

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

Mrs. LOWEY. Mr. Speaker, I have no further speakers, and I reserve the balance of my time to close.

The SPEAKER pro tempore (Mr. BASS). The gentlewoman from New York (Mrs. LOWEY) has the right to close.

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

Mr. Speaker, let me say that I appreciate the comments we have heard here today. The expression of concern about the HIV/AIDS pandemic is one that I share and I think all Members of the House share.

I would just note that we are concerned not only about this HIV/AIDS pandemic which is already ravaging the continent of Africa, but we are very concerned about the growing scourge in South Asia, in India, in Central Asia, and in China and in Russia. These are countries where the epidemic is just beginning to take off.

We have an opportunity to do something there about preventing it from becoming that much worse. So I would hope that as we go through with the efforts to fight this disease that we focus not just on where it is already taking such a heavy toll but in preventing it from taking a very heavy toll in other places.

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

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

Mr. Speaker, I would like to again express my appreciation for the support of the chairman for the dollars that were appropriated in the Senate side. However, I have heard rumors which I strongly oppose that there are those who are talking about an across-the-board cut. As we know, there are many possibilities for adjustments in the 302(b); and I would hope that we can work together with the leadership in both Houses in making the adjustment of the 302(b) and add the additional dollars that have been included in the Senate bill.

We know that given the incredible progress that is made, we know that when we can save lives for \$300 a year that we have a moral obligation to do as much as we can within the confines of what is possible; and I look forward to working closely with the gentleman in finding these additional dollars, adjusting the 302(b), and appropriating in conference the dollar amount that has already been appropriate in the Senate. I thank the chairman for his acceptance of this motion to instruct.

Mr. HOYER. Mr. Speaker, I rise in support of the motion offered by Mrs. LOWEY to accept the Senate's level of funding for the U.S. contribution in fiscal year 2004 to global programs to combat the spread of HIV/AIDS.

Mr. Speaker, this should not be a difficult motion for Members on either side of the aisle to support.

It simply calls for the adoption of a funding level for HIV/AIDS programs that was supported in the Senate last week by a vote of 89-1.

Furthermore, it does not even reach the authorized level of funding that was signed into law by the President and supported by 375 Members of this House in May.

In fact, the President during his State of the Union Address committed \$15 billion in foreign assistance spending over 5 years to stop the spread of HIV/AIDS. Congress has since authorized this level through the enactment of H.R. 1298.

Regrettably, the President's budget did not call for the full \$3 billion authorized for FY 2004, and the amount provided in the House version of the fiscal year 2004 Foreign Operations bill falls woefully short of that \$3 billion which is necessary to begin making good on our commitment.

Mr. Speaker, the problem of HIV/AIDS is especially acute on the Continent of Africa, particularly sub-Saharan Africa, where 29.4 million people are living with HIV and AIDS.

Put another way, while the African Continent accounts for only about 10 percent of the world's population, more than 70 percent of the worldwide total of infected people reside there; and there are 11,000 new infections in Africa every day.

Earlier this year I had the opportunity to travel to South Africa and saw first hand the extent of the pandemic, the challenges facing African countries as they attempt to deal with this scourge, and the dire need for economic assistance to implement prevention programs and to provide treatment for those already infected.

We are at a crucial stage in the global war against HIV/AIDS, with the number of worldwide deaths expected to double from last year's estimate of just over 5 million to nearly 12 million next year.

To those who would argue that we cannot afford the additional funding provided in the Senate bill, I say that even this level is still not enough.

Mr. Speaker, we have the opportunity to help stop the spread of this HIV/AIDS, to provide comfort and relief to those already suffering its effects, and to give hope to millions around the world who live in despair because of this horrible disease.

Our compassion and morality command that we seize that opportunity and live up to the commitment we have made.

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

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

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentlewoman from New York (Mrs. LOWEY).

The motion to instruct was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. KOLBE, KNOLLENBERG, LEWIS of California, WICKER, BONILLA, VITTER, KIRK, CRENSHAW, YOUNG of Florida, Mrs. LOWEY, Mr. JACKSON of Illinois, Ms. KILPATRICK, Mr. ROTHMAN, Ms. KAPTUR and Mr. OBEY.

There was no objection.

MILITARY FAMILY TAX RELIEF ACT OF 2003

Mr. SAM JOHNSON of Texas. Mr. Speaker, I move to suspend the rules and concur in the Senate amendments to the bill (H.R. 3365) to amend title 10, United States Code, and the Internal Revenue Code of 1986 to increase the death gratuity payable with respect to deceased members of the Armed Forces and to exclude such gratuity from gross income.

The Clerk read as follows:

Senate amendments:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE, ETC.

(a) *SHORT TITLE.*—This Act may be cited as the "Military Family Tax Relief Act of 2003".

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

(c) *TABLE OF CONTENTS.*—

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TITLE I—IMPROVING TAX EQUITY FOR MILITARY PERSONNEL

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Sec. 104. Expansion of combat zone filing rules to contingency operations.

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Sec. 106. Clarification of the treatment of certain dependent care assistance programs.

Sec. 107. Clarification relating to exception from additional tax on certain distributions from qualified tuition programs, etc. on account of attendance at military academy.

Sec. 108. Suspension of tax-exempt status of terrorist organizations.

Sec. 109. Above-the-line deduction for overnight travel expenses of National Guard and Reserve members.

Sec. 110. Tax relief and assistance for families of Space Shuttle Columbia heroes.

TITLE II—REVENUE PROVISION

Sec. 201. Extension of customs user fees.

