concluded that ''policing and intelligence should be the backbone of U.S. efforts'' against al Qaeda in that region.

That's why policing and intelligence are two key components of my national security plan, which is described in House Resolution 363, the Smart Security Platform for the 21st Century. My plan also emphasizes economic development, infrastructure, jobs, education, and better governance for Afghanistan.

Madam Speaker, by refusing to be rushed and sending more troops to Afghanistan, President Obama has shown that he is willing to change course. And we must change course. The American people want an exit strategy for Afghanistan, not an escalation strategy.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. POE) is recognized for 5 minutes.

(Mr. POE of Texas addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

REDESIGNATE THE DEPARTMENT OF THE NAVY AS THE DEPARTMENT OF THE NAVY AND MARINE CORPS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

Mr. JONES. Madam Speaker, in each Congress since 2001, I have introduced legislation aimed at giving the Marine Corps the recognition it deserves as one of the official branches of the military. This year, I introduced H.R. 24, a bill to redesignate the Department of the Navy as the Department of the Navy and Marine Corps. Then the Secretary of the Navy would be the Secretary of the Navy and the Marine Corps.

On June 25, 2009, the language of H.R. 24 was passed by the House as part of H.R. 2647, the House version of this year's National Defense Authorization Act.

In a matter of days, Members of the Senate and House Armed Services Committee will meet to work out a final version of this bill, and the language of H.R. 24 will become law if the Senate agrees to the House position. Right now, Madam Speaker, the Senate is opposed to this language.

With the help of Senator PAT ROBERTS, a former marine who introduced S. 504, a companion bill in the Senate, and the bill's 308 cosponsors in the House, I'm hopeful that this will be the year the Senate will support the House position and the Marine Corps will be recognized as an equal partner of the United States Navy and Marine Corps team.

During my 15 years in Congress, whenever a chief of naval operations or commandant of the Marine Corps has come to testify before the House Armed Services Committee, I have heard that the Navy and the Marine Corps are ''one fighting team.'' If this is true, then why should not the team bear the name of Navy and Marine Corps?

Changing the name of the Department of the Navy to the Department of the Navy and Marine Corps is a symbolic gesture, but it is important to the team. This change has received support from at least three former Navy Secretaries, the Marine Corps League, Veterans of Foreign Wars, the Fleet Reserve Association, MarineParents.com, and many other individuals and groups.

As a Chicago Tribune editorial titled, ''Step up for the Marines,'' noted: ''The Marines have not asked for complete autonomy. Nothing structurally needs to change in their relationship with the Navy, which has served both branches well. The Corps only asks for recognition. Having served their Nation proudly and courageously since colonial days, the leathernecks have earned a promotion.''

□ 1930

In closing, Madam Speaker, I would like to show what this change could mean to the members of the United States Marine Corps, including the 41,000 marines and nearly 3,000 sailors stationed in my district at Marine Corps Base Camp Lejeune. On August 19, 2009, in the Jacksonville Daily News, an article titled ''Navy Secretary Visits Local Troops'' described Secretary Mabus' recent visit with Camp Lejeune marines and sailors deployed to Iraq. It was touching to read about the Secretary's visit to see firsthand the terrific work of the United States Navy and Marine Corps team in Iraq. Yet I couldn't help but think the team's unity would be better illustrated if the title could have read, ''Secretary of the Navy and Marine Corps Visits Local Troops.''

Madam Speaker, right now I'm going to show that this is the actual news release. It says, Secretary of the Navy visits local troops, and it talks about the marines in Iraq and the Navy. If this should ever become law, what it would have said: ''Navy and Marine Corps Secretary Visits Local Troops in Iraq and Afghanistan.''

Madam Speaker, before I close, I regret that the Senate does not see the importance of giving this recognition to the Marine Corps. So if I can close by saying this, as I do every night on the floor, God, please bless our men and women in uniform. God, please bless the families of our men and women in uniform. God, in your loving arms, hold the families who have given a child dying for freedom in Afghanistan and Iraq. Dear God, I ask you to please bless the President of the United States with the wisdom and courage that he will do what's right for this country. And three times I will ask, God please, God please, God please continue to bless America.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

(Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

TAXING MEDICAL DEVICE COMPANIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. SOUDER) is recognized for 5 minutes.

