

Stupak	Turner	Waxman
Tanner	Udall (CO)	Weiner
Taylor (MS)	Udall (NM)	Wexler
Thompson (MS)	Velazquez	Weygand
Thurman	Visclosky	Wise
Tierney	Waters	Woolsey
Towns	Watt (NC)	Wynn

NOT VOTING—9

Cooksey	McCollum	Spence
Granger	Scarborough	Strickland
Johnson, E. B.	Schaffer	Vento

1832

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 89 and HOUSE JOINT RESOLUTION 90

Mr. PAUL. Mr. Speaker, I ask unanimous consent that the name of the gentleman from California (Mr. ROHR-ABACHER) be removed as a cosponsor of H.J. Res. 89 and H.J. Res. 90.

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

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3575

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 3575.

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

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Sherman Williams, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate has passed a concurrent resolution of the following title in which concurrence of the House is requested:

S. Con. Res. 94. Concurrent Resolution providing for a conditional adjournment or recess of the Senate.

MINIMUM WAGE INCREASE ACT

Mr. GOODLING. Mr. Speaker, pursuant to House Resolution 434, I call up the bill (H.R. 3846) to amend the Fair Labor Standards Act of 1938 to increase the minimum wage, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

UNFUNDED MANDATE POINT OF ORDER

Mr. LARGENT. Mr. Speaker, pursuant to section 425(a) of the Congressional Budget Act of 1974, I make a point of order against consideration of H.R. 3846.

Section 425(a) states that a point of order lies against consideration of a bill that would impose an intra-governmental unfunded mandate in excess of \$50 million.

The Congressional Budget Office has scored the language in H.R. 3846 as an \$880 million unfunded mandate on America's State and local governments over 5 years. Section 1 of H.R. 3846 increases the Federal minimum wage from \$5.15 to \$6.15 an hour over 3 years. Therefore, I make a point of order against consideration of this bill.

The SPEAKER pro tempore. The gentleman from Oklahoma (Mr. LARGENT) makes a point of order that the bill violates section 425(a) of the Congressional Budget Act of 1974.

In accordance with section 426(b)(2) of the Act, the gentleman has met his threshold burden to identify the specific language in the bill (section 1) on which he predicates the point of order.

Under section 426(b)(4) of the Act, the gentleman from Oklahoma (Mr. LARGENT) and a Member opposed will each 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 bill?"

The gentleman from Oklahoma (Mr. LARGENT) will be recognized for 10 minutes, and the gentleman from Missouri (Mr. CLAY) will be recognized for 10 minutes.

The Chair recognizes the gentleman from Oklahoma (Mr. LARGENT).

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

Mr. Speaker, one of the real problems that I see we face in this body is that we are consumed with so much business from day-to-day that the institutional memory of the House of Representatives tends to be very short. And so, I hope to enter into a discourse here of a little history from 5 years ago about a bill that we passed overwhelmingly called the Unfunded Mandate Reform Act.

In 1995, the House decided to change the way Washington works with America's State houses and city halls. The Unfunded Mandate Reform Act was passed to protect hard-working State and local officials from the bullies in Washington, D.C.

Its sponsors stood on this floor and said, "For too long, Congress has imposed its own agenda on State and local governments without taking responsibility for the costs."

The Unfunded Mandate Reform Act passed this House by a vote of 394-28.

Several Members who have introduced the bill that is currently before us were, in fact, cosponsors of the Unfunded Mandate Reform Act. Today we are scheduled to trample this law by passing a Federal minimum wage increase.

Mr. Speaker, we need to keep our promise to America's State and local officials. By voting against their own State and local officials, the Members are telling them, "I know more than you do."

I want to be able to look my State and local officials square in the eye and tell them that I trust them.

Many of our colleagues worked at the local level as mayors or city councilmen. Others were State legislators. These Members know the frustration of having Washington tell them how to spend their limited resources.

One Member who used to work in a New York county government and who has been instrumental in shaping this bill on the floor today and the bill on the floor in 1995 said, "Many Federal mandates involve important programs that many of us might support in concept. But, if we are going to ask others to pay for them, we should give them more of a say in developing them, we should level with them about who is going to pay for them, and we should be ready to defend the costs."

Where was this principle when the minimum wage bill was drafted?

Unfunded mandates force State and local governments to reduce vital services and/or increase taxes, revamp their budgets and order their priorities. This is not the kind of Federal, State, and local government partnership the Founders envisioned.

The vote on this point of order should not be confused with support for or opposition to a minimum wage. That issue is irrelevant. Rather, it is a vote for or against local control and limited government.

Who knows best, Washington or City Hall?

Many States, including the State of Oklahoma, have raised the minimum wage above the Federal level. They did not need Washington to tell them to do this. Because, believe it or not, they did it all by themselves.

The Unfunded Mandate point of order can be raised against any bill that will cost State and local governments more than \$50 million. CBO estimates that this increase will cost America's State and local governments \$880 million. It costs the private sector \$13.1 billion, \$4.1 billion in one year alone.

The Unfunded Mandate will affect 750,000 State and local government employees. Twenty percent of these employees work for State colleges. Twenty-seven percent work for State and local schools. And we all know how much trouble school districts are having with the money as it is. Why make it harder?

Two-thirds of these employees work for local governments, one-third for State governments. Over 40 percent of the Mandate falls on States in the Southeast. Twenty-eight percent falls on States in the Midwest. Seventy-two percent of the burden falls on people in small towns and rural areas.

The States that will be hardest hit by this Unfunded Mandate are California, Texas, Louisiana, Florida, and Arizona.

Mr. Speaker, in conclusion, this Unfunded Mandate hurts State and local governments; it hurts schools and hospitals; it hurts nursing homes; it hurts workers who lose their jobs; and it hurts the businesses who have to lay them off. Perhaps the only people it does not hurt are us here in Congress.

But, most importantly, it hurts the trust we have developed with State houses and city halls. It is a reversion to an old way of doing business.

In a moment, I will request a recorded vote on this issue. Those wishing to steam roll the Unfunded Mandate law that we just voted on and passed overwhelmingly on 5 years ago will vote "aye." Those wishing to defend States and local governments against Washington's bullying ways will vote "nay." A "nay" vote will force Congress to be responsible for paying for its own laws.

This vote draws a line in the sand. Either Members are for local control or they are against it. Either they believe city halls and State houses know best or they believe Washington knows best. It is just that simple.

Vote "no" to show support for local control.

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

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

Mr. Speaker, the gentleman from Oklahoma (Mr. LARGENT) is suggesting that we deny over 10 million American workers a modest increase in the minimum wage based on a technical point of order.

The gentleman would deny 40 percent of minimum-wage workers who are the sole bread earner in their families a wage increase based on a technical point of order.

The gentleman would prevent an increase in the minimum wage that is supported by 81 percent of Americans on a technical point of order.

Mr. Speaker, the gentleman would condemn minimum-wage workers to an annual income of only \$10,700, which is \$3,000 less than the poverty level, on a technical point of order.

Mr. Speaker, the real Unfunded Mandate today is the majority's unpaid for and reckless \$120 billion tax cut for the wealthy. This point of order is just another effort by the majority to deny a fair and just increase in the minimum wage.

So I urge Members who support increasing the minimum wage to vote "yes" on continuing consideration of this bill.

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

Mr. LARGENT. Mr. Speaker, may I inquire how much time is remaining on each side?

The SPEAKER pro tempore. The gentleman from Oklahoma (Mr. LARGENT) has 5 minutes remaining, and the gentleman from Missouri (Mr. CLAY) has 8½ minutes remaining.

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

Mr. STENHOLM. Mr. Speaker, I thank the gentleman for yielding to me, and I thank him for bringing up this valid Unfunded Mandate point of order.

Earlier today, we voted on a rule that waived the 1974 budget rule saying that we should have a budget before we pass a tax cut. I voted against that rule because I believe that we ought to live by the very rules that we pass in this House.

The gentleman from Oklahoma (Mr. LARGENT) has correctly pointed out what happened 5 years ago. It is important that we consider the costs when we are imposing on local governments, as well as small business men and women, it is important that we recognize that cost and that it is an unfunded mandate when we vote a cost without providing the money to pay for it.

I remember so well the speeches that were made on this legislation 5 years ago.

1845

This problem could have been addressed earlier today by the DeMint-Stenholm State flexibility proposal. The approach in the DeMint-Stenholm amendment would have given States flexibility to debate the minimum wage as part of an overall policy to deal with poverty, low-income families, and welfare reform. I would much rather do it that way than the way in which we are proposing to do it today.

Some States may choose to have a lower minimum wage but offset this with State assistance to low-income families for health care, child care, job training, education or other programs. States may decide that it may be better to target assistance to low-income families in need through State programs instead of a minimum-wage increase. Some States may decide that the lower cost of living in their State make a lower minimum wage reasonable. Other States may decide that a higher cost of living justifies a higher minimum wage.

States are in the best position to make these judgments. These decisions should be made in a public debate in the State legislatures where these trade-offs can be debated, not on the floor of the House tonight.

I encourage all of my colleagues to vote to sustain this point of order and let us live by those bills that we pass.

Mr. LARGENT. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. PITTS).

Mr. PITTS. Mr. Speaker, I rise to support the gentleman from Oklahoma's point of order. I rise as a former Pennsylvania State legislator who knows a little bit about unfunded Federal mandates, as we had some experience with balancing our budget. I was appropriations chairman for 8 years in the State house. Every year as we went to work on our State budget, by the way, which was always balanced, we could not print money, we

realized that the Federal Government had stuck us with some unfunded Federal mandates.

I think the largest one we had to grapple with every year was special ed. The law which Congress passed says that the Federal Government will provide 40 percent of the special ed funds. I think when I came to Congress 3 years ago, we were about 6 or 7 percent. I think today we are up around 14, 15 percent of those funds. But we are nowhere near the mandate in the law that Congress passed.

When this body tells States that they have to spend hundreds of millions of dollars here and millions of dollars there, it creates a hardship. Fiscal responsibility may be something that we have discovered here in Washington in the last 5 years, but to States that have been balancing their budgets all along, these mandates do cause some complications. Most States have to cut back other programs in order to meet these Federal demands. Mr. Speaker, I think when we approach unfunded Federal mandates, we should approach them with our eyes open. We should realize that the minimum wage, the Federal minimum wage, is just another unfunded Federal mandate that we are placing on local governments, on businesses, and it is sort of insulting to some of these local governments and State legislatures that have a better track record than Congress in keeping their fiscal houses in order when we pass these.

I urge my colleagues to vote "no" and sustain this point of order.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Speaker, I rise in opposition to this point of order, and I want to oppose a few cliches. Number one, the State capital does not always know best. Sometimes the Federal Government knows best. That is why we have a Federal Government and a Federal structure of government. If you leave it up to the States what the minimum wage will be, you cannot enforce the minimum wage, because businesses will tend to go to those States with a lower minimum wage and with less environmental protection. That is why we have Federal minimum wage laws and Federal environmental protection laws, so you do not have a race to the bottom because of the business climate in each State, so you can have a civilized minimum wage and environmental protection laws and occupational safety and health laws to protect workers.

Number two, it is not an unfunded mandate. Nobody is telling the States what they have to do, what programs they have to do. All we are saying is if you hire workers to do whatever you want to do, you have got to pay them a decent wage, not even a living wage, merely the minimum wage. That is not an unfunded mandate.

Number three, if it is construed to be an unfunded mandate, it shows one of

the reasons that the unfunded mandate law was a foolish thing to pass because if it deprives us of the power of insisting on a basic minimum wage for people in States whether they work for State government or for private enterprise, it is foolish if we are deprived of that power because we are the tribunes of the people who must insist on minimum standards so that people are protected.

Mr. LARGENT. Mr. Speaker, I yield the balance of my time to the gentleman from Ohio (Mr. PORTMAN).

Mr. PORTMAN. Mr. Speaker, I thank the gentleman from Oklahoma for yielding me this time, and more importantly for raising the unfunded mandate point of order. I would just say to my friend from New York that it is not a foolish piece of legislation and yes, indeed there is an unfunded mandate here. This is precisely what this legislation was intended to do when we passed it 5 years ago.

One, to provide for information. We now have a Congressional Budget Office impact statement which shows there is going to be an \$880 million impact on State and local government because of the minimum wage bill we are about to vote on. Second, it provides for accountability.

The gentleman from Oklahoma says he is going to ask for a vote. I think that is great. We are having a debate on this issue, we are having the information provided to us which we would not have had 5 years ago, and now we are going to have a vote on whether we as a Congress are going to impose an additional almost \$1 billion unfunded mandate on State and local government.

If we really believe that in Congress we ought not to be imposing these costs on State and local government that have to take it out of things like fire and police services or raise taxes on our citizens back home, then we ought to take a very careful look at the unfunded mandate impact. And in my case, I am going to vote no, because a "no" vote means you are upholding the point of order, a "no" vote means you recognize that there will be an impact on State and local government that is inappropriate. I encourage my colleagues to vote no.

Mr. CLAY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The question is, Will the House now consider the bill?

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

Mr. CLAY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 274, nays 141, not voting 19, as follows:

[Roll No. 42]

YEAS—274

Abercrombie	Gordon	Northrup
Ackerman	Green (TX)	Oberstar
Aderholt	Greenwood	Obey
Allen	Gutierrez	Olver
Andrews	Hall (OH)	Ortiz
Baca	Hastings (FL)	Ose
Baird	Hill (IN)	Owens
Baker	Hilliard	Pallone
Baldacci	Hinchev	Pascarell
Baldwin	Hinojosa	Pastor
Barcia	Hobson	Payne
Barrett (NE)	Hoeffel	Pelosi
Barrett (WI)	Holden	Peterson (MN)
Becerra	Holt	Phelps
Bentsen	Hooley	Pickett
Bereuter	Horn	Pomeroy
Berkley	Houghton	Porter
Berman	Hoyer	Price (NC)
Berry	Hunter	Quinn
Billbray	Hutchinson	Rahall
Bilirakis	Hyde	Rangel
Bishop	Inslee	Regula
Blagojevich	Jackson (IL)	Reyes
Bliley	Jackson-Lee	Rivers
Blumenauer	(TX)	Rodriguez
Boehert	Jefferson	Roemer
Bonior	John	Rogers
Bono	Johnson (CT)	Ros-Lehtinen
Borski	Jones (OH)	Rothman
Boswell	Kanjorski	Roukema
Boucher	Kaptur	Roybal-Allard
Boyd	Kelly	Rush
Brady (PA)	Kennedy	Sabo
Brown (FL)	Kildee	Sanchez
Brown (OH)	Kilpatrick	Sanders
Buyer	Kind (WI)	Sandlin
Callahan	King (NY)	Sawyer
Canady	Kleczka	Saxton
Capps	Klink	Schakowsky
Capuano	Kucinich	Scott
Cardin	Kuykendall	Serrano
Carson	LaFalce	Shaw
Castle	LaHood	Shays
Clay	Lampson	Sherman
Clayton	Lantos	Sherwood
Clyburn	Larson	Shimkus
Condit	LaTourette	Shows
Conyers	Lazio	Sisisky
Costello	Leach	Skelton
Coyne	Lee	Slaughter
Cramer	Levin	Smith (NJ)
Crowley	Lewis (CA)	Snyder
Cummings	Lewis (GA)	Spratt
Danner	Lipinski	Stabenow
Davis (FL)	LoBiondo	Stark
Davis (IL)	Lofgren	Strickland
DeFazio	Lowe	Stupak
DeGette	Lucas (KY)	Sweeney
Delahunt	Luther	Tanner
DeLauro	Maloney (CT)	Tauzin
Deutsch	Maloney (NY)	Taylor (MS)
Diaz-Balart	Markey	Thomas
Dicks	Martinez	Thompson (CA)
Dingell	Mascara	Thompson (MS)
Dixon	Matsui	Thune
Doggett	McCarthy (MO)	Tierney
Doyle	McCarthy (NY)	Towns
Duncan	McDermott	Traficant
Edwards	McGovern	Turner
Engel	McHugh	Udall (CO)
English	McIntyre	Udall (NM)
Eshoo	McKinney	Upton
Etheridge	McNulty	Velazquez
Evans	Meehan	Visclosky
Farr	Meek (FL)	Walsh
Fattah	Meeks (NY)	Waters
Filner	Menendez	Watt (NC)
Fletcher	Millender-	Waxman
Foley	McDonald	Weiner
Forbes	Miller, George	Weldon (PA)
Ford	Minge	Weller
Fossella	Mink	Wexler
Frank (MA)	Moakley	Weygand
Franks (NJ)	Mollohan	Whitfield
Frelinghuysen	Moore	Wilson
Frost	Moran (VA)	Wise
Gallegly	Morella	Wolf
Ganske	Murtha	Woolsey
Gejdenson	Nadler	Wu
Gilchrest	Napolitano	Wynn
Gilman	Neal	Young (AK)
Gonzalez	Ney	Young (FL)

NAYS—141

Archer	Bachus	Barr
Armey	Ballenger	Bartlett

Barton	Goodlatte	Pease
Bass	Goodling	Peterson (PA)
Bateman	Goss	Petri
Biggert	Graham	Pickering
Blunt	Green (WI)	Pitts
Boehner	Gutknecht	Pombo
Bonilla	Hall (TX)	Portman
Brady (TX)	Hansen	Pryce (OH)
Bryant	Hastings (WA)	Radanovich
Burr	Hayes	Ramstad
Burton	Hayworth	Reynolds
Calvert	Hefley	Riley
Camp	Herger	Rogan
Campbell	Hill (MT)	Rohrabacher
Cannon	Hilleary	Royce
Chabot	Hoekstra	Ryan (WI)
Chambliss	Hostettler	Ryun (KS)
Chenoweth-Hage	Hulshof	Salmon
Clement	Isakson	Sanford
Coble	Jenkins	Sensenbrenner
Coburn	Johnson, Sam	Sessions
Collins	Jones (NC)	Shadegg
Combest	Kasich	Simpson
Cook	Kingston	Skeen
Cox	Knollenberg	Smith (MI)
Crane	Kolbe	Smith (TX)
Cubin	Largent	Souder
Cunningham	Latham	Stearns
Deal	Lewis (KY)	Stenholm
DeLay	Lucas (OK)	Stump
DeMint	Manzullo	Sununu
Dickey	McCrery	Talent
Doolittle	McInnis	Tancredo
Dreier	McIntosh	Taylor (NC)
Dunn	McKeon	Terry
Ehlers	Mica	Thornberry
Ehrlich	Miller (FL)	Tiahrt
Emerson	Miller, Gary	Toomey
Everett	Moran (KS)	Vitter
Ewing	Myrick	Walden
Fowler	Nethercutt	Wamp
Gekas	Norwood	Watkins
Gibbons	Nussle	Watts (OK)
Gillmor	Packard	Weldon (FL)
Goode	Paul	Wicker

NOT VOTING—19

Cooksey	Linder	Smith (WA)
Davis (VA)	McCollum	Spence
Dooley	Metcalf	Tauscher
Gephardt	Oxley	Thurman
Granger	Scarborough	Vento
Istook	Schaffer	
Johnson, E.B.	Shuster	

1918

Messrs. SMITH of Texas, TERRY, EVERETT, and KINGSTON changed their vote from "yea" to "nay."

Messrs. HUNTER, CROWLEY, MALONEY of Connecticut, and FOSSELLA 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.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Pursuant to House Resolution 434, the bill is considered read for amendment.

The text of H.R. 3846 is as follows:

H.R. 3846

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

SECTION 1. MINIMUM WAGE.

Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than—

"(A) \$5.15 an hour beginning September 1, 1997,

"(B) \$5.48 an hour during the year beginning April 1, 2000,

"(C) \$5.81 an hour during the year beginning April 1, 2001, and

"(D) \$6.15 an hour beginning April 1, 2002;".

SEC. 2. EXEMPTION FOR COMPUTER PROFESSIONALS.

Section 13(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)) is amended by amending paragraph (17) to read as follows:

“(17) any employee who is a computer systems, network, or database analyst, designer, developer, programmer, software engineer, or other similarly skilled worker—

“(A) whose primary duty is—

“(i) the application of systems or network or database analysis techniques and procedures, including consulting with users, to determine hardware, software, systems, network, or database specifications (including functional specifications);

“(ii) the design, configuration, development, integration, documentation, analysis, creation, testing, securing, or modification of, or problem resolution for, computer systems, networks, databases, or programs, including prototypes, based on and related to user, system, network, or database specifications, including design specifications and machine operating systems;

“(iii) the management or training of employees performing duties described in clause (i) or (ii); or

“(iv) a combination of duties described in clauses (i), (ii), or (iii) the performance of which requires the same level of skills; and

“(B) who, in the case of an employee who is compensated on an hourly basis, is compensated at a rate of not less than \$27.63 an hour.