TITLE I—IMPROVING TAX EQUITY FOR MILITARY PERSONNEL

SEC. 101. EXCLUSION OF GAIN FROM SALE OF A PRINCIPAL RESIDENCE BY A MEMBER OF THE UNIFORMED SERVICES OR THE FOREIGN SERVICE.

(a) *IN GENERAL.*—Subsection (d) of section 121 (relating to exclusion of gain from sale of principal residence) is amended by redesignating paragraph (9) as paragraph (10) and by inserting after paragraph (8) the following new paragraph:

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

“(A) *IN GENERAL.*—At the election of an individual with respect to a property, the running of the 5-year period described in subsections (a) and (c)(1)(B) and paragraph (7) of this subsection with respect to such property shall be suspended during any period that such individual or such individual's spouse is serving on qualified official extended duty as a member of

the uniformed services or of the Foreign Service of the United States.

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

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

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

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

“(iii) FOREIGN SERVICE OF THE UNITED STATES.—The term ‘member of the Foreign Service of the United States’ has the meaning given the term ‘member of the Service’ by paragraph (1), (2), (3), (4), or (5) of section 103 of the Foreign Service Act of 1980, as in effect on the date of the enactment of this paragraph.

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

“(D) SPECIAL RULES RELATING TO ELECTION.—

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

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

(b) EFFECTIVE DATE; SPECIAL RULE.—

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

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

SEC. 102. TREATMENT OF DEATH GRATUITIES PAYABLE WITH RESPECT TO DECEASED MEMBERS OF THE ARMED FORCES.

(a) INCREASE IN AMOUNT OF DEATH GRATUITY.—

(1) IN GENERAL.—Section 1478(a) of title 10, United States Code, is amended by striking “\$6,000” and inserting “\$12,000”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as of September 11, 2001, and shall apply with respect to deaths occurring on or after that date.

(b) EXCLUSION FROM GROSS INCOME.—

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

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

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

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

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

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

“(8) qualified military base realignment and closure fringe.”

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

“(n) QUALIFIED MILITARY BASE REALIGNMENT AND CLOSURE FRINGE.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified military base realignment and closure fringe’ means 1 or more payments under the authority of section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374) (as in effect on the date of the enactment of this subsection) to offset the adverse effects on housing values as a result of a military base realignment or closure.

“(2) LIMITATION.—With respect to any property, such term shall not include any payment referred to in paragraph (1) to the extent that the sum of all of such payments related to such property exceeds the maximum amount described in clause (1) of subsection (c) of such section (as in effect on such date).”

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

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

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

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

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

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

(4) by inserting “or operation” after “such area”.

(b) CONFORMING AMENDMENTS.—

(1) Section 7508(d) is amended by inserting “or contingency operation” after “area”.

(2) The heading for section 7508 is amended by inserting “OR CONTINGENCY OPERATION” after “COMBAT ZONE”.

(3) The item relating to section 7508 in the table of sections for chapter 77 is amended by inserting “or contingency operation” after “combat zone”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any period for performing an act which has not expired before the date of the enactment of this Act.

SEC. 105. MODIFICATION OF MEMBERSHIP REQUIREMENT FOR EXEMPTION FROM TAX FOR CERTAIN VETERANS’ ORGANIZATIONS.

(a) IN GENERAL.—Subparagraph (B) of section 501(c)(19) (relating to list of exempt organizations) is amended by striking “or widowers” and inserting “, widowers, ancestors, or lineal descendants”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 106. CLARIFICATION OF THE TREATMENT OF CERTAIN DEPENDENT CARE ASSISTANCE PROGRAMS.

(a) IN GENERAL.—Section 134(b) (defining qualified military benefit) is amended by adding at the end the following new paragraph:

“(4) CLARIFICATION OF CERTAIN BENEFITS.—For purposes of paragraph (1), such term includes any dependent care assistance program (as in effect on the date of the enactment of this paragraph) for any individual described in paragraph (1)(A).”

(b) CONFORMING AMENDMENTS.—

(1) Section 134(b)(3)(A), as amended by section 102, is amended by inserting “and paragraph (4)” after “subparagraphs (B) and (C)”.

(2) Section 3121(a)(18) is amended by striking “or 129” and inserting “, 129, or 134(b)(4)”.

(3) Section 3306(b)(13) is amended by striking “or 129” and inserting “, 129, or 134(b)(4)”.

(4) Section 3401(a)(18) is amended by striking “or 129” and inserting “, 129, or 134(b)(4)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

(d) NO INFERENCE.—No inference may be drawn from the amendments made by this section with respect to the tax treatment of any amounts under the program described in section 134(b)(4) of the Internal Revenue Code of 1986 (as added by this section) for any taxable year beginning before January 1, 2003.

SEC. 107. CLARIFICATION RELATING TO EXCEPTION FROM ADDITIONAL TAX ON CERTAIN DISTRIBUTIONS FROM QUALIFIED TUITION PROGRAMS, ETC. ON ACCOUNT OF ATTENDANCE AT MILITARY ACADEMY.

(a) IN GENERAL.—Subparagraph (B) of section 530(d)(4) (relating to exceptions from additional tax for distributions not used for educational purposes) is amended by striking “or” at the end of clause (iii), by redesignating clause (iv) as clause (v), and by inserting after clause (iii) the following new clause:

“(iv) made on account of the attendance of the designated beneficiary at the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, the United States Coast Guard Academy, or the United States Merchant Marine Academy, to the extent that the amount of the payment or distribution does not exceed the costs of advanced education (as defined by section 2005(e)(3) of title 10, United States Code, as in effect on the date of the enactment of this section) attributable to such attendance, or”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

SEC. 108. SUSPENSION OF TAX-EXEMPT STATUS OF TERRORIST ORGANIZATIONS.

