

[a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate." (Chapter 21, section 21.2) Section 21.3 continues: Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon."

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Democratic majority's agenda and allows those with alternative views the opportunity to offer an alternative plan.

Ms. CASTOR. Madam Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

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

Mr. HASTINGS of Washington. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

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PROVIDING FOR CONSIDERATION OF H.R. 4351, AMT RELIEF ACT OF 2007

Mr. CARDOZA. Madam Speaker, by direction of the Committee on Rules, I call up House Resolution 861 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 861

*Resolved*, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 4351) to amend the Internal Revenue Code to provide individuals temporary relief from the alternative minimum tax, and for other purposes. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. The bill shall be considered as read. All points of order against provisions of the bill are waived. The previous question shall be considered as ordered on the bill to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; and (2) one motion to recommit.

SEC. 2. During consideration of H.R. 4351 pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to such time as may be designated by the Speaker.

The SPEAKER pro tempore. The gentleman from California is recognized for 1 hour.

Mr. CARDOZA. Madam Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Washington (Mr. HASTINGS). All time yielded during consideration of the rule is for debate only.

GENERAL LEAVE

Madam Speaker, I ask unanimous consent that all Members have 5 legis-

lative days within which to revise and extend their remarks on House Resolution 861.

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

There was no objection.

Mr. CARDOZA. I yield myself such time as I may consume.

Madam Speaker, House Resolution 861 provides for consideration of H.R. 4351, the Alternative Minimum Tax Relief Act of 2007, under a closed rule. The rule provides for 1 hour of general debate, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The rule waives all points of order against consideration of the bill except for clause 9 and clause 10 of rule XXI. Finally, the rule provides one motion to recommit with or without instructions.

Madam Speaker, the Democratic philosophy is simple: We believe in pay-as-you-go. In other words, we believe that you should live within your financial means. Every family that makes these choices around the kitchen table every month in order to live within its budget understands that simple fact of life. The Federal Government used to understand this, too. In fact, the Clinton administration and the Democratic Congress worked with Republicans on a bipartisan basis and turned decades of exploding budget deficits into 4 straight years of budget surpluses through the use of pay-as-you-go or PAYGO rules in this House.

The use of PAYGO through the 1990s and early 2000s helped lead us to the first Federal budget surpluses in over 30 years at that time, and we saw record economic growth during that period which resulted in the addition of 22 million American jobs. And in that time, America actually began to pay down the national debt to foreign nations. Despite the proven success of PAYGO, President Bush and the Republican Congress abandoned the PAYGO rules in the year 2002, allowing it to expire with no interest in reinstating it.

According to the Bush administration's own numbers, President Bush's policies are on track to increase the Federal debt by over \$4 trillion by the year 2008.

It took, Madam Speaker, 41 Presidents combined to accumulate the total of \$4 trillion in debt. This means that the debt America incurred over the first 200 plus years of our Nation will be doubled in only 8 years under the Bush administration.

Worse, Madam Speaker, about 80 cents of every dollar of new debt since the year 2001 has been financed by foreign investors, including foreign governments, especially China. This has resulted in 50 percent of our Nation's debt now being owned by the following countries: China, Japan, Saudi Arabia, and Iran.

At the start of the 110th Congress, Democrats provided real choices and a

new direction for America. We made good on our commitment to PAYGO and did what 6 years of Republican Congresses before us refused to do: We restored PAYGO rules to make sure that we do not spend more money than we have.

Once again, the Democratic leadership brings to the floor H.R. 4351, the Alternative Minimum Tax Relief Act of 2007, that provides millions of middle-class families with tax cuts to help grow our economy without increasing our national debt. H.R. 4351 prevents 23 million families from being hit by the AMT, and it helps 12 million children by expanding their child tax credit.

The Republicans will surely say that this bill raises taxes, but that is far from the truth. Let me set the record straight right from the beginning. This bill closes tax loopholes that allows a privileged few on Wall Street to pay a lower tax rate on their income than other hardworking Americans, such as school teachers, police officers, firefighters, and our Nation's veterans. This bill stops hedge fund managers from making hundreds of millions of dollars by using offshore tax havens to avoid paying income tax while other middle-class families play by the rules and pay their fair share.

It also prevents multinational companies from shifting their income to offshore entities and from creating sham corporations in tax-friendly jurisdictions to avoid Federal taxation. We would all love not to have to pay our taxes. Why should we allow these big corporations to go offshore to avoid paying their fair share?

It seems only fair that if hard-working American middle-class families play by the rules and pay their fair share that the wealthy and huge multinational corporations that are gaming the system should pay their fair share as well.

Madam Speaker, this Congress has made great strides to get our fiscal house in order. If we want to continue down the path towards fiscal sanity, we must make sure that every piece of legislation that we consider, including this bill, fixing the AMT, complies with the PAYGO rules. The Blue Dogs and the House Democratic leadership are standing strong behind our commitment to fiscal responsibility through PAYGO. I would like to thank Speaker PELOSI, Leader HOYER and Chairman RANGEL for their unwavering commitment to sticking with the PAYGO rules. I would also like to reiterate to the other body that our leadership is committed to abiding by the PAYGO rules and not considering any AMT bill on the House floor that is not fully paid for.

Madam Speaker, the \$9.1 trillion debt that our country has irresponsibly racked up, nearly half of which has happened in the last 6 years, must be paid back, and it will be paid back by our children and our grandchildren if not by us. We need to adhere to the old adage that we should provide a better

life for our children than the ones that we found ourselves. Quite simply, we should be investing in our children's future and not borrowing from it.

I strongly urge my colleagues on both sides of the aisle to make the right choice today, to stand by PAYGO today, to stand by PAYGO tomorrow, and support this commonsense legislation.

I reserve the balance of my time.

Mr. HASTINGS of Washington. Madam Speaker, I want to thank my friend from California (Mr. CARDOZA) for yielding me the customary 30 minutes, and I yield myself such time as I may consume.

(Mr. HASTINGS of Washington asked and was given permission to revise and extend his remarks.)