For purposes of paragraph (17), the term ‘network’ includes the Internet and intranet networks and the world wide web. An employee who meets the exemption provided by paragraph (17) shall be considered an employee in a professional capacity pursuant to paragraph (1).”

SEC. 3. EXEMPTION FOR CERTAIN SALES EMPLOYEES.

(a) AMENDMENT.—Section 13(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)), as amended by section 2, is amended by adding at the end the following:

“(18) any employee employed in a sales position if—

“(A) the employee has specialized or technical knowledge related to products or services being sold;

“(B) the employee’s—

“(i) sales are predominantly to persons or entities to whom the employee’s position has made previous sales; or

“(ii) position does not involve initiating sales contacts;

“(C) the employee has a detailed understanding of the needs of those to whom the employee is selling;

“(D) the employee exercises discretion in offering a variety of products and services;

“(E) the employee receives—

“(i) base compensation, determined without regard to the number of hours worked by the employee, of not less than an amount equal to one and one-half times the minimum wage in effect under section 6(a)(1) multiplied by 2,080; and

“(ii) in addition to the employee’s base compensation, compensation based upon each sale attributable to the employee;

“(F) the employee’s aggregate compensation based upon sales attributable to the employee is not less than 40 percent of one and one-half times the minimum wage multiplied by 2,080;

“(G) the employee receives a rate of compensation based upon each sale attributable to the employee which is beyond sales required to reach the compensation required by subparagraph (F) which rate is not less than the rate on which the compensation required by subparagraph (F) is determined; and

“(H) the rate of annual compensation or base compensation for any employee who did not work for an employer for an entire calendar year is prorated to reflect annual compensation which would have been earned if the employee had been compensated at the same rate for the entire calendar year;”.

(b) CONSTRUCTION.—The amendment made by subsection (a) may not be construed to apply to individuals who are employed as route sales drivers.

SEC. 4. EXEMPTION FOR FUNERAL DIRECTORS.

Section 13(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)), as amended by section 3, is amended by adding after paragraph (18) the following:

“(19) any employee employed as a licensed funeral director or a licensed embalmer.”.

SEC. 5. STATE MINIMUM WAGE.

Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended by adding at the end the following:

“(h)(1) An employer in a State that adopts minimum wage legislation that conforms to the requirement of paragraph (2) shall not be required to pay its employees at the minimum wage prescribed by subsection (a)(1).

“(2) Paragraph (1) shall apply in a State that adopts minimum wage legislation that—

“(A) sets a rate that is not less than \$5.15 an hour; and

“(B) applies that rate to not fewer than the employees performing work within the State that would otherwise be covered by the minimum wage rate prescribed by subsection (a)(1).”.

The SPEAKER pro tempore. An amendment striking section 5 is adopted.

The text of H.R. 3846, as amended, is as follows:

H.R. 3846

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

SECTION 1. MINIMUM WAGE.

Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

“(1) except as otherwise provided in this section, not less than—

“(A) \$5.15 an hour beginning September 1, 1997,

“(B) \$5.48 an hour during the year beginning April 1, 2000,

“(C) \$5.81 an hour during the year beginning April 1, 2001, and

“(D) \$6.15 an hour beginning April 1, 2002;”.

SEC. 2. EXEMPTION FOR COMPUTER PROFESSIONALS.

Section 13(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)) is amended by amending paragraph (17) to read as follows:

“(17) any employee who is a computer systems, network, or database analyst, designer, developer, programmer, software engineer, or other similarly skilled worker—

“(A) whose primary duty is—

“(i) the application of systems or network or database analysis techniques and procedures, including consulting with users, to determine hardware, software, systems, network, or database specifications (including functional specifications);

“(ii) the design, configuration, development, integration, documentation, analysis, creation, testing, securing, or modification of, or problem resolution for, computer systems, networks, databases, or programs, including prototypes, based on and related to user, system, network, or database specifications, including design specifications and machine operating systems;

“(iii) the management or training of employees performing duties described in clause (i) or (ii); or

“(iv) a combination of duties described in clauses (i), (ii), or (iii) the performance of which requires the same level of skills; and

“(B) who, in the case of an employee who is compensated on an hourly basis, is compensated at a rate of not less than \$27.63 an hour.

For purposes of paragraph (17), the term ‘network’ includes the Internet and intranet networks and the world wide web. An employee who meets the exemption provided by paragraph (17) shall be considered an employee in a professional capacity pursuant to paragraph (1).”

SEC. 3. EXEMPTION FOR CERTAIN SALES EMPLOYEES.

(a) AMENDMENT.—Section 13(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)), as amended by section 2, is amended by adding at the end the following:

“(18) any employee employed in a sales position if—

“(A) the employee has specialized or technical knowledge related to products or services being sold;

“(B) the employee’s—

“(i) sales are predominantly to persons or entities to whom the employee’s position has made previous sales; or

“(ii) position does not involve initiating sales contacts;

“(C) the employee has a detailed understanding of the needs of those to whom the employee is selling;

“(D) the employee exercises discretion in offering a variety of products and services;

“(E) the employee receives—

“(i) base compensation, determined without regard to the number of hours worked by the employee, of not less than an amount equal to one and one-half times the minimum wage in effect under section 6(a)(1) multiplied by 2,080; and

“(ii) in addition to the employee’s base compensation, compensation based upon each sale attributable to the employee;

“(F) the employee’s aggregate compensation based upon sales attributable to the employee is not less than 40 percent of one and one-half times the minimum wage multiplied by 2,080;

“(G) the employee receives a rate of compensation based upon each sale attributable to the employee which is beyond sales required to reach the compensation required by subparagraph (F) which rate is not less than the rate on which the compensation required by subparagraph (F) is determined; and

“(H) the rate of annual compensation or base compensation for any employee who did not work for an employer for an entire calendar year is prorated to reflect annual compensation which would have been earned if the employee had been compensated at the same rate for the entire calendar year;”.

(b) CONSTRUCTION.—The amendment made by subsection (a) may not be construed to apply to individuals who are employed as route sales drivers.

SEC. 4. EXEMPTION FOR FUNERAL DIRECTORS.

Section 13(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)), as amended by section 3, is amended by adding after paragraph (18) the following:

“(19) any employee employed as a licensed funeral director or a licensed embalmer.”.

The SPEAKER pro tempore. After 1 hour of debate on the bill, it shall be in order to consider Amendment No. 2 printed in House report 106-516, which may be offered only by the Member designated in the report, shall be considered read, and shall be debatable for the time specified, equally divided and controlled by the proponent and an opponent.

The gentleman from Pennsylvania (Mr. GOODLING) and the gentleman from Missouri (Mr. CLAY) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina (Mr. BALLENGER), our esteemed subcommittee chairman.

Mr. BALLENGER. Mr. Speaker, I would like to express my support for many of the provisions of H.R. 3846. The bill makes several changes in the Fair Labor Standards Act, which is the primary Federal statute that governs the hours of wages and work.

As a general rule, the law requires employers to pay employees time and a half for overtime hours. However, there are a number of exemptions from the minimum wage and overtime for specific groups of employees.

For example, there is a provision that has been part of the law since 1938 which provides an exemption from the minimum wage and overtime for an "outside sales employee." The general requirement for meeting the exemption is that the individual must regularly work outside the employer's business establishment selling products or services. There is no minimum salary requirement.

The bill would provide that a new exemption under the Fair Labor Standards Act for the so-called "inside sales" employee, who works primarily at the employer's facility using the computer and the fax and the phone to communicate with customers. The bill has a three-part test for an overtime exemption for inside sales personnel: a detailed "jobs duties" test, a "commission on sales" test and a "minimum compensation" test. This would remove some of the constraints within the current law which frequently work against many highly trained, highly skilled sales employees by restricting their ability to achieve great earnings.

The bill would further clarify the current exemption for computer professionals. In 1990, a bipartisan amendment to the act created an exemption for the minimum wage and overtime for certain high-skilled, well-compensated computer professionals. The exemption detailed a "jobs duties" test which clarified the treatment of these employees under the Act. However, there are now many new types of positions in the information technology industry that are not addressed by the current exemption, so the bill would update the law to reflect the recent changes in the technology industry.

I would also note that the language in H.R. 3846 is identical to a bipartisan bill, H.R. 3038, introduced by the gentleman from New Jersey (Mr. ANDREWS) and the gentleman from South Carolina (Mr. GRAHAM).

The bill would provide a new exemption under the Fair Labor Standards Act for licensed funeral directors and licensed embalmers from minimum wage and overtime. Licensed funeral

directors and embalmers must typically undergo mandatory education and training to acquire the necessary skills to obtain their licenses and maintain their jobs. These types of employees are not specifically referenced in the current law, and this provision would provide some clarity as to their classification for the purposes of overtime.

Finally, Mr. Speaker, while I support the three straightforward reforms of the Fair Labor Standards Act, I am unable to support the underlying purpose of this bill, which is to increase the minimum wage. We have heard so much today from proponents of the increase about how raising the minimum wage is an effective antipoverty program. We have also heard that increasing the minimum wage imposes little social cost. Unfortunately, the facts do not support either of these beliefs.

First, most low-wage workers are not in poor families. Therefore, an increased earnings associated with a higher minimum wage would not significantly impact low-income families. According to recent studies, only one in four low-wage workers resides in the families in the bottom 20 percent of income distribution. Less than 1 dollar in 5 of the additional earnings going to families who rely on low-wage compensation as their primary source of compensation. When the additional earnings reach low-income families, most of the increase is taxed away by the Social Security contributions or the State and Federal income taxes.

Second, it is illogical to think that wages will rise without any adverse result. Businesses may decide to increase their prices, reduce their workforce, or to meet their operations, or cut back on customer services. In other situations where the employer cannot reduce costs or raise prices, they must absorb the new labor costs. The money comes out of the expansion or investment. Either way, there are clearly costs, and I would urge my colleagues to carefully consider these issues.

Mr. CLAY. Mr. Speaker, I yield myself such time as I may consume, and I rise in opposition to H.R. 3846.

Mr. Speaker, minimum wage workers deserve a raise. In this time of unprecedented prosperity, fairness dictates that we act now. Since 1980, the average income of most workers has increased by 68 percent, while the real value of the minimum wage has declined by 16 percent. Unfortunately, this bill offers only 33 cents an hour next year to minimum-wage workers. Why do we, Mr. Speaker, nickel and dime those workers who need an increase the most?

Stretching the minimum wage increase over 3 years instead of 2, while at the same time authorizing tax cuts for the most wealthy, is a miscarriage of justice. This bill denies almost \$1,000 in pay to minimum-wage workers, and it would permit other workers to work in excess of 40 hours a week for no additional pay.

Mr. Speaker, raising the minimum wage will not make workers rich; it will simply enable them to have a chance at supporting themselves and their families. A decent minimum wage encourages work and discourages reliance on welfare. A decent minimum wage allows workers to meet their own needs without dependence on others or welfare. A decent minimum wage will allow workers an amount of dignity through the elevation of their standard of living, and a strong minimum wage will allow workers to share in our prosperity.

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

Mr. GOODLING. Mr. Speaker, I yield 7 minutes to the distinguished gentleman from Illinois (Mr. SHIMKUS), the author of the legislation.

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

Mr. SHIMKUS. Mr. Speaker, I rise to introduce H.R. 3846, a bill to raise the minimum wage \$1 over 3 years, which is a complementary bill to the small business tax relief in H.R. 3832.

In 1996, I ran for this seat in Congress as an opponent of the minimum wage. My Democratic opponent and I debated this issue 13 times throughout the 20th district. In the last debate in Centralia, Illinois, a portion of the debate was for questions from the audience. A man raised his hand and went to the microphone wanting to address the issue of the minimum wage. What he said there in that question solidified my position on this issue. He said, because of the increase in the last minimum wage, I lost my second job.

This story reflects the reality that our decisions here have a direct impact, sometimes a negative impact, on the very people we are trying to help.

Mr. Speaker, I join the gentleman from New York (Mr. LAZIO), the gentleman from California (Mr. CONDIT), and the gentleman from Alabama (Mr. CRAMER) in crafting this bill, H.R. 3842, for two reasons. One, it is a political reality that the minimum wage is going to be increased during this Congress. While some may not like to hear it, it is true. However, if we are going to raise the minimum wage, I want to take an active role to ensure that no one loses their job as a result. These bills merged together will do just that.

My second reason for joining in this effort was to show my colleagues, my constituents, and even myself that we can work in a bipartisan fashion to address the issues that face our Nation. I am pleased that H.R. 3846 is truly a bipartisan product which encompasses all interested parties in the debate over raising the minimum wage.

The bill includes an increase of \$1 over 3 years which is a compromise between the small business community who settled for \$1 over 4 years and the labor community who fought for \$1 over 2 years. H.R. 3846 also amends the Fair Labor Standards Act to clarify

and update minimum wage and overtime exemptions for computer professionals, inside sales and funeral directors. The bill originally drafted included the State flex option, which I oppose, but allowed to be placed in to move the process to the floor; and I want to thank the gentleman from South Carolina (Mr. DEMINT) for pulling that with a unanimous consent earlier today.

We have heard and will continue to hear about how today's economy is running at such a break-neck speed that a minimum wage can be easily increased. Yet, the facts are that increasing the minimum wage has a significant impact on the ability of our Nation to create and sustain entry-level and second jobs. Multinational corporations and all of those listed with the stock exchanges appear to be doing extraordinarily well in terms of their profits. However, most minimum-wage jobs and most new jobs in general are created by small business owners. In fact, small businesses not only account for nearly 60 percent of the jobs in our Nation's workforce, small businesses created two-thirds of all new jobs since the early 1970s.

1930

So let us keep in mind, it is not Bill Gates who is paying the minimum wage and creating new jobs, it is our neighborhood pharmacist creating new jobs. It is our local grocer. It is our favorite restaurant.

These small business owners are struggling every day to exist and expand in a market over which they have little control. Through their own blood, sweat, tears, and self-determination, these men and women are working to survive, expand, and provide jobs and a sense of community for our neighbors and our families.

H.R. 3846 is a bipartisan solution which provides a \$1 increase in the minimum wage over the next 3 years. If we look back to the last increase in 1996, this \$1 increase that we are proposing actually gives a greater increase to the recipients than if we tied their wage to the CPI, the consumer price index.

The CPI estimates that if the wage were to increase from 1996 to 2005 using the CPI, minimum wage workers would actually receive less than what our proposal provides.

This increase is a fair, phased-in proposal that allows us to protect the jobs of those who earn a minimum wage while gradually increasing it at the same time.

A key factor in helping to protect minimum wage jobs is that H.R. 3846 and H.R. 3832 do not gouge small businesses. In the Herald and Review of Decatur, Illinois, the editorial headline on October 26, 1999, read "Minimum Wage, Tax Break Link Sensible."

The paper stated that, when the minimum wage increases, someone has to pay for it, because business owners have to maintain a profit level. "The

result could be higher prices or fewer jobs at minimum wage. Just as a worker will offer his work at an acceptable wage level, an employer will pay workers a wage that permits his company to earn a profit. That is why a minimum wage increase alone won't work and why a bill to raise the rate linked to some tax breaks for small businesses makes sense."

Mr. Speaker, I learned a lesson in 1996 when that constituent told us how he lost his job due to the increase in the minimum wage. I also learned many lessons working with my colleagues from both sides of the aisle in fashioning this bill: Our actions have consequences, some intended, some unintentional; some thought out, some never considered.

We have worked for the last year to put together a package that has arrows coming from all sides, but workers get a raise, small businesses get much-needed tax relief, and this Congress will have shown that we have addressed our Nation's issues in a bipartisan manner with a sense of purpose and civility.

Mr. Speaker, I am just sorry that we cannot address an issue of another group that is going to be severely impacted by increasing the minimum wage. That is our nonprofit organizations, those who go and ask for money to run the blood banks, to run the food pantries, to run the clothing stores. They will also be mandated to pass an increase in the minimum wage, and no real benefits to recover that, other than asking donors for additional support.

I congratulate the gentleman from New York (Mr. LAZIO) and my colleagues on the Democratic side, particularly the gentleman from California (Mr. CONDIT) and the gentleman from Alabama (Mr. CRAMER), all of whom are owed a debate of graduate for putting aside partisan and ideological differences for the purpose of doing the Nation's business. They certainly have my deepest gratitude.

Once again, I strongly urge my colleagues in Congress to support this sensible increase in the minimum wage.

Mr. CLAY. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. BONIOR), the distinguished minority whip.

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

Mr. BONIOR. Mr. Speaker, the other day I read that the co-founder of a high-tech company was spending \$25 million to build himself a castle to live in. This castle had a moat around it. It had all the improvements that we could imagine. In this economy it is not unusual to hear stories like that, but there are other stories that are much more common, Mr. Speaker.

This is the story of a woman named Cheryl Costas from Pennsylvania, a 37-year-old mother of four whose husband is disabled with a back injury. That means her family depends on the check

she brings home from her job at the grocery store. What does she earn? She earns \$5.50. Cheryl and her husband are not thinking about building any castles. They are lucky just to keep a roof over their heads.

She is not alone. Today more than 10 million hourly workers earn less than \$6.15 an hour. Almost 70 percent of them are adults. Three out of every five are women. A lot of them are single moms who have to work two, sometimes three jobs to make ends meet, and are never home to be with their kids. They are seldom home. They are struggling to give their kids, though, a better life.

Today we say that it is high time we do our part to help them. That is why we Democrats propose raising the minimum wage \$1 over 2 years. That is \$1,000 more than the Republicans have called for. That is enough money to buy nearly 3½ months' worth of groceries, enough money to buy their kids a new pair of jeans, and, God forbid, enough money maybe to take them out for an ice cream cone once in a while, or take them to a movie; enough money to help people live with a little bit more hope and dignity than they are able to do right now on \$5.15 an hour.

That is why, Mr. Speaker, our plan has gained the support of religious leaders all across America. They understand that in this economy, there is no excuse for minimum wage workers earning \$3,200 less than it takes a family of three to stay out of poverty in this country. They understand that when CEO salaries climb by 480 percent over the last 10 years, there is no excuse that the minimum wage purchases less than it did back in 1979.

Mr. Speaker, in short, they understand that while America is a prosperous Nation, we will never truly be successful until poverty wages become part of America's past and not our future. We can pass a wage increase that can make a difference in the lives of the working poor, \$1 an hour over 2 years, or we can squander this opportunity and instead pass a wage increase that is inadequate; and coupled with this tax break, \$122 billion over 10 years that we just passed, this tax break for the rich; and then, in addition, an assault on working rights that the gentleman from Missouri (Mr. CLAY) addressed.

Mr. Speaker, the fact is that buried in this Republican plan are provisions that would trash overtime protection for nearly 1 million workers on the job today.

Just the other day I read where the Republican leader, the gentleman from Texas (Mr. ARMEY), said he believes raising the minimum wage is wrong. He topped what he said just a few years ago, that he would fight with every fiber in his body to defeat it.

I would say to the gentleman from Texas that he should take a moment and listen to the real America out there, not just those enjoying the best

of times, but the working families fighting to keep these from becoming the worst of times.

Those Americans not only need a raise, they have earned a raise. They have earned it by cleaning our offices, they have earned it by bagging our groceries, they have earned it by cooking our meals, by helping care for our children. They have earned it by taking care of our ailing parents and grandparents. They have earned it by tending to the sick in our hospitals.

Mr. Speaker, we owe it to people like Cheryl and all these others out there, these 10 million, to listen to their voices. We owe it to them to act. I urge Members to vote for the amendment that will be raised on the floor of the House in about an hour to move the minimum wage up \$1 over 2 years. I thank my colleague, the gentleman from Missouri (Mr. CLAY) for his leadership on this.

Mr. Speaker, I include for the RECORD correspondence from religious organizations which support increasing the minimum wage by \$1 over 2 years.

The material referred to is as follows:

RELIGIOUS LEADERS ASK \$1/HOUR
INCREASE IN MINIMUM WAGE IN 2000-2001

March 7, 2000, Washington, DC.—Eighteen Jewish, Orthodox, Roman Catholic and Protestant leaders of denominations and national religious organizations today released a letter to President Clinton and Members of Congress which calls for two 50-cent increases in the minimum wage beginning this year.

The letter witnesses to their common conviction that poverty in the midst of abundance is unacceptable and that the standard of equality of opportunity rings hollow when minimum wage employees cannot provide an adequate economic base for their families.

The full text of their letter follows.

MARCH 7, 2000.

