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House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. COSTA).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 12, 2009.

I hereby appoint the Honorable JIM COSTA to act as Speaker pro tempore on this day.

NANCY PELOSI,
Speaker of the House of Representatives.

MORNING-HOUR DEBATE

The SPEAKER pro tempore. Pursuant to the order of the House of January 6, 2009, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning-hour debate.

The Chair will alternate recognition between the parties, with each party limited to 30 minutes and each Member, other than the majority and minority leaders and the minority whip, limited to 5 minutes.

REPAYMENT OF TARP FUNDS

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. SHERMAN) for 5 minutes.

Mr. SHERMAN. Mr. Speaker, my speech builds on two themes.

The first is the continuing effort of administrations of both political parties to turn Congress into a mere advisory body. One of the more effective ways of doing this is to embrace those statutory sections that they like and to ignore those statutory sections that they don't like.

The second theme is, it's not illegal if Wall Street wants it.

Now let us illustrate these two themes on the TARP legislation, the

legislation that provided \$700 billion to bail out Wall Street and provided the Secretary of the Treasury with enormous authority and discretion as to how that money would be used.

Now I thought \$700 billion was more than enough. For many reasons I voted against this bill. But there was at least one code section in the bill that seemed to make sense, and that was a provision that stated clearly and unequivocally that whatever money came back from whatever investments were made by the Secretary of the Treasury would go to the general fund, would pay down the national debt, would go into the same fund that our money went into on April 15 when we mailed in our tax returns.

And that's why section 106(d) of the bill that created the act states very simply, "Revenues of, and proceeds from the sale of troubled assets purchased under this Act, or from the sale, exercise, or surrender of warrants or senior debt instruments acquired under section 113"—and here are the key words—"shall be paid into the general fund of the Treasury for the reduction of the public debt."

How is this code section relevant? How does it fit into the overall statute? Well, the statute envisions the idea that the Secretary of the Treasury would use our \$700 billion to purchase certain investment assets defined in the bill as troubled assets, and then at some subsequent point those assets would be sold. Whatever money we got from that sale or from the redemption, when we traded in those assets, whatever we got would go into the general fund.

It is being widely accepted in the press, in Washington and on Wall Street that whatever the Secretary of the Treasury gets back from the banks will instead be part of some revolving fund from which the Secretary of the Treasury may make additional bailouts in addition to the first \$700 billion of expenditures.

Well, the statute is very clear to the contrary. Whatever is returned to the Treasury goes into the general fund.

Now one thing to keep in mind is this statute uses the term "troubled assets" so that the Secretary of the Treasury might say, well, what we're selling is the preferred stock that Secretary Paulson originally invested in. These aren't troubled assets. They're happy assets, and therefore, section 106(d) would not apply.

This is a complete misreading of the statute because if you turn to section 3(9)(B) of the statute, "troubled assets" is defined as, "any other financial instrument that the Secretary, after consultation with the Chairman of the Board of Governors of the Federal Reserve System, determines the purchase of which is necessary to promote financial market stability, but only upon transmittal of such determination, in writing, to the appropriate committees of Congress."

The preferred stock that we are about to sell or that the companies are about to repurchase from us is exactly this kind of troubled asset. It was purchased by the Secretary of the Treasury after a determination that doing so was necessary to promote financial stability, and to make it very clear that they were relying on section 3(9)(B), which defines troubled assets, the Secretary of the Treasury sent the appropriate committees a written determination.

So when we bought the assets, they were defined by the Treasury Department as being troubled assets. They are clearly subject to this code section.

But one more thing, if for some reason the preferred stock wasn't within the ambit of the definition of troubled assets when it was purchased, then the purchase was illegal to begin with because the only code section in the bailout bill that allows for that purchase is section 101(a)(1), which authorizes only the purchase of troubled assets.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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Make sure when we get back the money, it's not a revolving fund, that it goes into the general Treasury to pay off the national debt.

PRESIDENT OBAMA'S ENERGY TAX

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from West Virginia (Ms. FOXX) for 5 minutes.

Ms. FOXX. Thank you, Mr. Speaker.

Americans are very concerned about our economy right now, and one of the things that gives them a lot of concern is where we are in terms of price for energy.

The Republicans have a group called the American Energy Solutions Group that has been working on this issue, and I want to share some information that they have put together. Republicans, despite what our colleagues on the other side have said, have alternatives to the problems that we're facing in this country, but often these alternatives are not getting the attention from the majority party they deserve.

Despite the President's campaign promise not to raise taxes on 95 percent of Americans, his energy plan is nothing more than a \$646 billion national energy tax on every American family and small business. As families and businesses struggle in these difficult times, it's unconscionable to make the pain worse by forcing taxpayers to pay ever-higher energy bills.

The President's energy plan will force family energy costs to rise by more than \$3,100 per year and will pull \$860 billion out of family budgets and put it into the Federal budget. And this is being optimistic. The non-partisan Congressional Budget Office estimates the real cost to be as high as \$3 trillion over the next 10 years. That means \$1,000 in energy tax hikes for every man, woman and child.