Mr. SOUDER. In my district there is a wonderful little town of around 12,000 people called Warsaw, Indiana. It's in Kosciusko County, a county with 100 lakes, including our biggest natural lake in the State of Indiana and many other sizable lakes. Tippecanoe, Syracuse, Webster Lake, North Webster, Big and Little Chapman as well as many other lakes. At this point I would like to insert into the RECORD from The Wall Street Journal ''Sticks and Stones May Break Bones, but Warsaw, Indiana, Makes Replacements.''

[From the Wall Street Journal, Oct. 26, 2006]

STICKS AND STONES MAY BREAK BONES, BUT WARSAW, IND., MAKES REPLACEMENTS

(By Timothy Aeppel)

WARSAW, IN.—When Don Running and his two partners decided to start up a company specializing in orthopedic plates and screws to mend broken wrists two years ago, it was a given that they would set up shop here.

Silicon Valley has computers. Detroit has cars. But in orthopedic devices, the undisputed world capital is Warsaw, a city of 12,500 with a silver-domed 19th-century courthouse and pickups angled into the curb on Main Street.

Three of the world's five largest makers of artificial joints and related surgical tools have their headquarters here amid the lakes and fields of northeastern Indiana. The local industry has grown so much that it's now a regional force, with orthopedics companies popping up in nearby farm towns and the suburbs of Fort Wayne, about 50 miles to the east.

''How many orthopedic-implant engineers do you find walking around most places?'' asks Mr. Running. ''Well around here, you bump into them in the supermarket.''

Memphis, Tenn., and northern New Jersey are other industry hotspots, but none rivals Warsaw for sheer concentration. And while major orthopedics companies are looking overseas for cheaper places to produce items such as basic bone screws and metal plates, the U.S. retains a firm grip on the industry.

A big reason is that the U.S., with its population of fast-aging baby boomers, injury-prone weekend athletes and overweight people, is by far the world's biggest market for artificial hips and knees. The U.S. represents an estimated $14 billion of the annual spending in a global market of $22.9 billion, according to Knowledge Enterprises Inc., a Chagrin Falls, Ohio, market research firm.

The U.S. also effectively protects manufacturers in the sector with strict regulations for devices that go inside the human body. Rather than risk problems—and crippling lawsuits—U.S. health-care providers buy their artificial joints from companies they know, which generally means buying American.

Profits are so good in the orthopedics industry that there isn't much pressure on suppliers to shave costs by going to low-cost

countries. ''The reason this business is in Warsaw and not Mexico is because margins are 70% or better,'' says Ron Clark, an orthopedic surgeon who founded his own company in Fort Wayne, which is on the other side of the state from his home in Valparaiso, in part so he could be closer to Warsaw. Dr. Clark says savings from going abroad just aren't worth it.

To be sure, the industry's dynamics may be starting to change. Health-care providers are starting to push back against the industry's steady price increases, raising concerns among investors about whether profits for Warsaw companies and others can keep up the brisk growth.

There are other shadows over Warsaw's future. The U.S. Justice Department has opened two probes of orthopedics makers in the past two years, including an antitrust investigation in which Smith & Nephew PLC, of the U.K., has confirmed that one of its independent sales representatives tried to initiate an industry-pricing strategy in response to a U.S. hospital's bid request. Other producers, including those in Warsaw, have said they didn't respond to the suggestion.

The big implant makers also received a separate batch of subpoenas in early 2005 regarding an investigation of any financial ties between them and surgeons who recommend their products. Doctors work closely with device makers to develop and refine artificial joints, and the companies have long paid surgeons as consultants and designers.

At least for now, though, Warsaw's orthopedics businesses continue to hum. The industry got its start here over a century ago, when a Canadian pharmacist, Revra DePuy, came up with the idea of making flexible splints to replace the wooden barrel staves then used to set broken bones.