Mr. HASTINGS of Washington. Madam Speaker, this rule provides for consideration of a tax bill that would raise taxes permanently to give 1 year's worth of tax relief. Let me repeat that, Madam Speaker. This rule provides for consideration of a tax bill that would raise taxes permanently to give 1 year's worth of tax relief.

The AMT was enacted in 1969 to prevent a small number of wealthy taxpayers from using, at that time, legitimate deductions and credits to avoid paying taxes altogether. Back then, the tax affected only 155 people, the super-rich. The AMT was never adjusted to match inflation. Therefore, the AMT is affecting more and more taxpayers today. Without fixing the AMT problem, millions of taxpayers will be hit by the AMT, costing the average taxpayer about \$2,000.

When Republicans gained control of the Congress, we passed legislation to protect American taxpayers from the unintended consequences of the bracket creep of AMT. Unfortunately, this measure was vetoed by President Clinton. So here we are again today trying to temporarily protect taxpayers from the AMT.

The longer we wait to fix the AMT, the longer it will take for the IRS to make the necessary changes in the tax forms and to process tax returns under the changes in the law. That is for this tax year. As of right now, the Democrat majority's failure to pass an AMT fix will force the IRS to delay processing tax refunds until mid-March at the earliest. This is likely to delay returns for over 20 million taxpayers who currently would be subjected to the AMT but who, with the patch, would not have to pay the AMT. This comes out, Madam Speaker, to about a \$75 billion interest-free loan to the Federal Government from the taxpayer and paid for by the taxpayer.

I support fixing the AMT trap, but it is a tax that was never intended to occur. It is going to affect millions of Americans. But the Democrat leaders in the House are making it nearly impossible to help these Americans. Let's just pass a bill to eliminate the tax. Stop using this tax relief bill to raise taxes by over \$50 billion.

Just as disappointing as the tax increases included in the bill is tax relief that is not included in this bill, and I am talking about a particular loophole in the tax law. I am dismayed that an extension of the sales tax deduction is not in this bill, the sales tax deduction for those States that do not have a State income tax. It is a matter of fairness. The AMT fix is for 1 year. I think it is only a matter of fairness to extend the sales tax deduction for those States who don't have a State income tax for 1 year.

I attempted to offer an amendment in the Rules Committee last night, to allow me to offer an amendment to close this loophole or adjust this loophole on the floor today to extend the sales tax deduction again to those States that don't have State income taxes.

□ 1115

It was defeated unfortunately on a party-line vote of 2-8 with every Democrat voting to block allowing this amendment to be made in order, including two Members from Florida, which is one of the eight States affected by this legislation.

But there is another way, Madam Speaker, and the House will vote today on extending the sales tax deduction so it doesn't expire at the end of the year. If you are from Washington, Florida, Texas, Tennessee, Nevada, Wyoming, South Dakota and Alaska, join me in voting "no" on the previous question.

I will then amend the rule so we can vote to extend the deduction and modify this loophole that I was talking about and ensure that our constituents in States that do not have a State income tax are treated fairly.

Madam Speaker, I reserve the balance of my time.

Mr. CARDOZA. Madam Speaker, I would like to inquire how much time remains on either side.

The SPEAKER pro tempore. The gentleman from California has 22½ minutes remaining.

Mr. CARDOZA. Madam Speaker, at this time I would like to yield 2¼ minutes to Mr. COSTA from California, who has been a champion of the PAYGO rules and fiscal responsibility since the day he walked into these hallowed Halls.

Mr. COSTA. Madam Speaker, I thank the gentleman from California (Mr. CARDOZA) for yielding me this time to speak in support of this rule.

What we are really talking about this morning is do we choose the easy road of least resistance to provide tax relief with the alternative minimum tax or do we choose the more difficult road that requires fiscal discipline, that requires us to be honest with the American taxpayers as to how we are plotting our fiscal priorities for our Nation today, tomorrow and for future generations.

We are debating the Alternative Minimum Tax Relief Act of 2007. It is important tax relief for millions of Amer-

icans. I support this legislation as it stands now. It is actually the second time in recent months that the House will send a paid-for alternative minimum tax relief to the Senate. It is important that we do this.

According to Secretary Paulson and the Department of the Treasury, unless we fix the AMT, 25 million taxpayers will be subject to it in 2007. That is 21 million more Americans than in 2006.

However, it is important, I believe, and I think many of those in the Blue Dog Caucus feel as well, that we pay as we go, that we provide the PAYGO provision that has been in every measure that has passed this House since January of this year.

PAYGO was implemented by the Democratic Congress actually back in 1990. It was signed into law by the elder President George Bush, and it was part of the rules of the Congress for 11 years. It was a tool that we put in place to rein in deficits that the Federal Government had experienced since the early 1970s.

This Congress pledged to reenact that pledge to the American people, to bring our House back in fiscal order. We have kept that promise since January of this year. Every single bill that we have voted on has complied with the PAYGO rule.

It is important that we note that our current debt is \$9 trillion. Enough is enough. Much of that debt is owed by foreign nations. We can pass today the Alternative Minimum Tax Act by not borrowing money from China because of this PAYGO provision. I want to thank the leadership of this House for sticking with PAYGO. I urge my colleagues to vote for this measure, the rule and the underlying bill.

Mr. HASTINGS of Washington. Madam Speaker, I reserve the balance of my time.

Mr. CARDOZA. Madam Speaker, I would like to thank my colleague from California for his eloquent comments and say I agree with him wholeheartedly.

Madam Speaker, at this time I would like to yield 1½ minutes to the gentleman from Oregon (Mr. BLUMENAUER), a member of the Committee on Ways and Means.

Mr. BLUMENAUER. Madam Speaker, I listen to my friend from Washington repeating the same lame line from the talking points of my Republican friends.

They knew this was coming. Yes, President Clinton vetoed a flawed tax measure back in the previous administration. What have they been doing for the last 6 years when they controlled everything?

They decided not to deal with the alternative minimum tax. They made a cynical decision to cut taxes for those who are the most fortunate in this country and be able to use this money in the budget calculations to be able to justify these massive tax reductions. They spent this money and they count on spending this money for years to come. It is in President Bush's budget.