The President's own budget director, Peter Orszag, has testified that a tax on carbon emissions would "impose costs on the economy," and that consumers will pay these costs through higher energy prices. The President himself has admitted that his plan will cause energy prices to skyrocket.

The poor will be hit the hardest by this national energy tax. Experts agree that poor families spend a larger portion of their income on energy costs. Not even the President's modest Make Work Pay tax credit is enough to cover the high energy costs that will be forced on American families.

Instead of providing solutions to keep energy costs low, the President and Democrats in Washington are proposing a national energy tax that will hit every worker, family and business across our country. Republicans support helping American families through these difficult times through immediate tax relief, not increased taxes.

Since the current economic recession began in December of 2007 with the Democrats in charge of Congress, more

than 5 million jobs have been lost. Yet the President proposes an energy plan that could result in anywhere between 1.8 and 7 million additional jobs being lost. The only jobs that are going to be created are for more government bureaucrats.

Republicans support keeping energy prices low at home and at the pump through American energy by American workers. Instead of creating American energy made by American workers, the President's energy plan keeps us dependent on foreign oil.

Republicans support more American-made energy through the creation of new and renewable energy sources, conservation and more domestic energy production. Giving American workers the resources to create American-made energy will keep the cost of energy low for American consumers.

The President and the Democrat-controlled Congress are using this economic crisis as an opportunity to force dramatic change on the American people. As the President's own chief of staff has said, "You never let a crisis go to waste."

As Robert Samuelson noted in March, the President says he is focused on the economy, "but he's also using the crisis to advance an ambitious long-term agenda." One thing is certain, it's an agenda that will lead to more taxes, fewer jobs and less energy.

The Republicans have an alternative. It's called all of the above. We should develop all the resources that we have in the United States. We should conserve, we should look for alternatives, and we should use this opportunity to create more jobs and grow the economy, not kill jobs and slow the economy down even more.

Mr. Speaker, we need the Republican plan to be paid attention to. The American people want it, and they deserve it.

TIME TO PASS CLEAN ENERGY LEGISLATION

The SPEAKER pro tempore. The Chair recognizes the gentleman from Virginia (Mr. CONNOLLY) for 5 minutes.

Mr. CONNOLLY of Virginia. Thank you, Mr. Speaker.

Americans have not faced this level of economic stress since the Great Depression. Nearly a decade of ideologically driven deregulation sent the foundation of financial market regulation asunder and enabled the housing market bubble and subsequent financial crash. The same deregulators created an energy market that rewarded old polluting technologies while increasing greenhouse gas emissions and other kinds of pollution. The same Gilded Age politics that wreaked our financial system laid waste to our environment.

Today the same people who let Wall Street run amok claim that we cannot afford to make investments in energy independence or create new jobs with renewable energy generation. In fact,

we just heard such remarks. They claim that economic and environmental renewal is somehow too costly to undertake at this critical juncture in our Nation's history. In reality, with a contracting economy and expanding global warming pollution, we cannot afford inaction.

The Energy and Commerce Committee is considering draft legislation that would make historic investments in clean energy and job creation while dramatically reducing global warming and pollution. According to the Nobel Prize-winning economist Paul Krugman, this legislation would help spur economic growth by creating powerful incentives to invest in renewable energy.

This legislation also presents Congress with an opportunity to make polluters pay while directing money to consumers who have suffered as a result of the economic policies of the prior administration.

Although the committee's bill is in discussion draft with some details still unresolved, let us consider the economic math for American families.

If Congress enacted this legislation, the American Clean Energy and Security Act, and made polluters pay through a 100 percent auction of carbon credits for all of their greenhouse gas emissions, we could write a check in theory to every American for \$2,150 per year.

□ 1245

Due to inaction by the previous administration, polluters do not have to pay for the impacts of greenhouse gas pollution and its impacts on communities all across the United States. From rising sea levels to increased incidence of severe weather, the costs of global warming are increasing each year.

The minority party seems to believe that average Americans should bear that cost, not those who create the pollution in the first place.

The business community understands we cannot bear the economic costs of inaction. Companies including eBay, Nike, Starbucks, Levi Strauss, Symantec, Johnson & Johnson and others have formed a Business for Climate and Innovative Energy Policy Coalition, known as BICEP, to advocate for clean energy legislation that reduces greenhouse gas pollution. It auctions 100 percent of pollution permits, establishes a renewable electricity standard and invests in job creation. Those businesses support clean energy jobs legislation both to spur economic growth and to avoid the costs associated with global warming, which will reach at least \$271 billion, it is estimated, by 2025 if we do not act.

Now is the time to pass legislation that spurs jobs creation, reduces greenhouse gas pollution and puts money back in the pockets of the people who are suffering as a result of the failed economic policies of the Republican administration that just left town.