her way to Boston where she met Martin Luther King, Jr. The two married and moved to Montgomery, Alabama, where Dr. King became the seminal figure of the civil rights movement. Mrs. King joined her husband's pursuit of civil rights by serving as an equal partner in Dr. King's tireless efforts to pursue justice, equality, and peace.

Mrs. King recalled that after her husband's tragic assassination she felt compelled to rededicate herself to the completion of his work. Indeed, Coretta Scott King became an ardent activist in the struggle against injustice, fighting to achieve Dr. King's unfulfilled dreams.

Two years ago, I joined a civil rights pilgrimage to Alabama, and it was a remarkable experience. Led by Congressman JOHN LEWIS, a number of our colleagues visited many of the sites of the civil rights struggles, including the Kings' Dexter Avenue church. We relived the experiences of those that led the movement, saw the incredible events of that time through their eyes, and it was an unforgettable experience.

Those of us who were too young to remember well the civil rights movement continue to ask ourselves what would we have done. Would we have stood up? Would we have questioned those in power? Would we have demanded equality and justice? Or would we, like so many Americans, have remained indifferent?

The best answer we can find to that question of what we would have done is answered by asking what are we doing now to advance the cause of justice and equality. In 1960s Alabama, the Kings battled overt bigotry. Today, we arm ourselves against silent intolerance.

While we look to our past and consider how far we have come, we must keep an eye towards the future, knowing that the movement is not over and that each one of us must continue to dedicate ourselves to pursuing an America with equal opportunity for all.

Mr. CONYERS. Mr. Speaker, I am pleased now to yield 2 minutes to the gentleman from New York (Mr. RANGEL), a dear friend of the honoree in this resolution, who had worked with Mrs. King for many years.

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

Mr. RANGEL. Mr. Speaker, I thank former chairman CONYERS for yielding me this time. It is really ironic that you would be on the Judiciary Committee during all of the years that it took to get the King holiday there; and also that, as a Member of Congress, you lived through the civil rights movement with the people that we have honored in the past and with Dr. Coretta King.

I think if we had to review where we are with Coretta King, it is that she wasn't that woman behind a successful man. She was truly a partner and a leader in her own right. Somehow she knew when to speak out and when just to leave it to Martin Luther King.

What I have found over the years is that she has such a personality and such a soothing voice; but, boy, I am telling you, if it dealt with a challenge against what is right, against inequality and injustice, this very soft spoken, beautiful woman knew how a civil rights leader is supposed to take risk and go to the mat.

□ 1730

When we lost Dr. King, how quickly she was able to pick up that torch and to give to this Nation the leadership that really turned us around from a Nation that was struggling with racism and even today continues in that fight for equality for all Americans.

Those of us that were able to march with Dr. Martin Luther King cannot think of a time when she was not there marching with him. Any pictures from the past, Coretta Scott King was there.

How often we work with these people as though they are mere mortals, only to find out when they are gone how deep that vacuum has been made by their loss. For all of the groups that Coretta Scott King has provided the leadership for, we hope since we cannot replace Coretta King, that all of us have in us some type, some quality of the conviction and the courage that Dr. King and his beautiful wife had. And collectively, if all of us can say this is not a struggle for the King family or a civil rights leader, but a struggle for this great country, I think we can move forward.

Mr. RANGEL. Mr. Speaker, I rise today to honor the life and legacy of Mrs. Coretta Scott King and to add my support to H. Res. 655 honoring the life of this extraordinary woman. As much as we loved and respected Mrs. King, her family has suffered an even greater loss. To the King children—Yolanda, Martin III, Dexter, and Bernice, know that you have our deepest heartfelt sympathy.

Hailed as the 'First Lady of the Civil Rights Movement', Coretta Scott King had to endure injustices at an early age. Born in Heiberger, Alabama and raised on the farm of her parents Bernice McMurry Scott, and Obadiah Scott, she was exposed at an early age to the injustices of life in a segregated society. She walked five miles a day to attend the one-room Crossroad School in Marion, Alabama, while the White students rode buses to an all-White school closer by. Yet through it all, young Coretta excelled at her studies, particularly music, and was valedictorian of her graduating class at Lincoln High School.

She graduated in 1945 and received a scholarship to Antioch College in Yellow Springs, Ohio. As an undergraduate, she took an active interest in the emerging civil rights movement; and joined the Antioch chapter of the NAACP, as well as the college's Race Relations and Civil Liberties Committees.

Her life would be forever changed when she met a young theology student, Martin Luther King, Jr. They were married on June 18, 1953, in a ceremony conducted by King's father, the Rev. Martin Luther King, Sr.

Coretta Scott King was very supportive to her husband during the most turbulent days of the American civil rights movement. After his assassination in Memphis, Tennessee, on April 4, 1968, she kept his dream alive while also raising their four children. In her own words, she was "more determined than ever that her husband's dream would become a reality."

For more than a decade, she worked tirelessly to have her husband's birthday observed as a national holiday. Her determination would payoff when it was first celebrated in 1986.

In 1969, she established the Martin Luther King Jr. Center for Nonviolent Social Change in Atlanta, dedicated both to scholarship and to activism.

With fierce determination and undying strength, Mrs. King worked to keep Dr. King's ideology of equality for all people at the forefront of people's minds. She picked up the baton when it was dropped by her husband's assassination and continued to move forward in the civil rights arena.

In her own words, "We must make our hearts instruments of peace and nonviolence, because when the heart is right, the mind and the body will follow."

She exemplified courage, strength, and a deep compassion for justice. Coretta Scott King will be remembered as one of America's greatest treasures and will be forever missed.

Mr. CONYERS. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. LEE), who has worked in the King venue even before she became a Member of Congress when she was a staffer and when she was a State senator in California.

Ms. LEE. Mr. Speaker, I want to thank the gentleman for yielding me this time and for his leadership and say to him what an honor it is to serve with him. Mr. CONYERS is truly an icon and someone for us all to follow.

It is with a deep sense of gratitude and yet a deep sense of sadness that I rise tonight to pay tribute to the late Coretta Scott King and offer my sincerest condolences and prayers to her family and friends.

Today we mourn the loss of an incredible woman, an American legacy. She joined her husband, the late Dr. Martin Luther King, Jr., on the front lines of the civil rights movement and made it her life's work to ensure that civil rights, a nonviolent struggle for justice, continued. You see, Mrs. King's marathon for justice and yes, for peace,

transcended race, gender and national boundaries.

Mrs. King was really an example for us all of us. I remember her leadership in fighting to end apartheid in South Africa and her determination to connect all of the dots of how social injustices affect us all.

As a congressional staffer to my predecessor Congressman Dellums, I remember the 15-year legislative battle, led by the great Congressman Mr. JOHN CONYERS to create a national holiday honoring Dr. King, but it took a grassroots national movement and Mrs. King's tireless advocacy to finally have this legislation enacted into law. That is when I first met this brilliant, beautiful woman.

Mrs. King was a role model for many women, including myself. On several occasions she reached out to me to offer her counsel, support and love. I will always remember her words of support and her comfort during some very challenging times for me. She hugged me, and would always tell me to stay the course, and she would say that is what Martin would want.

Several years ago I was invited to keynote the Martin Luther march and rally in Atlanta on Dr. King's birthday. Again, she encouraged me to remember Martin and his quest for peace through nonviolence as part of my work as a Member of Congress. I will deeply miss this great woman.

Mrs. King stood tall when many would have been overwhelmed. Imagine how she coped when her husband was arrested, beaten and wiretapped. She was an amazing woman, and we are going to miss her.

Mr. Speaker, my thoughts and prayers are with the King family this evening as we honor and as we celebrate the life of this great woman. Let us ensure that the flame of nonviolence and peace burns in her memory.

Mr. Speaker, I thank Mr. CONYERS for making sure that we have the opportunity to reflect on this great woman tonight.

Ms. LEE. Mr. Speaker, it is with a deep sense of sadness yet gratitude that I rise to pay tribute to the late Coretta Scott King, and offer my sincerest condolences and prayers to her family and friends.

Today, we mourn the loss of an incredible woman—an American legacy. She joined her husband, the late Dr. Martin Luther King, Jr., on the frontlines of the civil rights movement and made it her life's work to ensure that the civil rights and non-violent struggle for justice and peace continued.

You see Mrs. King's marathon for justice and peace transcended race, gender and national boundaries. Mrs. King was an example to us all; I remember her leadership in fighting to end apartheid in South Africa, and her determination to connect the dots of how social injustice affects us all.

As a congressional staffer to my predecessor Congressman Ronald V. Dellums, I remember well the 15-year legislative battle led by Congressman CONYERS to create a national holiday honoring Dr. King. It took a grassroots, national movement, and Mrs. King's tireless advocacy to finally have this legislation signed into law. That is when I first met this brilliant, beautiful woman.

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Several years ago, I was invited to keynote the MLK March and Rally in Atlanta on Dr. King's birthday. Again, Mrs. King encouraged me to remember Martin in his quest for peace through non-violence as part of my work as a Member of Congress. I will deeply miss this great woman.

As the head of the first family of the civil rights movement, Mrs. King always handled everything with a distinct style and grace. As a single-parent to their four children—Yolanda, Martin III, Dexter and Bernice, she raised and educated her children while keeping Dr. King's dream alive. What a woman.

Mrs. King stood tall when many would have been overwhelmed. Imagine how she coped with her husband being arrested, beaten and stabbed, her home being bombed, her phone ringing with hate calls at all times of the day and night. Imagine how she felt isolated and hunted by the very ones who swore to protect her family.

Mr. Speaker, I would like to read an excerpt from Mrs. King's autobiography, *My Life with Martin Luther King, Jr.*, just to give you a glimpse of how the King family persevered despite being under constant attack—by segregationists, by pro-war radicals, and even by her own government. She wrote:

". . . By 1965 we were sure that the FBI was tapping lines and was treating the Movement as if it were an alien enemy. We accepted that as part of the evil and injustice that come with leadership which challenges the status quo. We knew we did not deserve that treatment from our government. . . . We believed in our vows; we never became embittered or disillusioned; we held on to our faith. . . . We were not intimidated; we just realized that it was too much to try to take on an organization like that while maintaining our struggle for civil rights. How much farther we still had to go!" Mrs. King endured warrantless domestic spying.

In Northern California, many continue to look to Coretta Scott King as a beacon of dignity in the face of adversity. We are a cultural and ethnic mosaic and continue to strive to realize the goals of the Kings' dream—peace, equality, and freedom.

Today as we pay tribute to Mrs. King's legacy, we must never forget her sacrifices and contributions to protect the liberties and rights that so many of us take for granted. And we need to recommit ourselves to the goals and ideals that she envisioned and embodied.

Wars and rumors of wars permeate our existence. Many of our young people see violence as an option to solve their problems. Mrs. King's life was about non-violence, and those who mourn her loss should embrace her ideals of peace and non-violence. It is in times like these that we must recall the legacy of Mrs. King embodied in places like Oakland's Martin Luther King, Jr. Freedom Center which brings together our community to develop peaceful, nonviolent solutions to the challenges we all continue to face.

My thoughts and prayers are with the King family this evening as we honor and celebrate the life of this great woman. Let us ensure that the flame of nonviolence and peace burns in her memory.

Mr. CONYERS. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Mrs. CAPPS), who has worked tirelessly in the field of health care since she came to Congress.

Mrs. CAPPS. Mr. Speaker, I thank my colleague from Michigan for his leadership and for yielding me this time to speak.

The opportunity to speak in memory of Coretta Scott King and the importance today to acknowledge not only what she did for racial justice in this country and the rest of the world, but what she contributed to women's rights, to children's rights, gay and lesbian rights, religious freedom, the needs of the homeless and poor, full employment, health care, educational opportunities, and the continued unrelenting emphasis on nonviolence.

She was a mentor for me and so many of us. She did not take the easy path, she took the right path. The recent confirmation of two new Supreme Court justices reminds us of the importance of expanding our civil rights, not limiting them. We can do this in memory and honor of both Martin and Coretta, and it is their lives being dedicated to the highest values of human dignity and pushing for social change that stand as a pinnacle for what we want to continue to achieve.

I have fond memory of hearing with my husband when we were studying at Yale University early in the 1960s, hearing this young promising preacher from the South come and preach in Battelle Chapel. I was touched that day, and have been ever since.

Here we have also had the mentorship of our dear colleague, Mr. JOHN LEWIS, and in taking so many of us, me included, down to Birmingham, Selma and Montgomery, I will always remember walking across the Edmund Pettus Bridge, and of course 2 weeks later, Dr. Martin Luther King led 25,000 men, women and children on that unforgettable march from Selma to Montgomery. Within 3 years he was assassinated, and how that must have affected his young widow. She had the responsibility to raise those young children and be concerned with his legacy, but she became a champion in her own right.

I know that we now can fully appreciate what she has accomplished and are dedicated to continuing. In her words, I want to close with these three phrases that she said, "Be a drum major for justice. Be a drum major for love. Be a drum major for peace." Thank you, Coretta Scott King, for your life.

Mr. CONYERS. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Georgia (Mr. SCOTT), who has shown his interest in the ideals of Dr. King by joining the Committee on the Judiciary in connection with the

Voter Rights Act extension which is currently under debate.

Mr. SCOTT of Georgia. Mr. Speaker, I thank the gentleman for allowing me the opportunity not only to serve with him on the Voting Rights Act reaffirmation, but also for being able to be part of this extraordinary effort this evening on behalf of Mrs. King.

I am a proud Member of Atlanta, Georgia, a product of the civil rights movement, a product of the political movement, which says it all when you step up here and mention the name of Coretta Scott King.

I am very pleased to be able to stand here in the United States Congress and say that I am here because Coretta Scott King touched my life. In 1974, just out of college, the opportunity came for me to step into the political arena in a bid for the State House of Representatives, and at the time to be one of the youngest, but not the youngest, to be elected to that body. It was Coretta Scott King that invited me into Ebenezer to be her Youth Day speaker. Can you imagine what it meant to me to stand in that pulpit where Dr. King was? She gave me advice that sticks with me today. She gave me advice from a scripture that was so meaningful to me, that gave me the courage to step out and run for office, and that scripture was in the Book of Ephesians and Paul's letter where he said put on the whole arm of God so you will be able to stand in the evil day and having done all to stand.

That is what Coretta Scott King did for me, to give me the encouragement.

She was more than just Dr. Martin Luther King's wife, she was a leader in her own right. And in many measures perhaps when her legacy is truly written and truly examined, you will clearly see that God called her as he has called so many in our history of America and the world to come at the right time and the right place, as she established his foundation over the last quarter of a century and the national holiday. That was her legacy that gives us every year a chance to reflect on Dr. King and the establishment of the King Center.

God bless Coretta Scott King, and God, we thank You for sending Coretta Scott King our way.

Mr. CONYERS. Mr. Speaker, I yield 2 minutes to the gentleman from American Samoa (Mr. FALEOMAVAEGA), who has worked with us on civil rights issues both in this country and in other places in the world.

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

Mr. FALEOMAVAEGA. Mr. Speaker, I want to extend my appreciation and commendation to the distinguish gentleman who is the chairman of the Judiciary Committee, Mr. SENSENBRENNER, and my friend, Mr. CONYERS, the ranking member, for bringing this important resolution to our colleagues for our consideration.

I have mentioned you cannot mention the name Martin Luther King, Jr., without echoing the name of this great American woman, Coretta Scott King. In all of the years I have had the privilege of getting to understand and appreciate the tremendous contributions that our African American community has made to the greatness of our Nation, I think we cannot deny the fact that Martin Luther King, Jr., and all of the accomplishments and all of the things that he has done, and in my humble opinion when times are really bad and depressing and all the things the great leader has done, I can actually say that Coretta Scott King was the healer, the soother, the one that gave Martin Luther King, Jr., all the moral support that he needed in the afflictions he had to face in bringing down so many evils and the problems affecting the civil rights of our fellow Americans who just happened to be of African descent.

I once read somewhere that it was Leo Tolstoy and Mahatma Gandhi who advocated the principle of nonviolence, and it was from those writings that Martin Luther King, Jr., took the matter in the same way that Mahatma Gandhi did in India. How important it is that we conquer obstacles by usage of nonviolence and use pure love. I really, really appreciate the fact that we have this resolution to honor Mrs. King, and I urge my colleagues to pass this resolution. I also would like to express my severe sympathies and condolences to the members of the King family.

Mr. CONYERS. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DAVIS), a dear friend who was in the civil rights movement.

Mr. DAVIS of Illinois. Mr. Speaker, I want to thank the gentleman from Michigan for yielding. I could not let the moment go by without at least a comment.

During the mid-1960s, the King family moved into the neighborhood where I lived and worked. That is in the North Lawndale community on the west side of the City of Chicago in the 1500 block of South Hamlin. They brought with them an aura of excitement.

I was a young schoolteacher who taught not very far from the location, and my friend and I would leave school in the afternoon and come by the King house. It was really an apartment. Sometimes Dr. King would come out and just kind of talk with us for a moment or two. They often ate at a restaurant, Edna's Restaurant, and Mr. CONYERS may know it. They would bring to the restaurant a whole horde of people. Everybody would come and watch.

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And so on behalf of all of the people who lived in that community, I simply express condolences to the King family, but also express the great feeling of joy and inspiration that they brought to our community when they lived on the west side of Chicago during the mid-1960s as they came north with the northern crusade.

Mr. CONYERS. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. BUTTERFIELD) to close our discussion this evening.

The SPEAKER pro tempore (Mr. BOUSTANY). The gentleman has 1 minute remaining.

Mr. SENSENBRENNER. Mr. Speaker, I yield the gentleman from North Carolina an additional minute.

Mr. BUTTERFIELD. Thank you, Mr. Chairman, for yielding the additional minute. I am not sure I am going to be using all of that time, but thank you so much for your kindness.

To the ranking member of the committee, my friend from Michigan, Congressman JOHN CONYERS, thank you so very much for your leadership as well.

Mr. Speaker, I come to the floor this evening to recognize the life and work of Mrs. Coretta Scott King. The greatest contribution of this great American was her willingness to cheerfully share her husband with the world. On the day of her husband's assassination, April 4, 1968 Dr. King was due in my home community to lead a voter registration drive. But 2 days before the drive was scheduled to commence, he was diverted to Memphis, Tennessee; and that is where his life was ended. I went to his funeral in Atlanta, Georgia. In fact, the ranking member and I stayed in the same hotel there in Atlanta in 1968, and we have many memories of that week.

But I want to thank Dr. King and Mrs. King for the contributions that they have made to America. Dr. King would have been very proud of my home community. My congressional district in eastern North Carolina now has 302 African American elected officials, and the voter registration drive that Dr. King was scheduled to lead was designed to improve and increase the number of black elected officials. And so, on behalf of the First Congressional District of North Carolina, on behalf of the 660,000 people that I have the honor to represent, I extend my condolences to the King family. May God bless the memory of Coretta Scott King.

Mr. SENSENBRENNER. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. RUSH).

Mr. RUSH. Mr. Speaker, I want to thank the chairman of the committee for yielding his time to me, and I certainly want to thank the ranking member of this committee for all of his efforts on behalf of human rights and justice throughout not only this Nation but throughout the world. He has been an inspiration to us all.

Mr. Speaker, we lost an inspiration. We lost an icon. Mrs. Coretta Scott King was more than just the wife of Dr. Martin Luther King. She was, indeed, an incredible force in the movement for equality, for justice in her own right. And she was the strong spirit and character that certainly laid the foundation for many of us who are

present in this body tonight who serve in this Congress and in other elected offices throughout our Nation.

Mrs. King, as was indicated earlier, was born Coretta Scott on a farm in Heiberger, Perry County, Alabama to Obadiah and Bernice McNurry Scott. She graduated from the Lincoln Normal School in Marion, Alabama, at the top of her class before going to Antioch College in Yellow Springs, Ohio. After graduating from college, she moved to Boston, Massachusetts, where she was classically trained as a promising opera singer.

The story is well known about her meeting Dr. Martin Luther King, another student in Boston, and their unity that was ordained before the Lord. Mrs. King was a steadfast partner of Dr. King, and she shared in his sacrifice and also his hardships. It was not an easy life that they led. It was a very difficult life that they led. They raised four children. Mrs. King raised four children. It was very difficult for her to keep her family safe and united in the face of what would ordinarily be overwhelming anger, extreme violence, and deep-seated resentment. But for Mrs. King, her majestic poise and grace made her efforts seem to the rest of us almost seamless. And after the death of her husband, she continued on with his legacy of seeking justice, equality, and liberty for all citizens.

Leading marches, participating in protests and organizing civil rights groups, Mrs. King continued to struggle against racial injustice, economic inequality, military adventurism, hate crimes, and violence.

Mr. Speaker, this Nation owes Coretta Scott King an incredible debt. We owe the King family an incredible debt for the sacrifices that they made.

Mr. SENSENBRENNER. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. AL GREEN).

Mr. AL GREEN of Texas. Thank you, Mr. Chairman; and thank you, Mr. Ranking Member, for this opportunity.

Mr. Speaker, I consider it a singular privilege and a superlative pleasure to speak today in honor of Mrs. King.

Mr. Speaker, Dr. King expressed some of the great ideals of our time, ideals like injustice anywhere is a threat to justice everywhere. But it was Mrs. King who went to South Africa and, in a sense, made real that ideal by reminding the South Africans that apartheid was unacceptable, and causing many of us to understand that injustice in South Africa was a threat to justice in America.

Dr. King expressed the ideal that we should transform neighborhoods into brotherhoods; but it was Mrs. King who met with gang members and caused them to understand that it was their neighborhood and their brotherhood that was needed to cause these to be good neighborhoods.

Dr. King reminded us that life is an inescapable network of mutuality tied to a single garment of destiny, that whatever impacts one directly impacts all indirectly. But it was Mrs. King who went to Mrs. Mandela and who visited with her as her husband was on the eve of leaving prison because she understood that Nelson Mandela's suffering was indirectly impacting the suffering of all people in the world.

So I am honored today to honor the first lady of the civil rights movement, who has been said to have been a person with a gentle spirit, but with a will, a will of steel. And while she was the first lady, I think many of us will always see her as our queen. Thank you, Queen Mother King.

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

Mr. Speaker, during the last 2 days, the eulogies that have been given on behalf of Mrs. King hit the nail on the head. This was a woman who became a widow when her husband was tragically assassinated and had very young children, and she could have withdrawn from society and spent all of her time and all of her efforts raising those kids to become grown men and grown women.

She did more than that. She knew that it was her destiny to carry on her assassinated husband's legacy, and that is why we have heard such eloquent speeches on both sides of the aisle on behalf of this resolution which I was honored to introduce.

May God have mercy on the soul of Coretta Scott King, and may she join the angels and saints in paradise.

Mr. Speaker, I urge the adoption of this resolution.

Mr. PORTER. Mr. Speaker, on January 31, 2006, a woman of grace and dignity passed from this life to the next. Today, with the passage of House Resolution 655, we honor the life and legacy of Mrs. Coretta Scott King and her contributions as a leader in the Civil Rights struggle.

There are few whose life and example transform a nation. Dr. Martin Luther King was one of those few whose exemplary life gave the promise of hope and equality to every race and color of people. But the struggles he endured as a national leader were not suffered alone. By his side stood a woman of gentleness and grace who joined triumphantly in his victories and suffered greatly in his pain.

Mrs. King embraced the principles and themes of nonviolence that her husband fought to bring to the forefront of the American psyche. After Dr. King's death in 1968, it was Mrs. King who kept his work and legacy alive. Through her, Americans were challenged to remember the sacrifices that her husband made for nonviolence, peace and equality.

As a nation, we must embrace the challenges that Dr. King and Mrs. King laid before us. At the advent of African American history month, we must remember the struggles for freedom that slaves and abolitionists jointly fought for to achieve emancipation and we must remember the struggles for equality that the many African Americans and civil rights leaders sought to escape during the Jim Crow era.

Even as we work to advance freedom and democracy to the Iraqi people and the many oppressed men and women in the Middle East and throughout the world, we must not forget our own dark history of oppression and how it has shaped our united push for freedom. The realities of our past are a scar to our Nation, but a reminder of what we can overcome as a Nation united in a common cause. We must continue to work for freedom and opportunity for every American of every race, color, gender and ethnicity. We must do so for the posterity of our Nation and for the American people.

Mr. Speaker, I thank you and my colleagues for passing this resolution in honoring the life and legacy of a virtuous woman whose pearls of wisdom and dedication to truth, equality, and nonviolence are an example for us now and for generations to come.

Ms. CORRINE BROWN of Florida. Mr. Speaker, the great Coretta Scott King, perhaps best known as being the wife of the Reverend Martin Luther King, was, like her husband, a pioneer in the civil rights field in her own right.

Rising from the dust of rural poverty of a small town in Alabama, she will be remembered as being an outstanding advocate of racial peace and nonviolent social change. Ms. King was a strong woman, one of the few women leaders in a civil rights movement which, at the time, consisted almost exclusively of men. Mrs. King was one of the first who broke the mold. A mother of four, which in and of itself is more than a full day's work, she also was a woman who took on a high profile position in the civil rights movement in a most difficult time of conflict in our country.

Soon after the death of the late Martin Luther King, she quickly developed her own voice and even her own causes. Although there was some overlap with her husband's battles, she broadened the civil rights agenda quite a bit, focusing on the inclusion of women in our society here at home, speaking out against the war in Vietnam, and promoting peace internationally.

She quickly moved on to stand in for her late husband at the Poor People's Campaign at the Lincoln Memorial on June 19, 1968, just two months after his assassination. At the Memorial, she spoke not just about the Reverend's vision, but also about her own, a vision about gender as well as race, wherein she called upon American women to "unite and form a solid block of women power to fight the three great evils of racism, poverty, and war." She then joined the board of directors of the National Organization for Women, as well as the Southern Christian Leadership Conference and became widely identified with a broad array of international human rights issues, rather than being focused primarily on race here in the United States. This broadened view, she went on to say, was her way of carrying on the legacy of her husband, the great Reverend Martin Luther King.

In doing so, she led the effort to memorialize Dr. King, and was the greatest advocate for a national holiday in his honor, which came to fruition on January 20th in 1986, and has been celebrated on the third Monday in January every year since then.

She later founded the Martin Luther King, Jr. Center for Non-Violent Social Change in Atlanta, an institution dedicated to scholarships and activism, with the purpose of continuing on his work and providing a research center for scholars studying the civil rights era.

To the end, Mrs. King remained to be a most loved woman by all. Often compared to

Jacqueline Kennedy Onassis as a woman who overcame tragedy, held her family together and then became an inspirational presence around the world. Her admirers always said that Mrs. King took on a particularly difficult task, that of carrying on her husband's work and teachings—with a sense of spirit and purpose that made her more than just a symbolic figure, but a true leader.

Indeed, her death is a heartfelt loss, not only for African Americans, but for our Nation. I wholeheartedly believe that the people of our Nation need to work to uphold the legacy of these two brave women and the civil rights movement, which, although it has come a long way, has taken recent strides in the wrong direction under a more than callous Republican leadership. Mrs. King was a most inspirational woman, whose unwavering spirit stepped in to continue the struggle for the ideals of the great Reverend Dr. Martin Luther King.

All of my heart and prayers go out to the King family.

Mr. CUMMINGS. Mr. Speaker, I rise today to pay tribute to Mrs. Coretta Scott King, a true hero, who departed this earth on January 30, 2006, due to stroke complications. Although usually referred to as the widower of the incomparable Rev. Dr. Martin Luther King, Jr., the work she did after his death secured her place as one of the greatest leaders, voices, and phenomenal women in American history.

Mr. Speaker, Mrs. King was born on April 27, 1927 in Marion, Alabama to Obadiah and Bernice Scott. Her parents farmed on land they had owned since the Civil War. At an early age, she witnessed the racial inequities that occurred in the Deep South; however, she recalled, ''my mother always told me that I was going to go to college, even if she didn't have but one dress to put on''.

Through her mother's teachings coupled with her deeply spiritual roots in the Christian Baptist faith, Coretta persevered and graduated as the valedictorian of Lincoln High School in 1945. Blessed with both vocal and musical instrument gifts, she pursued and received her B.A. on a scholarship in music and education from Antioch College in 1951. In 1953, she furthered her education and earned a graduate degree in voice and music education from the New England Conservatory of Music in Boston.

While attending school, she met a young Martin Luther King, Jr., who was pursuing his doctorate in theology at Boston University. Although hesitant about the courtship in the beginning, through prayer and confirmation from God, Mrs. King married Dr. King on June 18, 1953.

The couple relocated to Montgomery, Alabama and Dr. King began work in the ministry and the Civil Rights Movement. After this relocation, there lives became almost immediately tumultuous. In fact, the first boycott occurred 2 weeks after their first child was born in 1955, and in 1956 their house was bombed. But this was no ordinary couple—the Kings went on to build a family of four children—all while helping to build the civil rights platform for a nation.

People talk about Dr. King's dream, but he wasn't the only one who had the dream. She bought into his dream, and he bought into hers, too. Mrs. King admits ''when I say I was married to the cause, I was married to my husband whom I loved, I learned to love, it wasn't love at first sight—but I also became married to the cause. It was my cause, and that's the way I felt about it. So when my husband was no longer there. . . ., I prayed that God would give me the direction for my life. . . .'' Mr. Speaker, it is clear that God answered her prayers.

They were partners in the freedom movement and it is my belief that they shared the same spirit. She ran the race with him, holding the baton with him, and when he had to let go, she kept running and was able to cultivate the dream they shared.

This notion was evident in the way she transformed her grief into an aspiration to eradicate social injustice and achieve equality for all. When Dr. King was assassinated prior to a planned march, four days after his death, she traveled to Memphis and led a march of 50,000 people.

She worked diligently and tirelessly—traveling worldwide, giving speeches, organizing marches and sit-ins, receiving awards on her late husband's behalf, leading peace delegations, and developing and performing in Freedom Concerts, where she incorporated her artistic gifts in song and poetry to narrate stories of the Civil Rights Movement.

In 1969, she founded the Martin Luther King, Jr. Center for Non-Violent Social Change in Atlanta as a memoriam to her husband. She served as the founder, president, and CEO for 27 years. The organization provides an extraordinary history of the Civil Rights movement while offering interpretations of Dr. King's philosophies to over 1 million visitors each year.

In 1986, through her endless efforts, the Federal Government established a national holiday on her husband's birthday to commemorate his achievements. Mrs. King also authored 3 books, earned 60 honorary degrees, and also served in dozens of organizations. She was an untiring nonviolent warrior whose work created a lasting effect—of raising the level of civil rights consciousness and civility around the globe.

I remember asking her after a lecture she delivered in Baltimore what one lesson would she like for us to extrapolate from her life.

She replied ''the thing to always remember is that the baton is handed from one generation to another. You've just got to make sure, first of all, to grab it and then don't drop it.'' What we must do now is make sure her efforts, spirit and commitment live on in us.

Mrs. King was an icon and a paragon of excellence. It was no coincidence that she died in her sleep—for she exited this world in the way that she physically dreamed it—with everlasting peace and love for all of humanity.

God Bless Coretta Scott King. My deepest condolences to her family.

Ms. MATSUI. Mr. Speaker, Coretta Scott King dedicated her life to racial and economic justice as a leader in the civil rights movement working in partnership with her late husband, the great civil rights leader Dr. Martin Luther King, Jr. And after his assassination, she continued her tireless efforts fighting for equal justice for children, the poor and the forgotten among us.

She was a passionate advocate for equality here in the United States and around the world. Her efforts ensured a fledgling civil rights organization—the Southern Christian Leadership Conference—had the funds to continue its critical work and her actions made certain apartheid did not fade from the world's conscience.

Mrs. King once eloquently said, ''Women, if the soul of the nation is to be saved, I believe that you must become its soul.'' And her accomplishments—the civil rights legacy she created in her own right—demonstrate how she became our nation's soul.

As a nation we mourn the loss of one of our civil rights pioneers, Coretta Scott King. Together we must continue her life's work of equality and justice. My thoughts and prayers go out to her family and friends at this time of loss.

Mr. HASTINGS of Florida. Mr. Speaker, I rise today in support of this resolution honoring the memory of Coretta Scott King who passed away yesterday morning. In a lifetime of effort and tireless struggle, Mrs. King championed the principles of peace, integrity, and human dignity. Alongside her husband, the Reverend Martin Luther King, Jr., Mrs. King strove for civil rights, endured bombings on her home, and dreamed of a better life for her children. Because of her and so many others, my children and grandchildren are growing up in a world of greater opportunity.

After her husband was taken away tragically, Mrs. King, still shouldering the immense emotional burden of her loss, did not choose to withdraw from the world. She chose instead to continue forward with the work they had started and the legacy they had built. Only 4 days after the death of King, Mrs. King led a march of 50,000 people through the streets of Memphis. For her determination and courage, we are forever grateful.

Coretta Scott was born in Heiberger, near Marion, Alabama, on April 27, 1927. Growing up on her parents' farm, Coretta walked 5 miles every day to her one-room school in order to receive an education. As a young woman, she learned the lessons of struggle and perseverance from her determined mother. These lessons helped her excel and graduate as the valedictorian from Lincoln High School. Mrs. King then went on to enroll at Antioch College where her sister Edythe had been the first full-time black student to live on campus.

Mrs. King majored in education and music, pursuing the love she had inherited from her mother. By her graduation in 1951, Mrs. King decided to become a professional singer and accepted a scholarship to the New England Conservatory of Music in Boston. It was in Boston that she met Martin Luther King, Jr., a fellow student. They were married 2 years later. Their first child, Yolanda, was born in 1955, only 2 weeks before the Montgomery bus boycott. Three more children soon followed: Martin Luther III, Dexter, and Bernice.

During the campaign for civil rights, Coretta Scott King did more than support her husband, she worked as his peer; giving speeches in her husband's stead and traveling to Geneva on behalf of Women's Strike for Peace as a delegate at the Disarmament Conference in Geneva in 1962. Mrs. King maintained her passion for music throughout this turbulent period, often giving concerts on behalf of civil rights. In May 1968, only months after her husband's assassination, Coretta Scott King took up his place in the Poor People's March to Washington. That year, Mrs. King founded the Martin Luther King, Jr. Center for Nonviolent Social Change, the first institution built in memory of an African American leader.

Mrs. King was also instrumental in the establishment of the Martin Luther King, Jr. National Holiday. After personally leading an enormous education campaign and seeking an Act of Congress, Mrs. King oversaw the first national observance of the holiday to honor her husband in 1986. In 1974, she formed the Full Employment Action Council, a coalition of over 100 organizations dedicated to full employment and equal economic opportunity. In 1983 Mrs. King gathered over 800 human rights organizations on the 20th Anniversary of the historic March on Washington in the Coalition of Conscience. While protesting apartheid in 1985, Mrs. King and three of her children were arrested outside the South African embassy in Washington, DC. Nearly a decade later, she stood in Johannesburg as Nelson Mandela was inaugurated as the new President of South Africa.

Throughout her life, Coretta Scott King remained a devoted promoter of positive social change. Despite grief and constant sacrifice, she continued to lend her voice to issues of social justice, human equality, and democratic progress. Mrs. King advocated for a more open-minded global community.

The world is better because of Coretta Scott King. She affected countless lives and her voice will be deeply missed, especially by those who carry on her incredible undertaking.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise today to remember the life and accomplishments an extraordinary woman—my friend—Mrs. Coretta Scott King.

I was surprised and deeply saddened to learn of Mrs. King's passing yesterday morning. Mrs. King and I were friends and confidants for many years. She was an incredible woman—graceful and dignified—who showed strength in the face of indignation and tragedy.

Coretta Scott King was a committed activist in the civil rights movement even before she met Dr. King. After they married, she was with him every step of the way—supporting him and promoting the philosophy of nonviolence. Following Dr. King's assassination, she continued his legacy promoting social and economic justice for all. Mrs. King was determined to make his dream a reality. She did all this while remaining committed to her family and raising her children.

Mrs. King made it her mission to spread the message of peace. She was not just an American, but a citizen of the world. As human beings, we are blessed to have known her compassion and dedication.

It has been said that the ultimate measure of a person's life is the extent to which they made the world a better place. Coretta Scott King's work has forever shaped the way we treat each other as human beings. Her passing marks the end of an era. It is up to all of us to honor her dedication and continue the struggle for equality.

Mr. ENGEL. Mr. Speaker, as we celebrate Black History month, it saddens me that our nation has lost one our foremost civil rights activists—Coretta Scott King.

