

Peace in West Africa will not come until Charles Taylor is brought to justice for his crime and removed as a threat from the region. The Nigerian government must be shown that harboring a war criminal and a terrorist is not in their best interest. I urge the House to join me in passing this amendment and standing for justice and the rule of law in West Africa.

Mr. Chairman, I yield to the gentleman from Virginia (Mr. WOLF).

Mr. WOLF. Mr. Chairman, I thank the gentlewoman from New York (Mrs. KELLY). The gentlewoman is right, Charles Taylor has been responsible for having dealings with al Qaeda and conflict diamonds. Charles Taylor was the one responsible for cutting off arms and legs of young people in Sierra Leone and in Liberia. I think the gentlewoman is right, Nigeria should return Charles Taylor so he can have a fair trial. I think the administration has a moral obligation to ask the Nigerians and get him back to go before the court.

Mrs. KELLY. Mr. Chairman, I yield to the gentleman from California (Mr. LANTOS).

Mr. LANTOS. Mr. Chairman, I rise in strong support of the gentlewoman's amendment. It is long overdue that action be taken on this criminal and mass murderer, and I hope all of my colleagues will vote for this amendment.

Mr. KOLBE. Mr. Chairman, I rise in opposition to the amendment.

The gentlewoman has raised some very important points, and I know she has done a great deal of work in this area as it relates to Charles Taylor and West Africa. There is no question it is a very troubled area, and Charles Taylor has certainly contributed to the instability in the region.

There are no funds in the legislation that deal with Nigeria, and there are a lot of circumstances around this issue that I think are difficult in the sense that the United States has played a role in all of this as to where he is at the moment. We do want this person brought to justice, and I know that is the intention of the United States.

I would hope, however, that the gentlewoman would withdraw this amendment because I believe that would be in the best interest of United States foreign policy. We will certainly work with the gentlewoman and her staff to try to resolve the situation, and work with the State Department and the gentlewoman to get a satisfactory explanation of what is being done.

Mr. LEWIS of California. Mr. Chairman, I withdraw my point of order.

The Acting CHAIRMAN. The gentleman withdraws his point of order.

Mrs. KELLY. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The Acting CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

Mr. LEWIS of California. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PEARCE) having assumed the chair, Mr. GILCREST, Acting Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1268) making emergency supplemental appropriations for the fiscal year ending September 30, 2005, and for other purposes, had come to no resolution thereon.

LIMITING AMENDMENTS DURING FURTHER CONSIDERATION OF H.R. 1268, EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT FOR DEFENSE, THE GLOBAL WAR ON TERROR, AND TSUNAMI RELIEF, 2005

Mr. LEWIS of California. Mr. Speaker, I ask unanimous consent that during further consideration of H.R. 1268 in the Committee of the Whole pursuant to House Resolution 151, no further amendment to the bill may be offered except:

Pro forma amendments offered at any point by the chairman and ranking minority member of the Committee on Appropriations or their designees for the purpose of debate; amendment 4, which shall be debatable for 20 minutes; and an amendment by Mr. MARKEY regarding combat pay; an amendment by Mr. MARKEY regarding torture; an amendment by Mr. WEINER regarding funds to the Palestinian Authority, which shall be debatable for 20 minutes; an amendment by Mr. OBEY regarding intelligence; an amendment by Mr. FILNER regarding veterans hiring preference for reconstruction of Iraq; and an amendment by Ms. VELÁZQUEZ regarding small business.

Each such amendment may be offered only by the Member named in this request or a designee, or the Member who caused it to be printed in the RECORD or a designee, shall be considered only in the order listed, except in the case of pro forma amendments; shall be considered as read, shall not be subject to amendment except that the chairman and the ranking minority member of the Committee on Appropriations each may offer one pro forma amendment for the purpose of debate; and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole.

Except as otherwise specified, each amendment shall be debatable for 10 minutes, equally divided and controlled by the proponent and an opponent. An amendment shall be considered to fit the description stated in this request if it addresses in whole or in part the object described.

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

There was no objection.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT FOR DEFENSE, THE GLOBAL WAR ON TERROR, AND TSUNAMI RELIEF, 2005

The SPEAKER pro tempore (Mr. PEARCE). Pursuant to House Resolution 151 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1268.

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IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 1268) making emergency supplemental appropriations for the fiscal year ending September 30, 2005, and for other purposes, with Mr. GILCREST (Acting Chairman) in the chair.

The Clerk read the title of the bill.

The Acting CHAIRMAN. When the Committee of the Whole House rose earlier today, the bill had been read through page 72, line 17.

Pursuant to the order of House today, no further amendment to the bill may be offered except:

Pro forma amendments offered at any point by the chairman and ranking minority member of the Committee on Appropriations or their designees for the purpose of debate;

Amendment 4, which shall be debatable for 20 minutes;

An amendment by Mr. MARKEY regarding combat pay;

An amendment by Mr. MARKEY regarding torture;

An amendment by Mr. WEINER regarding funds to the Palestinian Authority, which shall be debatable for 20 minutes;

An amendment by Mr. OBEY regarding intelligence;

An amendment by Mr. FILNER regarding veterans hiring preference for reconstruction of Iraq; and

An amendment by Ms. VELÁZQUEZ regarding small business.

Each amendment may be offered only by the Member designated in the order of the House or a designee, or the Member who caused it to be printed in the RECORD or a designee, shall be considered only in the order designated in the order of the House, except in the case of pro forma amendments; shall be considered as read, shall not be subject to an amendment, except that the chairman and ranking minority member of the Committee on Appropriations may offer one pro forma amendment for purpose of debate; and shall not be subject to a demand for division of the question.

Except as otherwise specified, each amendment shall be debatable for 10 minutes, equally divided and controlled by the proponent and an opponent.

It is now in order to consider amendment No. 4 by the gentleman from California (Mr. LANTOS).

AMENDMENT NO. 4 OFFERED BY MR. LANTOS

Mr. LANTOS. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. LANTOS:

Add at the end (before the short title) the following new title:

TITLE VII—HOPE AT HOME ACT

SEC. 701. SHORT TITLE.

This title may be cited as the "Help Our Patriotic Employers at Helping Our Military Employees Act" or the "HOPE AT HOME Act".

SEC. 702. NONREDUCTION IN PAY WHILE FEDERAL EMPLOYEE IS SERVING ON ACTIVE DUTY IN A RESERVE COMPONENT OF THE UNIFORMED SERVICES.

(a) IN GENERAL.—Subchapter IV of chapter 55 of title 5, United States Code, is amended by adding at the end the following new section:

"§ 5538. Nonreduction in pay while serving on active duty in a reserve component

"(a) An employee who is also a member of a reserve component and is absent from a position of employment with the Federal Government under a call or order to serve on active duty for a period of more than 30 days shall be entitled to receive, for each pay period described in subsection (b), an amount equal to the difference (if any) between—

"(1) the amount of civilian basic pay that would otherwise have been payable to the employee for such pay period if the employee's civilian employment with the Government had not been interrupted by the service on active duty; and

"(2) the amount of military compensation that is payable to the employee for the service on active duty and is allocable to such pay period.

"(b)(1) Amounts under this section shall be payable with respect to each pay period (which would otherwise apply if the employee's civilian employment had not been interrupted) that occurs—

"(A) while the employee serves on active duty for a period of more than 30 days;

"(B) while the employee is hospitalized for, or convalescing from, an illness or injury incurred in, or aggravated during, the performance of such active duty; or

"(C) during the 14-day period beginning at the end of such active duty or the end of the period referred to in subparagraph (B).

"(2) Paragraph (1) shall not apply with respect to a pay period for which the employee receives civilian basic pay (including by taking any annual, military, or other paid leave) to which the employee is entitled by virtue of the employee's civilian employment with the Government.

"(c) Any amount payable under this section to an employee shall be paid—

"(1) by the employing agency of the employee;

"(2) from the appropriations or fund that would be used to pay the employee if the employee were in a pay status; and

"(3) to the extent practicable, at the same time and in the same manner as would civilian basic pay if the employee's civilian employment had not been interrupted.

"(d) In consultation with Secretary of Defense, the Office of Personnel Management shall prescribe such regulations as may be necessary to carry out this section.

"(e) In consultation with the Office of Personnel Management, the head of each employing agency shall prescribe procedures to ensure that the rights under this section apply to the employees of such agency. In

consultation with the Office of Personnel Management, the Administrator of the Federal Aviation Administration shall prescribe procedures to ensure that the rights under this section apply to the employees of that agency.

"(f) In this section:

"(1) The terms 'active duty for a period of more than 30 days', 'member', and 'reserve component' have the meanings given such terms in section 101 of title 37.

"(2) The term 'civilian basic pay', with respect to an employee, includes any amount payable under section 5304 of this title or under such other law providing for the compensation of the employee by the employing agency for work performed.

"(3) The term 'employing agency', as used with respect to an employee entitled to any payments under this section, means the agency with respect to which the employee has reemployment rights under chapter 43 of title 38. The term 'agency' has the meaning given such term in subparagraph (C) of section 2302(a)(2) of this title, except that the term includes Government corporations and agencies excluded by clause (i) or (ii) of such subparagraph.

"(4) The term 'military compensation' has the meaning given the term 'pay' in section 101(21) of title 37, except that the term includes allowances under chapter 7 of such title."