(a) IN GENERAL.—Section 501 (relating to exemption from tax on corporations, certain trusts, etc.) is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

“(p) SUSPENSION OF TAX-EXEMPT STATUS OF TERRORIST ORGANIZATIONS.—

“(1) IN GENERAL.—The exemption from tax under subsection (a) with respect to any organization described in paragraph (2), and the eligibility of any organization described in paragraph (2) to apply for recognition of exemption under subsection (a), shall be suspended during the period described in paragraph (3).

“(2) TERRORIST ORGANIZATIONS.—An organization is described in this paragraph if such organization is designated or otherwise individually identified—

“(A) under section 212(a)(3)(B)(vi)(II) or 219 of the Immigration and Nationality Act as a terrorist organization or foreign terrorist organization,

“(B) in or pursuant to an Executive order which is related to terrorism and issued under the authority of the International Emergency Economic Powers Act or section 5 of the United

Nations Participation Act of 1945 for the purpose of imposing on such organization an economic or other sanction, or

“(C) in or pursuant to an Executive order issued under the authority of any Federal law if—

“(i) the organization is designated or otherwise individually identified in or pursuant to such Executive order as supporting or engaging in terrorist activity (as defined in section 212(a)(3)(B) of the Immigration and Nationality Act) or supporting terrorism (as defined in section 140(d)(2) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989); and

“(ii) such Executive order refers to this subsection.

“(3) PERIOD OF SUSPENSION.—With respect to any organization described in paragraph (2), the period of suspension—

“(A) begins on the later of—

“(i) the date of the first publication of a designation or identification described in paragraph (2) with respect to such organization, or

“(ii) the date of the enactment of this subsection, and

“(B) ends on the first date that all designations and identifications described in paragraph (2) with respect to such organization are rescinded pursuant to the law or Executive order under which such designation or identification was made.

“(4) DENIAL OF DEDUCTION.—No deduction shall be allowed under any provision of this title, including sections 170, 545(b)(2), 556(b)(2), 642(c), 2055, 2106(a)(2), and 2522, with respect to any contribution to an organization described in paragraph (2) during the period described in paragraph (3).

“(5) DENIAL OF ADMINISTRATIVE OR JUDICIAL CHALLENGE OF SUSPENSION OR DENIAL OF DEDUCTION.—Notwithstanding section 7428 or any other provision of law, no organization or other person may challenge a suspension under paragraph (1), a designation or identification described in paragraph (2), the period of suspension described in paragraph (3), or a denial of a deduction under paragraph (4) in any administrative or judicial proceeding relating to the Federal tax liability of such organization or other person.

“(6) ERRONEOUS DESIGNATION.—

“(A) IN GENERAL.—If—

“(i) the tax exemption of any organization described in paragraph (2) is suspended under paragraph (1),

“(ii) each designation and identification described in paragraph (2) which has been made with respect to such organization is determined to be erroneous pursuant to the law or Executive order under which such designation or identification was made, and

“(iii) the erroneous designations and identifications result in an overpayment of income tax for any taxable year by such organization, credit or refund (with interest) with respect to such overpayment shall be made.

“(B) WAIVER OF LIMITATIONS.—If the credit or refund of any overpayment of tax described in subparagraph (A)(iii) is prevented at any time by the operation of any law or rule of law (including *res judicata*), such credit or refund may nevertheless be allowed or made if the claim therefor is filed before the close of the 1-year period beginning on the date of the last determination described in subparagraph (A)(ii).

“(7) NOTICE OF SUSPENSIONS.—If the tax exemption of any organization is suspended under this subsection, the Internal Revenue Service shall update the listings of tax-exempt organizations and shall publish appropriate notice to taxpayers of such suspension and of the fact that contributions to such organization are not deductible during the period of such suspension.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to designations made before, on, or after the date of the enactment of this Act.

SEC. 109. ABOVE-THE-LINE DEDUCTION FOR OVERNIGHT TRAVEL EXPENSES OF NATIONAL GUARD AND RESERVE MEMBERS.

(a) DEDUCTION ALLOWED.—Section 162 (relating to certain trade or business expenses) is amended by redesignating subsection (p) as subsection (q) and inserting after subsection (o) the following new subsection:

“(p) TREATMENT OF EXPENSES OF MEMBERS OF RESERVE COMPONENT OF ARMED FORCES OF THE UNITED STATES.—For purposes of subsection (a)(2), in the case of an individual who performs services as a member of a reserve component of the Armed Forces of the United States at any time during the taxable year, such individual shall be deemed to be away from home in the pursuit of a trade or business for any period during which such individual is away from home in connection with such service.”

(b) DEDUCTION ALLOWED WHETHER OR NOT TAXPAYER ELECTS TO ITEMIZE.—Section 62(a)(2) (relating to certain trade and business deductions of employees) is amended by adding at the end the following new subparagraph:

“(E) CERTAIN EXPENSES OF MEMBERS OF RESERVE COMPONENTS OF THE ARMED FORCES OF THE UNITED STATES.—The deductions allowed by section 162 which consist of expenses, determined at a rate not in excess of the rates for travel expenses (including *per diem* in lieu of subsistence) authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, paid or incurred by the taxpayer in connection with the performance of services by such taxpayer as a member of a reserve component of the Armed Forces of the United States for any period during which such individual is more than 100 miles away from home in connection with such services.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2002.