We reject that cynical effort. We implored them time and time again when they were having their tax reductions to deal with the alternative minimum tax, this fiscal tsunami that is going to sweep away middle and upper middle-income Americans. They refused. They bet on the other side.

Now we are coming forward not with a tax increase but with a tax adjustment. The Federal Government will get the same amount of money; it is who are you going to benefit. We are going to save 23 million Americans from paying the alternative minimum tax, making some reasonable tax adjustments and not putting the cost of this patch on the credit card of our children.

Mr. HASTINGS of Washington. Madam Speaker, I yield myself 2 minutes.

I appreciate my friend from Oregon making his remarks. I am glad he acknowledges that President Clinton vetoed the permanent tax relief from the AMT. Let me make my points, and then I will be happy to yield.

Ever since that time, I might point out to my colleague, there has been a 1-year fix. We know that issue is coming. We know that this issue is coming and it needs to be resolved. It hasn't been resolved, and we know that it won't be resolved by raising taxes on other people.

I know my friends on the other side of the aisle can say no, these are adjustments. If they are adjustments, I hope they will acknowledge with me that what I am trying to do on the previous question is to make an adjustment for those States, for the people in States that don't have a State sales tax, to make that adjustment so they can have fairness across the board of being able to deduct sales tax from their Federal income tax. I will be making that motion, Madam Speaker, on the previous question.

I am happy to yield to my friend.

Mr. BLUMENAUER. I thank the gentleman.

I appreciate we are sort of finalizing history here, and I appreciate your referring to that past.

But is it not true that for the last 6 years when you were in control, you made a decision to have other tax cuts that were financed in part by the assumption that we are going to collect this AMT?

Mr. HASTINGS of Washington. No. Reclaiming my time, the gentleman is not correct on that, because in all of the budgets that we put together, there was never a provision that said that this income was something that we would use.

That is, by the way, in your budget. You do it with a mechanism called the reserve fund which says you have to offset.

But I will say this, and I will talk about economic policy and tax policy. Because of the tax policies we have put in place with the tax cuts in 2001 and 2003, we have seen an extraordinarily strong economy in this country. I

think that is pretty hard to refute, and so I just want to point that out to my friend.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will remind all Members to address their remarks to the Chair.

Mr. CARDOZA. Madam Speaker, I yield 15 seconds to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. My good friend from Washington talked past the point. Those budgets assumed the alternative minimum tax. President Bush's budget assumes the alternative minimum tax. And I want to make clear that this is something that we are simply not going to do. We do not want to continue their practice of assuming this tax to be able to finance other priorities.

Mr. CARDOZA. Madam Speaker, I yield 1 minute to the gentleman from Tennessee (Mr. COOPER), a former co-chair of the Blue Dog Coalition and a great Member of this House who is committed to fiscal responsibility.

Mr. COOPER. Madam Speaker, there is no reason to make this debate more complicated than it is. It all revolves around a very simple but vitally important principle: whether the United States Government pays its bills. We think that it should. The principle is called PAYGO, pay-as-you-go. I am thankful that 31 Blue Dogs have signed a letter that said they will not vote for anything that means the free lunch mentality of the past. I am thankful that so many of our progressive friends across the caucus have similarly strong feelings. And I am thankful that our Democratic leadership has put in PAYGO, what Alan Greenspan said was the single most important domestic reform we can take.

Let's stand for fiscal responsibility in this House. America must pay its bills.

Mr. HASTINGS of Washington. Madam Speaker, I reserve the balance of my time.

Mr. CARDOZA. Madam Speaker, at this time I would like to yield 2 minutes to the gentleman from Florida (Mr. BOYD), the Chair of the Blue Dog Coalition and someone for the last 11 years who has fought hard on this particular issue to bring fiscal sanity back to our country.

Mr. BOYD of Florida. Madam Speaker, I thank my friend, the gentleman from California (Mr. CARDOZA) for leading this debate.

Let's be very clear. I think it is well understood by the country, the fiscal recklessness of the period, the 6-year period from January 2001 to January 2007, a recklessness which included record spending levels at the same time revenues were being reduced to a level that created record deficits during that period of time which are going to have a serious negative effect on the future of this country, the economy, the kind of life that our children and grandchildren will see if we don't get under control this recklessness that has been demonstrated over the last 6

years since the 2000 Presidential election.

Madam Speaker, you have to fix those problems by, first of all, believing in some principles. And the principle that we believe in is if you are going to have a program, you ought to be able to pay for it. We all understand the serious consequences of the AMT and we want to fix it, but many of us believe if you are going to fix it, you are going to do it in a revenue-neutral way. That is the difference between this leadership and the previous 6 years' leadership, which says just damn the port, torpedoes, full steam ahead; tax cuts and increased spending, it doesn't make any difference, as long as everybody is happy at the moment. Our children and grandchildren are the ones who are going to pay that bill in the end.

And I want to thank Speaker NANCY PELOSI and the majority leader, STENY HOYER, for standing tall with us on this principle of PAYGO and this particular vote on the AMT as we send another AMT, paid-for AMT to the Senate. It is a very critical time in the future of this country and how we are going to handle our fiscal responsibility.

Again, I want to thank our leader, the gentleman from California (Mr. CARDOZA) and the Speaker of the House.

Mr. HASTINGS of Washington. Madam Speaker, I am pleased to yield 2 minutes to the gentleman from Texas (Mr. SESSIONS), a member of the Rules Committee.

Mr. SESSIONS. Madam Speaker, I thank the gentleman from Pasco, Washington.

Madam Speaker, we are sitting here watching our good friends on the other side talk about all this great work that they have done, how fiscal responsibility is so important and all these problems with the country, and yet we are sitting here in the middle of December with 10 out of the 11 spending bills not even done because the Democrat majority is interested in spending record levels of money, more and more and more money and talking about tax increases, taxes that continue and keep going.

□ 1130

And yet they want to stand up and eat both sides of that cake and talk about fiscal responsibility and how NANCY PELOSI, as our Speaker, has done such a great job.