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 55 of title 5, is amended by inserting after the item relating to section 5537 the following new item:

"5538. Nonreduction in pay while serving on active duty in a reserve component."

(c) APPLICATION OF AMENDMENT.—Section 5538 of title 5, United States Code, as added by subsection (a), shall apply with respect to pay periods (as described in subsection (b) of such section) beginning on or after the date of the enactment of this Act.

SEC. 703. ACTIVE-DUTY RESERVE COMPONENT EMPLOYEE CREDIT ADDED TO GENERAL BUSINESS CREDIT.

(a) ADDITION OF CREDIT.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business-related credits) is amended by adding at the end the following new section:

"SEC. 45J. ACTIVE-DUTY RESERVE COMPONENT EMPLOYEE CREDIT.

"(a) GENERAL RULE.—For purposes of section 38, the Ready Reserve-National Guard employee credit determined under this section for any taxable year with respect to each Ready Reserve-National Guard employee of an employer is an amount equal to the lesser of—

"(1) 50 percent of the actual compensation amount paid with respect to such Ready Reserve-National Guard employee for such taxable year while the employee is absent from employment for a reason described in subsection (b); or

"(2) \$30,000.

"(b) COVERED PAY PERIODS.—Subsection (a) shall apply with respect to a Ready Reserve-National Guard employee—

"(1) while the employee serves on active duty for a period of more than 30 days;

"(2) while the employee is hospitalized for, or convalescing from, an illness or injury incurred in, or aggravated during, the performance of such active duty; or

"(3) during the 14-day period beginning at the end of such active duty or the end of the period referred to in subparagraph (B).

"(c) LIMITATION.—No credit shall be allowed under subsection (a) with respect to a Ready Reserve-National Guard employee on any day on which the employee was not

scheduled to work (for a reason other than such service on active duty) and ordinarily would not have worked.

"(d) PORTION OF CREDIT REFUNDABLE.—

"(1) IN GENERAL.—In the case of an employer described in paragraph (2), the aggregate credits allowed to a taxpayer under subpart C shall be increased by the lesser of—

"(A) the credit which would be allowed under this section without regard to this subsection and the limitation under section 38(c), or

"(B) the amount by which the aggregate amount of credits allowed by this subpart (determined without regard to this subsection) would increase if the limitation imposed by section 38(c) for any taxable year were increased by the amount of employer payroll taxes imposed on the taxpayer during the calendar year in which the taxable year begins.

The amount of the credit allowed under this subsection shall not be treated as a credit allowed under this subpart and shall reduce the amount of the credit otherwise allowable under subsection (a) without regard to section 38(c).

"(2) EMPLOYER DESCRIBED.—An employer is described in this paragraph if the employer is—

"(A) an organization exempt from tax under this chapter,

"(B) any State or political subdivision thereof, the District of Columbia, any possession of the United States, or any agency or instrumentality of any of the foregoing, or

"(C) any Indian tribal government (within the meaning of section 7871) or any agency or instrumentality thereof.

"(3) EMPLOYER PAYROLL TAXES.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'employer payroll taxes' means the taxes imposed by—

"(i) section 3111(b), and

"(ii) sections 3211(a) and 3221(a) (determined at a rate equal to the rate under section 3111(b)).

"(B) SPECIAL RULE.—A rule similar to the rule of section 24(d)(2)(C) shall apply for purposes of subparagraph (A).

"(e) DEFINITIONS.—In this section—

"(1) The terms 'active duty for a period of more than 30 days', 'member', and 'reserve component' have the meanings given such terms in section 101 of title 37, United States Code.

"(2) The term 'compensation' means any remuneration for employment, whether in cash or in kind, which is paid or incurred by a taxpayer and which is deductible from the taxpayer's gross income under section 162(a)(1).

"(3) The term 'Ready Reserve-National Guard employee' with respect to an employer, means an employee of the employer who is also a member of a reserve component during a taxable year."

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Subsection (b) of section 38 of such Code (relating to general business credit) is amended by striking "plus" at the end of paragraph (18), by striking the period at the end of paragraph (19) and inserting "plus", and by adding at the end the following new paragraph:

"(20) the active-duty reserve component employee credit determined under section 45J(a)."

(c) CONFORMING AMENDMENT.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting "or 45J" after "section 35".

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 45I the following new item:

"Sec. 45J. Active-duty reserve component employee credit."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

SEC. 704. DIFFERENTIAL WAGE PAYMENTS.

(a) INCOME TAX WITHHOLDING.—Section 3401 of the Internal Revenue Code of 1986 (relating to definitions) is amended by adding at the end the following new subsection:

"(i) DIFFERENTIAL WAGE PAYMENTS TO ACTIVE DUTY MEMBERS OF THE UNIFORMED SERVICES.—

"(1) IN GENERAL.—For purposes of subsection (a), any differential wage payment shall be treated as a payment of wages by the employer to the employee.

"(2) DIFFERENTIAL WAGE PAYMENT.—For purposes of paragraph (1), the term 'differential wage payment' means any payment which—

"(A) is made by an employer to an individual with respect to any period during which the individual is performing service in the uniformed services while on active duty for a period of more than 30 days, and

"(B) represents all or a portion of the wages the individual would have received from the employer if the individual were performing service for the employer."

(b) TREATMENT OF DIFFERENTIAL WAGE PAYMENTS FOR RETIREMENT PLAN PURPOSES.—

(1) PENSION PLANS.—

(A) IN GENERAL.—Section 414(u) of such Code (relating to special rules relating to veterans' reemployment rights under USERRA) is amended by adding at the end the following new paragraph:

"(1) TREATMENT OF DIFFERENTIAL WAGE PAYMENTS.—

"(A) IN GENERAL.—Except as provided in this paragraph, for purposes of applying this title to a retirement plan to which this subsection applies—

"(i) an individual receiving a differential wage payment shall be treated as an employee of the employer making the payment,

"(ii) the differential wage payment shall be treated as compensation, and

"(iii) the plan shall not be treated as failing to meet the requirements of any provision described in paragraph (1)(C) by reason of any contribution which is based on the differential wage payment.

"(B) SPECIAL RULE FOR DISTRIBUTIONS.—

"(i) IN GENERAL.—Notwithstanding subparagraph (A)(i), for purposes of section 401(k)(2)(B)(i)(I), 403(b)(7)(A)(ii), 403(b)(11)(A), or 457(d)(1)(A)(ii), an individual shall be treated as having been severed from employment during any period the individual is performing service in the uniformed services described in section 3401(i)(2)(A).

"(ii) LIMITATION.—If an individual elects to receive a distribution by reason of clause (i), the plan shall provide that the individual may not make an elective deferral or employee contribution during the 6-month period beginning on the date of the distribution.

"(C) NONDISCRIMINATION REQUIREMENT.—Subparagraph (A)(iii) shall apply only if all employees of an employer performing service in the uniformed services described in section 3401(i)(2)(A) are entitled to receive differential wage payments on reasonably equivalent terms and, if eligible to participate in a retirement plan maintained by the employer, to make contributions based on the payments. For purposes of applying this subparagraph, the provisions of paragraphs (3), (4), and (5), of section 410(b) shall apply.

"(D) DIFFERENTIAL WAGE PAYMENT.—For purposes of this paragraph, the term 'differential wage payment' has the meaning given such term by section 3401(i)(2)."

(B) CONFIRMING AMENDMENT.—The heading for section 414(u) of such Code is amended by inserting "AND TO DIFFERENTIAL WAGE PAYMENTS TO MEMBERS ON ACTIVE DUTY" after "USERRA".

(2) DIFFERENTIAL WAGE PAYMENTS TREATED AS COMPENSATION FOR INDIVIDUAL RETIREMENT PLANS.—Section 219(f)(1) of such Code (defining compensation) is amended by adding at the end the following new sentence: "The term 'compensation' includes any differential wage payment (as defined in section 3401(i)(2))."

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to remuneration paid after December 31, 2004.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to plan years beginning after December 31, 2004.

(d) PROVISIONS RELATING TO PLAN AMENDMENTS.—

(1) IN GENERAL.—If this subsection applies to any plan or annuity contract amendment—

(A) such plan or contract shall be treated as being operated in accordance with the terms of the plan or contract during the period described in paragraph (2)(B)(i), and

(B) except as provided by the Secretary of the Treasury, such plan shall not fail to meet the requirements of the Internal Revenue Code of 1986 or the Employee Retirement Income Security Act of 1974 by reason of such amendment.

(2) AMENDMENTS TO WHICH SECTION APPLIES.—

(A) IN GENERAL.—This subsection shall apply to any amendment to any plan or annuity contract which is made—

(i) pursuant to any amendment made by this section, and

(ii) on or before the last day of the first plan year beginning on or after January 1, 2007.

(B) CONDITIONS.—This subsection shall not apply to any plan or annuity contract amendment unless—

(i) during the period beginning on the date the amendment described in subparagraph (A)(i) takes effect and ending on the date described in subparagraph (A)(ii) (or, if earlier, the date the plan or contract amendment is adopted), the plan or contract is operated as if such plan or contract amendment were in effect; and

(ii) such plan or contract amendment applies retroactively for such period.