SEC. 110. TAX RELIEF AND ASSISTANCE FOR FAMILIES OF SPACE SHUTTLE COLUMBIA HEROES.

(a) INCOME TAX RELIEF.—

(1) IN GENERAL.—Subsection (d) of section 692 (relating to income taxes of members of Armed Forces and victims of certain terrorist attacks on death) is amended by adding at the end the following new paragraph:

“(5) RELIEF WITH RESPECT TO ASTRONAUTS.—The provisions of this subsection shall apply to any astronaut whose death occurs in the line of duty, except that paragraph (3)(B) shall be applied by using the date of the death of the astronaut rather than September 11, 2001.”

(2) CONFORMING AMENDMENTS.—

(A) Section 5(b)(1) is amended by inserting “, astronauts,” after “Forces”.

(B) Section 6013(f)(2)(B) is amended by inserting “, astronauts,” after “Forces”.

(3) CLERICAL AMENDMENTS.—

(A) The heading of section 692 is amended by inserting “, ASTRONAUTS,” after “FORCES”.

(B) The item relating to section 692 in the table of sections for part II of subchapter J of chapter 1 is amended by inserting “, astronauts,” after “Forces”.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to any astronaut whose death occurs after December 31, 2002.

(b) DEATH BENEFIT RELIEF.—

(1) IN GENERAL.—Subsection (i) of section 101 (relating to certain death benefits) is amended by adding at the end the following new paragraph:

“(4) RELIEF WITH RESPECT TO ASTRONAUTS.—The provisions of this subsection shall apply to any astronaut whose death occurs in the line of duty.”

(2) CLERICAL AMENDMENT.—The heading for subsection (i) of section 101 is amended by inserting “OR ASTRONAUTS” after “VICTIMS”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid

after December 31, 2002, with respect to deaths occurring after such date.

(c) ESTATE TAX RELIEF.—

(1) IN GENERAL.—Section 2201(b) (defining qualified decedent) is amended by striking “and” at the end of paragraph (1)(B), by striking the period at the end of paragraph (2) and inserting “, and”, and by adding at the end the following new paragraph:

“(3) any astronaut whose death occurs in the line of duty.”

(2) CLERICAL AMENDMENTS.—

(A) The heading of section 2201 is amended by inserting “, DEATHS OF ASTRONAUTS,” after “FORCES”.

(B) The item relating to section 2201 in the table of sections for subchapter C of chapter 11 is amended by inserting “, deaths of astronauts,” after “Forces”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to estates of decedents dying after December 31, 2002.

TITLE II—REVENUE PROVISION

SEC. 201. EXTENSION OF CUSTOMS USER FEES.

Section 13031(j)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) is amended by striking “March 31, 2004” and inserting “March 1, 2005”.

Amend the title so as to read: “An Act to amend title 10, United States Code, and the Internal Revenue Code of 1986 to increase the death gratuity payable with respect to deceased members of the Armed Forces and to exclude such gratuity from gross income, to provide additional tax relief for members of the Armed Forces and their families, and for other purposes.”

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. SAM JOHNSON) and the gentleman from New York (Mr. MCNULTY) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. SAM JOHNSON).

Mr. SAM JOHNSON of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am proud to stand before the House today in support of the Military Family Tax Relief Act.

I want to start out today by saying how extremely proud I am of the men and women who serve in our military. No matter where I go, I have absolute rapt attention from everyone when I talk about the members of our Armed Forces. I hope our troops know that. All across the Nation, citizens are proud of the work our troops do and Americans are grateful for the sacrifices that they and their families make for the defense of our Nation.

This bill doubles the military death benefit gratuity to \$12,000 and excludes from taxation that whole amount. Just last week we passed this concept for the third time. This will be the last time this Congress will need to vote on this bill because this version has been approved by our colleagues on the Senate side of the Capitol, and we will be passing the exact bill so that President Bush can sign it into law.

This bill is also retroactive to September 11, 2001, so that all of our men and women who have died in service of their country since that day will receive this benefit. This is what a grateful country does for the families of those servicemembers. I am proud that we will be fixing the problem of having

a knock at the door by the military chaplain which will no longer be followed by a knock at the door from the tax man. This bill does that and more.

It will also make taxes a smaller problem for active military and reserves. The Military Families Tax Relief Act provides reasonable accommodations to members of the military so that they too can benefit from the current \$500,000 exclusion from capital gains on the sale of a home. To get this exclusion, a family must live in a home for at least 2 of the previous 5 years. This is generally a reasonable requirement, but for those serving in the military such a requirement is out of their control when orders ship them to any of the four corners of the Earth.

As a 29-year veteran of the Air Force, my wife and I moved many times. In the last 7 years we had seven different moves. So I know firsthand about being transferred. And sometimes you live in base housing, and sometimes you live in your own home.

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It was a part of the job then and it still is today, and I think it is a reasonable accommodation for the tax code to hold them harmless for those times when they are not living in their homes. As long as the servicemember or his or her family have lived in the home for 2 years, the tax code will hold them harmless for years away from home at distant postings. Servicemembers are not going to be able to become real estate moguls by buying properties all over the country and getting this treatment for each. Only one property at a time is eligible for this exclusion.

I am glad to report that another provision I have been working on has also been included. It will permit students at our Nation's military academies to be treated as being on scholarship for purposes of Section 529 education savings accounts. It is only the United States military academy students who are not eligible for this benefit. Serving this country is a noble profession. Congress will now encourage, not discourage, young people to join our Armed Forces, especially today.