Though best known as the wife of the great Martin Luther King, Jr., Coretta had a distinguished career herself. She was an activist not only for racial equality but for economic justice, women's and children's rights, gay and lesbian dignity, religious freedom, the needs of the poor and homeless, health care, educational opportunities, nuclear disarmament and ecological sanity. She was also a powerful voice in bringing an end to the scourge of apartheid in South Africa.

During the civil rights movement, she was at the forefront of the movement alongside her husband. Coretta was a music student and she brought her talent to the civil rights movement by performing in ''Freedom Concerts,'' singing and reading poetry to raise money for the cause. Planning marches and sit-ins, she never relented even after her family members were targets of beatings and stabbings. She never relented, even after the jailing of her husband. She never relented, even after their family home was bombed.

Long after Martin's assassination, Coretta continued her work and concentrated her energies on fulfilling her husband's work by building The Martin Luther King, Jr. Center for Nonviolent Social Change as a living memorial to her husband's life and dream.

I had the pleasure of meeting her. For me, meeting her was meeting an icon. The civil rights movement began when I was about 8 or 9. Years later, to meet her in person was awe inspiring. It was, frankly, astonishing. Coretta Scott King was not a witness to history, she was an active participant and a leader in making history. Speaking to her one on one was a humbling experience and one that I will never forget.

Coretta Scott King will be sorely missed by people not only in the United States but those throughout the world who looked to her as a strong woman and a leader in the non-violent resistance movement.

Mr. WALSH. Mr. Speaker, I rise today to honor the life of the courageous Coretta Scott King.

Mrs. King first came to the public eye as the wife of the great civil rights leader Martin Luther King, Jr. Aside from being Mr. King's wife, Coretta Scott King became an international symbol for the civil rights movement and a prominent advocate of the women's rights movement. As a civil rights leader, Mrs. King's vision of racial peace and nonviolent social change was a fortifying staple in advancing the civil rights movement.

Following her husband's untimely death, Mrs. King fought strongly to continue battling the struggle against social injustice. Mrs. King went on to found the Martin Luther King, Jr. Center for Non-Violent Social Change in Atlanta, GA, and led a valiant effort for a national holiday in honor of her late husband. Both actions are a strong indicator of Mrs. King's dedication to scholarship and activism.

Through her continued efforts, Mrs. King came to be seen as an inspirational figure. Her enormous spirit and strong moral values came to personify not only the ideals Dr. King fought for, but also personified a movement that transformed our Nation.

I would like to extend my thanks to Mrs. King for all the wonderful contributions she made throughout her life. I also would like to extend my prayers and condolences to her family, who will undoubtedly continue to fight for what Mrs. King stood for.

It is an honor to stand and praise all the hard work this beloved figure has done to better our Nation.

Ms. JACKSON-LEE of Texas. Mr. Speaker, the passing Monday night of Coretta Scott King, filled me with sadness, an emptiness, and a determination to see her work through to the end. She was a courageous, heroic, and beautiful individual who sacrificed her life so Americans might relish in the gift of equal justice. Coretta Scott King and her late husband, Dr. Martin Luther King, Jr., were Americans of monumental strength and stature through their lives. In times of struggle, frustration, injustice, and violence, they spoke of composure, grace, love, and equality.

They will be remembered for their tireless and ceaseless efforts to advance race relations, civil rights, social justice and human rights.

I would like to share a few quotes with you. These are moments in which the voice, character, and spiritual tenacity of Mrs. King was captured. When a heroine passes away, we look to her words, and our memories, to convey the spirit and tenacity she carried with her, brought into every room, and left imprinted on our souls.

Corretta Scott King once said, ''Hate is too great a burden to bear. It injures the hater more than it injures the hated.'' Whether segregation, sexual orientation, the rights of the poor or the rights of women, Mrs. King spoke with a voice that resonates beyond the limits of radiowaves and printed pages and out to who are desperately in need of help.

I have known Coretta Scott King over the last several years, and she had a rare gift to motivate others to carry on the legacy of equality, the idea of freedom, and social justice which was first accomplished by her husband and partner, Dr. Martin Luther King, Jr. It is our duty in her honor to never waver in the face of injustice and degradation.

''Struggle is a never ending process. Freedom is never really won; you earn it and win it in every generation.'' These words of Coretta Scott King are increasingly relevant.

As a member of the House Judiciary and Homeland Security Committees, my thoughts can't help but turn to yesterday's confirmation of Justice Alito to the U.S. Supreme Court. I have had concerns about Justice Alito's past judicial record. I am still apprehensive, and I would like to take this opportunity to point out what I believe is a test of civil liberties presented today.

The tragic passing of Coretta Scott King, a formidable human rights and civil liberties activist, and the concurrent confirmation of Justice Alito, may foreshadow difficult times ahead for American freedoms. Much of what Coretta Scott King fought for is now threatened by Justice Alito's confirmation to the U.S. Supreme Court. His dubious record on voter's rights, discrimination issues, civil rights, civil liberties, reproductive freedom, the right to privacy and environmental protections, among others, fly in the face of the life and work of Coretta Scott King. The passing of Coretta Scott King and the confirmation of Justice Alito should be a wake-up call to America.

Dr. and Mrs. King will forever hold an esteemed place in my heart and the hearts of all Americans. As an African-American woman, and a Member of Congress, I shall endeavor in my own way to continue their fight for equality and justice every day.

Mr. DAVIS of Illinois. Mr. Speaker, I rise today to honor the life and legacy of Mrs. Coretta Scott King. She was the widow of Dr. Martin Luther King, Jr. and an important figure in the civil rights movement in her own right. She passed away Monday night in California.

Coretta Scott King was born in Marion, AL, on April 27, 1927. She attended Antioch College in Ohio and earned a B.A. in music and

education. During her postgraduate studies at the New England Conservatory of Music in Boston she met her future husband, Martin Luther King, Jr., who was studying systematic theology at the nearby Boston University. They were married on June 18, 1953 in her hometown of Marion.

While she devoted most of her time to raising their 4 children, her husband's prominent involvement in the civil rights movement meant that she, too, was deeply involved. She took part in sit-ins at segregated restaurants, organized marches, and performed in many ''freedom concerts.'' She even marched with Dr. Martin Luther King from Selma, AL, to Montgomery in 1965. Just days after her husband was slain she and three of her children traveled to Memphis to lead a march honoring his life.

She not only honored his life but also ensured that his legacy would live on. In 1969 she founded the Martin Luther King, Jr., Center for Non-Violent Social Change in Atlanta, GA, as well as the Coalitions of Conscience to advocate for human rights issues.

King has carried the message of nonviolence and her husband's dream to nearly every corner of the globe. In 1962 she served as a delegate to the 17-nation disarmament conference in Geneva, Switzerland. She was the first woman to deliver the class address to Harvard University students and the first woman to preach at a service in St. Paul's Cathedral in London. She stood beside Nelson Mandela when he became the first democratically elected president of South Africa and she was an eye-witness to the signing of the Middle East peace accords.

Coretta Scott King was a woman of great influence, wisdom, compassion, and determination. She was a woman who devoted her life to making our world a better place. I leave you with a quote from Coretta Scott King, ''Struggle is a never ending process. Freedom is never really won, you earn it and win it in every generation.''

Ms. CARSON. Mr. Speaker, as I rise today to speak on the life of Coretta Scott King I can't help but be reminded of the Gospel according to St. Matthew, ''And while they went to buy, the bridegroom came; and they that were ready went in with him to the marriage: and the door was shut. Afterward came also the other virgins, saying Lord, Lord open to us. But he answered and said, Verily I say unto you, I know you not.'' The life of Coretta Scott King was one that was spent prepared to serve her Lord and fellow man and she has now joined her bridegroom.

The words and deeds of Coretta Scott King have made an indelible imprint not only on the lives of Americans but of all people across the world. From her work with Nelson Mandela and in the struggle for civil rights to her work on behalf of the gay and lesbian community she was always willing to stand with those who were defending their right to live a life of freedom. She served as a true moral compass for all people. We need more people to live like Kings.

She was a phenomenal person who was kind to all she met and worked tirelessly on behalf of those she had not. I want to express my deepest condolences to the King family on behalf of the people of the 7th Congressional District. Our thoughts and prayers are with you.

Mr. ETHERIDGE. Mr. Speaker, I rise in support of this resolution. Today we mourn the loss Mrs. Coretta Scott King. We honor her personal strength, her determination as a civil rights leader and her vision of a nation where freedom is denied to no man and to no woman.

Together Coretta Scott King and Dr. Martin Luther King, Jr. worked to create an America where all people are equal. Together they marched through the streets for civil rights, and together they spoke before church, civic, college, fraternal and peace groups to encourage peace.

After her husband's tragic assassination in 1968, Mrs. King devoted her energy to carrying on Dr. King's legacy of nonviolence and civil rights. She built the Martin Luther King Jr. Center for Nonviolent Social Change as an enduring memorial to her husband's dream of full civil rights for all Americans. Throughout her life, Mrs. King worked to advance the cause of justice and human rights throughout the world and spoke out on behalf of many important issues, including racial and economic justice, women's and children's rights, and religious freedom. For her continued service to our country Mrs. King received over 60 honorary doctorate degrees from colleges and universities and inspired Congress to create a Federal holiday on her husband's birthday. Mrs. King was truly an American hero.

Today our thoughts and prayers are with the four King children: Yolanda Denise, Martin Luther III, Dexter Scott, and Bernice Albertine, all of her family and friends, and with all of those who continue to feel the wrath of social and economic injustice.

Just as Coretta Scott King honored the memory of her husband through her work, let us honor her by continuing to fight for peace, justice and equality for all Americans. Thank you, Mr. Speaker. I yield back the balance of my time.

Mr. SCOTT of Virginia. Mr. Speaker, it was with great sadness that I learned of the passing of Mrs. Coretta Scott King. I rise today along with my colleagues to celebrate and remember the life of a remarkable woman and support H. Res. 655. I know that I speak for my colleagues here today when I say that America has lost one of its great citizens.

Mrs. King's greatness lay in the special talents she had and her ability to use them in the numerous roles she played in her life. She started her adult life as an accomplished musician, receiving music degrees from Antioch College in Yellow Springs, OH, and the New England Conservatory of Music in Boston, MA. It was in Massachusetts that she met Dr. Martin Luther King, Jr. They were married on June 18, 1953. In 1954, with her husband's installation at Dexter Avenue Baptist Church in Montgomery, AL, Mrs. King accepted the roles and responsibilities of a pastor's wife.

Mrs. King's singular talents may have been known just to members of the Dexter Avenue Baptist Church if it had not been for the winds of change swirling around Montgomery in 1955. With the arrest of Rosa Parks for her refusal to give up her seat on a Montgomery public bus, the struggle for civil rights for Blacks in America formally began. Dr. King was at the epicenter of the civil rights movement, and Mrs. King was there by his side.

It is amazing that Coretta Scott King could play such a vital role in the civil rights movement while simultaneously raising a family. She was the mother of four at a time when a woman was expected to be a homemaker and not much else. Not content to stand on the sidelines of history, Mrs. King spoke on the cause of equality to church, civic, college, fraternal and peace groups. She also produced and performed in a series of freedom concerts as fundraisers for the Southern Christian Leadership Conference, the direct action organization of which Dr. King served as first president.

It is easy to forget the duress under which Mrs. King lived such an exemplary life. The threat of violent death was always present. The King family home was bombed in 1956. Death threats against her family arrived by phone and mail constantly, and Martin was stabbed and nearly killed in a New York department store in 1958. The threat became reality with Dr. King's assassination on April 4, 1968. No one would accuse Mrs. King of cowardice if she had retired from public life after Dr. King's death. But Dr. King's dream of an undivided America became her dream, and Mrs. King continued to work as an advocate for equality through nonviolent resistance.

Mrs. King devoted much of her energy to developing the Martin Luther King, Jr. Center for Nonviolent Social Change in Atlanta as a living memorial to her husband's life and dream. She led goodwill missions around the world speaking at massive peace and justice rallies. She was the first woman to deliver the class day address at Harvard University and the first woman to preach at a statutory service at St. Paul's Cathedral in London.

Mrs. King led the campaign to establish Dr. King's birthday as a national holiday. In 1983, the 98th Congress passed H.R. 5890 instituting the Martin Luther King, Jr. Federal Holiday Commission, which Mrs. King chaired for its duration. And in January 1986, Mrs. King oversaw the first legal holiday in honor of her husband—a holiday which has come to be celebrated by millions of people.

My thoughts and prayers are with the King family. I hope that this resolution honoring Mrs. King will be a comfort to them at this difficult time.

Ms. KILPATRICK of Michigan. Mr. Speaker, I rise to salute Mrs. Coretta Scott King, the widow of civil rights pioneer and icon Dr. Martin Luther King, Jr. I join millions in this country and around the world who mourn her passing and celebrate her life. I extend my condolences and prayers to her children and family.

Coretta Scott King was born in Marion, AL, on April 27, 1927. She grew up in segregated Alabama. Mrs. King went on to study music at Antioch College in Yellow Springs, OH, and later studied at the New England Conservatory of Music in Boston, MA. It was in Boston, where she met Dr. King, who at the time was working on his doctorate in theology at Boston University. They married in 1953 and had four children, Yolanda Denise, Martin Luther III, Dexter Scott, and Bernice Albertine.

Coretta Scott King marched beside her husband in towns across the then segregated south. Mrs. King did not quietly slip out of public life. With dignity and courage, she chose to continue to work for justice, access, and equality. She advanced the message of social justice, peace, and mutual respect.

Mrs. King started the Martin Luther King Jr. Center for Non Violence and Social Change out of the family home in Atlanta. The Center now houses the tomb of Dr. King and thousands of documents related to his work. Thousands of people each year visit the center,

which sits in Atlanta's Martin Luther King Jr. National Historic Site.

Coretta Scott King was active in the fight against apartheid in South Africa and an advocate for human rights. Mrs. King received honorary doctorates from more than 60 colleges and universities and authored three books.

As we enter Black History Month and then Women's History Month in March, I urge Congress and the American people to reflect on the legacy of Mrs. King. She was tireless in her effort to make America a better place for every American. Coretta Scott King will always be remembered for promoting racial and economic equality for all Americans.

Ms. McKINNEY. Mr. Speaker, when I first heard the news this morning I was at once both shocked and saddened. Although Mrs. King belonged to her children and cousins and nieces and nephews, she also belonged to us—the American people and the family of black people all over the world.

When she was alive, there was a sense of comfort. Mother King guarded us, protected us; she helped set this country free when she picked up Martin's cross.

I was given the privilege of speaking at this year's Martin Luther King ceremony at Ebenezer Church. Due to illness, she watched the proceedings on the television, not able to be there with us. Our love went out to her then and it does so now. I love the King Family as do we all. Her vision and Martin's vision moved our country forward.

In 1963 Dr. King spoke of Stone Mountain, Georgia. I now represent Stone Mountain, Georgia. Change is possible in our country. It is possible for people of conscience to come together and move this country forward.

What Mrs. King embodies will not be extinguished. She is our Queen Mother. And we should spend this day reflecting on her life, her legacy, her spirit, and what we will do in our lives to further Martin and Coretta's vision for our beloved community.

My condolences to all the members of the King family; and to Martin III, Yolanda, Dexter, and Bernice.

In every sense of the word, they were our first family and now we look to the children to wear the family's mantle.

Mr. THOMPSON of Mississippi. Mr. Speaker, I rise in support of resolution (H. Res. 655) honoring the life and accomplishments of Mrs. Coretta Scott King and her contributions as a leader in the struggle for civil rights, and I also express my heart felt condolences to the King family on her passing.

As the wife of Reverend Martin Luther King, Jr., Mrs. King was recognized by many as the "first lady" of the Civil Rights movement. Born and raised in Marion, Alabama, Coretta Scott graduated valedictorian from Lincoln High School. She received a B.A. in music and education from Antioch College in Yellow Springs, Ohio, and then went on to study concert singing at Boston's New England Conservatory of Music, where she earned a degree in voice and violin. While in Boston she met Martin Luther King, Jr. who was then studying for his doctorate in systematic theology at Boston University. They were married on June 18, 1953, and in September 1954 took up residence in Montgomery, Alabama, with Coretta Scott King assuming the many functions of pastor's wife at Dexter Avenue Baptist Church.

During Dr. King's career, Mrs. King devoted most of her time to raising their four children: Yolanda Denise (1955), Martin Luther, III (1957), Dexter Scott (1961), and Bernice Albertine (1963). She performed a series of Freedom Concerts which combined prose and poetry narration with musical selections and functioned as fundraisers for the Southern Christian Leadership Conference, the direct action organization of which Dr. King served as first president.

In 1957, she and Dr. King journeyed to Ghana to mark that country's independence. In 1958, they spent a belated honeymoon in Mexico, where they observed first-hand the immense gulf between extreme wealth and extreme poverty. In 1959, Dr. and Mrs. King spent nearly a month in India on a pilgrimage to disciples and sites associated with Mahatma Gandhi. In 1964, she accompanied him to Oslo, Norway, where he received the Nobel Peace Prize. Even prior to her husband's public stand against the Vietnam War in 1967, Mrs. King functioned as liaison to peace and justice organizations, and as mediator to public officials on behalf of the unheard.

In 1969, Coretta Scott King published the first volume of her autobiography, My Life with Martin Luther King Jr. In the 1970s, Mrs. King maintained her husband's commitment to the cause of economic justice. In 1974 she formed the Full Employment Action Council, a broad coalition of over 100 religious, labor, business, civil and women's rights organizations dedicated to a national policy of full employment and equal economic opportunity; Mrs. King served as Co-Chair of the Council.

In 1983, she marked the 20th Anniversary of the historic March on Washington, by leading a gathering of more than 800 human rights organizations, the Coalition of Conscience, in the largest demonstration the capital city had seen up to that time.

Mrs. King and three of her children were arrested in 1985 at the South African embassy in Washington, DC, for protesting against apartheid. Mrs. King led the successful campaign to establish Dr. King's birthday, January 15, as a national holiday in the United States. By an Act of Congress, the first national observance of the holiday took place in 1986. Dr. King's birthday is now marked by annual celebrations in over 100 countries. Mrs. King was invited by President Clinton to witness the historic handshake between Prime Minister Yitzhak Rabin and Chairman Yassir Arafat at the signing of the Middle East Peace Accords.

Mrs. King devoted much of her energy and attention to developing programs and building the Atlanta-based Martin Luther King, Jr. Center for Nonviolent Social Change as a living memorial to her husband's life and dream. Situated in the Freedom Hall complex encircling Dr. King's tomb, The King Center is part of a 23-acre national historic park which includes his birth home, and which hosts over one million visitors a year.

In 1995 she turned over leadership of the King Center to her son, Dexter Scott King, who served as Chairman, President & CEO until January 2004. On that date, Mrs. King was named interim Chair and her eldest son Martin Luther King, III assumed the leadership position of President & CEO.

She remained active in the causes of racial and economic justice, and most recently devoted much of her energy to AIDS education and curbing gun violence.

A woman of wisdom, compassion and vision, Coretta Scott King has tried to make ours a better world and, in the process, has made history. I am saddened by the loss of our "First Lady". She met the challenge of preserving the memory of her husband head on. Her tireless work in keeping the dream alive has been invaluable not only to civil rights, but to human rights. Mrs. Coretta Scott King kept the torch burning and as opposed to passing the torch, she lit torches along the way. She is a true inspiration to us all.

Ms. McCOLLUM of Minnesota. I rise today in honor of the late Coretta Scott King, an extraordinary civil rights leader, who passed away on January 30th. Throughout her life, Mrs. King worked tirelessly for the struggle of non-violent activism, social justice and peace.

Coretta Scott King was born and raised in Marion, Alabama, where she graduated as valedictorian from Lincoln High School. She received a B.A. in Music and Education from Anitoch College in Yellow Springs, Ohio, before going on to study at Boston's New England Conservatory of Music. While there, she met a theology student from Atlanta, Martin Luther King, Jr., who was then studying for his doctorate at Boston University.

Before her marriage to Dr. King, Mrs. King was active in the civil rights and non-violent social change movement. As an equal partner to the young Dr. King during the turbulent times their family and the civil rights movement faced, Mrs. King organized sit-ins and protest marches; spoke at church, civic, and peace group gatherings; and performed at more than 30 successful "Freedom Concerts" to raise awareness of civil rights and garner support for the Southern Christian Leadership Conference. While serving on the front lines of the fight for equal rights, Mrs. King also raised their four children: Yolanda Denise, Martin Luther III, Dexter Scott and Bernice Albertine.

During Dr. King's life and after his death, Mrs. King was integral to the struggle for equality and justice. Just four days after her husband's assassination in 1968, in an unmistakable display of determination and perseverance, Mrs. King took his place and led a march of 50,000 people through the streets of Memphis, Tennessee. A woman of wisdom, compassion and vision, she helped to preserve her husband's legacy and played a key role in making Dr. Martin Luther King, Jr. Day a national holiday. She also worked hard to establish and make The King Center a reality. As the work of The King Center continues, local, national and international programs have trained tens of thousands of people in Dr. King's philosophy of non-violent social change.

It is with great sadness that I send my deepest condolences to the King family. Mrs. King's lasting contributions to freedom and equality will always be remembered. Let us honor Mrs. King's memory by committing ourselves to promoting civil rights and peace.

Mr. Speaker, please join me in paying tribute to the life of Mrs. Coretta Scott King.

Mr. BECERRA. Mr. Speaker, I rise today to honor and pay my respects to an American treasure: Mrs. Coretta Scott King. An admirable advocate of social justice and peace, Mrs. Scott King will be greatly missed by those who care about equal opportunity for all. Alongside her husband, the late Reverend Martin Luther King, Jr., she was a successful leader and advocate for racial peace and fought for social change.

Following the death of her husband, she maintained his commitment to racial and economic justice. Her devotion to civil and human

rights has no borders as she is recognized at home and abroad for remaining a catalyst for change.

Just as Cesar Chavez is remembered for his role in the struggle for human rights and dignity of migrant farm workers, Mrs. Scott King will be remembered for her accomplishments in the struggle for peace and justice, and for her steadfast belief that care and respect should be shown to others not because of the color of one's skin, but because of "the content of their character."

Mr. Speaker, as a nation and with the world, we mourn the loss of Coretta Scott King, a civil rights icon in her own right whose accomplished life is laudable, whose care for the human condition is remarkable, and whose loss will be felt by countless millions all across this great country that she helped unite.

Mr. UDALL of Colorado. Mr. Speaker, I rise to join in expressing my sorrow at the news of the death of Coretta Scott King and my support for the resolution (H. Res. 655) now before us.

By passing that resolution, the House of Representatives honors her life and accomplishments and her contributions as a leader in the struggle for civil rights, and expresses condolences to the King family on her passing.

I wholeheartedly join in that expression of views shared not only by the House but by millions of Americans in Colorado and across the nation.

Mrs. King was no stranger to our state. As noted in today's Denver Post, she paid her first visit to Denver in 1958 and returned to Colorado many times thereafter to further the cause of equality for which her husband and she labored for so long.

Now, in the words of the Rocky Mountain News, our nation mourns her as a champion of freedom, and Coloradans join in that mourning.

For the information of our colleagues, I attach an editorial and a news story from today's Denver daily newspapers.

[From the Rocky Mountain News, Feb. 1, 2006]

NATION MOURNS CHAMPION OF FREEDOM

Coretta Scott King, 78, died peacefully at a medical clinic in Mexico early Tuesday. While she may always be remembered as "the widow of Dr. Martin Luther King Jr.," Mrs. King created an inspiring legacy of her own.

Her tireless efforts convinced lawmakers to recognize her late husband's place in history with the national holiday that celebrates his birth. She stood with and spoke for the downtrodden, in America and around the world.

Mrs. King surely would have lauded the news that the Smithsonian Institution on Monday approved a site on the National Mall near the Washington Monument for the National Museum of African American History and Culture.

We've long supported a moratorium on further construction on the Mall, which has grown cluttered with newly built memorials and security barriers over the past three decades. And so we would prefer that the museum occupy land near but not on the Mall. But leading museum proponents considered such an alternative a slap in the face, and the Smithsonian board foreclosed that option.

So be it. Whatever the museum's location, the construction of such a memorial is long overdue. The task is to ensure that it becomes a national treasure, a source of inspiration for Americans of every heritage.

[From the Denver Post, Feb. 1, 2006.]

NONVIOLENCE ESPOUSED IN MANY DENVER VISITS

(By Claire Martin)

Despite the death threats and bombings, the assassination of her iconic husband and hostility that persisted for decades, Coretta Scott King remained such a passionate advocate of nonviolence that she insisted on her bodyguards being unarmed during her public appearances.

"In all her visits to Denver, we provided Mrs. King with security, but always that was one of her prerequisites—no weapons, no guns," said Vern Howard, longtime civil rights advocate and marshal of Denver's annual Martin Luther King Jr. Day parade. "It was hard for us organizers. We didn't want anything to happen to her on our watch."

Coretta Scott King first visited Denver in 1958 to speak at a New Hope Baptist Church event arranged by Helen Gamble, grandmother of former Denver Mayor Wellington Webb.

King later confided to Webb that the speech intimidated her, despite her formal training as a vocalist at the New England Conservatory of Music. "As a soloist, it's easier for me to sing than to give a keynote speech," Webb recalled King saying.

Her theme in that debut—civil rights and nonviolence—set the tone for countless future speeches, first by her husband's side and then in his stead.

"She never wavered in her commitment to civil rights," said Wilma Webb, a former state legislator and the wife of Wellington Webb, who authored the state's King holiday bill. "She carried the banner. She gave us direction. She had the stature of a first lady."

King returned regularly to Colorado after her husband's death. She stumped for Wellington Webb in his first mayoral campaign in 1983 and urged him to run for the U.S. Senate in 2002.

During the mid-1980s, her visits focused on the controversial effort to create a national holiday honoring her husband.

During a visit to the Colorado legislature in 1985, a year after the assembly voted for the holiday marking her husband's birthday, House Speaker Bev Bledsoe snubbed King. Although Senate Speaker Ted Strickland allowed King to address his assembly, Bledsoe, a Hugo Republican who opposed the King holiday, refused to grant her the same privilege, provoking criticism from Democrats.

She continued to visit Colorado, sometimes to watch her playwright daughter, Yolanda Denise King, perform in one of her plays. Her final appearance in the state in January 2005 invoked a version of her 1958 message.

"We can solve conflicts without terrorism and war," she said. "This is the only way to lasting peace and security."

Mr. KILDEE. Mr. Speaker, I rise today to mourn the loss of Mrs. Coretta Scott King. Her death is a great loss for America and for peace and justice the world over.

I had the pleasure of meeting Mrs. King on two occasions; once in my congressional office and again at a ceremony marking the 25th Anniversary of the March on Washington. I was always impressed by her inner strength and graciousness. In troubled and violent times, she raised a family and was a genuine partner with her husband Martin Luther King, Jr. in the fight for civil rights and equality. She ensured that his dream did not die by leading the fifteen year fight to make her husband's birthday a national holiday and by establishing the Martin Luther King Jr. Center for Nonviolent Social Change in Atlanta. Her personal activism included traveling the world advocating for women, promoting world peace and protesting apartheid. I know that I am a better person because of her and indeed our country is a better place because of her legacy.

In closing I would like to express my condolences to the King family. May the God of all comfort be there for them through all the days ahead.

Mr. JEFFERSON. Mr. Speaker, I rise today to recognize the passing of one of the strongest and most inspirational African-American women in our country's history: Mrs. Coretta Scott King.

Mrs. King was not the person referred to in the cliché . . . she was not the, "good woman behind a great man." She was the determined, intelligent woman who stood right alongside him. When Coretta Scott married Doctor Martin Luther King, Junior, she had already led an impressive life of her own. She had already established herself as a role model. Coretta Scott graduated at the top of her high school class in Alabama, and was accepted at Antioch College in Ohio, and later at the New England Conservatory of Music in Boston. She had a scholarship to the music school that covered her tuition, but she was not too proud to take a job cleaning stairwells to pay for her room and meals. It was in Boston when Coretta Scott met her future husband—Martin Luther King, Junior, and her journey as not only the wife—but the partner of a man who would change the way Americans lived, had just begun.

From the Montgomery bus boycott, to outbreaks of racial violence in the streets, to a bombing at the Kings' residence in 1956, Mrs. King stood by her and her husband's dreams of racial equality. And with the bad, came the good—Mrs. King was there for her Doctor King's uplifting sermons, his many trips abroad and his—"I Have a Dream" speech on the National Mall.

After experiencing such a tumultuous, unpredictable life as the wife of a great civil rights leader, some thought Mrs. King would choose to lead a quiet life—leaving the spotlight after her husband's untimely death. Instead, Coretta Scott King chose to carry on her the fight. Until her health started to fail her last year, she continued to speak out against injustice, and promote fairness and equality among all men. To quote the late Mrs. King, "Hate is too great a burden to bear. It injures the hater more than it injures the hated." This is a fitting epithet for the great American, the First Lady of the Civil Rights Movement, Mrs. Coretta Scott King.

Mr. EMANUEL. Mr. Speaker, I rise today to honor the memory of Coretta Scott King, and I offer my condolences to her family after she passed away in her sleep early this morning. She was a remarkable human rights advocate who was a living symbol of the struggles and successes of the civil rights movement.

Mrs. King was best known as the loving wife and widow of Dr. Martin Luther King, Jr. She provided invaluable support to the man who became the Nation's leading civil rights advocate and an international icon. She stood by him as he was harrassed, intimidated and eventually assassinated for fighting for equality.

Her grace and dignity after her husband's death showed the country that she was more

than just a strong wife. Alone with four children, she did not retreat but instead insisted on continuing the mission that her late husband had started. She continued the march in Memphis before his funeral. As time progressed, she spearheaded the effort to create a federal holiday to honor her husband. Her strong insistence on furthering Dr. King's ideals led to the creation of the holiday in 1983.

Mrs. King quickly became an internationally known figure who embodied the spirit of nonviolent resistance and human rights advocacy. Her work was not limited solely to civil rights; She worked tirelessly for other noble causes, becoming a leader in the women's liberation movement and vocally opposing apartheid in South Africa.

Mrs. King's life is an inspiration to millions of people worldwide who struggle to overcome human rights issues. She overcame her own personal tragedy to keep her family together and further the causes of the civil rights movement.

Mr. Speaker, Coretta Scott King has been a role model for those seeking to overcome tragedy and discrimination with grace and determination. I rise today to honor her life and her legacy.

Mr. MICHAUD. Mr. Speaker, today our nation has lost a great champion of civil and human rights. Coretta Scott King's courage and commitment should be an example to all of us.

After the assassination of her husband, the late Martin Luther King, Jr., Mrs. King devoted herself to carrying on his legacy. Only four days after his death, she took her husband's place at the head a march in support of sanitation workers in Memphis. She went on to found and lead, for over two decades, the King Center. The Center stands as a memorial to her husband, but also is an active force in the struggle to achieve equality between all people, confronting issues of hunger, unemployment, voting rights and racism. King remained active throughout her whole life, participating in protests against apartheid in South Africa in the 1980's and speaking out against the war in Iraq in early 2003.

It is the responsibility of each of us, who sit in this House and pledge to uphold the Constitution, to continue to fight for Martin Luther King, Jr.'s dream of equality, which Coretta worked so unselfishly to sustain.

Mr. BLUMENAUER. Mr. Speaker, it is a great irony that the day of Coretta Scott King's passage is the same day 141 years ago that the House of Representatives passed the 13th amendment to the Constitution abolishing slavery. That the Constitutional amendment passed by but two votes during the time of our Civil War reminds us that the issue of fighting for equality and against racial discrimination has been a pitched battle throughout our history.

The widow of Dr. Martin Luther King was in the forefront of the revolution of progress and heartbreak. She will be remembered as woman of great courage and dignity whose role in this great civil rights movement is only now being fully appreciated. I join with the Nation in extending condolences to the King family and in honoring the life of Coretta Scott King.

Mr. BISHOP of Georgia. Mr. Speaker, I rise today in memory of an extraordinary woman and in recognition of a life that meant so much to so many.

I was honored to know Coretta Scott King. She was a woman of great eloquence and dignity, but also of great faith. She endured hatred, violence and ultimately the loss of her husband, but she never lost her vision for mankind or her determination to stand up for what is right and what is just.

Coretta Scott King was one of the greatest activists in our Nation's history and it is right that we honor her here today. She carried on the legacy of her husband, the Rev. Dr. Martin Luther King, but she had her own legacy—a legacy of putting herself on the line to make the world a better place for all of God's children. And many of us continue to reap the rewards of her work today.

Mrs. King called ''Hate . . . too great a burden to bear.'' Saying, ''It injures the hater more than it injures the hated.'' These are words that not only inspired millions, but that must continue to inspire us today.

As we meet in these hallowed halls, we must remember the legacy of Dr. and Mrs. King and the dream that defined their lives. We mourn her passing, but the best way to celebrate her life and legacy is to recommit ourselves to the ideals of equality and justice for all.

I would like to extend my deepest sympathies to the children and family of Coretta Scott King. Today, we have truly lost an American treasure.

Mr. HOLT. Mr. Speaker, I rise today in strong support of H.R. 655 which honors the life and accomplishments of Mrs. Coretta Scott King.

We can all learn from the life of this brave civil rights leader. Her example to us is one of perseverance and inspiration. My prayers and condolences are with the King family at this difficult time.

Throughout her life, Coretta Scott King exemplified the values of human dignity and equality, social justice, and service to others. As the mother of four children and widow of the most influential civil rights leader in our nation's history, Mrs. King spent her life advocating racial and religious tolerance, promoting democracy, and speaking out against violence.

It was her tireless effort that led to the establishment of the Martin Luther King Federal Holiday in 1983. This is a day in which Americans are called to remember the struggle of the Civil Rights Movement and to engage in community service to help others. Every generation of Americans should understand the importance of his struggle and the tremendous odds that Dr. King and others overcame to help form a more perfect union. But the work of Dr. and Mrs. King is far from finished.

There are still too many communities in America that remain divided by race. There are too many places where the color of one's skin, not the content of one's character matters. The King family has over the years accomplished great things, but work remains. As a Nation we need to examine ourselves about race. We need to understand that to this day although a people are endowed by their creator with the same rights and privileges as others in their community not all feel they can exercise those rights. Until we eliminate racism from the earth, the important work of Dr. King and Mrs. King must continue. I look forward to new generations of leaders continuing the cause and enduring in the struggle to form a more perfect union. This will truly honor Mrs. King's legacy.

Mr. RANGEL. Mr. Speaker, I rise today to honor the life and legacy of Mrs. Coretta Scott King and to add my support to H. Res. 655 honoring the life of this extraordinary woman. As much as we loved and respected Mrs. King, her family has suffered an even greater loss. To the King children—Yolanda, Martin III, Dexter, and Bernice, know that you have our deepest heartfelt sympathy.

Hailed as the 'First Lady of the Civil Rights Movement', Coretta Scott King had to endure injustices at an early age. Born in Heiberger, Alabama and raised on the farm of her parents Bernice McMurry Scott, and Obadiah Scott, she was exposed at an early age to the injustices of life in a segregated society. She walked five miles a day to attend the one-room Crossroad School in Marion, Alabama, while the white students rode buses to an all-white school closer by. Yet through it all, young Coretta excelled at her studies, particularly music, and was valedictorian of her graduating class at Lincoln High School.

She graduated in 1945 and received a scholarship to Antioch College in Yellow Springs, Ohio. As an undergraduate, she took an active interest in the emerging civil rights movement; and joined the Antioch chapter of the NAACP, as well as the college's Race Relations and Civil Liberties Committees.

Her life would be forever changed when she met a young theology student, Martin Luther King, Jr. They were married on June 18, 1953, in a ceremony conducted by King's father, the Rev. Martin Luther King, Sr.

Coretta Scott King was very supportive to her husband during the most turbulent days of the American civil rights movement. After his assassination in Memphis, Tennessee, on April 4, 1968, she kept his dream alive while also raising their four children. In her own words, she was ''more determined than ever that her husband's dream would become a reality.''

For more than a decade, she worked tirelessly to have her husband's birthday observed as a national holiday. Her determination would payoff when it was first celebrated in 1986.

In 1969, she established the Martin Luther King Jr. Center for Nonviolent Social Change in Atlanta, dedicated both to scholarship and to activism.