SEC. 705. CREDIT FOR INCOME DIFFERENTIAL FOR EMPLOYMENT OF ACTIVATED MILITARY RESERVIST AND REPLACEMENT PERSONNEL.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to foreign tax credit, etc.) is amended by adding at the end the following new section:

"SEC. 30B. EMPLOYER WAGE CREDIT FOR ACTIVATED MILITARY RESERVISTS.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) in the case of a small business employer, the employment credit with respect to all qualified employees and qualified replacement employees of the taxpayer, plus

"(2) the self-employment credit of a qualified self-employed taxpayer.

"(b) EMPLOYMENT CREDIT.—For purposes of this section—

"(1) QUALIFIED EMPLOYEES.—

"(A) IN GENERAL.—The employment credit with respect to a qualified employee of the taxpayer for any taxable year is equal to 50 percent of the lesser of—

"(i) the excess, if any, of—

"(I) the qualified employee's average daily qualified compensation for the taxable year, over

"(II) the average daily military pay and allowances received by the qualified employee during the taxable year, while participating in qualified reserve component duty to the exclusion of the qualified employee's normal employment duties for the number of days the qualified employee participates in qualified reserve component duty during the taxable year, including time spent in a travel status, or

"(ii) \$30,000.

The employment credit, with respect to all qualified employees, is equal to the sum of the employment credits for each qualified employee under this subsection.

"(B) AVERAGE DAILY QUALIFIED COMPENSATION AND AVERAGE DAILY MILITARY PAY AND ALLOWANCES.—As used with respect to a qualified employee—

"(i) the term 'average daily qualified compensation' means the qualified compensation of the qualified employee for the taxable year divided by the difference between—

"(I) 365, and

"(II) the number of days the qualified employee participates in qualified reserve component duty during the taxable year, including time spent in a travel status, and

"(ii) the term 'average daily military pay and allowances' means—

"(I) the amount paid to the qualified employee during the taxable year as military pay and allowances on account of the qualified employee's participation in qualified reserve component duty, divided by

"(II) the total number of days the qualified employee participates in qualified reserve component duty, including time spent in travel status.

"(C) QUALIFIED COMPENSATION.—When used with respect to the compensation paid or that would have been paid to a qualified employee for any period during which the qualified employee participates in qualified reserve component duty, the term 'qualified compensation' means—

"(i) compensation which is normally contingent on the qualified employee's presence for work and which would be deductible from the taxpayer's gross income under section 162(a)(1) if the qualified employee were present and receiving such compensation,

"(ii) compensation which is not characterized by the taxpayer as vacation or holiday pay, or as sick leave or pay, or as any other form of pay for a nonspecific leave of absence, and with respect to which the number of days the qualified employee participates in qualified reserve component duty does not result in any reduction in the amount of vacation time, sick leave, or other nonspecific leave previously credited to or earned by the qualified employee, and

"(iii) group health plan costs (if any) with respect to the qualified employee.

"(D) QUALIFIED EMPLOYEE.—The term 'qualified employee' means a person who—

"(i) has been an employee of the taxpayer for the 31-day period immediately preceding the period during which the employee participates in qualified reserve component duty, and

"(ii) is a member of the Ready Reserve of a reserve component of an Armed Force of the United States as defined in sections 10142 and 10101 of title 10, United States Code.

"(2) QUALIFIED REPLACEMENT EMPLOYEES.—

"(A) IN GENERAL.—The employment credit with respect to a qualified replacement employee of the taxpayer for any taxable year is equal to 50 percent of the lesser of—

"(i) the individual's qualified compensation attributable to service rendered as a qualified replacement employee, or

“(ii) \$12,000.

The employment credit, with respect to all qualified replacement employees, is equal to the sum of the employment credits for each qualified replacement employee under this subsection.

“(B) QUALIFIED COMPENSATION.—When used with respect to the compensation paid to a qualified replacement employee, the term ‘qualified compensation’ means—

“(i) compensation which is normally contingent on the qualified replacement employee's presence for work and which is deductible from the taxpayer's gross income under section 162(a)(1),

“(ii) compensation which is not characterized by the taxpayer as vacation or holiday pay, or as sick leave or pay, or as any other form of pay for a nonspecific leave of absence, and

“(iii) group health plan costs (if any) with respect to the qualified replacement employee.

“(C) QUALIFIED REPLACEMENT EMPLOYEE.—The term ‘qualified replacement employee’ means an individual who is hired to replace a qualified employee or a qualified self-employed taxpayer, but only with respect to the period during which such employee or taxpayer participates in qualified reserve component duty, including time spent in travel status.

“(D) FAILURE TO MAKE DIFFERENTIAL WAGE PAYMENTS.—The employment credit with respect to a qualified replacement employee of the taxpayer for any taxable year shall be zero if the taxpayer does not make all differential wage payments (as defined by section 3401(i)(2)) for the taxable year to the qualified employee or the qualified self-employed taxpayer (as the case may be) who is replaced by the qualified replacement employee.

“(c) SELF-EMPLOYMENT CREDIT.—For purposes of this section—

“(1) IN GENERAL.—The self-employment credit of a qualified self-employed taxpayer for any taxable year is equal to 50 percent of the lesser of—

“(A) the excess, if any, of—

“(i) the self-employed taxpayer's average daily self-employment income for the taxable year over

“(ii) the average daily military pay and allowances received by the taxpayer during the taxable year, while participating in qualified reserve component duty to the exclusion of the taxpayer's normal self-employment duties for the number of days the taxpayer participates in qualified reserve component duty during the taxable year, including time spent in a travel status, or

“(B) \$30,000.

“(2) AVERAGE DAILY SELF-EMPLOYMENT INCOME AND AVERAGE DAILY MILITARY PAY AND ALLOWANCES.—As used with respect to a self-employed taxpayer—

“(A) the term ‘average daily self-employment income’ means the self-employment income (as defined in section 1402(b)) of the taxpayer for the taxable year plus the amount paid for insurance which constitutes medical care for the taxpayer for such year (within the meaning of section 162(l)) divided by the difference between—

“(i) 365, and

“(ii) the number of days the taxpayer participates in qualified reserve component duty during the taxable year, including time spent in a travel status, and

“(B) the term ‘average daily military pay and allowances’ means—

“(i) the amount paid to the taxpayer during the taxable year as military pay and allowances on account of the taxpayer's participation in qualified reserve component duty, divided by

“(ii) the total number of days the taxpayer participates in qualified reserve component duty, including time spent in travel status.

“(3) QUALIFIED SELF-EMPLOYED TAXPAYER.—The term ‘qualified self-employed taxpayer’ means a taxpayer who—

“(A) has net earnings from self-employment (as defined in section 1402(a)) for the taxable year, and

“(B) is a member of the Ready Reserve of a reserve component of an Armed Force of the United States.

“(d) CREDIT IN ADDITION TO DEDUCTION.—The employment credit or the self-employment credit provided in this section is in addition to any deduction otherwise allowable with respect to compensation actually paid to a qualified employee, qualified replacement employee, or qualified self-employed taxpayer during any period the qualified employee or qualified self-employed taxpayer participates in qualified reserve component duty to the exclusion of normal employment duties.

“(e) COORDINATION WITH OTHER CREDITS.—The amount of credit otherwise allowable under sections 51(a) and 1396(a) with respect to any employee shall be reduced by the credit allowed by this section with respect to such employee.

“(f) LIMITATIONS.—

“(1) APPLICATION WITH OTHER CREDITS.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess (if any) of—

“(A) the regular tax for the taxable year reduced by the sum of the credits allowable under subpart A and sections 27, 29, and 30, over

“(B) the tentative minimum tax for the taxable year.

“(2) DISALLOWANCE FOR FAILURE TO COMPLY WITH EMPLOYMENT OR REEMPLOYMENT RIGHTS OF MEMBERS OF THE RESERVE COMPONENTS OF THE ARMED FORCES OF THE UNITED STATES.—No credit shall be allowed under subsection (a) to a taxpayer for—

“(A) any taxable year, beginning after the date of the enactment of this section, in which the taxpayer is under a final order, judgment, or other process issued or required by a district court of the United States under section 4323 of title 38 of the United States Code with respect to a violation of chapter 43 of such title, and

“(B) the 2 succeeding taxable years.

“(3) DISALLOWANCE WITH RESPECT TO PERSONS ORDERED TO ACTIVE DUTY FOR TRAINING.—No credit shall be allowed under subsection (a) to a taxpayer with respect to any period by taking into account any person who is called or ordered to active duty for any of the following types of duty:

“(A) Active duty for training under any provision of title 10, United States Code.

“(B) Training at encampments, maneuvers, outdoor target practice, or other exercises under chapter 5 of title 32, United States Code.

“(C) Full-time National Guard duty, as defined in section 101(d)(5) of title 10, United States Code.

“(g) GENERAL DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

“(1) SMALL BUSINESS EMPLOYER.—

“(A) IN GENERAL.—The term ‘small business employer’ means, with respect to any taxable year, any employer who employed an average of 50 or fewer employees on business days during such taxable year.

“(B) CONTROLLED GROUPS.—For purposes of subparagraph (A), all persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 shall be treated as a single employer.

“(2) MILITARY PAY AND ALLOWANCES.—The term ‘military pay’ means pay as that term is defined in section 101(21) of title 37, United

States Code, and the term ‘allowances’ means the allowances payable to a member of the Armed Forces of the United States under chapter 7 of that title.