DEAR PRESIDENT CLINTON AND MEMBERS OF CONGRESS, We religious leaders urge you, during this session of Congress, to pass legislation that will increase the minimum wage by \$1.00 over the next two years. So many of the working poor are in deep pain because of lack of sufficient income to provide for themselves and their families. We believe, as does a high percentage of the American public, that increasing the minimum wage by \$1.00 over two years would be one of the most compassionate and effective ways of responding to that pain. We believe that justice and compassion for "the least of these" demands that we act now.

This \$1.00 increase would mean an additional \$2,000 per year for those working people and their families who are most in need of additional income; full-time workers who are paid the minimum wage. This \$1.00 increase would lift a family of two out of poverty. The extra \$2,000 per year would buy approximately six months of groceries, or four months of rent; or seventeen months of tuition and fees at a two-year college. Surely in a time of enormous prosperity for so many, in a time when some among us have so much and some so little, we can do no less.

An estimated 18,500,000 workers would benefit from a \$1.00 increase in the minimum wage. 10,100,000, about 7½ percent of the workforce, would benefit directly from a \$1.00 increase. Of this group 69 percent are adults (age twenty and older) and 60 percent are women. Spillover effects of the increase would likely raise the wages of an additional

8,400,000 workers who currently earn up to \$7.15 an hour.

We are aware that there are some who believe that increasing the minimum wage will increase unemployment. However, a number of recent studies, including one by the Bureau of Labor Statistics, do not support this belief. Bureau of Labor Statistics data show that employment increased and unemployment decreased, since the last increases in the minimum wage took effect in 1996 and 1997. Further, economists at the Economic Policy Institute studies the 1996-1997 minimum wage increases and found overall there was no statistically significant effect on job opportunities. Other studies could be cited.

Please support an increase in the minimum wage by \$1.00 over the next two years so that justice may be done and compassion received.

Signatories

The Rev. Dr. Robert W. Edgar, General Secretary, National Council of the Churches of Christ in the U.S.A.; The Rt. Rev. McKinley Young, Ecumenical Officer, African Methodist Episcopal Church; The Rev. Dr. Daniel E. Weiss, General Secretary, American Baptist Churches; The Rev. David Beckmann, President, Bread for the World; Rabbi Paul Menitoff, Executive Vice President, Central Conference of American Rabbis; The Rev. Dr. Richard L. Hamm, General Minister and President, Christian Church (Disciples of Christ); Bishop Nathaniel Linsey, Ecumenical Officer, Christian Methodist Episcopal Church; Dr. Kathleen S. Hurty, Executive Director, Church Women United; The Most Rev. Frank T. Griswold, Presiding Bishop and Primate, The Episcopal Church; The Rev. H. George Anderson, Presiding Bishop, Evangelical Lutheran Church in America; His Grace Bishop Dimitrios of Xanthos, Ecumenical Officer, Greek Orthodox Archdiocese of America; The Rev. Dr. Clifton Kirkpatrick, Stated Clerk, Presbyterian Church (U.S.A.); Bishop Thomas Gumbleton, Auxiliary Bishop, Roman Catholic Archdiocese of Detroit; Rabbi David Saperstein, Director, Union of American Hebrew Congregations, Center of Reformed Judaism; The Rev. John H. Thomas, President, United Church of Christ; The Rev. William Boyd Grove, Ecumenical Officer, Council of Bishops, United Methodist Church; The Rev. John Buehrens, President, Unitarian Universalist Association of Congregations; and Dr. Valora Washington, Executive Director, Unitarian Universalist Service Committee.

NATIONAL COUNCIL OF THE CHURCHES OF
CHRIST IN THE USA

STATEMENT ON MINIMUM WAGE

By Robert W. Edgar, General Secretary, National Council of the Churches of Christ in the U.S.A.

"Speak out for those who cannot speak, for the rights of all the destitute. Speak out, judge righteously, defend the rights of the poor and needy." Proverbs 31:8-9 (NRSV)

Even as our nation continues to enjoy unprecedented prosperity and record low unemployment, the religious community is deeply dismayed by the increasing evidence that many people are not participating in this widespread affluence. As providers of a broad variety of services to people in need, we know that hunger is increasing among low-income working families, and that the lack of health care coverage and soaring prices for housing are undermining their well-being. The people who operate feeding pro-

grams in our congregations tell us that more and more children are being brought by their parents to church meal programs and food distribution centers. We are greatly troubled by the depth and extent of poverty among these vulnerable little ones.

Consequently we call on Congress to raise the minimum wage by 50¢ now and 50¢ in one year. Even this small increase would make a tremendous difference in the ability of low-wage workers to support themselves and their families. For a household with a full-time, full year worker, an additional \$1 an hour would provide \$2,000 more each year to meet the needs of the family, a significant improvement for those affected.

With an additional \$2,000 of income, many families who now utilize soup kitchens and mass feeding programs would be able to eat most of their meals at home, providing nourishing food for their children in a familiar setting. Others would be able to move away from inadequate or dangerous housing, thus providing their children with safer places to live, study, and play.

We know that the great majority of minimum wage workers are adults and that close to half of them are the sole supporters of their families. In a nation that honors as a core value the right and responsibility of parents to attend to the welfare of their children, how can we tolerate the conditions that allow heads of households to work full time and still be forced to try to support their families on incomes that are substantially below the poverty level? How can we bear to have the children of working parents be dependent on charity for their clothes and food?

Our concept of justice holds that no person who works should be impoverished, and that no family which seeks to meet its own needs, however modestly it is able to do so, should live in want. Thus, we call on Congress to give prompt approval to the legislation now before it which would increase the minimum wage by \$1 over two years.

FRIENDS COMMITTEE ON
NATIONAL LEGISLATION,
Washington, DC, March 1, 2000.

DEAR REPRESENTATIVE: I am writing on behalf of the Friends Committee on National Legislation (FCNL) regarding minimum wage legislation.

Perhaps as early as next week, you will be called to vote on alternative proposals to increase the minimum wage. H.R. 3081 has been introduced by Reps. Lazio and Skimkus; an alternative bill has been introduced by Reps. Bonior, Rangel, Phelps, and Sandlin. Although these two proposals appear similar in their minimum wage provisions (they each propose to increase the minimum wage by \$1, spread over either three or two years, respectively) we believe that only one of these proposals (the Bonior-Rangel bill) will help to reduce the growing economic disparity between the poorest and the wealthiest in the U.S.

Many economic indicators give evidence of the growing disparity. For example, a report issued last fall by the Center for Budget and Policy Priorities indicates that, since 1977, the after-tax income of the wealthiest 1% in the U.S. has grown by 115%, the income of the wealthiest 20% has grown by 43%, the income of the middle three-fifths has grown by 8%, while the income of the poorest 20% has actually dropped by 9%. Current Census Bureau figures reveal that, for 1997, the household income of the top 20% of all households by income was 49.4%, nearly as much as the bottom 80% of all households. FCNL believes that Congress should act to reduce this enormous and growing economic gap.

H.R. 3081 includes a tax-cut package which, it is estimated, will cost the U.S. about \$120

billion over ten years. Moreover, since these cuts would have a major effect on estate taxes, they would primarily benefit those at higher income levels. Under the guise of helping minimum wage workers, H.R. 3081 would likely increase the economic disparity in the U.S. and thus ratchet up the distress experienced by poor individuals and families as they try to subsist on minimum wage jobs. We oppose this charade.

The Bonior-Rangel alternative minimum wage bill also includes a tax-cut package, however it is substantially more modest (\$30 billion over 10 years) and is directed primarily at small businesses, many of whom will bear the brunt of any minimum wage increase. The tax-cut package in the Bonior-Rangel alternative minimum wage bill is thus designed to provide a more equitable response to the effects of the minimum wage increase. This package would include, among other elements, incentives to help employers hire disadvantaged workers and 100% tax-deductibility of health insurance for the self-employed in 2000, both measures that would aid many low-income workers.

We recognize that in this period of unprecedented economic growth and budget surpluses, tax cuts are very attractive. However, FCNL holds that this is not the time to markedly reduce government revenues (through tax breaks) but rather the time to invest in programs that benefit society, such as those that reduce the economic gap between the wealthiest and poorest in the U.S. We believe that the Bonior-Rangel-Phelps-Sandlin alternative minimum wage bill, with its combination of a minimum wage increase spread over only two years and a tax-cut package that includes elements designed to assist lower-income workers, is an appropriate bill.

We urge you to support the Bonior-Rangel-Phelps-Sandlin alternative minimum wage bill. We urge you to oppose H.R. 3081 and any substantially similar substitute bill.

Sincerely,

FLORENCE C. KIMBALL,
Legislative Education Secretary.

**HELP FAMILIES SUSTAIN THEMSELVES: RAISE
THE MINIMUM WAGE \$1 OVER TWO YEARS**

This week, Congress has an opportunity to take a powerful step forward for the future of America's children and families. Both parties in both houses agree that it is time to raise the minimum wage. They should do it on the shortest possible timetable.

The crafters of welfare reform legislation asserted that their new policies would free people from dependency and enable them to support their families in dignity through work. Thus far, we have seen that this will not happen unless the earnings from work are adequate to support a family. Millions of women are struggling to support their families through work outside the home. Yet even a full-time job at minimum wage is insufficient to bring a family of two out of poverty.

To raise the minimum wage by \$1 an hour is a small but vital step toward the goal of seeing that every family has a livable income. In the long run, the minimum wage should be indexed to inflation (as Rep. Bernie Sanders has proposed), but not until its purchasing power is adequate to sustain a family. To do it in two years is a reasonable and cautious proposal; spreading the increase over three years would cost each full-time minimum wage earner hundreds of dollars that can never be made up.

To fulfill the great national purpose expressed in our welfare reform laws, we need to see that everyone does their part, including employers. As long as the minimum wage fails to pay enough to sustain even a family

of two, low-income families will continue to subsidize employers who are not ready or able to pay the full cost of doing business. The sooner we can end corporate dependency on the poor, the better.

DR. VALORA WASHINGTON,
*Executive Director Unitarian Universalist
Service Committee.*

MARCH 8, 2000.

DEAR PRESIDENT CLINTON AND MEMBERS OF CONGRESS: We at NETWORK, A National Catholic Social Justice Lobby, urge you to support passage of legislation designed to raise the minimum wage by \$1.00 over a two-year period and to reject efforts to link this raise to tax cuts that primarily benefit people who are wealthy.

NETWORK's more than 10,000 members include individuals and organizations working directly with people who live in poverty, including the more than 10 million workers who must currently support themselves and their families in minimum wage jobs. In an era of unparalleled economic prosperity, it is unconscionable that millions of hard-working people are forced to choose among feeding their children, finding adequate housing, and buying health insurance for their families. They simply cannot afford to do it all on the poverty-level income from minimum wage jobs. Clearly, justice demands that we do better. An immediate increase in the minimum wage is a small but important step in the movement toward a livable wage for all.

Even as we support this legislation, we understand that a person working full time and supporting two children would still be living below the poverty line after the \$1.00 increase goes into effect. We are confident that your leadership in this area will continue beyond the passage of this bill toward securing a living wage for all workers.

NETWORK believes that a living wage is a fundamental right. The U.S. Catholic Bishops explain:

The way power is distributed in a free-market economy frequently gives employers greater bargaining power than employees in the negotiation of labor contracts. Such unequal power may press workers into a choice between an inadequate wage and no wage at all. But justice, not charity, demands certain minimum guarantees. The provision of wages and other benefits sufficient to support a family in dignity is a basic necessity to prevent this exploitation of workers. (Economic Justice for All, 1986)

Thank you for understanding that anyone who works full-time should not live in poverty. We look forward to your continued support on this very important issue.

Sincerely,

KATHY THORNTON,
RSM NETWORK National Coordinator.

Mr. GOODLING. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado (Mr. TANCREDO), a member of the committee.

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

Mr. Speaker, we hear the plaintive cries about our need to help the poor; our need, our desire to increase the minimum wage. The term "our" is used over and over again, "us", as if in fact we in this body are actually the people that will be giving the money to the most needy, the people who are going to be benefiting from the increase in the minimum wage.

But, of course, it is none of us here who actually are providing this money that we are so freely giving away. We

are giving away other people's money as we do so often here, we do so well and so often. To pretend as though it is coming out of our hide, out of our wallets, no, it is not. We are going to pass a law here to force somebody else to pay somebody else the money.

Of course, who will actually benefit? Will the "poor" actually benefit from an increase in the minimum wage? Economic analysis consistently shows that most of the benefits of mandated higher entry-level wages go to families who are already above the poverty level.

In 1997, nearly 60 percent of poor Americans over the age of 15 did not work and would not be helped by such an increase. Fewer than 10 percent of poor Americans over the age of 15 who could benefit from increasing the minimum wage worked an average of 16 hours a week.

The neediest families would receive a relatively small portion of the increase wage bill. Most of the benefits would go to families who earn more than twice the poverty threshold.

The idea that we are doing all of this for this category of worker, that we will raise them up out of poverty as a result of forcing people to pay an increase in the minimum wage, is absolutely false. The economists that came in and talked to us in our committee could never make that kind of allegation.

They tried to. They even tried to explain where they came up with an idea of \$1 over a 2-year or 3-year period of time. There is absolutely no economic benefit or no economic model they could point to saying this was the correct amount. Mr. Speaker, there was absolutely not one shred of evidence to show any of us on the committee that \$1 was right, and even the economists said, no, we do not know that \$1 is right. It has no significance. It is what you will get away with politically. It sounds good. It is a nice, round number, \$1, but it has absolutely no relevance to any economic theory. Nobody could ever show us that it was important or that it mattered in the total scheme of things. It was just a nice round number.

Do Members know what, that is what this whole idea of increasing the minimum wage is, is just a nice-sounding thing that we can go home with and explain that we have done something so good for the poor. In fact, we have done absolutely nothing.

The idea that the government knows best how much money anybody should make for any particular job is idiotic. I will fully admit that I do not know what anyone should make in this economy. I do not know what the smallest minimum wage should be, or the highest. I admit that, because there is something that is in fact important and that does make that decision. It is called the marketplace. I will trust the marketplace.

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

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

Mr. FROST. Mr. Speaker, I rise today to offer my strong support for raising the minimum wage by \$1 over a sensible 2-year period. For too long now we have pleaded with the majority to simply allow us to vote on a 2-year minimum wage increase. Apparently many Republican Members still do not understand the importance of the minimum wage to millions of America's working families.

Let us be clear about what we are talking about this evening: 11 million working Americans, 10 percent of our work force, toil for the minimum wage. To these working families, a minimum wage increase means a raise of \$2,000 a year; that is, if we raise it \$1 an hour.

Today a single mother with two children who works full-time for the minimum wage does not earn enough to make ends meet. She makes just \$10,700 annually. That is \$3,000 below the poverty line. Mr. Speaker, this is inexcusable. We are in the midst of the longest economic expansion in American history. Surely we can afford a modest increase in salaries for working Americans at the bottom of the economic ladder.

I support the Democratic alternative because working families need a raise over 2 years, not 3. Opponents of this real wage increase have again trotted out their usual arguments: "We cannot afford a minimum wage increase. A minimum wage increase will result in massive job losses for low-income workers."

Economic evidence has again debunked these well-circulated myths. The last minimum wage increase did not result in job loss. In reality, overall employment grew among low-income workers after the minimum wage increase, 9.9 million working Americans saw a direct increase in their salaries, and nearly 20 million workers, 18 percent of the work force, also got a boost in pay.

The time has come for those who pay lip service to the value of work to put their money where their mouth is. It is time to make work pay for working families.

Mr. GOODLING. Mr. Speaker, I yield 1 minute to the gentleman from Alabama (Mr. ADERHOLT).

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

Mr. ADERHOLT. Mr. Speaker, I rise today in support of increasing the minimum wage and in support of H.R. 3846. This legislation is the result of hard work by both Democrats and Republicans. I commend my colleagues on both sides of the aisle for working together to bring forth this compromise.

Despite the harsh words about this issue from some in both parties, this legislation is a good example of Congress at its best, Democrats and Republicans working together and working to do what is best for America's work-

ing families. This is what the American people expect, and quite frankly, it is what they deserve.

This legislation will go a long way toward helping many working families make ends meet. Far too many families in this Nation depend on one or more family members making minimum wage in order to pay their bills and all of their expenses.

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This legislation will give these hard-working Americans a leg up, and I urge its adoption.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. OWENS).

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

Mr. OWENS. Mr. Speaker, common sense and logic dictate that we should build into our economic policy a simple way to share in the great prosperity that this Nation is presently experiencing. A minimum wage increase is the way to share our great wealth with the people on the bottom.

At this time of great prosperity, the gap is growing ever wider between rich and poor. In New York where the rich are richest, the gap between rich and poor is greatest.

The infant mortality rate in New York is greater than anywhere else in the country. The Democratic substitute proposes a simple \$1 increase over a 2-year period, a simple \$2,000 increase in the annual pay. The best way to share the wealth and help the poor is to increase the amount of money in their paychecks.

If my colleagues care about family values, common sense dictates that they support this small increase in income. If the new compassionate conservatism is not just phony public relations, then grant this measly \$1 increase over a 2-year period.

We need improvements in all of the social safety net programs: child care, health care, more public housing, decent schools, and educational opportunity. I support more funds and more programs to deal with these very serious problems. But the best way, the most efficient way, and the most effective way to help the poor is to put more money in their paychecks.

Conservatives, step forward and show your compassion at a time when millionaires and billionaires are having their income doubled in a year, surely you can afford to give a \$1 increase over a 2-year period to the poorest people in the country.

Working families should not have to live in poverty. They go to work every day, and still they are in poverty. Even with this increase to \$6.15 an hour over a 2-year period, we will not reach the \$8 that is necessary to get out of poverty. Working families need higher paychecks. Compassionate conservatives, step forward and show your compassion.

Mr. GOODLING. Mr. Speaker, I yield 5 minutes to the gentleman from Mary-

land (Mr. BARTLETT), my neighbor across the border.

(Mr. BARTLETT of Maryland asked and was given permission to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Speaker, I would like us for a few moments to think about what raising the minimum wage means. What we are doing is telling a business that certainly they are prosperous enough to pay a dollar more an hour to their employees.

This is clearly, then, an attempt on our part to mandate something, which clearly we cannot mandate; and that is prosperity. If we can mandate prosperity, then there are some other things that I would like us to mandate. How about happiness? It is just as reasonable that we can mandate happiness as we can mandate prosperity. If we can mandate prosperity and happiness, then I am particularly interested in mandating longevity.

If we really can mandate prosperity, then why should we stop at a small dollar an hour increase? Why do we not make the minimum wage \$10 an hour or \$20 an hour. See, if we really do have the power to mandate prosperity, why should we be so miserly in the delegation of this power. Let us make it \$10 an hour or \$20 an hour.

The minimum wage is not an issue in the district that I have the honor of representing. I see signs out at sheet stores \$7.25 an hour. But I will tell my colleagues where it is important. It is important in those areas where we are cutting off the bottom rung of the economic ladder for those who need it most.

Who works for minimum wage? Young people living with their parents count for 37.6 percent of those on minimum wage. 85.1 percent of all those on minimum wage either live with their parents, are single and live alone, have a working spouse, or extended family members and nonrelatives living in the home. Only 5, let me repeat this, only 5.5 percent of minimum wage earners are single parents, and only 7.8 percent are in married single-earner families where the household may or may not include children.

What I want to do is to give all the payroll taxes back to head of family that is working on minimum wage. I want to give more than that. I have no problem helping the working poor. But what we cannot do is pretend that we can do something we cannot do, and that is to mandate prosperity.

The marketplace determines, we cannot possibly determine the value of a job. The marketplace determines the value of a job. But I will tell my colleagues what we can do is come in after the marketplace has determined the value of a job, and then we can help, we can help so that person, that family can live a reasonable life.

I need also to say that this bill is clearly unconstitutional. I carry a Constitution, and I will tell my colleagues, they can search this from front to

back, article 1 section 8 has in it all of the powers of the Congress. There is not even a hint in the Constitution that this is something that we can do. Doing this makes a mockery of the 10th Amendment, which says that if one cannot find it in article 1, section 8 the Congress cannot do it.

Minimum wage eliminates jobs. That is why my colleagues have not made it \$10 an hour or \$20 an hour because they know that eliminates jobs. This small increase will also eliminate jobs. If one makes eating in McDonald's too expensive, those jobs simply disappear. If one makes the product that is produced by a manufacturer too expensive, those jobs go to the Pacific Rim.

We do not need to hurt those that we are pretending to help by trying to do something that we clearly cannot do. Let us let the marketplace determine the value of the jobs and let us help in a lot of ways after the marketplace determines the value of the job.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. PAYNE).