With fierce determination and undying strength, Mrs. King worked to keep Dr. King's ideology of equality for all people at the forefront of people's minds. She picked up the baton when it was dropped by her husband's assassination and continued to move forward in the civil rights arena.

In her own words, ''We must make our hearts instruments of peace and nonviolence, because when the heart is right, the mind and the body will follow.''

She exemplified courage, strength, and a deep compassion for justice. Coretta Scott King will be remembered as one of America's greatest treasures and will be forever missed.

Mr. AL GREEN of Texas. Mr. Speaker, today I would like to honor and commemorate Coretta Scott King, a tireless advocate for civil rights and the widow of the great civil rights leader, Rev. Dr. Martin Luther King, Jr.

Today, we continue to mourn the loss of a great woman and a pioneer of civil rights. While Dr. King was the visionary behind the civil rights movement, Mrs. King was the architect. She made real the ideals expressed by

Dr. King. A driving force, she valiantly worked to found the King Center to both preserve the history of the civil rights movement and to train the many men and women in the philosophy of non-violent resistance.

Mrs. King was first and foremost a woman of strong character. She was a leader in her steadfast presence, her determination, and her courage. As one of the first people to speak out against apartheid, she embodied her husband's words "injustice anywhere is a threat to justice everywhere."

Her passion for equality and justice led her on numerous peace delegations around the world. Her actions and work with gang members demonstrated the value and the necessity of transforming neighborhoods into brotherhoods. Mrs. King spoke out against attacks on affirmative action and against racial profiling. As a result of her unrelenting campaign efforts, a bill was signed in support of the Martin Luther King, Jr. National Holiday.

Devoting relentless energy to her noble work, Mrs. Coretta Scott King has made a tremendous impact on American history. She will be missed by all those who knew her and remembered by all those who have benefited from her enormous contributions.

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

The SPEAKER. All time for debate has expired.

Pursuant to the order of the House of Tuesday, January 31, 2006, the resolution is considered read, and the previous question is ordered on the resolution and the preamble.

The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on House Resolution 655.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement.

The House has adopted a revision to the rule regarding the admission to the floor and the rooms leading thereto. Clause 4 of rule IV provides that a former Member, Delegate or Resident Commissioner or a former Parliamentarian of the House, or a former elected officer of the House or a former minority employee nominated as an elected officer of the House shall not be entitled to the privilege of admission to the Hall of the House and the rooms extending thereto if he or she is a registered lobbyist or an agent of a foreign principal; has any direct personal pecuniary interest in any legislative measure pending before the House, or reported by a committee; or is in the employ of or represents any party, organization for the purpose of influencing, directly or indirectly, the passage, defeat, or amendment of any legislative proposal.

This restriction extends not only to the House floor but adjacent rooms, the cloakrooms and the Speaker's lobby.

Clause 4 of rule IV also allows the Speaker to exempt ceremonial and educational functions from the restrictions of this clause. These restrictions shall not apply to attendance at joint meetings or joint sessions, Former Members' Day proceedings, educational tours, and other occasions as the Speaker may designate.

Members who have reason to know that a person is on the floor inconsistent with clause 4 of rule IV should notify the Sergeant at Arms promptly.

□ 1800

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. BOUSTANY). Under the Speaker's announced policy of January 4, 2005, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

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

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

BORDER INSURGENTS

Mr. POE. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from Indiana (Mr. BURTON).

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

There was no objection.

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

Mr. POE. Mr. Speaker, our border is being held hostage by the lawless that roam the murky river banks of the Rio Grande.

Just last week along the Texas-Mexico border, about 50 miles east of El Paso, Texas lawmen faced off with outlaws dressed as Mexican army soldiers. These criminals attempted to flee Texas State authorities. U.S. law enforcement authorities were met with camouflaged military-style Humvees with .50-caliber machine guns, forcing an armed standoff along these dangerous banks of the rugged Rio Grande. The Mexican government has claimed that these so-called soldiers were actually drug smugglers. Fortunately, whoever they were, their criminal intent was foiled because U.S. border officials, even though they were outgunned, tracked the smugglers and the outlaws until they quickly fled back into Mexico after the initial standoff. These outlaws left behind nearly a ton of marijuana after they set one of their own vehicles ablaze. Mexican officials are denying that these men were members of the Mexican army, claiming it is quite easy to buy Mexican military uniforms in local stores. But, of course, Mr. Speaker, we do not know the truth about that statement.

This incident is not the first either. In November the U.S. border patrol chased criminals in a dump truck full of marijuana in the same area until it got stuck in the Rio Grande River on its way back to Mexico. As Border Patrol agents sought to unload the three tons of marijuana from the truck, the driver, who had initially fled, returned with an army of heavily armed men wearing, yes, that is correct, Mexican military uniforms carrying military-style weapons. The army of thugs backed the agents away and then bulldozed their own truck back into Mexico, this safe haven for drug dealers.

And the war for the border is not just taking place above ground. This month in California officials have stumbled upon four underground tunnels that lead from Mexico into the United States. Just last Thursday authorities spent the day removing an estimated two tons of marijuana from a tunnel that began inside a warehouse in Tijuana, Mexico near their airport and ended up in a vacant industrial building on the American side. The 2,400-foot tunnel was about 5 feet wide and high enough for an adult to stand. The floor was cement and there was electricity and ventilation. Customs officials have described the tunnel as longer and much more massive than the other smuggling tunnels discovered since September 11, 2001.

Mr. Speaker, this is an issue of national security. If these drug cartels are so boldly bringing drugs across our borders through these tunnels, what is to prevent them from using these same tunnels to smuggle terrorists and humans as well? We cannot ignore this issue.

In early January, Customs and Border Protection border patrol agents of Brewster County, Texas seized over $2 million worth of cocaine from three Mexican nationals carrying the drugs in backpacks into the United States. These narcoterrorists make money because of the lack of border security in the United States. And, Mr. Speaker, these drug dealers are serious. Federal officials have recently warned U.S. border patrol agents that they could be the targets of assassins hired by immigrant smugglers. According to a memo from Homeland Security, "Unidentified Mexican alien smugglers are angry about the border security along the U.S.-Mexico border and have agreed that the best way to deal with U.S. border patrol agents is to hire a group of contract killers." Well, it is time for us to get angry as well and come up with the best way to deal with them.

We are fighting a serious insurgency along our borders, and we must stop

this lawless out-of-control invasion. Our border is critically and visibly vulnerable. What is it going to take for us to figure this out? It is chilling to think what may be next. Will it be a shootout on the Rio Grande River?

We must win this battle for our borders. We must win the battle for American sovereignty. We must win the battle against the lawlessness that has invaded our country before Americans pay for this lawless behavior of others. That is just the way it is.

COAL MINE SAFETY

Mr. RAHALL. Mr. Speaker, I ask unanimous consent to take my Special Order at this time.

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

There was no objection.

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

Mr. RAHALL. Mr. Speaker, I rise in anger and outrage. This very afternoon two more coal miners perished in my home State of West Virginia in Boone County in separate unrelated incidents. This comes on the heels of the 14 coal miners in West Virginia who tragically died in two mines just last month.

The death toll must stop. This is scandalous. The leadership, if I may use that word, of the Federal regulatory authority charged with coal mine safety, the Mine Safety and Health Administration, has apparently completely abdicated its responsibility under this administration.

For the national spotlight to be turned on coal mine safety just last month, for those responsible for coal mine safety to be grilled during a committee hearing held in the other body just last month, yet to remain so aloof and so deficient in meeting their mission and mandate just boggles the mind. It defies logic. It smacks of callous disregard. It is inhumane. It is inexcusable.

Just this morning the West Virginia congressional delegation introduced remedial legislation to force the issue, to compel the Federal agency in charge to do its job, to enforce the coal mine and health safety standards of this Nation. This initiative is high priority for us. The shame is that it now comes on the tears of even more grieving families and this sudden and unexpected departure of two more coal miners. Why is it that every Federal coal mine health and safety law we have on the books is written with the blood of coal miners? The status quo is unacceptable. It is totally unacceptable. It must change.

I now call on the Mine Safety and Health Administration to do its duty and respond immediately to the request the Governor of West Virginia just made in a press conference. Send additional assistance to my State to allow the Mine Safety and Health Administration to do its job. Conduct a massive and comprehensive safety inspection of our mines. We must put an end to this continuing nightmare.

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

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

ADULT STEM CELL TRANSPLANTATION FOR SYSTEMIC LUPUS ERYTHEMATOSUS

Mr. WELDON of Florida. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from North Carolina (Mr. JONES).

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

There was no objection.

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

Mr. WELDON of Florida. Mr. Speaker, I rise to address the House regarding a recent article just published in the Journal of the American Medical Association.

As my colleagues know, I practiced medicine for about 15 years before my election to the House in 1994 and I continue to see patients about once a month at the veterans clinic in my congressional district. And juggling the burdens of my congressional position, I continue to try to read the medical literature. And one of the journals that I take is the Journal of the American Medical Association. And I have been engaged in an ongoing debate in this body regarding the potential usefulness of embryonic stem cells versus adult stem cells, and I have been advocating the position that the medical literature and the scientific literature is replete with evidence that adult stem cells and cord blood stem cells are proven to be highly efficacious in human applications, in treating human diseases, and that embryonic stem cells, on the other hand, not only have they never been successfully used in a human clinical trial, and you cannot show me one research article where an embryonic stem cell has been used to help a human being, they have not really been shown to be very efficacious even in animals. We do not today have a good animal model of an animal disease, say, an animal model of diabetes, where embryonic stem cells have been successfully used to cure those animals, whereas that has been done with adult stem cells in the case of diabetes in mice. It was done years ago, as a matter of fact. They tried to do that with embryonic stem cells and it failed.

And what is very significant is this article just published in the Journal of the American Medical Association, they had some 50 patients, almost, enrolled in a study, and they used adult stem cell treatments for what we call refractory or basically untreatable systemic lupus erythematosus.

Systemic lupus is a terrible disease. It affects 1.5 million Americans. Ninety percent of them are women. It is also a disease that is very common in minorities, two to three times more prevalent in minorities. The traditional treatment has not changed for 40 years. We have not had a new drug for this, and it is typically the use of what we call glucocorticords or steroids and other immunosuppressive drugs, some of the drugs that we use for cancer. Very significant side effects. No new drugs in 40 years. And it can lead to very, very serious complications, to include renal failure and to have to go on dialysis. And of this group, 48 people enrolled, they cured, cured, 33 people. No disease symptoms, published in the Journal of the American Medical Association's flagship JAMA. Richard K. Burt is the lead author. There are about 10different authors. Burt is at the University of Chicago. I know about his work. I went there to see this guy years ago because he was doing so many innovative things and using adult stem cells, and he has cured 33 people. Some of them they have been following as long as 7 years, disease free.

Mr. Speaker, this has never been done before where they can actually take somebody with severe lupus, and the only people they can typically get enrolled in these clinical trials are the bad ones that are not responding to drugs. So these are the worst cases. They are not responding to drugs. Adult stem cell transplants, and he has cured 33 of 48 patients.

Just another point to make that adult stem cells are showing tremendous clinical promise. In this particular medical group at the University of Chicago, they have treated about 50 different diseases with adult stem cells. Tremendous promise. Embryonic stem cells, on the other hand, no promise has been shown in humans to date. And as well I will reiterate they do not as yet have a good animal model that they will ever work. They are prone to form tumors called teratomas when they are used in treatment, and there are immune complications. There are a whole host of complications in animals while they try to use them.

So I wanted to bring all my colleagues up to date on this very important piece of research. It is good news for Americans with lupus who are not responding to drugs. Stem cells work. But it is adult stem cells, not embryonic stem cells.

IRAN

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

Mr. SKELTON. Mr. Speaker, thousands of Americans have lost their

lives and billions of U.S. dollars have been spent in the war in Iraq. This war has dangerously overstretched our military and preoccupied our country for almost 3 years now, and it still has no end in sight.

And after all this, what a tragedy and disaster it will be if the real winner in this war is not the Iraqi people nor a more secure and democratic Middle East but rather Iran, a country that supports terrorism and opposes most of what we stand for. Yet today this possible scenario is exactly what we face.

Iran has used our preoccupation in Iraq to its advantage. While we have searched for nonexistent weapons of mass destruction in Iraq, Iran has pursued its own nuclear ambitions. Now, with its decision to resume uranium enrichment, Iran is dangerously closer to having the capability to produce nuclear weapons. And press reports today link Iran's supposedly peaceful nuclear program to its military work on high explosives and missiles.

At the same time, Iran has deeply insinuated itself in Iraq. It has taken advantage of Iraq's porous borders and is supporting anti-American efforts there. Its goal is to promote a Shiite-dominated anti-American state that can strengthen Iran's military, economic and political power in the region.

But even before its latest nuclear pursuits and involvement in Iraq, Iran's actions have been seriously troubling. It has pursued dangerous chemical, biological, and ballistic missile capabilities; supported terrorists; and undermined the Middle East peace process.

□ 1815

Amidst all of this, Iran's leaders have escalated their anti-Semitic rhetoric, threatening to wipe Israel off the map.

Yet, rather than handle Iran's nuclear situation and involvement in Iraq early and decisively with a sophisticated policy that also addresses the broader problems posed by the country, this administration largely relied on the Europeans to sort this thing out. As a result, the nuclear situation is now an international crisis, and we risk having a radical anti-American regime armed with nuclear weapons entrenched as the dominant power in the Middle East.

We simply cannot let this happen. Iran must not acquire a nuclear weapon. It must respect Iraq's sovereignty, and it must become a constructive member of the international community. While cooperation with our allies and strategic partners is critical, the U.S. must take the lead here. The agreement brokered by Secretary Rice this week to report Iran to the U.N. Security Council is encouraging, but action by the council is uncertain and may not resolve the nuclear crisis or much else. The administration must put forth the necessary plan, and Congress must do its part. Today, the House Armed Services Committee held a hearing on this matter and will do more.

There are no simple answers or easy solutions, but one thing is clear: the administration, with Congress, must be more engaged and must get this right. Other countries will be closely watching this situation, and there are serious implications for the security of our Nation, stability in the Middle East and the nonproliferation regime.

We must address the immediate nuclear crisis, but we must also account for the complexity of the situation and broader, long-term issues involved; and we must consider all tools at our disposal. Yet there are limits to what we can accomplish militarily, and sweeping sanctions could cause more harm than good. Still, there are many tools available that this administration has, unfortunately, failed to utilize effectively or at all.

Here are some of them: we should actively support the IAEA's efforts. We should pursue more focused and vigorous diplomacy and encourage China, Russia, and India to play key roles. We should develop necessary human intelligence capabilities.

We should cultivate U.S. support among the Iranian population and substantially increase democracy promotion efforts that encourage the population to demand more moderate leadership. Specifically, we should increase communication through TV, radio, and the Internet. We should convey a coordinated U.S. policy. We should widely disseminate information about the regime's repression and corruption. We should provide effective assistance to Iranian dissidents and pro-democracy NGOs here in the United States.

We should increase cultural, academic, and professional opportunities for Iran's youth and women. Additionally, we should consider ''smart sanctions,'' as well as incentives that would target Iran's leadership, avoid harming the Iranian population and have strong international support. For example, we should sanction overseas assets of corrupt leaders.

Also, we should encourage Lebanon to disarm Hezbollah, which Iran uses to reject power. We should limit Iran's ability to disrupt oil and gas supplies and increase energy prices. This includes reducing the vulnerability of Middle Eastern energy resources to Iranian-backed terrorist attacks and decreasing U.S. reliance on such resources.

We simply cannot allow Iran to emerge as the real winner in the war in Iraq. This must be a top bipartisan priority.

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

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

ECONOMIC RESULTS SPEAK FOR THEMSELVES

Ms. FOXX. Mr. Speaker, I ask unanimous consent to take the time of Mr. MACK.

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

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina (Ms. FOXX) is recognized for 5 minutes.

Ms. FOXX. Mr. Speaker, I first want to commend the gentleman from Florida (Mr. WELDON) for bringing this exciting news about adult stem cell success to us. Last week, Congresswoman NANCY JOHNSON and I had the opportunity to visit again Wake Forest Medical Center's regenerative medicine program, where they are doing some absolutely wonderful things from adult stem cells, and I hope sometime in the future soon to bring some information about that program.

But, Mr. Speaker, tonight I want to talk about some other good news. While we were working in our districts for the past month, good economic news continued to pour in, thanks to the Republicans' fiscal restraint and pro-growth economic agenda. In fact, our unemployment rate is lower than the average of the 1970s, 1980s, and 1990s; and earlier this month, the Dow Jones Industrial Average closed above 11,000 for the first time since the 2001 terrorist attacks. In addition, new-home sales reached an all-time high in 2005. Finally, it was just reported that consumer confidence has risen this month to the highest level since June of 2002.

The great economic news flies in the face of the Democrats' message of doom and gloom. Before the district work period, Republicans passed a Deficit Reduction Act, which was a plan to reform the government and yield savings for American taxpayers. Fortunately, today we passed this bill again, modified slightly by the Senate; but it was with no support from the Democrats. Once again, we show that Republicans are indeed the party of fiscal restraint.

Mr. Speaker, Republicans will continue to push for pro-growth economic policies aimed at ensuring that all Americans can realize the American Dream.

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

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

COMMENTS ON THE STATE OF THE UNION ADDRESS

Ms. WOOLSEY. Mr. Speaker, I ask unanimous consent to take the time of the gentleman from Oregon (Mr. DEFAZIO).

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

There was no objection.

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

Ms. WOOLSEY. Mr. Speaker, last night, Cindy Sheehan was evicted from this Chamber and arrested. Her crime? Wearing a T-shirt that highlighted the number of dead soldiers in Iraq and asking, ''How many more?''

Since when is free speech conditional on whether or not you agree with the President of the United States? In fact, isn't the whole point of the first amendment to our Constitution to protect dissenters? And how ironic is it, Mr. Speaker, that this outrageous suppression of peaceful protest should take place on the very same day that America lost one of the pioneers of civil disobedience, Coretta Scott King.

I will say about this episode what I said about the torture of prisoners, the PATRIOT Act, and the administration's illegal domestic surveillance program: How can we claim to be fighting on behalf of freedom around the world, making the world safe for freedom, when we are smothering freedom here at home?

Let us not forget also that Cindy Sheehan has given her child for this country and this war. She deserves the sympathy and gratitude of every American. No one who sat in this Chamber last night has the moral authority she does to express an opinion on the Bush Iraq policy.

But I might argue that it is actually a little misleading to classify Ms. Sheehan's views as ''dissent'' or ''protest,'' because a majority of Americans agree with her that the invasion of Iraq was a tragic mistake and a majority agrees with her that the President misled us about weapons of mass destruction intelligence in order to justify this war.

The President, meanwhile, represents a minority view, and he tried once again to sell that minority view to skeptical Americans last night. And once again he did so by employing a spin, misleading rhetoric, and outright deception.

Of course, he conveniently conflated the 9/11 attacks on America with the conflict in Iraq, exploiting a national tragedy for the umpteenth time. He talked about the importance of Iraqi reconstruction, but did not mention that the official in charge of reconstruction says there is not enough funding to complete key projects. He said that military commanders on the ground would make decisions for troop levels, but in 2003 he dismissed the general who correctly warned that keeping the peace in post-war Iraq would require hundreds of thousands of troops.

The President set up this misleading either/or proposition choice last night: you either support his militarism, or you believe in ''retreating within our borders and the false comfort of isolation.''

This is a false charge. We should absolutely be engaging the nations of the world, especially ones that are poor, underdeveloped, and vulnerable to terrorism; but we should be engaging the world with humanitarian support, not with bombs and missiles.

Yes, by all means, let us meet the challenges of the world, where too many suffer under economic and political repression. But instead of sending troops, let us send small business loans, let us send agricultural experts, let us send doctors, teachers, scientists and constitutional scholars. Let us engage, not invade.

This has been the core philosophy of my SMART Security Plan that I have discussed here many, many times: less brawn, more brains; less belligerence, more benevolence.

It is interesting that a President who has disparaged allies, rejected multilateralism, and ignored global commitments now talks about the dangers of isolation. The only way to promote peace and security to combat terrorism, to stop the spread of deadly weapons is to embrace a vision of global partnership, cooperation and diplomacy; and that is exactly what the President has failed to do.

He could start by abandoning his vision of conquest and bring our troops home. Only then can we begin the hard work of defeating tyranny and ensuring freedom and ensuring peace around the world.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind Members to avoid improper references toward the President or the Vice President.

STATUS REPORT ON CURRENT SPENDING LEVELS OF ON-BUDGET SPENDING AND REVENUES FOR FY 2006 AND THE 5-YEAR PERIOD FY 2006 THROUGH FY 2010

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

Mr. NUSSLE. Mr. Speaker, I am transmitting a status report on the current levels of on-budget spending and revenues for fiscal year 2006 and for the five-year period of fiscal years 2006 through 2010. This report is necessary to facilitate the application of sections 302 and 311 of the Congressional Budget Act and section 401 of the conference report on the concurrent resolution on the budget for fiscal year 2006 (H. Con. Res. 95). This status report is current through January 27, 2006.

The term ''current level'' refers to the amounts of spending and revenues estimated for each fiscal year based on laws enacted or awaiting the President's signature.

The first table in the report compares the current levels of total budget authority, outlays, and revenues with the aggregate levels set forth by H. Con. Res. 95. This comparison is needed to enforce section 311(a) of the Budget Act, which creates a point of order against measures that would breach the budget resolution's aggregate levels. The table does not show budget authority and outlays for years after fiscal year 2006 because those years are not considered for enforcement of spending aggregates.

The second table compares, by authorizing committee, the current levels of budget authority and outlays for discretionary action with the ''section 302(a)'' allocations made under H. Con. Res. 95 for fiscal year 2006 and fiscal years 2006 through 2010. ''Discretionary action'' refers to legislation enacted after the adoption of the budget resolution. This comparison is needed to enforce section 302(f) of the Budget Act, which creates a point of order against measures that would breach the section 302(a) discretionary action allocation of new budget authority for the committee that reported the measure. It is also needed to implement section 311(b), which exempts committees that comply with their allocation from the point of order under section 311(a).

The third table compares the current levels of the discretionary appropriations for fiscal year 2006 with the ''section 302(b)'' suballocations of discretionary budget authority and outlays among Appropriations subcommittees. The comparison is also needed to enforce section 302(f) of the Budget Act because the point of order under that section equally applies to measures that would breach the applicable section 302(b) suballocations as well as the 302(a) allocation.

The fourth table gives the current level for 2007 of accounts identified for advance appropriations under section 401 of H. Con. Res. 95. This list is needed to enforce section 401 of the budget resolution, which creates a point of order against appropriation bills or amendments thereto that contain advance appropriations that are: (i) identified in the statement of managers or (ii) would cause the aggregate amount of such appropriations to exceed the level specified in the resolution.

REPORT TO THE SPEAKER FROM THE COMMITTEE ON THE BUDGET—STATUS OF THE FISCAL YEAR 2006 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 95

[Reflecting action completed as of January 27, 2006—On-budget amounts, in millions of dollars]

	Fiscal years—	
	2006	2006–2010
Appropriate Level:		
Budget authority	2,144,384	(1)
Outlays	2,161,420	(1)
Revenues	1,589,892	9,080,006
Current Level:		
Budget authority	2,135,436	(1)
Outlays	2,161,041	(1)
Revenues	1,607,178	9,176,057
Current Level over (+)/under(−) Appropriate Level:		
Budget authority	−8,948	(1)
Outlays	−379	(1)
Revenues	17,286	96,051

[1] Not applicable because annual appropriations acts for fiscal years 2007 through 2010 will not be considered until future sessions of Congress.

BUDGET AUTHORITY

Enactment of measures providing new budget authority for FY 2006 in excess of $8,948,000,000 (if not already included in the current level estimate) would cause FY 2006 budget authority to exceed the appropriate level set by H. Con. Res. 95.

OUTLAYS

Enactment of measures providing new outlays for FY 2006 in excess of $379,000,000 (if

not already included in the current level estimate) would cause FY 2006 outlays to exceed the appropriate level set by H. Con. Res. 95.

REVENUES

Enactment of measures that would reduce revenue for FY 2006 in excess of $17,286,000,000 (if not already included in the current level estimate) would cause revenues to fall below the appropriate level set by H. Con. Res. 95.

Enactment of measures resulting in revenue reduction for the period of fiscal years 2006 through 2010 in excess of $96,051,000,000 (if not already included in the current level estimate) would cause revenues to fall below the appropriate levels set by H. Con. Res. 95.

DIRECT SPENDING LEGISLATION—COMPARISON OF CURRENT LEVEL WITH AUTHORIZING COMMITTEE 302(a), ALLOCATIONS FOR DISCRETIONARY ACTION, REFLECTING ACTION COMPLETED AS OF JANUARY 27, 2006

[Fiscal Years, in millions of dollars]

House Committee	2006		2006–2010 total	
	BA	Outlays	BA	Outlays
Agriculture:				
Allocation	0	0	0	0
Current level	0	0	0	0
Difference	0	0	0	0
Armed Services:				
Allocation	0	0	0	0
Current level	−23	−24	−57	−64
Difference	−23	−24	−57	−64
Education and the Workforce:				
Allocation	100	100	500	500
Current level	−12	−25	28	33
Difference	−112	−125	−472	−467
Energy and Commerce:				
Allocation	100	100	2,000	2,000
Current level	141	231	2,283	2,240
Difference	41	131	283	240
Financial Services:				
Allocation	0	0	0	0
Current level	2,210	2,210	3,356	3,356
Difference	2,210	2,210	3,356	3,356
Government Reform:				
Allocation	50	50	50	50
Current level	−1	−1	0	0
Difference	−51	−51	−50	−50
House Administration:				
Allocation	0	0	0	0
Current level	0	0	0	0
Difference	0	0	0	0
Homeland Security:				
Allocation	0	0	0	0
Current level	0	0	0	0
Difference	0	0	0	0
International Relations:				
Allocation	0	0	0	0
Current level	−25	−25	−27	−27
Difference	−25	−25	−27	−27
Judiciary:				
Allocation	6	6	6	6
Current level	0	0	0	0
Difference	−6	−6	−6	−6
Resources:				
Allocation	8	8	50	50
Current level	0	2	1	3
Difference	−8	−6	−49	−47
Science:				
Allocation	0	0	0	0
Current level	0	0	0	0
Difference	0	0	0	0
Small Business:				
Allocation	0	0	0	0
Current level	0	0	0	0
Difference	0	0	0	0
Transportation and Infrastructure:				
Allocation	3,027	0	4,107	0
Current level	4,195	412	37,125	1,271
Difference	1,168	412	33,018	1,217
Veterans' Affairs:				
Allocation	0	0	0	0
Current level	0	0	0	0
Difference	0	0	0	0
Ways and Means:				
Allocation	350	346	1,537	1,914
Current level	705	720	311	373
Difference	355	374	−1,226	−1,541

DISCRETIONARY APPROPRIATIONS FOR FISCAL YEAR 2006—COMPARISON OF CURRENT LEVEL WITH APPROPRIATIONS COMMITTEE 302(a) ALLOCATION AND APPROPRIATIONS SUBCOMMITTEE 302(b) SUBALLOCATIONS

[In millions of dollars]

Appropriations Subcommittee	302(b) suballocations as of November 2, 2005 (H. Rpt. 109–264)		Current level reflecting action completed as of January 27, 2006		Current level minus suballocations	
	BA	OT	BA	OT	BA	OT
Agriculture, Rural Development, FDA	17,088	18,691	16,777	18,590	−311	−101
Defense	403,280	372,696	357,823	374,803	−45,457	2,107
Energy & Water Development	30,495	30,273	30,189	30,498	−306	225
Foreign Operations	20,937	25,080	20,700	25,130	−237	50
Homeland Security	30,846	33,233	30,258	32,980	−588	−253
Interior-Environment	26,159	27,500	25,891	28,600	−268	1,100
Labor, HHS & Education	142,514	143,802	141,218	143,285	−1,296	−517
Legislative Branch	3,804	3,804	3,766	3,777	−38	−27
Military Quality of Life-Veterans Affairs	44,143	81,634	85,467	75,487	41,324	−6,147
Science-State-Justice-Commerce	57,854	58,856	57,208	58,148	−646	−708
Transportation-Treasury-HUD-Judiciary-DC	65,900	120,837	64,135	120,864	−1,765	27
Unassigned	0	430	0	0	0	−430
Total (Section 302(a) Allocation)	843,020	916,836	833,432	912,162	−9,588	−4,674

Statement of FY2007 advance appropriations under section 401 of H. Con. Res. 95, reflecting action completed as of January 27, 2006

[In millions of dollars]

	Budget Authority
Appropriate Level	23,158
Current Level:	
Elk Hills	0
Employment and Training Administration	2,463
Education for the Disadvantaged	7,383
School Improvement	1,435
Children and Family Services (Head Start)	1,389
Special Education	5,424
Vocational and Adult Education	791
Payment to Postal Service	73
Section 8 Renewals	4,200
Shipbuilding and Conversion, Navy	0
Total	23,158
Current Level over (+)/ under (-) Appropriate Level	0

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, February 1, 2006.

Hon. JIM NUSSLE,
Chairman, Committee on the Budget, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The enclosed report shows the effects of Congressional action on the fiscal year 2006 budget and is current through January 27, 2006. This report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended.

The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of H. Con. Res. 95, the Concurrent Resolution on the Budget for Fiscal Year 2006. Pursuant to section 402 of that resolution, provisions designated as emergency requirements are exempt from enforcement of the budget resolution. As a result, the enclosed current level report excludes these amounts (see footnote 2 of the report).

Since my last letter, dated December 13, the Congress has cleared and the President has signed the following acts that affect budget authority, outlays, or revenues for fiscal year 2006:

Valles Caldera Preservation Act of 2005 (Public Law 109–132);

Naval Vessels Transfer Act of 2005 (Public Law 109–134);

An act to provide certain authorities to the Department of State (Public Law 109–140);

Terrorism Risk Insurance Extension Act of 2005 (Public Law 109–144);

Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006 (Public Law 109–148);

Labor, HHS, Education, and Related Agencies Appropriations Act, 2006 (Public Law 109–149);

Second Higher Education Extension Act of 2005 (Public Law 109–150);

Employee Retirement Preservation Act (Public Law 109–151);

TANF and Child Care Continuation Act of 2005 (Public Law 109–161);

National Defense Authorization Act of Fiscal Year 2006 (Public Law 109–163); and

United States-Bahrain Free Trade Agreement Implementation Act (Public Law 109–169).

The effects of the action listed above are detailed in the enclosed report.

Sincerely,

DONALD B. MARRON,
Acting Director.

Enclosure.

FISCAL YEAR 2006 HOUSE CURRENT LEVEL REPORT AS OF JANUARY 27, 2006

[In millions of dollars]

	Budget authority	Outlays	Revenues
Enacted in previous sessions:[1]			
Revenues	n.a.	n.a.	1,607,650
Permanents and other spending legislation	1,346,313	1,314,358	n.a.
Appropriation legislation	0	382,272	n.a.
Offsetting receipts	−479,872	−479,872	n.a.
Total, enacted in previous sessions:	866,441	1,216,758	1,607,650
Enacted this session:			
Authorizing Legislation:			
TANF Extension Act of 2005 (P.L. 109–19)	148	165	0
An act approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2005 (P.L. 109–39)	0	0	−1
Dominican Republic-Central America-United States Free Trade Agreement Implementation Act (P.L. 109–53)	27	27	−3
Energy Policy Act of 2005 (P.L. 109–58)	141	231	−588
Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (P.L. 109–59)	3,444	36	9
National Flood Insurance Program Enhanced Borrowing Authority Act of 2005 (P.L. 109–65)	2,000	2,000	0
Pell Grant Hurricane and Disaster Relief Act (P.L. 109–66)	2	2	0
TANF Emergency Response and Recovery Act of 2005 (P.L. 109–68)[2]	102	105	0
Natural Disaster Student Aid Fairness Act (P.L. 109–86)	36	18	0
Community Disaster Loan Act of 2005 (P.L. 109–88)[2]	751	376	0
QI, TMA, and Abstinence Programs Extension and Hurricane Katrina Unemployment Relief Act of 2005 (P.L. 109–91)	354	341	0
An act to extend the special postage stamp for breast cancer research for 2 years (P.L. 109–100)	−1	−1	0
Valles Caldera Preservation Act of 2005 (P.L. 109–132)	0	2	0
Naval Vessels Transfer Act of 2005 (P.L. 109–132)	−26	−26	0
An act to provide certain authorities to the Department of State (P.L. 109–140)	1	1	0
Terrorism Risk Insurance Extension Act of 2005 (P.L. 109–144)	210	210	0
Second Higher Education Extension Act of 2005 (P.L. 109–150)	−50	−45	0
Employee Retirement Preservation Act (P.L. 109–151)	0	0	−2
TANF and Child Care Continuation Act of 2005 (P.L. 109–161)	73	81	0
National Defense Authorization Act for Fiscal Year 2006 (P.L. 109–163)	−23	−24	0
United States-Bahrain Free Trade Agreement Implementation Act (P.L. 109–169)	1	1	−20
Appropriations Acts:			
Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109–13)[2]	−39	−21	11
Interior Appropriations Act, 2006 (P.L. 109–54)	26,211	17,301	122
Legislative Branch Appropriations Act, 2006 (P.L. 109–55)	3,804	3,185	0
Homeland Security Appropriations Act, 2006 (P.L. 109–90)	31,860	19,306	0
Agriculture Appropriations Act, 2006 (P.L. 109–97)	99,262	57,294	0
Foreign Operations Appropriations Act, 2006 (P.L. 109–102)	20,979	8,164	0
Energy and Water Appropriations Act, 2006 (P.L. 109–103)	30,459	19,604	0
Science, State, Justice, Commerce Appropriations Act, 2006 (P.L. 109–108)	58,210	35,763	0
Military Quality of Life and VA Appropriations Act, 2006 (P.L. 109–114)[2]	83,519	67,294	0
Transportation, Treasury, HUD Appropriations Act, 2006 (P.L. 109–115)	81,149	69,465	0
Defense and Emergency Supplemental Appropriations Act, 2006 (P.L. 109–148)[2]	393,349	273,692	0
Labor, HHS, and Education Appropriations Act, 2006 (P.L. 109–149)	505,060	370,483	0
Total, enacted this session:	1,341,013	945,030	−472
Entitlements and mandatories: Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	−72,018	−747	n.a.
Total Current Level[2 3]	2,135,436	2,161,041	1,607,178
Total Budget Resolution	2,144,384	2,161,420	1,589,892
Current Level Over Budget Resolution	n.a.	n.a.	17,286
Current Level Under Budget Resolution	8,948	379	n.a.
Memorandum:			
Revenues, 2006–2010			
House Current Level	n.a.	n.a.	9,176,057
House Budget Resolution	n.a.	n.a.	9,080,006
Current Level Over Budget Resolution	n.a.	n.a.	96,051
Current Level Under Budget Resolution	n.a.	n.a.	n.a.

[1] The effects of an act to provide for the proper tax treatment of certain disaster mitigation payments (P.L. 109–7) and the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (P.L. 109–8) are included in this section of the table, consistent with the budget resolution assumptions.

[2] Pursuant to section 402 of H. Con. Res. 95, the Concurrent Resolution of the Budget for Fiscal Year 2006, provisions designated as emergency requirements are exempt from enforcement of the budget resolution. As a result, the current level excludes the following amounts:

	Budget Authority	Outlays	Revenues
Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109–13)	0	30,757	0
Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From Hurricane Katrina, 2005 (P.L. 109–61)	0	7,750	0
Second Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From Hurricane Katrina, 2005 (P.L. 109–62)	0	21,841	0
TANF Emergency Response and Recovery Act of 2005 (P.L. 109–68)	200	245	0
Katrina Emergency Tax Relief Act of 2005 (P.L. 109–73)	128	128	−3,191
Community Disaster Loan Act of 2005 (P.L. 109–88)	−751	0	0
National Flood Insurance Program Further Enhanced Borrowing Authority Act of 2005 (P.L. 109–106)	15,000	14,000	0
Military Quality of Life and VA Appropriations Act, 2006 (P.L. 109–114)	1,225	1,103	0
Gulf Opportunity Zone Act of 2005 (P.L. 109–135)	27	27	−3,920
Defense and Emergency Supplemental Appropriations Act, 2006 (P.L. 109–148)	59,152	36,572	0
Total, enacted emergency requirements:	74,981	112,423	−7,111

[3] Excludes administrative expenses of the Social Security Administration, which are off-budget.

