

“(e) SUNSET.—The authority of the Secretary to carry out any provisions of this section shall terminate 10 years after the date of the enactment of this section.

“SEC. 163X. SAN CLEMENTE RECLAIMED WATER PROJECT.

“(a) AUTHORIZATION.—The Secretary, in cooperation with the City of San Clemente, California, is authorized to participate in the design, planning, and construction of a project to expand reclaimed water distribution, storage and treatment facilities.

“(b) COST SHARE.—The Federal share of the cost of the project authorized by this section shall not exceed 25 percent of the total cost of the project.

“(c) LIMITATION.—The Secretary shall not provide funds for the operation and maintenance of the project authorized by this section.

“(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$5,000,000.

“(e) SUNSET.—The authority of the Secretary to carry out any provisions of this section shall terminate 10 years after the date of the enactment of this section.”.

(b) CONFORMING AMENDMENTS.—The table of sections in section 2 of Public Law 102-575 is amended by inserting after the item relating to section 163X the following:

“Sec. 163X. San Juan Capistrano Recycled Water System.

“Sec. 163X. San Clemente Reclaimed Water Project.”.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from California (Mrs. NAPOLITANO) and the gentleman from Colorado (Mr. LAMBORN) each will control 20 minutes. The Chair recognizes the gentlewoman from California.

GENERAL LEAVE

Mrs. NAPOLITANO. Mr. Speaker, I ask unanimous consent that all Members may have 5 days to revise and extend their remarks and include extraneous material on the bill under consideration.

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

There was no objection.

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

Mr. Speaker, the purpose of H.R. 1140, as introduced by my colleague and former chair of the subcommittee, Mr. KEN CALVERT, is to authorize the Secretary to participate in the design, planning and construction of an advanced water treatment facility and recycled water system.

The continuing drought and the decrease in snow pack have led to a reduction in water supplies in many parts of the West. Water recycling projects can help communities protect against the adverse consequences of drought.

H.R. 1140 will authorize limited Federal financial assistance for two separate water recycling projects in Southern California. One, beautiful San Juan Capistrano, and the other in great San Clemente.

Recycled water can satisfy many water demands, and the enactment of this bill will continue our efforts to encourage the administration to include

recycling as an effective water management strategy. I note it was left out of Water 2025, and I want to be sure that we continue to push forward for that which is very, very helpful to many communities.

I do urge my colleagues to join me in supporting 1140.

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

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

This legislation, H.R. 1140, introduced by the distinguished former chairman of the Water and Power Subcommittee, KEN CALVERT of California, authorizes limited Federal assistance for two water recycling projects in southern Orange County. This bill helps the cities of San Juan Capistrano and San Clemente meet their water supply needs, and reduces their dependence on imported water.

I commend Representative CALVERT for his longstanding leadership in helping all of Southern California meet its future water needs through a combination of water recycling, desalting, conservation and water storage. I urge my colleagues to support this bill.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. CALVERT), the author of the bill.

Mr. CALVERT. Mr. Speaker, I want to thank my chairman, Mrs. NAPOLITANO, for the hard work that she has put into all these water bills and for her desire to make sure that areas such as southern California have water for the future.

The South Orange County Recycled Water Enhancement Act is a relatively modest yet important step toward meeting the long-term water needs for the West. Water recycling is an approach that more and more communities are tapping to meet local and regional water demand. To address the continued growth of water users, communities are truly maximizing the use of every drop of water.

The South Orange County Recycled Water Enhancement Act authorizes two water reclamation projects in the South Orange County portion of my district. South Orange County relies heavily on imported water from sources such as the Colorado River and the Bay Delta in northern California.

Water reclamation projects and other steps which reduce demand for imported water benefit all regional water users. The first project outlined in this legislation is the San Juan Capistrano recycled water system, which would enable the City of San Juan Capistrano to provide recycled water to users throughout the city and its neighboring communities. To meet the local demand, the City has developed a project that includes the construction of a water treatment facility as well as transmission infrastructure.

I want to thank the San Juan Capistrano Mayor Sam Allevato and the rest of the city council for their dedication to this important project.

The second part of this project is the San Clemente Reclaimed Water

Project, which would expand San Clemente's reclaimed water infrastructure by doubling its production capability. When completed, San Clemente's recycled water project will reduce the city's demand of domestic water by 3,300 acre feet of water per year. I applaud San Clemente Mayor Jim Dahl and the entire city council for their entire commitment to water recycling.

Again, I want to thank my good friend GRACE NAPOLITANO, our chairwoman of the Water and Power Subcommittee, for her leadership and support of my legislation. I know she shares my belief that water recycling is an important tool in addressing growing water needs in the west. Mr. Speaker, I think it is crucial that we recognize and assist communities that are working to reduce their reliance on imported water, and I urge all colleagues to support the South Orange County Recycled Water Enhancement Act.

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

Mrs. NAPOLITANO. Mr. Speaker, first of all, I want to thank staff on both sides who have been working collaboratively and in a bipartisan manner.

Water knows no political colors or boundaries. I think we need to work together to be able to ensure that our economy continues growing, that water will continue to flow through the faucets and in the rivers and dams and aquifers.

And along with Mr. LAMBORN, Mr. Speaker, I want to urge all Members to look at their district water needs, and begin to understand it and be able to work with it so that we can protect the rest of the States that are going through, whether it is droughts or other areas that they need help with.

I certainly want to thank my ranking member, KATHY MCMORRIS, who isn't here, but certainly Mr. LAMBORN, who has done a great job. And I want to thank him specifically, because to work collaboratively and get these bills out is critical not only in time but in the effect it has on our economy throughout the Nation.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California (Mrs. NAPOLITANO) that the House suspend the rules and pass the bill, H.R. 1140.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF S. CON RES. 21, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2008

Mr. MCGOVERN. Mr. Speaker, by direction of the Committee on Rules, I

call up House Resolution 370 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 370

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the concurrent resolution (S. Con. Res. 21) setting forth the congressional budget for the United States Government for fiscal year 2008 and including the appropriate budgetary levels for fiscal years 2007 and 2009 through 2012. The concurrent resolution shall be considered as read. An amendment in the nature of a substitute consisting of the text of House Concurrent Resolution 99, as adopted by the House, shall be considered as adopted. All points of order against the concurrent resolution, as amended, are waived. The previous question shall be considered as ordered on the concurrent resolution, as amended, to final adoption without intervening motion or demand for division of the question. If the Senate concurrent resolution, as amended, is adopted, then it shall be in order to move that the House insist on its amendment to the concurrent resolution and request a conference with the Senate thereon. The previous question shall be considered as ordered on that motion to adoption without intervening motion.