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

Mr. PAYNE. Mr. Speaker, the reason the minimum wage must be increased over 2 years instead of 3 years is simple, because the increase is long overdue. The tiptoe approach that many Members of the other side of the aisle advocate is not fair for hard working men and women that find themselves at the lower spectrum of the income wage.

Just a little while ago, I received a letter from a constituent of mine that worked full time all year-round and was still significantly below the poverty line for his family of three. If my colleagues are wondering how a full-time worker in this day and age could still be below the poverty line, the answer lies in the inadequate minimum wage of \$5.15 an hour. Even a modest \$1 increase that we are debating today is not enough to lift him and his family above the poverty line. Why then should he, and the other 11.8 million minimum wage workers, have to wait 3 years for a dollar increase to take place?

The opponents of raising the minimum wage over 2 years claim that it will have a negative impact on jobs. Since the last increase in the minimum wage in 1996, 1997, the unemployment rate has dropped to its lowest level in 30 years, and an estimated 8.7 million new jobs are being created. These are not Internet jobs. By contrast, 1.2 million new retail jobs have been added, 415,000 new restaurant jobs have been added and over 4.4 million service jobs have sprung up.

How does that have a negative impact on employment? Let me leave my colleagues with this thought: Between 1980 and 1998, the average worker increased their pay by 68 percent, while at the same time, the pay for the average CEO has increased by 757 percent.

If the minimum wage had been indexed to CEO pay, it would be worth \$23 an hour. We need to cut this disparity.

We need to have a minimum wage, we should have a livable wage which is even \$8.30 an hour if we are going to take people out of poverty. We cannot continually tell people to work 40 hours a week, 52 weeks a year, a family of three, and still be in poverty. It is hypocrisy.

We have grown to the lowest unemployment rate in the history, and we had an increase in the minimum wage. Please reject the 3-year, add the 2-year, which should be a 1-year.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Hawaii (Mrs. MINK).

(Mrs. MINK of Hawaii asked and was given permission to revise and extend her remarks.)

Mrs. MINK of Hawaii. Mr. Chairman, I strongly support raising the minimum wage. This is long overdue. The last increase took effect in 1996, 1997.

A family of three, a mother and two children, making the minimum wage, earns only slightly over \$10,000 a year, \$3,000 below the poverty level. A dollar increase of the minimum wage still keeps this family in poverty.

The majority of minimum-wage earners today are women. Almost a million women earn the minimum wage, and an additional 5.8 million are paid wages between \$5.15 and \$6.15.

Currently, nine States, including Hawaii, boast a higher minimum wage than mandated by the Federal law. America must follow the call of the States and update our wage standards. Eleven million people today work for the minimum wage.

Arguments that a minimum wage increase would contribute to a loss of jobs are spurious at best, considering that the U.S. jobs grew by another 8.7 million at the pace of 240,000 jobs a month since the last increase.

Economic reports have shown that there has been no negative impact to business because of the 1996 minimum wage increase. The Economic Policy Institute documents several clear facts about the last increase. It raised the wages for 4 million workers. Seventy percent of these were adults, and 59 percent were women. Forty percent of the increase went to families at the bottom 20 percent of the income scale.

The Republican bill raises the minimum wage by spanning the dollar increase over a period of 3 years, sacrificing \$1,200 to a family desperately in need of this money. Around here, it does not sound like much, but to a family trying to scrape by on a minimum wage, this is \$400 less for the family per year than the Democratic substitute.

I urge this House to adopt the amendment that will put this wage increase effective in 2 years.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. ANDREWS).

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

Mr. ANDREWS. Mr. Speaker, I thank the gentleman from Missouri (Mr. CLAY) for yielding me this time.

Mr. Speaker, among the people who work the hardest in our country are those who make the least. Tonight we are about to vote for a long overdue increase in the minimum wage.

I appreciate the cooperation of the majority in including in this underlying legislation, legislation that I have co-authored involving the treatment of inside and outside sales employees on parity, involving the clarification of the computer professionals exemption, and involving the definition of funeral professionals.

I will vote with my Democratic colleagues who would wish to reconsider those matters in committee so that they may have a fair look at them, but I support them because I think they are the right thing to do.

I am going to strongly support the Democratic amendment to make the minimum wage increase 2 years. The people who will be most affected by that, Mr. Speaker, are not watching us tonight. They are cleaning offices. They are taking care of the elderly and the sick in nursing homes. They are involved in stores and retail. They are doing very difficult jobs for very long hours, or they are home resting after a long and weary day.

At a time of booming prosperity, lowered unemployment, and greater opportunity, it is unconscionable that we have waited this long to raise the minimum wage for our lowest paid people. To make them wait for 3 years would be even more unconscionable.

It is imperative that we pass the Democratic amendment to make the minimum wage 2 years instead of 3 and pass the underlying bill as well. It is a long overdue and a deserved raise for the hard-working people of America.

Mr. GOODLING. Mr. Speaker, I yield myself 30 seconds. I certainly was shocked and surprised to hear that the last speaker would support something in order to get rid of three things that he is either the lead sponsor or the cosponsor. He is a cosponsor of inside sales, the lead sponsor of computer professionals, and a cosponsor of funeral directors. So that was kind of a shock.

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

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Mr. CLAY. Mr. Speaker, I yield 30 seconds to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Speaker, I appreciate the endorsement of my efforts by the gentleman from Pennsylvania (Mr. GOODLING).

I would simply say that my colleagues, who wished that there had been regular order to consider these in committee, I believe, should have been given that opportunity, where I know the gentleman would have given them a fair and complete hearing.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. CROWLEY).

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

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

The House is considering a minimum-wage bill that is contingent on tax breaks. Under the guise of tax breaks for small businesses to offset the minimum wage increase, Republicans give \$122 billion in tax breaks to the wealthiest taxpayers, increasing the Federal minimum over an extended period of 3 years. Mr. Speaker, this debate should be about minimum wage. Tax relief is a separate issue.

My colleague from New York has crafted a small business tax relief bill that actually provides tax breaks to small businesses and is fully offset. However, I truly believe that today this debate should be first and foremost about giving a raise to America's lowest paid workers with tax relief for the small businesses that would be most affected.

Believe me when I say that no one can support a family, especially in my district in New York City, on \$5.15 an hour. A full-time, year-round minimum-wage worker earns only \$10.72. That is almost \$3,000 less than the \$13,290 needed to raise a family of three out of poverty, and much less than what it takes to provide any sort of comfortable existence for a working family.

Every year we do not increase the minimum wage, its current value decreases. In fact, if we do not increase the minimum wage today, its value will fall to \$4.67 by the year 2003 in inflation-adjusted dollars; \$4.67 an hour for a week's work that will only bring in \$186.80, and that is before taxes. We should think about budgeting for our own families and ask the question, could I support them on less than \$187 per week?

Furthermore, I do not believe the arguments on the other side of the aisle that any minimum-wage increase will adversely impact low-wage earners. A study by the Economic Policy Institute showed that minimum-wage increases in 1996 and 1997 did not result in job loss. Our hard-working Americans deserve better. They do not deserve to work two and three jobs to pay rent. Our economy is booming and salaries of business workers have increased tremendously.

Let us help those who are at the lowest end of the salary spectrum, those who work just as hard, if not harder than us, to support their families and make ends meet.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DAVIS).

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Speaker, as I have listened to this debate, it reminds me of Victor Hugo, who once said that there is always more misery

among the lower classes than there is humanity in the higher. It seems to me that the Republican approach to this issue further promotes the misery and suffering of the lower class and illuminates the inhumanity of the higher: huge tax breaks for the wealthy, while stringing along and stringing out those at the bottom.

Today, a working mother, full time, under the current minimum-wage law, earns a meager \$10,000 a year. Combined with recent cuts in welfare, food stamps and affordable housing, it is impossible to live on that kind of salary.

Now, I know it is difficult to understand the significance of a dollar raise when one has never had to function at that level. It is hard to know what it is like to be broke when one has always had more than what one needed. But I know full well how important a dollar raise is. In my district there are 54,000 households with incomes below \$10,000 a year and 165,000 people living at or below the poverty level. These are solid Americans, struggling to live a good and decent life.

It is time for us to listen to those who have the need. It is time to give help to the young, to the poor, to those who are disinherited, to those that life has been less than the American Dream.

I urge that we vote "yes" in support of the Traficant amendment and that we move towards a livable wage so that every person in this country can live with dignity, with pride, and the ability to pay their bills.

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

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

Mr. Speaker, in a free society one is generally paid according to their qualifications to do the job, the demand for their skills, and their dedication to doing a good job. However, H.R. 3846 has some much-needed reforms to the Fair Labor Standards Act of 1938. Let me repeat, 1938. This is the 21st century, and we are still dealing with rules and regulations and laws of 1938. These three reforms are important regulatory relief for small businesses.

Section 2 amends the Fair Labor Standards Act and updates the current computer professionals exemption from the overtime provisions of the act. The gentleman from New Jersey (Mr. ANDREWS), the gentleman from South Carolina (Mr. GRAHAM), and the gentleman from New York (Mr. OWENS) supported this legislation.

With the explosion of new jobs in the Internet industry, many positions that did not exist a decade ago are causing confusion as to the appropriate classification of these workers. This provision clarifies the existing exemption in the law. There was a lot of discussion in committee on this. The bill would specify additional duties performed by workers who have similar skills to those already exempted.

This bipartisan reform is identical to H.R. 3038, introduced by the gentleman

from New Jersey (Mr. ANDREWS), the gentleman from South Carolina (Mr. GRAHAM), and the gentleman from New York (Mr. OWENS) from the other side of the aisle.

Section 3 amends the Fair Labor Standards Act to provide increased opportunity and flexibility for sales professionals. The House passed an identical bipartisan bill in 1998 with considerable Democrat support. Sales employees who work outside of the office, traveling from customer to customer, have always been exempt from overtime requirements, but technology has left the Fair Labor Standards Act behind. Today, sales professionals can better serve their customers and be more productive using modern communications and computers to keep in touch with their customers.

There is no reason to penalize these innovative workers because they do not get in their cars to visit their customers. With the ever-increasing use of technology, the law must be updated to accommodate the changes that have occurred in the job duties and functions of an inside sales force. This exemption would only be extended to sales employees who meet strict criteria regarding job duties, compensation, structure, and minimum salary.

This section is identical to H.R. 1302, introduced by the gentleman from Ohio (Mr. BOEHNER) and the gentleman from New Jersey (Mr. ANDREWS). It is amazing. Every one of these pieces of legislation has the gentleman from New Jersey (Mr. ANDREWS) right in the forefront. All three are bipartisan pieces of legislation. This provision is also identical to H.R. 2888, which passed the House by a vote of 261 to 165 last Congress with bipartisan support.

Section 4 exempts licensed funeral directors and licensed embalmers from minimum wage and overtime requirements. The act does not specifically address the treatment of these employees. This provision will offer some clarity in this area of the law.

H.R. 793 was introduced by the gentleman from South Carolina (Mr. GRAHAM) and the gentleman from New Jersey (Mr. ANDREWS). It is identical to section 4 of this bill. What they offered is identical to section 4 of this bill.

I support these reforms that provide needed regulatory relief for employees and small businesses.

Ms. JACKSON-LEE of Texas. Mr. Speaker, today I rise in support of the Traficant/Martinez Amendment to increase the minimum wage over a two-year period, rather than the three-year period currently in this bill. I am in strong favor of increasing the minimum wage for all hardworking Americans; however, I cannot support the Republican sponsored bill—Minimum Wage Increase (HR 3846). This bill seeks to give large tax breaks to the wealthy, on the backs of working families and this I will not accept.

HR 3846 will provide a \$1 an hour increase in the federal minimum wage over three years, reaching \$6.15 by the year 2002. However, this bill will not keep pace with the inflation rate, presently 21% below the 1979 level. This

is because this measure delays and stretches out the much-needed minimum wage increase over the next three years.

Economists at the Economic Policy Institute analyzed the effects of the real value of minimum wage inequality in the overall wage structure. They concluded that for workers with less than a college education (representing approximately 75% of the total labor force) maintaining the minimum wage at its 1979 purchasing power results in a significant decline in the real hourly wage rate of those earning above the minimum.

As a consequence, women with just high school diplomas have experienced a decline in their average real hourly rate. This is just an example of the widening equality in our nation's wage structure. We must support sensible minimum wage increases.

This bill also seeks to eliminate the overtime protections that benefit many of hard working families throughout the nation. For example, this bill will exclude hi-technology employees, salespersons, and funeral directors from inclusion in the overtime calculation. Terminating overtime will encourage workers to work longer hours for less money with less time for quality family time.

In addition, the bill also permits states to "opt out" of any increase in the minimum wage above the current level of \$5.15. Thus, states could freeze the minimum wage at its current level, or provide a smaller increase than set by the bill. This measure is unacceptable, and the President rightfully will veto this bill.

Minimum wage increases are not just about dollars and cents. It is about the majority of those who live either in poor families or families in which the primary earner has low wages. We must give those who have not prospered in this age of economic prosperity a chance to provide for their families. An honest wage, for an honest day's work.

Higher wages will increase greater employee loyalty and effort at the workplace. Though an employer's payroll cost may go up, employers will gain productivity and reduced turnover, training, and recruitment costs.

The last time we increased the minimum wage was back in 1996. How can we not come together and resolve our difference? With 72% of minimum wage workers making \$15,000 a year in annual income, we must seek responsible legislation to increase the minimum wage.

I cannot support a bill that couples an inadequate minimum wage increase with large tax cuts for those who have benefited most in this economic boom. Let us not forget those who need assistance. American workers need wage increases now, and we cannot stand idly by while our citizens fall deeper into economic despair. However, I will not support irresponsible tax cuts at the expense of those who truly need a wage increase.

Mr. COX. Mr. Speaker, the New York Times has editorialized against any minimum wage at all. Their editorial was headlined: *The Right Minimum Wage: \$0.00*

Let me quote from that editorial:

Raise the legal minimum price of labor above the productivity of the least skilled workers and fewer will be hired.

If a higher minimum means fewer jobs, why does it remain on the agenda of some liberals? A higher minimum would undoubtedly raise the living standard of the majority of low-

wage workers who could keep their jobs. That gain, it is argued, would justify the sacrifice of the minority who became unemployable. The argument isn't convincing. Those at greatest risk from a higher minimum would be young, poor workers, who already face formidable barriers to getting and keeping jobs.

Perhaps the mistake here is to accept the limited terms of the debate. The working poor obviously deserve a better shake. But it should not surpass our ingenuity or generosity to help some of them without hurting others.

* * * The idea of using a minimum wage to overcome poverty is old, honorable—and fundamentally flawed. It's time to put this hoary debate behind us, and find a better way to improve the lives of people who work very hard for very little.

Tonight's debate is just as hoary as when that editorial was written—in 1987.

Indeed, this debate is so hoary that I need only to reproduce here the remarks I made in 1996 and 1989 when Congress debated this same subject.

Washington, May 23, 1996

THE MINIMUM WAGE

Mr. COX of California. Mr. Speaker, I would like to share with my colleagues some words that come from a 67-year-old woman who works at the minimum wage in Santa Ana, CA: Dear Congressman—she wrote me recently—I strongly advise you not to raise the minimum wage. In my working career, I have had a lot of under, slightly over and straight minimum wage jobs. As a single parent, I managed to raise my son without any handout from the government. Although raising the minimum wage may sound like a great humanitarian idea, it really isn't.

In the past every time minimum wages were raised, the entire national work force, plus welfare recipients, also demanded and received raises. The cost of goods and services rose to meet the higher cost of labor, and you forced me to work a lot of overtime to maintain the same buying power I had before my 'generous' raise.

I am now 67 years old and consider myself extremely lucky to have an employer willing to hire elderly people like myself. My employer is a small businessman. Recently because of the economy he was forced to raise his prices and cut his overhead just to stay in business. I took a Small Business Administration class in college, and I know that he has to match my Social Security payments, pay higher State disability and workers compensation. He and others like him will have no alternative but to close their doors and I will be unemployed.

When I lose my job, because my employer can no longer afford to stay in business, what is the government going to do about me, someone who is willing to work? How is the government going to help support me? Who is going to pay for this?

Very truly yours, Joanna B. Menser, Santa Ana, CA.

That is a personal story, but how about the big picture? How about macroeconomics, and how about the views of such institutional stalwarts of the liberal point of view as the New York Times? Some time ago the New York Times ran an editorial on the minimum wage. The headline was, the right minimum wage, zero. By that the New York Times did not mean that people should actually work for nothing. Rather, what they meant is that wages, the cost and the price of labor should be determined in a free market and in fact no one should be held to a so-called minimum wage but, rather, everyone should have the opportunity to make an increasing wage in return for higher skills and higher productivity.

Let me read from that editorial in the New York Times which was titled, *The Right Minimum Wage: \$0.00*. 'Anyone working in America,' the New York Times says, 'surely deserves a better standard than can be managed on the minimum wage.'

I think we can all agree with that.

But there is a virtual consensus among economists that the minimum wage is an idea whose time has passed. Raising the minimum wage by a substantial amount would price poor working people out of the job market, people like Joanna Menser, whose remarks we just heard.

'An increase in the minimum wage,' the New York Times wrote in their editorial, 'would increase unemployment.' Let me repeat this line from the New York Times editorial: 'An increase in the minimum wage would increase unemployment. Raise the legal minimum price of labor above the productivity of the least skilled worker, and fewer will be hired.'

If a higher minimum wage means fewer jobs, why does it remain on the agenda of some liberals,' the New York Times asked.

'Those at greatest risk from a higher minimum wage would be young poor workers who already face formidable barriers to getting and keeping jobs.'

They conclude their editorial in the New York Times as follows: 'The idea of using a minimum wage to overcome poverty is old, honorable, and fundamentally flawed.' This is the New York Times now. This is not Congressman Chris Cox from California.

'The idea of using a minimum wage to overcome poverty is old, honorable, and fundamentally flawed. It's time to put this hoary debate behind us and find a better way to improve the lives of people who work very hard for very little.'

Finally, the New York Times of Friday, April 19, just last Friday, is worth noticing here on the floor in this debate among our colleagues. Three factoids from the New York Times, Friday April 19, 1996, I commend to all of my colleagues:

Number of times in 1993 and 1994, when Democrats controlled Congress, that President Clinton mentioned in public his advocacy of a minimum wage increase: zero. Number of times he has done so in 1995 and 1996, when Republicans have controlled Congress, 47. Number of congressional hearings Democrats held on the minimum wage in 1993 and 1994: zero.

WASHINGTON, MARCH 22, 1989

DEBATING GOVERNMENT-MANDATED WAGE CONTROLS

Mr. COX. Mr. Chairman, I rise in opposition to H.R. 2 and in support of the Goodling-Penny-Stenholm bipartisan substitute which is endorsed by President Bush.

No less a liberal bastion than the New York Times has supported President Bush's arguments that the substantial increase in the minimum wage being urged here today is a bad idea. In an editorial today, the New York Times said, "An increased minimum wage is no answer to poverty."

On January 14, 1987, the New York Times—in an editorial titled, "The Right Minimum Wage: Zero," set out in great detail the arguments in favor of expanded opportunity for the working poor—and against the minimum wage. I'd like to share a portion of the Times editorial with you now, because it is right on target in this current debate.

The Federal minimum wage has been frozen at \$3.35 an hour for . . . years. . . . It's no wonder, then, that Edward Kennedy, the . . . chairman of the Senate Labor Committee, is being pressed by organized labor to battle for an increase. No wonder, but still a mistake. . . . [T]here's a virtual consensus among

economists that the minimum wage is an idea whose time has passed.

Raising the minimum [wage] by a substantial amount would price working poor people out of the job market. . . . It would increase employers' incentives to evade the law, expanding the underground economy. More important, it would increase unemployment. . . . If a higher minimum [wage] means fewer jobs, why does it remain on the agenda of some liberals? . . . Perhaps the mistake here is to accept the limited terms of the debate. The working poor obviously deserve a better shake. But it should not surpass our ingenuity or generosity to help some of them without hurting others. . . . The idea of using a minimum wage to overcome poverty is old, honorable—and fundamentally flawed. It's time to put this hoary debate behind us, and find a better way to improve the lives of people who work very hard for very little.

That is what the New York Times has said. Frankly, Mr. Chairman, I could not have put it better myself.

Finally, Mr. Speaker, I direct the attention of our colleagues to this policy statement on wage and price controls issued by the House Policy Committee on May 21, 1996.

House Republicans are committed to higher take-home pay and better job opportunities for low-income Americans. We strongly support policies to give low-income Americans increased wages and improved chances to find work. But we are against government-mandated wage and price controls that destroy jobs and hurt the economy.