Source: Congressional Budget Office.
Notes: n.a. = not applicable; P.L. = Public Law.

VACATING 5-MINUTE SPECIAL ORDER

The SPEAKER pro tempore. Without objection, the 5-minute Special Order of the gentleman of New Jersey (Mr. PALLONE) is vacated.

There was no objection.

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

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

THE NEED FOR ENERGY INDEPENDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, last night we heard the President say something that has been repeated on news broadcast after news broadcast across our country: America is addicted to imported oil. This chart shows that over 30 percent, one-third of what we consume, comes just from the Middle East. Mr. President, thank you for finally saying what many of us have been trying to tell you and your administration and your father's administration for the past decade-and-a-half. Your own Secretary of Defense told me on the record in the Defense Appropriations Committee that energy independence for America wasn't his job, and yet he runs the largest department in your cabinet.

My constituents complain to us daily about the cost of home heating, the cost of gasoline. Small business people can't afford to pay their bills. But they don't want to have to wait until 2025 for a solution after you have been out of office for nearly two decades.

The United States consumes over $7 billion worth of imported petroleum, most of it from very undemocratic places. You called them ''unstable'' last night. They are more than unstable. They are undemocratic, Saudi Arabia being the premier country.

Now, Mr. President, you are in the sixth year of your Presidency. Four years ago you claimed to offer an energy plan in this book that had 103 recommendations. I said then and I say now, not a single one of these recommendations were directed at new fuels like ethanol and biodiesel, which you referenced last night. It is interesting that you waited until the sixth year, the middle of your second term, to even offer any kind of new energy program for our country. It kind of makes you wonder whether the Bush administration is really serious.

We must do something now about America's chief strategic vulnerability. We don't need to wait 20 years; we don't need to wait another decade for cellulosic research. In fact, Minnesota moved to a 10 percent ethanol blend, and we ought to do the very same thing nationally.

We can provide funds for infrastructure; just put the pumps in the ground. I can buy the vehicles in Detroit today. I can't get the fuel in my own district.

□ 1830

We landed a man on the Moon in 10 years. A man on the Moon. And yet we cannot get pumps in the ground across America. We lay tar and concrete all over the country. Let us get serious.

The 2002 farm bill contained the first-ever energy title. I know, we wrote it. Have we had any support from the administration? So small, it is almost embarrassing. In 2004 the administration recommended cutting the minuscule biofuels program operated by the U.S. Department of Agriculture by $70 million. In 2005 by $2 million more.

They have cut the money for the National Renewable Energy Labs by over $46 million in Golden, Colorado. All of the pieces of the puzzle that could give us the answer and wean us off this foreign dependence are not part of the President's budget proposal.

What are you going to do, Mr. President, to recapture lost markets? Think about this: Exxon yesterday reported extraordinary profits of over $36 billion, the largest corporate profit in U.S. history. $36 billion. Yet the entire budget of the Department of Energy is $23 billion.

Exxon's profits are almost double the entire budget of the Department of Energy. How many jobs we could create if that windfall could be put to making America energy independent here at home.

So, Mr. President, we welcome your interest at long last. We hope it continues. Though you are late to the table, do not shortchange the American people. Our national security depends on it.

The SPEAKER pro tempore (Mr. KUHL of New York). Under a previous order of the House, the gentleman from Illinois (Mr. EMANUEL) is recognized for 5 minutes.

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

CONGRATULATIONS TO THE SEVEN ASIAN-PACIFIC AMERICANS PLAYING IN THIS WEEK'S SUPER BOWL

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

Mr. FALEOMAVAEGA. Mr. Speaker, it is with great pleasure and indeed a personal honor for me to share with my colleagues and the American people that for myself as a Polynesian of Samoan ancestry and as a Member of the United States Congress, to congratulate, to recognize and to commend seven sons of the Asian-Pacific American community who will be playing in Super Bowl XL this coming Sunday, at Detroit, Michigan.

These seven players are Lofa Tatupu, Itula Mili, and Wayne Hunter of the Seattle Seahawks, and Troy Polamalu, Shaun Nua, Chris Kemoeatu, and Kimo van Oelhoffen of the Pittsburgh Steelers.

Among the seven Polynesian players in this Sunday's Super Bowl game, Kimo von Oelhoffen is Native Hawaiian, Chris Kemoeatu is Tongan, and Lofa Tatupu, Itula Mili, Wayne Hunter, Shaun Nua, and Troy Polamalu are all Samoans.

Mr. Speaker, this is a monumental achievement in the history of our Polynesian people in this great country of ours. These young men exemplify for me a journey of our people, particularly those of us who come to this country from humble beginnings as people of small island nations, with nothing but our values, our culture and our great fear of God to navigate the great highways of our Nation.

Today, Mr. Speaker, I am especially proud of these young men, give tremendous credit to their parents and extended families. It is a pride that comes from a deep understanding that great feats are accomplished through a dedication to basic hard work, perseverance, determination, and a lot of patience. Each of these young men have had to overcome great obstacles to be where he is today.

Such a feat reminds me of the wisdom of one of my great heroes, the nonviolent leader, Mahatma Gandhi,

whose insight into the human spirit sums up quite frankly what I believe to be a fundamental truth. Mahatma Gandhi says strength does not come from physical capacity; it comes from the indomitable will.

Lofa Tatupu, Itula Mili, Wayne Hunter, Troy Polamalu, Shaun Nua, Chris Kemoeatu, and Kimo von Oelhoffen epitomize the indomitable will of our Polynesian people, which in my opinion is another clear manifestation of the greatness of our Nation, to allow its citizens whose roots are from just about every part of the world to be all you can be if given the opportunity.

And in this instance, seven Polynesians have stepped to the plate to share their God-given talent of playing the sport of football in the National Football League.

Of the 300 million Americans today, only 30,000 are Tongan Americans, and about 200,000 are Samoans living in my district and in the Continental United States, and approximately 400,000 Native Hawaiians nationwide.

From these meager statistics, Mr. Speaker, the presence of these seven Polynesian men in the Super Bowl this Sunday should remind us all as Americans that the values upon which this country was founded are still alive; that pure hard work, commitment, determination, and perseverance continue to be rewarded.

Mr. Speaker, let me give you a brief summary of each of those players' achievements. Of the seven players, Itula Mili and Chris Kemoeatu are graduates of my alma mater, Kahuku High School in the State of Hawaii. As a matter of fact, Mr. Speaker, of the 24 Samoans that currently play in the National Football League, five are graduates of Kahuku High School of Hawaii, and five are graduates of high schools of my little territory of American Samoa.

Itula Mili wears jersey No. 88 and plays for the Seattle Seahawks. Wayne Hunter wears jersey No. 73 and plays for the Seattle Seahawks. Lofa Tatupu wears the jersey of 51 and plays for the Seattle Seahawks. Lofa is the son of the former NFL great fullback and special teams great and my dear friend, Mosi Tatupu, both alumni of the University of Southern California Trojans.

Wearing No. 43 with the Pittsburgh Steelers is Troy Polamalu. Polamalu has developed into one of the NFL's top safeties and was one of the six Steelers selected to the 2005 Pro Bowl. He has been selected to the 2006 Pro Bowl team. He was named to the Associated Press second team all pro squad as a ferocious hitter with excellent speed.

Twenty-four-year-old No. 96, Shaun Nua, plays for the Pittsburgh Steelers. Born in American Samoa, he attended a local high school. He is known as an athletic defensive lineman.

Chris Kemoeatu wears jersey No. 68 for the Pittsburgh Steelers, Kahuku high School graduate, All American University of Utah. Komo von Oelhoffen wears No. 67 for the Pittsburgh Steelers. He hails from Kaunakakai, Hawaii, a graduate of Molokai High School.

Mr. Speaker, on behalf of the Asian-Pacific American community living in this great Nation of ours, once more, it is with pride that I share with my colleagues and indeed with all of my fellow Americans the accomplishments of our Polynesian young men in the field of sports, specifically football.

Mr. Speaker, again I want to say fa'afetai tele, mahalo nui loa, and malo e lelei, which means ''thank you'' in Samoan, Hawaiian, and the Tongan languages.

Mr. Speaker, I will insert for the RECORD at this point articles on these players.

[From Sports Illustrated, Nov. 14, 2005]

THE YOUNG AND RELENTLESS

VERSATILE, HARD-HITTING AND OOZING CONFIDENCE, THE NEXT GENERATION OF DEFENSIVE STARS IS DISRUPTING GAME PLANS AND CREATING A NEW BLUEPRINT FOR BUILDING WINNERS

(By Peter King)

Something hard to quantify hit the NFL in the first half of the season. Not quite a trend, but more than a feeling: Young defensive players—rookies, second- and third-year players—are making a bigger impact than, well, maybe ever.

The Colts are 8–0 and on track for the Super Bowl using seven key defensive players who are 25 or younger; Colts defensive end Robert Mathis, 24, is tied for the NFL sack lead with eight, while linebacker Cato June, 25, is second in the league with five interceptions. The Jets followed middle linebacker Jonathan Vilma's young leadership to the playoffs last year, and now two contenders—Cincinnati (with Odell Thurman) and Seattle (Lofa Tatupu)—have rookie middle 'backers calling defensive signals. In Chicago safety Mike Brown, 27, is the old man of a rock-solid secondary for the NFC North-leading Bears. None of his fellow starters (cornerbacks Charles Tillman and Nathan Vasher and rookie safety Chris Harris) has turned 25 yet. Five rookies are playing in Cowboys defensive coordinator Mike Zimmer's rotation, helping Dallas contend in the resurgent NFC East. The most accomplished of the young bunch, and certainly the most recognizable, may be Steelers safety Troy Polamalu (page 44), who in just three seasons has become a force in the league, ranging all over the field, hair flowing as he delivers game-changing plays.

''I see it every week, right in front of me,'' says Chiefs defensive coordinator Gunther Cunningham. ''The league is changing. First-day draft picks are coming in and making an impact early on defense.''

''If you're good, you're good,'' says Tillman, 24, an intelligent third-year player who has started since October of his rookie year. ''LeBron James was—what?—18 when he came into the NBA. Michelle Wie's playing with the best at 16. No one said, 'Oh, she's too young.' Football's not old school anymore, where you sit till you're a senior in college, then get to play, then sit for two or three years before you get your chance in the NFL. When I came to camp as a rookie, it was all about who was the best guy.''

The philosophy of building a defense with star free agents and supplementing them with meat and potatoes in the draft began to wane in the late '90s, after several high-profile mistakes. In 1998 Jacksonville gave linebacker Bryce Paup a five-year, $21.8-million deal, and he gave the Jags 7½ sacks in two years before being cut. That same year cornerback Doug Evans (Carolina), defensive end Gabe Wilkins (San Francisco) and defensive tackle Dana Stubblefield (Washington) signed for a combined $79 million; they made zero Pro Bowls for those teams. In '99 Dale Carter signed a six-year, $38 million deal and gave Denver one lousy season on the field and a second in which he was suspended for substance abuse.

''Money can make fools of all of us,'' says Chargers coach Marty Schottenheimer. ''There've been some lessons learned from free agency. And I've changed a little bit when it comes to the draft. I used to say draft a guy and let him sit till he learns it, maybe two or three years. Now, the last five or six years, they've got to produce in year two and three.''

The first five picks in last April's draft were offensive players, but 34 of the next 59 were defenders. And there's no question that the bigger impact has been made by the defensive rookies, led by Thurman, San Diego's Luis Castillo and Shawne Merriman, and Dallas's Demarcus Ware—any of whom could make the Pro Bowl this season.

Says Tennessee director of pro scouting Al Smith, a 10-year NFL linebacker who retired in 1997, ''On our side of the business we're seeing it's better to draft a good prospect and develop him rather than spending $10 or $15 million on a signing bonus in free agency and getting burned. With guys like Merriman and Ware, you basically tell them, 'Get to the quarterback and don't jump offside.' ''

[From the Washington Post, Feb. 1, 2006]

EVERYBODY'S IN A BIG HURRY

STEELERS' BLITZES MAKE PROTECTING THE QUARTERBACK A PROBLEM

(By Leonard Shapiro)

DETROIT, Jan. 31.—It's the kind of image that can keep an offensive lineman tossing and turning at night.

Over the last week or so, Robbie Tobeck, Seattle's 12th-year center, and his teammates on the line have studied videotape of the Pittsburgh Steelers' defense, particularly the constant and often devastating blitzes that can come at any time, from any place on the field.

''You know they're going to be extremely physical,'' Tobeck said. ''What you see is when they've been successful, they've basically gotten people into a panic. That's something we can't allow to happen. We've got to relax, take our time and make the adjustments to prevent something like that.''

The Steelers have been a blitzing team ever since Bill Cowher showed up as their coach 14 years ago. One of the original architects of the Steelers' zone blitz schemes was Dick LeBeau, who played 14 years at cornerback in the NFL and spent I six years as an assistant coach with the Steelers in the mid-1990s. He returned as the team's defensive coordinator in 2004, and his handiwork has been evident in Pittsburgh's run to Super Bowl XL.

No team in the NFL blitzed more than the Steelers in 2005, using the tactic on a league-high 287 pass attempts during the regular season. The blitz was primarily responsible for eliminating the top-seeded Indianapolis Colts in the second round of the AFC playoffs in a game in which quarterback Peyton Manning spent more time on his back than standing upright. Manning was so undone he complained afterward that his teammates simply couldn't protect him.

There was more of the same 10 days ago in the AFC title game, when the Steelers forced Broncos quarterback Jake Plummer into four turnovers—two interceptions and two fumbles under a particularly heavy rush—in

Pittsburgh's upset at Denver's Invesco Field. In all three playoff victories, the Steelers stuffed their opponent's running game, made offenses become one-dimensional and took early leads, allowing their defense even more latitude to create mayhem—and perhaps a little panic, as well.

''First of all, they have great athletes,'' Seattle Coach Mike Holmgren said Tuesday. ''They have the kind of players who can execute what they ask them to do. You have to have the right people to run the schemes. In Pittsburgh's case, when they blitz the linebacker, that linebacker is really good at blitzing. We've all seen teams that blitz and the blitzer runs right into the blocker. It's an awesome collision, but he never gets home. Their players are physical, but they also have enough wiggle and speed to make it very, very difficult.''

The Steelers operate out of a 3–4 alignment—three down linemen and four linebackers. The front three linemen—end Aaron Smith (298 pounds), nose tackle Casey Hampton (325) and end Kimo von Oelhoffen (299)—provide a major push toward the quarterback, sometimes occupying two offensive linemen on one defensive lineman, creating openings for linebackers and defensive backs to rush the quarterback.

The zone blitz also often drops a defensive lineman into the pass-coverage lanes and almost always includes one safety playing in a deep zone.

If a linebacker blitzes, one of his teammates will simply play a zone to cover an area, as opposed to a specific receiver. Fifteen players had at least one sack this season for the Steelers, who were tied for third in the league with 47, including nine by safeties and cornerbacks. Linebacker Joey Porter led the Steelers with 10 1/2 sacks, and fellow linebacker Clark Haggans, Porter's former Colorado State teammate, had nine.

Strong safety Troy Polamalu, with the long hair he described Tuesday as ''my fifth appendage,'' has emerged as arguably the Steelers'' most dangerous defender. He's a 5-foot-10, 212-pound dynamo who lines up all over the field and has a knack for avoiding blocks and making huge hits—in opposing backfields and the secondary if he stays in pass coverage.

''This kid Polamalu is the best football player I've ever seen,'' Denver defensive lineman Trevor Pryce said before the Steelers faced the Broncos in the AFC championship game. ''There's something very strange about him that I can't put a finger on. They call him 'ninja' because he just pops out of nowhere and pops you. He's reckless. He does not care. He has an advantage being 5–10. When you're short and strong, you have an advantage because those 6–5 offensive linemen can't get a hold of anything to block.''

During the regular season, Polamalu tied for fourth on the team in total tackles with 91, was second in interceptions (two) and added three sacks and three fumble recoveries. He has been just as impressive in the playoffs.

''I don't know if he's changing [the way defense is played], but he is a very unique player at his position,'' Cowher said. ''He combines the athletic ability to cover, the explosion to be a great blitzer. He's also an outstanding tackler, and on top of that he's a very instinctive player.''

He also studies more than most. After the 2004 season, Polamalu watched more than 20 hours of tape of the NFL's top safeties, including his role model, New England safety Rodney Harrison, as well as Denver's John Lynch and Dallas's Roy Williams.

Last year at the Pro Bowl, Polamalu played on the AFC team with Lynch and sought some one-on-one tutoring.

''Early in the week, he came up to me and said, 'Any way I could pick your brain and if you don't mind spend some time with you?' '' Lynch told the Rocky Mountain News. ''I respect that out of young players. The guy is committed to the game of football and obviously is a tremendous talent. He makes their defense go.''

And blitz. But it isn't enough to merely blitz. A team must disguise its blitzing packages, and Polamalu is particularly adept at coming up to the line of scrimmage as if planning to rush the passer, then wheeling and turning his back on the offense as if to go back into coverage. Then he does another whirl at the snap of the ball and heads back toward the quarterback.

Porter also earned a trip to the Pro Bowl this year with his own disruptive tactics, and will try to do the same this week against Seattle quarterback Matt Hasselbeck.

''I have to do something to make Hasselbeck feel not so comfortable in the pocket,'' Porter said. ''I have to do something to make him run and get outside the pocket. I like my opportunity with me and Kimo over there, the way we've been playing. It's going to make for a good matchup.

''When we take the run away from teams, we're also playing to our strength, making them one-dimensional. When we make teams one-dimensional, I always like our chances.''

[From Sports Illustrated, Jan. 30, 2006]

SHOCK VALUE

AFTER PLAYING THE PANTHERS LOW, HARD-HITTING ROOKIE LINEBACKER LOFA TATUPU MAY BE THE MAN WHO BRINGS THE SEAHAWKS THEIR FIRST SUPER BOWL TROPHY

(By Michael Silver)

The commotion had unnerved him, and Lofa Tatupu, the Seattle Seahawks' rookie middle linebacker, was bent on restoring order. ''Shut up, Bailey!'' Tatupu yelled, momentarily interrupting the incessant barking of the 15–pound fox terrier running around his Kirkland, Wash., town house last Friday night. Then, in an instant, Tatupu's angry stare turned sheepish. That's because Bailey, who belongs to Tatupu's girlfriend, Rachael Marcott, has grown on the Seahawks' leading tackler. ''Come here, Bailey,'' he said, extending his right fist. ''Give me some dap.''

Balancing on his hind legs, Bailey dutifully lifted his left paw and hit Tatupu's fist. ''That's my dog,'' Tatupu said, beaming. At the sight of a little pooch turning the 23-year-old former USC star into a softie, you had to wonder: Does this 5'11'', 226-pound linebacker sip soy lattes? Does Lofa use a loofah?

Two days later, to the delight of a Seattle fan base hoping to shed more than a quarter century's worth of postseason disappointment, Tatupu affirmed his machismo with a bang in the NFC Championship Game at Qwest Field. Deciphering the Carolina Panthers' offense like a savvy veteran, Tatupu quickly set the tone for the Seahawks' 34–14 victory. With 5:07 left in the first quarter, he stepped in front of All-Pro wideout Steve Smith to make an interception that led to a field goal. Little more than three minutes later, with Seattle on top 10–0, Tatupu correctly read a sweep around right end and closed hard on Carolina running back Nick Goings. Their headon collision was as charged as a Pearl Jam gig at the nearby Crocodile Café, and both players slumped to the ground.

''I wasn't sure who had won that one,'' Seattle defensive end Bryce Fisher said later. ''But their guy left the game, and ours shook off the cobwebs and kept playing. That was huge, because Lofa's our leader.''

That a would-be college senior could help lead the Seahawks to their first Super Bowl spoke to the strangeness of a season few envisioned back last April, when Seattle drafted Tatupu in the second round and essentially allowed him to take charge of the defense. On Sunday, with the help of smelling salts and the urgings of 67,837 fans, Tatupu played three-plus quarters with what was later diagnosed as a mild concussion and helped the Seahawks complete a declawing of the Panthers that reverberated from Grungeville all the way to Motown.

When the Seahawks (15–3) face the Pittsburgh Steelers (14–5) in Super Bowl XL on Feb. 5 in Detroit, the latest version of the Steel Curtain won't be the only defense at Ford Field capable of controlling the game. ''We come hard, and we're fighters,'' Tatupu said of a unit that limited Carolina to 109 total yards through three quarters and didn't allow the offense to score until 5:09 remained.

If the Panthers (13–6), fresh off impressive road playoff victories over the New York Giants and the Chicago Bears, didn't see it coming, Don Hasselbeck did—more than a decade ago. Back then Hasselbeck, a former NFL tight end, was coaching the Norfolk (Mass.) Vikings in a Pop Warner league the same time his former New England Patriots teammate, fullback Mosi Tatupu (Lofa's father), was coaching the King Philip Warriors. ''My son Nathaniel was our quarterback, and Lofa, at 12, was all over him,'' Don recalled while standing in the Seahawks' locker room on Sunday night. ''I had to run double reverses just to give us a chance.'' A few feet away Nathaniel's big brother, Matt, the Seahawks' quarterback, nodded in agreement. Matt had just demoralized the Carolina defense with his typically heady and efficient play—20 of 28 passing for 219 yards and two touchdowns—while league MVP Shaun Alexander had carried 34 times for 132 yards and a pair of TDs.

Keying Seattle's attack, as always, was the NFL's preeminent offensive line, a group that Hasselbeck's former backup, Cleveland Browns quarterback Trent Dilfer, affectionately calls ''the grumpy old men.'' As much as the well-acquainted linemen—all the starters except second-year right tackle Sean Locklear have been with the team for at least five seasons—like to carp at one another off the field, their unspoken understanding of how to adjust to defensive alignments is what defines this unit. ''If you're not making calls at the line, it confuses a defensive lineman,'' All-Pro left tackle Walter Jones said at lunch last Saturday at a Kirkland T.G.I. Friday's. ''At that point he can only guess what you're cooking up.''

The Seahawks' vastly improved chemistry this season was no accident. After last January's 27–20 wild-card playoff loss at home to the St. Louis Rams—extending the franchise's streak without a postseason victory to an NFL-worst 21 years—Seattle shook things up. Owner Paul Allen dismissed team president Bob Whitsitt, whose ongoing feud with coach Mike Holmgren escalated to the point that the two had stopped talking to each other. In Whitsitt's place, Allen hired Tim Ruskell, a former Tampa Bay Bucs and Atlanta Falcons executive. The front-office tension was eased, and Ruskell purged the roster of players perceived as selfish or divisive. Then he went after guys who, he says, ''loved playing football, played hard and had all the intangibles.'' That's what compelled him to trade up in the draft (with the Panthers, of all teams), for the 45th pick, and take Tatupu.

Athis first minicamp Tatupu showed the Seahawks they had gotten more than they'd bargained for. Recalls Fisher, ''He pretty much stepped in the huddle and told everyone, 'Listen to me because I know what I'm doing.' '' Tatupu started all 16 games, and as the season went on he became increasingly

bold in practices—irking Holmgren by calling fake punts (Tatupu occasionally filled in as the up-back on the punt team) and switching pass coverages during two-minute drills. Yet against the Panthers he was a coach's dream, repeatedly identifying the plays Carolina was about to run and positioning his teammates accordingly. This was essential to Seattle's defensive game plan, which was designed to frustrate Smith with a variety of double coverages and required Seattle to stop the run with only seven men near the line of scrimmage. The plan worked beautifully. The only damage Smith (five catches, 33 yards) inflicted was a 59-yard punt return for a touchdown, and the Panthers' running backs gained all of 21 yards on nine carries.

''It's amazing that he can be that good in his first year,'' Carolina center Jeff Mitchell said of Tatupu after the game. ''He always seems to know where the ball is going.''

Added Fisher, ''Most offenses are designed to fool the linebackers. Lofa was out there calling exactly what they were doing, so they didn't have a whole lot of options.''

Sometimes Tatupu's signals weren't easy to hear, as the boisterous crowd celebrated a team it hopes can win Seattle's first major professional sports championship since the SuperSonics won the 1978–79 NBA title. ''This is the craziest crowd I've ever seen in this town,'' said a man who should know, Pearl Jam bassist Jeff Ament, as he mingled on the field during the postgame trophy presentation. ''There's been sort of a gloomy mentality in Seattle—because of the weather [27 consecutive days of rain, a streak that ended on Jan. 15], because there've been so many heartbreaks—but this is an enormous boost for the fans.''

Tatupu was delirious, too, but in a different way. ''My head hurts, and everything is really foggy,'' he said softly as he walked slowly toward the players' parking lot less than an hour after the game. ''That play knocked me stupid, and I vaguely remember the rest of the game. Maybe it'll come back to me later. I'm just glad we won.''

Tatupu managed a slight smile. In half an hour he would be home, where a small dog was waiting to give him some well-earned dap.

[From the New York Times, Jan. 30, 2006]

PITTSBURGH SAFETY COULD LURK ANYWHERE AGAINST SEATTLE

(By Judy Battista)

DETROIT, Jan. 29.—In the days before the 2003 N.F.L. draft, the dissection of the college prospects was already at its hypercritical zenith. One defensive back from the University of Southern California, with his 4.3 speed in the 40-yard dash, his 43–inch vertical leap and football instincts honed from hours of studying film, looked like a can't-miss pick. That was especially so because of defenses that were increasingly demanding players who possessed the intelligence to decipher different offenses and the athleticism to destroy them in seconds.

But in the search for the perfect specimen, for an android in cleats, the scouts and the seers had allowed doubt to drift in.

Could this back, Troy Polamalu, play against the pass?

Three seasons later, offenses face a more vexing question: What can't Polamalu do?

The Pittsburgh Steelers shook off the doubts and traded up to select Polamalu with their first pick, the 16th over all. In the last two years—since Dick LeBeau's return as the Steelers' defensive coordinator—Polamalu has emerged as the defense's man for all seasons, a blitzer of uncommon speed on passing downs, a tackler of staggering strength against the run, and a moving part so itinerant that opposing offenses find themselves playing Where's Troy before they snap the ball.

Polamalu is listed on the roster as a strong safety because he has to be given a position. But the versatility and the skill he brings to the Steelers' secondary make him difficult to categorize. He finished the regular season with 100 tackles, 11 passes batted down, 3 sacks, 2 interceptions and a forced fumble, according to the Steelers.

''He gives you unlimited flexibility,'' LeBeau said in a telephone interview from Pittsburgh last week. ''He can play the deep perimeter. He can play as a linebacker support player. He can blitz. For a defensive coordinator, he's ideal. You can put him anyplace.''

Or no place. LeBeau trusts Polamalu so much that he is rarely confined to one area of the field. Instead, LeBeau gives Polamalu boundaries for what his role is on a play, and Polamalu takes it from there.

In one of his most dazzling moves, he will fake a blitz, jumping in and out of gaps on the defensive line like a rabbit, then pull back, whirl around so that he appears headed for the secondary, only to spin back as the ball is snapped to attack the line of scrimmage.

If Colts quarterback Peyton Manning is known for his arm-flapping orchestration of audibles, real and imagined, then Polamalu and his whirling-dervish routine are the defensive equivalent, a thickly layered disguise designed to make offenses wait until the snap before they know where he is going. It is particularly devastating because quarterbacks are taught to read where the safety is to know what kind of coverage the defense is in.

''Troy improvises a lot of that stuff,'' LeBeau said, laughing. ''We give him parameters, and sometimes Troy may stretch those a bit.''

Just a bit. Polamalu has not lined up at nose tackle, but he has done everything else in the Steelers' blitz-happy 3–4 defense (three defensive linemen, four linebackers).

On first down, he is usually at the line of scrimmage over the tight end to stop the run, said Kennedy Pola, the Jacksonville Jaguars' running backs coach, who is also Polamalu's uncle. On second down, Polamalu might be at the line of scrimmage again or he might drop back and play deep. The critical element at the line, LeBeau said, is to make sure Polamalu does not have to take on the guard and the center, who each might outweigh Polamalu—who is 5 feet 10 inches and 212 pounds—by 100 pounds or more.

But it is on third down and other passing situations that Polamalu becomes Pittsburgh's wild card. He might be a blitzing linebacker, rushing up the middle, or he might line up as a pass-rushing end off the edge of the line, essentially turning the 3–4 defense into a 4–4. He has covered the slot receiver as the nickelback, or fifth linebacker, and played deep safety, although his weakness is perceived to be when he has to cover receivers in the open field. Still, Polamalu came close to intercepting Manning in the American Football Conference divisional game against Indianapolis when he dove for a pass while running free in the middle of the field.

''When you see a squat body with long hair, you don't think he can run that fast,'' Pola said.

Big mistake. Steelers linebacker Joey Porter sacked Manning twice in three plays late in the fourth quarter because the Colts' offensive line thought Polamalu was coming up the middle.

Against the Broncos in the A.F.C. title game, Polamalu tackled Denver running back Tatum Bell a yard short of a first down, while Polamalu was being blocked and was falling down. Later, Polamalu nearly tackled running back Mike Anderson for a safety on a screen pass on third-and-10—even though Polamalu was responsible for covering a deep pass in the seam. Those are the kinds of plays, LeBeau said, that caused him to run the film back asking, ''Did he do that?''

Polamalu's soft-spoke nature belies his fierce play, and Pola said that whenever they spoke, Polamalu talked only about how many of his other teammates should be going to the Pro Bowl with him.

But those who have followed Polamalu's career know his instincts were apparent early. In one of his first scrimmages as a freshman at U.S.C., Polamalu burst into the backfield, tackled a senior running back, stripped him of the ball as he was knocking him down and took off the other way.

''Everyone was like, 'Ohmigosh, this guy has no fear,' '' U.S.C.'s linebackers coach, Rocky Seto, said. ''Most guys who rush the quarterback—from Lawrence Taylor to Reggie White—they have a hunger and a desire to get there. He's not as big, but Troy certainly has that fire and tenacity.''

That tenacity is buttressed by his work habits. LeBeau said that Polamalu had watched more game film than anyone, and that after last season, Polamalu made a DVD of other N.F.L. safeties so he could study their techniques.

Polamalu, in just his second full season in LeBeau's system, has learned to read an offense so well that LeBeau feels comfortable letting him follow his gut. That, LeBeau said, reminded him of how he used to feel about cornerback Rod Woodson and safety Carnell Lake, former Pro Bowl Steelers who also had the speed to play in the open field, the strength to play at the line of scrimmage and the sense to know where to go.

''I know Dick preaches it, you don't want a robot as a player and you don't want a cowboy either,'' said Woodson, who works for the NFL Network. ''You want a guy who plays within the system but who can play fast. He's a gambler. They're calculated risks. You study film and he believes in his eyes. For Troy, they've been his friend.''

The irony is that the gambler in Polamalu is what earned him a reputation before the 2003 draft as a player who ''flew up on everything,'' said Gil Brandt, who helped shape the Dallas Cowboys as the vice president for player personnel from 1960 to 1989 and who now writes for NFL.com. The concern was that Polamalu would leave his safety position to try to get closer to the ball and risk getting burned by a deep pass in the process.

Is that so wrong? Not anymore.

''There's an old military axiom, 'Reinforce strength' '' LeBeau said. ''When you see a player who has a good feel for things, you try not to get in his way. If they are not where they are supposed to be, they better be making the play.''

Polamalu usually is.

TROY POLAMALU
Pittsburgh Steelers/S/#43
College: USC Rookie Yr: 2003
Ht., Wt.: 5′10″, 212
KIMO VON OELHOFFEN
Pittsburgh Steelers/DT/#67
College: Boise State Rookie Yr: 1994
Ht., Wt.: 6′4″, 299
CHRIS KEMOEATU
Pittsburgh Steelers/G/#68
College: Utah Rookie Yr: 2005
Ht., Wt.: 6′3″, 344
SHAUN NUA
Pittsburgh Steelers/DE/#96
College: Brigham Young Rookie Yr: 2005
Ht., Wt.: 6′5″, 280
LOFA TATUPU
Seattle Seahawks/LB/#51

College: USC Rookie Yr: 2005
Ht., Wt.: 6′0″, 238
ITULA MILI
Seattle Seahawks/TE/#88
College: Brigham Young Rookie Yr: 1998
Ht., Wt.: 6′4″, 260
WAYNE HUNTER
Seattle Seahawks/T/#73
College: Hawaii Rookie Yr: 2003
Ht., Wt.: 6′5″, 303

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

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

AMERICA'S ENERGY POLICIES

Mr. MCDERMOTT. Mr. Speaker, I ask unanimous consent to claim the time of the gentlewoman from California (Ms. LEE).

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

There was no objection.

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

Mr. MCDERMOTT. Mr. Speaker, last night we heard the President deliver his State of the Union message from this Hall. By the light of day, today, we know that the glow was artificial and the highlights were inaccurate at best.

I will enter into the RECORD at this point a story from today's Los Angeles Times.

[From the Los Angeles Times, Feb. 1, 2006]

BUSH STRETCHES TO DEFEND SURVEILLANCE

(By Peter Wallsten and Maura Reynolds)

WASHINGTON.—President Bush received a roaring ovation Tuesday for his prime-time defense of wiretapping phone calls without warrants. But Bush's explanation relied on assumptions that have been widely questioned by experts who say the president offers a debatable interpretation of history.

Defending the surveillance program as crucial in a time of war, Bush said that ''previous presidents have used the same constitutional authority'' that he did. ''And,'' he added, ''federal courts have approved the use of that authority.''

Bush did not name names, but was apparently reiterating the argument offered earlier this month by Atty. Gen. Alberto R. Gonzales, who invoked Presidents Lincoln, Wilson and Franklin D. Roosevelt for their use of executive authority.

However, warrantless surveillance within the United States for national security purposes was struck down by the U.S. Supreme Court in 1972—long after Lincoln, Wilson, and Roosevelt stopped issuing orders. That led to the 1978 passage of the Foreign Intelligence Surveillance Act that Bush essentially bypassed in authorizing the program after the Sept. 11 attacks.

Since the surveillance law was enacted, establishing secret courts to approve surveillance, ''the Supreme Court has not touched this issue in the area of national security,'' said William Banks, a national security expert at Syracuse Law School.

''He might be speaking in the broadest possible sense about the president exercising his authority as commander-in-chief to conduct a war, which of course federal courts have upheld since the beginning of the nation,'' Banks said. ''If he was talking more particularly about the use of warrantless surveillance, then he is wrong.''

Bush's historical reference on domestic spying marked one of several points in his speech in which he backed up assertions with selective uses of fact, or seemed to place a positive spin on his own interpretation.

On his headline-grabbing pledge to decrease U.S. reliance on Middle East oil by 75% over the next 20 years, Bush's words seemed to suggest a dramatic new program to reduce dependence on foreign oil.

But experts point out that the U.S. gets only a fraction—about 10%—of its oil imports from the Middle East. In fact, the majority now comes from Canada and Mexico—and Bush said nothing on Tuesday about them.

Speaking about Iraq, Bush argued that ''our coalition has been relentless in shutting off terrorist infiltration.'' But he may have left the wrong impression about how far U.S.-led forces have gotten in closing off the huge border areas, especially the 375-mile-long one between Syria and Iraq.

Administration officials have often complained that the Syrian government does little to police the border and have said it may not be possible to close it, given its size.

Two weeks ago, Rep. H. James Saxton (R–NJ), chairman of a House Armed Services subcommittee, complained in a column in the Washington Times that the border is ''extremely porous'' and called for new steps to cut off the flow of enemy fighters.

Bush made a number of claims for his economic stewardship that were technically accurate but told only a part of the story.

''In the last 2½ years, America has created 4.6 million new jobs,'' Bush said. Although the claim is essentially true, he did not say that the United States lost 2.6 million jobs in the first 2½ years of his presidency.

''In the last five years,'' Bush continued, ''the tax relief you passed has left $880 billion in the hands of American workers, investors, small businesses and families, and they have used it to help produce more than four years of uninterrupted economic growth.''

But to many economists, the cause-and-effect relationship is not so stark; they credit tax cuts of 2001 and 2003 with helping to turn around a stagnant economy, but now they worry that the resulting deficits may retard it.