I think when hardworking, patriotic young Americans are rewarded with an appointment to a service academy we should not turn around and impose a 10 percent penalty on their parents who saved for their children's education. We should provide the same penalty-free withdrawals for the plebe, the middy and the cadet as we provide for those who play sports, earn an academic scholarship or pay for school through ROTC.

This is a great bill. It is long overdue. It has been a long time since 9/11, and we are trying to take care of our military, and this is retroactive back to that point.

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

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

I am pleased to be back on the floor this week to discuss an expanded version of the bill that we talked about last week. I am thankful to the gentleman from New York (Mr. RANGEL) for again designating me to manage the bill on the Democratic side, and it is always a great honor to be on the floor with a true American hero like the gentleman from Texas (Mr. SAM JOHNSON).

Last week when we discussed this bill, we were talking about how it was so inadequate compared to the tremendous sacrifices made by the men and women in uniform serving our country. So I am very happy to be discussing a bill which is expanded in its scope, and will, in addition to the initial provisions, provide a number of new elements of tax relief for the men and women of our Armed Forces. These include: special rules for the sale of a principal residence, tax-free assistance payments for dependent care and homeownership, liberalized tax return filing requirements, and deductions for overnight travel expenses of the National Guard and Reserve. There is also a provision in The Bill to provide tax relief for the families of our shuttle *Columbia* heroes.

So I would again state to my colleague from Texas and to the Speaker and all of the Members that I still think, even with its additions, it is a very, very modest bill for the members of our Armed Forces. I thank our colleagues for their unanimous support last week, and I hope they give us that same support today.

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

Mr. SAM JOHNSON of Texas. Mr. Speaker, I reserve my time.

Mr. McNULTY. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from Maryland (Mr. CARDIN), a member of the committee.

Mr. CARDIN. Mr. Speaker, let me thank my friend from New York for yielding me this time and also thank my friend from Texas for his service to our country and for this bill coming before us.

This is an important bill. It contains many provisions that will be important for the people who are affected by the changes that are made, our military families that have served our Nation so well. They deserve the consideration of this legislation, and I encourage my colleagues to support it.

As the gentleman from Texas (Mr. SAM JOHNSON) pointed out, this is either the fourth or fifth time that we have been taking this bill up in this body, and at last, it looks like we are going to be able to get this bill to the President for signature, and I think that is good news for military families.

I think we should learn the lesson, though, that the other body put in offsets, revenue offsets, so that there will be no net impact on the deficit as a result of passage of this legislation. That is as a result of adding Customs fees, user fees to the legislation. That is a

good thing to do. We have a large deficit. We should try to pay for what we do here, and I am encouraged about what we have done on this legislation. And I hope we will use it as an example for other legislation that has come out of the committee I serve on, but is not paid for. And I expect it is going to have a much more difficult time in the other body, until we also figure out a way to find offsets for tax changes that we bring forward.

As I pointed out, Mr. Speaker, this is a bill that contains many important provisions for the military families that will be affected by it. We have mentioned the death benefit. Obviously, this is the least that we can do.

We mentioned some of the tax impacts of certain benefits that are changed by this. The home sale tax relief, that is very important for military families that are often called upon to sell their homes, to make it a little bit easier for them to handle the tax consequences of a move.

The overnight expenses for our National Guard and Reservists, above-the-line deduction of \$500. It is a modest amount, but I think it recognizes the fact that our National Guard and Reservists are a very important part of our national defense and homeland security needs. That became particularly apparent in our current efforts on fighting terrorism in Iraq. We have called upon our Reservists. We have called upon our National Guard. We should recognize the fact that they have additional expenses that should be treated fairly in our tax code, and I hope as my friend, the gentleman from New York (Mr. McNULTY) pointed out, I hope the provisions in this bill are a starting point, not an ending point for dealing with these tax issues. So we can try to provide some appropriate relief to our military families.

Let me last mention the point that the gentleman from Texas (Mr. SAM JOHNSON) raised about those in our military academies that have been discriminated against under Section 529, the educational savings accounts. I am glad that we finally are able to correct that error in the law. I have the honor of representing the jurisdiction that includes the United States Naval Academy, and we have been contacted by families that felt that was terribly unfair, and they were right. Now, we have listened to them, and we have corrected that. It is another reason why I hope that we will unanimously support this very important legislation.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I appreciate the gentleman from Maryland's (Mr. CARDIN) remarks. I yield such time as he may consume to the gentleman from New York (Mr. HOUGHTON), our distinguished subcommittee chairman on the Committee on Ways and Means.

Mr. HOUGHTON. Mr. Speaker, I thank the gentleman very much for those kind words. I will not take a lot of time because so much has been said, and much of it is felt even though the

words have not been there, but it is clear when I stand up here, I am going to support this bill, and I encourage everyone else who knows anything about the issues here to support it.

We started this bill back in July of last year, and it has finally come to the finish line after many trips back and forth between here and the Senate. What the bill does is, as I am sure as has already been spoken, provides a number of tax benefits for the active military, as well as the Reservists. Also, we made modest improvements to help the families of the members of the military who have given the supreme sacrifice.

I am not going to go into the details, Mr. Speaker, of this bill. We have discussed these over the past year. We have discussed them ad infinitum. So those are really behind us, and furthermore, the most important thing is the bill is paid for.

I was in Iraq several weeks ago, and it was an impressive time for a variety of reasons, not the least of which is the fact that I met people from not only my own district but from other districts, and with all the problem of the greed and the discussion about the economic system here, here these people are laying their lives on the line, they are getting underpaid, they are tired, they go out in this absolutely crushing heat. The only thing they asked of us when we were there was are you with us, are you supportive of us, and this is one small thing I can do to say, yes, we are.