President Nixon concluded, after leaving the Presidency, that the wage and price controls initiated during his Administration were a serious mistake. During much of the 1970s, the President and Congress imposed harsh wage and price controls on most sectors of the economy. These policies were disastrous for the long-term economy and failed to meet even short-term goals, instead contributing to the "stagflation"—economic stagnation coupled with runaway inflation—for which the Carter era is known. By destroying economic opportunity, these policies dimmed the American Dream for millions.

All this changed in 1981, when, as one of his first actions as President, Ronald Reagan ended the remaining Carter price controls. His action became the first element of a coordinated economic program of deregulation, the end of price and wage controls, elimination of trade barriers, an inflation-fighting monetary policy, and tax cuts to encourage economic growth and increase the take-home pay of all Americans. Ronald Reagan's economic policy ushered in the longest peacetime economic expansion in American history.

Echoing Ronald Reagan, Candidate Bill Clinton promised in 1992 to balance the budget, cut taxes for the middle class, and "grow" the economy. But once in office, he signed into law the largest tax increase in American history, stifling economic growth. In 1995, the economy grew at a sickly 1.5%. Clinton's vetoes of spending cuts insure continued deficits well into the 21st century. Then, having succeeded in implementing this tax-and-spend agenda—without a single Republican vote in the House or Senate—he sought to nationalize our health care system by placing a bureaucrat in nearly every health care decision, levying taxes on "excessive" health care benefits, and imposing price controls to ration health care for every American.

Republicans strongly opposed to Clinton's effort to impose price controls on one-seventh of our national economy. That principled opposition to government controls on

the health care system contributed measurably to the 1994 election of the first Republican Congress in 40 years.

Government should not—indeed, cannot—rationally determine the prices of labor, goods, or services for health care, energy, or any other industry in a free market economy. In the 1970s, when the federal government imposed price controls on gasoline, the result was shortages and long lines. By attempting artificially to fix the price of gasoline, government ensured we got less of it. Wage controls have precisely the same effect. "Raise the legal minimum price of labor above the productivity of the least skilled workers," the New York Times editorialized when the Democrats controlled Congress, "and fewer will be hired." Their editorial was headlined, "The Right Minimum wage: \$0.00." The politically liberal editorial policy of the New York Times caused them to ask: "If a higher minimum means fewer jobs, why does it remain on the agenda of some liberals?" Their answer: the liberal arguments aren't convincing—particularly since "those at greatest risk from a higher minimum would be young, poor workers, who already face formidable barriers to getting and keeping jobs."

Because in so many cases the minimum wage jobs that will be lost are the all-important first jobs—the jobs that give young Americans the experience, the discipline, and the references they need to move to better, higher-paying jobs in the future—an imprudent increase in the minimum wage would contribute to cycles of poverty and dependence.

Such government focus on starting wages is especially misguided since low paying, entry-level jobs usually yield rapid pay increases. According to data compiled by the Labor Department, 40% of those who start work at the minimum wage will receive a raise within only four months. Almost two-thirds will receive a raise within a year. After 12 months' work at the minimum wage, the average pay these workers earn jumps to more than \$5.50 an hour—a 31 percent increase.

In a very real sense, the minimum wage is really a starting wage—the pay an unskilled, inexperienced worker can expect on first entering the work force. Once these workers have a foot on the employment ladder, their hard work and abilities are quickly rewarded. But these rewards can only be earned if workers can find that all-important first job. Consider who earns the minimum wage. According to the Labor Department, half are under 25 years of age, often high school or college students. Sixty-three percent work part time. Sixty-two percent are second income earners. And fully 80 percent live in households with incomes above the poverty level. Even Labor Secretary Robert Reich, in a 1993 memorandum to now-Treasury Secretary Robert Rubin, admitted that "most minimum wage earners are not poor." But while undue increases in the minimum wage do little to help the poor, curtailing unskilled employment opportunities will exacerbate poverty.

Bill Clinton himself has argued against raising the minimum wage. In 1993, he called it "the wrong way to raise the incomes of low-income workers." He was right: according to Labor Department statistics, half a million jobs were lost in the two years following the last increase in the minimum wage. In the year after the minimum wage was increased, 15.6 percent fewer young men (aged 15–19), and 13 percent fewer women, had jobs. Over three-fourths of the 22,000 members of the American Economics Association believe a minimum wage increase would lead to a loss in jobs. Many estimates of the cost of raising the minimum wage exceed one half

of a million jobs lost. One such study, by Michigan State University Professor David Neumark and Federal Reserve Economist William Wascher, estimates a loss between 500,000 and 680,000 jobs.

"The primary consequence of the minimum wage law is not an increase in the incomes of the least skilled workers," liberal economists William Bumble and Clinton Federal Reserve appointee Alan Blinder recently wrote, "but a restriction of their employment opportunities." An increase would also be an unfunded mandate on every State locality in America. According to the Congressional Budget office, the minimum wage increase will cost state and local governments (that is taxpayers) \$1.4 billion over five years.

President Clinton did not raise the issue of minimum wage publicly during 1993 or 1994, when the Democrats controlled the Congress. Congressional Democrats, likewise, failed to hold even a single hearing on the minimum wage during that same period. The Democrat devotion to this issue in 1996 is entirely political—and, as the New York Times editorialized, inexplicable for liberals who care about the working poor.

The snare and delusion of wage and price controls must not distract us from the fundamental economic and fiscal policy reforms necessary to expand our economy and create good job opportunities for all Americans. A balanced budget, tax relief for workers and small business, and regulatory relief from unnecessary government red tape offer the surest means of steering our economy toward lasting growth. Comprehensive welfare reform that promotes work and breaks the cycle of dependency can go far toward restoring the natural incentives for individual responsibility and personal growth. And redoubled efforts to focus our educational resources in the classroom—where educators, parents, and students exercise control over learning rather than taking dictation from federal and state governments—can pave the way for a better trained and more employable workforce for the future.

These solid Republican policies will lead us to a better, stronger America. Wage and price controls, in contrast, are premised on the notion that government fiat can raise wages without cost—a notion that fails both in theory and in fact. It is individual initiative rather than government beneficiaries that creates wealth, jobs, and a higher standard of living for all Americans.

Mr. PAUL. Mr. Speaker, I appreciate the opportunity to explain why I oppose the H.R. 3846, a bill to raise the federally-mandated minimum wage. Raising living standards for all Americans is an admirable goal, however, to believe that Congress can raise the standard of living for working Americans by simply forcing employers to pay their employees a higher wage is equivalent to claiming that Congress can repeal gravity by passing a law saying humans shall have the ability to fly.

Economic principles dictate that when government imposes a minimum wage rate above the market wage rate, it creates a surplus "wedge" between the supply of labor and the demand for labor, leading to an increase in unemployment. Employers cannot simply begin paying more to workers whose marginal productivity does not meet or exceed the law-imposed wage. The only course of action available to the employer is to mechanize operations or employ a higher-skilled worker whose output meets or exceeds the "minimum wage." This, of course, has the advantage of giving the skilled worker an additional (and government-enforced) advantage over the unskilled worker. For example, where formerly

an employer had the option of hiring three unskilled workers at \$5 per hour or one skilled worker at \$16 per hour, a minimum wage of \$6 suddenly leaves the employer only the choice of the skilled worker at an additional cost of \$1 per hour. I would ask my colleagues, if the minimum wage is the means to prosperity, why stop at \$6.65—why not \$50, \$75, or \$100 per hour?

Those who are denied employment opportunities as a result of the minimum wage are often young people at the lower end of the income scale who are seeking entry-level employment. Their inability to find an entry-level job will limit their employment prospects for years to come. Thus, raising the minimum wage actually lowers the employment and standard of living of the very people proponents of the minimum wage claim will benefit from government intervention in the economy!

Furthermore, interfering in the voluntary transactions of employers and employees in the name of making things better for low wage earners violates citizens' rights of association and freedom of contract as if to say to citizens "you are incapable of making employment decisions for yourself in the marketplace."

Mr. Speaker, I do not wish my opposition to this bill to be misconstrued as counseling inaction. Quite the contrary, Congress must enact ambitious program of tax cuts and regulatory reform to remove government-created obstacles to job growth. For example, I would have supported the reforms of the Fair Labor Standards Act contained in this bill had those provisions been brought before the House as separate pieces of legislation. Congress should also move to stop the Occupational Safety and Health Administration (OSHA) from implementing its misguided and unscientific "ergonomics" regulation. Congress should also pass my H.J. Res. 55, the Mailbox Privacy Protection Act, which repeals Post Office regulations on the uses of Commercial Mail Receiving Agencies (CMRAs). Many entrepreneurs have found CMRAs a useful tool to help them grow their businesses. Unless Congress repeals the Post Office's CMRA regulations, these businesses will be forced to divert millions of dollars away from creating new jobs into complying with postal regulations!

Because one of the most important factors in getting a good job is a good education, Congress should also strengthen the education system by returning control over the education dollar to the American people. A good place to start is with the Family Education Freedom Act (H.R. 935), which provides parents with a \$3,000 per child tax credit for K–12 education expenses. I have also introduced the Education Improvement Tax Cut (H.R. 936), which provides a tax credit of up to \$3,000 for donations to private school scholarships or for cash or in-kind contributions to public schools.

I am also cosponsoring the Make College Affordable Act (H.R. 2750), which makes college tuition tax deductible for middle-and-working class Americans, as well as several pieces of legislation to provide increased tax deductions and credits for education savings accounts for both higher education and K–12. In addition, I am cosponsoring several pieces of legislation, such as H.R. 1824 and H.R. 838, to provide tax credits for employers who provide training for their employees.

My education agenda will once again make America's education system the envy of the

world by putting the American people back in control of education and letting them use more of their own resources for education at all levels. Combining education tax cuts, for K–12, higher education and job training, with regulatory reform and small business tax cuts such as those Congress passed earlier today is the best way to help all Americans, including those currently on the lowest rung of the economic ladder, prosper.

However, Mr. Speaker, Congress should not fool itself into believing that the package of small business tax cuts will totally compensate for the damage inflicted on small businesses and their employees by the minimum wage increase. This assumes that Congress is omnipotent and thus can strike a perfect balance between tax cuts and regulations so that no firm, or worker, in the country is adversely effected by federal policies. If the 20th Century taught us anything it was that any and all attempts to centrally plan an economy, especially one as large and diverse as America's, are doomed to fail.

In conclusion, I would remind my colleagues that while it may make them feel good to raise the federal minimum wage, the real life consequences of this bill will be vested upon those who can least afford to be deprived of work opportunities. Therefore, rather than pretend that Congress can repeal the economic principles, I urge my colleagues to reject this legislation and instead embrace a program of tax cuts and regulatory reform to strengthen the greatest producer of jobs and prosperity in human history: the free market.

Mr. WATTS of Oklahoma. Mr. Speaker, I would like take the time to express to you my significant concern over the current debate which is occurring in Washington regarding increasing the minimum wage. The impact of a \$1.00 per hour increase in the minimum wage on rural hospitals would be devastating. The impact on direct payroll alone could amount to hundreds of thousands of dollars. What is impossible to estimate is the impact that it will have on other hospital costs, for example, food costs, medical supplies, pharmaceuticals, and utilities. Where is it anticipated these funds will come from?

At many rural hospitals, over 80% of the patients they treat are beneficiaries of either the Medicare or Medicaid program. Certainly, unless reimbursement levels are increased under these programs, there is no source for providing the funds that a minimum wage increase would require. The remaining 20% of patients that rural hospitals serve are largely charity patients, for whom there is no reimbursement, or private sector patients whose reimbursement is fixed under managed care agreements.

The minimum wage issue is a glaring example of the concerns which are frequently expressed about unfunded mandates—Congress cannot continue to impose higher levels of cost on rural hospitals without increasing reimbursements under the Medicare and Medicaid programs by a like amount. Continuing to proceed with unfunded mandates will simply bring about the demise of rural health care, unless some method of relief is instituted.

Our rural hospitals have suffered enough. Before casting your vote on the minimum wage bill, I urge my colleagues to contact your rural hospitals to hear first hand the devastating impact an increase in the minimum wage would have upon them.

Mr. SMITH of Texas. Mr. Speaker, raising the minimum wage is touted as a way to help many blue-collar workers. And there are millions of others who earn more than the proposed minimum wage increase but who still struggle to make ends meet.

Reform of our immigration policies would help all these workers.

Each year, almost a million legal immigrants enter the United States. Of these, about 300,000 lack a high school education. This policy destroys the opportunities of American workers with a similar education level.

Our immigration policy should create opportunities for those in the workforce. But it does the opposite.

The National Academy of Sciences concluded in a study that competition from immigration was responsible for "about 44 percent of the total decline in relative wage[s] of high school drop outs."

The Center for Immigration Studies calculated that "immigration may reduce the wages of the average native in a low-skilled occupation by . . . \$1,915 a year." It concluded that: "Reducing the flow of less-skilled immigrants who enter each year would . . . have the desirable effect of reducing job competition between more established immigrants and new arrivals for low-wage jobs."

The RAND Corporation reported that in California, "the widening gap between the number of jobs available for non-college-educated workers and the increasing number of new non-college-educated immigrants signals growing competition for jobs and, hence, a further decline in relative earnings at the low end of the labor market."

The U.S. Commission on Immigration Reform, chaired by former Congresswoman Barbara Jordan, found that "immigration of unskilled immigrants comes at a cost to unskilled U.S. workers . . ."

The Brookings Institution published a paper concluding that "immigration has had a marked adverse impact on the economic status of the least skilled U.S. workers . . ."

Think of a single mother barely surviving in a minimum wage job who sees her annual wages depressed by \$2,000 because she must compete with more and more unskilled immigrants. She might even be a recent immigrant seeking a better life for herself and her children. Or think of the recent welfare recipient struggling to keep his first job.

Think what they could do for themselves and their children with that lost money—buy a used car, put a down payment on a modest home, fix the furnace before winter comes. Or think what will happen if they actually lose their jobs because of the never-ending competition from new arrivals.

The \$1,915 reduction in wages that competition with immigrants costs low-skilled workers equals a \$1 increase in the minimum wage.

To be certain, it is not the immigrants themselves who are to blame and who understandably want to come to America. But who knows how many people have been hurt by the unintended consequences of our outdated immigration policy?

No one should complain about the plight of the working poor or the persistence of minority unemployment or the levels of income inequality without acknowledging the unintended consequences of our present immigration policy and the need to reform it.

Mr. VENTO. Mr. Speaker, I support a raise in the minimum wage. The fact of the matter is that this is an issue on which we can no longer drag our feet. Each month that passes without a minimum wage increase means another paycheck that falls short of keeping hard working people out of poverty.

However, there are some provisions in the Republican bill which concern me greatly. Therefore, I support both of the Democratic amendments being offered to this legislation which would rectify language I find troublesome. The first amendment would strike the provision of the bill that permits states to opt-out of any increase in the federal minimum wage above the current level of \$5.15 per hour. The opt-out language included in the bill is simply an underhanded method of undermining an increase in the minimum wage. Hard working people can't "opt-out" of living in poverty; states should not be able to effectively ignore this initiative by opting out of paying a decent wage.

The second amendment would mandate that the \$1 increase would take effect over two years rather than three. Let's be frank, raising the minimum wage by \$1 is helpful, but still only restores the purchasing power of this wage to what it was in 1982. Making workers wait for three years rather than two to actually reap the benefits of this raise is almost adding insult to injury, working people need—and deserve—to see a prompt implementation of this legislation.

Unlike many other legislative initiatives, raising the platform for workers' wages would actually benefit those who need it most. Fifty-seven percent of the gains from the last minimum wage increase assisted families at the bottom 40 percent of the income scale.

Many of the arguments that we have heard repeatedly from those who are against raising the minimum wage simply do not hold water. Opponents of this legislation maintain that teenage workers are the only people to benefit from a raise in the minimum wage. However, 70 percent of minimum wage workers are over the age of 20, and 40 percent are the sole breadwinners in their families. Therefore, this myth should be put to rest so that we can finally focus on helping working families.

Beyond the purely financial hardships faced by minimum wage earners, we can not forget the cultural and family ramifications as well. The work schedules maintained by parents in many households erode time and attention they could be spending on their children. Despite working longer hours and sending more family members into the workforce, minimum wage workers are increasingly less able to hold onto what were once considered the essential elements of a middle class life. I'm not talking about extravagant living, but rather comfortable economic survival—a roof over your head, some food on the table, and the ability to spend quality time with family.

Simply stated, the disturbing trend of the wealthiest Americans grabbing the lion's share of income gains must be put to an end. Raising minimum wage is a much needed, positive step toward closing the income gap. It is time that the workers who are largely responsible for the day to day operations to finally get fair compensation for their hard work.

Mr. STARK. Mr. Speaker, I rise today in opposition of H.R. 3846, the GOP's feeble attempt to raise the minimum wage and H.R. 3081, the Wage and Employment Growth Act.

I cannot support this half-hearted gesture that gives our lowest-paid workers a mere \$1 per hour increase over three years when the Democratic alternative would have offered these workers \$1 per hour increase over a two-year period and would have eliminated the top-heavy Republican tax cuts. Unfortunately, the leadership did not allow for debate and a vote on the Democratic alternative. The Wage Growth and Opportunity Act is a misleading title. This bill actually gives tax breaks to the wealthiest Americans but is disguised as offsetting the effects of a minimum wage increase on small businesses. I will not support this misleading and reckless bill.

Studies have shown that increasing the minimum wage does not have a discernable impact on small businesses as some would have you believe. But given that the sponsors of the tax proposal want the American taxpayers to believe that a minimum wage increase can hurt small businesses, then we must scrutinize the bill on the floor of the House today.

H.R. 3081 does little for small businesses but does much for the wealthiest one percent of Americans. While the GOP intends to prolong a minimum wage increase, and thus lower the benefit from an increase, it also wants to provide \$123 billion in tax breaks to the wealthy. It does this through estate tax relief for the wealthy and pension changes that benefit those who contribute \$10,000 per year to their 401(k) plans.

Nearly 65 percent of H.R. 3081 is dedicated to reducing the estate tax for all estates. Only a small fraction of estate taxes are paid on small businesses included in estates. This bill has little bearing on small businesses and has nothing to do with the minimum wage. The estate tax provisions in this bill are targeted to wealthy individuals who don't even own small family businesses. I'd hardly consider Microsoft a small business, yet Bill Gates will reap a \$6 billion tax break from H.R. 3081.

We still don't have a Medicare prescription drug benefit for seniors, yet our legislative leadership is asking Congress to squander billions of dollars on those who don't need it. We also don't have a plan in place to shore-up Social Security for future retirees. I suggest to my colleagues that we take a close look at our legislative priorities prior to enacting such irresponsible tax cuts.

The tax cuts proposed today grow over time and are permanent. The minimum wage bill is not permanent and does not grow with the rate of inflation. The Republican tax bill over ten years is nearly eleven times greater than their proposed minimum wage increase. Clearly, the tax bill before us today is a gift to the wealthy at the expense of our minimum wage workers and seniors.

I urge my colleagues to defeat the GOP minimum wage and tax bill and give minimum wage workers \$1 per hour increase over two year, not three.

Mr. EVANS. Mr. Speaker, I rise today to urge my colleagues to stand up for America's working families.

Today we will vote on a measure that will affect millions of people across America. Unfortunately, the Republicans want to use this opportunity to instantly give another tax break to the wealthy and make working families wait three years for a complete increase in the minimum wage.

The Republicans will do anything they can to avoid raising the minimum wage. Last year,

even while they raised their own pay, they refused to allow a vote on a measure to raise it. This year, the Republicans say they will raise the minimum wage one dollar over three years, but only if they can hand out \$122 billion in tax breaks skewed to the most affluent in our society.

Instead of letting Democrats introduce a tax substitute which provides more relief to family farms and small businesses, the Republicans are standing behind a bill which would give the top one percent of all taxpayers almost three-quarters of the tax reduction. As a co-sponsor of the Small Business Tax Relief Act, I am proud to say that, under our bill, family farms and small businesses worth up to \$4 million would pay no estate tax at all.

I urge my colleagues to support the Democratic Small Business Tax Relief Act and to enact a minimum wage increase over two years. It is time to take care of America's working men and women.

Mr. SANDLIN. Mr. Speaker, I rise today in strong support of increasing the minimum wage. A real increase in the minimum wage is long-overdue. In a period of unprecedented economic expansion, every worker should reap the benefits of the booming economy. The real issue here is a much-deserved minimum wage hike, and Congress must ensure that every minimum wage worker receives the increase our economy can surely afford.

The Fair Labor Standards Act (FLSA) sets the current minimum wage at \$5.15 per hour. This is unacceptably low. At \$5.15 per hour, a minimum wage worker who is employed 40 hours per week for 52 weeks will earn a mere \$10,712 a year. This is approximately \$1,000 below the poverty level for a family of two. We cannot continue to sit idly by while working families struggle in a growing economy. Increasing the minimum wage to \$6.15 per hour will help fulfill our moral obligation to working people—the obligation to pay a living wage.