“(3) QUALIFIED RESERVE COMPONENT DUTY.—The term ‘qualified reserve component duty’ includes only active duty performed, as designated in the reservist's military orders, in support of a contingency operation as defined in section 101(a)(13) of title 10, United States Code.

“(4) SPECIAL RULE FOR CERTAIN MANUFACTURERS.—

“(A) IN GENERAL.—In the case of any qualified manufacturer, paragraph (1)(A) of this subsection shall be applied by substituting ‘100’ for ‘50’.

“(B) QUALIFIED MANUFACTURER.—For purposes of this paragraph, the term ‘qualified manufacturer’ means any person if—

“(i) the primary business of such person is classified in sector 31, 32, or 33 of the North American Industrial Classification System, and

“(ii) all of such person's facilities which are used for production in such business are located in the United States.

“(5) CARRYBACK AND CARRYFORWARD ALLOWED.—

“(A) IN GENERAL.—If the credit allowable under subsection (a) for a taxable year exceeds the amount of the limitation under subsection (f)(1) for such taxable year (in this paragraph referred to as the ‘unused credit year’), such excess shall be a credit carryback to each of the 3 taxable years preceding the unused credit year and a credit carryforward to each of the 20 taxable years following the unused credit year.

“(B) RULES.—Rules similar to the rules of section 39 shall apply with respect to the credit carryback and credit carryforward under subparagraph (A).

“(6) CERTAIN RULES TO APPLY.—Rules similar to the rules of subsections (c), (d), and (e) of section 52 shall apply.”.

(b) CONFORMING AMENDMENT.—Section 55(c)(2) of the Internal Revenue Code of 1986 is amended by inserting “30B(f)(1),” after “30(b)(3).”.

(c) CLERICAL AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end of 30A the following new item:

“Sec. 30B. Employer wage credit for activated military reservists.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

SEC. 706. EMPLOYER CONTRIBUTIONS TO IRAS OF CERTAIN MEMBERS OF THE UNIFORMED SERVICES.

(a) IN GENERAL.—Section 3121 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“(z) EMPLOYER CONTRIBUTIONS TO IRAS OF CERTAIN MEMBERS OF THE UNIFORMED SERVICES.—Nothing in any paragraph of subsection (a) (other than paragraphs (1) and (5)) shall exclude from the term ‘wages’ any employer payment on behalf of an individual to an individual retirement plan if such payment is made by the employer to such plan with respect to any period during which the individual is performing service in the uniformed services while on active duty for a period of more than 30 days.”.

(b) RAILROAD RETIREMENT.—Subsection (e) of Section 3231 of such Code is amended by adding at the end the following new paragraph:

“(1) EMPLOYER CONTRIBUTIONS TO IRAS OF CERTAIN MEMBERS OF THE UNIFORMED SERVICES.—Nothing in any paragraph of this subsection (other than paragraph (2)) shall exclude from the term ‘compensation’ any amount described in section 3121(z).”.

(c) **FEDERAL UNEMPLOYMENT TAX.**—Section 3306 of such Code is amended by adding at the end the following:

“(u) **EMPLOYER CONTRIBUTIONS TO IRAS OF CERTAIN MEMBERS OF THE UNIFORMED SERVICES.**—Nothing in any paragraph of subsection (b) (other than paragraphs (1) and (5)) shall exclude from the term ‘wages’ any employer payment on behalf of an individual to an individual retirement plan if such payment is made by the employer to such plan with respect to any period during which the individual is performing service in the uniformed services while on active duty for a period of more than 30 days.”

(d) **WITHHOLDING.**—Section 3401(a) of such Code is amended by adding at the end the following new subsection:

“(u) **EMPLOYER CONTRIBUTIONS TO IRAS OF CERTAIN MEMBERS OF THE UNIFORMED SERVICES.**—Nothing in any paragraph of subsection (a) (other than paragraph (12)) shall exclude from the term ‘wages’ any amount described in section 3121(z).”

(e) **EFFECTIVE DATE.**—The amendments made by this section shall apply to amounts paid after December 31, 2004.

SEC. 707. EMERGENCY DESIGNATION.

Amounts provided pursuant to the amendments made by this title are designated as an emergency requirement pursuant to section 402 of the conference report to accompany S. Con. Res. 95 (108th Congress).

Mr. LEWIS of California. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The Acting CHAIRMAN. A point of order on the amendment is reserved.

Pursuant to the order of the House today, the gentleman from California (Mr. LANTOS) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from California (Mr. LANTOS).

Mr. LANTOS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, when our country is at war, and every single Member of this body is in agreement that we are at war, the first rule should be to aim for equality of sacrifice. Now we know we cannot achieve that because the people who are making the sacrifice are our men and women in the field, and particularly the ones who are wounded or lose their lives. But there is no earthly reason why we should impose on our fighting men and women in Iraq the additional burden of financial hardship for their families.

□ 1815

Some 72,000 members of our National Guard and our Reserves are suffering huge reductions in their income as a result of having been activated for military duty. My amendment would rectify this outrageous inequity. The 72,000 families which find themselves with a member of the family in the war zone are losing an average of \$36,000 a year, the difference between their civilian pay and their military pay.

My amendment, by providing tax benefits to their employers, would rectify this singularly inequitable and unjust state of affairs. It would ensure financial security to the families of our fighting men and women. This issue was brought to my attention by individuals in my congressional district,

firemen, policemen, teachers and others who have to undergo this financial sacrifice on top of exposing themselves to physical danger 24 hours a day. It is unconscionable that we make these brave citizens choose between their duty to our country and the welfare of their families.

I urge all of my colleagues to support this modest amendment which at least in a financial sense relieves some of the hardship on our military families. It also would deal with the problem of recruitment and retention in the National Guard and Reserves. Under present circumstances, we are losing large numbers of individuals who if they did not have this extra financial burden would enlist or re-enlist. I urge all of my colleagues to support this amendment.

Mr. Chairman, I am happy to yield 1 minute to the gentleman from Virginia (Mr. WOLF).

Mr. WOLF. Mr. Chairman, I am a cosponsor of the bill. I understand this amendment is going to be withdrawn. It is subject to a point of order. It is very good. Some of our Guardsmen and Reservists have been called up twice. We are having a problem in this region whereby they are really going through a difficult, difficult time. I think the gentleman's amendment is a very good amendment. At the appropriate time, I hope it passes and becomes law.

Mr. LANTOS. Mr. Chairman, I yield 2 minutes to my friend from Massachusetts (Mr. MCGOVERN).

Mr. MCGOVERN. Mr. Chairman, I thank my good friend and colleague from California for yielding me this time and for his incredible leadership on this important issue.

Mr. Chairman, a couple of weeks ago, six Navy Reserve Seabees prepared to depart from Worcester, Massachusetts, and 10 Marine Corps Reservists based in Worcester received their activation notice. They are now waiting to learn when and where they will be deployed. These are all too familiar events to every Member of this Chamber.

The citizen soldiers of the Guard and Reserves are fully integrated, vital components of our military force. They are essential to the success of any military operation, and they have fought and they have died wearing the uniform of this country. We are asking these brave men and women and their families, their employers and their communities to make tremendous sacrifices for us and our country. Many of them are now deployed for 12 or 18 months rather than the traditional 6 months.

This amendment recognizes this reality. We know that for every Guardsman and Reservist serving abroad, there is a family at home also making sacrifices for their country. Many of these families face a loss of income when their military pay is significantly less than their civilian pay. This pay gap forces Guard and Reservist families to pinch pennies to make ends meet. It is unacceptable that fam-

ilies of activated Guard and Reservists have to worry about how to put food on the table or pay the mortgage. It is unacceptable to force those families to run up their credit cards, take on extra jobs, work overtime, use their savings, borrow money, go on welfare or rely on food banks. Our soldiers have enough to worry about when they are deployed overseas. They should not have to worry about their family finances.

This amendment will help these families. It will reward those employers who are already doing the right thing by keeping their activated employees on payroll, and it will provide an incentive to other employers to join them in this patriotic service. It will also require the Federal Government to match the patriotism of the private sector by closing the pay gap for activated Federal employees. I am very proud to say that the State governments of Massachusetts and New Hampshire already make up the pay gap for State employees who have been activated by the Guard and Reserves. The Federal Government should follow their lead.

By passing this amendment, Congress can provide hope to families and communities here at home. I also hope it will provide some peace of mind to our brave men and women now serving in harm's way.

Mr. LANTOS. Mr. Chairman, I yield 2 minutes to my good friend, the gentleman from Connecticut (Mr. SHAYS).

Mr. SHAYS. Mr. Chairman, I thank the gentleman from California (Mr. LANTOS) for yielding me this time. I am a strong cosponsor of this amendment. I join with the gentleman from Virginia and the gentleman from Massachusetts. He is right on target. Employers who are paying the difference in salary and helping Reservists and National Guardsmen be able to do their duty and not suffer financial consequences should have some compensation, or partial compensation. This bill does that. The Federal Government should make up the difference when you have Federal employees who are being called up and those who are self-employed should be able to hire someone to take their place to keep the business going. There are a number of people who are self-employed who cannot keep the business going.

We have so many other problems with those in the National Guard and Reserve. They are not paid quickly what they should be when they are in Iraq. There are a lot of problems. We have had problems with equipment. My gosh, we need to deal with this.