''Every year of my presidency, we have reduced the growth of non-security discretionary spending,'' Bush said. True again, but this represents less than 20% of all spending. Including defense and the giant benefit programs such as Social Security and Medicare, spending has risen by about 30% in the five Bush years.

The president also seemed to ignore Supreme Court precedent when he called for Congress to give him the ''line item veto.'' But Congress did that once, in 1996, and it was used once, by former President Clinton. But in 1998, a federal judge ruled that it was unconstitutional. That was affirmed by a 6–3 decision of the Supreme Court.

Bush praised his administration's efforts to help the Gulf Coast recover from Hurricane Katrina. ''A hopeful society comes to the aid of fellow citizens in times of suffering and emergency, and stays at it until they are back on their feet,'' he said.

But Bush omitted any mention of tensions between Gulf State officials and the administration over responsibility for the botched response to the storm. ''There was nothing in terms of new money,'' said Rep. Bennie Thompson (D–Miss.). Perhaps Bush's most controversial language came as he defended the surveillance program.

The president echoed earlier administration assertions that the domestic surveillance program would have been useful before the Sept. 11 attacks. Bush said two Sept. 11 hijackers living in San Diego made telephone calls to Al Qaeda associates overseas, but that ''we did not know about their plans until it was too late.''

However, The Times has previously reported that some U.S. counterterrorism officials knowledgeable about the case blame an interagency communications breakdown, not a surveillance failure or shortcomings of the Foreign Intelligence Surveillance Act.

Point by point, the Times compared the President's rhetoric to America's reality. They are not even close. Here is what the Times said about the President's domestic spying program. Defending the surveillance program is crucial in a time of war. Bush said that Presidents have used the same constitutional authority that he did, and he said Federal courts have approved the use of that authority.

Bush did not name names, but was apparently reiterating the argument offered earlier by the Attorney General, Alberto Gonzales, who invoked Presidents Lincoln, Wilson, and Franklin Delano Roosevelt for their use of executive authority.

However, warrantless surveillance within the United States for national security purposes was struck down by the U.S. Supreme Court in 1972, long after Lincoln, Wilson, and Roosevelt stopped issuing orders.

This led to the passage of the 1978 Foreign Intelligence Surveillance Act that Bush essentially bypassed in authorizing the program after September 11. The analysis comes from one of America's bedrock institutions of journalism, facts, not spin.

Here is the analysis of the President's remarks about the war. Speaking about Iraq, Bush argued that ''our coalition has been relentless in shutting off terrorism infiltration.'' But he may have left the wrong impression about how U.S.-led forces have gotten in closing off the huge border areas, especially the 375-mile border between Syria and Iraq.

Administration officials have often complained the Syrian Government does little to police the border, and many have said it may not be possible to close it given its size.

Let me mention one other example. The President finally got religion on America's energy crisis. But he needs an atlas and a vision. Here is what the Times said. On his headline-grabbing pledge to decrease U.S. reliance on Middle Eastern oil by 75 percent over the next 20 years, Bush's words seem to suggest a dramatic new program to reduce dependence on foreign oil.

But experts point out that the U.S. gets only a fraction, about 10 percent, of its oil imports from the Middle East. In fact, the majority comes from Canada and Mexico, and Bush said nothing Tuesday night about them.

I was proud the President used my words in his speech: ''America is addicted to oil.'' But he did not give a

proper prescription. But beyond co-opting Democratic philosophy and Democratic programs, the President is an oil man through and through. Today's New York Times said this: ''President Bush devoted 2 minutes and 15 seconds of the State of the Union message to speak about energy independence.''

It was hardly the bold signal we have been waiting for years for about global warming and deadly struggles in the Middle East where everything takes place in the context of what Mr. Bush rightly called our addiction to imported oil.

Last night's remarks were woefully insufficient. The country's future economic and national security depend on whether the Americans can control their enormous appetite for fossil fuels. This is not a matter to be lumped in a laundry list of other initiatives, including in a once-a-year speech to Congress. It is a key to everything else that happens.

I will enter at this point in the RECORD the New York Times editorial.

[From the New York Times, Feb. 1, 2006]

THE STATE OF ENERGY

President Bush devoted two minutes and 15 seconds of his State of the Union speech to energy independence. It was hardly the bold signal we've been waiting for through years of global warming and deadly struggles in the Middle East, where everything takes place in the context of what Mr. Bush rightly called our ''addiction'' to imported oil.

Last night's remarks were woefully insufficient. The country's future economic and national security will depend on whether Americans can control their enormous appetite for fossil fuels. This is not a matter to be lumped in a laundry list of other initiatives during a once-a-year speech to Congress. It is the key to everything else.

If Mr. Bush wants his final years in office to mean more than a struggle to re-spin failed policies and cement bad initiatives into permanent law, this is the place where he needs to take his stand. And he must do it with far more force and passion than he did last night.

American overdependence on oil has been a disaster for our foreign policy. It weakens the nation's international leverage and empowers exactly the wrong countries. Last night Mr. Bush told the people that ''the nations of the world must not permit the Iranian regime to gain nuclear weapons,'' but he did not explain how that will happen when those same nations are so dependent on Tehran's oil. Iran ranks second in oil reserves only to Saudi Arabia, where members of the elite help finance Osama bin Laden and his ilk, and where the United States finds it has little power to stop them.

Oil is a seller's market, in part because of America's voracious consumption. India and China, with their growing energy needs, have both signed deals with Iran. Rogue states like Sudan are given political cover by their oil customers. The United Nations may wish to do something about genocide in Darfur or nuclear proliferation, but its most powerful members are hamstrung by their oil alliances with some of the worst leaders on the planet.

Even if the war on terror had never begun, Mr. Bush would have an obligation to be serious about the energy issue, given the enormous danger to the nation's economy if we fail to act. His own Energy Department predicts that with the rapid development of India and China, annual global consumption will rise from about 80 million barrels of oil a day to 119 million barrels by 2025. Absent efforts to reduce American consumption, these new demands will lead to soaring oil prices, inflation and a loss of America's trade advantage. It should be a humbling shock to American leaders that Brazil has managed to become energy self-sufficient during a period when the United States was focused on building bigger S.U.V.'s.

Part of the answer, as Mr. Bush indicated last night, is the continued development of alternative fuels, especially for cars. The Energy Department has addressed this modestly, and last night the president said his budget would add more money for research. That's fine, but hardly the kind of full-bore national initiative that will pump large amounts of money into the commercial production of alternatives to gasoline.

When it comes to cars, much of the research has already been done—Brazil got to energy independence by figuring out how to get its citizens home from work in cars run without much gasoline. The answer is producing the new fuels that have already been developed and getting cars that use them on the lots. There are several ways to make that happen. The president could call for higher fuel economy standards for car manufacturers. He could bring up the subject of a gas tax—the most effective way of getting Americans to buy fuel-efficient cars, and a market-based tax on consumption that conservative lawmakers ought to embrace if they are honest with themselves and their constituents. But Mr. Bush took the safe, easy and relatively meaningless route instead.

There is still an enormous amount to be done to find new sources of clean, cheap power to heat homes and create electricity. But regrettably, the president made it clear last night that he would rather spend the country's resources on tax cuts for the wealthy. The oil companies are currently flush with profits from the same high prices that have plagued consumers, and the president might have asked the assembled legislators whether their current tax breaks might be redirected into a real energy initiative.

Simply calling for more innovation is painless. The hard part is calling for anything that smacks of sacrifice—on the part of consumers or special interests, and politicians who depend on their support. After 9/11, the president had the perfect moment to put the nation on the road toward energy independence, when people were prepared to give up their own comforts in the name of a greater good. He passed it by, and he missed another opportunity last night.

Of all the defects in Mr. Bush's energy presentation, the greatest was his unwillingness to address global warming—an energy-related emergency every bit as critical as our reliance on foreign oil. Except for a few academics on retainer at the more backward energy companies, virtually no educated scientist disputes that the earth has grown warmer over the last few decades—largely as a result of increasing atmospheric concentration of carbon dioxide produced by the burning of fossil fuels.

The carbon lodged in the atmosphere by the Industrial Revolution over the last 150 years has already taken a toll: disappearing glaciers, a thinning Arctic icecap, dead or dying coral reefs, increasingly violent hurricanes. Even so, given robust political leadership and technological ingenuity, the worst consequences—widespread drought and devastating rises in sea levels—can be averted if society moves quickly to slow and ultimately reverse its output of greenhouse gases. This will require a fair, cost-effective program of carbon controls at home and a good deal of persuasion and technological assistance in countries like China, which is building old-fashioned, carbon-producing coal-fired power plants at a frightening clip.

Mr. Bush said he would look for cleaner ways to power our homes and offices, and provide more money for the Energy Department's search for a ''zero emission'' coal-fired plant whose carbon dioxide emissions can be injected harmlessly into the ground without adding to the greenhouse gases already in the atmosphere. But once again he chose to substitute long-range research—and a single, government-sponsored research program at that—for the immediate investments that have to be made across the entire industrial sector.

That Mr. Bush has taken a pass on this issue is a negligence from which the globe may never recover. While he seems finally to have signed on to the idea that the earth is warming, and that humans are heavily responsible, he has rejected serious proposals to do anything about it and allowed his advisers on the issue to engage in a calculated program of disinformation. At the recent global summit on warming, his chief spokesmen insisted that the president's program of voluntary reductions by individual companies had resulted in a reduction in emissions, when in fact the reverse was true.

The State of the Union speech is usually a feel-good event, and no one could fault Mr. Bush's call for research, or fail to applaud his call for replacing more than 75 percent of the nation's oil imports from the Middle East within the next two decades. But while the goal was grand, the means were minuscule. The president has never been serious about energy independence. Like so many of our leaders, he is content to acknowledge the problem and then offer up answers that do little to disturb the status quo. If the war on terror must include a war on oil dependence, Mr. Bush is in retreat.

Let me just read one other excerpt, because it is very important. Of all of the defects in Mr. Bush's energy presentation, the greatest was his unwillingness to address global warming, an energy-related emergency every bit as critical as our reliance on foreign oil.

Except for a few academics on retainer at the most backward energy companies, virtually no educated scientist disputes that the Earth has grown warmer over the last decades. This is the New York Times talking. Largely as a result of increasing atmospheric concentrations of carbon dioxide produced by burning fossil fuels, gas. I read this and wonder how many alarms have to be sounded before the leaders follow.

With new eyes in space like the great Hubble telescope, we understand the danger of great meteorites striking the Earth. Some are large enough to be called planet killers. We fear what might come from above, but we ignore what is coming from right here on the Earth.

Mr. Speaker, the President could have done better. But he did not have it in him.

The extinction of the dinosaurs provided for the extraction of fossil fuel.

The addiction to oil could provide for the extraction of mankind from a planet too hot to inhabit.

Is it science fiction or a looking glass? Too many scientists know we are looking into the future, and ignoring it.

I urge the American people to read today's LA Times and New York Times.

Compare the common sense expressed in bedrock journalism against Republican's unlimited access to uncommon hype. You decide.

Mr. Speaker, like oil, even Republican hype is a finite resource, and that's the best energy news for America in a decade.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. CORRINE BROWN) is recognized for 5 minutes.

(Ms. CORRINE BROWN of Florida addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

ANOTHER ACCUTANE DEATH

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

Mr. STUPAK. Mr. Speaker, on this first day of the Second Session of the 109th Congress, I sadly inform the House of Representatives of another Accutane death. I will enter into the RECORD an article from the Appleton Post Crescent. The article is dated today, February 1, 2006. If I may, I would like to quote from this newspaper.

□ 1845

''Justin Zimmer shot himself January 15 in his bedroom, a shocking suicide his family struggles to comprehend and fears may be tied to Justin's acne medication.

''The day of Justin's death, the family had returned home from a meeting to discuss a trip planned by Justin's church youth group.

''His parents, Wendy and Warren, left for the grocery store. An hour later they pulled into the driveway and learned Justin was dead.

''How could their happy, high-achieving teen, who couldn't wait to take his driver's test on his 16th birthday Thursday, end a life of so much promise?

''All the Zimmers and their other two children are left with are questions, and the only answer they can come up with to explain his death is Accutane, the prescription drug Justin started taking in December for severe acne.''

I wish to extend my heartfelt condolences to the Zimmer family. I, too, know the struggle and heartache and pain that they are going through as I lost my son B.J. on May 14, 2000.

To go on the article says that the FDA and the drug manufacturer of Accutane, Roche, indicated that the rate of depression among Accutane users is 1.5 times higher than among nonusers, according to a December 7, 2004 report in USA Today.

As Mr. Zimmer said, '' 'They can snap in as little as an hour. I'd just as soon see it off the market,' '' meaning Accutane. '' 'If this can happen to a kid with all this going for him, think what could happen to a kid who's struggling?' ''

'' 'They shouldn't sell it to anyone . . . ' ''

Another doctor, ''an Appleton dermatologist, said he has looked at a number of studies and has no qualms about prescribing isotretinoin,'' which is the medical term for Accutane.

He goes on and says, this dermatologist, '' 'It's something we're concerned about and we ask about, but we don't see any scientific evidence to say there is an increased risk for it.' '' He said the side effects, including the potential for depression and suicide, are there, but he is not concerned about it.

Mr. Speaker, I have come to this floor before, and I have brought forth this PET scan of the frontal orbital cortex. If you take a look at it, this is the medical evidence that directly links Accutane to depression and suicide ideation and suicide in the users of Accutane.

If you take a look at it, here is the baseline of Accutane over on my far right. That is the frontal orbital cortex of the brain. When you take a look there is all the red in the picture over here, that is the baseline. Four months later they take a PET scan of the brain over here, post-Accutane, 4 months on Accutane. Notice there is very little redness in this front part of the brain, the frontal orbital cortex, the front part of the brain we know causes depression.

The reason why there is no redness is because the metabolism of the brain has been stopped or affected by the use of the Accutane. In this particular slide, this person had a 21 percent decrease in brain activity while on Accutane.

So, when this dermatologist says there is no medical evidence, there is. Here is the direct evidence. This has been published in the American Journal of Psychiatry last year. Also, there are animal tests which show the same thing, how Accutane actually destroyed a brain in these animals.

We can even take it one step further. This person who has this PET scan here, if you gave this person, a number of dermatologists said they would monitor them, if you give this person the Beck's depression test, which is standard indication of signs of depression to see if the person is suffering from depression, this person who had a 21 percent decrease in brain activity passed every one of them. The only reason why they knew something was going on besides the PET scan was the personal behavior had changed. Unless you are monitoring that person all the time you never would know that from the Beck's depression test because it did not show a change in personality.

Getting back to the young man that unfortunately took his life on January 15, his parents went on to say, '' 'He had an appointment this Thursday to take his driver's test and it was one of the few times he'd take off of school. We were shopping for cars.'

''Justin was sensitive and shy, with a ready smile and a penchant for perfection, said his parents. At school, he was sophomore class president, and ranked No. 1 in his class with straight A's. He was in wrestling, football and baseball.''

Mr. Speaker, we presented these findings of this PET scan to then-Secretary of Health and Human Services Secretary Thompson and also to then Mr. Crawford, and we are still waiting for answers back as to these PET scans and what it shows.

Mr. Speaker, there are so many unanswered questions. My time has expired. I look forward to continuing this discussion on this serious drug, and it should be pulled from the market.

The article I previously referred to is as follows:

[From the Post-Crescent, Feb. 1, 2006]

ACCUTANE BLAMED IN SUICIDE

(By Kathy Walsh Nufer)

MENASHA.—Justin Zimmer shot himself Jan. 15 in his bedroom, a shocking suicide his family struggles to comprehend and fears may be tied to Justin's acne medication.

The day of Justin's death, the family had returned home from a meeting to discuss a trip planned by Justin's church youth group.

His parents, Wendy and Warren, left for the grocery store. An hour later they pulled into the driveway and learned Justin was dead.

How could their happy, high-achieving teen, who couldn't wait to take his driver's test on his 16th birthday Thursday, end a life of so much promise?

All the Zimmers and their other two children are left with are questions, and the only answer they can come up with to explain his death is Accutane, the prescription drug Justin started taking in December for severe acne.

Accutane is a brand name of the anti-acne drug isotretinoin, which went on the market in 1982.

It has become controversial because of its serious side effects, including birth defects, mental disorders and even suicide.

Those side effects, however, are so rare that many doctors think they statistically are insignificant, and the Food and Drug Administration only warns people to be aware of them, not to abstain from using the drug.

The Zimmers blame their son's death on the drug, said Warren, who was aware of the side effects but saw no warning signs in his son's behavior.

''That's why we felt it necessary to get this out. We want parents to know just how sudden this can come on. If we can save someone, maybe his death isn't a total loss and someone else doesn't have to go through this.''

U.S. Rep. Bart Stupak, D-Mich., whose son committed suicide in 2000 while taking Accutane, has pressed for more public warnings about the link between depression and isotretinoin, more restricted distribution and more tracking of side effects.

The Zimmers say they have talked to countless people who know someone taking isotre-tinoin. ''It's more prevalent than you think,'' Warren said.

The couple now urges parents to take their teens off the medication if they are on it.

''They can snap in as little as an hour,'' Warren said. ''I'd just as soon see it off the market. If this can happen to a kid with all this going for him, think what could happen to a kid who's struggling?''

''They shouldn't sell it to anyone under 18,'' Wendy said.

Adrianne Marsh, a spokeswoman for Stupak's office, said Tuesday the FDA has attributed about 200 suicides to the drug so far and last spring put out an isotretinoin alert.

Dr. Charlie Kagen, an Appleton dermatologist, said he has looked at a number of studies and has no qualms about prescribing isotretinoin.

''It's something we're concerned about and we ask about, but we don't see any scientific evidence to say there is an increased risk for it,'' he said of the side effects, including the potential for depression and suicide.

''There's a suggestion it (Accutane) might play a role, but statistically we can't say it does. Well over 6 million people in the U.S. alone have used it since 1982.''

Side effects are explained in the medication guide Roche Laboratories, the maker of Accutane, puts out for patients.

The literature notes that some patients may become depressed or develop such symptoms as sadness, anxiety, irritability, anger, thoughts of violence and suicide.

Patients sign a consent form, agreeing to stop using the medication if they notice any symptoms, and are required to meet with their doctor once a month, which Justin did.

Justin, who had taken Accutane for a month before his death, had tried other topical acne medications with little luck, said his parents. He had decided on Accutane, which is prescribed when other treatments don't work, after discussing it with his dermatologist.

He also had discussed the side effects with his parents.

''It's not that we took it lightly,'' said Warren. ''We were watching for warning signs.''

''We saw nothing,'' said Wendy. ''I could talk to him about things, and he promised he would come to me if anything bothered him.''

When police asked the Zimmers what they thought happened, Warren noticed the prescription slip for Accutane on the kitchen counter.

Justin's last appointment with the dermatologist had been Jan. 12 and on the slip was the orange sticker giving the pharmacist the OK for a new 30-day supply.

Warren and Wendy Zimmer insist their son's suicide had to be related to the drug.

''He had so much going for him,'' said Warren. ''He was good at everything he did. He respected everybody. He didn't have an enemy in the world.''

''He had an appointment this Thursday to take his driver's test and it was one of the few times he'd take off of school. We were shopping for cars.''

Justin was sensitive and shy, with a ready smile and a penchant for perfection, said his parents. At school, he was sophomore class president, and ranked No. 1 in his class with straight A's. He was in wrestling, football and baseball.

''He had an undefeated season in wrestling and was so looking forward to baseball,'' Wendy said. ''He'd been sleeping with his baseball glove by his pillow.''

Justin planned to join the military, Warren said. ''He was a big 'CSI' fan. Who knows where he would have gone? He had a heck of a start on life.''

The Zimmers can't say enough about the support of family, school personnel and the community, especially Menasha students, through their ordeal. ''When we came home from the wake there were 100 kids in our front yard having a candlelight vigil. They encircled us. It was so healing,'' Wendy said.

Even so, Warren said he is beset by ''streaks of anger'' when he thinks about Justin's death.

''Your life changes so quickly in a matter of an hour. You go to the grocery store and come back and you don't have five people at home anymore. You have four.''

THE PRESIDENT'S STATE OF THE UNION ADDRESS

The SPEAKER pro tempore (Mr. KUHL of New York). Under the Speaker's announced policy of January 4, 2005, the gentleman from Iowa (Mr. KING) is recognized for 60 minutes as the designee of the majority leader.

Mr. KING of Iowa. Mr. Speaker, as always, I profoundly appreciate the privilege to address this body and on a subject matter before us that we have not had the opportunity to debate and deliberate within this Chamber and one of the broader subjects that I would like to address in this upcoming 60 minutes, Mr. Speaker, is the President's State of the Union address last night. I have a copy in my hand here, the one I took notes on as he spoke in this Chamber last night.

Before I move into that, Mr. Speaker, I would like to address a couple of subject matters that were raised by one of the previous speakers and point out that the Foreign Intelligence Surveillance Act, this seems to be something that is debated across this country intensively by the mainstream media. It fits within the same category of the PATRIOT Act which we extended at least from this floor today.

I sat through in the Judiciary Committee at least part if not all of the 12 to 13 hearings that we had, and we asked continually, give us some names, give us some specific examples of someone who had their rights trampled or abused or usurped under the PATRIOT Act and I say also under FISA. The criticism continues, Mr. Speaker, but I still continue to ask, name the case, name the individual, give me the circumstances by which these laws that have protected us so well have been abused by anyone this administration or the opening by which that might be done. I have not heard that answer, and I continue to ask that question.

This country has not been attacked because we have been prudent in our surveillance. This surveillance under the Foreign Intelligence Surveillance Act has been used by many Presidents and only challenged now after it was brought forward in the New York Times, the very morning that there is a PATRIOT Act vote in the United States Senate. I would question the motives of that newspaper that sat on that story for a year. We need to continue to ask that question and what was the motive of the paper, and by the way, what was the motive of the Members of this body and the other body when they had been briefed on FISA and those kind of foreign intelligence surveillance, they did not seem to have an objection when they were briefed. They only had an objection when they were briefed by the media. We have a larger responsibility than that, Mr. Speaker, and I would point that out.

Also, one of the previous speakers addressed the issue of ''our addition to foreign oil.'' I would ask those people, help us use this domestic supply of energy that we have. Let us unlock ANWR, let us unlock the Outer Continental Shelf. Let us develop these domestic supplies of renewable energies that we have. Let us join together in a bipartisan effort to grow the size of this energy pie.

So those two in response to the previous remarks that were made, Mr. Speaker, and then I would also address the idea, the President covered a whole series of subject matters last night. Our national defense is one. Energy is another. Education is another.

Of course, one of the key components to our national security is immigration, border enforcement, and here with us tonight to address the border security issue and border enforcement and I expect will have some kind words to say about our brave border patrol is the gentleman from Florida (Mr. KELLER) to whom I would be pleased to yield to.

Mr. KELLER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I have just returned from the Mexican border and I am here to report my findings.

We were 5,000 feet up in the mountains along the border California shares with Mexico at 2:00 a.m., freezing in 30-degree weather with the wind howling in our faces. Eight shivering young men, illegal aliens in their late teens and early 20s, sat on the cold ground in handcuffs, grateful to be caught. One of them pleaded with the border patrol agent to find his girlfriend Maria who was still stuck on one of the cliffs.

Illegal aliens, like the ones I saw in handcuffs, continue to enter the United States from the Mexican border at the rate of 8,000 per day. Today, we have 11 million illegal aliens in the United States.

Illegal immigration presents a huge problem. That is why I decided to spend a week along the southern border to see firsthand how bad the problem was and what Congress could do to fix it.

Last year, our border patrol agents arrested 1.2 million illegal aliens attempting to enter the United States from Mexico. Significantly, 155,000 of those arrested were from countries other than Mexico. They included illegal immigrants from Iran, Iraq and Afghanistan. Our porous Mexican-U.S. border offers the perfect cover for terrorists, especially since tighter controls have been imposed at airports.

This poses a very serious national security problem, according to CIA Director Porter Goss. I personally spoke with border patrol agents who had apprehended suspects on the terrorist watch list.

One night while I was riding along with the border patrol two illegals from Pakistan were captured. One convicted sexual predator was caught trying to cross, so were wanted murder suspects, drug dealers and smugglers.

I was impressed by the bravery of the border patrol agents who escorted me. I saw a border patrol supervisor get out of his vehicle, pull an illegal alien off of a 10-foot wall and arrest him despite his violent attempts to resist the arrest.

The border patrol agent I rode with told me he had been shot at on several occasions. Twenty-three of his colleagues have been killed in the line of duty since 1990. For example, border patrol agents Susan Rodriguez and Ricardo Salinas were gunned down by a murder suspect. Agent Jefferson Barr was shot to death by a drug trafficker.

If the job of a border patrol agent sounds dangerous, imagine the risk to people who actually live along the border.

I sat down in the living rooms of four different families who own ranches along the border. One couple, Ed and Donna Tisdale, documented on home video 13,000 illegal aliens crossing their property in one year alone. The Tisdales had their barbed-wire fences cut by illegals, running off the family's cattle. When their dogs barked to scare off intruders, the dogs were poisoned.

Another rancher told me about numerous break-ins at his home while his family slept, as illegal aliens tried to find food and clothing. One morning his daughters had gone out to feed their pet bunnies, only to find them skinned and taken for food by illegal aliens trying to escape to a nearby highway.

The economic impact of crossers who are successful is catastrophic.

Illegal immigration costs taxpayers $45 billion per year in health care, education and incarceration expenses. The cost of the estimated 630,000 illegal aliens in Florida is about $2 billion a year, meaning every family in my congressional district pays a hidden tax of $315 each year, and yet still faces depressed wages because of illegal immigration.

So how do we fix the problem?

First, we need to crack down on employers who knowingly hire illegal workers. Jobs are the magnet drawing illegal aliens across the border, and the United States House of Representatives has acted to make it mandatory for employers to check the paperwork of new hires or else face stiff penalties if they do not. Now it is up to the Senate to act.

Second, we need to complete construction of the double fence for 700 miles along the border near populated, urban areas. San Diego saw a steep reduction in crossings, from 500,000 down to 130,000, when the double fence was completed there.

Third, where mountains and rugged terrain make completion of a double fence impossible, we need to have a virtual fence. Congress needs to appropriate more money for infrared cameras that enable agents to see the entire border.

Finally, we need more border patrol agents. Although Congress has tripled the number of border patrol agents since the late 1980s, more are still needed.

Mr. Speaker, one million illegal immigrants come to America legally each year, and my staff members spend the majority of their time helping those who want to come to our country to work hard and play by the rules.

□ 1900

We are protected from dangerous people entering the country at our airports. IDs are checked against the terrorist watch list and baggage is screened. Well, who is doing the checks on the 8,000 people who arrive here illegally every day? Who is our last line of defense? It is a Border Patrol agent in a green uniform working alone.

At 2 a.m. tonight, after all of us are asleep, he will be working somewhere near the top of a cold 5,000-foot mountain along the California-Mexican border. He will get a radio call telling him to approach a group of illegals who have been spotted by an infrared scope and are located near the top of that mountain. He will track their footprints in the dirt and make his way toward them. As he approaches, there is something he doesn't know: Are these illegal aliens a group of harmless teenagers who are scared and freezing, or are they heavily armed and dangerous drug traffickers, like the ones who have killed so many of his colleagues?

Either way, he will approach them, because it is another day on the job. Mr. Speaker, I have a message for that Border Patrol agent working tonight: the United States Congress knows you are there, we appreciate your service, and help is on the way.

Mr. KING of Iowa. Mr. Speaker, I thank the gentleman from Florida. I appreciate his travel down to the border. I have done that on occasion myself and traveled the border at night and flown in helicopters and had my meetings with the Border Patrol down there. It wasn't quite as eventful as yours appears to have been, Mr. KELLER; but for those of us in the House of Representatives who have not gone down and had personal experience on the border to see how it functions and how sometimes it doesn't function, I think it is important for us to take that visit and do that.

The statement that was given that there were 1.2 million stopped at the southern border last year, of course we know that is a rounded number. The number in a little more precise term is stuck in my head: 1,159,000 illegals, and I say collared at the southern border in the last year. And of those, there were only 1,640 that were adjudicated for deportation. The balance of them, in summary terms, were released on their promise to return to their home country. Many of those who were other than Mexicans, the 155,000, were simply released into this country without an expectation of going back to their home country.

In that haystack of humanity, the Border Patrol has testified before our immigration subcommittee that they believe they stop one-third, maybe one-fourth, of those illegal crossers. So we know that that 1.2 million multiplied times three or four gets you in the neighborhood of how many actually came across and how many came in here and successfully completed their crossing and stayed. That numbers approaches, I believe, 4 million in the last year.

That 4 million-strong haystack of humanity includes people looking for a better life, but also in that are the needles in that haystack that are terrorists, drug dealers, criminals, rapists, and people who wish this country ill will, along with a pretty good sized portion of them that simply see the United States as a giant ATM, who come here seeking their fortune and then wire the money back, go back and withdraw that money from their banks and live happily ever after.

That number, in 2005, when the report comes in, will be very near, if it does not exceed, $30 billion wired south of our border, $20 billion into Mexico and another $10 billion into the other Central American states. That is a huge number. We say we cannot get along without this economy, but the illegal labor in this country is generating about $76 billion in wages. That $76 billion amounts to 2.2 percent of the wages that are earned in the United States, even though they are 4 percent of the labor force.

So the argument we cannot get along without the illegals is a specious argument and is just plain false. We will find a way in this country. There are 7.5 million people being paid not to work, on unemployment. There are another 5 million that have exhausted their unemployment benefits and are still seeking work. So there are 12.5 million people in this country looking for work. And of the 11 million illegals in this country, 6.3 million illegals are in our workforce. So the 6.3 million that we have to replace if we shut off the jobs magnet could come from the unemployed and that 12.5 million that I stipulated.

Additionally, there are 9 million young people in America between the ages of 16 and 19 that are not in the labor force, even in a part-time job, for whatever reason. There are about another 4 to 4.5 million between the ages of 55 and 69 that are not working that might be if we didn't have penalties in there for their work. So you begin to add that up, and it is 13 million added to the 12.5 million. So there are about 25 million people in this country that would be sitting there to fill the 6.3 million vacancies if we shut off the jobs magnet. So one in four. And that doesn't include the 51 million between the ages of 20 and 64, between those ages, that are simply not in the workforce because they are retired, they choose not to work, or whatever the reason might be. That takes us up to 76 million in a potential workforce to tap into or to replace 6.3 million.

I do not think we have examined those numbers or we wouldn't be having the debate we are having, Mr. Speaker.

I want to take this opportunity to yield some time to the gentleman from Texas, who had spoken to us a little earlier about the immigration issue. I appreciate his stance on the energy issue. In fact, we have stood on this floor a number of times and joined forces together. I joined forces with Mr. POE of Texas in cosponsoring his bill that opens up the Outer Continental Shelf to both gas and oil drilling. So I yield to the gentleman from Texas.

Mr. POE. Mr. Speaker, I appreciate the time and the work of the gentleman on numerous issues, the first of course being the overriding issue of our Constitution, a document you keep in your pocket every day in case someone wants to question you on what it says and what it doesn't say. I commend you for your strong stand on the Constitution.

And on the issue of border security being a national security issue, because it is a national security problem. It is unfortunate that so many Americans are oblivious or refuse to believe the problem that has been discussed tonight by our friend from Florida and yourself.

And then there is the issue, of course, of offshore drilling. We have heard even tonight in this Chamber a discussion about the importance of having our country not be dependent on other countries for our energy. We are held hostage to some extent to Third World countries that really determine how we are to obtain much of our oil and natural gas. And there were some concerns mentioned tonight that folks in the Northeast are needing home heating oil and we can't depend on foreign countries. Well, we don't need to depend on foreign countries. We don't need to depend on the Middle East as much as we are.

We hear the rhetoric in Venezuela from the president there, his anti-American comments and how he threatens every once in a while to cut off the oil supply to the United States; and Bolivia, with its new president, is talking about doing the same thing with natural gas to the United States. Once again, the United States appears to be held hostage by Third World countries on our energy.

So what do we do about it? Well, the President mentioned last night several proposals of how we have to go to alternative energy sources, and we need to do that. But we need to take another look at where we drill, why we drill, and why we don't drill. We will start with the offshore drilling.

I have here a chart that explains where we drill off the coast of the United States and where we don't drill. We drill in my home State of Texas, and we're glad to drill offshore. Texans know the importance of drilling offshore. We drill offshore from the State of Texas; we drill offshore from Louisiana and the State of Mississippi. This blue area is the only place we drill offshore, because the rest of the Gulf of Mexico, Florida, the entire east coast, and the sacred west coast, if I can use that phrase, we don't drill because there are prohibitions from drilling offshore.

We need to lift the prohibitions in this entire red area. Not the environmental regulations, but the overall prohibitions from drilling in these entire areas. There is much oil in the Gulf of Mexico. There is much oil on the east coast and off the west coast, and we don't drill there for reasons that I think are a myth. The myth is we can't drill offshore safely, that it is an environmental problem.

Mr. Speaker, that is a myth because we can drill offshore safely. Let us just go back recently to two hurricanes that hit this area, this blue area. Hurricane Katrina and then the forgotten hurricane, Hurricane Rita, that came right through this entire area. In this area we not only drill offshore but we have refineries.

My home State, Texas, right here, this district I represent, southeast Texas, 23 percent of our gasoline is refined right here in this area where Hurricane Rita came through and shut down our refineries for a period of time. But during all of the conversations and discussion and moaning and groaning about the disaster of Hurricanes Katrina and Rita, we heard little, if any, talk about offshore drilling and the danger and the leakage from crude oil coming up from the bottom of the Gulf of Mexico because of these two hurricanes. Because it didn't happen. There was very little environmental impact with the hurricanes that came through this area, because we do drill safely offshore.

That should tell us a couple of things. First, these rigs offshore that shut down, and some were damaged, caused little or no economic or environmental impact in the gulf coast. Second, since this is the only place we drill offshore, someone should realize that maybe we should not depend on this entire blue area, hurricane alley as we call it, for our offshore drilling.

With Hurricanes Katrina and Rita, many of these rigs were shut down and some of our refineries were closed down. All of that takes place in this one blue area. We are dependent not only on foreign oil but in our own country we are dependent on this little area of offshore drilling. So we do need to expand. We need to use some common sense and drill offshore safely in this entire other region where there is much crude oil and much natural gas.

We don't do it because people are concerned about the environmental impact. This is actually one of those myths that has convinced so many people in this House and many Americans who are afraid we can't drill offshore safely.

Where do these offshore oil spills come from? Pollution from crude oil in the Gulf of Mexico? Well, 63 percent of the crude oil that comes to our shorelines in the Gulf of Mexico is from nature itself, as this chart shows. Sixty-three percent comes from the natural seepage of crude oil from the bottom of the ocean. That is where most of the pollution comes from.

Second, 32 percent comes from those boats, the shipping industry that patrols the Gulf of Mexico. Three percent comes from those tankers that are bringing crude oil from other countries, like the Middle East. And only 2 percent of pollution, if we use that phrase, in the Gulf of Mexico from crude oil comes from, yes, that is right, offshore drilling.

Now, most Americans are unaware of this. Most Americans think it is just the reverse. They think the crude oil drilling offshore causes most of the pollution, and that is not true.

No one wants polluted beaches. No one wants an unsafe environment. I certainly do not. No one does that advocates offshore drilling. So the environmental impact is very small if we drill offshore. We can do so safely.

They drill offshore in the roughest waters in the world, and that is the North Sea, and they do so safely. Most of those people that are drilling there are from Texas to begin with, and those folks that know how to drill offshore safely drill all over the world. Yet we have a mindset in this country that we shouldn't drill in these sacred areas because of the environmental impact.

So that myth needs to be denounced as a myth and we need to take care of our own selves, be self-sufficient, because there is plenty of crude oil here, on the east coast, the rest of the Gulf of Mexico, and there is also much natural gas resources that we are not tapping into as well. Not to mention going up here to Alaska, to ANWR, another place where we ought to drill, because we can drill in that area safely.

Hopefully, these two bodies will agree to drill in ANWR. Because gasoline prices continue to rise. Home heating oil prices continue to rise. Natural gas prices continue to rise. The answer is not to look to more foreign countries. The answer is to drill safely, environmentally correct, around the United States coastline.