Mr. Speaker, the global strength of the United States and the strength of our economy is due to the strength of our labor force. Full-time, working families should not be allowed to fall below the poverty level. It is time that we give the workers who help run this nation and fuel our economy just compensation for their work.

Beyond this, the need to pay a fair minimum wage to the average American worker is crucial to the overall success of our country's economy. Since the last minimum wage increase in 1996, the economy has created new jobs at a pace of over 250,000 per month; the inflation rate has been cut nearly in half; and the unemployment rate has fallen to 4.4 percent. By raising the minimum wage, we will give monetary merit to the workers who are responsible for this unprecedented growth and increase their purchasing power.

The impact from the last minimum wage increase is clear: 10 million workers got a raise, and there is no evidence that jobs were lost. Furthermore, economic studies find no negative effect of the minimum wage on employment. In fact, recent research has even suggested that higher wages can increase employment because they improve employers' ability to attract, retain, and motivate workers. Finally, recent increases in the minimum wage have helped reduce the welfare caseload by increasing the incentive to work.

While I do not believe that an increase in the minimum wage should have to be tied to

a tax cut, I do support the provisions of this particular small business tax package. Specifically, this bill contains important estate tax relief for small business and family farms. I have fought for repeal of this egregious tax since I came to Congress, and I am happy today to finally see some meaningful relief.

In addition to estate tax relief, this bill would increase contribution and benefit limits for retirement plans, enabling more Americans to save for their future. It also increases business meal deductions to 60% and accelerates the 100% deduction for health insurance for the self-employed and increases the deduction for the purchase of business equipment. Perhaps one of the most important provisions of the tax portion with regard to small businesses is the repeal of a current law prohibiting businesses that use accrual accounting methods from selling assets in installments and spreading out their tax liability. Unfortunately, this provision was part of a larger tax relief bill passed last year and has proven to be detrimental to small businesses. As a cosponsor of H.R. 3594, the Installment Tax Correction Act, legislation which would repeal this penalty, I am happy to lend my support to this important provision. Finally, the tax portion of today's bill would also authorize the creation of fifteen new "renewal communities" that would be eligible for various tax breaks and would increase the low-income housing tax credit.

Mr. Speaker, the critical issue at stake today is a much-needed increase in the minimum wage. The minimum wage plays an important role in ensuring that all workers share in the growing economy, and there are numerous reasons for an increase. I call on my colleagues today to support this much-needed legislation and help ensure that no working American will have to live in poverty.

Mr. COYNE. Mr. Speaker, I rise today in support of a minimum wage increase over two years and in opposition to an unjustifiable tax break.

Mr. Speaker, the minimum wage has significantly improved the quality of life for American Working families. And yet, the majority of Republicans in Congress have consistently opposed or worked to eviscerate the minimum wage.

Today we see Congressional Republicans bowing to significant pressure to raise the minimum wage—but offering a minimum wage bill that as their leadership recently acknowledged, raises the minimum wage as little as possible over the longest possible period of time. It would also provide numerous exemptions for certain categories of workers and allow states to opt out of the minimum wage increase. I find such an attack on America's working families to be indefensible.

That is bad enough, but the Republican House Leadership will also attempt to either kill or take advantage of a minimum wage bill by linking it to a tax package, provides that \$122 billion in tax breaks to some of the wealthiest families in the country. Three quarters of the tax breaks in this bill would go to the one percent of the American people with incomes of more than \$300,000. If that is not class warfare, I don't know what is.

The bill's supporters argue that the tax breaks are necessary to offset the cost to small businesses of increasing the minimum wage. Since the Republican proposal provides eleven dollars in tax cuts for every one dollar in increased wages, that argument rings false.

Moreover, the Republican tax package is back-loaded, which means that the bill's impact on the federal budget will not be fully felt for many years to come. It puts another massive dent in the projected budget surplus before Congress has adopted a plan to save Social Security, a plan to preserve Medicare, a plan to provide a Medicare prescription drug benefit, a plan for paying down the national debt, or even a budget plan for the coming fiscal year. While the substance of the tax bill is unacceptable, the timing of this tax cut is inexplicable.

I urge my colleague to reject this unwise approach. Let's pass a clean minimum wage increase—or barring that, let's pass a tax break package that helps the struggling "Mom and Pop" businesses on Main Street, not the folks already living on Easy Street. I urge my colleagues to vote against the bill and in favor of a motion to recommit with instructions.

Mr. DINGELL. Mr. Speaker, I rise today to express my strong support for giving the American people a raise. I share the belief of millions of Americans who strongly believe anyone who works hard should be rewarded by receiving wages that not only allow them to subsist and survive, but to feed, clothe, house and support their families. Working Americans should not have to live in poverty or turn to federal assistance to subsist. The simple idea that hard work should be rewarded is a fundamental American value. I would note a recent ABC news poll shows 83 percent of Americans support a higher minimum wage.

Mr. Speaker, the minimum wage must keep pace with the changing value of the dollar. The value of today's minimum wage is 21 percent less than it was in 1979. At a minimum, it is time to raise the minimum wage by \$1.00 over two years. In my opinion, it should be raised higher still. Raising the minimum wage to \$6.15 over two years simply restores the value of the minimum wage to 1982's level.

Currently, a full-time minimum wage worker earns \$10,700 per year \$3,200 below the poverty level. Forty percent of minimum wage workers are sole breadwinners for their families. The Traficant-Martinez amendment would directly benefit nearly 10 million workers nationwide, 400,000 in Michigan alone.

The Republican leadership has worked hard to prevent a real minimum wage increase, tying the minimum wage to a fiscally irresponsible tax cut the President has promised to veto. In place of a helpful wage package, they also have offered a watered down minimum wage increase that provides little immediate assistance to workers and, for some ludicrous reason, allows states to opt out. These deceptive attempts to dupe the American public only shortchange those Americans at the bottom of the pay scale and help corporate businesses and special interest groups. Mr. Speaker, let's not play politics with hard working Americans' salaries. Let's give workers a real raise.

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

The SPEAKER pro tempore (Mr. HASTINGS of Washington). All time for general debate has expired.

It is now in order to consider amendment No. 2 printed in House Report 106-516.

AMENDMENT NO. 2 OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Speaker, I offer an amendment.

The SPEAKER pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. TRAFICANT:

Amend section 1 to read as follows:

SECTION 1. MINIMUM WAGE.

Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

“(1) except as otherwise provided in this section, not less than—

“(A) \$5.15 an hour beginning September 1, 1997,

“(B) \$5.65 an hour during the year beginning April 1, 2000, and

“(C) \$6.15 an hour beginning April 1, 2001;”.

The SPEAKER pro tempore. Pursuant to House Resolution 434, the gentleman from Ohio (Mr. TRAFICANT) and a Member opposed each will control 15 minutes.

Does the gentleman from North Carolina (Mr. BALLENGER) seek time in opposition?

Mr. BALLENGER. Yes, Mr. Speaker, I am opposed to the amendment.

The SPEAKER pro tempore. The gentleman will have the time in opposition.

The Chair recognizes the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. MARTINEZ), the coauthor of this amendment, and as he walks down the aisle, I want to thank him for coming to my district some 15 years ago and helping to save many family homes in my valley. I consider the gentleman to be one of the great Democrats in the House, and I am proud to have him as a co-author.

Mr. MARTINEZ. Mr. Speaker, I thank the gentleman from Ohio (Mr. TRAFICANT) for his kind remarks.

Mr. Speaker, I rise today to join my colleague in Ohio in offering an amendment that will raise the minimum wage by \$1 over 2 years.

The last time Congress raised the minimum wage was back in 1996. This amendment raises the minimum wage in two steps, the first is to \$5.65 an hour beginning April 1, 2000 and the second is to \$6.15 an hour beginning April 1, 2001.

Let me put it in simple terms, Mr. Speaker. A \$1 increase in the minimum wage is enough for a family of four to buy groceries for 7 months or pay rent for 5 months. Now, one of my colleagues said we are trying to promote prosperity and happiness. I can tell my colleagues that we are not trying to promote prosperity; but for sure, coming from a poor family, I can say that when there is a little more on the table, or the landlord is not knocking at the door for the rent, yes, it brings a lot of happiness.

Now, I would have preferred that we were debating a clean minimum-wage bill, one free of special-interest exemptions, but reality dictates otherwise. American men and women cannot and should not have to wait any longer for

Congress to provide them with a living wage. This increase is long overdue. It is unacceptable to delay the American worker this pay raise even one additional year. A 3-year increase, as proposed by the bill, would cost a full-time, year-round worker more than \$900 over 2 years. Now, \$900 may not sound like a lot of money to Members of Congress, but to millions of Americans who make a minimum wage, it can sometimes make the difference in raising them above the poverty level.

America has achieved the longest period of economic growth in our entire history, Mr. Speaker. It is time, with the lowest unemployment rates in 30 years, with the lowest poverty rates in 20 years, that we provide a decent wage to working men and women, the very people who made this economic growth possible. Why must these people, these men and women, wait for even 1 more year?

There are nearly 12 million American workers who depend on us today to do the right thing. Will we do the right thing and provide them with a step up to a better future for their families and their children? Will we provide these families a chance to pursue the American Dream? Mr. Speaker, it is embarrassing for the richest Nation in the world, the most powerful Nation in the world, the most advanced Nation in the world to have a minimum wage that falls below the level needed to keep a family out of poverty.

I urge every Member, and I especially urge Members on the other side of the aisle, to show that compassion that I know they can show and take a stand for working families in this country.

Mr. BALLENGER. Mr. Speaker, I yield myself such time as I may consume, and I rise in opposition to the amendment of my good friends, and I would like to apologize to them ahead of time.

We have heard so much discussion today from the proponents of the increase about a higher minimum wage lifting the working poor out of poverty. But the proposed increase will have little impact on low-income families because few workers actually support families under the minimum wage. The minimum wage is typically paid to individuals who are just entering the workforce, the overwhelming majority of whom are young, single, and childless.

According to the statistics, or the data that we get from the U.S. Census Bureau, 37 percent of those who benefited from the last-minimum wage increase were young people living with their parents.

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Some 85 percent either live with their parents, or are single and childless, or living alone, or have a working spouse. Only one in ten minimum wage earners is trying to support a family. In reality, the minimum wage is a poorly targeted issue for anti-poverty as a tool.

The proponents of a higher minimum wage increase seem to suggest that entry-level employees work for years without a wage increase. But according to recent research, the vast majority of those who start at the minimum wage do not remain there long. Nearly two-thirds of minimum wage workers move above the minimum wage within one year of working. The majority of minimum wage workers use entry level positions to gain experience and acquire the skills necessary to move ahead in better paying jobs.

Those employees who do not quickly advance beyond the minimum wage tend to be the least skilled, the least educated, and the least experienced workers. Typically, those are the most vulnerable in terms of losing their jobs or having their hours of work reduced. Research has shown that the minimum wage increases shift many jobs from low-skilled adults to teenagers and students.

Mr. Speaker, I urge my colleagues to oppose this amendment. Increasing the minimum wage is an ineffective way of helping those in need. It is not well targeted at poor families. And while it benefits some individuals, it will clearly harm others by lessening employment opportunities.

For the 25 percent of low-wage workers whose families are poor, hiking the minimum wage too quickly may do more harm than good. Minimum wage increases cause price increases that disproportionately affect the poor.

We also heard testimony regarding the disemployment effects of the higher minimum wage. Witnesses concluded that the net effect of the minimum wage is to increase the proportion of families that are poor.

In addition, Chairman Greenspan has testified before Congress that the wage inflation that we may have could derail the booming economy. The hallmark of the economic good times we enjoy today has been low inflation. Raising the minimum wage will contribute to raise inflation at the same time as the Federal Reserve is raising interest rates to contain the deleterious effects of wage inflation.

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

Mr. TRAFICANT. Mr. Speaker, might I inquire how much time is remaining on each side?

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The gentleman from Ohio (Mr. TRAFICANT) has 1½ minutes remaining. The gentleman from North Carolina (Mr. BALLENGER) has 12 minutes remaining.

Mr. TRAFICANT. Mr. Speaker, I yield 1 minute to the dynamic gentleman from California (Ms. WATERS).

Ms. WATERS. Mr. Speaker, now I know why we are here trying to convince some of the Members on the other side of the aisle that we should allow a \$1 raise over a 2-year period of time. They really do not understand.

The gentleman from North Carolina (Mr. BALLENGER) just told us that there

are no real people out there who are working for a minimum wage that are taking care of families. He said they are teenagers and they are people just starting in the workplace.

Well, I do not know what he knows about home health care workers, people who do some of the toughest work who make minimum wages. I do not know if he knows that many of the people who serve food in our restaurants, waiters and waitresses, make minimum wage. I do not know if he knows what is happening in the nursing homes, where they are taking care of the sick and the elderly, that many of them are on minimum wage. I do not know if he knows that the airport safety workers who check us when we go through the metal detectors are making minimum wage. He does not know that they are elevator operators.

Well, now I know why we must tell this story over and over and over again. They are ignorant of the facts.

Mr. BALLENGER. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I do not know how many people here have ever worked at the minimum wage. I did when it was 65 cents an hour.

I would like to mention, in fact, that in every one of the cases that the gentlewoman from California (Ms. WATERS) mentioned, all of these are going to result in cost increases.

Take day-care. I checked this out at home. The day-care workers that we have started on the CEDA program and they are now up to \$7.50 an hour, \$8 an hour. If we raise the minimum wage, do not tell me that they are still able to charge the same price for day-care.

So anybody that uses day-care, anybody that uses those services for the elderly, they are going to all suffer from the increased costs.

The SPEAKER pro tempore. The gentleman from North Carolina (Mr. BALLENGER) has 11½ minutes remaining. The gentleman from Ohio (Mr. TRAFICANT) has 10½ minutes remaining.

Mr. TRAFICANT. Mr. Speaker, I yield 1 minute to the dynamic gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, I rise in strong support of the 2-year increase in the minimum wage.

Working men and women deserve an immediate increase in the minimum wage from a meager \$5.15 to \$6.15 an hour. During these times of unprecedented economic prosperity, we should do nothing less.

What we really should be talking about, though, is a livable wage, a living wage, which in Northern California, for example, is \$14 an hour.

I also oppose the Republicans' proposal for the tax cut because \$123 billion will go to the wealthiest of Americans. This is wrong. Why should the rich get a tax break while America's lowest wage workers continue to struggle each and every day to make ends

meet? We should be supporting our lowest wage individuals.

The Republican plan ignores these hard-working men and women. When in the world are we going to begin to close these huge income disparities in our country? Income inequality should not exist in a country such as America.

Let us be fair to working men and women. Let us raise the minimum wage as soon as possible. At least we should raise it within 2 years.

Mr. TRAFICANT. Mr. Speaker, since I have more speakers, will the gentleman from North Carolina (Mr. BALLENGER) yield some of his time to me as a courtesy?

Mr. BALLENGER. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Speaker, I want to thank my distinguished friend from North Carolina for that gesture. He has always been fair. Even though we disagree on this, we agree more often than not; and I thank him.

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New York (Mr. BOEHLERT).

Mr. BOEHLERT. Mr. Speaker, I rise in strong support of this amendment to raise the minimum wage by \$1 over 2 years.

In this era of unprecedented prosperity, we should be both willing and able to ensure that workers are not left behind.

Now, I have no doubt that we are able to provide this increase. We live in a wealthy Nation that is in its economic prime, 110 consecutive months of growth in our economy. We live in a Nation in which enterprises are starting all the time, in which top executives are compensated with almost unimaginable sums of money. Sixty-three new millionaires a day are being created in the Silicon Valley alone. Study after study has shown that the minimum wage does not cost jobs.

So there is no question that we are able to provide this increase. The only question is whether we are willing to do so. And the answer ought to be a resounding "yes."

For more than 60 years, the minimum wage has protected the Nation's workers and, in doing so, has helped the Nation's economy and society as a whole. But the minimum wage has not kept up with inflation and, in relative terms, is more minimal than ever.

We should not be abandoning hard-working people, people who often work long hours in dangerous jobs, at a time when most Americans are doing so well.

The people at the top of the economic ladder are enjoying this record prosperity. What about those at the bottom end? Can we not lift them up? I think the answer should be clearly "yes."

So I urge my colleagues to support this amendment. It is moderate, it is affordable, and it is the right thing to do.

Mr. BALLENGER. Mr. Speaker, I yield such time as he may consume to

the gentleman from Colorado (Mr. TANCREDO).

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

Mr. Speaker, what we are contemplating here in changing the minimum wage is in one sense I think unacceptable. I have already expressed my concerns about doing this audacious thing to believe for just a moment, even a second, that we in this body know what is the right amount of money to pay anybody for anything for any job that they do, but now we are contemplating doing even more damage by reducing the number of years in which this would occur.

Increasing the minimum wage from \$5.15 to \$5.65 or \$6.15 an hour over 2 years, as has been proposed, would be unparalleled. It would amount to a 44.7 percent increase in the minimum wage, or \$1.90 per hour since 1996, when the minimum wage was \$4.25.

Congress has never raised the minimum wage by more than \$1.05 per hour over a 5-year period, and that \$1.05 an hour hike occurred between 1978 and 1982, when inflation was increasing by an average of 9.8 percent per year, far more than the 2.5 percent average rate over the last 5 years.

Now, these are facts. These are economic facts. But I do not expect them to carry today. Because, of course, this entire debate is not over economic facts. It is over emotion and what feels good to many of our colleagues here, their ability to say again that we, this royal "we" have somehow increased the minimum wage, when, of course, we are not doing anything but forcing somebody else to pay an increase in the minimum wage, not us, not the Congress, are forcing employers to do that.

And so, it is in a way senseless, I suppose, to try and argue statistics and facts. The fact is, as has been pointed out more than once, that most of the people who will actually benefit from such an increase are not those people most in need, not the "working poor." They will not be the beneficiaries of this move.

But it does not matter. It would not matter I think frankly if not a single person in America who was accurately classified as the "working poor" were the beneficiary of this particular piece of legislation. If not a single one of them benefitted, we would still do this. And the reason, of course, is because it sounds good, it plays well. We know that.

We know exactly what happens when you take polls on this issue and you say to the general public, How do you feel about raising the minimum wage? Do you not think it is only right that somebody should be making x number of dollars an hour? And the response is always, oh, of course, sure, absolutely. Because, of course, there is no real understanding of the economic impact of something like this.

Does anybody really think that this does not have them in the slightest in-

flationary tendency or impact? I mean the big "I" word, the thing that scares everybody to death that sends the stock market into tailspins every time Mr. Greenspan even mentions it, "inflation." "Inflation." But we are doing something here, of course, that is, in fact, inflationary. It does not matter. It will not matter because those kinds of arguments will not hold the day.

I know that. I know where this bill is heading. I know where the votes are. But I have to plead with my colleagues to think carefully about the steps they take. Because now we are not just talking about making a huge mistake in, quote, increasing the starting wage, as if we knew that a dollar an hour over any period of time, a year, 2 years, 3 years, 5 years, as if we knew that that was right. That is what is amazing about this. We argue it as if we have some understanding of what this meant, of some internal mechanism in our own minds that says, yes, of course we know that there is some economic reason for us to do this, that the economy will prosper, that everybody will be better off as a result of this. But this is absolutely false, my colleagues, totally false.

As mentioned before, even when we asked the most prestigious members of the academy, economists from all over the country who came to testify, in favor of increasing the minimum wage, by the way, they were not hostile witnesses in the committee, but when we asked them, on what basis did you arrive at the conclusion that a dollar was right, they said, there is no basis.

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There is absolutely nothing. It is just a good, round number. There is no economic reason for this. There is not even a moral justification for it. Because, as I say, we will not be improving the lives of the people that we have heard so much about on the floor of the House today. In fact, we may be doing damage to them. But we do not know that because, of course, we are trying to be the unseen hand in the market. We have made this assumption about the fact that we know exactly how to adjust the marketplace between an employer and employee.

I do not doubt for a moment that there are people out there working for perhaps less than they are worth, and I certainly do not doubt for a moment that there are people out there working for more than they are worth. We have heard all about these people, heads of companies making these outrageous sums of money as if this has any relevance whatsoever to this particular piece of legislation. It of course does not.

But just as we can concede that we do not know what is right for the highest wage earners to make, it is appropriate for us to concede that we do not know what is right for the lowest wage earners to make. We simply do not know that. Let us confess it. Let us tell the people the truth. We do not know if

a dollar is right over a year, over 2 years, over 3, over 4, we have no idea. It sounds good, so, therefore, we are going to propose it.