If there is a point of order on this bill, the gentleman from California has served an important role in notifying this Congress that his bill is in this Chamber, and is before a committee. We need to have a hearing on it. I believe it is going to pass, and I think it is going to pass on a bipartisan basis sometime because it is sorely needed. I thank the gentleman for introducing this.

Mr. LANTOS. I thank my friend from Connecticut.

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

Mr. LEWIS of California. Mr. Chairman, I rise very hesitantly to oppose the gentleman's amendment.

The Acting CHAIRMAN (Mr. GILCHREST). The gentleman from California (Mr. LEWIS) is recognized for 10 minutes.

Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I may consume.

The gentleman has an amendment that is very worthy of consideration. We all know we have a difficulty with the Guard and Reserve and how they maintain their level of income that they have had or what they had before they were called up. There are incredible problems here. But the gentleman's amendment involves the authorizing arena, and we are doing everything we can in this new appropriations committee to work with our authorizing committees to try to avoid doing their work.

The gentleman, for example, is one of the truly outstanding members of the Committee on International Relations. He plays a phenomenal role in this arena. In the past, I have been very disconcerted with Foreign Ops getting into that area, that is the authorizing piece. We are trying to avoid that sort of work by the appropriations committee. In this case we are talking about major authorizing circumstances that affect the Committee on Ways and Means, affect the housing committee potentially, certainly the Committee on Armed Services. So I am very hesitant about that movement in the arena that is an authorizing responsibility.

Because of that, I am opposing the amendment.

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

Mr. LANTOS. Mr. Chairman, I yield myself such time as I may consume. I appreciate my good friend's comments. He is a great leader of the Congress and a great leader in California.

This issue will not go away. I understand that there are technical objections at this moment to my amendment. But the justice and fairness of this amendment speaks for itself. It is an outrage to have men and women called up for active duty and have their families lose their homes and not be able to put food on the table because of the differential between their previous civilian pay and their current military pay. There is no Member in this body who can approve of such a circumstance.

It is my intention to revisit and have this body revisit my legislation; but at the present time, I respectfully request unanimous consent to withdraw my amendment.

The Acting CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

The Acting CHAIRMAN. It is now in order to consider the second amend-

ment listed in the order of the House of today.

AMENDMENT OFFERED BY MR. MARKEY

Mr. MARKEY. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. MARKEY:
At the end of the bill (before the short title), insert the following new title:

TITLE VII—ADDITIONAL GENERAL PROVISIONS

SEC. 701. (a) None of the funds made available in this Act may be used to implement any regulation reducing the total amount of monthly military pay for a member of the Armed Forces who is wounded or otherwise injured while assigned to duty in an area for which special pay is available under section 310 of title 37, United States Code, below the amount in effect for the member when the member was wounded or otherwise injured.

(b) The limitation in subsection (a) shall cease to apply with respect to a member described in that subsection as of the end of the first month during which any of the following occurs:

(1) The member is found to be physically able to perform the duties of the member's office, grade, rank, or rating.

(2) The member is discharged or separated from the Armed Forces.

(3) The member dies.

Mr. LEWIS of California. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The Acting CHAIRMAN. A point of order is reserved.

Pursuant to the order of the House of today, the gentleman from Massachusetts (Mr. MARKEY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Chairman, I yield myself such time as I may consume. As preposterous as it sounds, today members of the armed services who are wounded in battle have their pay cut the moment they are evacuated from a combat zone after they have been wounded and they are fighting for their lives in a hospital bed. A pay cut is not, in my opinion, my idea of support; and it most assuredly is not what the wounded soldier thinks of as support.

The amendment I am proposing is intended to remedy this situation. It places a restriction on the supplemental appropriations funds to end this unjust practice. Essentially, this amendment will no longer allow the special hazardous duty pay to be cut for our wounded troops when they are evacuated from a combat zone. Instead, the special pay rates that they were receiving prior to their injury will be continued while the member recovers in a hospital. These pay rates will continue until the soldier either is reassigned to duty, discharged from service, or succumbs to his or her wounds.

The cut in pay comes at the exact moment when severely wounded members are evacuated for medical treatment and leave the combat zone. I know this because my constituent, James Crosby, was wounded last year in Iraq.

On March 18, 2004, James was wounded by enemy fire while riding on the back of a U.S. military vehicle in Iraq. A rocket fired at the vehicle killed the driver and injured two Marines, including James. A piece of shrapnel pierced James's side and penetrated his intestines and spine, paralyzing him from the waist down. James's pay was immediately cut when he was transported out of the combat zone in Iraq. He was discharged from the hospital in August and from active duty in September. Unfortunately, James's story is the story of many more soldiers serving in Iraq and Afghanistan, struck down by hostile fire or mortars or improvised explosive devices.

Soldiers who would never leave a wounded comrade unattended on the battlefield suddenly find themselves in a hospital bed fighting for their lives. They have been separated from their unit, they are distressed about their condition, about what it means for the future, about suddenly being ripped from their unit by a mortar shell, about being helicoptered away from a very special group that had promised to protect each other come hell or high water. Now they are in the hands of people who made no such pledge, and the first thing the soldier learns is that his pay is being cut. I cannot imagine a more unambiguous way of telling that soldier that he or she is not as valuable today as yesterday.

Some have said to me, these are special pays for special purposes. We cannot be extending them indefinitely. There are two answers to this: one, my amendment would not extend them indefinitely, only to the point where the soldier has recovered and been reassigned or discharged; and, two, the Congress has already recognized the principle that combat pay should be extended to the wounded soldier in the hospital. It did so in the case of the combat pay tax exclusion which exempts combat pay from taxation until the soldier is discharged from the hospital.

I would hope that this body would accept my "do no harm" amendment.

□ 1830

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

Mr. LEWIS of California. Mr. Chairman, I rise to claim the time in opposition to the amendment.

The Acting CHAIRMAN (Mr. GILCHREST). The gentleman from California (Mr. LEWIS) is recognized for 5 minutes.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, the gentleman from Florida (Chairman YOUNG) and I discussed this amendment. We last year talked about it, but we have gotten serious this year about it because he brought to our attention a real problem, not on this individual but of these folks coming out of Iraq

who are losing this money at a critical time in their lives. We are going to look at it and try to figure out what we can do. With the chairman's cooperation, hopefully we will be able to figure something out to take care of these people, the ones who are severely wounded because financially they are really hurting when they come out of there. He and I have both seen them at the hospitals. We know how hurt they are, but when they lose their financial resources, it hurts the families. So if the gentleman will withdraw his amendment, we will do everything we can to work this thing out.

Mr. LEWIS of California. Mr. Chairman, reclaiming my time, let me respond by saying that the gentleman from Florida (Mr. YOUNG) had to leave this evening. Because of that he is not here to interact regarding this amendment. I understand that what the gentleman from Pennsylvania has described is exactly my chairman's feeling. And, frankly, I appreciate the gentleman's willingness to cooperate.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

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

Mr. MARKEY. Mr. Chairman, I thank both gentlemen for their statements. It is my intention to try to work in a way in which we can find a way to guarantee that once someone has been shot and taken out of the combat zone that their benefits are not cut. The irony is of course if they are shot but not seriously wounded and they stay in Iraq, they do not lose any of these benefits. It is only the most serious who lose the benefits. I would like to be able to work with them.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The Acting CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Acting CHAIRMAN. It is now in order to consider the third amendment from the gentleman from Massachusetts (Mr. MARKEY).

AMENDMENT OFFERED BY MR. MARKEY

Mr. MARKEY. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. MARKEY:

Page 72, after line 17, insert the following:

TITLE VII—ADDITIONAL GENERAL PROVISIONS

SEC. 7001. None of the funds made available in this Act may be used in contravention of the following laws enacted or regulations promulgated to implement the United Nations Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (done at New York on December 10, 1984):

(1) Section 2340A of title 18, United States Code.

(2) Section 2242 of the Foreign Affairs Reform and Restructuring Act of 1998 (division G of Public Law 105-277; 112 Stat. 2681-822; 8 U.S.C. 1231 note) and any regulations pre-

scribed thereto, including regulations under part 208 of title 8, Code of Federal Regulations, and part 95 of title 22, Code of Federal Regulations.

The Acting CHAIRMAN. Pursuant to the order of the House today, the gentleman from Massachusetts (Mr. MARKEY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Chairman, I yield myself 1 minute.

The amendment I am offering today simply reaffirms the United States' commitment to the Convention against Torture. The United States signed this treaty under President Reagan, and the Senate ratified it in 1994. Despite our commitments under this treaty and the recent statements made by the administration emphasizing that the United States is emphatically and unambiguously against the use of torture, reports keep growing of the United States sending detainees to countries where they are likely to face torture, including countries notorious for human rights violations, including Syria, Uzbekistan, and Egypt and other countries. My amendment will just restate existing law so that this body is put on record taking the position which Ronald Reagan did in his negotiation of the Convention against Torture.

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

Mr. LEWIS of California. Mr. Chairman, I ask unanimous consent to claim the time.

The Acting CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Acting CHAIRMAN. The gentleman from California (Mr. LEWIS) is recognized for 5 minutes.

Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I may consume.

I took this position on this amendment because I do not want to rise in opposition to the amendment. As the gentleman suggested, it is a restatement of existing law. I think it is appropriate for us to consider it in that connection, and, further, I would like to say to the gentleman that the Chair is inclined to accept the amendment.