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. MCGOVERN) is recognized for 1 hour.

Mr. MCGOVERN. Mr. Speaker, for the 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 and I ask unanimous consent to revise and extend my remarks. I also ask unanimous consent that all Members be given 5 legislative days in which to revise and extend their remarks on House Resolution 370.

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

There was no objection.

Mr. MCGOVERN. Mr. Speaker, H. Res. 370 provides for consideration in the House of S. Con. Res. 21, the Senate version of the concurrent budget resolution for 2008. It also provides for the House to insist on the House-passed version of the budget resolution and to request a conference with the Senate.

The rule is very simple. It allows the House to disagree with the Senate budget resolution and request a conference. It doesn't interfere with the motion to instruct conferees; it just allows the House to go to conference and appoint conferees.

This rule is necessary, Mr. Speaker, because the Republican leadership refused to agree to the customary unanimous consent request required to go to conference on a Senate numbered bill. In fact, there is no instance in recent memory where a separate rule has been adopted to go to conference with the Senate on a budget resolution due to the objection of a unanimous consent request.

Mr. Speaker, I am having a hard time figuring out why my Republican

friends are choosing to be obstructionists on even the most routine house-keeping measures. They talk a lot about civility and comity in the House, but apparently it is just that, talk, because their actions point to a very different strategy.

The new Democratic majority, on the other hand, is committed to results. We were elected to get things done, and that is exactly what we will do, with or without the cooperation of the Republican minority.

This rule does not block a vote on approval of the Senate budget resolution, as amended. It does not interfere with the motion to instruct conferees. It simply allows the House to insist on its version of the budget resolution and to request a conference with the Senate, nothing more. So let's pass this rule and get the budget resolution into conference.

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

□ 1600

Mr. SESSIONS. Mr. Speaker, I rise today in strong opposition to this rule and the unprecedented tax increase that the Democrat majority is bringing back to the House today.

I wish I could report to my colleagues that this legislation was improved since the last time the House considered it in March. Unfortunately, the massive and irresponsible tax increase included in the House version of this budget would still be the largest tax increase in American history, weighing in at a shocking \$392.5 billion over the next 5 years.

This Democrat budget, which is balanced on the backs of everyday taxpayers, would be used to finance bloated new government spending that will grow well above the rate of inflation through 2012, while also ignoring the brewing entitlement crisis. Around 77 million baby boomers will be retiring in the very near future and will begin collecting Social Security, Medicare, and Medicaid. Funding this new spending represents the greatest economic challenge of our era, and it is a challenge that the Democrat budget has chosen to completely ignore, while going on its own spending spree elsewhere.

In the 32nd Congressional District of Texas, which I have the honor to represent, the Heritage Foundation estimates that the passage of this budget will cost every single taxpayer an additional \$2,920 in 2012. It will also mean a per capita loss of \$474 in personal income, as well as 2,389 lost jobs as a result of a loss of \$328 million to the local economy of the 32nd Congressional District of Texas.

Mr. Speaker, I will insert into the RECORD this entire document which details the severe negative impact on the passage that this budget will have on every single taxpayer from every single district across the country.

Mr. Speaker, if fiscal discipline is what the Democrats promised voters

this past fall, then, by my account, it took only 3 months for the Democrat candidates to abandon their campaign promises and an additional 2 months for Democrats to reiterate their really true support for tax-and-spend policies again here on the House floor today.

This deeply flawed budget would increase taxes on almost 8 million taxpayers just in my home State of Texas alone. It would collect these taxes by allowing the 2001 and 2003 tax relief provided by the Republican Congress to expire.

In real terms, for every American taxpayer, this means reducing the child tax credit for working families so that the government can collect \$27 billion more to finance, yes, you've got it, Mr. Speaker, brand-new spending.

It means reinstating the marriage penalty and the death tax to collect an additional \$104 billion so that the new majority Democrats can kick the can further down the road, rather than reforming and strengthening our Nation's entitlement programs.

And it means completely ignoring the alternative minimum tax crisis which is projected to hit 23 million middle-class families if not dealt with in a responsible manner.

Mr. Speaker, I believe the voters watching this debate on C-SPAN understand what these tax increases mean for them, the economy, and for our ability to compete globally. But they may not realize what they mean for the average family of four with \$60,000 in earnings. It will mean a tax increase of 61 percent. It means that a single parent with two children and \$30,000 in earnings would see a tax increase of 67 percent. And it means that an elderly couple with \$40,000 of income would see their taxes increase by a whopping 156 percent.

Mr. Speaker, you can see the advantages of the Republican tax cut and what it means to every single middle-class American.

Now, one would think that a hike of almost \$400 billion impacting every American taxpayer would be enough to finance the Democrats' appetite for big government. But trust me, it's just the start. This budget also contains 12 reserve funds or pet initiative IOUs which set the stage for more than \$115 billion in higher future spending which would have to be financed by, you guessed it, even higher taxes.

For the last 4 years, responsible budgets passed by the Republican Party kept discretionary spending at or below inflation for all nondefense, non-homeland security spending. This budget plan brought forward by the Democrats brings this fiscally disciplined tradition to a screeching halt by allowing about \$25 billion more in discretionary spending than President Bush or even the spendthrift Senate, for that matter, which asked for about \$7 billion less than the House.

Thankfully, it's not too late to stop this fiscal train wreck. By voting against this rule, every Member of this

body can demonstrate their opposition to the Federal largesse included in this budget, as well as their opposition to the largest tax increase in American history.

Without the meaningful tax relief passed by this recent Republican Congress, our economy would not have seen the massive job growth with 7.6 million new jobs created for American workers and tremendous economic growth of 3.5 percent per year that has our economy growing at the highest rate and has done so over the last 15 quarters.

Mr. Speaker, I encourage all of my colleagues to stand up for fiscal discipline, economic growth, and responsible budgeting by opposing this rule and the underlying tax increase.

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

Mr. MCGOVERN. Mr. Speaker, if I could respond to the gentleman from Texas, I don't know what he's talking about. The fact of the matter is that the Democratic budget resolution does not contain a single tax increase. Period. The Concord Coalition stated that the budget resolution does not call for or require a tax increase. The Center on Budget and Policy Priorities said the House plan does not include a tax increase. The Hamilton Project of the Brookings Institute says the budget would not raise taxes.