Mr. TRAFICANT. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. MARTINEZ), my co-author, to respond to the previous speaker.

Mr. MARTINEZ. Mr. Speaker, I do not challenge the gentleman from Colorado's figures. They are probably accurate. But his logic is a little skewed. Every year the cost of living goes on and almost every other wage earner is guaranteed at least that cost of living increase, whether he works for an organized shop or not. But the fact is, that if the cost of living keeps going on, and you do not raise the minimum wage, that minimum wage is going to buy less than what it bought last year and the year before and the year before and so that eventually they are going to be living in poverty, worse than they are now.

The fact is, that we need to understand the premise of a minimum wage is to make sure people do not starve to death. That is what it is. All we are doing is trying to provide them with somewhat of a livable wage. If what you are saying is allow the marketplace to determine, that does not even determine, because an employer himself determines.

Every employer, and I was in business, there are other costs that go up, cost of materials to produce your product, cost of operations in your facility if it is a service facility that make the price of your service go up; and you have to increase that to keep up with that. It is no different with the wage.

Mr. TRAFICANT. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Ohio (Mrs. JONES), a dynamic young Member from the Cleveland area, doing a great job replacing Lou Stokes, one of our greatest.

Mrs. JONES of Ohio. I thank the gentleman from Ohio (Mr. TRAFICANT) for that warm introduction.

Mr. Speaker, I rise in support of this amendment. At a time when our economy is at its best, why not give those at the bottom of the economic ladder an opportunity to eat a piece of the bountiful pie? Currently, a full-time minimum-wage worker makes \$10,920, out of which they must pay all of their expenses. One dollar over 2 years is not all we would like to have, but it is better than having it over 3 years.

I guess very few Republicans make minimum wage. Otherwise, they would be screaming on the floor like we are protesting like the Democrats. We are telling these families, buy your children food. No, wait, wait 3 years, you can buy food in 3 years. No, wait, buy your children shoes in 3 years. No, wait, get the medicine you need over 3 years. Do not even try and drive a car because gasoline has increased over the last 6 months more than we are offering an increase in the minimum wage. Bread costs the same for minimum

wage workers. How do they buy it? Eggs cost the same for minimum wage workers. How do they buy it? Meat costs the same for minimum wage workers. How will they buy it?

The economic fact is that people are underpaid at minimum wage. The economic fact is they need more to buy clothing, to buy shoes; and let us not even think about health care, which they do not get on minimum wage. I urge my colleagues to vote in support of this amendment.

Mr. TRAFICANT. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. SHERWOOD).

Mr. SHERWOOD. I thank the gentleman from Ohio for yielding me the time.

Mr. Speaker, I rise today in support of the amendment to increase the Federal minimum wage by \$1 over 2 years. Our Nation's economic expansion came a little late to the 10th Congressional District of Pennsylvania. Unfortunately, we have too many working Americans in my district for whom the struggle to afford housing and other basic necessities is a formidable challenge. That is why I made a commitment to support a minimum-wage increase.

Since last fall, I have been working with my colleagues on both sides of the aisle to bring about an increase in the minimum wage. The Bureau of Labor Statistics found that 4 million workers in America earn \$5.15 an hour. I have too many of those workers in my district, and their families are working three jobs to support the family.

Just yesterday, the U.S. Department of Labor issued a report on our Nation's workers' productivity. In the fourth quarter of 1999, both the business sector and the nonfarm sector saw productivity rises which were the largest since the fourth quarter of 1992. Manufacturing productivity rose at a 10.3 percent annual rate. Our economy has enjoyed 20 consecutive years of labor productivity. I believe now is the time for a Federal minimum-wage increase. It has been more than 2 years since we did this.

I am aware that businesses, and I was a businessman for 30 years, particularly those in the restaurant and the retail industries, will face higher labor costs. For that reason, I supported the Small Business Tax Fairness Act of 2000. That includes several key provisions to provide the needed tax relief to keep these small businesses going, which have been the engines of our economic growth.

Mr. Speaker, it is time to let a little of our unprecedented prosperity down to the people that work the hardest for their wages.

Mr. TRAFICANT. Mr. Speaker, I yield 1½ minutes to the gentleman from Mississippi (Mr. TAYLOR), a good friend and a powerful fighter for the military second to none.

Mr. TAYLOR of Mississippi. Mr. Speaker, there is a line from a very popular song, "Harvest for the World."

It keeps asking the question rhetorically, why do those who pay the price come home with the least?

When it came time to balance the budget this year, it was done at the expense of the men and women in uniform. They delayed their pay by 2 days. Again, for a Congressman, no big deal. For a young E-4, a young E-5 trying to take care of his wife and his kid, that is probably a weekend when baby formula does not get bought, or the Pampers do not get bought, and they try to make do as best they can.

I listen to Members of this body say we have to give the senior citizens a COLA, and everybody votes for it. We have to give the retirees a COLA. Everybody votes for it. So if we are willing to reward people for what they have done, why are we not willing to reward people for what they are doing in some of the crummiest jobs in America? What this whole amendment is about is 17 cents an hour, the difference between the Republican proposal and the Democratic proposal. We are willing to give them that 17 cents a year sooner. If we want people to value work, then work must have value.

I encourage my colleagues to vote for the Traficant amendment.

Mr. TRAFICANT. Mr. Speaker, I yield 1 minute to the dynamic gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, let us raise the minimum wage. Let us do it from \$5.15 to \$6.15 an hour. Let us do it in 2 years, 50 cents this year and 50 cents next year. My God, imagine. Let us try to string it out, which my colleagues on the other side of the aisle would do, 33 cents a year. I wonder if that is what they would do with their raises, to let it just drift out at 33 cents a year. It is unconscionable. We have a unique opportunity to do something for hard-working Americans in this country. This alternative provides that opportunity.

Seventy percent of minimum-wage workers are adults. Sixty percent are women. Nearly half are full-time workers. There are more than 60,000 people in my own State of Connecticut who rely on a minimum-wage job. You cannot raise a family on \$5.15 an hour even when you work full time. The minimum wage is the best measure of our willingness to defend the ideal that if you work hard, if you play by the rules, then you should be able to support your family and create a better life for your family. This is about our values, who we are as Americans. Let us pass a minimum wage; let us do it in 2 years and give these folks a break.

Mr. TRAFICANT. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. GREEN).

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

Mr. GREEN of Texas. Mr. Speaker, I proudly stand in support of a minimum-wage increase. The original bill, H.R. 3846, falls short of meeting the

needs of the American family and that is why the Traficant-Martinez amendment is needed. A full-time, year-round minimum-wage worker with a family of three earns about \$2,000 less than what is needed to live above the Federal poverty line. Our economy is the strongest it has been in years and these American workers deserve to share in our prosperity.

That is why I support the Democratic substitute by my California and Ohio colleagues which increases the minimum wage instead of from 3 years to 2 years over the period of time. More than 11.8 million workers will benefit from this increase. In my home State of Texas, 13.3 percent of the workforce stands to benefit from such an increase, and that is over 1 million workers. That is why an increase will give not only my constituents but also hard-working Americans the chance to earn a livable wage.

We had a great Senator from Texas named Ralph Yarborough. When he debated the minimum wage, he said, it is time we put the jam on the lower shelf for the little people.

Mr. TRAFICANT. Mr. Speaker, I yield 30 seconds to the fiery gentleman from Vermont (Mr. SANDERS), who tells it like it is.

Mr. SANDERS. Mr. Speaker, I thank the gentleman for yielding me this time. Let me be very honest and say that I think a \$1-an-hour increase over a 2-year period is not enough. In my view, we should raise the minimum wage today to at least \$6.50 an hour. The idea, however, of doing it over a 3-year period is an absolute insult to millions and millions of low-income workers who are struggling to keep their heads above water. Let us defeat the Republican proposal. Let us pass the Traficant amendment.

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

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The gentleman from Ohio is recognized for 4 minutes.

Mr. TRAFICANT. Mr. Speaker, I want to commend the Speaker, the Republican leadership and the Republican Party for giving us an opportunity to bring this amendment. I want to thank the distinguished gentleman from North Carolina for being so fair, which he always is. Ironically as we bash around here, in the last 4 years there have been two minimum wage increases and the Republicans were in the majority.

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Quite frankly, I do not like the spin that it is mean spirited by the Republicans to oppose the minimum wage. I believe they make a valid argument that inflation could hurt every one of our workers.

Now having made that statement, I think it is time to tell it like it is. We have people out there that are struggling to make a go of it. We have gasoline prices now approaching \$2.00. We

have families that build the economy, not kill it.

The last minimum wage increase spurred an economic boom for the following simple reason: Poor people do not have enough money to save. Poor people spend their money, put their money on the streets and they grow the economy. This is a growth bill, not a wage increase bill.

Now, I voted earlier today to reduce taxes for a tax break. The gentleman from California (Mr. MARTINEZ) and I were the only two Democrats. Yes, I want to give the boss a break. He deserves it so he can give a raise to my people who desperately need it. Without an investor, there is no company. Without a company, there is no worker. Mr. Speaker, without an entrepreneur, there is no job.

There is reasonableness here, but what I am trying to do today is to ensure that if this vehicle is vetoed and we revisit it, we will be revisiting \$1.00 over two years. Let me say this: That 17 cents is not going to kill anybody.

Now I come from a very poor family, and that is not making a political statement here. Many of my colleagues have. My father finally got into that middle class maybe when I was about 10, 11 years old. We had a lot of love, but my dad never worked for a poor man.

We cannot continue to pit rich against poor, old against young, black against white. This partisanship must end.

I want to commend the Republican Party for reaching out and including in their bill a minimum wage increase that we thank them for, but we think it is a little too modest, quite frankly, and we are asking the Republican Party Members to join with us and pass this amendment.

There is one last statement here. When someone waters the tree, the big tree, do they water the leaves or do they water the roots?

We cut back on welfare. We must incentivize work and incentivize work by making work more attractive, making work one that people will aspire to; moving from dependence to independence, self-actualized lifestyles. This is more than a minimum wage increase.

I want to commend the Republican Party here. I want to commend their Speaker. I want to commend each and every one of them for allowing the gentleman from California (Mr. MARTINEZ) and I to bring this amendment and I am asking for the votes from the Republican side of the aisle.

I would say to the gentlemen from Pennsylvania (Mr. GOODLING) and the gentleman from Illinois (Mr. HYDE), I want them to consider voting for this. I am asking them for their vote.

Mr. BENTSEN. Mr. Speaker, I rise in support of raising the national minimum wage by \$1.00 over two years. The Traficant amendment to H.R. 3846 accomplishes this goal.

American workers need relief and three years is simply not soon enough. The Democratic measure increases the minimum wage

to \$6.15 by September 1, 2000. Some context is needed for considering this amendment. In 1998, approximately 4.4 million wage and salary workers, paid on an hourly basis, earned at or below \$5.15 per hour. Today's minimum wage has 21% less purchasing power that it had in 1979. According to a recent study by the Economic Policy Institute, some 10.3 million American workers stand to benefit from a new increase in the minimum wage. Forty percent of minimum wage earners are the sole breadwinners in their families. The Democratic proposal is patently more responsive than H.R. 3846 to the needs of America's workers and should be passed by this body.

I support raising the minimum wage because I believe it will help ensure work pays more than welfare and assists lower-income families struggling to make ends meet. Mr. Chairman, lets really think about what this really means for American families. Minimum wage workers play a pivotal role in today's economy—caring for our parents and grandparents in their homes, and for our children in daycare. Under current law, a single mother of two, employed full-time, 40 hours per week for 52 weeks, earns \$10,712, \$3,200 below the poverty line. Work should be a bridge out of poverty but, unfortunately, there were nearly 3.4 million full-time workers in 1997 who still lived below the poverty line. We all know that we cannot truly reform our welfare system unless we ensure that work pays more than welfare and truly allows families to become self-sufficient. Raising the minimum wage is a critical part of this equation.

Opponents of this legislation argue that raising the minimum wage over two years will endanger the longest economic expansion in our nation's history. If history is an indicator, this is simply not a reasonable concern. Since the minimum wage increase in 1996, statistics indicate that employment has actually increased in every sector, even among those regarded as the most difficult to employ. Further, over the past two years the minimum wage has increased 90 cents, while the unemployment and inflation rates have decreased to record lows.

The Traficant amendment is responsive to this labor trend and provides American workers with much needed relief. Again, the Department measure is more responsive to the needs of America's workers than the Republican alternative and should be adopted.

Mr. CONYERS. Mr. Speaker, I rise today in support of the Traficant-Martinez amendment to H.R. 3846, the "Minimum Wage Increase" bill. This amendment would provide for a real minimum wage increase of \$1 over two years, which is so necessary for American workers. By combining the minimum wage bill with H.R. 3081, a bill that gives \$122 billion in tax breaks to the wealthiest taxpayers, instead of allowing a clean vote on real minimum wage reform, the Republican leadership has shown that they only want to pay lip service to this vital pay raise for America's low-wage workers.

Even though the minimum wage was raised to \$5.15/hour in 1996, you certainly can't raise a family on that salary. At present, a single person, male or female, working full time, earning the minimum wage and supporting a family of three, takes in \$10,700 a year, placing them well below the poverty line. In Detroit, an astounding 43% of the population lives below that poverty line.

Raising the minimum wage is extremely important because we have to continue to redress the damage inflicted during the 1980's, when American workers lost 25% of their purchasing power. From 1990 to 1995, this trend continued and they lost a further 12%. If we really wanted to match the purchasing power of the minimum wage in 1968, when it reached its peak, the minimum wage today would be \$7.40/hour across the board.

I joined Representative DAVID BONIOR earlier this year in introducing a bill to raise the minimum wage to \$6.15/hour. The increase would occur in fifty cent increments over two years. This would be an important first step towards addressing the fundamental economic injustice resulting from the stagnant wages during the Reagan-Bush era. The amendment before the House today would provide this real pay increase which has been delayed so long to working Americans for far too long.

An increase in the minimum wage would benefit 300,000 people in my state of Michigan alone. Most of those who earn the minimum wage are women, and 40% of them are the sole breadwinners of the family.

The 12 million people who earn the minimum wage across the country are the people who prepare our food, care for our elderly and our children. Remember an increase in the minimum wage will not only help close the increasing gap between the rich and the poor, but will benefit all Americans. Extra buying power will be injected into small businesses, family stores, and restaurants, stimulating the economy at the local level and the state level. Through increasing the earnings of so many families American children will learn the value of hard work—that it really pays to work hard.

Many of my colleagues from across the aisle have suggested that an increase in the minimum wage will cost jobs. However numerous studies have proven that increasing the minimum wage will not cost jobs and the buoyancy of the American economy ensures this fact. Since the last minimum wage hike in 1996, unemployment has fallen to its lowest (official) rate in 25 years, inflation has dropped from 2.5 to 1.7% and the American economy continues to grow, creating jobs at a historic high of 250,000 per month.

Americans appreciate the raise too: three polls taken during 1998 by the Washington Post and the Los Angeles Times all showed that 76% to 78% approve the wage increase.

I urge my colleagues to join with me in supporting the Traffcant/Martinez amendment for a real minimum wage increase. The American people deserve a living wage.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The question is on the amendment offered by the gentleman from Ohio (Mr. TRAFICANT).

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

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 246, noes 179, not voting 9, as follows:

[Roll No. 43]

AYES—246

Abercrombie	Aderholt	Andrews
Ackerman	Allen	Baca

Baird	Hastings (FL)
Baldacci	Hill (IN)
Baldwin	Hilliard
Barcia	Hinchey
Barrett (WI)	Hinojosa
Becerra	Hoeffel
Bentsen	Holden
Berkley	Holt
Berman	Hooley
Berry	Horn
Bilbray	Houghton
Bishop	Hoyer
Blagojevich	Hyde
Blumenauer	Inslee
Boehlert	Jackson (IL)
Bonior	Jackson-Lee
Borski	(TX)
Boswell	Jefferson
Boucher	John
Brady (PA)	Johnson (CT)
Brown (FL)	Jones (OH)
Brown (OH)	Kanjorski
Capps	Kaptur
Capuano	Kennedy
Cardin	Kildee
Carson	Kilpatrick
Castle	Kind (WI)
Clay	King (NY)
Clayton	Kleczka
Clement	Klink
Clyburn	Kucinich
Condit	LaFalce
Conyers	LaHood
Costello	Lampson
Coyne	Lantos
Cramer	Larson
Crowley	Lazio
Cummings	Leach
Danner	Lee
Davis (FL)	Levin
Davis (IL)	Lewis (GA)
DeFazio	Lipinski
DeGette	LoBiondo
Delahunt	Lofgren
DeLauro	Lowe
Deutsch	Luther
Diaz-Balart	Maloney (CT)
Dicks	Maloney (NY)
Dingell	Markey
Dixon	Martinez
Doggett	Mascara
Dooley	Matsui
Doyle	McCarthy (MO)
Edwards	McCarthy (NY)
Ehlers	McDermott
Engel	McGovern
English	McHugh
Eshoo	McIntyre
Etheridge	McKinney
Evans	McNulty
Farr	Meehan
Fattah	Meek (FL)
Filner	Meeks (NY)
Forbes	Menendez
Ford	Metcalf
Frank (MA)	Millender-
Franks (NJ)	McDonald
Frelinghuysen	Miller, George
Frost	Minge
Ganske	Mink
Gejdenson	Moakley
Gephardt	Mollohan
Gibbons	Moore
Gilchrest	Moran (VA)
Gilman	Morella
Gonzalez	Murtha
Gordon	Nadler
Green (TX)	Napolitano
Greenwood	Neal
Gutierrez	Ney
Hall (OH)	Oberstar

NOES—179

Archer	Boehner	Chambliss
Armey	Bonilla	Chenoweth-Hage
Bachus	Bono	Coble
Baker	Boyd	Coburn
Ballenger	Brady (TX)	Collins
Barr	Bryant	Combest
Barrett (NE)	Burr	Cook
Bartlett	Burton	Cox
Barton	Buyer	Crane
Bass	Callahan	Cubin
Bateman	Calvert	Cunningham
Bereuter	Camp	Davis (VA)
Biggett	Campbell	Deal
Bilirakis	Canady	DeLay
Biley	Cannon	DeMint
Blunt	Chabot	Dickey

Obey	Doolittle	Kingston	Riley
Olver	Dreier	Knollenberg	Rogan
Ortiz	Duncan	Kolbe	Rogers
Owens	Dunn	Kuykendall	Rohrabacher
Pallone	Ehrlich	Largent	Roukema
Pascrell	Emerson	Latham	Royce
Pastor	Everett	LaTourette	Ryan (WI)
Payne	Ewing	Lewis (CA)	Ryun (KS)
Pelosi	Fletcher	Lewis (KY)	Salmon
Peterson (MN)	Foley	Linder	Sanford
Phelps	Fossella	Lucas (KY)	Sensenbrenner
Pomeroy	Fowler	Lucas (OK)	Sessions
Price (NC)	Galleghy	Manzullo	Shadegg
Quinn	Gekas	McCrery	Shaw
Rahall	Gillmor	McInnis	Shuster
Rangel	Goode	McIntosh	Simpson
Reyes	Goodlatte	McKeon	Skeen
Rivers	Goodling	Mica	Smith (MI)
Rodriguez	Goss	Miller (FL)	Smith (TX)
Roemer	Graham	Miller, Gary	Souder
Ros-Lehtinen	Green (WI)	Moran (KS)	Stearns
Rothman	Gutknecht	Myrick	Stenholm
Roybal-Allard	Hall (TX)	Nethercutt	Stump
Rush	Hansen	Northup	Sununu
Sabo	Hastings (WA)	Norwood	Sweeney
Sanchez	Hayes	Nussle	Talent
Sanders	Hayworth	Ose	Tancredo
Sandlin	Hefley	Oxley	Tauzin
Sawyer	Herger	Packard	Taylor (NC)
Saxton	Hill (MT)	Paul	Terry
Schakowsky	Hilleary	Pease	Thomas
Scott	Hobson	Peterson (PA)	Thornberry
Serrano	Hoekstra	Petri	Tiaht
Shays	Hostettler	Pickering	Toomey
Hulshof	Hulshof	Pickett	Vitter
Hunter	Hunter	Pitts	Walden
Hutchinson	Hutchinson	Pombo	Wamp
Isakson	Isakson	Porter	Watkins
Istook	Istook	Portman	Watts (OK)
Jenkins	Jenkins	Pryce (OH)	Weldon (FL)
Johnson, Sam	Johnson, Sam	Radanovich	Whitfield
Jones (NC)	Jones (NC)	Ramstad	Wicker
Kasich	Kasich	Regula	Wolf
Kelly	Kelly	Reynolds	

NOT VOTING—9

Cooksey	McCollum	Smith (WA)
Granger	Scarborough	Spence
Johnson, E. B.	Schaffer	Vento

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Mr. PACKARD, Mr. WHITFIELD, and Mrs. ROUKEMA changed their vote from "aye" to "no."