Mr. McNULTY. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. MCGOVERN), a friend who was an author of one of the original bills to increase the tax free benefits for service personnel.

Mr. MCGOVERN. Mr. Speaker, I thank my colleague from New York (Mr. McNULTY) for yielding me the time and for all of his great leadership on this and so many other issues that impact military families.

I also want to pay my respects and acknowledge the great leadership of the gentleman from Texas (Mr. SAM JOHNSON) for all he has done.

Mr. Speaker, I rise in strong support of H.R. 3365. Among other things, this legislation, as has been mentioned, includes several provisions that my colleague from Arizona (Mr. RENZI) and I have been working on for some time. This bill doubles the military death gratuity from \$6,000 to \$12,000, makes it tax exempt, and makes those changes are retroactive to September 11, 2001. Currently, the gratuity is \$6,000, of which about \$3,000 is subject to Federal taxes.

The death gratuity is a lump-sum payment to the surviving spouse of a military servicemember killed in the line of duty or to the children of the servicemember in equal shares if there is no spouse. The purpose of the benefit is to provide cash quickly to the survivors in order to help them meet immediate needs.

Mr. Speaker, I am also pleased that this bill contains a number of other provisions that were part of the Armed Forces Tax Fairness Act which will benefit the brave men and women serving our Nation overseas. As we have seen just this week, the loss of life continues for our men and women in uniform serving in Iraq and Afghanistan.

All of us are united in expressing our condolences for the families left behind. We are also united in wanting to ensure that the surviving families' most pressing needs are met. This bill takes a small but important step in that direction, and it is the right thing to do.

Mr. Speaker, I want to commend the tireless work of the gentleman from Texas (Mr. EDWARDS), who has been an incredible leader on this whole issue, as well as the gentleman from North Carolina (Mr. JONES). They were pioneers on this issue and so many other benefits that are important to our military and their families.

I also want to acknowledge the gentleman from Missouri (Mr. SKELTON), my good friend and colleague, the ranking member of the House Committee on Armed Services, for ensuring that language to increase the death gratuity and make it retroactive to September 11, 2001 would be included in the Defense authorization conference report.

Mr. Speaker, as has been said, this bill contains other benefits for our uniformed men and women, and while I believe we need to do much, much more in order for the actions of this House to meet up with its rhetoric, nonetheless these are important steps in the right direction. They are a symbol that we respect the men and women who serve our country and who serve in our military.

Mr. Speaker, this bill is long, long, long overdue, and I am pleased that both the House and the Senate have come together to send this legislation to the President's desk. I urge my colleagues to vote yes on H.R. 3365, and I call upon President Bush to sign it quickly.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I yield such time as he may consume to the gentleman from Arizona (Mr. RENZI) who is an author of some of this bill.

Mr. RENZI. Mr. Speaker, I want to begin by thanking those people who have worked across party lines to help bring together this substantial piece of legislation and the many elements that make it up. A good deal of thanks goes to the gentleman from Texas (Mr. DELAY) for helping us to move through the logjam.

The gentleman from North Carolina (Mr. JONES), one of the innovators, as well as the gentleman from Massachusetts (Mr. MCGOVERN), and in the final days, the gentleman from California (Mr. THOMAS) of the Committee on Ways and Means all deserve an immense amount of credit, as well as our great leader here, the gentleman from Texas (Mr. SAM JOHNSON).

I want to focus on a couple of elements of the bill that I think need to be communicated. First of all, to our soldiers in Afghanistan and Bosnia, to our soldiers out there in Iraq, on the tip of the spear, defending our sacred liberties and freedoms, when they do come home, we want them to know that we worked on a bipartisan basis to provide them with tax relief and an increase in benefits.

I had the duty to go up and see Lori Piestewa's family up on the Hopi reservation when we lost the first Native American woman in battle in Iraq, and we had a discussion of the benefits that came to that family. She left behind two children, a boy and a girl, and the Hopi reservation is a tough place. Poverty is immense. The housing conditions there are tough, and Lori's children are going to be okay. They are left with a beautiful grandmother in Perci Piestewa, but to think we were going to provide a \$6,000 death gratuity benefit and come back in and tax it on the initial \$3,000 was unconscionable.

That began the initiative with the gentleman from North Carolina (Mr. JONES) that allows us to look at some of the key legislation that many of our friends across both aisles have offered for so long.

I would also like to point out to the American people that part of this tax package and benefit includes the ability to now shut down the nonprofit organizations that were developed by the al Qaeda network, those Wahabists, those extreme fundamental Islamic organizations that existed in the United States that were set up in order for high-wealth sheiks to donate money into, those organizations that were set up in order to be a channel for illegal contributions that were gained through the sale of stolen goods both in America and in South America.

□ 1215

When the terrorist organizations are now identified, this bill allows us to go in and shut down those nonprofit organizations so terrorist organizations do not continue to get tax breaks while our military families do not. This provides the ability and the tools for the Department of Justice to go in there and shut those organizations down.

Finally, let me speak to the fact that the veterans service organizations who have carried the mantle and the banner for so long on behalf of our veterans also benefit from this bill. As a member of the Committee on Veterans' Affairs on the Republican side, we have worked with many of our colleagues on the Democratic side to come up with language that allows an expansion of linear dependence to be included toward the classification of that nonprofit organization. At a time when we are losing 1,400 to 1,500 of our greatest veterans from World War II, this allows the ability for their sons and daughters of the American Legion, for delinear descendants to be included and counted as members within the organization so

those VSOs can have a future and a legacy that has been fought for by their fathers and mothers.