Mr. Speaker, I sat on the Budget Committee. I had the honor of serving under Chairman SPRATT. And I would say to the gentleman from Texas, if he reads the budget resolution, it actually supports the renewal of the middle-class income tax cut.

Section 401 of the budget resolution commits the budget to the support of the middle-class tax cuts passed in 2001 and 2003, including the child tax credit, the marriage penalty relief, the 10 percent individual income tax bracket, estate tax reform, research and development tax credit, and the deduction of State and local sales taxes.

Section 203 of the budget resolution clearly provides a reserve fund for the extension of those tax cuts so long as the legislation complies with the House pay-as-you-go rule.

Now, the gentleman from Texas gets up here and brags about the fiscal record of the Republicans in the Congress. Well, the American people, I think, saw through the misplaced priorities of the Republican Congresses, as evidenced by the results of the November election.

But so there is no misunderstanding, let me make it very clear to everybody who is watching. We need to correct the fiscal course of the country because the fiscal outlook that we are confronting has deteriorated dramatically over the past 6 years because of the Republicans misplaced priorities.

In 2001, the Bush administration inherited a projected 10-year budget surplus of \$5.6 trillion. That's \$5.6 trillion. Within 2 years, that surplus was gone, and the United States began accumu-

lating an amount of national debt, adding \$2.8 trillion to our Federal debt burden since 2001.

Now, to make matters worse, most of that debt has been purchased by foreign investors, making the U.S. economy more vulnerable to economic and political instability and political pressure from abroad.

So for anyone to get up here and to brag about the Republican record on fiscal matters, I think, to me, defies comprehension. The record is clear. You have messed up the economy of this country in terms of this incredible debt that we have now put on the backs of our kids and our grandkids and our great grandkids. What the Democratic budget is trying to do is restore some fiscal discipline, pay-as-you-go, and to get this country back on the right course.

Having said that, Mr. Speaker, I'd like to yield 8 minutes to the distinguished gentleman from South Carolina, the chairman of the House Budget Committee, Mr. SPRATT.

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

Mr. SPRATT. Mr. Speaker, this rule simply makes in order a motion to go to conference on the House and Senate budget resolution. That's all it does.

The budget resolution, in turn, frames all that we will do in fiscal year 2008, next year; and it helps keep the process fiscally disciplined as we move forward. Usually, this procedure is accompanied by, expedited by, unanimous consent. In this case, we couldn't be assured of unanimous consent, so we are, instead, moving forward with the rule.

Now, naturally, we in the House think that the House-passed budget is a better expression of our goals. But both resolutions to be resolved in conference, both are Democratic products, and we think both are vastly better, far better budgets than the Republicans offered this year or last year, for that matter. It's a matter of record. Last year the Republicans failed to pass a concurrent budget resolution. They couldn't get the two Houses together.

When we came back here in November, we had to finish up the unfinished work. Only 2 of 11 appropriations bills were passed, partly because they didn't have the framework of a budget resolution in which to proceed.

Just weeks ago, we had the Republican budget on the House floor. It fell 60 votes short of a majority, way behind. So unless we do what we are doing today, we are going to find ourselves shortly in the same situation we were last fall when the work was undone at the end of the year.

Both budgets, both the House and the Senate budgets, have this goal. Both budgets are designed to bring the budget back to balance by the year 2012. The House resolution carries forward, I'm proud to say, carries forward our commitment to pay-as-you-go. And the

Senate resolution includes a pay-as-you-go rule of its own.

There are a number of initiatives, it's true, in this bill. A number of new initiatives. One is the Children's Health Insurance Initiative, but none of these initiatives, including CHIP, will be undertaken, none of them will be undertaken unless there are offsetting revenues or offsetting expenses to make them budget neutral so they do not have any impact on the bottom line.

This budget resolution and the Senate resolution both contain program integrity measures requested by the President, augmented by us in our budget resolution to crack down on wasteful spending. We're proud of that. We want to see that money appropriated. We want to see some that could be saved on wasteful sending.

Both budgets, and let me emphasize this, both budgets support middle-income tax relief. We'll say it again and again and again. It bears repeating because it's absolutely true.

The House budget resolution sites in its text income tax cuts that were passed in 2001 and 2003, and it supports, not in one place, but two, wholesomely supports the extension and renewal of those tax cuts past 2010, when they will all expire.

Now, let me make something clear. This budget resolution for the next 4 years does not take a thing away from any taxpayer. The tax cuts passed in 2001 and 2003 remain unaffected, remain standing and in place.

In addition, let me make clear that when the tax cuts adopted in 2001 and 2003 expire at the end of 2010, it's by design. That's the way you wrote the resolution. That's the way you wrote the bill that passed it. And we do not propose anything here in this bill about not renewing those tax cuts when they come up. We simply say that's a bridge we will cross when we get to it.

But in the Senate, Senator BAUCUS has offered an amendment that will require a vote before the year 2010 to renew those middle-income tax cuts that sunset in the year 2010. The Baucus amendment limits these tax cuts to \$180 billion in annual revenue reduction, the amount of the surplus that is anticipated in 2012 in the budget resolution.

□ 1615

In the meantime, let me say again, all the tax cuts passed in 2001 and 2003 were provided for, allowed and in place under this budget resolution. It is completely specious to say that we have raised taxes by one dime. Completely specious.

If you don't believe, let me say once again or let me show you in writing what Mr. MCGOVERN just introduced. Here is the Concord Coalition. Nobody would dispute their bona fides or their unpartisan character. Here is how they sum up their analysis of our budget resolution: "Thus to be clear, the budget resolution does not call for or require a tax increase." That is the Concord Coalition.

Next is the Brookings Institution, Hamilton Project: "This budget would not raise taxes." An independent group, no axes to grind. That is their opinion.

And, finally, the Center on Budget and Policy Priorities: "This claim is incorrect. The House plan does not include a single tax increase."

Those are three outside organizations with no axes to grind. They looked at our resolution. That is the judgment they rendered on it.

Now, let me move on to say that both the House and Senate budget resolutions meet the President's request for national defense. They protect our country, and they exceed the President's request for veterans' health care. Funding for veterans' health care in our resolution is 6 billion bucks, \$6 billion, above the 2007 level and more than \$3 billion above the President's request.