Ms. ROS-LEHTINEN and Mr. GREENWOOD changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Pursuant to House Resolution 434, the previous question is ordered on the bill, as amended.

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

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

MOTION TO RECOMMIT OFFERED BY MR. CLAY

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

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. CLAY. Yes, Mr. Speaker.

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

The Clerk read as follows:

Mr. CLAY moves to recommit the bill H.R. 3846 to the Committee on Education and the Workforce with instructions to report the same back to the House with the following amendments:

Strike sections 2, 3, and 4 of the bill.

At the end of the bill, insert the following section:

SEC. MINIMUM WAGE IN THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

(a) IN GENERAL.—Subject to subsection (b), the provisions of section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) shall apply to the Commonwealth of the Northern Mariana Islands.

(b) TRANSITION.—

(1) IN GENERAL.—Notwithstanding subsection (a), the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) shall be \$3.55 an hour beginning on the date that is 30 days after the date of enactment of this section.

(2) INCREASES IN MINIMUM WAGE.—

(A) IN GENERAL.—On the date that is 6 months after the date of enactment of this Act, and every 6 months thereafter, the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) shall be increased by \$0.50 per hour (or such a lesser amount as may be necessary to equal the minimum wage under such section) until such time as the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under this subsection is equal to the minimum wage set forth in section 6(a)(1) of such Act for the date involved.

(B) FURTHER INCREASES.—With respect to dates beginning after the minimum wage applicable to the Commonwealth of the Northern Mariana Islands is equal to the minimum wage set forth in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)), as provided in subparagraph (A), such applicable minimum wage shall be immediately increased so as to remain equal to the minimum wage set forth in section 6(a)(1) of such Act for the date involved.

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

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

There was no objection.

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

Mr. CLAY. Mr. Speaker, this motion is to recommit with instructions.

H.R. 3864 repeals overtime pay for millions of employees working in the computer sales and funeral services industry. These antiworking provisions, Mr. Speaker, have never been considered by the Committee on Education and the Workforce in this Congress or evaluated by expert witnesses to determine what impact they will have on the workforce. Eliminating overtime means workers will work longer hours for less pay. In effect, this bill steals time and money from workers.

My motion strikes the provisions of the bill that repeal overtime pay. It also closes the legal loophole that permits sweat shops to operate in the Northern Mariana Islands by phasing in the Federal minimum wage. I urge Members to support this motion to preserve overtime pay for workers.

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

The SPEAKER pro tempore. The Chair recognizes the gentleman from

Pennsylvania (Mr. GOODLING) in opposition to the motion to instruct.

Mr. GOODLING. Mr. Speaker, I yield to the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, first, let me say that I have jurisdiction over the Marianas. We have reviewed this. We requested a GAO report and most of the accusations made, in fact all of the accusations made, by the Interior Department have been proven false. In fact, the Marianas improved the well-being of their people. I have been there. It has worked well, and we have made an independent nation out of the Marianas.

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To have this motion to recommit and enforce this I say undue burden upon the Marianas would be wrong to those people there. This Congress said they shall be independent. This would take their independence away from them. I rise in strong opposition to the motion to recommit.

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

Mr. Speaker, we have debated today a very difficult issue. There are those who are convinced that the wage hike is necessary. There are those who are convinced that the wage hike is unnecessary. But one thing that both sides of the aisle agree on, however, is that certain forward-looking reforms need to be made to the Fair Labor Standards Act, written in 1938, for the 21st century.

Taking out the three FLSA reforms is not only a purely political act ignoring the needs of the American workplace, it is also a purely political act that ignores the bipartisan foundation these three sensible reforms rest upon.

The bipartisan reform measure that updates the FLSA with respect to computer professionals is identical to H.R. 3038, a bill introduced by the gentleman from New Jersey (Mr. ANDREWS), the gentleman from South Carolina (Mr. GRAHAM), and the gentleman from New York (Mr. OWENS).

The bipartisan reform measure reflects the computer professionals' problem that they are faced with today. The current computer exemptions which remain require that they be paid \$57,000 a year. That does not sound like a minimum wage problem to me. The reform measure recognizes the real world and our changing economy by simply updating the current computer professionals' exemption from the overtime provisions of the FLSA. The measure simply clarifies existing law.

The second reform measure, dealing with sales employees, is identical, is identical to the bipartisan Sales Incentives Compensation Act, H.R. 1302, introduced by the gentleman from Ohio (Mr. BOEHNER) and the gentleman from New Jersey (Mr. ANDREWS). This measure simply reflects the changes in the workplace that enable sales employees to be more productive with modern communications technology. In the

105th Congress it passed overwhelmingly, with bipartisan support.

The third reform measure is a bipartisan effort. It is identical to H.R. 793, introduced by the gentleman from South Carolina (Mr. GRAHAM) and the gentleman from New Jersey (Mr. ANDREWS). The form simply exempts licensed funeral directors and embalmers from minimum wage and overtime, which codifies what the courts have said over and over again, they are professionals.

The last-minute attempt to strip these minor but important measures from the bill is a last-minute attempt to score political votes and points. This 11th hour attempt marginalizes the good-faith efforts of the Members to deal with difficult issues in a serious way, and I ask Members to reject the motion to recommit and support the bipartisan efforts that are in this bill.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

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

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

RECORDED VOTE

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

A recorded vote was ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

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

The vote was taken by electronic device, and there were—ayes 181, noes 243, not voting 10, as follows:

[Roll No. 44]

AYES—181

Abercrombie	Davis (IL)	Inslee
Ackerman	DeFazio	Jackson (IL)
Allen	DeGette	Jackson-Lee
Andrews	Delahunt	(TX)
Baca	DeLauro	Jefferson
Baird	Deutsch	Jones (OH)
Baldacci	Dicks	Kanjorski
Baldwin	Dingell	Kaptur
Barcia	Dixon	Kennedy
Barrett (WI)	Dooley	Kildee
Becerra	Doyle	Kilpatrick
Bentsen	Edwards	Kleccka
Berkley	Engel	Klink
Berman	Etheridge	Kucinich
Blagojevich	Evans	LaFalce
Blumenauer	Fattah	Lampson
Bonior	Filner	Lantos
Borski	Forbes	Larson
Boswell	Ford	Lee
Boucher	Frank (MA)	Levin
Brady (PA)	Frost	Lewis (GA)
Brown (FL)	Gejdenson	Lipinski
Brown (OH)	Gephardt	Lowe
Capps	Gonzalez	Luther
Capuano	Gordon	Maloney (CT)
Cardin	Green (TX)	Maloney (NY)
Carson	Gutierrez	Markey
Clay	Hall (OH)	Mascara
Clayton	Hastings (FL)	Matsui
Clement	Hilliard	McCarthy (MO)
Clyburn	Hinchee	McCarthy (NY)
Conyers	Hinojosa	McDermott
Costello	Hoeffel	McGovern
Coyne	Holden	McIntyre
Crowley	Holt	McKinney
Cummings	Hoolley	McNulty
Danner	Hoyer	Meehan

Meek (FL) Pickett
 Meeks (NY) Pomeroy
 Menendez Price (NC)
 Millender-
 McDonald Rahall
 Miller, George Rangel
 Mink Reyes
 Moakley Rivers
 Mollohan Rodriguez
 Murtha Rothman
 Nadler Roybal-Allard
 Napolitano Rush
 Neal Sabo
 Oberstar Sanchez
 Obey Sanders
 Olver Sandlin
 Ortiz Sawyer
 Owens Schakowsky
 Pallone Scott
 Pascrell Serrano
 Pastor Sherman
 Payne Skelton
 Pelosi Slaughter
 Phelps Snyder
 Spratt

Stabenow Terry
 Stark Thomas
 Strickland Thornberry
 Stupak Thune
 Tanner Tiahrt
 Thompson (CA) Toomey
 Thompson (MS) Traficant
 Thurman Udall (NM)

Weldon (PA) McGovern
 Weller McHugh
 Whitfield McIntyre
 Wicker McKinney
 Wilson McNulty
 Wolf Meehan
 Young (AK) Meek (FL)
 Young (FL) Meeks (NY)

NOT VOTING—10

Burton McCollum
 Cooksey Scarborough
 Granger Schaffer
 Johnson, E. B. Smith (WA)

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So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

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

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

RECORDED VOTE

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

A recorded vote was ordered.

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

The vote was taken by electronic device, and there were—ayes 282, noes 143, not voting 9, as follows:

[Roll No. 45]

AYES—282

NOES—243
 Aderholt Fowler
 Archer Franks (NJ)
 Arney Frelinghuysen
 Bachus Gallegly
 Baker Ganske
 Ballenger Gekas
 Barr Gibbons
 Barrett (NE) Gilchrest
 Bartlett Gillmor
 Barton Gilman
 Bass Goode
 Bateman Goodlatte
 Bereuter Goodling
 Berry Goss
 Biggert Graham
 Bilbray Green (WI)
 Bilirakis Greenwood
 Bishop Gutknecht
 Bliley Hall (TX)
 Blunt Hansen
 Boehlert Hastings (WA)
 Boehner Hayes
 Bonilla Hayworth
 Bono Hefley
 Boyd Herger
 Brady (TX) Hill (IN)
 Bryant Hill (MT)
 Burr Hilleary
 Buyer Hobson
 Callahan Hoekstra
 Calvert Horn
 Camp Hostettler
 Campbell Houghton
 Canady Hulshof
 Cannon Hunter
 Castle Hutchinson
 Chabot Hyde
 Chambliss Isakson
 Chenoweth-Hage Istook
 Coble Jenkins
 Coburn John
 Collins Johnson (CT)
 Combest Johnson, Sam
 Condit Jones (NC)
 Cook Kasich
 Cox Kelly
 Cramer Kind (WI)
 Crane King (NY)
 Cubin Kingston
 Cunningham Knollenberg
 Davis (FL) Kolbe
 Davis (VA) Kuykendall
 Deal LaHood
 DeLay Largent
 DeMint Latham
 Diaz-Balart LaTourette
 Dickey Lazio
 Doggett Leach
 Doolittle Lewis (CA)
 Dreier Lewis (KY)
 Duncan Linder
 Dunn LoBiondo
 Ehlers Lofgren
 Ehrlich Lucas (KY)
 Emerson Lucas (OK)
 English Manzullo
 Eshoo Martinez
 Everett McCrery
 Ewing McHugh
 Farr McInnis
 Fletcher McIntosh
 Foley McKeon
 Fossella Metcalf

Mica
 Miller (FL)
 Miller, Gary
 Minge
 Moore
 Moran (KS)
 Moran (VA)
 Morella
 Myrick
 Nethercutt
 Ney
 Northup
 Norwood
 Nussle
 Ose
 Oxley
 Packard
 Paul
 Pease
 Abercrombie
 Ackerman
 Aderholt
 Allen
 Andrews
 Baca
 Baird
 Baldacci
 Baldwin
 Barcia
 Barrett (WI)
 Berra
 Bentsen
 Bereuter
 Berkeley
 Berman
 Berry
 Bilbray
 Bilirakis
 Bishop
 Blagojevich
 Blumenauer
 Boehlert
 Bonior
 Bono
 Borski
 Boswell
 Boucher
 Brady (PA)
 Brown (FL)
 Brown (OH)
 Buyer
 Camp
 Canady
 Capps
 Capuano
 Cardin
 Carson
 Castle
 Castele
 Clay
 Clayton
 Clement
 Clyburn
 Condit
 Conyers
 Costello
 Coyne
 Cramer
 Crowley
 Cummings
 Danner
 Davis (FL)
 Davis (IL)
 DeFazio
 DeGette

Riverson
 Rangel
 Regula
 Reyes
 Riley
 Rivers
 Rodriguez
 Roemer
 Rogers
 Ros-Lehtinen
 Rothman
 Roukema
 Roybal-Allard
 Rush
 Ryan (WI)
 Sabo
 Sanchez
 Sanders
 Sandlin
 Sawyer
 Saxton
 Schakowsky
 Scott
 Serrano
 Shaw
 Shays
 Sherman
 Sherwood
 Shimkus
 Shows
 Shuster
 Siskis
 Skelton
 Slaughter
 Smith (NJ)
 Snyder
 Spratt
 Stabenow
 Stark
 Strickland
 Stupak
 Tanner
 Tauscher
 Taylor (MS)
 Thompson (CA)
 Thompson (MS)
 Thune
 Thurman
 Tierney
 Towns
 Traficant
 Turner
 Udall (CO)
 Udall (NM)
 Upton
 Velazquez
 Visclosky
 Waters
 Watt (NC)
 Waxman
 Weiner
 Weldon (PA)
 Weller
 Wexler
 Weygand
 Wicker
 Wilson
 Wise
 Wolf
 Woolsey
 Wu
 Wynn
 Young (AK)
 Young (FL)

NOES—143

Archer
 Armey
 Bachus
 Baker
 Ballenger
 Barr
 Barrett (NE)
 Bartlett
 Barton
 Bass
 Bateman
 Biggert
 Bliley
 Blunt
 Boehner
 Bonilla
 Boyd
 Brady (TX)
 Bryant
 Burr
 Burton
 Callahan
 Calvert
 Campbell
 Cannon
 Chabot
 Chambliss
 Chenoweth-Hage
 Coble
 Coburn
 Collins
 Combest
 Cook
 Cox
 Crane
 Cubin
 Cunningham
 Davis (VA)
 Deal
 DeLay
 DeMint
 Dickey
 Doolittle
 Dreier
 Dunn
 Ehrlich
 Emerson
 English
 Eshoo
 Everett
 Ewing
 Farr
 Fletcher
 Foley
 Fossella

NOT VOTING—9
 Cooksey
 Granger
 Johnson, E.B.
 Fowler
 Goode
 Goodlatte
 Goss
 Graham
 Gutknecht
 Hall (TX)
 Hansen
 Hastings (WA)
 Hayworth
 Hefley
 Herger
 Hill (MT)
 Hoekstra
 Hostettler
 Hulshof
 Hutchinson
 Isakson
 Istook
 Jenkins
 Johnson, Sam
 Jones (NC)
 Kasich
 Kingston
 Knollenberg
 Kolbe
 Kuykendall
 Largent
 Latham
 Lewis (KY)
 Linder
 Lucas (KY)
 Lucas (OK)
 Manzullo
 McCrery
 McInnis
 McIntosh
 McKeon
 Mica
 Miller (FL)
 Miller, Gary
 Moran (KS)
 Nethercutt
 Northup
 Norwood
 Ose
 Oxley
 Packard

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Mr. WATTS of Oklahoma changed his vote from "aye" to "no."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Pursuant to section 3 of House Resolution 434, the text of H.R. 3846 will be appended to the engrossment of H.R. 3081; and H.R. 3846 will be laid on the table.

GENERAL LEAVE

Mr. GOODLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3842.

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

There was no objection.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN EN-GROSSMENT OF H.R. 3842, MINIMUM WAGE INCREASE ACT

Mr. GOODLING. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 3842, the Clerk be authorized to make technical corrections and conforming changes to the bill.

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

There was no objection.

PERSONAL EXPLANATION

Mr. STUPAK. Mr. Speaker, I was unavoidably detained at a bipartisan meeting on youth violence and missed rollcall vote on House Resolution 433 regarding the consideration of H.R. 1695. Had I been present I would have voted "aye."

ANNOUNCEMENT OF AMENDMENT PROCESS FOR H.R. 2372, PRIVATE PROPERTY RIGHTS IMPLEMENTATION ACT

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

Mr. LINDER. Mr. Speaker, this evening a "Dear Colleague" letter was sent to all Members informing them that the Committee on Rules is planning to meet the week of March 13 to grant a rule which may limit the amendment process on H.R. 2372, the Private Property Rights Implementation Act.

Any Member who wishes to offer an amendment should submit 55 copies and a brief explanation of the amendment by 4 p.m. on Tuesday, March 14, to the Committee on Rules in room H-312 of the Capitol. Amendments should be drafted to the text of the bill as reported by the Committee on the Judiciary.

Members should use the Office of Legislative Counsel to ensure that their amendments are properly drafted and should check with the Office of the Parliamentarian to be certain their amendments comply with the rules of the House.

CONFERENCE REPORT ON S. 376, OPEN-MARKET REORGANIZATION FOR THE BETTERMENT OF INTERNATIONAL TELECOMMUNICATIONS ACT

Mr. BLILEY. Mr. Speaker, I call up the conference report on the Senate bill (S. 376) to amend the Communications Satellite Act of 1962 to promote competition and privatization in satellite communications, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of March 2, 2000, at page H636.)

The SPEAKER pro tempore. The gentleman from Virginia (Mr. BLILEY) and the gentleman from Michigan (Mr. DINGELL) each will control 30 minutes.

The Chair recognizes the gentleman from Virginia (Mr. BLILEY).

GENERAL LEAVE

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the conference report on S. 376.

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

There was no objection.

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

Mr. Speaker, tonight the House will pass and send to the President the conference report on S. 376, very important legislation to privatize the intergovernmental satellite organizations.

The bill lowers prices for consumers and promotes the free enterprise market. It opens new opportunities for American companies seeking to do business overseas. It creates new and better jobs. It breaks up a cartel. It ends a monopoly.

I started working on this issue when I became chairman of the Committee on Commerce in 1995. The bill the gentleman from Massachusetts (Mr. MARKEY) and I introduced in the last Congress was reported out of the conference committee and passed 403 to 16. The bill we are considering today is based on and reflects the hard work we did back then.

This bill will lead to the pro-competitive privatization of the intergovernmental organizations, INTELSAT and Inmarsat.

INTELSAT, like the U.N., is a treaty-based organization, not a company. They cannot be sued, taxed, or regulated. Governments, not the market, determine its action.

INTELSAT is like the oil cartel OPEC. It is run by a combination of the world's governments and owned by a consortium of national telecommunications monopolies and dominant players: by government monopolies, for government monopolies, of government monopolies. Its supporters call it a "cooperative." Where I come from, that is called a "cartel."

The INTELSAT system is like the post office. Its U.S. signatory COMSAT has a government-sponsored monopoly over access for its services in the U.S.

Our legislation puts an end to all this. Our legislation requires privatization and an end of the U.N.-like intergovernmental structure. It also ends the privileges and immunities.

Our legislation ends the cartel by freeing up the existing ownership structure.

Finally, our legislation ends the monopoly over access to INTELSAT from the U.S. held by COMSAT.

I should add that we do welcome a pro-competitive INTELSAT into the international marketplace.

I urge all Members to support this consensus conference report and submit a joint statement on behalf of myself and the ranking democrat of the Telecommunications, Trade and Consumer Protection Subcommittee, Mr. MARKEY.

JOINT STATEMENT OF PRIMARY ORIGINAL SPONSORS OF LEGISLATION COMMITTEE ON COMMERCE CHAIRMAN TOM BLILEY AND RANKING DEMOCRAT OF THE TELECOMMUNICATIONS, TRADE AND CONSUMER PROTECTION SUBCOMMITTEE EDWARD J. MARKEY

The Conference Report the House is considering today is based on the hard work we have done on this issue over the years. As the primary sponsors of this legislation in the House we believe it is important for us to clarify the meaning of several provisions in this legislation.

First, section 624(1) is, with one change discussed below, identical to section 624(4) in H.R. 3261 and an identical provision in the bill which passed the House in the last Congress. Circumstances have changed with respect to this particular section which require clarification of its meaning. Last August, ICO, also known as ICO Global Communications (Holdings) Ltd., declared bankruptcy and bankruptcy proceedings have been ongoing since then. All references in the Conference Report to ICO are viewed as references to the entity formally known as ICO Global Communications (Holdings) Ltd.

The policy reasons for section 624 were that Inmarsat should not be able to expand by repurchasing all or some of, or control, its spin-off, ICO. A primary purpose of the legislation is to dilute the ownership by signatories or former signatories of INTELSAT, Inmarsat and their spin-offs.

When the bankruptcy process is complete, the charter of ICO is likely to have fundamentally changed. First, the ownership structure is likely to be very different from that of Inmarsat. Most importantly, ICO is likely to be liquidated in bankruptcy and its assets and subsidiaries acquired by a new entity with an ownership structure will be very different from that of Inmarsat. This post-bankruptcy "new-ICO" will be controlled by new investors. Thus the policy reasons for the prohibition on ownership by ICO of Inmarsat no longer apply if it does indeed emerge from bankruptcy in such a reconstituted form. This would occur, for example, if