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

Mr. MARKEY. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER), the cosponsor of this amendment.

Mr. BLUMENAUER. Mr. Chairman, I thank the gentleman for yielding me this time.

I appreciate his leadership on this issue, and I appreciate the chairman of the committee being willing to accept the restatement of existing law.

But I think it is important for this Chamber to acknowledge that there is a scandal brewing. The news accounts make clear what our committee system has not yet focused in on. There

are, in fact, numerous cases that are being brought forth of torture and the horrendous practice of our sending people to other countries after we have kidnapped them knowing that these suspects are going to be tortured.

There are reasons that we are against torture. There are moral reasons. There are legal reasons. There is the fact that it is not a good way to get intelligence information and that it taints any legal proceedings that we may have against suspected terrorists. There is a selfish reason, that it puts Americans at risk. We do not want to show the world that it is acceptable treatment of civilians or people in the military that they be tortured.

We have been trying to get Congress to do its job in oversight in this area, to investigate, so that we do not have to rely on journalists and nongovernment organizations but that Congress steps forward, that we understand and are held accountable. Until Congress takes its responsibilities seriously to investigate what is going on and, if there are abuses, to hold people accountable, I join my colleague in supporting this amendment because it is the best we can do.

But I want to make clear that it is not good enough and that every Member of this assembly ought to be clamoring for the appropriate committees to exercise appropriate oversight to make sure that we are not complicit in the abuse and terror and torture of other people.

Mr. MARKEY. Mr. Chairman, I yield myself the balance of my time.

Throughout United States history, we have been the world's moral and political leader. One of the things that really strengthened our hand at Nuremberg was that in turn the Germans could not make a case that we had engaged in the kind of human rights violations that the Nazis had engaged in. It made the trials at Nuremberg a moral statement about the United States and our view of the way in which war should be conducted.

This debate that we are having is intended on ensuring that we restate that commitment. We cannot have Uzbekistan, we cannot have Syria dictating what the standards are for our country. We cannot take prisoners within our control, put them on planes, and have them flown to other countries where whatever standards exist in that country dictate whether or not and what kind of torture will be engaged in.

The statement which we are making today on the floor will be to once again reassert this Congress' complete commitment to the Convention against Torture. I think it is important at this time that we once again make this point because the rest of the world looks to us as the moral leader and it is important for us in act as well as in word to uphold that standard.

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

Mr. WOLF. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. MARKEY).

The question was taken; and the Acting Chairman announced that the ayes appeared to have it.

Mr. MARKEY. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Massachusetts (Mr. MARKEY) will be postponed.

The point of no quorum is considered withdrawn.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am simply filibustering here for the moment until we get the next person here to offer an amendment, and I hope that he arrives quickly. But let me simply say what we are trying to do is to proceed as far as we can in finishing this bill tonight, and we hope that we have the cooperation of every Member so we can do that.

There may be at least one amendment that has to go over until tomorrow along with final passage, but we would hope to minimize that so that we take up as little time as possible tomorrow with this bill. For anyone who is interested, that is what we are trying to do tonight.

Mr. Chairman, I yield to the gentleman from Pennsylvania (Mr. MURTHA) who wants to brag a bit on his section of the bill.

Mr. MURTHA. Mr. Chairman, I just want to talk about how good the Defense portion of this bill is, and I was disappointed we lost the embassy vote, and hopefully we will be able to repair that. But let me say that the members of the Defense Subcommittee went out to bases all over the country. We have all kinds of shortages. We added \$1.8 billion to this bill to take care of things like spare parts, small arms, mortars, things that one would expect that they would have. We not only have shortages overseas and equipment that is worn out overseas, we have Reserve and National Guard units that are actually going to the major bases like Fort Bragg and having to rehabilitate that equipment.

One of the reasons we put in \$7 billion for rehabilitation of equipment was because of what we found out in the field. We think it is absolutely essential to get the Army back in shape so that when these units are called up they have the right equipment when they train, and when they go overseas they have the right equipment.

So I would hope everybody would vote for this bill.

Mr. OBEY. Mr. Chairman, reclaiming my time, while the gentleman is getting ready to proceed, let me make one other point with respect to the Lantos amendment. We have done our best to expand benefits to servicemen and

women who have been killed in the line of duty. I think there is still one gaping hole. For someone who is seriously injured in Iraq or Afghanistan whose ability to obtain gainful employment may be permanently impaired because of what happened to them in combat. I think that we really need to think through how little this country does for people in those situations. It just seems to me that especially given the fact that we do not have a draft today and given the fact that so many people go into the service in order to be able to save some money so they can go to college, I think the sacrifice that people are called upon to make falls very unevenly in this society, and we have to do much more to see to it that those persons who do pay a major price because they could not afford to go to college without first going into service, for instance, I think that we need to do much more to provide enhanced benefits for them and for their families and for their children.

The Acting CHAIRMAN. It is now in order to consider the fourth amendment listed in the order of the House of today.

AMENDMENT OFFERED BY MR. WEINER

Mr. WEINER. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. WEINER:

At the end of the bill (before the short title), insert the following:

TITLE VII—ADDITIONAL GENERAL PROVISIONS

SEC. 7001. None of the funds made available in this Act may be used for assistance to the Palestinian Authority or for programs, projects, and activities in the West Bank or Gaza.

The Acting CHAIRMAN. Pursuant to the order of the House today, the gentleman from New York and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from New York (Mr. WEINER).

Mr. WEINER. Mr. Chairman, I yield myself such time as I may consume.

I thank the chairman of the subcommittee and the ranking member of the full committee for stalling a bit while I prepared.

This amendment is very simple. It simply says that we should not allocate at this moment in time any aid to the Palestinians.

□ 1845

We have a history in this Congress of lurching forward at the first sign of any optimistic sign, and I freely concede that this is such a moment in the Middle East. We, the taxpayers, are the first to put money on the barrel head: \$612 million up to now, including \$20 million in direct aid to Prime Minister Mahmoud Abbas. If the name sounds familiar, it is because the \$20 million was not offered and proposed during this administration of Mahmoud Abbas. It was the last time. That

money went in direct aid, and it is now gone.

We have a tendency all too often to want to wish things to go well in the negotiations between the Palestinians and the Israelis, and the way we express that wish as taxpayers is by essentially giving money and more money and more money.

There is no doubt in my mind that we in the United States have an important role to play here in the peace that hopefully will ensue. But what we should be doing is offering money based on performance, money based on transparency, money based on democratization, money based on furtherance of U.S. interests.

We are offering this money now, and it is tied to nothing. There does not have to be compliance with the road map. There does not have to be compliance with past agreements. There does not have to be any type of democratic reform, and there does not have to be any type of transparency.

You know, I am not the first to say this. The IMF acknowledged in 2004 that \$900 million, \$900 million in funds that went to the Palestinian Authority were not unaccounted for.

Now, the funds we provide do not go to the Palestinian Authority except for the \$20 million I referenced earlier. They go to NGOs in the region. But I will argue to you that just the same way we would not fund an NGO in Iran or North Korea until we started to see some dramatic change in behavior, we should not do it here either.

What we should do is we should pass my amendment. The committee should return to the administration and say look, we want to be participants in this peace process as well. Here is what we will do. Rather than \$200 million now at the front end, we will say \$25 million. At the end of the year, if you have complied with the road map towards peace that the President has laid out, we will put in another 50 or another \$75 million. If after a year and a half there seems to have been 100 percent effort to cut down on violence, not the nonstop falling of Kassam rockets that is going on now, then maybe we do another \$50 million or another \$75 million, essentially using the money as a reward for the type of activity that the United States and our taxpayers want.

Now, no one could argue that today, despite the changes in the Middle East, ones that, frankly, have me optimistic, no one could argue that Mahmoud Abbas has shown 100 percent effort to end violence. No one could argue that the Palestinians now have transparent government. No one could argue first and foremost that they can show us where the \$900 million that the IMF said had been absconded, where it has gone.

I am not saying do not provide aid. I am saying that this is the least beneficial way to do it. You give them \$200 million. If tomorrow we learn that the Palestinian administration has not lived up to its commitments, then we will have lost the money.

Now, let me conclude before I reserve my time with this thought. You know, this is not the first time we have been in this pattern. We can learn a little something. At the Wye River Accord we put in money. Wye River went away. The Israelis walked away from it because the Palestinians violated it. Our money was still going.

The Oslo Accords the same way. U.S. dollars were going long after the Oslo Accords had run aground. The Tenet plan, the Mitchell plan, the road map to peace. You know, we forget that \$20 million in direct aid went to the Palestinians and the same exact arguments that my good friend, the gentleman from Arizona, is going to make here today were made then. These are optimistic times. There is a new administration. We need to foster, we need to encourage it. I do not dispute that. The only question is do we put the money on the barrel head first, or do we wait till later.

And one final point. You know, the Israeli position I do not really know on this issue. And frankly I do not care. Lobbying organizations on behalf of the peace process, that is not what this is about. This is about taxpayer dollars and how they are most wisely spent.

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

Mr. KOLBE. Mr. Chairman, I rise to claim the time in opposition.

The Acting CHAIRMAN (Mr. GILCHREST). The gentleman from Arizona (Mr. KOLBE) is recognized for 10 minutes.