Both budgets are also designed to reduce the deficit and bring the budget back to balance, as I said earlier. That will decrease our reliance on foreigners who buy our debt. Since 2001, foreign ownership of Treasury bonds has more than doubled to \$2.2 trillion, making our economy vulnerable to global markets and the whims of foreign investors.

If I could see this chart next to show you the total debt accumulation under this administration. On the back of an envelope, this shows you what we are about, what we want to avoid. When this administration came to office, the national debt was \$5.7 trillion. In the last 6 years, they have added 60 percent to that sum, \$3.1 trillion in additional debt. And as a consequence, the national debt stands at \$8.8 trillion. This is what Republicans have produced. This isn't about claiming or argumentation or anything else. This is a matter of record. You can look it up, from \$5.7 to \$8.8 trillion.

Finally, this budget resolution maintains the priorities that we Democrats stand for and are proud of. We put families first. We put children first by investing in health care; child care; education; Head Start; and as I said earlier, tax relief to middle-income families. Both budgets, both budgets, plan huge steps, and this is one of the great initiatives we hope to achieve in this Congress, huge steps to expand the State Children's Health Insurance Program so that it covers most of the 9 million children without health insurance in this country, and we propose to do that with offsets so that there will not be a dime of the cost of that added to the bottom line.

In summary, Mr. Speaker, in short, this rule will make in order the steps necessary to send our budget resolution to conference so that they can move us forward on a fiscally responsible, fiscally disciplined path.

I urge support for this resolution so that we can move forward with the budget process.

Mr. SESSIONS. Mr. Speaker, my wonderful colleague from Massachu-

setts is trying to have it both ways: We're going to balance the budget; we're not going to cut taxes. We're going to balance the budget; we're not going to cut taxes. But, in fact, what happens is this budget relies on every single tax cut going away so that they can then say they balance the budget, but the fact of the matter is that they do not even address the biggest issues and the problems that face the Nation.

He is correct. The gentleman from Massachusetts is correct. Republicans did produce a balanced budget as a result of cutting taxes and fiscal discipline in 1997, 1998, 1999, 2000. And in 2001, the day America was attacked, we had a balanced budget. He is absolutely correct. Since that time, we have not had a balanced budget. One million jobs were lost within 1 month after 9/11, 2001. And so as a result of that, Republicans decided that in order for us to gain financial advantage, that we would have tax cuts.

It is true that, as a result of rules in the Senate, the other body, that we could not make these tax cuts permanent. It is also true that every single year since that period of time that Republicans have asked Democrats, please make every single one of these tax cuts permanent, well, that's like light to a vampire. Absolutely no, not for the Democrats, because they're opposed to the tax cuts. They're on record of opposing the tax cuts. And today they come to the floor, oh, we're not taking away any of the tax cuts. Of course they are. Because if they didn't, they couldn't then "balance the budget" that they have on the floor today. That is exactly what they are doing.

Second point, Social Security, as a result of our growing economy, every single new worker that comes in, Social Security has to add to its deficit the amount of money that is owed to Social Security every time we get a new worker, and that is more than half of this deficit. It's an accounting gimmick because what happens is that Social Security accounts for what they have to have as an unfunded liability out for 50 years.

So to talk about the irresponsibility, I will take part of the blame. But growing this economy, having increased tax revenue, having the greatest single economy we have ever had, more people than ever living in homes, their own homes and our challenging the Democrat minority and now majority to say, why don't we get on with the real things that are important like worrying about Medicare and Medicaid? Nothing. Why don't we make sure that families do not have to pay after-tax dollars for health care? Silence. Silence from our Democrat majority.

The new Democrats want to tax and spend. That's what they've always been about. That's what they're about on the floor of the House of Representatives today. And they're trying to get it both ways.

Mr. Speaker, I would like to yield such time as he may consume to the

ranking member from the Budget Committee, the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. I thank the gentleman for yielding, and I want to echo the point he made.

Our chairman, the distinguished gentleman from South Carolina, came to the floor and accurately said both budgets, the Senate budget resolution and the House-passed budget resolution, balance the budget. That is correct. They do. It is certified by the Congressional Budget Office. There is only one reason and way and method how they balance the budget, though, Mr. Speaker: by raising taxes.

The House-passed budget resolution relies upon, requires, in fact, makes sure that it passes the largest tax increase in American history in order to balance the budget. The Senate-passed budget resolution relies upon, requires and ensures that the second largest tax increase in American history be enacted on the American people, on the American taxpayers, in order to achieve balance.

I have two major concerns with this budget resolution, Mr. Speaker. Number one, it is very bad economic policy. And number two, it is an enormous missed opportunity.

Why is this budget resolution bad economic policy? Inflicting the largest tax increase in American history on the American family, business, entrepreneur, on American taxpayers, is bad economic policy. And here is why: Back in 2001, where we realized we had 9/11, and in 2003, where we realized we had a recession, with the dot-com bubble burst, with Enron scandals, we had job losses to the tune where we were losing about 124,000 jobs a month. We had to act quickly to get people back to work, so we cut taxes across the board. We cut taxes on entrepreneurs, on families, on workers, on businesses, on capital. What happened: 7.6 million new jobs were created since then. We have been creating on average over 200,000 jobs a month since then. The stock market turned around. The savings portfolios of senior citizens which were eviscerated in the market crash came back. The Dow hit 13,000 last week, an all-time high. We saw business investment, from negative decline after negative decline for 11 consecutive quarters, turn around and hit all-time highs. More jobs were created. And what happened at these lower tax rates? Revenues came into the Federal Government at a much, much faster pace, at about a 25-year high. So we saw more revenues coming into the Federal Government, which actually brought the deficit down at these lower tax rates.

What this budget resolution does is it puts that economic recovery plan in jeopardy. By raising taxes on people and businesses and entrepreneurs, you are reducing job growth in America. You are raising the cost of capital.

We have a problem, Mr. Speaker, and that is we live in the era of

globalization. The oceans no longer separate our economy from the rest of the world. Ninety-five percent of the world's consumers don't live in this country. They are overseas.

So, Mr. Speaker, we have got to wake up. Wake up to the fact that we have real competitive pressures. Countries like China and India, let alone Japan and Europe, are giving us real competitive pressures, real competitive challenges. And when we go back to the old adage of taxing, taxing and taxing, what we are going to do is tax more and more jobs overseas to these other countries. By taxing our economy and our businesses and our workers more and more than our competitors tax theirs, you know what happens? They get our jobs. That is a mistake. That is wrong.