In closing, Mr. Speaker, I want to again emphasize that the military men and women overseas deserve this bill. The time has come for us to put aside any partisan politics, any type of log-jam from the past; and I urge my colleagues to pass this Fallen Patriots Act today.

Mr. MCNULTY. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, I have the privilege of representing over 42,000 Army soldiers at Fort Hood, Texas. At present, 17,000 of those soldiers are fighting for our country in Iraq and risking their lives. By the end of next year, over 30,000 of my constituents will have served in Iraq.

There is no way our Nation or this Congress can repay its debt of gratitude to those troops, to all of our servicemen and -women, any more than we can repay our debt of gratitude to our friend and colleague, the gentleman from Texas (Mr. SAM JOHNSON), for his service and sacrifice to our country during time of war. But this is a good and significant downpayment on that debt of; gratitude, and I commend those who have worked on a bipartisan basis to pass it, the gentleman from Texas (Mr. SAM JOHNSON), the gentleman from New York (Mr. MCNULTY), the gentleman from Arizona (Mr. RENZI), and the gentleman from Massachusetts (Mr. MCGOVERN), who have fought for this issue, improvements in death gratuity payments, for so very long.

I think the question I would like to raise in a few moments is not why is this good bill passing today, but why did it take so much effort and time to pass it over the past year. This bill, these benefits to our servicemen and -women, could have passed and should have passed 7 months ago. The House passed the bill unanimously in March. Seven days later, on March 27 to be exact, the Senate passed the bill. It came back. Unfortunately, the House leadership chose to sit on the bill for 7 months, apparently because the bill was being paid for by closing the tax loophole for Benedict Arnolds who turn their backs on our country and renounce their citizenship to keep from paying American taxes.

Despite the good news of this bill today, I have continuing concerns that our veterans and servicemen and -women seem to have to work so hard and to beg for very meager benefits, even those in this bill. Why did it take the Military Officers Association running a radio ad over the last several weeks to get the attention of the House leadership on this bill? Why did it take a press conference with me and others, many veterans groups and military family groups, several weeks ago to get the attention of the House leadership to bring this bill forward?

A Congress that passed quickly this year a \$230,000 tax break for wealthy

Americans making \$1 million a year in dividend income, a Congress which can do that should have been able to pass this bill months ago.

Mr. Speaker, it is of concern to me that we continue to have a disabled veterans tax, to actually, in effect, tax disabled veterans for their disabilities by reducing their military retirement income. We continue to underfund VA health care.

I hope today is not considered a final payment, but a first payment on our debt of gratitude to our servicemen and -women. With the leadership on both sides of the aisle who played such a key role in this bill, I am confident that it will be. But I am going to continue to raise concerns in this House when our veterans have to beg for a \$1 billion benefit over 12 years, or 10 years, whereas the Committee on Ways and Means can pass out a \$60 billion corporate tax break just last week and dividend tax cuts that help our wealthiest Americans.

We need to make our servicemen and -women and their families and America's veterans a first priority, not an afterthought. I salute the gentleman from Texas (Mr. SAM JOHNSON), the gentleman from Arizona (Mr. RENZI), and the gentleman from New York (Mr. MCNULTY) for this positive step forward. Let it be the first of many other steps forward in honoring our servicemen and -women and veterans with our words and our deeds.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me just make one comment to clear the record. The House did not sit on this bill, as was stated by the previous speaker. I think the gentleman failed to realize the Senate sent that first bill back July 2002. Since that time, the House has passed bill after bill after bill. It was passed three times this year, on April 9, June 12, and October 29. Then again this month we passed this bill, and the last one was totally clean.

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

Mr. SAM JOHNSON of Texas. I yield to the gentleman from Texas.

Mr. EDWARDS. Mr. Speaker, I think it is important to keep the record straight. I believe the record will show that the House passed H.R. 1307, the Armed Forces Tax Fairness Act, on March 20. The Senate passed it on March 27, and since that time period the bill has been sitting in the House. The House leadership could have brought that bill to the floor of the House for a vote literally months ago. We would need to accept the one major Senate amendment in that bill which said we ought to pay for tax benefits for our service men and women and their families by closing the loopholes on Benedict Arnolds who turn their backs on America and renounce their citizenship to keep from paying taxes.

I think there was a delay on this bill, but my main focus today is to say

thank you to the gentleman for his leadership in getting it to the floor today and on to the President for his signature. And let us work together better in the future to see that our veterans and service men and women do not have to work so hard and beg to get even meager benefits. And I know the gentleman with his distinguished career of service to our country would not disagree with that.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I do not disagree with that, and I think we are in accord on both sides of the aisle today. It is wonderful that we can support our troops in a bipartisan manner.

Mr. EDWARDS. Mr. Speaker, I thank the gentleman from Texas for his leadership.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I reserve the balance of my time.

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

Mr. Speaker, in closing, I am going to repeat what I said last week: we need to keep our priorities straight. Part of that, for me, is to remember that had it not been for all of the men and women who wore the uniform of the United States military through the years, the rest of us would not have the privilege of going around bragging—as I often do—about how we live in the freest and most open democracy on the face of the Earth. Freedom is not free. We have paid a tremendous price for it.

I try not to let even a single day go by without remembering with deepest gratitude all of those who, like my own brother, Bill McNulty, made the supreme sacrifice, and like those 16 young Americans who died in that helicopter incident just a few days ago. We should also remember the veterans who came back home, like the one who is managing this bill, a true American hero who was a prisoner of war for 7 years, who endured torture on our behalf, and then came home and continues to render outstanding service to his community, his State and his Nation.