□ 1915

Just to mention one other thing, when an oil company goes out here into the Gulf of Mexico and wishes to set up a new rig, they obtain a lease from the Federal Government. They pay for that. Those leases bring in millions of dollars to the United States Treasury that we lease to oil companies for permission and the right and privilege to drill offshore. That is a source of revenue. So more leases bring more revenue to the national Treasury. We talk about the deficit and government spending. Revenue can be obtained from these oil companies that drill offshore.

So it is a situation where I believe more Americans need to be aware that we can do so safely. We have seen hurricanes hit these oil rigs with minimal damage to the environment. We know there is oil and natural gas out here, and if we do not take care of ourselves and become more dependent on ourselves for our own energy, crude oil and natural gas, gas prices will rise, crude oil prices will rise, home heating oil prices will rise, and natural gas prices will continue to rise, and without doing so there is really no answer. We need to do both. We need to look for alternative sources such as nuclear energy, as the President mentioned last night. We also need to drill where we have oil and natural gas available.

I appreciate the opportunity to make these comments. Hopefully working together we can solve our own energy and not be held hostage by other countries.

Mr. KING of Iowa. Mr. Speaker, as I look at the gentleman's lower chart, Pollution from Oil, and it shows 2 percent of the pollution from oil comes from offshore drilling and the balance from the composition that the gentleman describes. For the record, I ask what percentage of pollution comes from natural gas? Does any come from drilling for natural gas? Is there any example of a natural gas spill offshore anywhere in the world that has damaged a beach anywhere?

Mr. POE. That does not occur. When a natural gas well is drilled, it does not cause pollution. So another reason we should obviously be drilling offshore for both of these commodities.

Mr. KING of Iowa. Mr. Speaker, I appreciate Mr. POE's presence here.

I did see natural gas boiling up out of the water, and I saw it on fire when I went down to visit New Orleans in the early part of September. There was a great visual for what happens if you happen to get a natural gas leak coming down from 8 or 10 feet of water, and it might come from 1,000 feet of water, the natural gas boils to the top. If there is a spark it burns. It burns without a lot of heat. If there is no spark, it dissipates into the atmosphere. I do not have the statistics how much gas just percolates up through the ocean floor, but my understanding is that it is a significant amount. Do you have any background on that?

Mr. POE. I do not have the statistics either, but natural gas is even less of a pollutant than crude oil. Of course there is natural seepage with natural gas just as there is with crude oil from the bottom of the ocean. That is the way nature has been doing business for a long time. I do not have the statistics, but it would be interesting to find out what they are.

Mr. KING of Iowa. We are looking at the distribution of that large volume of natural gas that comes out of Hurricane Alley. We are supplying some of those gaps in that need for natural gas through liquefied natural gas that comes over on tankers, and then we have to run it through a plant and convert it back to our gas form and deliver it through our pipelines. It is essential from our cost to be able to take natural gas as close to the demand as possible and tap into the nearest supply so we do not have that expensive transportation and compression that goes on into the Middle East, bringing it in and converting it back to a gas in the Untied States. It is an expensive proposition.

When I see that red map with leases all around the shore of the United States, that is all accessible to the population centers of the United States which are our coastlines. It would be a natural to tap into the gas that is within 200 miles of its demand as opposed to several thousand miles across the ocean. Would you comment on that?

Mr. POE. Certainly. We bring in liquefied natural gas from the Middle East. It is converted and used in the United States. We need that process as well, but it makes a lot more common sense to use the resources we have, our own natural resources, to satisfy the need for energy in the United States and continue to develop other alternative energy sources as well.

To me it defies common sense that we do not drill offshore. We can do so safely. We have proven that. The best experts in the world on drilling offshore from the United States, they go to other countries and contract out and drill for other countries. Hopefully we can change the mindset in this country.

Mr. KING of Iowa. Mr. Speaker, I thank Mr. POE.

I would like to pick up on that framework that has been laid out by the gentleman from Texas and talk a little bit about the national security of our energy situation. As I listen to the rhetoric that comes out of the Venezuela and Hugo Chavez, for example, it is a bit difficult to believe he is a friend of the United States. It is hard to think that he had our best interests in mind even though he did donate some natural gas for heating over in Massachusetts. I would think their politics might be a little more sympathetic than they are in Texas or Iowa.

But as I look at that, I question the motives and I see the dollars that have flowed into that administration in Venezuela, and I look across to the Middle East where we are buying that liquefied natural gas, and everybody in the Middle East is not our friend, and they do not have our best interests in mind either. But the wealth of the United States of America is being spent in purchasing expensive energy resources from overseas, expensive supplies of energy, and we are enriching people who do not have our best interests in mind in the Middle East as well as in Venezuela and other parts around the world.

What kind of a nation would sit on all of that oil that we have up in ANWR, and I have been up there and looked at that? The gentleman from Texas spoke about the environmental friendliness and the safety we have with our oil drilling offshore. I would point out the record of developing the North Slope oil that started in about 1972. Up there when you look at the hundreds and perhaps thousands of wells that have been drilled in that area and the millions and millions of barrels of oil that have been pumped down the Alaskan pipeline, and you fly over from the air and you look for that environmental wasteland that supposedly is up there, all I see is green tundra. And I see a white 50-inch pipeline that goes across the country, across the Yukon River and on down to Valdez. We flew over at about 1,500 feet in altitude. They told me we were over the North Slope oil fields, and I looked out the windows and cast my eyes below and said, Where are the wells? I have worked in the oil fields and have been up on the derrick and I know what it looks like. I expected to see pump jacks like you see in Texas or Oklahoma. I saw none of that in Alaska. All I saw was a white rock pad about 50 by 150 feet, maybe 3 or 4 feet up off that Arctic tundra sitting there waiting in case there needed to be some work done on that well, which would take place in the wintertime on an ice road, the same way the drilling took place in the wintertime on ice roads and ice pads.

It is environmentally friendly because there is not a disturbance to that environment when it is not frozen solid. When it is frozen solid, they build ice roads and come in, they set the work-over rig on that rock pad and pull out a submersible pump, put it in the well and have it ready to go. It pumps oil into that collection system, which I do not see either from the air.

I do not know how it could be any more environmentally friendly. The threat that it would reduce the caribou herd, for example, I happen to know in 1970 they did a census. They counted every caribou, citizen or not. There were 7,000 head of caribou on the North Slope, and that is an American herd. Today there are over 28,000 head of caribou in that same place. We surely did not damage their environment.

Those who watch that herd will tell you that caribou cows get up on top of those rock pads and have their calves instead of dropping them in the ice cold water. They will have them in the spring when the permafrost starts to melt. That is one reason they survive better. Another reason is they have a place to get up out of the wet, and the wind blows the flies away. The wind dries off the calves, and they will dry off and live better and do better. So we see a population that has multiplied four times in caribou.

If you go over to ANWR, there is not a resident caribou herd there, notwithstanding as many times as you have seen the commercials on television. It is not a pristine alpine forest. There is not a single tree in that entire plain

where we would like to drill for oil. Not a single tree.

In fact, I have a picture of the furthest most northerly spruce tree that is there. It is about 600 miles further south. I point out for people who did not take 8th grade science and geography, that the circle around the globe known as the Arctic Circle, that is the line that has been drawn around the globe north of which trees cannot grow. So the commercial do not destroy the trees in ANWR is a phony commercial. The commercial that it will disturb the caribou herds is a phony commercial. If anything, it will enhance the caribou herd on the North Slope. There is no resident caribou herd in ANWR which lies just to the east of the North Slope, identical as far as I can tell in ecological regions, at least close to that same kind of climate and ecological region, but they do have a caribou herd that comes in from Canada. They come in and have their calves and when the calves are strong enough to walk, they walk back to Canada. I do not think any thinking person thinks they would be disturbed if we drilled some wells up there and pumped a million barrels a day on down here to the United States to take the pressure off the foreign oil.

That is one thing with drilling in ANWR. There is a lot of gas in ANWR. There is gas developed on the North Slope. That gas that sits there now, we need to build a pipeline from the North Slope on down to the lower 48 States. There is 38 trillion cubic feet of natural feet developed and ready to tap into up there. There is more gas up there not developed, and that reserve has not necessarily been identified in its volume.

But if you recall the map of the coastal regions of the United States that was done in red, the undrilled portion of our Outer Continental Shelf, there are known reserves out there of 406 trillion cubic feet of natural gas. The United States consumes 22.5 trillion cubic feet of natural gas a year. That chunk up there on the North Slope, there is more up there than the 38 trillion, but just by comparison, 38 trillion cubic feet of natural gas in the North Slope of Alaska, and 406 trillion cubic feet offshore of the United States.

Those huge supplies of natural gas, the ability to deliver a million barrels of crude oil a day coming out of the ANWR region, all of the oil that is in that red area of the map along with the natural gas, and this Nation goes anywhere else in the world to purchase at a high price energy that enriches people that sometimes are our sworn enemies, and I would say the leader of Iran would be one of those, and the leader of Venezuela has been swearing at us for some time, and he is convincing me he is our enemy, too. So we enrich them and sit on top of our energy reserves. I would declare that to be a form of economic suicide, to pay a high price for energy when we have it right underneath our very feet and not tap into it and instead enrich our enemies.

Those are big things that matter in a big way. This Congress cannot seem to get together on the obvious. As I listen to the gentleman from Washington in the previous hour speak about us being addicted to foreign oil, I think we have been intimidated by the cult of environmental extremism. The idea that we are going to do something to tap in our energy that is going to upset this Mother Nature that some folks would like to convert back to pre Garden of Eden, and when I say that, that would be back before Adam and Eve walked on this Earth. All other species are fine, but this human species should not compete with other species on this Earth, and I will tell you that as I read it, we are put here to have dominion over all those species, plant or animal. They are here for us to use respectfully and to manage, and we do do that, and we are better than we were 30 or 50 years ago, and we will be better in another 50 years.

We have been extraordinarily effective and prudent in our care with our environment, and no one can point to a single natural gas environmental damage of any kind, and certainly your illustration of the very small percentage of oil pollution that comes from spills should tell us that if we were going to do anything, we should shut down the boating in the gulf as opposed to shutting down the drilling in the gulf.

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I would open them both up because I do not see that there is a big problem there. I see that I have here tonight the gentleman, Mr. SHIMKUS, who has, I know, a passion in his heart for ethanol. And I want to make that endorsement before I hand this microphone over to him, in that I come from a district that may well be the one that has its ethanol production build out, all the corn we have to supply turned into ethanol, and we are now an energy export center; and I look for that kind of development across the entire Corn Belt. And I would be happy to yield as much times as he may consume to the gentleman from Illinois (Mr. SHIMKUS).

Mr. SHIMKUS. I thank my colleague and friend from Iowa. And we have made great strides. We appreciate Iowa's efforts because so much corn has gone to Iowa ethanol production; Illinois corn is now going to the feed lots in Texas, which used to be, which your corn used to go to. So when my producers are looking at the static cost of a bushel of corn, I always tell them, where do you think you would be without new demands going to ethanol?

I have a flexible fuel vehicle. It runs on 85 percent ethanol. And I had one in the last Congress, 2 years ago. I could not fill it up anywhere in my district. Now I can go all throughout my district, go to a regular retail pump and fill it up with 85 percent ethanol fuel. And it is usually, on average, 20 cents cheaper a gallon. So we are making great strides. It is a great story to tell, especially in this area. And as much as, you know, we are from Illinois, you are from Iowa, by definition you have to be supportive of ethanol. And we are. The President addressed it last night. And we also acknowledge the fact that there are other ways you can produce ethanol, and we want to encourage that because we want all the country to have the benefits that we are having and the country would have based upon energy independence. And that is where this debate has to be.

But I am not here to talk about ethanol tonight. I am here to talk about another overlooked resource which we use partially, not to its fullest extent, and that is coal. Now, we all know that we use coal to generate electricity. And a lot of people do not realize that 50 percent of the electricity generation in this country is from coal. And there are new technologies out there that will help us use clean coal technologies, as the President addressed last night. We want to encourage that. We also address that in the energy bill.

Clean coal technologies, the products of research and development conducted over the past 20 years, include more than 20 new lower cost, more efficient and environmental compatible technologies for use by electric utilities, steel mills, cement plants, and other industries. Coal already generates more than half our Nation's electricity, and it is the largest single source of the overall domestic energy production, more than 31 percent of the total.

When we talk about energy, though, we sometimes get confused, because energy is lot of different things. Energy is electricity generation. But energy is also fuel. So we have to be careful that we clarify for this debate all the benefits.

In looking at coal, we have over 250 years of demonstrated reserves, right now, untapped, 250 years' worth of demonstrated reserves. Coal is a readily available domestic resource.

Furthermore, new clean coal technologies, such as the gassification combined cycle, IGCC, which a lot of people know about, coal to liquid and coal to gas technologies. And this is not pie-in-the-sky stuff. The German Army, in World War II, used technology called fissure tropes to take coal and to turn it into fuels to run and operate the German war machine. Fifty years ago.

So what we are proposing and continuing to make sure that we understand it in this arena is that we can take these 250 years' worth of accessible coal reserves and continue to use it for electricity generation, but also use it to make fuel. And it is a cleaner process. So the debates we have had on the floor of the House is, part of it, the refinery issue.

We are addicted, I would say, I would agree with the President, we are addicted to crude oil from imports. So how do we address that addiction? One

way we address it is make sure we have our local reserves. That is going the renewable fuels debate. But it also means that we take coal and we can, through current technology available today, we can turn it into gas, which addresses our natural gas challenges, which are really affecting manufacturing and home heating costs for the average consumer. And we can take coal and we can turn it into fuel.

Now, in a best-case scenario, we take that coal, liquid fuel, and then mix it with a renewable fuel and then we have a lot more independence. You have the reserves of coal, you have the local refinery. So you have the coal mine, you have the coal mining jobs, you have the refinery, you have the building the refinery, you have the refinery jobs, and then you have the transportation to the retail location, all in the cycle within the United States, not dependent on any other foreign source.

We have been talking and we are encouraged with our discussions with the administration, and we want to continue to push this issue because I think the public really does not appreciate the great reserves that we have.

The Illinois coal basin, if you look on a geological map, is basically the State of Illinois minus Chicago and Cook County. It also bleeds into western Kentucky a little bit, it bleeds into southwestern Indiana, but it is the outline of the State of Illinois. That is where an abundant access of coal is. And of course we know the other great coal producing States, Wyoming, Montana, West Virginia, Ohio, Kentucky; and so there are people willing, ready and able to take, to get back into this arena.

But there are always additional challenges that have to be faced. The existing obstacles to move this forward are as follows: there is a high capital investment to begin with. The disadvantage of the environment that we are in today is that we are paying 60 to $65 a barrel for crude oil. There was a time, in my lifetime, when it was $18, and they were capping marginal oil wells because it cost more money to get it out than you could sell on the market. It is good for the consumer, bad for oil exploration. Now at $65 a barrel, you have the opportunity to say, if there is a consistent market signal, that that $65 is going to be here for years to come, that the market will say there is a good possibility of return. I am going to make this billion dollar capital investment. Can the Federal Government help? What can we do because of this high capital investment for the plants?

The capital costs of the plants could be reduced by the experience gained in the actual construction and operation of commercial facilities, in addition to a focused effort by Congress and the administration to address the risks and capital hurdles for new development.

Perceived environmental concerns. My colleague who is leading this Special Order addressed that. Environmental concerns will be addressed by using clean coal technology, IGCC, to reduce emissions of the criteria pollutants. In addition, indirect liquification of coal processes produce clean zero sulfur liquid fuels. We have a debate of high sulfur fuels. We passed regulations that are going to affect the trucking industry. Low sulfur fuels can be produced through coal to liquification, and that addresses one of our major concerns.

You know, to conclude, and maybe join with my colleague in other energy debates, because it is, you kind of develop expertise or a forte based upon the area in which you live, or maybe the committee on which you serve. I am very honored and pleased to serve on the Commerce Committee; and I, in my 9 years, I have served on the Energy Subcommittee. So we have seen this coming, these hurdles that we have in front of us. And we finally were able, after many, many years, to pass a comprehensive piece of energy legislation; but we have to do more.

I want to bring to my colleagues attention the benefits of coal, not just for electricity generation, but for coal to gas, coal to gassification, coal to liquid technology and its use. Coal to liquid technology provides geographic diversity for domestic refining capacity, not all situated in the South on the gulf coast. It could be in the Midwest, could be in Iowa, could be in Illinois and improves national and economic security by lessening dependence on foreign oil and substituting plentiful, more affordable U.S. coal.

Coal to liquid technology also allows for the capturing of carbon dioxide emissions which serves as a bridge to a hydrogen fuel future through polygeneration, which is the linking of multiple types of plants into one such as the coal production of liquid fuels, electricity hydrogen; and that is what the President is proposing, and that is what we are excited about in the whole future gen proposal.

See, we are going to capture carbon dioxide, and through this process you can reinsert it back into the ground; and if you have an area like southern Illinois where you have marginal oil wells, that is going to help the additional oil that is left that is hard to draw out of the ground to be drawn out. So we have great opportunities in the future.

You know, coal has been given a bum rap for a long time. I think what those of us who believe in coal and those who invest and take risks and capital expenses want is just to know what the playing field is so that we can allow technology to meet the standards and there is consistency in regulations.

You know, the problem is when there is inconsistent rules and no one knows what the rules of the playing game is that the risk is higher. If you are going to invest billions of dollars, you want to lower the risk, you want to know what the rules are. We are now at a point with technology and the work we have done through the Department of Energy and clean coal technology research programs that we can get there with clean coal tech for electricity generation. We can turn coal into gas which will affect our natural gas crisis, and we can turn coal into liquid fuels which will help to decrease our reliance on foreign oil. So with that, my colleague, I appreciate the time.

Mr. KING of Iowa. I thank the gentleman from Illinois (Mr. SHIMKUS), and I appreciate that presentation. I always learn from these things this evening. And I look across at Illinois and we have a friendly competition in corn production, soybean production and sometimes football, basketball. And I look at the coal production you have and the oil and I think you have gas wells there too running in conjunction with it. It looks like Illinois has a little head start on Iowa when it comes to exporting energy and we are focusing our energies in that fashion too to develop that energy.

I would like to emphasize, Mr. Speaker, a concept and it is a concept I would like to try to sell to America, that we can begin to think about our energy in a little bit different fashion, and that is we need to grow the size of the energy pie. And if you just think in your mind's eye, and I will put a chart out here sometime within the next couple of months that demonstrates this. But there are pieces in every pie, and whether you slice up six, eight, or 10, but just draw that circle in your mind's eye and think there is a piece there for coal and there is a piece for ethanol and a piece for biodiesel and a piece for hydrocarbon-based fossil fuels, both gas and diesel fuel and our oil that we draw out of that.

There is a piece for natural gas that is energy. There is a piece for nuclear power, hydroelectric and there is a piece for solar. There is a piece for wind. There is a piece for hydrogen. And I am probably forgetting two or three pieces out of this energy pie that we have. But the more pieces we have, the more alternatives we have, the more options that consumers have, and the less dependency we have on foreign oil and foreign energy, and then of course the larger those pieces of the pie are, the more supply there is of energy.

And with supply and demand of course the rule is that then the value of the cost of energy will go down if we can grow the size of the energy pie, adjust the proportion, the percentage of the pie that are those pieces, those components of the different kinds of energy so that it reflects the resources we have in this country, the development of those resources, those being coal, nuclear, ethanol, biodiesel, natural gases sitting in the offshore and crude oil that sits out there offshore, drilling in the ANWR, the development of natural gas resources up in the north slope of Alaska, that the natural gas that is across this country underneath public lands, that we have not talked very much in the last year in this Congress about natural gas underneath

public lands; but the statement has been made on this floor and it is in this CONGRESSIONAL RECORD that underneath public non-national park public lands in the United States there is enough natural gas to heat every home in America for the next 150 years.

And we can drill it and we can tap into it, but we cannot build the roads and the collection system to deliver and distribute that gas because of other environmental infringements and obstructions. And so if we can do things to develop energy that are compatible with the environment, then we have to get away from this cult of environmental extremism, and we have got to get together here and save this economy from America and not commit this economic suicide of purchasing from our enemies, enriching our enemies so that they can buy weapons and hire terrorists and send those people to bomb us, but instead provide that independence for ourselves.

And that is the biggest piece about this energy that I think needs to be laid out here. If we can go at it on all fronts, and I think that the natural gas offshore would be the thing that would reduce the overall cost of the United States the most.

We sit here in the United States of America and the heartland of it and Mr. SHIMKUS and myself, in particular, are in the middle of the Corn Belt. And everything you raise takes nitrogen to produce it.

□ 1945

And we purchase nitrogen fertilizer. It takes more nitrogen for corn than any other crop that I know of. And 90 percent of the cost of that nitrogen fertilizer is the cost of the natural gas that is converted into that nitrogen fertilizer. We have nearly lost the fertilizer industry in America because we have not developed our natural gas in America. And that fertilizer industry is going offshore in places like Trinidad and Tobago, and those are American interests, and I am grateful for that. But they are also going to Venezuela and Russia. And we are sitting here paying $15 for natural gas, and they are paying 95 cents in Russia so they can ship fertilizer to us. It will not be long, if we keep down this path, before the entire fertilizer industry is gone and we will see a fertilizer cartel pop up in Venezuela and Russia. And if you think it was a tough deal when you saw an oil cartel seek to control the price of crude oil and gasoline in America, think what it would be like if somebody has control over the cost of the production of our food in the United States of America.

So, Mr. Speaker, I would like to recap. I started out by addressing the President's State of the Union address, and he covered a lot of subject matter. We have addressed the energy intensively, and I do not think we mentioned that he addressed the initiative to develop ethanol out of cellulose. Wood chips, stalks and I think cornstalks, fiber like switch grass. There is a lot of energy there, and we are on the edge of being able to open up that technology. And if we accelerate that he believes, and I have no reason to disagree with his statement, that we could have ethanol production out of cellulose competitive with our current ethanol production within 6 years. That is good for all of us that can raise fiber of any kind. And it can convert waste products to put that in your gas tank at E85 levels, as Mr. SHIMKUS said. And I certainly support his initiative on clean coal, as the President spoke to that as well.

But the point that he made last night that has not been said here, the central point to his speech that I want to make, is that we fight to win in this War on Terror. And it is the most essential battle that we have as our national security. One of the things we are susceptible to, of course, with that is our dependence on that oil. We can get away from that, but we will still be threatened by our enemies from abroad.

We fight to win. We are winning. And the people on this side of the aisle stood and cheered when the President said that; the people on the other side of the aisle sat on their hands. And when the President said the decisions will be made on whether we deploy troops back out of Iraq by commanders in the field, not by politicians in Washington, D.C., people on this side of the aisle stood and cheered; people on the other side sat on their hands, Mr. Speaker. And when he said we stood behind our military, then we kind of got some support from both sides, but it was reluctant on the one side. And I wonder about that. I wonder what kind of sentiment would not be 100 percent behind every man and woman who wears a uniform and puts their life on the line for our freedom and for our safety. I think that is an absolute commitment that we have made. We have had that debate in this Congress. We have endorsed the President's authority to defend our interests in Iraq and around the world. He has done that. And I am grateful to every man and woman who has gone out there and put their lives on the line and those especially who have given their lives for our safety and our freedom.

It is going to be a long row to hoe to get to the end of this War on Terror. But the freedom that is coming in places like Afghanistan, the freedom that is coming in places like Iraq can be the lode star for a free Arab world. We never go to war against another free people, and to the extent that freedom can be promoted throughout the world, that is the extent by which all people on this globe are free from that curse of terrorism.

So I would ask us all to join together in that cause and let us open up this energy we have in this country so we are not hostage to those countries. Let us not enrich them. Let us enrich this economy here in the United States of America and promote the freedom that comes from a free economy.

THE 30-SOMETHING WORKING GROUP

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

Mr. MEEK of Florida. Mr. Speaker, it is an honor to come before the House of Representatives once again. I want to give a special thanks to Democratic leader NANCY PELOSI and also Democrat whip STENY HOYER and our chairman, Mr. JIM CLYBURN, for leading us in the way that Americans are now seeing that we are moving in the right direction.

Just today, Mr. Speaker, we had an election of Mr. JOHN LARSON, who has become the vice chairman of our caucus. We are continuing to move in this area of not only bright ideas about also a forward lean to make America stronger.

It is also a great day for us to reflect on where we have been and where we want to go as a country. And I think it is important to take note of what took place last night. We had the State of the Union address. We were all there. We paid very close attention to what the President had to say, the Commander in Chief, about his vision for this country. Also, some of the vision was embraced by all of us. Some of the vision was embraced by a few of us. And some of the vision that he was saying that he had we heard once before as a vision.

A reporter called me, Mr. Speaker, and asked me for a response to the President's address, and I had to scratch my head for a moment because it was a lot of what we heard in the past. Theme language. We have to get tough on them before they get tough on us, we heard that before. We have to fight them over there so we do not have to fight them here, we have heard that before. We have to stay the course, we have heard that before. A lot of themes, a lot of slogans. I think what the American people were looking for was some direction on where we are going to go and how we are going to get there, sending a very strong message to our young people, to our middle-aged people, and also to our seniors that are out there, also to our troops. And I think it is so very important that we pay very close attention to what our troops are learning and what they are hearing from this Congress and what they are not hearing as it relates to the direction that we are going on the stateside. When I say state, dealing with diplomats in Iraq and Afghanistan and other areas, and also as it relates to something as simple as body armor and also continued support for our troops.

Of course, I did not see anyone say that we do not support the troops. We

all support the troops. Every American supports the troops. I think it is important for us to understand that we have to make sure that they have what they need. And, Mr. Speaker, as you know, this 30–Something Working Group meets constantly to not only promote the ideas that are bipartisan in nature but also the ideas that on the Democratic side we want to share that not only with the majority side but also with the Americans, and I think it is important.

I think it is important for us to even look at issues as it relates to national security. We must stand behind the American military. That is what the President said. But I want to make sure that everyone understands, here on this side of the aisle and I would even say a couple of my friends on the majority side, Democrats were calling and have been calling for the last 3 years for implementing plans to strengthen and revitalize our overstretched military at this time. It is also important for us to understand that we have to be ready to fight other wars and other conflicts when they do arise, and we need to make sure that we are ready. We need to make sure we have Humvees. We have to make sure we have the body armor. We have to make sure that we have a clear task and mission so that our men and women know exactly what their purpose is, they know what their mission will be, and they know when they will be coming home. It is not a big secret to say when you are coming home. Maybe it is a secret as to when you are leaving to go to war, but when you are coming home is something that I think our troops need to know. We hear little words like, well, they just want to stop or they just want to cut and run or whatever the case may be. You can use your slogans, but what we are now seeing in the polling, Mr. Speaker, is that American people are saying, You have to be a little clearer with us on this. You just cannot say, well, stay the course, we will stay there as long as we need to be there. Well, that would be great. I am pretty sure many of our U.S. city mayors, many of whom just left town, Mr. Speaker, would love to hear, with our community development blocks grants or what they had with their COPS program that they no longer have the funding from the Federal Government. If the President were to say we are going to stay the course in those areas and make sure that we build small and big communities, that we are going to stay the course in making sure that police officers have the dollars they need to be able to get the things that they need to fight crime in communities and have afterschool programs, that we are going to stay the course, they would love to hear that. But fiscal responsibility and just simple common sense, Mr. Speaker, would say that you have to be able to set some benchmarks. You just cannot say I would like to spend billions of dollars and do not ask any questions and if you do, you are being a pessimist.

Mr. RYAN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MEEK of Florida. Mr. Speaker, I am so glad that Mr. RYAN has joined us, and it is so good to be back here in 2006 with the 30–Something Group once again.

I yield to the gentleman.

Mr. RYAN of Ohio. Mr. Speaker, it is good to be back with the gentleman again.

I think the word that needs to be applied to this conversation is ''accountability,'' and this is something that the 30–Somethings have talked about since we started. Being Democrats, we want to talk about accountability. We have a responsibility when we get the taxpayers' money that we are not just going to spend it and not ask any questions. And if the program is not working the way it is supposed to work, we are not for just throwing more money at the problem because that does not work. We want to talk about accountability.

But before we can even begin the conversation about accountability with programs and local communities, the COPS program, schools and everything else, there needs to be accountability here in this Chamber. And I believe that the Republican majority in the House and in the Senate and in the White House has really not been held accountable for what they have been doing. If you look at the budget deficits that we have right now, and the 30–Something Group cares about this because this is our generation that is going to have to foot the bill for this thing, $500 billion more spent last year than we took in in tax revenue. So we borrow it from the Chinese, from the Saudi Arabians, from the Japanese. We have borrowed more money in the last 4 years, and Kendrick will show this, from 2000 to 2004.

Mr. MEEK of Florida. Mr. Speaker, I want Mr. RYAN to talk about this. I know it is a chart that I usually speak from, but he is making a valid point here and I think that the Members need to be able to see it.

Mr. RYAN of Ohio. I appreciate you sharing, and I bet when you were in grade school that your teachers put on there ''Kendrick Meek plays well with others.''

Mr. MEEK of Florida. And governs well with others, and that is something we want to do here in this Chamber on the majority side. We want to move in a bipartisan way.

Mr. RYAN of Ohio. In the last 4 years, this President and the Republican House and the Republican Senate have borrowed more money, $1.05 trillion, than any every other President before him and Congresses before this one in the last 224 years. We are borrowing money to give rich people a tax cut, period, dot. And when we talk about accountability, this is what we are talking about because this has long-term ramifications to our potential economic growth because the money we are spending to pay down this debt and to pay the interest to the Chinese government is money that we are not investing into the COPS program, we are not investing into our veterans, we are not investing into research and development, we are not investing into making sure that every household has access to broadband communications. We are not investing that money into public venture capital that will lure private investment like they are doing in Israel, and they have a lot of innovative things going on in Ireland. These are the things that we need to do, but it all starts with balancing here in budget in the United States Congress.

Mr. MEEK has two beautiful kids. He cannot ask his kids to be responsible and then his example is to be irresponsible. It just does not work that way. He works hard and his kids see him work hard. So at the end of the day, they are going to learn a lesson from him.

I appreciate the gentleman's yielding to me. I appreciate his allowing me to use his chart because this has been his chart for the last few months.

Mr. MEEK of Florida. Unfortunately, the burden has been the American burden, the American taxpayer.

Mr. Speaker, I must say that it is very important. Mr. RYAN was speaking about this whole honest leadership piece, and I think it is important. We know that we have some Members that have made some bad decisions, and we are not going focus on that, and past Members. People make mistakes. I am just going to fall on the side that people make mistakes.

□ 2000

But when you have institutions such as this one that is making mistakes that cost American taxpayer more money, that is when we have a problem.

Now, the good thing about this is in the next 9 months the American people will be able to make some decisions. It is something that we have in the U.S. Constitution. You know, when you come to the House all of us have to run every couple of years. I call it a time where we are judged by all of our constituents throughout this country.

Mr. RYAN of Ohio. A job interview.

Mr. MEEK of Florida. It is a job interview. Thank you, Mr. RYAN. We need to write that down. It is a job interview, where you come, you are being interviewed by all of your constituents, and they are going to evaluate, is my Congressman doing everything that he or she can do to make sure that my life is better? A grandmother, is my Congressman or my Congresswoman doing what they should do to make sure that my children and grandchildren have better opportunities than what I had?

Is my Congressman or Congresswoman making sure that my health care costs are under control and that I have to with my prescription drugs choose between whether I am going to

eat or take my medication like I should? Do I have a community where we have a sound community? Is my Congress passing on unfunded mandates to my local government that I have to then pay additional taxes just for general services?

Those are going to be some of the questions that people are going to ask. Is my Congress playing a leadership role in the area of the culture, okay, Mr. RYAN, the culture of corruption and cronyism and incompetence that permeates throughout this Chamber and throughout this Congress?

This is not the Kendrick Meek-Tim Ryan report. Just pick up Newsweek, Time, the Washington Post, the Washington Times. You can pick up the Miami Herald, the Chicago Sun. Pick up any paper you want to pick up, and there is no secret that there is a culture of corruption and cronyism and incompetence.

Let me just say this: it means more, it means more to the American taxpayer, the people that are paying taxes every day, when they have to pay more because of certain special interests having worked their way into getting sweetheart deals from this Congress. It hurts, because we are here to represent those individuals that have sent us here to represent them.

Mr. RYAN, you have heard me say this once before, and I will say it again: the American people, all of them, just about all of them that participate in the electoral process, woke up early, Mr. Speaker, one Tuesday morning, 7 a.m. in some cases, to cast their ballot for representation in the U.S. Congress. They didn't cast their ballot for a K Street project. They didn't cast their ballot for a corporation who is running an operation here on K Street for some sort of agreement which was not an open agreement.

Mr. RYAN, I just started to think about this K Street Project, and I can't help but think about what is going on now that we don't know about similar to a K Street Project. K Street was fine a couple of months ago. Now it is not fine.

Let me just talk a little bit about the whole K Street piece and make sure the Members don't get amnesia as it relates to the K Street Project.

Mr. RYAN of Ohio. Shakedown Street.

Mr. MEEK of Florida. You call Shakedown Street. The deal was, and I am not talking about the deal with cards, the deal was, and may still be, as far as we know, is that corporations and special interests had to hire, okay, quote-unquote, former staffers from the Republican side to work in their corporation. The leadership of those lobbying groups had to be a Republican person that was trusted by certain Members and certain former Members of the majority. So that was the deal. You do that, and then you have to make sure that we have a line of communications, because we are in this thing together.

I can tell you it has resulted in a lack of health care policy. And now the President is talking about health savings plans, which is very interesting, because we already have something similar and it is not working, Mr. RYAN. Higher prescription drug costs, okay? Not allowing us to negotiate with drug companies.

I must say, Mr. RYAN, I don't blame the industry. I don't blame the industry. I don't want to walk around here and say ''you bad industry.'' You made us, or you made the majority.

No. The majority voted for it, and that is what happened. The bottom line is that it wasn't these special interest groups that voted to have Members of Congress. They didn't go to the polls. I didn't see a special interest group say, well, I am going to go to the poll and vote for this Congressman because they are going to serve me when they get to Washington. No, an individual American did that. I think it is important that we realize what is going on here.

So now we have the majority saying we are going to disband the K Street Project. Well, it was wrong from the beginning, Mr. RYAN, and they all knew it, and we knew it. We talked about it.

Mr. RYAN of Ohio. It has been wrong for 10 or 12 years now.

Mr. MEEK of Florida. It has been wrong for a number of years. Guess what, Mr. RYAN? We came to the floor definitely within the last 2 years and since the creation of the 30–Something Working Group and brought this to the attention of the Members that this is wrong. You even called it Shakedown Street. We didn't even want to call it K Street, because it promoted too much.

People laughed in their offices at us saying, look at them on the floor. They are talking about it. We are in control. This is no biggie.

One article that I read, one Member that will go unnamed at this moment, we all know, had a little booking office. If you were not in the book, you did not get to see me, or that particular Member.

So I think it is important, Mr. RYAN, that we make sure that Americans know and the American people know, no matter where they live, that under a Democratic-controlled Congress, and this is the message to the Members and the majority, because there are some Members in the majority that feel the way we feel, Mr. RYAN, but, unfortunately, the majority of the majority doesn't feel that way.

So maybe we can have a paradigm shift as we start working on this job interview that you mentioned, which we call in broader terms an ''aka election day,'' that hopefully there be a paradigm shift where these Members will say, you know, I think it is important that we work in a bipartisan way to benefit Americans, and I think it is important that we make sure that the American people feel they are getting their vote worth out of this Congress, versus a K Street Project or Shakedown Street.

So, Mr. RYAN, I am glad to report that we, the Democrats, have worked very hard in making sure that we bring this honest leadership to this Chamber and to this institution to benefit the American people. It is nothing against certain individuals and Members that have made bad decisions. That is what they have to deal with individually, okay?

But when it deals with the overall function of this House, and I am so glad in our legislation that we have, Mr. RYAN, on the Democratic side, that we are doing away with those in-the-dead-of-the-night special interest votes while Americans are sleeping because they got to go to work in the morning and punch in and work with very little health care benefits; that at 2 and 3 o'clock in the morning their Congress, their House of Representatives, took their vote, took their confidence, and gave it to the special interests.

We are saying we want to disabuse this Chamber of doing that, we are saying we have a plan to do it, and we are saying that we have been amplifying this kind of what some may say is illegal activity that has been taking place in so many different areas and what has been reported in the media, we have been reporting this.