America taxes capital more than any other industrialized country in the world except for one, Japan, and they just finished two decades of recession. So it is really bad economic policy to have all these tax increases.

You just heard the gentleman from Massachusetts talk about the reserve funds they have in this budget. They really want to make sure that they don't raise these taxes. So they put a reserve fund in the budget. And the reserve fund basically says, we don't want to raise these taxes; we would like to come up and pay for them, but our money is not there.

A budget is basically a page full of numbers, and numbers don't lie. The numbers in this budget require these taxes to go up, require these taxes to sunset; otherwise, they don't balance the budget.

You can't have it both ways. You can't balance the budget on the left hand and then say we are not raising taxes on the right hand. It is one or the other. So regardless of how many empty promise reserve funds you have in a budget resolution, the numbers don't lie, and the numbers say these taxes are being raised.

Now, as to the point that the sunset was put in by the Republicans, not by the Democrats, and we are simply letting this Republican policy manifest itself, and we are budgeting for it, that is not quite true, Mr. Speaker. And I remember being a member of the Ways and Means Committee and working on the conference committee at this time. When these tax cuts went through the Ways and Means Committee in the House, when these tax cuts passed the House floor, they were permanent. They never had a sunset in them. What happened? This arcane rule in the Senate called the Byrd rule was put in place. And the Byrd rule said for these tax cuts to be permanent, it needs 60 votes in the Senate. What happened? We had 52 Republicans voting to make them permanent; no Democrats would vote to make these tax cuts permanent. So the Democrats filibustered making these tax cuts permanent, and because of the Democrat filibuster in the Senate, these tax cuts were made

temporary. The only way to get this tax relief to the American economy, to the American people, to get out of the job loss, to get out of the recession, was this temporary tax policy because of the Democrat-led filibuster by then Senator Daschle at the time in the Senate. That's why there's a sunset in this law.

We always kind of wondered at the time, why would they stand in the way of the taxpayer and make these tax cuts temporary? Why would they insist upon these sunsets? Well, now we know why. Because it is how they balance the budget because they plan on, bank for, certify, require, rely on these tax cuts going away.

The second reason I think this is a bad policy is it is an enormous missed opportunity, Mr. Speaker. The gentleman from South Carolina, who really is a gentleman from South Carolina, and I mean that sincerely, had a lot of good hearings in the Budget Committee. We have had a few in Ways and Means as well. We had all these experts coming to us from the left and from the right, from think tanks on the left side of the aisle and think tanks on the right side of the aisle, we had the Congressional Budget Office, the Federal Reserve Chairman, the Treasury Department coming to us, all saying the same thing: Entitlements are growing out of control. The entitlement program problem is enormous. We are doubling the amount of retirees in this country within one generation; yet we are only increasing the amount of workers coming in behind them by 17 percent.

□ 1630

We have an enormous unfunded liability, about \$49 trillion. It's a mind-boggling number. But when you take three entitlements, Medicare, Medicaid and Social Security, those three entitlements right there, Mr. Speaker, will consume 100 percent of the Federal budget by the time my children are my age.

So all these experts came to us and said, Do something. You're the Budget Committee, you've got to do something to control the growth of entitlements. It's going to bankrupt America. And if we don't do anything, if we keep the government we have today and do nothing to reform entitlements, by the time my children are my age, they will literally have to pay double the amount of taxes for that Federal Government at that time.

Let me say it one other way, Mr. Speaker. Since about 1960, Washington has funded the Federal Government by taxing the U.S. economy by about 18 percent of the economy. About 18 percent of the gross domestic product has been required to pay for the Federal Government. It's been remarkably consistent. Now, if you take today's government, add no new programs, take none away, and transfer that out to about 2040 when my kids are my age, just to keep today's government afloat

at that time you will have to tax 40 percent of GDP, 40 percent of the national economy just to pay for that government because of three entitlement programs.

You can't compete with China and India by taxing our economy at 40 percent, let alone Germany and Japan. You can't prepare for globalization. You can't help people get careers for tomorrow and enjoy higher standards of living if we don't address our entitlements right now.

That is the biggest travesty of this bill, Mr. Speaker. This bill says we will do absolutely nothing, nada, zilch, nothing at all either in the Senate budget resolution or the House budget resolution to attack and reform entitlement programs, to attack this problem for 5 years. This budget says let's do nothing to fix our entitlement programs for 5 years. That means we accelerate and exacerbate the bankruptcy of Social Security, of Medicare, of Medicaid. How is that helping senior citizens if we push these programs faster toward bankruptcy? I think that's wrong. I think we need to fix these programs so seniors can better rely on these programs.

And you know what, Mr. Speaker? In Wisconsin we say this a lot, and I think people say it around the country, and prior generations always told this to me, my parents and my grandparents, they said, the thing about America, what's beautiful about America is that one generation works hard and leaves to the next generation a country that's better off. The dream of parents is to leave your children with a country that's better off so you can enjoy a higher standard of living. That is the beautiful legacy of America.

Mr. Speaker, we are at risk of severing that legacy. If we don't address these entitlements, if we simply go the old easy Washington route of simply raising taxes and raising spending and doing nothing to address this entitlement problem, we will really run the risk of severing that legacy and giving our children a lower standard of living than that which we enjoy today.

We have new competitive pressures from other countries unlike any we have seen before. Raising taxes on families and workers will not bring more prosperity to America. It will give jobs to other countries. Doing nothing to attack the entitlement problem in this country will only ensure that an unprecedented mountain of debt is befallen onto our children and our grandchildren, and they are going to have to pay far higher taxes than any American has ever paid in the past.

This, Mr. Speaker, is why I say vote against this rule and vote against this budget resolution, which includes and relies on the largest tax increase in American history and the biggest missed opportunity by doing nothing to reform entitlements over the next 5 years.

This could have been a bipartisan opportunity to fix these problems. Sadly, it's not.

Mr. MCGOVERN. Mr. Speaker, just because my colleagues on the Republican side say that the Democratic budget raises taxes doesn't mean it's true. Let me repeat that so no one misses this point. The budget resolution that we are talking about does not contain a single tax increase. That is a fact. Sometimes facts are a stubborn thing, but that is the fact. And the Republican spin machine can say whatever it wants; but the fact of the matter is, and I repeat, this budget resolution does not increase any taxes.