The company he created thrived and exists today as DePuy Inc., a unit of Johnson & Johnson. It eventually spawned other companies, as people left to start competing operations. Indeed, Warsaw's largest employer is Zimmer Holdings Inc., founded by a DePuy salesman who broke out on his own in the 1920s. Today, about 60% of the workers who live within seven miles of Warsaw are directly or indirectly engaged in orthopedics manufacturing, says Joy McCarthy-Sessing, president of the local chamber of commerce.

Such a concentration of one industry in such a small town is unusual, but the larger phenomenon isn't unusual at all. Many of the strongest U.S. manufacturers set up production far away from urban centers, with their high taxes, labor, and utility costs, and instead look for locations in small towns, close to major highways and railways. Proximity to transportation hubs allows for smooth logistics in an age of just-in-time deliveries. Warsaw, for instance, sits astride a highway, U.S. 30, connecting Fort Wayne and Chicago.

Economists have long known that businesses thrive when they congregate in one place. Think of Hollywood movie studios, or the Route 128 technology ring around Boston. The same holds true in manufacturing. ''Companies that operate in clusters have greater access to talent,'' explains Jeffrey Grogan, partner at the Monitor Group, a Boston strategy consulting firm. They also serve as fertile ground for start-ups.

Mr. Running's company, Deo Volente Orthopaedics LLC, is a prime example. Mr. Running first met his partners, Rod Mayer and Jeff Ondrla, when the three were working together at DePuy in the early 1990s. Mr. Running and Mr. Ondrla are engineers and inventors, and Mr. Mayer's background is in sales.

Mr. Mayer got the idea for the company after seeing that the market for ''extremity'' devices, such as plates and screws for fixing broken wrists, wasn't then as developed as it was for major joints, such as hips and knees. The three were eager to get away from big-company bureaucracy.

And as often happens in the close confines of Warsaw, the partners' connections stretch into their personal lives: They were attending the same evangelical church in 2004 when they launched the company. Deo Volente means ''God willing'' in Latin.

The three men agree it is a hefty advantage to have so much of what they need at their fingertips. ''It's a lot easier to drive across town and visit a supplier then it is to pick up the phone and try to talk through some complicated issue,'' says Mr. Ondrla.

Warsaw is dotted with small support businesses, from packaging firms that specialize in super-clean processes to machine shops. There are even multiple manufacturers of the plastic trays and cases needed to pack orthopedic kits. A total hip replacement, for instance, can require up to 22 cases of equipment and each case and tray is specially designed.

The region surrounding Warsaw has long been home to the U.S. automotive and machinery industries, churning out a stream of skilled machinists, toolmakers and industrial engineers. Orthopedics makers opening up shop in Warsaw found a ready supply of skilled workers, particularly in recent years as the more-traditional sectors have slumped.

Whole companies in the region have switched over to serving the orthopedics industry in recent years, including the small factory contracted to do most of the production for Deo Volente: Three years ago, Micropulse Inc., of nearby Columbia City, Ind., stopped doing any work for the automotive and other old-line industries—which once accounted for over half of its business—to focus on orthopedics.

''Half of our customers were closing, so we divorced them all,'' says Brian Emerick, president of Micropulse. His company is now growing 25% a year, he says.

Mr. SOUDER. In 1895, in this small town—which at that point was a lot smaller—a man named Revra DePuy founded DePuy Manufacturing in Warsaw. The problem back then was that they were using wooden barrel stays to do hips. So he thought a fiber splint would be better. So DePuy went on—and now is part of Johnson & Johnson—to become a major player there. In 1926, Justin Zimmer, a sales manager for DePuy, felt that he had a better idea for different types of splints, and he broke off and developed Zimmer Manufacturing, now based in Warsaw. In 1997, Dr. Dane Miller and a small group of innovators and entrepreneurs formed Biomet in Warsaw.

Today these three companies are headquartered in Warsaw, Indiana, and are three of the five biggest orthopedic companies in the entire world. Zimmer, for example, employs 8,300 people and has $33.9 billion in sales in 100 countries around the world. In addition in Warsaw, other companies have come up—a division of Medtronic that does spinal research and production; Orthopediatrics specializes in anatomically appropriate, unique instrumentation and biologics for pediatric and small-stature patients because they're going to take different sized elbows, shoulders and knees.