Well, Madam Speaker, I would like to encourage my friends to go home maybe on a weekend sometime and talk to people and find out how well we're doing. How well we're doing is not yet well understood by the American people because we're up here and can't even get our work done, and yet we're up here crowding, trying to take credit for all this great work that has been done, and none of it is passed, not even a negotiation with the President and the White House. No negotiation; bills that show up, 1,700 pages worth of

a bill last week that we were given 20 minutes before the Rules Committee went in.

We find out all sorts of earmarks, billions of dollars worth of earmarks, and then we have people that come down here and start crowing about fiscal responsibility. That's malarkey. That is ridiculous. We're trying to get our work done, and we're over here standing up acting like we've just won the race.

The American people know the difference. The Republican Party is here to say we're going to try and get our work done, and we're here to show up and to try and do that work. We're waiting for those other 10 out of the 11 bills to come to the floor. We're waiting to be able to see those bills so that we can know what's in the bills. And then one side stands up and talks about fiscal responsibility. Absolutely ridiculous.

Mr. CARDOZA. Madam Speaker, the gentleman who just spoke talks about malarkey. I would say that his side of the aisle should know about malarkey after they raised the Federal deficit over \$4 trillion in the last 6 years.

I would now like to yield 1 minute to the gentlewoman from California (Ms. HARMAN), a member of the Blue Dog Coalition and an absolute fighter on behalf of fiscal responsibility in this House.

Ms. HARMAN. Madam Speaker, as the only grandmother Blue Dog, I rise in support of this rule and the underlying bill. I strongly support AMT relief for 55,000 taxpayers in my congressional district, and 23 million Americans nationwide. But there is a right way and a wrong way to do it. Simply providing relief to this generation while raising taxes on future generations is the wrong way.

Put another way, the \$50 billion price tag for this AMT vote can either be paid for responsibly, or we can send the bill to our children and grandchildren.

In my seven terms in Congress, I have always supported fiscal responsibility and have made scores of votes that are faithful to that principle. Among them was a career-risking vote in 1993 for the Clinton budget; my vote in 1994 to cut \$100 billion from Federal spending; my vote in 1997 for a balanced budget; my vote against the Bush tax package which provided unnecessary relief for the top tax brackets; and now these AMT votes.

Madam Speaker, I dedicate my vote today to my first grandchild, Lucy, and to her brother and cousin, who will be born early next year.

Mr. HASTINGS of Washington. Madam Speaker, how much time remains on each side?

The SPEAKER pro tempore. The gentleman from Washington has 21 minutes. The gentleman from California has 14½ minutes.

Mr. HASTINGS of Washington. Madam Speaker, I am pleased to yield as much time as he may consume to the distinguished ranking member of

the Rules Committee, Mr. DREIER from California.

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

Mr. DREIER. Madam Speaker, I just don't get it. I just can't figure this thing out. Under the Democrats' logic, they're saying that we have to increase taxes to avoid a tax increase. We have to increase taxes to avoid a tax increase. That's what the fiscally responsible thing is for us to do.

Madam Speaker, last Saturday morning I had the privilege of riding in the Glendora Christmas parade. Glendora, California, beautiful, "pride of the foothills" they call this city. As I arrived, I happened to run into a guy called Marshall Mouw, who is a former city council member in that great city. He worked for the U.S. Postal Service for many years. The first thing he said when he looked at me is, what are you going to do to make sure that we're not victimized by the alternative minimum tax? And I told him, we have tried time and time again to do at least what's called a 1-year patch, a 1-year patch, which would ensure that 23 million Americans aren't going to be saddled with this unfair tax. And personally, I would like to flat out repeal completely the alternative minimum tax.

Now, let's remember what the alternative minimum tax is. Back in 1969, the Democratic Congress found that there were 155 Americans who were millionaires, and they weren't paying their fair share of taxes. They, of course, were doing things legally. They had all kinds of investments. They were creating jobs. But they weren't paying their fair share of taxes, so-called. And so the alternative minimum tax was put into place to go after those 155 Americans who many believed were cheating somehow and not paying their fair share.

What has happened? Well, due to bracket creep, we now see 23 million Americans. I would like to describe this, Madam Speaker, as unintended consequences. It's one of the things that we often don't think about in this institution when we try to pass sweeping legislation, well-intentioned but sweeping legislation. And that's one of the reasons that the framers of our Constitution, James Madison especially, wanted the process of law-making to be very, very hard; very, very difficult.

I see my friend, the distinguished chairman of the Committee on Appropriations here, Mr. OBEY, and I will say that it's very clear that Madison's vision, I guess, is working now, when you look at how hard it is for us to get our work done, how hard it is for us to get through this appropriations process. I'm very, very relieved that many of the things that this new majority would like to put through, which I believe in many ways undermine what the American people want, like putting into place a massive tax increase to

avoid a tax increase, can't happen, and they're not going to happen.

As the distinguished ranking minority member of the Committee on Ways and Means, Mr. MCCRERY, said yesterday, all we need to do is take the last debate that we had on AMT, paste that thing in, and then we'll see exactly what happens.

We know that our colleagues on the other side of the Capitol are not going to accept this. And so what we need to do if we in fact are going to ensure that the American people are going to get that much needed relief from the alternative minimum tax, it's very important for us to do everything that we can to try and come to an agreement as quickly as possible. We know what that agreement is. We know what we're going to agree to. We're going to agree to what we've done in the past, a 1-year patch to ensure that these 23 million Americans don't get this massive tax increase.

Madam Speaker, as I listened to my colleague, I was just told by one of our staff members that they've been talking about how horrible the last 6 years have been, how awful the last 6 years have been. I would like to remind our colleagues of the fact that we got a report 2 weeks ago of the third quarter gross domestic product growth rate that we've had in this country. It's 4.9 percent. I would like to remind our colleagues who continue to wring their hands over the deficit, yes, I'd like to see the deficit lower, but as a percentage of our gross domestic product, the deficit today is \$81 billion lower than had been projected in February of this year, putting it at \$164 billion.

Now, people don't often think about the fact that the United States of America has a \$13.3 trillion economy, clearly the strongest, most dynamic economy that the world has ever known.