Mr. RYAN, I would feet uncomfortable saying what I am saying right now on the floor of the House of Representatives if we hadn't been saying it for months and months and months. Finally there is validation that is happening, that it was happening, and that it is time for a change and it is time for us to make sure that this country gets its votes worth out of this Congress.

Mr. RYAN of Ohio. I agree. Not only the culture that you talked about, let's talk about what the cost is. Let's connect the dots. Let's talk about what happens here.

We talked about the Health Savings Accounts. This is the President's idea to solve the health care problem, and it allows individuals to take money, extra money that they have at the end of the month, spare money, and put it in a side account.

Well, that is great if you have got spare money at the end of the month to put in a side account. We have millions and millions of people in this country who do not have that extra money to put in a side health care savings account to address the health care issue, so there is going to be millions and millions of people.

I am not saying it is a bad idea. Maybe it is a good idea for those people who have money and they can set it aside. Great. But the vast majority of the people who live in this country do not have the luxury of having an extra $500 at the end of the month to put in a side account.

Mr. MEEK of Florida. Forty-six million.

Mr. RYAN of Ohio. Forty-six million don't have anything now, and millions of others can't afford it, or can barely

afford what they have. So our goal on the Democratic side is to figure out how to reduce the cost of health care. And we tried to do that, Mr. MEEK, when we had the prescription drug bill here.

The Democrats, this bill started out at $400 billion, and later after the vote we found out it was $700 billion. But all the seniors that are out there, Mr. MEEK, will qualify for this, $700 billion worth.

What the Democrats wanted to do to save the taxpayer money, to be accountable for the money that we spend here, the Democrats wanted to put two provisions on to that Medicare part D, the prescription drug bill.

We wanted to allow the Secretary of Health and Human Services to be able to negotiate down the drug price on behalf of all the Medicare recipients. We didn't want to create a new program, a new bureaucracy. We just wanted to give the Secretary of HHS the ability to go to Pfizer and negotiate down the drug price. You want the Medicare contract? Fine. We got to talk price. Knock 15 to 20 percent off the cost and we will give it to you. Boom, we save money, Democrats. That is our idea. The Republican majority shot it down in the dead of night.

The other idea, we wanted to allow for reimportation of pharmaceuticals, to allow these prescription drugs to come in from Canada to create real competition in the pharmaceutical industry in the United States and drive down the cost. We would save the taxpayer money, we would lower the cost of prescription drugs, and maybe we could start reducing our deficit and eventually make some investments in the education and research and development and other things.

The cost of the pharmaceutical industry giving the Republicans $100 million is higher drug prices for average Americans and the taxpayers not getting their money spent wisely because there is not the accountability here that we need.

Mr. MEEK of Florida. Well, it is interesting, Mr. RYAN, that when you started talking about health care, I think it is important that we have plans to cut health care costs. We also want to reduce the number of the uninsured and provide tax credits for health insurance for small businesses.

Mr. RYAN, there are a number of small businesses in my district that say, you know something, Congressman? I would like to offer a real health care plan to my employees, Mr. Speaker, but they can't. They can't do it because they, A, cannot afford it, and, B, the insurance is too high.

Even when you have insurance, you may call it insurance, but the premiums are too high. Also making sure we allow patients to buy into a CHIPA program, and also allow Americans age 55 to 64 to buy Medicare, and also provide proposals to bring down the cost of prescription drugs.

Mr. Speaker, the President mentioned nothing, absolutely nothing, you can check the speech on the White House Web site, nothing on prescription drugs, nada, even though we have seniors throughout the country trying to figure out where is the cost savings in the bill that was passed are. I mean, absolutely nothing. I can see at least like one little word. ''Well, I want to address this.'' Just one line. Nowhere in the speech.

So the American people know as far as the majority, the Republican majority, you have the Republican U.S. House of Representatives looking forward to the status quo. If you are happy with the status quo right now, I think you need to stick with it. If you are not happy and are concerned, like many millions of Americans are, I think you need to be able to put that on that interview you have with your Member of Congress.

□ 2015

Mr. RYAN of Ohio. Can I ask a question? I thought of this last night as I was sitting right over there as the President was giving his speech. It is almost amazing to me, I think, that the speech that was given here last night was dealing with the same issues that we were dealing with today.

Last night the President was talking about investing in education and research and development, and we are going to make these great investments. We came here today and did this Budget Deficit Reduction Act that actually increases the deficit, and we are cutting education, we are cutting the investments. So that was kind of perplexing to me.

But I was over there listening to him talk about energy independence and how we are addicted to oil. And I thought, wow, he actually said it, which I thought was great. It is a big first step to admit that there is a problem. So maybe it has taken 5 years, but we have now admitted, the administration has now admitted that we have a problem.

And then I was waiting for, you know, all right, this is it. And he says, and we are going to reduce our dependence on foreign oil by 75 percent by 2025. And I thought, my goodness gracious, we went to the Moon in 10 years. Where is the urgency?

Mr. MEEK of Florida. The European markets when they opened, they said ha. You know, they were concerned because before the speech it was all of this talk about what he was going to say. But they did not even respond to what the President said, because they did not even take him seriously.

So I think it is important that we understand, that the Members understand, it is not about the President of the United States. It is about what this House is going to do on behalf of the American people. That is what it is about.

Mr. RYAN of Ohio. That is exactly it, what do we do day in and day out to improve the lives and improve the position politically of our country? And the Democratic idea is to get our idea to become self-sufficient, self-sustaining with energy in the next 10 years. And you cannot tell me that if we marshall all of the intelligence and the wealth of this country that we cannot do it in the next decade.

As I said, we went to the Moon in a decade. And look at not only the economic impact that we would have in this country, the jobs that would be created with ethanol and biodiesel, and all of the hydrogen engines and hybrid cars and all of these things that we could create an economy back in the United States that we are actually producing, which I think is very positive, but let me make this final point.

Imagine the political position the United States would be in, the Secretary of State would be in, if we told all of those oil producing countries we are done. We do not need you. We do not want you. We will deal with you and help you along the way, but we are not tied to you. We are not addicted to your oil. So we do not need to get in all of this international political stuff that we have been getting in for the last 30 years.

It has been nothing but bad for the United States, to be in these different countries playing with their internal politics and puppeteering who is coming in and who is going out, and Saddam Hussein needs to be here because he is a Sunni, and we have got the Shiias in Iran. Hey, we are going to take care of home first.

A stronger America begins at home. And the Democratic idea is to take the resources of this country, the intelligence of this country, and become energy independent in the next 10 years. And no one can convenience me that it cannot happen.

Got a chart. And this chart is the gasoline prices and oil company profits. The bars, the grey bars are the profits starting in 2002. And as you can see, every year 2003, 2004, 2005 the profits have skyrocketed.

And look what happens to the price of gas. It has gone up as well. So the profits go up, the cost goes up. Unbelievable. These people continue to make money off a basic resource that everyone is dependent on.

That is why we got to get away from this. Exxon, I think it was Exxon that made $36 billion dollars in their last quarter. $80,000 per minute. Come on. It is time for the Democratic ideas to take center stage in this country.

Mr. MEEK of Florida. Mr. RYAN, as you know, we believe in making sure that we share with the Members that we are prepared, we are ready and able to lead. And we are going to present a case every time we get an opportunity to have the Republicans join the debate on some of our ideas. We are willing to even share some of our ideas with the majority.

And we have offered procedurally to the Republicans our ideas, but since we are not a part of the legislative writing, the legislative creating, the legislative process here, where we have

folks outside of this process that are unelected that have more input than our caucus on a piece of legislation of significance to the American people, we have to make sure that we share our case.

I want to make sure, I want to make sure that the Members on the majority side know that they can go to www.democrats.gov and pull up our innovation agenda, Mr. RYAN, pull up our innovation agenda.

And this is just the executive summary of it on how we are talking about how we are going to make America better, how we are going to find alternative energy, how we are going to make sure that our next generation is ready to lead the world, not the United States, but the world. How we are not going to leave our young people behind, how we are going to invest in technology so that we do not have to come up with special visa programs.

Let me just break that down. Special passports or credentials from foreign countries because we do not have the know-how here in our country to do what we need to do as a country, and to continue to stay the superpower of the world. If we continue on this track, we are going to have some real financial issues, Mr. RYAN, that you mentioned earlier. And we are going to have a brain drain, because we have some folks that are more interested on the majority side on giving special deals to the special interests.

I also want to add, and you mentioned this, and I just want to refer to my notes, but I want to make sure that we are crystal clear, and that everyone understands what we are saying here.

We have an energy independence plan within 10 years, like Mr. RYAN said with new investments and clean energy and technology, calling for the repeal of the $8 billion subsidy to the oil companies, and use it for consumer relief.

Now, I think that is important. We are going to take $8 billion from the special interests. This is our plan. $8 billion. This is not a new program like they like to say, this is taking away from the special interest programs, Mr. RYAN, our friends who you made mention of, record profits, all of the way up. I know you mentioned Exxon and Mobil, but there are a number of other companies taking the cookies from them because they are making money.

I mean, it is not like, you know, a small business would love to say, well, you know, I made money this year, but I do not even have to spend my money to invest in future profits. I will just spend the taxpayers' money to invest in my own profits and to my stockholders.

So folks want to talk about fiscal responsibility, I think it is important that we understand that there are people working out there that are paying more for heating oil and fuel and LP gas than at any other time in history of this country.

But meanwhile the corporations that are able, that are a part of the legislative process here in this Congress, Mr. Speaker, and a part of writing legislation over in the White House as we have read reports on, they are getting what they want. What about the folks that woke up early one Tuesday morning to vote for representation? So there is a clear choice. Just like we were talking about the K Street Project for 2 years, 24 months.

One member of the K Street project, a substantial member on the Republican side admitted guilt, willing to, you know, okay, go spend some time in jail. It was all right. And then when he did that, then all of a sudden the K Street Project, it is not good. We need to do away with it. We have been saying that on the Democratic side for a long time.

It was not only working toward the demise of bipartisanship here in this House of Representative, it was working toward the demise of the American spirit. And making sure democracy rings, and making sure that every individual received the just-due representation that they voted for, not the just-due representation of the special interests, the just-due representation of what they voted for.

Yes, Members, it is painful. It is very painful, Mr. Speaker, to come to the floor and speak truths. But I think it is important that Republicans, Independents, Democrats, Green Party, you name it, Reform Party know exactly what is going on under the Capitol dome.

We were not sent here to be cozy-cozy and buddy-buddy and allow this country or the leadership of this country to in many ways turn their back on future generations and this generation.

You mentioned today, the budget once again passed by 1 or 2 votes, passed by 2 votes today. That cut substantially student loans and student opportunities to our young people, but better yet, the President stood up here last night around this time, or last night, an hour from when we are talking now, and said we believe in innovation, we believe in making sure, because, you know, what the President saw our plan and saw that we were talking about, our plan, and heard about our town meetings, that we were having as Democrats, about our plan on innovation.

So he decided to talk about it. But he is talking the talk but he is not walking the walk. It is not in his budget. It was not in his budget last year. And the action by the House today, by the majority that voted to set back the clock on so many Americans that work every day. Parents work every day, Mr. Speaker. They pay taxes every day.

I mean they pay the highest taxes because, guess what, they do not get the big breaks like special interests get. And yet we made their job even harder today in making sure that they educate their children.

So, Mr. RYAN, I would be uncomfortable in saying what they have been saying, and saying what we have not been saying for a very long time. I want to remind the Members once again that if we were in the majority, when I say we, I am talking about the Democrats, there would not be a lot of talk about what we should do or we could do, it will be the fact that we are doing, and that we are working on behalf of everyday Americans, and if they are a police officer, a teacher, a person mopping up the floor at a hotel on the midnight shift, they are retired, they are trying to figure out how they are going to make ends meet, or if that they have reached the American dream, had a small business, it is now a big business and providing jobs to everyday Americans, and making sure that they are equally represented. It would not be a question.

Mr. Speaker, it would not be a question, and we would not even have to talk about bipartisanship, because we would have bipartisanship, because that is what we are supposed to do in this House, and what the American people voted us in and expect from us to do is to work together, not only on naming post offices and bridges like we do to Americans that deserve it, I am not belittling that process.

We all bring legislation here to honor our constituents and Americans that have served our local communities. We all vote for it, with a few exceptions, but on issues such as health care, on issues such as tax reform, on issues such as the rights and body armor for our troops, we should be united on that. It would not be a question if we could or we would, we would be doing it.

So that is the programs that we make from this side, Mr. RYAN. And guess what? We have history to prove that we work in a bipartisan nature. So when you talk about election time in November, and you talking about the fact that people will be coming forward, the American people in an interview, as though they are applying for their job once again, or we say an evaluation, when they sit down to that evaluation, we want to make sure that the Members know exactly what the American people, the kind of questions they are going to be asking or what kind of action they will be taking.

□ 2030

Mr. RYAN of Ohio. Absolutely. I think you make several very, very good points, and what we are trying to communicate here is that we have better ideas and we want to take the country in a new direction. If you are perfectly comfortable with the way everything is right now, then you probably do not want to vote for Democrats, but if you are having some trouble and you think the country is maybe going in the wrong direction, just listen to what we are talking about and how we are going to actually implement our plan.

We have figured out in the past 10 years that we have not always made the best argument, we have not always presented ourselves in the best way. We

allowed our Republican friends to define us, and as they defined us, they continued to win elections. But over the past few years, 4 years, 5 years in particular, they have defined themselves through their actions, and we now have the ideas and the commitment and the energy to take this country in a new direction and maybe we needed that time to learn. Maybe we needed that time to figure out exactly what needed to be done, but we are talking about, on the Democratic side, making sure that every household has broadband access in the next 5 years, that the country is energy independent in the next 10 years, by taking some of the savings that we will generate through the prescription drug program, by doing a couple of the things I talked about earlier by saving money, by making government run more efficiently and not being afraid quite frankly to ask Bill Gates to pay his fair share in taxes.

The President said again last night, make the tax cuts permanent. I will agree with a part of it, making the middle class tax cuts permanent, but let us ask these people who have been making money hand over fist over the past 10 years, we need your help. You think we want to ask you for more money? You think we like it? No, but we need you to help us. The country is running a $500 billion deficit. We could either ask you for it or we could borrow it from the Chinese, which is what we are doing now.

So if we ask you for it, we get it and we hopefully balance our budget, lower interest rates, and that will lead to economic growth. Right now, we are borrowing the money because the Republican majority does not have the guts to ask the wealthiest people in the country for money, and we are borrowing it from the Chinese.

It is that simple. We are not making this up. This is not a complicated process. We are spending $500 billion more than we are taking in. So we have got to get it from somewhere, and if you run a deficit at home, you go to the bank and you borrow it and they charge you interest. That is what we are doing right now. We are borrowing money from the Chinese bank, the Japanese bank, and we are paying interest on it, and that is money that we cannot invest, that interest payment. We cannot invest that into education.

I told this story earlier on the floor as we were debating the budget reconciliation, and it really hit me. I had a meeting last week with a school board member from Youngstown, Ohio, Youngstown City Schools, and I asked him as we were sitting there what is the poverty rate for these kids that go to Youngstown City Schools, a pretty simple question. Ninety percent of the kids of the 8,000 kids that go to Youngstown City Schools live in poverty. I do not even know why I asked him because it does not really make sense to ask this question, I asked how many qualify for the free and reduced lunch. He said we do not even pass out the form anymore because so many kids qualify, it is more expensive to administer the program by passing things out and trying to figure out who we can give it to than it is to just give it to everybody in the school. Can you imagine that?

What we are saying here is that these budget deficits and these tax cuts and these cuts to education and this not funding the No Child Left Behind and not funding Medicaid, which provides health care for those kids, by not funding those programs, these kids do not have a chance. We will have certain kids that pop up and they go against the odds to be successful, but these kids do not have the opportunity that every single American should have.

What the Democrats are saying is that we want an opportunity because you know why? I will sit here for 10 hours. I have 12 years of Catholic school in me. I could make every moral argument for doing that that is necessary in the book and in the good book, how many times Christ talked about helping the poor and poverty. We could make all those arguments, but let us set them aside.

How are we going to compete with 1.3 billion Chinese workers, 1 billion workers that live in the country of India, the massive advancements that are going on in Ireland and Israel and some of these other countries? How are we going to compete if we have a school district and 90 percent of the kids live in poverty? We need those kids to be on the field with all of us competing in a global economy, as mathematicians, scientists, chemists, engineers, computer programmers, entrepreneurs, artists and musicians. We need them on the field. We do not need them in a cycle of poverty.

If this Republican leadership, if they do not have any new ideas, then give us control. Give us the keys to the car because that kid should have access to broadband. That kid should have three square meals a day. That kid should have art programs after school and should have the opportunity to play in an intramural league after school.

That is how we are going to move the country forward. We are stagnant right now because we are not investing in kids, and Katrina took the veil off this. We all drive around, go through the suburbs and try to do our thing, go around these outer belts and try to stay away from that. Katrina took the veil off that, and I think that that is not only a moral issue, it is an economic issue that needs to be addressed.

We have plan after plan after plan after plan to fix that. The Democrats have ideas, and we just need the opportunity to implement them.

I did not mean to get all worked up, but I tell you, when I think of 8,000 kids in my district and there is more because I also represent a lot of other school districts, living in poverty and not having the kind of opportunity that they should have because they are born on this soil here. It gets frustrating.

Mr. MEEK of Florida. If you are not passionate, if you did not have a special place in your heart and your mind, then something would be really wrong. You are one of the Members of Congress that knew and appreciate what it meant when someone or a constituent of yours went to go vote for representation. That is what they voted for. They voted for someone that was willing to stand up for them, even if they get strange looks by certain Members the next day or right after we leave the floor.

That is what this thing is about. That is the reason why we serve. That is why we make sacrifices, to be here on this floor after everyone else has gone home and flipping cable channels saying, well, you know, today I have done my part.

We still have an America out there that is suffering, and I am not talking necessarily about poor people. I am talking about folks that work every day. I am talking about small businesses trying to figure out how they are going to control their health insurance costs. I am talking about victims of natural disasters in our Nation. I am talking about families of troops, men and women in harm's way, that are concerned about their loved ones and the lack of vision and leadership and direction that we are not providing and sending the signals to other governments and taking the training wheels off of them and saying now, listen, there has to be an end or a strategy to bringing our men and women home and saving the U.S. taxpayer money. That can be accomplished and protect America at the same time.

Mr. Speaker, I think it is important that we speak truth to power when we talk about those kinds of things because you cannot let statements just float saying that we just stay as long as we have to stay. What does that mean? Stay the course, what does that mean? It is not giving the very men and women that have sand in their teeth as we are speaking here on this floor a piece of mind on our vision as a Congress and as a White House. I think that is important.

The reason why you were speaking so passionately, I just want to reflect on tax cuts. As we start talking about them, I can tell you right now I was in the State legislator, Mr. Speaker. I voted for a number of tax cuts. Yes, I did, for people that worked every day, for small businesses that were trying to make a way out of no way, helping them achieve the American dream, even for some large businesses that wanted to create more jobs. I did it. I did even a hearing in this House as it relates to tax cuts for middle class families, and so did a number of colleagues on this side even had proposals that would help small businesses more than the majority proposals would help small businesses or recommended helping small businesses.

I think it is important for us to look at when we talk about tax cuts and urge the Congress to make the tax cuts permanent, okay, well, let us break that down. Let us put that in English. That is another theme. That is a slogan. That is an old Burger King theme, have it your way. There are a couple of other themes that are out there: Stop by, we leave the lights on. Those are themes. Those are slogans. That is a marketing campaign. That is not governance. Let us just share this for a moment.

Let me just translate for the President. What he is talking about, and the majority of the House of Representatives is talking about, the extension of capital gains and dividend tax breaks were provided to the top 1 percent tax cuts up to $14,361 in 2010. Meanwhile, using the same timeline, middle class, low-income families would only get $41. I can tell you, either everyone in America has to be part of the top 1 percent to enjoy the majority's vision on the Republican side or else. That is it. Either you pull yourself up by your bootstraps, Republicans, Democrats, Independents, Green Party and Reform Party members, or you get the $41. That is just where it is. You get what kind of tax cut? $41. It almost costs $41 to prepare your taxes. So the tax guy takes that right off the top. You do not even see that. It is just enough to prepare your taxes and report to this government.

I think it is important that we break this thing down for the American people, that they understand exactly what is going on and that we let the majority side, as we did with the K Street project, as we talked about the Republican culture of corruption and cronyism and incompetence, I cannot say it enough because there is no better vindication than being right.

I tell you, some people wait years. Some folks say, well, maybe 10 years from now they will realize what this Republican majority has embraced as doing business in Washington, D.C., but there is a higher power that will reveal to his people what is going on in this government that has he ordained. You say you have 12 years of Catholic school. I have got about forty-some years of Mount Table Missionary Baptist Church in me, and I have been in the neighborhood where when folks pray hard, they pray hard. I have been in street revivals. I have seen evangelists on television. I have seen them under a tent, but the bottom line is whether it be Christian or a Jewish person or a Muslim, I am going to tell you right now, regardless of what one's faith is, right is right and wrong is wrong.

I would tell you, if we make things permanent and totally lock in middle America, poor people in this country into what the President is talking about, we better all try to be part of the 1 percent because if you are not, you are going to get shortchanged. Not only are you going to get shortchanged, your child is not going to have the education dollars that they need to even prepare themselves to be a part of the 1 percent. That is where it comes down to.

Members need to understand that the American people are going to have to make a choice, and they will make a choice in the coming months. You said it and I will say it again. We are ready, prepared, we have our chin strap buckled, Super Bowl coming up, to lead, not next year but right now. If the majority side wants to have a paradigm shift and say that we want a bipartisan working group on making sure that we do things the way we are supposed to do it here, then, fine, we can get to work now.

□ 2045

But as long as the Republican majority feels that they need to hold us down, Mr. RYAN: oh, we got to keep those Democratic ideas down; oh, we have to procedurally not allow them to bring ideas to the floor; oh, we need to gavel them down in committee when they try to present these ideas because we don't want our Members to vote for them because they may be judged by their constituents, I can tell you, and I am so glad I thought of this, Mr. RYAN, and I know you have the next hour, but let me just say this real quickly.

A perfect example: vindication within our lifetime is wonderful, within our political lifetime of the 109th Congress. Social Security. The President last night said, Well, you know, we have to work on Social Security. Well, the Congress stopped the President and the majority side from the privatization of Social Security last year.

Mr. RYAN of Ohio. Democrats.

Mr. MEEK of Florida. Democrats. Democrats. And Mr. RYAN, in the 30-somethings we like to tell the truth, so a few Republicans, just a few in this House, stopped the Republican majority. And guess what? And everyday-working Americans, Mr. RYAN. The millions of Americans that wrote their Members of Congress.

But on the Democratic side we had hundreds of town hall meetings informing Americans about what this Congress was going to do to them on behalf of special interests. The only guarantee was special interests were going to get their money off the top and their benefits were going to go down.

But, guess what? Now the President is saying that because it takes a little blood and fire in this thing, oh, maybe we can put together another, and another, I think it is the fourth or fifth so-called bipartisan commission to look at Social Security.

I'm going to tell you, Mr. RYAN, the only way we fight, the only way we win as Americans against special interests, coupled with the majority side, is by fire and through commitment and the American spirit.

I must say that I am very excited about the fact that we have energized Members on this side of the aisle that are not willing to take it. Now, I'm saying some people might say take it any more, but we never took it. We are making sure we bring the fight to the majority side. If they want to work against the will of everyday American people, we are going to give the American people the voice. Even if they are Republicans, even if they are Independents, even if they are part of the Reform Party, they are Americans. We have been federalized to represent them, and they will receive their representation.

Mr. RYAN of Ohio. I appreciate that, my good friend from Florida. We are about to wrap up, and I think what we are saying is, we want a chance. We want an opportunity to lead this country. As we close here, Mr. MEEK, I just want to say that our caucus had an election today.

Mr. MEEK of Florida. I have already mentioned it.

Mr. RYAN of Ohio. Have you?

Mr. MEEK of Florida. But go ahead.

Mr. RYAN of Ohio. Well, I just wanted to personally congratulate JOHN LARSON of Connecticut, who is our new vice-chair of the Democratic Caucus. We had a great race. It is sometimes difficult within the caucus. JAN SCHAKOWSKY from Illinois and JOE CROWLEY from New York both ran great races, both great members of our caucus. But this was something that really got everybody's juices flowing and ready for the next year.

I want to give our e-mail address out. 30-somethingdems@mail.house.gov, so the Members can give us a holler, if they want to. That is 30, the number, somethingdems@mail.house.gov. Send us your e-mails and let us know what you think. You can go to the leader's Web site and find out about our innovation agenda; you can find out about what the Democratic plan is to lead this country in the next few years and in the next few decades. It is exciting stuff, it really is, and I am proud to be a part of it. I want to thank Leader PELOSI and STENY HOYER and Mr. CLYBURN as well.

Mr. MEEK of Florida. Thank you, Mr. RYAN, for joining us. We are going to spare the great staff here in the Chamber. It was a long night last night. We are going to call it a night with this hour. We will not take our second hour. We want to once again thank the Democratic leadership for allowing us to have this hour, Mr. Speaker.

CORRECTION TO THE CONGRESSIONAL RECORD OF TUESDAY, JANUARY 31, 2006, AT PAGE H5

JOINT SESSION OF THE CONGRESS—STATE OF THE UNION MESSAGE

The SPEAKER laid before the House the following privileged Senate concurrent resolution (S. Con. Res. 77) to provide for a joint session of Congress to

receive a message from the President on the state of the Union.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 77

Resolved by the Senate (the House of Representatives concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Tuesday, January 31, 2006, at 9 p.m., for purpose of receiving such communication as the President of the United States shall be pleased to make to them.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GARY G. MILLER of California (at the request of Mr. BLUNT) for today on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GEORGE MILLER of California) to revise and extend their remarks and include extraneous material:)

Mr. SKELTON, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. SCHIFF, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. EMANUEL, for 5 minutes, today.

Mr. FALEOMAVAEGA, for 5 minutes, today.

Ms. LEE, for 5 minutes, today.

Mr. MCDERMOTT, for 5 minutes, today.

Ms. CORRINE BROWN of Florida, for 5 minutes, today.

Mr. STUPAK, for 5 minutes, today.

(The following Members (at the request of Mr. POE) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 5 minutes, today.

Mr. POE, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, today, and February 7 and 8.

Mr. MACK, for 5 minutes, today.

Mr. WELDON of Florida, for 5 minutes, today.

Mr. NUSSLE, for 5 minutes, today.

Ms. FOXX, for 5 minutes, today. (The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. RAHALL, for 5 minutes, today.

ADJOURNMENT

Mr. MEEK of Florida. Mr. Speaker, pursuant to the order of the House of today, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore (Mr. WESTMORELAND). Accordingly, pursuant to the previous order of the House of today, the House stands adjourned until 2 p.m. on Friday, February 3, 2006, unless it sooner has received a message from the Senate transmitting its adoption of House Concurrent Resolution 332, in which case the House shall stand adjourned pursuant to that concurrent resolution.

Thereupon (at 8 o'clock and 50 minutes p.m.), pursuant to the previous order of the House of today, the House adjourned until 2 p.m. on Friday, February 3, 2006, unless it sooner has received a message from the Senate transmitting its adoption of House Concurrent Resolution 332, in which case the House shall stand adjourned pursuant to that concurrent resolution.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

6060. A letter from the Director, Financial Crimes Enforcement Network, Department of the Treasury, transmitting the Department's final rule — Financial Crimes Enforcement Network; Anti-Money Laundering Programs; Special Due Diligence Programs for Certain Foreign Accounts (RIN: 1506-AA29) received January 6, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

6061. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 16–249, ''Brentwood Retail Center Real Property Tax Exemption Act of 2006,'' pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

6062. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30472; Amdt. No. 3147] received January 24, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6063. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30474; Amdt. No. 3149] received January 24, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6064. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Pratt & Whitney JT9D-7R4 Turbofan Engines [Docket No. FAA-2005-23072; Directorate Identifier 2005-NE-38-AD; Amendment 39-14430; AD 2005-26-09] (RIN: 2120-AA64) received January 24, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6065. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Establishment of Class D Airspace, Modification to Class E; Galveston, TX [Docket No. FAA-2005-22999; Airspace Docket No. 2004-ASW-20] received January 24, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6066. A letter from the Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Treatment of Certain Travel, Lodging, and Other Allowances Paid by Federal Executive Agencies to Employees Evacuated from Hurricane Katrina Core Disaster Area [Notice 2006-10] received January 18, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6067. A letter from the Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Determination of Basis of Stock or Securities received in Exchange For, or With Respect to, Stock or Securities in Certain Transactions; Treatment of Excess Loss Accounts [TD 9244] (RIN: 1545-BC05) (RIN: 1545-BE88) received January 25, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6068. A letter from the Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Statutory Mergers and Consolidations [TD 9242] (RIN: 1545-BA06) (RIN: 1545-BD76) received January 25, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6069. A letter from the Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Reporting for Widely Held Fixed Investment Trusts [TD 9241] (RIN: 1545-BA83) received January 25, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6070. A letter from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Administrative, Procedural, and Miscellaneous Matters (Rev. Proc. 2006-5) received January 6, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6071. A letter from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Administrative, Procedural, and Miscellaneous (Rev. Proc. 2005-4) received January 6, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6072. A letter from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Administrative, Procedural, and Miscellaneous (Rev. Proc. 2006-6) received January 6, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6073. A letter from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Administrative, Procedural, and Miscellaneous (Rev. Proc. 2006-8) received January 6, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6074. A letter from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Administrative, Procedural, and Miscellaneous (Rev. Proc. 2006-14) received January 9, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6075. A letter from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Credit for New Qualified Alternative Motor Vehicles (Advanced Lean Burn Technology Motor Vehicles and Qualified Hybrid Motor Vehicles) [Notice 2006-9] received January 18, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6076. A letter from the Acting Chief, Publications and Regulations Branch, Internal

Revenue Service, transmitting the Service's final rule — Low-Income Housing Credit (Rev. Rul. 2006-5) received January 18, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6077. A letter from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Guidance Under Subpart F Relating to Partnerships [TD 9240] (RIN: 1545-BF15) received January 18, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6078. A letter from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property (Rev. Rul. 2006-7) received January 20, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6079. A letter from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property (Rev. Rul. 2006-7) received January 25, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. OXLEY: Committee on Financial Services. H.R. 4320. A bill to restore the financial solvency of the national flood insurance program, and for other purposes; with an amendment (Rept. 109–370). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. WELLER (for himself and Mr. MORAN of Virginia):

H.R. 4680. A bill to provide temporary duty suspension on products from Sri Lanka; to the Committee on Ways and Means.

By Ms. ROS-LEHTINEN (for herself, Mr. LANTOS, Mr. CANTOR, Mr. CHABOT, Mr. ACKERMAN, Mr. ENGEL, Mr. PENCE, Mr. WELLER, Ms. HARRIS, Mr. BURTON of Indiana, Mrs. MCCARTHY, Mr. CARDOZA, Mr. MACK, Ms. BEAN, Mr. CROWLEY, Mr. LYNCH, Mrs. JO ANN DAVIS of Virginia, Mr. CHANDLER, Mr. BROWN of South Carolina, Mr. MCCAUL of Texas, Mr. KING of New York, Mr. ISRAEL, Ms. BERKLEY, Mr. POE, Mr. ROYCE, Mrs. BLACKBURN, Mr. TANCREDO, Mr. SCHIFF, Mr. SHERMAN, and Mr. NADLER):

H.R. 4681. A bill to promote the development of democratic institutions in areas under the administrative control of the Palestinian Authority, and for other purposes; to the Committee on International Relations, and in addition to the Committees on the Judiciary, and Financial Services, 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. PELOSI (for herself, Mr. HOYER, Mr. CLYBURN, Mr. GEORGE MILLER of California, Ms. DELAURO, Mr. EMANUEL, Mr. DINGELL, Mr. CONYERS, Mr. OBEY, Mr. RANGEL, Mr. WAXMAN, Mr. SKELTON, Mr. FRANK of Massachusetts, Mr. LANTOS, Mr. BERMAN, Mr. SPRATT, Ms. SLAUGHTER, Mr. EVANS, Mr. PETERSON of Minnesota, Ms. MILLENDER-MCDONALD, Ms. HARMAN, Mr. ACKERMAN, Mr. ALLEN, Mr. ANDREWS, Mr. BACA, Mr. BAIRD, Ms. BALDWIN, Mr. BARROW, Ms. BEAN, Mr. BECERRA, Ms. BERKLEY, Mr. BERRY, Mr. BISHOP of New York, Mr. BISHOP of Georgia, Mr. BLUMENAUER, Ms. BORDALLO, Mr. BOSWELL, Mr. BROWN of Ohio, Mr. BUTTERFIELD, Mrs. CAPPS, Mr. CARDIN, Mr. CARNAHAN, Ms. CARSON, Mr. CASE, Mr. CHANDLER, Mr. CLAY, Mr. CLEAVER, Mr. COOPER, Mr. CROWLEY, Mr. CUELLAR, Mr. CUMMINGS, Mr. DAVIS of Alabama, Mrs. DAVIS of California, Mr. DAVIS of Florida, Mr. DAVIS of Illinois, Mr. DAVIS of Tennessee, Mr. DEFAZIO, Ms. DEGETTE, Mr. DELAHUNT, Mr. DICKS, Mr. DOGGETT, Mr. EDWARDS, Mr. ETHERIDGE, Ms. ESHOO, Mr. FALEOMAVAEGA, Mr. FARR, Mr. FATTAH, Mr. FILNER, Mr. FORD, Mr. GONZALEZ, Mr. GORDON, Mr. AL GREEN of Texas, Mr. GENE GREEN of Texas, Mr. GRIJALVA, Mr. GUTIERREZ, Mr. HASTINGS of Florida, Ms. HERSETH, Mr. HIGGINS, Mr. HINCHEY, Mr. HINOJOSA, Mr. HONDA, Mr. HOLT, Ms. HOOLEY, Mr. INSLEE, Mr. ISRAEL, Mr. JACKSON of Illinois, Ms. JACKSON-LEE of Texas, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. KENNEDY of Rhode Island, Mr. KILDEE, Mr. KIND, Mr. KUCINICH, Mr. LANGEVIN, Mr. LARSEN of Washington, Mr. LARSON of Connecticut, Ms. LEE, Mr. LEVIN, Mr. LEWIS of Georgia, Mr. LIPINSKI, Ms. ZOE LOFGREN of California, Mrs. LOWEY, Mr. LYNCH, Mrs. MCCARTHY, Ms. MCCOLLUM of Minnesota, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. MCNULTY, Mrs. MALONEY, Mr. MARKEY, Ms. MATSUI, Mr. MEEHAN, Mr. MEEK of Florida, Mr. MELANCON, Mr. MICHAUD, Mr. MILLER of North Carolina, Mr. MOORE of Kansas, Mr. MORAN of Virginia, Mr. NADLER, Mrs. NAPOLITANO, Ms. NORTON, Mr. OLVER, Mr. ORTIZ, Mr. OWENS, Mr. PALLONE, Mr. PASCRELL, Mr. POMEROY, Mr. PRICE of North Carolina, Mr. REYES, Mr. ROSS, Mr. ROTHMAN, Ms. ROYBAL-ALLARD, Mr. RUPPERSBERGER, Mr. RYAN of Ohio, Mr. SALAZAR, Ms. LINDA T. SÁNCHEZ of California, Mr. SANDERS, Ms. SCHAKOWSKY, Mr. SCHIFF, Mr. SCOTT of Georgia, Mr. SCOTT of Virginia, Ms. SCHWARTZ of Pennsylvania, Mr. SHERMAN, Mr. SMITH of Washington, Ms. SOLIS, Mr. STARK, Mr. STRICKLAND, Mrs. TAUSCHER, Mr. TAYLOR of Mississippi, Mr. THOMPSON of California, Mr. TIERNEY, Mr. TOWNS, Mr. UDALL of Colorado, Mr. UDALL of New Mexico, Mr. VAN HOLLEN, Mr. VISCLOSKY, Ms. WASSERMAN SCHULTZ, Ms. WATERS, Ms. WATSON, Mr. WEINER, Mr. WEXLER, Ms. WOOLSEY, and Mr. WU):

H.R. 4682. A bill to provide more rigorous requirements with respect to disclosure and enforcement of ethics and lobbying laws and regulations, and for other purposes; to the Committee on the Judiciary, and in addition to the Committees on Rules, Government Reform, Standards of Official Conduct, Armed Services, and House Administration, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DINGELL (for himself, Mr. STARK, Mr. BROWN of Ohio, Mr. WAXMAN, Mr. RANGEL, Mr. WYNN, Mr. STRICKLAND, Mr. BOUCHER, Ms. BALDWIN, Ms. SCHAKOWSKY, Mr. RUSH, Mr. TOWNS, Mr. ROSS, Mr. MARKEY, Mr. GENE GREEN of Texas, and Mr. ALLEN):

H.R. 4683. A bill to provide quality, affordable health care for all Americans; to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CRAMER:

H.R. 4684. A bill to amend the Small Business Act to provide for an increase in the amount of awards under the first and second phases of the Small Business Innovation Research program; to the Committee on Small Business, and in addition to the Committee on Science, 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. DINGELL (for himself, Mr. RANGEL, Mr. SPRATT, Mr. WAXMAN, Mr. BROWN of Ohio, Mr. STARK, Ms. PELOSI, Mr. MARKEY, Mrs. CAPPS, Mr. BOUCHER, Ms. SCHAKOWSKY, Ms. DEGETTE, Mr. PALLONE, Ms. SOLIS, Ms. BALDWIN, Mr. GENE GREEN of Texas, Mr. GORDON, Mr. ALLEN, Mr. INSLEE, Mr. CLEAVER, Ms. SLAUGHTER, Mr. EMANUEL, Mr. NEAL of Massachusetts, Mr. DELAHUNT, Mr. DOGGETT, Mr. CONYERS, Ms. MATSUI, Mr. BERMAN, Mr. LARSON of Connecticut, Mr. CARDIN, Mr. MCNULTY, Mr. HOLDEN, Mr. OWENS, Ms. HERSETH, and Mrs. MCCARTHY):

H.R. 4685. A bill to amend titles XVIII and XIX of the Social Security Act to assure uninterrupted access to necessary medicines under the Medicare prescription drug program; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GILCHREST (for himself and Mr. POMBO):

H.R. 4686. A bill to reauthorize various fisheries management laws, and for other purposes; to the Committee on Resources.