Secondly, I appreciate the fact that the gentleman from Texas was waxing nostalgic about the Clinton years when President Bill Clinton was the President of the United States and we were getting our fiscal house in order. But what I was talking about was what happened when President Bush became President and we had Republicans in the White House and in the Congress, and that is when we saw the skyrocketing of our Federal debt.

You know, budgets do reflect the priorities of a nation. And one of the reasons that I think people decided to vote for change in the last election is because they did not appreciate the priorities that were put forth by the previous Republican Congresses. They did not appreciate our veterans being shortchanged; they did not appreciate the most vulnerable in our country being shortchanged. If anyone has any questions about whether or not we were adequately funding veterans health, just recall the recent scandals of Walter Reed and at so many other of our veteran hospitals all across the country. You know, we voted in this Congress to send our young men and women into war. The least we can do is to make sure that the necessary funding is there to take care of them when they return, and the Democratic budget does that.

Let me also say for the record, Mr. Speaker, that notwithstanding all of the flowery language that we've heard from the other side, it is important to remember that in the last 6 years poverty has gotten worse in America. There are more people today than 6 years ago that need to rely on food stamps and other government programs just to get by.

So these fiscal policies that have resulted in skyrocketing debt, that have resulted in foreign countries like China purchasing our debt, I don't know how that serves our national interest, have not produced this incredible economic boom that we're hearing today. And I would encourage my colleagues to look at the statistics, to look at the facts, to talk to some of the people who have gone from being in the middle class, who have now fallen below the poverty line. There are far too many people that have done that, and what we are trying to do is to make sure that there is opportunity for everyone.

At this point, Mr. Speaker, I would like to yield 5 minutes to the distinguished chairman of the Budget Committee, Mr. SPRATT.

Mr. SPRATT. I would say to my friend, the gentleman from Wisconsin, and I mean that compliment, I return the compliment, that I nevertheless vigorously disagree with some of the points you just made.

Facts are stubborn things, and the fact of the matter is that during the Clinton years, on average 237,000 jobs were created every month over an 8-year period of time. The Bush record is half that amount, if that. During the past month, you're leading with your left making that point at this point in time because during the past month job growth was just 88,000 jobs.

Secondly, with respect to Medicare, we know that Medicare has to be dealt with, but you know as well as I that this is not the forum. We need a much bigger group. We need the administration involved in the process. It is a very difficult undertaking to make the systemic changes that are necessary. And before we commence those negotiations, we need to do what President Clinton required in 1997, everybody needs to put some ante on the table. Everybody's got to have some skin in this game to be a player in this process of trying to diminish the cost of the health care entitlements to the United States. It has to be done, but this is not the correct forum for doing it.

The gentleman's budget resolution, I believe, cuts Medicare by \$250 billion.

Mr. RYAN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from Wisconsin.

Mr. RYAN of Wisconsin. No. It increased Medicare spending. It just didn't increase it as fast as it is projected to grow at this time.

Mr. SPRATT. Well, the President's budget cut Medicare by \$252 billion over a 10-year period of time and cut Medicaid by 50 to \$60 billion over the same 10-year period of time.

Mr. RYAN of Wisconsin. Will the gentleman yield for a question?

Mr. SPRATT. Those numbers are correct, are they not?

Mr. RYAN of Wisconsin. The President's numbers on the 10-year? I think they are probably correct; I have no reason to dispute them. But remember, Medicare spending goes up every year and thereon after under either of these budgets.

Mr. SPRATT. Well, I can only surmise what happened to your budget resolution. One reason it didn't muster, besides the fact that you lost 40 votes, as you recall, is I am sure there are certain Republicans on your side of the aisle who did not want to vote for those massive cuts emasculating Medicare and Medicaid.

Mr. RYAN of Wisconsin. The question I have for the chairman is, if we're not going to fix these entitlements in the budget, then where are we going to fix them? If we don't put it in the Federal budget, then how do you get it done? If you don't have reconciliation protection to do entitlement reform, then when are you ever going to do it?

The 1997 bill that President Clinton passed through on a bipartisan basis was reconciliation.

Mr. SPRATT. If I could reclaim my time, it takes a bigger forum than the Budget Committee provides. It takes more participants than just the Congress. Everybody has got to be a player in this game to make it happen in a significant way because it has got to involve, as you and I know, systemic change. No question about it.

And, finally, PAYGO. We are proud of the fact that we adopted the PAYGO rule in 1991, and it contributed significantly to the fact that over a period of 8 years during the Clinton administration the bottom line of the budget got better every year for 8 straight years to the point where we had a surplus of \$236 billion under the Clinton administration resulting in part from the Balanced Budget Act of 1993 and 1997. \$236 billion we handed over to President Bush. By the year 2004, between 2001 and 2004, we went from a surplus of \$236 billion to a deficit of \$412 billion. That happened on your watch. The Republicans controlled the House, they controlled the Senate, they controlled the White House. There is no way you can escape responsibility for what happened in those circumstances.

Mr. RYAN of Wisconsin. Will the chairman yield for an additional question?

Mr. SPRATT. I yield to the gentleman.

Mr. RYAN of Wisconsin. Why doesn't the gentleman's PAYGO apply to discretionary spending? Why doesn't the gentleman's PAYGO apply to current Federal spending?

Mr. SPRATT. PAYGO is never applied to discretionary spending. It would be very difficult at this time to do it when every year we have an end run around discretionary budget with the President's supplementals for Iraq and Afghanistan. It would be very difficult to cap discretionary.

Your party, on its watch, allowed PAYGO discretionary spending caps, all of those constraints in 1990, to expire and did not renew them. The main reason you didn't was you knew if we had a double-edge PAYGO applicable to tax cuts as well as mandatory increases, you would be unable to pass additional tax cuts as part of your agenda.

Mr. RYAN of Wisconsin. May I make an entreaty to the chairman?

Mr. SPRATT. Yes, sir.

Mr. RYAN of Wisconsin. I would love to work on a bipartisan basis to put discretionary caps in place. I would be delighted to work with the chairman of the Budget Committee to put discretionary spending caps in place. Is that something that you would be willing to work with us on?

Mr. SPRATT. We'll talk about it. If we've got a forum, the Budget Committee, once we've got this budget resolution behind us, and that is the order of the day, there are lots of things along those lines that we can explore, and we will.

Let me conclude by saying everybody should vote for this budget resolution if they want to see an orderly, fiscally responsible, disciplined process in the next fiscal year.