Do we have problems? Of course we do. I mentioned at the outset one of the communities I represent in Southern California, the subprime issue is something with which we're trying to contend and to work through. If you look at the value of the currency, if you look at lots of other issues out there, we do have problems. But this notion of claiming that the last 6 years have been a living hell for all Americans is preposterous.

What we need to do is we need to make sure that we do everything that we possibly can to rein in wasteful Federal spending, make sure that we pursue opportunities to open up markets around the world for U.S. workers to be able to export into those markets, and we need to make sure that we continue cutting taxes so that we can see the kind of economic growth that we've been enjoying in the past. That's why it's silly for us to be sitting around wasting our time, wasting our time doing exactly what we did last week on this so-called alternative minimum tax when we know exactly what is going to happen here.

At the end of the day, we're going to have, Madam Speaker, a 1-year patch to ensure that 23 million Americans don't face a massive tax increase. Let's reject this crazy notion that we've got before us and move ahead with what we know can be agreed to in a bipartisan way.

Mr. CARDOZA. Madam Speaker, at this time I would like to yield 2 minutes to the gentleman from Wisconsin, the distinguished chairman of the Appropriations Committee, and an absolute champion on this issue, Mr. OBEY.

Mr. OBEY. Madam Speaker, I would just like to respond briefly to some of the assertions made a few minutes ago under which the Clinton administration was attacked for supposedly not correcting the alternative minimum tax problem.

I want to read from the administration's statement when the President vetoed the budget reconciliation bill, which contained the so-called AMT fix. The President pointed out at the time that in addition to supposedly dealing with the alternative minimum tax, that that bill would have cut Medicare by \$270 billion, it would have cut Federal Medicaid payments to States by \$163 billion, it would have virtually eliminated the direct student loan program, it would have provided huge tax cuts, over 47 percent of the benefits would have gone to the top 12 percent of earners in the country. I think that's enough said.

If you want to understand why the Clinton administration vetoed the bill, it was not because they were against an alternative minimum tax fix. In fact, the President specifically supported it in his comments. What he objected to was using the alternative minimum tax proposal as a Trojan horse to bring in huge gifts for the most well off people in this society paid for by huge funding cuts for those in our society who were the most vulnerable. The President didn't apologize for his action at the time, and we shouldn't, either. It was the right thing to do.

Mr. HASTINGS of Washington. I yield myself 2 minutes, Madam Speaker.

Madam Speaker, I have a great deal of respect for the previous speaker, the chairman of the Appropriations Committee. He has always been one that believes that this House ought to do their work, and he has worked extraordinarily hard to make sure that this House does their work on the appropriation process.

But I find it ironic that in the gentleman's remarks talking about what happened with a bill that President Clinton vetoed is because, at least the inference is there's a lot of extraneous stuff on that bill.

My goodness, how history repeats itself, because here we are in the closing days of the first session of this 110th Congress, and what are we contemplating? There are so many rumors around here about an omnibus bill. And

we know what omnibus bills are. There are so many things that are stuck in there to extract votes, generally they come out after the fact, embarrasses the institution, and yet we seem to be going down exactly the same path.

I appreciate the gentleman for acknowledging that President Clinton did veto a permanent repeal of the AMT, which was simply the point that I made in the outset of my remarks.

But I would just say, Madam Speaker, it seems to me we're going, that there will be a speech maybe later on this week, probably next week, about everything put into one package. And maybe we should take my friend from Wisconsin's remarks and just repeat them again, because history does repeat itself.

With that, I will reserve my time.

Mr. CARDOZA. Madam Speaker, at this time I would like to inquire how much time either side has remaining.

The SPEAKER pro tempore. The gentleman from California has 12½ minutes. The gentleman from Washington has 13 minutes.

Mr. CARDOZA. Madam Speaker, at this time I would like to yield 1½ minutes to my friend, the gentlelady from Connecticut, Ms. ROSA DELAURU.

Ms. DELAURU. Madam Speaker, I rise today in strong support of the rule we are considering and the bill, the AMT relief bill.

Last month, this Congress stepped up. We passed responsible legislation providing millions of hardworking middle-class families with the tax cuts they need and they deserve. And we're back today, working once again to protect over 23 million middle-class families from the encroaching alternative minimum tax.

In my home State, Connecticut, failing to act on the AMT would mean new taxes on 358,842 households, including almost 67,000 in my district. This is must-pass legislation for our families and for our changing economy.

I commend Chairman RANGEL for leading the way for providing relief in a way that allows us to get our fiscal house in order by sticking to the PAYGO rules that this Congress adopted.

□ 1145

This legislation also includes a long overdue expansion of the child tax credit. Last year, because of the way the laws were written, 7 million children, most of them infants and toddlers, in working families across the country remained ineligible for even a partial credit.

This year we do better. We return to the original intent of the child tax credit. By lowering the earnings threshold to \$8,500, we will capture additional millions of children who will be eligible for the tax credit, and the families of 10 million others will receive larger refunds.

With this bill, we have an opportunity to help these kids. I urge my colleagues to vote for this rule and to pass this legislation.

Mr. HASTINGS of Washington. Madam Speaker, I'm pleased to yield 2 minutes to the gentleman from Indiana (Mr. BURTON).

Mr. BURTON of Indiana. Madam Speaker, you know, we've had probably close to 1,100 votes this session. We've been here since January. In fact, January we had more work scheduled than I've seen in a long, long time because January is usually a light month. But we had all those votes, and here we are with just a few days left in this session and we haven't done a darn thing.

In my opinion, the accomplishments of this Congress under the Democrat leadership has been a big zero. The appropriation bills that the President wanted to sign and get through this process have not been given to him, and now you're going to come up with an omnibus spending bill right here at the end with a lot of pork in it that nobody knows what's in it, and you're going to present that to the American people as a job well done.

Well, it is not a job well done. That omnibus spending bill, if it has all that pork in it that we've heard of, the President's likely to veto, and then we're going to have to come back with a continuing resolution to get us through the end of the year into the middle of January.

So I'd just like to say to my colleagues, whom I respect a great deal, the promises that you made at the beginning of the year when you took charge of this House have not been met. We have not gotten anything done of substance, and we're going to leave here with an omnibus spending bill that may or may not be vetoed, and the American people are going to wonder what in the world's in that bill.