Mr. KOLBE. Mr. Chairman, I yield myself 4 minutes. Mr. Chairman, I do rise in very strong opposition to this amendment. I cannot think of an amendment that could send a worse message to the Middle East. For the first time in years, we have prospects, real prospects for peace in the Middle East with the change in the leadership of the Palestinian Authority. We are still a long ways away from having a lasting peace or a just peace. But we have the best prospects we have had in years, some would say even in decades.

We have a responsibility to do everything we can to help Mr. Abbas, Prime Minister Abbas secure stability in his territories. I cannot think that anybody in this body would want to look back a few months or a few years from now knowing that we had adopted an amendment like this which would absolutely cut off at the knees the opportunity to bring peace to the Middle East. But make no mistake about it, that is exactly what the amendment offered by the gentleman from New York would do.

But I am glad in a way that this amendment is offered because it gives me an opportunity to describe some of the points in our bill that I think make it such an excellent approach to the issue of assistance to the Palestinians. I know there is a lot of concern, as our subcommittee has had, about how this money has been spent over the years, that none of our assistance be used for

subversive purposes to support terrorist activities.

To protect against such a thing as that happening, USAID is already required to certify that its contractors are not affiliated with any terrorist organization and our assistance is not being used in any way that might support terrorism. The committee recommendation strengthens those protections by requiring the GAO, the General Accounting Office, to audit our assistance program, our assistance program. And that audit is going to help us make sure that these protections work properly.

But we have gone even further than that. We have set aside \$5 million to be paid for an audit of the Palestinian Authority's financial system by an independent, internationally recognized accounting firm so we can begin to get to the bottom of how some of these monies are being spent, have been spent in the past.

And I know that the finance minister of the Palestinian Authority is very anxious to have this independent audit because he believes it will reveal where some of the money has been misallocated in the past by Mr. Arafat and some of his people.

Finance Minister Fayad has already been working with the World Bank to develop a list of organizations that might be used to do this accounting. The committee's recommendation directly addresses the concerns of those who do not want money to go directly to the Palestinian Authority. It prohibits any of the money, as the gentleman did say, prohibits any of the money from going directly to the Palestinian Authority. But it also addresses, I think, the concerns that we have about taking away the flexibility of the administration to provide funding to Prime Minister Abbas's government as the administration did for the Arafat regime. To do that would send precisely the wrong message at this point.

The compromise that we have in the language preserves the administration's ability to provide a waiver for the \$75 million that is in the fiscal year 2005 legislation, but removes the Presidential waiver authority to do so with this \$200 million provided in this legislation.

I say to my colleagues, this would harm the people of the Palestinian territories, but it goes even further than that. It harms the chances for the people of Israel to have a lasting peace. I am not sure if the gentleman from New York is aware that this would cut out \$50 million that goes to strengthen the border crossing points for Israel, because it prohibits funding for any programs or activities in the West Bank or Gaza. It would cut out the money we are providing here to strengthen the border crossings between Israel and the Gaza and the West Bank.

It is exactly the wrong signal that we would be sending. It would erode the hope that we have for a stable peace in

that region. I certainly urge my colleagues to vote against this amendment and to defeat it soundly.

Mr. Chairman, I yield 2 minutes to the gentlewoman from New York (Mrs. LOWEY).

Mrs. LOWEY. Mr. Chairman, I thank the chairman for yielding me time, and I rise in strong opposition to the amendment.

I understand many of the points that my colleague and friend from New York was making, but I think it is clear from the comments of the gentleman from Arizona (Chairman KOLBE) on how we crafted the bill that I think we address almost every point the gentleman is making.

I feel very strongly that we have to take this opportunity to work with the Palestinians and work with the Israelis to try and move towards a peaceful settlement. We have heard Rabin say, "You don't make peace with your friends; you make it with your enemies." I can remember Barak, and he would say to us very clearly, "Trust, but verify."

I think there is clear language in this bill that verifies what we are doing in order to provide the assistance to the West Bank and Gaza program.

I have felt that the prospects for peace in this region and for the ultimate security of Israel depend on bringing economic stability to the West Bank and Gaza. Just to repeat, these additional funds will be used for infrastructure development, democracy and government, health care and education; and as my chairman mentioned, \$50 million of the \$200 million is for improving the flow of goods and people into Israel with appropriate safeguards. The funds will be spent with Israel's direct input to facilitate both access and security between the West Bank and Gaza.

The safeguards were mentioned by the gentleman from Arizona (Chairman KOLBE). Language has been included calling for a GAO audit of the \$200 million. The committee has specified how the funds should be spent, required a financial plan that we will approve prior to funds moving forward; and in addition, an amendment was adopted in committee which calls for a separate report on progress on dismantling terrorism, an audit of the Palestinian Authority, and a prohibition, a clear prohibition, on direct funding of the Palestinian Authority with this \$200 million.

So, again, I would express my strong opposition. I do think it signals exactly the wrong message if we want to cut off these funds. I hope that my colleagues in the Congress will support the gentleman from Arizona (Chairman KOLBE) in opposing this amendment, and I hope we can move forward and make sure that all the dollars are audited appropriately and that we can take this step to work with both the Palestinians and the Israelis in moving the peace process forward.

Mr. WEINER. Mr. Chairman, I yield myself such time as I may consume.

Let me first of all say to the gentleman, the chairman of the subcommittee, there are no two stronger supporters of Israel in this Congress; but I have to tell you, I can practically write your remarks, because I heard them after Wye River, I heard them after Oslo, I heard them after the Tenet Plan, I heard them after the Mitchell Plan, and I heard them after the road map. And I will summarize them this way: there is never a good time to change our policies on funding the Palestinians.

It is always an optimistic time when we begin these negotiations. I do not deny it. And I am not saying do not engage in them. I am saying let us use the U.S. tax dollars in a smarter way. Let us say, why give them \$200 million and then say, okay, go off and do the best you can. Why not say give them 10 percent now, 50 percent later on. We incentivize other activities in Congress. Why not do that one?

By the way, I know all about the USAID restrictions. I know about them, because you wrote them last time, and they were very, very tough. They said you cannot get a single dime, a single shekel, unless you agree that you will not support terrorism. You know what? They would not sign. A lot of these NGOs would not sign that document until the gentlewoman from New York went back and said, well, you better believe you are going to have to sign it, and then the negotiations began.

As to the notion that this one adds, well, now we are not just going to have restrictions, but we are going to have an audit, I have to tell you it is kind of like saying let us invest in Enron because there is a strong audit going on.

Maybe the smarter thing to do would be to say this: let us have the audit. Let us see if the new finance chairman is up to snuff. Let us see if Mahmoud Abbas really can deliver, and then give them more and more incentives to continue to comply with their agreements.

Why is that so counter to what we do around here? We demand that type of accountability everywhere else. It is not as if they have a good record. Every single time we have invested, we have looked back and said, well, that is another \$100 million; oh, that is another \$50 million.

Well, we were so optimistic. I am optimistic too, but it is *deja vu* all over again.

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I am not saying do not be engaged. I am not saying do not have peace. I am not saying do not negotiate. I am not saying do not make concessions. I am not saying stay on the sideline and do not do anything. I am saying if we are going to spend United States tax dollars, let us not keep engaging in the same activity over and over again expecting to get a different result.

Mrs. LOWEY. Mr. Chairman, will the gentleman yield?

Mr. WEINER. I yield to the gentlewoman from New York.

Mrs. LOWEY. Mr. Chairman, I would just like to stress again, we know that this is tough. We know this is not easy or there would have been peace a long time ago.

And if Sharon is willing to work with Abu Mazen and if he is willing to work with the Palestinian Authority, we feel we have to take risks for peace but not risks for just throwing the dollars. If you look at this bill carefully, and I know the gentleman has, there are very clear auditing guidelines. There is a clear requirement for a plan.

It is not as if we are going to say, here, here is the \$200 million because we respect the fact that there have been many failures in the past. But in my judgment, if the Israelis want peace, if Sharon is willing to work with the Palestinians and take these risks, then we should be willing to do it with appropriate accountability and auditing.

Mr. WEINER. Reclaiming my time, first let me say, Sharon has his constituents, Abu Mazen has his and I have mine. My constituents, frankly, it is their tax dollars we are investing here. This is not Israeli policy we are talking about. They have to pursue it the best they can and hopefully it works out this time. I am not talking about the Palestinian allocation.

I am talking about the fact that I have heard this song before. I have heard we have tough restrictions. As the gentlewoman knows, we thought we wrote the perfect ones in the bill last time, requiring them to sign. We will certify not a single dollar goes to a terrorist organization. We had to fight kicking and screaming to get these organizations to sign these documents. It is our money. And all I am saying is let us stage it. Let us phase it in. Let us make it based on incentives. It did not work any other way.

By the way, I point out every negotiation that the Palestinians and Israelis have engaged in, that is the way they did it. In Oslo they did not say, here is everything. In Oslo they say, you do A, we will do B. You do C, we will do D. What do we do? We walk up to the plate. We are so eager for peace, and we all are, we are so eager to show that we are committed to it, we put the dollars out there without my incentivization on it.

I think that nothing is more symbolic. With all the talk about the audit and the USAID restrictions, nothing is more symbolic. The headlines will read tomorrow, Congress allocates \$200 million to Palestinian projects.

I think what it says is, Congress allocates \$25 million and says \$175 million are there if things go well.