By Mr. GREEN of Wisconsin:

H.R. 4687. A bill to ease the transition of National Guard and Reserve members adversely affected by the closure or realignment of reserve component facilities by authorizing their temporary detail to duty with other reserve component units; to the Committee on Armed Services.

By Mr. HAYES (for himself, Mrs. MYRICK, Mr. PRICE of North Carolina, Mr. COBLE, Mr. WATT, Mr. MILLER of North Carolina, Mr. BUTTERFIELD, Mr. MCHENRY, Mr. JONES of North Carolina, Mr. ETHERIDGE, Ms. FOXX, Mr. MCINTYRE, and Mr. TAYLOR of North Carolina):

H.R. 4688. A bill to designate the facility of the United States Postal Service located at 1 Boyden Street in Badin, North Carolina, as the ''Mayor John Thompson 'Tom' Garrison Memorial Post Office''; to the Committee on Government Reform.

By Ms. HERSETH (for herself, Mrs. CUBIN, and Ms. KAPTUR):

H.R. 4689. A bill to amend the Federal Meat Inspection Act to provide that a quality grade label issued by the Secretary of Agriculture for beef and lamb may not be used for imported beef or imported lamb; to the Committee on Agriculture.

By Ms. KAPTUR:

H.R. 4690. A bill to amend section 207 of title 18, United States Code, to further restrict Federal officers and employees from representing or advising foreign entities after leaving Government service; to the Committee on the Judiciary.

By Ms. KAPTUR (for herself and Mr. THOMPSON of Mississippi):

H.R. 4691. A bill to establish a Gulf Coast Region Redevelopment Commission to coordinate and manage the Federal response to and cooperate with State and local entities in rebuilding that part of the Gulf Coast region damaged by Hurricanes Katrina and Rita; to the Committee on Transportation and Infrastructure.

By Ms. KAPTUR:

H.R. 4692. A bill to amend the Federal Election Campaign Act of 1971 to prohibit contributions and expenditures by multicandidate political committees controlled by foreign-owned corporations, and for other purposes; to the Committee on House Administration, and in addition to the Committee on the Judiciary, 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. NORTON:

H.R. 4693. A bill to amend title III of the Higher Education Act of 1965 to include the University of the District of Columbia as an eligible graduate institution, and for other purposes; to the Committee on Education and the Workforce.

By Mr. OBEY (for himself, Mr. FRANK of Massachusetts, Ms. DELAURO, Mr. FILNER, Mr. ISRAEL, Mr. MCGOVERN, Mr. RYAN of Ohio, and Mr. WAXMAN):

H.R. 4694. A bill to amend the Federal Election Campaign Act of 1971 to provide for expenditure limitations and public financing for House of Representatives general elections, and for other purposes; to the Committee on House Administration, and in addition to the Committees on Ways and Means, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. RAHALL (for himself, Mr. MOLLOHAN, and Mrs. CAPITO):

H.R. 4695. A bill to direct the Secretary of Labor to prescribe additional coal mine safety standards, to require additional penalties for habitual violators, and for other purposes; to the Committee on Education and the Workforce.

By Mr. ROGERS of Michigan:

H.R. 4696. A bill to make certain reforms in lobbying, ethics, and campaign finance laws, and for other purposes; to the Committee on the Judiciary, and in addition to the Committees on Government Reform, House Administration, Rules, and 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. SANDERS (for himself, Mr. KUCINICH, Mr. DEFAZIO, Mr. OWENS, Ms. LEE, Mr. HINCHEY, Mr. PAYNE, Mr. GRIJALVA, Mr. OLVER, Mr. STARK, Ms. WOOLSEY, Mr. NADLER, Mr. MCGOVERN, Ms. KAPTUR, Mr. CONYERS, Ms. CORRINE BROWN of Florida, Mrs. EMERSON, and Mr. TIERNEY):

H.R. 4697. A bill to amend title XVIII of the Social Security Act to replace the Medicare prescription drug benefit adopted by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 with a revised and simplified prescription benefit program for all Medicare beneficiaries; 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. SENSENBRENNER:

H.R. 4698. A bill to provide liability protection for individuals who volunteer to assist victims of national disasters; to the Committee on the Judiciary.

By Mr. UDALL of Colorado (for himself, Mr. COOPER, and Mrs. MUSGRAVE):

H.R. 4699. A bill to facilitate Presidential leadership and Congressional accountability regarding reduction of spending; to the Committee on the Budget, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. UPTON:

H.R. 4700. A bill to provide for the conditional conveyance of any interest retained by the United States in St. Joseph Memorial Hall in St. Joseph, Michigan; to the Committee on Transportation and Infrastructure.

By Ms. KAPTUR:

H.J. Res. 76. A joint resolution proposing an amendment to the Constitution of the United States relating to limitations on the amounts of contributions and expenditures that may be made in connection with campaigns for election to public office; to the Committee on the Judiciary.

By Ms. PRYCE of Ohio:

H. Con. Res. 332. Concurrent resolution providing for a conditional adjournment of the House of Representatives; considered and agreed to.

By Ms. KAPTUR:

H. Con. Res. 333. Concurrent resolution expressing the sense of Congress that the Supreme Court misinterpreted the First Amendment to the Constitution in the case of Buckley v. Valeo; to the Committee on the Judiciary.

By Ms. PRYCE of Ohio:

H. Res. 664. A resolution electing a certain Member to a certain standing committee of the House of Representatives; considered and agreed to.

By Mr. FORD (for himself, Mr. CARDOZA, and Mr. DAVIS of Tennessee):

H. Res. 665. A resolution honoring the service of the National Guard and requesting consultation by the Department of Defense with Congress and the chief executive officers of the States prior offering proposals to change the National Guard force structure; to the Committee on Armed Services.

By Mr. GOODE (for himself and Mr. MCCOTTER):

H. Res. 666. A resolution amending the Rules of the House of Representatives to prohibit privately-funded travel by any Member, Delegate, Resident Commissioner, officer, or employee of the House; to the Committee on Rules.

By Mr. KUHL of New York:

H. Res. 667. A resolution commending hospice care providers such as Hospeace House for allowing people with life-limiting illness or injury to die pain-free and with dignity; to the Committee on Energy and Commerce.

By Mr. REYES (for himself, Mr. BARTON of Texas, Mr. BONILLA, Mr. COLE of Oklahoma, Mr. CONAWAY, Mr. CONYERS, Mr. CUELLAR, Mr. CULBERSON, Mr. CUMMINGS, Mr. DOGGETT, Mr. EDWARDS, Mr. EVANS, Mr. FORD, Mr. GONZALEZ, Ms. GRANGER, Mr. GRAVES, Mr. AL GREEN of Texas, Mr. GENE GREEN of Texas, Mr. GRIJALVA, Mr. HALL, Mr. HASTINGS of Florida, Mr. HINOJOSA, Ms. JACKSON-LEE of Texas, Mr. JEFFERSON, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. KILPATRICK of Michigan, Mr. LUCAS, Mr. MCDERMOTT, Ms. MCKINNEY, Mr. MEEKS of New York, Mr. MORAN of Kansas, Mr. ORTIZ, Mr. RANGEL, Mr. RUPPERSBERGER, Ms. SCHAKOWSKY, Mr. SERRANO, Mr. SMITH of Texas, Mr. SNYDER, and Mr. THOMPSON of Mississippi):

H. Res. 668. A resolution celebrating the 40th anniversary of Texas Western's 1966 NCAA Basketball Championship and recognizing the groundbreaking impact of the title game victory on diversity in sports and civil rights in America; to the Committee on Education and the Workforce.

By Mr. STARK:

H. Res. 669. A resolution directing the Sergeant-at Arms of the House of Representatives to report to the House on the circumstances surrounding the removal of two individuals from the gallery of the House prior to the beginning of the State of the Union address on January 31, 2006, based on the allegation that the individuals were engaging in protest solely because the individuals wore shirts with printing on the front; to the Committee on House Administration.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 47: Ms. HARRIS.

H.R. 136: Mr. BOOZMAN.

H.R. 156: Mr. EDWARDS.

H.R. 215: Mr. MCCOTTER and Mr. CLYBURN.

H.R. 303: Mr. THOMPSON of California, Mr. DAVIS of Tennessee and Mr. FRANK of Massachusetts.

H.R. 328: Mr. MARSHALL.

H.R. 356: Mr. MELANCON, Mr. ROGERS of Michigan, Mr. BRADY of Texas, Mr. MARIO DIAZ-BALART of Florida and Mr. OSBORNE.

H.R. 389: Mr. CASE.

H.R. 398: Mr. CASE, Mr. PALLONE, Mr. HONDA, Mr. GUTIERREZ and Mr. OBERSTAR.

H.R. 503: Mr. DENT.

H.R. 566: Mr. ISRAEL.

H.R. 615: Mr. LIPINSKI, Mr. FITZPATRICK of Pennsylvania, Mr. ISRAEL, Mr. MEEKS of New York and Mr. JOHNSON of Illinois.

H.R. 625: Mr. MEEHAN and Mr. SHERMAN.

H.R. 676: Mr. WEXLER and Mr. BROWN of Ohio.

H.R. 691: Mr. FARR, Mrs. DAVIS of California and Mr. PEARCE.

H.R. 698: Mr. GOODLATTE.

H.R. 699: Mr. WATT.

H.R. 717: Mr. WALSH.

H.R. 752: Mr. GENE GREEN of Texas.

H.R. 759: Mr. DAVIS of Illinois.

H.R. 799: Mr. WAXMAN.

H.R. 817: Ms. HOOLEY, Ms. PRYCE of Ohio, Mr. FATTAH, Mr. GIBBONS, Mrs. MILLER of Michigan, Mr. FORD, Mr. MCCOTTER, Mr. ENGLISH of Pennsylvania, Mr. THOMPSON of Mississippi, Mr. GENE GREEN of Texas, Mr. BRADY of Pennsylvania, Mr. MEEKS of New York, Mr. ETHERIDGE, Mr. PITTS and Mr. SPRATT.

H.R. 831: Mr. CUMMINGS.

H.R. 867: Mr. RAHALL.

H.R. 872: Mr. FATTAH.

H.R. 884: Mr. DOGGETT.

H.R. 896: Mr. MORAN of Kansas, Mr. DEFAZIO and Mr. DAVIS of Florida.

H.R. 916: Mrs. TAUSCHER, Mr. BISHOP of Georgia, Ms. DELAURO, Ms. MOORE of Wisconsin and Mr. BISHOP of New York.

H.R. 925: Mr. WELDON of Pennsylvania and Mr. MURPHY.

H.R. 947: Mr. CALVERT.

H.R. 955: Mr. SHAYS.
H.R. 986: Mrs. CAPITO.
H.R. 995: Mr. BROWN of Ohio and Mr. ROSS.
H.R. 1000: Mr. SCHWARZ of Michigan.
H.R. 1029: Mr. ROTHMAN and Mr. MEEHAN.
H.R. 1053: Mr. DAVIS of Illinois, Mr. KIRK and Mr. SIMMONS.
H.R. 1088: Mr. UDALL of Colorado.
H.R. 1105: Mr. MCNULTY.
H.R. 1106: Mr. MICHAUD.
H.R. 1120: Mr. BAIRD.
H.R. 1150: Mr. BEAUPREZ.
H.R. 1186: Mr. MCCOTTER and Mr. JINDAL.
H.R. 1252: Mr. VAN HOLLEN.
H.R. 1254: Mr. FILNER.
H.R. 1259: Mr. REYNOLDS, Mr. NEY, Mr. SAM JOHNSON of Texas, Mr. DEFAZIO and Mr. UDALL of New Mexico.
H.R. 1262: Ms. WATERS and Ms. KAPTUR.
H.R. 1298: Mr. pascrell, Ms. ROYBAL-ALLARD and Mr. CLAY.
H.R. 1306: Mr. NORWOOD, Mr. LARSON of Connecticut, Mr. CARTER, Mr. REYES and Mr. WALSH.
H.R. 1310: Mr. AL GREEN of Texas, Mr. MEEHAN, Ms. HARMAN and Mr. PRICE of North Carolina.
H.R. 1323: Mr. MCHUGH.
H.R. 1370: Mr. HERGER, Mr. GIBBONS and Mr. BUTTERFIELD.
H.R. 1413: Mr. MILLER of North Carolina.
H.R. 1462: Mr. PAUL.
H.R. 1591: Mr. GEORGE MILLER of California and Mr. MEEHAN.
H.R. 1615: Mr. MEEHAN.
H.R. 1642: Mr. STARK, Mr. LEACH, Mr. KENNEDY of Minnesota, Mr. RAMSTAD, Mr. MCCAUL of Texas and Mr. BLUMENAUER.
H.R. 1652: Ms. HOOLEY.
H.R. 1704: Mr. ENGLISH of Pennsylvania and Mr. EMANUEL.
H.R. 1709: Mr. KENNEDY of Rhode Island and Mr. MEEHAN.
H.R. 1736: Mr. KLINE and Mr. DAVIS of Kentucky.
H.R. 1849: Mr. GERLACH.
H.R. 1850: Mr. VAN HOLLEN and Mr. MEEHAN.
H.R. 1871: Mr. CHOCOLA.
H.R. 1951: Mr. ANDREWS and Ms. Matsui.
H.R. 2048: Mr. BERMAN, Ms. LORETTA SANCHEZ of California, Mr. LEWIS of Georgia, Mr. SABO, Mr. ETHERIDGE, Mr. FORD, Mr. PETERSON of Minnesota, Ms. CORRINE BROWN of Florida and Mrs. JO ANN DAVIS of Virginia.
H.R. 2076: Mr. PRICE of North Carolina.
H.R. 2088: Mr. BEAUPREZ.
H.R. 2193: Mr. MEEHAN.
H.R. 2230: Mr. HASTINGS of Florida.
H.R. 2231: Ms. GINNY BROWN-WAITE of Florida.
H.R. 2317: Mr. ABERCROMBIE.
H.R. 2369: Mr. TANCREDO, Mrs. BLACKBURN, Mr. GORDON, Mr. MICHAUD, Mr. EDWARDS, Mr. DAVIS of Tennessee and Mr. BURTON of Indiana.
H.R. 2412: Mr. MICHAUD.
H.R. 2521: Mrs. JONES of Ohio and Mr. LAHOOD.
H.R. 2553: Mr. DELAHUNT, Mr. MEEHAN and Mr. BISHOP of New York.
H.R. 2554: Mr. BISHOP of Georgia, Mr. CLAY, Mr. CLEAVER, Mr. CLYBURN, Mr. DEFAZIO, Mr. GUTIERREZ, Mr. HASTINGS of Florida, Mr. KUCINICH, Ms. MCCOLLUM of Minnesota, Mr. MEEK of Florida, Mr. MEEKS of New York, Ms. NORTON, Mr. SANDERS, Ms. SCHAKOWSKY, Mr. SERRANO, Ms. WATERS, Ms. WATSON and Mr. WATT.
H.R. 2669: Mr. ENGLISH of Pennsylvania, Mr. UDALL of Colorado, Mrs. BIGGERT, Mr. KENNEDY of Rhode Island, Mr. FATTAH, Mr. SNYDER, Mrs. JONES of Ohio, Mr. BOUCHER and Mr. PRICE of North Carolina.
H.R. 2682: Mr. ROSS.
H.R. 2694: Mr. BOUCHER and Mr. RUSH.
H.R. 2727: Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. TAUSCHER, Mr. PLATTS and Mr. BACHUS.
H.R. 2803: Mr. SULLIVAN and Mr. MORAN of Kansas.
H.R. 2811: Mr. SHAYS.
H.R. 2841: Mr. WAXMAN.
H.R. 2861: Mr. PALLONE, Mr. COSTELLO, Mr. SMITH of Washington, Mr. BONILLA and Mr. KNOLLENBERG.
H.R. 2872: Mr. UDALL of New Mexico, Mrs. CAPPS, Mr. SIMMONS, Mr. HUNTER, Mr. BONNER, Mr. WALSH, Mr. CAMP of Michigan, Mr. TOM DAVIS of Virginia, Mr. TANCREDO, Ms. BEAN, Mr. CARDOZA, Mr. WHITFIELD, Mr. SULLIVAN and Mr. MEEK of Florida.
H.R. 2895: Mr. BAIRD.
H.R. 2928: Mr. MEEHAN.
H.R. 2989: Mr. ANDREWS, Mr. LANTOS, Mr. BACHUS, Mr. ACKERMAN and Mr. STRICKLAND.
H.R. 3000: Mr. FATTAH.
H.R. 3005: Mrs. MUSGRAVE, Mr. BEAUPREZ and Mr. SALAZAR.
H.R. 3061: Mr. LATOURETTE.
H.R. 3099: Mr. HONDA, Mr. FILNER and Mr. KUCINICH.
H.R. 3147: Mrs. CUBIN.
H.R. 3187: Mr. BLUMENAUER.
H.R. 3255: Ms. HOOLEY.
H.R. 3267: Mr. LANTOS.
H.R. 3312: Mr. KANJORSKI.
H.R. 3313: Ms. WOOLSEY.
H.R. 3326: Mr. ISRAEL.
H.R. 3361: Mr. BASS.
H.R. 3385: Ms. BERKLEY.
H.R. 3417: Mr. CUMMINGS.
H.R. 3427: Ms. WOOLSEY, Mr. KENNEDY of Rhode Island, Mr. FRANK of Massachusetts, Ms. HOOLEY and Mrs. MCCARTHY.
H.R. 3449: Mr. GUTIERREZ.
H.R. 3476: Mr. OLVER and Mr. BASS.
H.R. 3478: Ms. BORDALLO and Mr. CUMMINGS.
H.R. 3545: Mr. STARK.
H.R. 3547: Mr. REYES and Mr. OTTER.
H.R. 3559: Mr. SIMMONS, Mr. LEACH, Mrs. DAVIS of California, Mr. REYES, Mr. PLATTS, Mr. CROWLEY and Mr. KUHL of New York.
H.R. 3569: Mr. LARSEN of Washington.
H.R. 3579: Mr. MCGOVERN.
H.R. 3616: Mrs. LOWEY, Ms. BALDWIN, Mr. FATTAH, Mrs. MCCARTHY, Mr. FORBES, Mr. KENNEDY of Rhode Island, Mrs. JO ANN DAVIS of Virginia and Mr. BOEHLERT.
H.R. 3625: Mr. SMITH of Washington.
H.R. 3628: Mr. MOORE of Kansas.
H.R. 3639: Mr. PASTOR.
H.R. 3779: Mrs. JONES of Ohio.
H.R. 3795: Mr. BOEHLERT, Mr. FATTAH, Mr. KILDEE and Mr. BISHOP of New York.
H.R. 3837: Ms. MCCOLLUM of Minnesota.
H.R. 3852: Ms. BEAN and Ms. SCHWARTZ of Pennsylvania.
H.R. 3861: Mr. NADLER, Ms. Moore of Wisconsin and Mr. VAN HOLLEN.
H.R. 3907: Mr. CALVERT.
H.R. 3949: Mr. THOMPSON of Mississippi, Ms. JACKSON-LEE of Texas, Mrs. MCCARTHY, Mr. BOREN, Mr. SCHIFF, Mr. SIMMONS and Mr. COSTELLO.
H.R. 3957: Mr. BISHOP of Georgia and Mr. PASTOR.
H.R. 3973: Mr. VAN HOLLEN and Mr. FRANK of Massachusetts.
H.R. 4019: Mr. PENCE, Mr. HENSARLING and Mr. COBLE.
H.R. 4030: Ms. JACKSON-LEE of Texas.
H.R. 4042: Mr. HALL.
H.R. 4049: Mr. GALLEGLY.
H.R. 4059: Mrs. MALONEY, Mr. CROWLEY, Ms. JACKSON-LEE of Texas, Mr. HINCHEY, Ms. ROS-LEHTINEN, Mr. MCNULTY and Mr. TURNER.
H.R. 4063: Mr. PLATTS, Mr. FRANK of Massachusetts and Mr. KENNEDY of Rhode Island.
H.R. 4072: Mr. FITZPATRICK of Pennsylvania.
H.R. 4098: Mr. SOUDER, Mr. GOODE, Mrs. MCCARTHY, Mr. ROTHMAN and Mr. ROGERS of Alabama.
H.R. 4140: Mr. CUMMINGS, Mr. FILNER, Mr. GONZALEZ, Mr. HASTINGS of Florida, Ms. JACKSON-LEE of Texas, Mr. THOMPSON of Mississippi, Mr. ABERCROMBIE, Mr. JEFFERSON, Ms. MATSUI, Mr. RANGEL, Mr. SNYDER, Ms. WOOLSEY and Mr. CLAY.
H.R. 4141: Mr. FILNER, Mr. HASTINGS of Florida, Ms. JACKSON-LEE of Texas, Ms. Matsui and Ms. WOOLSEY.
H.R. 4166: Mr. JEFFERSON, Mr. MCNULTY and Mr. MCDERMOTT.
H.R. 4170: Mr. INGLIS of South Carolina and Mrs. MYRICK.
H.R. 4186: Mr. EVANS.
H.R. 4228: Mr. POMEROY, Mr. HIGGINS and Ms. SLAUGHTER.
H.R. 4229: Ms. MOORE of Wisconsin.
H.R. 4233: Mr. SENSENBRENNER.
H.R. 4236: Mr. TURNER.
H.R. 4239: Mr. SULLIVAN.
H.R. 4294: Mr. CASE.
H.R. 4300: Mr. EHLERS.
H.R. 4315: Mr. FORD.
H.R. 4318: Mr. PLATTS, Mr. WHITFIELD, Mr. HASTINGS of Washington, Mr. TURNER and Mrs. MYRICK.
H.R. 4341: Mr. UPTON, Mrs. EMERSON, Mr. BURTON of Indiana, Mr. BARTLETT of Maryland, Mr. PENCE, Mr. REHBERG, Mr. DENT, Mrs. CAPITO, Mrs. JO ANN DAVIS of Virginia, Mr. MCCAUL of Texas and Mr. BAKER.
H.R. 4398: Mr. VAN HOLLEN.
H.R. 4416: Mr. FOLEY and Mr. ROTHMAN.
H.R. 4434: Mr. KENNEDY of Rhode Island, Mr. RUPPERSBERGER and Ms. MATSUI.
H.R. 4435: Mr. RUPPERSBERGER and Ms. MATSUI.
H.R. 4453: Mr. SENSENBRENNER.
H.R. 4465: Ms. LINDA T. SÁNCHEZ of California, Mr. MOORE of Kansas, Mr. SMITH of Washington, Mr. INSLEE and Ms. HOOLEY.
H.R. 4472: Mr. DELAY, Mr. MCCOTTER and Mr. WELDON of Pennsylvania.
H.R. 4479: Mr. INSLEE and Mr. MCNULTY.
H.R. 4497: Ms. GINNY BROWN-WAITE of Florida and Mr. GARRETT of New Jersey.
H.R. 4507: Mrs. MCCARTHY.
H.R. 4511: Mr. DUNCAN, Mr. SESSIONS, Mr. WILSON of South Carolina, and Mr. BACHUS.
H.R. 4524: Mr. EVANS and Mr. MICHAUD.
H.R. 4533: Mr. CARDIN, Mr. GONZALEZ, and Mr. OWENS.
H.R. 4547: Mr. ROGERS of Alabama, Ms. FOXX, Mr. ENGLISH of Pennsylvania, Mr. GOODE, Mr. WILSON of South Carolina, Mrs. MUSGRAVE, and Mr. DAVIS of Kentucky.
H.R. 4551: Mr. WILSON of South Carolina, Mr. WESTMORELAND, Mrs. MYRICK, Mr. PITTS, Mr. WAMP, Mr. SULLIVAN, Mr. WELDON of Florida, Mr. FEENEY, Mr. FRANKS of Arizona, Mr. BROWN of South Carolina, and Mr. PRICE of Georgia.
H.R. 4585: Mr. JINDAL.
H.R. 4596: Mr. FORD, Ms. MATSUI, and Mr. LIPINSKI.
H.R. 4603: Ms. WOOLSEY and Mrs. MCCARTHY.
H.R. 4604: Mr. SHAYS, Mr. EVANS, Mr. SCOTT of Georgia, and Mr. MICHAUD.
H.R. 4606: Mr. CLEAVER, Ms. JACKSON-LEE of Texas, Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. MCCARTHY, Mr. MARSHALL, Mr. RANGEL, and Mr. BERMAN.
H.R. 4609: Mr. STRICKLAND, Mrs. JONES of Ohio, and Mr. EVANS.
H.R. 4619: Mr. SIMMONS and Mr. DELAHUNT.
H.R. 4623: Mr. INSLEE.
H.R. 4625: Mr. BACHUS, Mr. CARTER, Mr. FORBES, Mr. PLATTS, and Mr. RENZI.
H.R. 4655: Mr. ENGLISH of Pennsylvania and Mr. BASS.
H.R. 4662: Mr. WOLF, Ms. SCHWARTZ of Pennsylvania, Mr. CLAY, and Mr. CARDIN.
H.R. 4665: Mr. MCNULTY, Mr. BERMAN, Mr. LEWIS of Georgia, and Ms. HERSETH.
H.R. 4672: Mr. BOOZMAN.
H.R. 4675: Mr. MCGOVERN and Mr. MCNULTY.
H.J. Res. 37: Mr. SNYDER.
H.J. Res. 67: Mr. DENT.

H.J. Res. 71: Mr. GRAVES and Mr. SHIMKUS.

H. Con. Res. 50: Mr. CALVERT.

H. Con. Res. 90: Mr. MEEHAN and Mr. VISCLOSKY.

H. Con. Res. 138: Mr. HINCHEY and Mr. BUTTERFIELD.

H. Con. Res. 158: Mr. PRICE of Georgia.

H. Con. Res. 197: Ms. MATSUI.

H. Con. Res. 282: Mr. FATTAH, Ms. CARSON, Mr. HINCHEY, Mr. HONDA, Mr. CLAY, Mr. FRANK of Massachusetts, and Mr. RANGEL.

H. Con. Res. 306: Mr. BRADLEY of New Hampshire.

H. Con. Res. 313: Mr. JEFFERSON.

H. Res. 97: Mr. WALDEN of Oregon.

H. Res. 189: Mr. ROTHMAN.

H. Res. 322: Mr. ANDREWS.

H. Res. 323: Mr. JINDAL, Mr. PETERSON of Minnesota, Mr. LARSEN of Washington, Mr. REYES, Mr. HOLDEN, Ms. LEE, Mr. BAIRD, Mr. NEAL of Massachusetts, Mr. LEACH, Mr. JEFFERSON, Mr. EMANUEL, Mr. DAVIS of Tennessee, Mr. SMITH of Washington, and Mr. KLINE.

H. Res. 335: Mr. BRADLEY of New Hampshire, Mr. RAHALL, Mr. DENT, and Mr. LARSEN of Washington.

H. Res. 475: Mr. STARK, Mr. CROWLEY, Mr. MCNULTY, Mr. GRIJALVA, Mr. KUCINICH, Mr. BLUMENAUER, and Mr. EVANS.

H. Res. 490: Mr. FATTAH, Mr. SNYDER, Mr. FILNER, Mr. OWENS, Mr. MCNULTY, Ms. WOOLSEY, Mr. CLAY, and Ms. ROS-LEHTINEN.

H. Res. 498: Mr. SHIMKUS, Mr. PALLONE, Mr. GERLACH, Mr. ISSA, Mr. SIMMONS, and Mr. BISHOP of New York.

H. Res. 521: Mr. BRADLEY of New Hampshire, Mr. WEINER, Mr. BROWN of South Carolina, Mr. FATTAH, and Ms. LORETTA SANCHEZ of California.

H. Res. 556: Mr. RYAN of Ohio, Mrs. CAPITO, Mr. WOLF, Ms. CARSON, Mr. SCHWARZ of Michigan, Mr. KENNEDY of Minnesota, and Mr. JEFFERSON.

H. Res. 561: Mr. GONZALEZ.

H. Res. 566: Mr. LEWIS of Kentucky and Ms. LORETTA SANCHEZ of California.

H. Res. 576: Mr. ROTHMAN.

H. Res. 600: Mr. FERGUSON, Mr. NADLER, Mr. ENGEL, Mr. CONYERS, Mr. TOWNS, Ms. SCHAKOWSKY, and Mr. MICHAUD.

H. Res. 628: Mr. THOMPSON of California.

H. Res. 629: Mr. BOOZMAN and Mr. WELLER.

H. Res. 635: Mr. OBERSTAR and Ms. LEE.

H. Res. 636: Ms. LEE.

H. Res. 637: Ms. LEE.

H. Res. 641: Mr. PALLONE, Ms. MOORE of Wisconsin, Mr. HOLT, Mrs. CHRISTENSEN, Mr. STARK, Ms. SCHAKOWSKY, Ms. KILPATRICK of Michigan, Ms. WATSON, Mr. CLEAVER, Mrs. TAUSCHER and Ms. LINDA T. SÁNCHEZ of California.

H. Res. 644: Mr. HOLT.

H. Res. 645: Mr. HOLT.

H. Res. 655: Mr. BURGESS, Mr. TURNER, Mr. PORTER, Ms. PELOSI, Mr. LEWIS of Georgia, Mr. CONYERS, Mr. HOYER, Mr. CLYBURN, Mr. WATT, Mr. ACKERMAN, Mr. ALLEN, Mr. BACA, Ms. BALDWIN, Mr. BARROW, Ms. BEAN, Mr. BECERRA, Ms. BERKLEY, Mr. BERMAN, Mr. BERRY, Mr. BISHOP of Georgia, Mr. BLUMENAUER, Ms. BORDALLO, Mr. BOYD, Mr. BRADY of Pennsylvania, Ms. CORRINE BROWN of Florida, Mr. BROWN of Ohio, Mr. BUTTERFIELD, Mrs. CAPPS, Mr. CAPUANO, Mr. CARDIN, Mr. CARNAHAN, Ms. CARSON, Mr. CASE, Mr. CHANDLER, Mr. CLAY, Mr. CLEAVER, Mr. COOPER, Mr. COSTA, Mr. COSTELLO, Mr. CROWLEY, Mr. CUELLAR, Mr. CUMMINGS, Mr. DAVIS of Alabama, Mr. DAVIS of Illinois, Mr. DAVIS of Florida, Mrs. DAVIS of California, Mr. DELAHUNT, Ms. DELAURO, Mr. DICKS, Mr. DINGELL, Mr. DOYLE, Mr. EDWARDS, Mr. EMANUEL, Mr. ENGEL, Ms. ESHOO, Mr. ETHERIDGE, Mr. EVANS, Mr. FALEOMAVAEGA, Mr. FARR, Mr. FATTAH, Mr. FILNER, Mr. FORD, Mr. FRANK of Massachusetts, Mr. GONZALEZ, Mr. AL GREEN of Texas, Mr. GRIJALVA, Mr. GUTIERREZ, Ms. HARMAN, Mr. HASTINGS of Florida, Mr. HIGGINS, Mr. HINCHEY, Mr. HINOJOSA, Mr. HOLDEN, Mr. HOLT, Mr. HONDA, Mr. ISRAEL, Mr. JACKSON of Illinois, Ms. JACKSON-LEE of Texas, Mr. JEFFERSON, Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. JONES of Ohio, Mr. KANJORSKI, Ms. KAPTUR, Mr. KILDEE, Ms. KILPATRICK of Michigan, Mr. KUCINICH, Mr. LANTOS, Mr. LARSEN of Washington, Mr. LARSON of Connecticut, Ms. LEE, Mr. LEVIN, Mr. LIPINSKI, Ms. ZOE LOFGREN of California, Mr. LYNCH, Mrs. MALONEY, Mr. MARSHALL, Mr. MATHESON, Ms. MATSUI, Mrs. MCCARTHY, Ms. MCCOLLUM of Minnesota, Mr. MCINTYRE, Ms. MCKINNEY, Mr. MCNULTY, Mr. MEEHAN, Mr. MEEK of Florida, Mr. MEEKS of New York, Mr. MELANCON, Mr. MICHAUD, Ms. MILLENDER-MCDONALD, Mr. MILLER of North Carolina, Mr. GEORGE MILLER of California, Mr. MOORE of Kansas, Ms. MOORE of Wisconsin, Mr. NADLER, Mrs. NAPOLITANO, Mr. NEAL of Massachusetts, Ms. NORTON, Mr. OBERSTAR, Mr. ORTIZ, Mr. OWENS, Mr. PALLONE, Mr. PASCRELL, Mr. PASTOR, Mr. PAYNE, Mr. PRICE of North Carolina, Mr. RAHALL, Mr. REYES, Mr. ROSS, Ms. ROYBAL-ALLARD, Mr. RUPPERSBERGER, Mr. RUSH, Mr. RYAN of Ohio, Mr. SABO, Mr. SALAZAR, Ms. LINDA T. SÁNCHEZ of California, Ms. LORETTA SANCHEZ of California, Ms. SCHAKOWSKY, Mr. SCHIFF, Mr. SCOTT of Georgia, Mr. SCOTT of Virginia, Mr. SERRANO, Mr. SHERMAN, Mr. SMITH of Washington, Mr. SNYDER, Ms. SOLIS, Mr. SPRATT, Mr. STARK, Mr. STRICKLAND, Mr. STUPAK, Mr. TANNER, Mrs. TAUSCHER, Mr. THOMPSON of Mississippi, Mr. TOWNS, Mr. UDALL of Colorado, Mr. UDALL of New Mexico, Mr. VAN HOLLEN, Ms. VELÁZQUEZ, Mr. VISCLOSKY, Ms. WASSERMAN SCHULTZ, Ms. WATERS, Ms. WATSON, Mr. WAXMAN, Mr. WEINER, Mr. WEXLER, Ms. WOOLSEY, Mr. WU, Mr. WYNN and Mr. REGULA.

H. Res. 657: Mr. SMITH of New Jersey, Mr. BOUSTANY, Mr. CLAY, Mr. RADANOVICH, Mr. MANZULLO, Ms. MCCOLLUM of Minnesota, Mr. KING of New York and Mr. NEUGEBAUER.

H. Res. 659: Mr. BISHOP of Georgia.