So I'd just like to say to my colleagues, I'd like to say a job well done, but I can't. It's been a total zero this year.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will again remind Members to address their comments to the Chair.

Mr. CARDOZA. Madam Speaker, I have the distinct honor to yield 1 minute to a member of the Rules Committee and a member of the Blue Dog Coalition, the gentleman from New York (Mr. ARCURI).

Mr. ARCURI. Madam Speaker, I thank my friend and colleague for yielding.

Madam Speaker, I stand today in strong support of this rule, a rule that supports a very important bill, a fix for the AMT, that does it in a way that is fiscally responsible, which is extremely important.

When I look at the things that this House has done this year, things like appropriating money so that student loans are increased, Pell Grants are increased so that our children who go to college leave college with less debt, less saddled for the future; when I think of the sacrifices that parents make so that they can help their children through college, so that when

their children finish college they're not saddled with debt; those are the kind of considerations that we need to take into consideration today in fixing the AMT so that we don't saddle our children with incredible debt in the future, that we fix the AMT and we do it in a responsible way.

So I am proud to support this rule.

Mr. HASTINGS of Washington. I reserve my time, Madam Speaker.

Mr. CARDENZA. Madam Speaker, I yield 2 minutes to the gentleman from Texas, a member of the Committee on Ways and Means and the Budget Committee, a distinguished member of this body, Mr. DOGGETT.

Mr. DOGGETT. Madam Speaker, I thank the gentleman.

Responsible, pay-as-you-go government is a significant part of the new direction to which this Congress committed our country last January. Now is hardly the time to abandon that important commitment.

For 7 years, spend-and-borrow Republicans have seldom met a problem in this country that they didn't address by borrowing more money and incurring more public debt. Now, when America faces a credit crunch, they say "get more credit." They insist on borrowing even more money to finance another tax cut.

Admittedly, under Republican rule, the AMT, the Alternative Minimum Tax, turned into the "Aggressive Middle-income Tax." Republicans were so busy treating the Federal Treasury like an ATM to finance tax cuts for the wealthy few that they largely forgot about the need to permanently fix the AMT affecting the middle class.

We need that permanent fix that President Bush continues to refuse to support, but correcting and reducing the AMT can be accomplished in a fiscally responsible manner. We Democrats understand that discipline is required for fiscal responsibility. You simply cannot make a mountain of debt disappear, say, the way they erased the CIA torture video.

This bill pays for the AMT fix in part by adopting most of the Abusive Tax Shelter Shutdown Act that I first authored in June of 1999, but which year after year House Republicans have blocked. Indeed, they blocked it even after Senate Republicans approved the measure.

Today, we can stop corporate tax dodgers from shifting the tax burden to middle-class families, ensuring both tax fairness and fiscal responsibility.

Mr. CARDENZA. Madam Speaker, how much time do we have available to us?

The SPEAKER pro tempore. The gentleman from California (Mr. CARDENZA) has 8 minutes remaining.

Mr. CARDENZA. Madam Speaker, I yield 1 minute to the gentlewoman from Arizona (Ms. GIFFORDS).

Ms. GIFFORDS. Madam Speaker, I rise today in support of this rule and to support fixing the Alternative Minimum Tax.

In my southern Arizona district, over 40,000 families are going to be directly

impacted if Congress and our President do not take action.

The AMT was never intended to impact middle-class families. That is why we must fix this tax and allow families instead to make decisions about investing into their futures.

This is a critical, critical priority. As a Blue Dog Member, I'm pleased that this bill also respects what Americans respect, what Arizonans respect, which is fiscal accountability. And that is why this bill is offset by closing a tax loophole.

Congress has to play by the same rules that our families in America play by, balancing budgets and being fiscally responsible. This is a priority that we're going to continue to push and push and push.

Today, we're standing strong for tax policies that help middle-class families, the backbone of America, and I urge Members to support the rule and support fixing the AMT.

Mr. CARDENZA. Madam Speaker, I yield 4 minutes to the gentleman from Tennessee, a member of the Ways and Means Committee, a founding member of the Blue Dog Coalition and absolute champion on the issue of fiscal responsibility and making sure that this House returns to fiscal sanity, Mr. TANNER.

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

Mr. TANNER. Madam Speaker, this rule embodies a fundamental principle of responsible stewardship of this country, and that is to live within our means and pay our bills.

There are some folks around here who apparently don't believe the laws of arithmetic apply past the steps of the Capitol or the front door of the White House. Well, they do. And there's some who've said deficits don't matter. Well, if that was true, we'd just borrow what we need to get along and forget about it, not have any Tax Code at all. Everybody knows that that is ludicrous.

What we have witnessed over the last 72 months is something that has not occurred in the history of this country since 1776, and that is the willful and knowing plunge into debt by our continual refusal to pay our bills.

When they say we can pass the AMT fix and we don't have to pay for it because it was never intended on these folks, and therefore, it doesn't exist, if I said that in Tennessee, they would say that fellow's been in Washington too long; we've got to get him home. That is absurd.

The arguments to justify borrowing more money right now for all future generations plus us, to me, are the worst of political rhetoric.

Somebody's going to pay this bill. We have asked the CBO, and they say if we don't pay for it, instead of \$50 billion, with the interest carry, it will be \$80 billion. And so it's not unlike a credit card, and we have a Nation's credit card here.

I think we are looking at warning signs all over the world. When people begin to talk about the dollar, when the dollar has fallen to where it is, to when people say maybe the euro is a better alternative for us right now than the dollar, these are warning signs that this country cannot and must not continue down this fiscal path.

All of us took an oath to uphold the Constitution against all enemies, foreign and domestic. I think there's financial vulnerability that has been created and in a way that has never been done before.

Go to the U.S. Treasury Web site. This administration and this Congress over the last 6 years, before last year when we started trying to pay the bills, borrowed more money from foreign sources than all 42 administrations before it put together. That's not a political argument; that was the numbers. And the more we do, the more the interest is. We have transferred over \$700 billion in interest payments to people around the world. This year we have removed, basically from the tax base that we had in the summer of 2001, \$131 billion, by CBO's calculations, every year.