Mr. SESSIONS. Mr. Speaker, I would like to take just a second and highlight the admiration that this House has for the two gentlemen who have just been speaking. The gentleman, Mr. SPRATT, and the gentleman, Mr. RYAN, have conducted themselves despite tough differences, and I applaud both of them, in particular my good friend from South Carolina (Mr. SPRATT) for the conduct that he has on this floor.

Now back to the real issues.

Mr. Speaker, the bottom line is the Republican minority is here on the floor of the House today opposing this bill. We are opposing this resolution because we do not believe that this properly talks about the future of this country for entitlement spending, raising taxes and not being responsible for the future opportunity for America to compete.

So we, once again, continue our opposition to the process that is happening today, as well as the underlying legislation.

At this time, Mr. Speaker, I would like to yield 5 minutes to the gentleman from the Fifth Congressional District of Texas (Mr. HENSARLING).

Mr. HENSARLING. I thank the gentleman for yielding.

Mr. Speaker, I rise today in opposition to this rule and to this underlying resolution.

I have listened to my chairman carefully, the gentleman from South Carolina, and I wish to add my respect along with that of the gentleman, ranking member from Wisconsin. He conducts our committee in a very fair-minded manner, and I appreciate and respect him for that. And I take him at his word when he says that he believes that he is putting forth on this floor a fiscally responsible budget. But, Mr. Speaker, there is a distinct difference in our philosophies. How you look the American people in the eye and impose upon them the single largest tax increase in American history and call that fiscally responsible is simply beyond me. Our chairman has a different definition.

Now, I believe that what we need to do is try to help protect the family budget from the Federal budget. Already, Mr. Speaker, we are awash in Federal tax revenues. And we've heard the gentleman from South Carolina and many other people from this side of the aisle extol the virtues of their balanced budget. Okay. If they have a balanced budget, did they cut spending to get there? No. There is only one other option, and that is that they increase taxes.

And don't take my word for it, Mr. Speaker. Go, for example, to the Washington Post, not exactly a bastion of conservative thought in our Nation. They have said that the only way the Democrat budget will achieve balance

is they assume the tax relief goes away, and thus it imposes the single largest tax increase in American history.

Now, I have heard our chairman and other people from this side of the aisle, different colleagues get up and say, well, we're not really raising taxes on the American people, we're just letting the tax relief expire.

□ 1645

But if you make the same paycheck last year that you made this year and your tax bill is higher, that is going to be a distinction that is lost on the American people.

Is it letting tax relief expire if it is a tax increase? I have to tell you, if the people in the Fifth Congressional District of Texas have to pay a larger tax bill, they call it a tax increase, and the sooner that we in this body recognize that fact, the better off America will be. Under the Democrat's budget resolution, the average family, the average family in Texas will have a \$2,700 a year tax increased phased in over 5 years.

Something else we need to remember, Mr. Speaker, is that every time you are taking money away from the American family to plus-up some Federal budget category, you are having to subtract from some family budget category; \$2,700 a year is a lot of money to Texas families. How many families can no longer send a child to college because of the single largest tax increase in American history that the Democrats are trying to impose upon us? How many American families will not be able to find their American dream, to put together their savings and invest in that first small business because the Democrats are imposing the single largest tax increase in American history? How many families will no longer be able to afford their healthcare premiums because the Democrats are imposing the single largest tax increase in American history? \$2,700 a year.

First, the working poor under this plan would have their taxes increased 50 percent, from the 10 percent bracket to the 15 percent bracket. The child tax credit would be cut in half. The death tax would come up to where Uncle Sam could take as much as 55 percent of your estate.

Mr. Speaker, as bad as this budget is for what it does, it is even worse for what it doesn't do, because I know the chairman presided over the hearings that I attended with the Federal Reserve Chairman, with the head of OMB, with the Secretary of the Treasury, with CBO, who all said the same thing: The single largest fiscal challenge in this Nation is out of control entitlement spending, and this budget is stone-cold silent on that number one challenge.

As bad as the tax imposition is going to be on this generation, if we don't act, if we kick the can down the road, if we avoid leadership, the next genera-

tion will see their taxes double. There is nothing fiscally responsible about doubling taxes on the next generation, nothing fiscally responsible about taking their dreams away.

Mr. Speaker, we must defeat this rule and defeat this budget. Again, Mr. Speaker, I don't understand why you would avoid dealing with the number one fiscal challenge in the Nation.

I know the chairman, the gentleman from South Carolina, said this isn't the place to do it. Well, I will ask a question that was asked by a very famous President: If not us, who? If not now, when?

I am curious as to what advantage we have by somehow kicking this can down the road to some other body or to some other bill or to some other institution. At least in the last two Republican Congresses, we had two budgets in a row from the House, from the House, that actually made steps toward reforming entitlement spending.

Now, it is a huge challenge, I admit, but every year we avoid it. In Social Security alone, we run up an extra \$400 billion of debt, of unfunded obligations to pass on to the next generation. And yet the Democrats turn their back on this once again. That is another reason to defeat this.

Mr. MCGOVERN. Mr. Speaker, let me just repeat for the record that section 401 of the budget resolution commits the budget to support the middle-class income tax cuts passed in 2001 and 2003, including the child tax credit, marriage penalty relief, the 10 percent individual income tax bracket, estate tax reform, research and development tax credit, and the deduction of State and local sales taxes.

Section 203 of the budget resolution clearly provides a reserve fund for the extension of those tax cuts so long as the legislation complies with the House pay-as-you-go rule.

I would simply say to my colleagues that under their watch, that many middle-class taxpayers actually saw their taxes go up, because when the Federal Government cut essential programs to States and cities and towns, people saw their property taxes go through the roof.

I think one can make an argument that people are paying far too high gas prices right now because of the years that were squandered under the Republican leadership, emboldened to the oil industry and refusing to invest adequately in alternative sources of energy.

Mr. Speaker, I would simply say that this is a good budget, and I would urge my colleagues on both sides of the aisle to support the rule and support the budget.

Mr. Speaker, if I could inquire how much time is remaining.

The SPEAKER pro tempore. The gentleman from Massachusetts has 7½ minutes remaining. The gentleman from Texas has 1 minute remaining.