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

Mr. KOLBE. Mr. Chairman, I yield 1½ minutes to the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Chairman, I rise in strong opposition to this amendment.

This amendment will only hurt the Palestinian people. It will harm Israel security and undermine our own national interests.

The Arafat era is over. In contrast to the partners in the previous agreements, Palestinians have a new president, Mahmoud Abbas, who was chosen in a free and fair election. His government has instituted excellent financial reforms. His security efforts are paying off and have gained the praise of Prime Minister Sharon.

We must strengthen and empower the new Palestinian government. President Bush has requested this aid package to help fund a number of critical humanitarian and infrastructure projects. Israel's safety and security will only be assured if the new Palestinian leadership gains credibility with its own people, and that is why the Israelis support this aid package.

That is why many pro-Israeli-American groups support it as well. In fact, a number of national Jewish organizations would like Congress even to put fewer restrictions on the aid bill than the bill contains.

I urge a "no" vote on the Weiner amendment.

Mr. KOLBE. Mr. Chairman, I reserve the balance of my time. The committee has the right to close.

Mr. WEINER. Mr. Chairman, I yield myself such time as I may consume.

We have had this conversation about process here, but let us not ignore the realities on the ground. As much as Abu Mazen has said many of the right things, let us remember what happened in those elections in Gaza, 77 of 118 seats were won by Hamas, 77 of 118 seats were won by Hamas.

Now why is that significant? Democracy, sometimes you get what you want, sometimes you do not. But let us remember what Hamas has said. They have publicly announced they will not abide by any ceasefire negotiated by Abu Mazen. Now, Abu Mazen is the one that we have referred to here. Mahmoud Abbas is who we have referred to here as the new partner for peace.

The gentlewoman who just spoke has said the Arafat era is over. The Abu Mazen period has just begun. Let us not make our investment a foolish one.

Mr. KOLBE. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me use the closing moments to correct a couple of things that were said. There was a statement made by the gentleman from New York (Mr. WEINER) and I do appreciate his statements about the support that the gentlewoman from New York (Mrs. LOWEY), my ranking member, and I have given over the years to Israel because we certainly strongly support the Israeli state in not only its creation but its protection and its security.

The gentleman made the statement that we would not think of funding NGOs in some countries, the gentleman said something like Iran, and I would

add we do have NGOs that we work with in countries like Iran and Zimbabwe and other countries like that. We work with NGOs because there we can be sure the money is not flowing into the government. That is exactly what we are doing here with funds for the Palestinian people. This money goes to projects. It does not go to the Palestinian Authority.

The gentleman made the statement, he said we should provide these funds incrementally. We should spend the money in increments. But the fact of the matter is the gentleman's amendments would not allow you to do that. The gentleman's amendment says none of the funds may be spent in the West Bank or in the Gaza area. So even if they did comply with all of the requirements, none of the money still could be spent. So there is no way that you could possibly reword this.

Yes, the gentleman is right that we have had high hopes after other discussions after the Oslo agreement and after the Wye Accords. We had high hopes at that time and they have been dashed. But the money that we allocated at that time, none of that was ever given to the Palestinian Authority. It was given in terms of projects of what we wanted to do to try to provide the carrot. It may not have worked but it was not money that was lost either.

So the gentleman is simply saying that we have less confidence in this new Palestinian Authority leadership than we did in the leadership of Arafat. That certainly makes no sense whatsoever. For us to deny any of these funds to be used to help bring about a peaceful settlement now would be absolutely the wrong thing for us to do.

I would urge my colleagues to reject this amendment. We have good reporting requirements in the legislation. We have restrictions on how funding can be used. It cannot go to the Palestinian Authority. It goes for projects. It goes through NGOs. But we want to send the right signal, the right signal to Israel, and the right signal to Palestinians, that we believe together they can work to achieve a peaceful settlement. Then the U.S. we will be there as a partner in achieving this peaceful settlement.

I urge my colleagues to reject this amendment so that peace may have a chance of coming to the Middle East.

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

The Acting CHAIRMAN (Mr. GILCREST). The question is on the amendment offered by the gentleman from New York (Mr. WEINER).

The amendment was rejected.

Mr. LEWIS of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have made considerable progress on this bill today. There has been great cooperation on both sides of the aisle. I must say the membership has been very positive in their discussion and very helpful to one another.

As the chairman may know, there are dinners that are going on tonight

that affect both sides of the aisle and there are still a number of Members who would like to participate in same. Because of those circumstances and because we can finish our work very easily tomorrow morning, there are minor amendments to be expeditiously handled.

Mr. Chairman, I move the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. KNOLENBERG) having assumed the chair, Mr. GILCREST, Acting Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1268) making emergency supplemental appropriations for the fiscal year ending September 30, 2005, and for other purposes, had come to no resolution thereon.

BLUE DOG COALITION 12-STEP BUDGET REFORM PLAN

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

Mr. COOPER. Mr. Speaker, this week the House of Representatives will pass a budget for the United States of America, \$2.6 trillion. Whatever budget passes this House should include the Blue Dog Coalition's reform measures. These measures have been praised by groups as diverse as the Concord Coalition, the Heritage Foundation, the National Taxpayers Union, Citizens Against Government Waste, Taxpayers For Common Sense and, Centrists.org.

What is in this package? It is basically a 12-step plan. That is right, a 12-step plan to get our Nation off its drunken deficit binge. We need to take serious measures here such as a balanced budget amendment to the Constitution, such as real PAYGO, such as the simple step of requiring we have a cost estimate of every bill that comes before this House.

There is too much unaccountability here. We need to make sure that Members are held accountable. Our deficit is perhaps the gravest national threat that we face. This should be done on a bipartisan basis and whatever passes this House should have the Blue Dog Coalition reform measures in it.

BLUE DOG COALITION—PRAISE FOR THE 12- STEP BUDGET REFORM PLAN

"The budget reform package introduced by the House Blue Dog Coalition is a credible, balanced package that offers the potential for bipartisan agreement on meaningful reforms. Many of the proposals in the package have bipartisan support or have received bipartisan support in the past."—Ed Lorenzen, Centrists.org

"The Blue Dogs deserve credit for putting out a strong, serious proposal to restrain runaway spending. Taken together with the Republican Study Committee's similar proposal and Administration initiatives, this proposal represent a growing bipartisan consensus that sanity must and can be restored

to the federal budget process."—Brian Reidl, Heritage Foundation

"I'm pleased there seems to be a mounting consensus on Capitol Hill that spending is out of control and something must be done. . . . The Blue Dogs have provided 12 ideas to bring more order to the budget process."—Tom Schatz, Citizens Against Government Waste

"[W]ith the Blue Dog Democrats now offering serious ideas on how to change the course of our fiscal ship, conditions are ripe to make desperately needed bipartisan repairs to the faulty rudder that has been steering the budget process into a sea of red ink . . . Taken as a whole, the Blue Dog proposal moves the debate over budget reform forward."—Tad DeHaven, National Taxpayers Union

"Taxpayers for Common Sense Action applauds the Blue Dog Coalition's 12-step plan to cure our nation's addiction to deficits. The first step to overcoming any addiction is to admit you have a problem. Congress and the President can take their first strides toward budgetary recovery by enacting many of these proposals immediately."—Jill Lancelot, Taxpayers for Common Sense

BLUE DOG COALITION—PRAISE FOR THE 2004 BUDGET ENFORCEMENT BILL

"The Concord Coalition strongly supports the Blue Dog Coalition's call for a tough new budget enforcement law . . . We are particularly pleased that the budget enforcement plan the Blue Dogs have put forward would restore statutory caps for discretionary spending and the original pay-as-you-go requirement for entitlement expansions and tax cuts."—Bob Bixby, Concord Coalition

BLUE DOG COALITION—12-POINT REFORM PLAN FOR RESTORING FISCAL SANITY

1. Require a balanced budget.—Blue Dogs support a Constitutional amendment to require a balanced budget every year except in times of war or national emergency.

Blue Dogs believe a Balanced Budget Amendment is the only way to ensure fiscal discipline in Congress.

The Blue Dog Balanced Budget Amendment would require a three-fifths vote of both the House and Senate to increase the debt limit or to waive the balanced budget requirement.

In addition, the Blue Dog Balanced Budget Amendment protects Social Security from benefit cuts and forbids increases in Social Security payroll taxes in order to balance the budget.

2. Don't let Congress buy on credit.—Thanks to irresponsible spending, our nation's budget deficit in 2004 was the largest in recorded history—\$413 billion. Blue Dogs want to restore the budget rules that Congress once lived by, including, most importantly, "pay-as-you-go" budgeting.

Known as "PAYGO," this means that any new spending must be paid for by cuts in other programs or by new revenues. Restoring PAYGO will end irresponsible deficit spending and put our nation back on track toward fiscal responsibility. The Blue Dog budget package would extend PAYGO rules through 2010.

3. Put a lid on spending.—From 2001 to 2003, total government spending soared by 16 percent. Blue Dogs want strict spending caps to slow the growth of runaway government programs. Blue Dogs propose holding the line on discretionary spending for the next three fiscal years at 2.1 percent—the percentage increase proposed this year in the President's fiscal 2006 budget.

4. Require agencies to put their fiscal houses in order.—According to the Government Accounting Office, 16 of 23 major federal agencies can't issue a simple audit of