When we don't pay the bills when we pass these measures, when we don't pay for them, what we are basically doing is enacting a tax on the American people in the form of interest payments that cannot be repealed. That is wrong. It is, I think, a violation of our oath of office to continue to argue that we can pass bills without paying for them.

I thank Mr. CARDENZA and the Rules Committee for bringing another bill here, and I hope our colleagues here in the House and the Senate will understand what we're trying to say.

Mr. HASTINGS of Washington. Mr. Speaker, I'm pleased to yield 3 minutes to the gentleman from California (Mr. CAMPBELL).

Mr. CAMPBELL of California. Mr. Speaker, you know, I find this whole debate rather perplexing. What the majority party is saying is that in order to leave people's taxes the same, in order to leave them where they are now, they have to raise taxes on somebody else. They have to pay for leaving your taxes alone by raising taxes on somebody else. Now, that's just warped logic. But let's just accept that warped logic for a minute and let's say that somehow leaving taxes alone required being paid for.

What about reducing spending to pay for it? Where in this rule is the ability to have an amendment to do that? What about reducing spending instead of raising taxes?

Now, later this week, we are likely to see a gigantic budget bill that will spend \$50 billion more than last year. Where is the pay-for for that? Now, that's pretty clear. If you spend \$50 billion, nearly \$50 billion more than last year, that's a clear increase in spending for which you would think someone

would want to pay for it. But instead, here you're going to leave people's taxes alone, the same as last year, and somehow that's a tax cut that has to be paid for? The logic is so distorted here, and the rationale is so distorted.

Let's go ahead and spend all this extra money and not pay for it. You know that if you held the line on spending and didn't increase that spending this year and you looked at what that did over a 10-year period, you could almost pay for repealing the alternative minimum tax completely.

□ 1200

But, no, that is not what the majority party is doing. That is not what this rule talks about. That is not what this rule allows. This rule continues this distorted logic that says that spending more money is okay and doesn't have to be paid for but leaving people's taxes alone is not okay.

This rule and this proposal should both lose.

Mr. CARDOZA. Mr. Speaker, I would like to inquire from the gentleman from Washington if he has any remaining speakers.

Mr. HASTINGS of Washington. Mr. Speaker, I have no more requests for time and I am prepared to close if the gentleman from California is prepared to close.

Mr. CARDOZA. Mr. Speaker, I am the last speaker on my side and so I would like to yield to the gentleman from Washington.

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

Mr. Speaker, let's put this thing in perspective. This Democrat tax plan essentially allows the State sales tax deduction for those States that don't have a State income tax to expire.

Residents of States with no income tax deserve to be allowed to deduct their State sales tax from their Federal income tax bill. To me, Mr. Speaker, it's a matter of fairness, which is why the Republican Congress acted in 2004 to restore the State and local sales tax deduction. This law provided tax fairness to Washingtonians and those who live in other non-income tax States for the first time in nearly 20 years.

Now, this deduction, Mr. Speaker, expires in just days, at the end of this year. But this House will have the chance to vote today, Mr. Speaker, to extend the State sales tax deduction by joining me in voting "no" on the previous question. I will then amend the rule to allow an amendment to be offered on the underlying bill to extend the State and local sales tax deduction for 1 year, just for 1 year, as a matter of fairness.

To all the Members from Washington, Florida, Texas, Tennessee, Nevada, Wyoming, South Dakota and Alaska, vote "no" on the previous question so that we can give State sales tax deduction fairness for our constituents. This is a bipartisan issue, and we can achieve an extension today

with a bipartisan vote against the previous question. Our constituents deserve fair treatment; so let's give this to them. The underlying bill that this rule makes in order is going to raise taxes by \$50 billion. The very least we can do is to extend the sales tax deduction out of fairness.

Now, Mr. Speaker, let me be very clear because there has been a great deal of discussion on the floor today about PAYGO. I think PAYGO has a lot of merit. I happen to disagree as it relates to this particular tax plan in the underlying bill, but there has been a great deal of discussion about PAYGO. So let me make perfectly clear this previous question vote does not waive the PAYGO rule. If the previous question is defeated and my amendment is made in order, the PAYGO rule is not waived. If a Member then wants to raise, when the issue is on the floor, a point of order against that amendment, they are perfectly able to do that. So my amendment does not waive the PAYGO rule.

With that, Mr. Speaker, I ask unanimous consent to insert the text of the amendment and extraneous material in the RECORD prior to the vote on the previous question.

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

There was no objection.

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

Mr. CARDOZA. Mr. Speaker, the Republicans have said that this bill raises taxes, but that's far from the truth. Let me again, as I did in my opening, set the record straight. This bill closes tax loopholes that allow a privileged few on Wall Street to pay a lower tax rate on their income than the average hardworking American does on their income. That includes school teachers, police officers, firefighters, our Nation's veterans, and, frankly, even us privileged that are able to serve here as Members of Congress.

Mr. Speaker, the Republicans need to make a choice today. Are they going to stand with tax cheats and hedge fund managers, or are they going to stand with the 23 million hardworking Americans who will be affected by this policy?

Mr. Speaker, the House of Representatives is united in our commitment to fiscal discipline and ensuring that government lives within its means. The Democratic Congress pledged to exercise spending restraint and to stop shouldering our country's needs on the backs of our children and grandchildren. We strongly urge the other body, Democrats and Republicans, to have the courage and good sense to keep the promise they made to the American people to be good stewards of their taxpayer dollars. We can't pick and choose when we comply with PAYGO rules if we want to reverse the irresponsible fiscal policy of the Bush

administration and the prior Republican Congresses.

By restoring budget discipline and getting back on the path to budget surpluses, we ensure America is economically strong and that we are not beholden to foreign nations such as China, Japan, Iran and Saudi Arabia whom we are borrowing this money from; that we are protecting our Social Security and Medicare programs; and that paying down the national debt is not a burden that we are going to put on the backs of our children and generations to come.

With this, Mr. Speaker, I urge a "yes" vote on the rule and a "yes" vote on the previous question.