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

Mr. SESSIONS. Mr. Speaker, we are opposed to this bill. The first thing this is going to do is provide for higher taxes, \$392 billion worth of new taxes between now and 2012. Secondly, this budget outspends inflation. It outspends inflation moving forward that will increase higher than the average of 2.4 percent. It is reckless entitlement spending increases. It is either empty promises or tax increases that they have.

Mr. Speaker, lastly, it is very obvious that there is no entitlement reform that will take place. They had a 5-year budget to do it. They had 5 years to look out and say, we are going to match our Republican colleagues. It is now our chance, because the Republicans tried and got no support from the Democrats for the last 12 years to make sure we could do entitlement reform. Now it is their turn. Nothing. Nada. They are ignoring the future. This is a bad precedent.

We know that the Democratic party is about taxing and spending. It is obvious. It is there today. We will let them vote for the tax increases. We will continue on the Republican side to make sure that we are for growing the economy and cutting taxes.

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

Mr. MCGOVERN. Mr. Speaker, in closing, let me just say that I think there is a reason why the Republicans lost the last election, and that is that the people of this country were fed up with their priorities. They were tired of budget resolution after budget resolution that shortchanged our veterans, that shortchanged our schools, that shortchanged our environment, that shortchanged our senior citizens, that shortchanged health care.

As I pointed out earlier, Mr. Speaker, there are more people in poverty today than 6 years ago. There are more people who are food insecure today than 6 years ago. That is not a record of accomplishment that I would want to brag about on the House floor.

The budget that Mr. SPRATT has brought before us achieves key objectives in six areas. It is fiscal responsibility, defending our Nation, putting our children and families first, growing our economy, preserving our planet, and promoting an accountable and efficient government.

Mr. Speaker, we have inherited this incredible budget deficit and this debt from the previous majority. It is not easy to try to clean up this mess, but that is what the underlying budget before us tries to do.

I would urge all my colleagues to vote for it. It is the right thing to do.

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

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

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

Mr. SESSIONS. 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 are postponed.

HOMELESS VETERANS HOUSING AT SEPULVEDA AMBULATORY CARE CENTER PROMOTION ACT

Mr. FILNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1642) to direct the Secretary of Veterans Affairs to ensure that, to the extent possible, an enhanced-use lease for a homeless housing project at the Department of Veterans Affairs facility known as the Sepulveda Ambulatory Care Center, located in North Hills, California, shall provide that such housing project shall be maintained as a sober living facility for veterans only, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1642

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Homeless Veterans Housing at Sepulveda Ambulatory Care Center Promotion Act".

SEC. 2. ENHANCED USE LEASE FOR SEPULVEDA AMBULATORY CARE CENTER, DEPARTMENT OF VETERANS AFFAIRS.

(a) REQUIREMENTS FOR LEASE.—The Secretary of Veterans Affairs may enter into an enhanced-use lease under section 8162 of title 38, United States Code, at the Department facility known as the Sepulveda Ambulatory Care Center (in this Act referred to as the "Center"), for a homeless housing project, only to the extent, subject to the exceptions provided in subsection (d), that any such lease contains legally enforceable provisions that the tenant under the lease shall comply with the following terms and conditions:

(1) That the housing project located at the Center shall provide housing exclusively for veterans, as defined in section 101 of title 38, United States Code.

(2) That such housing project shall be maintained, for the duration of the lease, as a sober living facility.

(3) That the housing project shall be adequately staffed with health care, counseling, and security personnel, taking into account the ratio of such staff to residents, in order to protect residents of the housing project and of the community, and that the minimum staffing ratios shall be specified in an enforceable provision of the lease.

(4) That the housing project shall provide housing to not fewer than 150 and not more than 225 residents.

(b) CONSIDERATION OF QUALIFIED ORGANIZATIONS.—The Secretary shall consider proposals for the enhanced-use lease under subsection (a) from all organizations determined by the Secretary to be qualified, and which are capable and willing to comply with the terms and conditions described in paragraphs (1), (2), (3), and (4) of subsection (a).

(c) SELECTION OF ORGANIZATION.—In the event that there are more than one qualified organizations described in subsection (b) which submit a proposal, the Secretary shall enter into the enhanced-use lease under subsection (a) with the organization that the Secretary determines shall offer the best

treatment services, security staffing, and supervision with respect to residents of the housing project. The Secretary shall give preference to entering into such a lease with a qualified organization which has the most experience nationwide in providing housing and treatment for homeless veterans.

(d) EXCEPTIONS.—If the Secretary, after a diligent search, is unable to enter into an enhanced-use lease with a qualified organization containing all of the terms and conditions specified in subsection (a) on or before a date that is 12 months after the date of the enactment of this Act, the Secretary—

(1) may enter into such a lease with a qualified organization providing that the housing project shall be exclusively for veterans during the duration of the lease, with preference given to an organization which housing project shall provide housing to the highest number of residents not exceeding 225; and

(2) if, after a diligent search, the Secretary is unable to enter into such a lease with a qualified organization that provides that the housing project shall be exclusively for veterans during the duration of the lease, may enter into such a lease with an organization providing that not less than 80 percent of the residents of the housing project shall be veterans throughout the duration of the lease.

The SPEAKER pro tempore (Mr. BAIRD). Pursuant to the rule, the gentleman from California (Mr. FILNER) and the gentlewoman from Florida (Ms. GINNY BROWN-WAITE) each will control 20 minutes.

The Chair recognizes the gentleman from California.

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

Mr. Speaker, I rise in strong support of H.R. 2642. We all know that homelessness among veterans is a pervasive problem. Estimates are that there are 20,000 to 30,000 homeless veterans in the Los Angeles area alone and more than 200,000 probably on the streets of our entire Nation. Many of these homeless veterans also have substance abuse problems.

My colleague and friend, Congressman BRAD SHERMAN, has worked with veterans in the San Fernando Valley community to mobilize community support for veterans-only housing, a project that will use two buildings at the VA Sepulveda complex to provide housing and supportive services for homeless veterans with substance abuse problems.

The bill before you will ensure that the Sepulveda veterans facilities and resources are used for veterans only. It also provides that all qualified housing organizations receive the opportunity to compete for the homeless veterans housing project at Sepulveda. Most importantly, this bill directs the Secretary of Veterans Affairs to ensure that, to the extent possible, an enhanced use lease for a homeless housing project at Sepulveda shall be maintained as a sober living facility for veterans only with adequate staffing and security.

Additionally, this bill will ensure that all qualified housing organizations receive the opportunity to present competing proposals to the VA for a