Mr. Speaker, these are the things that I am most grateful for today. All of those Americans who served before us, and people like the gentleman from Texas (Mr. SAM JOHNSON), have been, are, and will continue to be the reasons why when I get up in the morning the first two things I do are to thank God for my life and veterans for my way of life.

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

Mr. SAM JOHNSON of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I appreciate the comments of the gentleman from New York (Mr. MCNULTY). I agree with the gentleman; what he says is true. I remember an inscription on the wall that we left over there which I think says it all: Freedom has a taste to those who fight and almost die that the protected will never know. That is what this Nation is all about, freedom. And, man, I

will tell you, America is great. This is for our service men and women that we pass this in a bipartisan way.

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

The SPEAKER pro tempore (Mr. QUINN). The question is on the motion offered by the gentleman from Texas (Mr. SAM JOHNSON) that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 3365.

The question was taken.

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

Mr. SAM JOHNSON of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

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

GENERAL LEAVE

Mr. SAM JOHNSON of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the Senate amendments to H.R. 3365.

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

There was no objection.

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2559, MILITARY CONSTRUCTION APPROPRIATIONS ACT, 2004

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 429 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 429

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 2559) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2004, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore. The gentlewoman from North Carolina (Mrs. MYRICK) is recognized for 1 hour.

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

The rule waives all points of order against the conference report to ac-

company H.R. 2559, Military Construction Appropriations Act for Fiscal Year 2004, and against its consideration. The rule provides that the conference report shall be considered as read.

This conference report provides funds for all types of construction projects on military installations here in the U.S. and abroad. The projects range from barracks and housing to training ranges and runways.

Mr. Speaker, we are asking a lot of our military today, and our military personnel on active duty know they will be deployed overseas and perhaps on dangerous missions. So we want to provide them a quality of life for themselves and for their families that will allow them to serve, knowing their families will be taken care of with good health care and good housing.

□ 1230

We must honor the most basic commitments we have made to the men and women of our Armed Services. We must ensure a reasonable quality of life to recruit and retain the best and the brightest to America's fighting forces. Most importantly, we must do all in our power to ensure a strong, able, dedicated American military so that this Nation will be ever vigilant and ever prepared.

I would like to take a moment to highlight some of the key areas of the bill. First, \$1.2 billion is provided for troop barracks. This is a \$58 million increase from last year's level. This sends a positive message to our unaccompanied personnel stationed all around the world that their quality of life is a priority. It also provides \$2.7 billion to operate and maintain existing housing units and \$1.1 billion for new housing units. Military families also have a tremendous need for quality child care, especially single parents and families in which one or both parents may face lengthy deployments. To help meet this need, the bill provides \$16.5 million for child development centers.

In conclusion, we have focused our efforts on programs that directly support the men and women in our Armed Forces. We would like to do more, of course. We always have and we will always try to do that. The bottom line is this: With this conference report, we meet the military's critical infrastructure needs and their efforts to improve the quality of life for our men and women in the Armed Forces.

To that end, I urge my colleagues to support the rule and support the conference report.

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

Mr. MCGOVERN. Mr. Speaker, I want to thank the gentlewoman from North Carolina (Mrs. MYRICK) for yielding me the customary 30 minutes, and I yield myself such time as I may consume.

Mr. Speaker, I would like to express my appreciation for the bipartisan work of the conferees, and especially for the leadership of Chairman

KNOLLENBERG and ranking member EDWARDS, whose long service to meeting the needs of our uniformed men and women is well known to all the Members of this House.

Mr. Speaker, in June when the House passed its version of H.R. 2559, it was \$41 million less than the President's request and was a \$1.5 billion cut from fiscal year 2003 funding levels. The conference report, while an improvement somewhat over the House-passed bill, is still defective. While it is \$199 million more than the amount requested by President Bush, it still reduces funding overall for military construction by \$1.38 billion from the fiscal year 2003 levels. Mr. Speaker, we simply cannot continue selling our military men and women short.

We have all seen the pictures from Fort Stewart in Georgia where our Guard and Reserves, returning wounded and sick from Iraq, are warehoused in the most miserable conditions. How can we stand on the floor of this House day after day, week after week declaring how much we support our military men and women when the funding providing for family housing in this conference report is over \$400 million less than last year? That total is even worse than what it was in the original House-passed bill. How can we stand on the floor of the House day after day and week after week and say that we are engaged in a long-term struggle against a global enemy and then cut military construction funds by \$600 million from last year's level?

Mr. Speaker, poor facility conditions are not only unsafe, they hamper readiness, contribute to low morale and decrease troop retention. According to the Pentagon, 180,000 of the 300,000 units of military housing are substandard. Sixty-eight percent of our military facilities have deficiencies so serious that they might impede mission readiness, or they are so deteriorated that they cannot support mission requirements. The current reductions in funding for construction in these facility categories means that the rate at which buildings are renovated or replaced has increased from 83 years to 150 years.

Mr. Speaker, I said it in June, and I am going to say it again. This is a national scandal. I keep hearing that since the events of September 11, we live in a changed world. I keep hearing how much we appreciate our Armed Forces, how much we appreciate their sacrifice and their service. Then why do we keep cutting and cutting and cutting the military construction appropriations bill? If we truly appreciate our military men and women, should we not give them and their families decent housing? I keep being told, just wait for next year and the funding will get better. Only it never gets any better. It just keeps getting worse. "Next year" should be now.

This conference report, while a small improvement overall from the House-passed bill, continues to be, in the