The material previously referred to by Mr. HASTINGS of Washington is as follows:

AMENDMENTS TO H. RES. 861 OFFERED BY MR. HASTINGS OF WASHINGTON

(1) In section 1, insert "and any amendment thereto" after "ordered on the bill".

(2) In section 1, strike "and (2) one motion to recommit", and insert:

"(2) the amendment printed in section 3, if offered by Representative Hastings of Washington or his designee, which shall be in order without intervention of a point of order (except those arising under clause 10 of rule XXI) or demand for division of the question, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions".

(3) At the end of the resolution, add the following:

SEC. 3. The amendment referred to in section 1 is as follows:

"At the end of the bill add the following new section:

SEC. . DEDUCTION FOR STATE AND LOCAL SALES TAXES.

(a) IN GENERAL.—Subparagraph (I) of section 164(b)(5) of the Internal Revenue Code of 1986 is amended by striking "January 1, 2008" and inserting January 1, 2009".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply, to taxable years beginning after December 31, 2007."

(The information contained herein was provided by Democratic Minority on multiple occasions throughout the 109th Congress.)

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Democratic majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives, (VI, 308-311) describes the vote on the previous question on the rule as "a motion to direct or control the consideration of the subject before the House being made by the Member in charge." To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that "the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition" in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated

the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R-Illinois) said: "The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition."

Because the vote today may look bad for the Democratic majority they will say "the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever." But that is not what they have always said. Listen to the definition of the previous question used in the Floor Procedures Manual published by the Rules Committee in the 109th Congress, (page 56). Here's how the Rules Committee described the rule using information from Congressional Quarterly's "American Congressional Dictionary": "If the previous question is defeated, control of debate shifts to the leading opposition member (usually the minority Floor Manager) who then manages an hour of debate and may offer a germane amendment to the pending business."

Deschler's Procedure in the U.S. House of Representatives, the subchapter titled "Amending Special Rules" states: "a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate." (Chapter 21, section 21.2) Section 21.3 continues: Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon."

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Democratic majority's agenda and allows those with alternative views the opportunity to offer an alternative plan.

Mr. CARDOZA. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

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

Mr. HASTINGS of Washington. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

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**PROVIDING FOR CONSIDERATION OF H.R. 4299, TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT OF 2007**

Mr. ARCURI. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 862 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 862

*Resolved*, That upon the adoption of this resolution it shall be in order to consider in

the House the bill (H.R. 4299) to extend the Terrorism Insurance Program of the Department of the Treasury, and for other purposes. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. The bill shall be considered as read. All points of order against provisions of the bill are waived. The previous question shall be considered as ordered on the bill to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services; and (2) one motion to recommit.

SEC. 2. During consideration of H.R. 4299 pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to such time as may be designated by the Speaker.

The SPEAKER pro tempore. The gentleman from New York is recognized for 1 hour.

Mr. ARCURI. Mr. Speaker, for purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. SESSIONS). All time yielded during consideration of the rule is for debate only. I yield myself such time as I may consume. I also ask unanimous consent that all Members be given 5 legislative days in which to revise and extend their remarks on House Resolution 862.

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

There was no objection.

Mr. ARCURI. Mr. Speaker, House Resolution 862 provides for consideration of H.R. 4299, the Terrorism Risk Insurance Program Reauthorization Act of 2007. The rule waives all points of order against consideration of H.R. 4299 except those arising under clause 9 and clause 10 of rule XXI. The rule provides 1 hour of general debate controlled by the chairman and ranking minority member of the Committee on Financial Services.

Mr. Speaker, I will make my remarks brief. We have debated the substance of this bill before, and the House passed a similar version in September with the support of 312 Members of this body. The measure we will consider today contains many needed revisions to the terrorism risk insurance program to ensure our national and economic security.

The terrorism risk insurance program was originally enacted as a short-term backstop for an insurance industry hard hit by the terrorist attacks that occurred on September 11 of 2001. In the years since, we have seen that the private insurance market is unable to cover the risk of both domestic and foreign acts of terrorism without assistance.

Experience has shown that there is a true need for government involvement in terrorism insurance. The exposure for private companies is just too great. In the wake of September 11, 2001, many companies opted to exclude terrorism risks from private insurance policies, leaving no coverage in the event of another attack. TRIA requires

primary insurers to make terrorism insurance available to commercial clients that wish to purchase it while at the same time helping those insurers manage their exposure to risk of loss.

The legislation this rule provides for consideration of would extend TRIA for 7 more years. This is a shorter extension than the 15-year extension that the House originally passed but still far longer than the 2-year extension that was enacted in 2005. A 7-year extension will provide greater certainty and stability to the insurance and real estate markets than presently exists, and that is good for business.

The legislation would also make several other critical changes to the terrorism risk insurance program. It would change the definition of terrorism under TRIA to include domestic terrorism and reset the program trigger level, where the government backstop kicks in, to \$50 million, where it was in 2006. It would expand the program to provide for group life insurance coverage; would decrease deductibles for terrorist attacks costing over \$1 billion; and reduce the trigger level in the years following such an attack.

The TRIA bill which the House approved in September would have required insurers to include coverage for nuclear, biological, chemical, and radiological attacks in policies they offer. However, this provision has been removed from the bill because some insurers, particularly the smaller insurers, raised concerns regarding their ability to cover the additional risk when private reinsurance does not exist.

To address these concerns, the legislation will mandate a study by the Government Accountability Office on the availability and the affordability of private insurance coverage for nuclear, biological, chemical, and radiological attacks. This provision represents a commonsense first step in addressing the economic fallout of such an attack.

Mr. Speaker, this legislation is critical in protecting our national and economic security in the fight against terrorism. It will also help many of the small- and medium-sized insurance companies located in my congressional district provide coverage in this ever-changing 21st century.

I commend Financial Services Committee Chairman FRANK and Ranking Member BACHUS for their bipartisan effort to bring this vital, time-sensitive piece of legislation to the floor.

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

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

I rise in opposition to this rule, despite my long-term support for TRIA, because passing a bill that has already been pronounced dead on arrival in the Senate foolishly puts the reauthorization of this important program in jeopardy as its expiration date at the end of the year draws ever closer because