In addition, we have many tier one and tier two suppliers who are centered in this region—Paragon Medical, Micropulse and Symmetry are tier one suppliers to the orthopedic industry. C&A Tool, one of the remaining large-sized machine tool manufacturers in America, makes highly detailed parts that go into your body, takes tremendous precision, as they also do for NASA and for defense contractors because they've managed to survive by upgrading and putting in million-dollar equipment.

Now Warsaw and Kosciusko County, along with the State of Indiana and the Lily Foundation, are proposing to develop a BioCrossroads project. This is the type of cluster that we need in America. We can't all be hamburger flippers. We can't all work in retail stores. You have to have R&D centers and clusters that you fight as a community, as a State and as a Nation to protect, just like other countries fight to protect those. Now the reason that all of a sudden this has become relevant is that last week, a health care proposal was floated in the other body that proposes to tax medical device companies 10 to 30 percent. I would like to insert into the RECORD from The Wall Street Journal ''The Innovation Tax'' editorial.

[From the Wall Street Journal, Sept. 8, 2009.]

THE INNOVATION TAX—HOW MAX BAUCUS KNIFED THE MEDICAL DEVICES INDUSTRY

Supposedly the Senate's version of ObamaCare was written by Finance Chairman Max Baucus, but we're beginning to wonder if the true authors were Abbott and Costello. The vaudeville logic of the plan is that Congress will tax health care to subsidize people to buy health care that new taxes and regulation make more expensive.

Look no further than the $40 billion ''fee'' that Mr. Baucus wants to impose on medical devices and diagnostic equipment. Device manufacturers would pay $4 billion a year in excise taxes, divvied up among them based on U.S. sales. This translates to an annual income tax surcharge anywhere from 10% to 30%, depending on the corporation.

Why $40 billion? No reason in particular, except that Mr. Baucus needs to finance nearly $900 billion in new spending and so he'll grab anything within arm's reach. While there are some exemptions, such as tongue depressors and eyeglasses, most of the devices tax will fall on hundreds of thousands of products that are basic components of modern medicine. Some are routine—surgical equipment, diabetes testing supplies—while others are cutting-edge technologies, like replacement joints, pacemakers, stents, and MRI and CT scanners.

This new tax will eventually be passed through to patients, increasing health-care costs. It will also harm innovation, taking a big bite out of the research and development that leads to medical advancements. The core of the industry (excluding a few conglomerates like Johnson & Johnson) spent about $9.6 billion on product development in 2007, according to Ernst and Young. The Baucus tax is nearly half that, and also exceeds $3.7 billion, the total venture capital invested in device makers that same year.

Even if consumers will ultimately pay one way or another, this tax also offers an instructive lesson in the perils of industry dealmaking in President Obama's Washington. Convinced by the White House that legislation was inevitable, most of the health-care lobbies decided to negotiate and

pay ransoms so Democrats would spare their industries greater harm. Sure enough, the device maker lobby, AdvaMed, was among the ''stakeholders'' that joined with Mr. Obama in a Rose Garden ceremony in May and pledged to ''save'' $2 trillion over 10 years to fund his program.

AdvaMed was nothing if not a team player. It endorsed Democratic inspirations like comparative-effectiveness research and value-based purchasing, despite the danger that under such centralized decision-making the government will decide that the most effective and valuable treatments also happen to be the cheapest—rather than those that are best for patients. It also suggested a variety of other taxes that would have resulted in a lower bottom line, much as Big Pharma promised $80 billion in drug discounts and the American Hospital Association agreed to $155 billion in Medicare and Medicaid reimbursement cuts.

But the word on Capitol Hill is that AdvaMed's tribute wasn't handsome enough for Mr. Baucus's tastes. The massive new tax—which wasn't a part of any of his policy blueprints released earlier this year—is in part retaliation. Partly, too, the device makers simply don't have the same political clout as the other big players, making them an easier mark. Old Washington hands are saying the device lobby made a ''strategic mistake'' by not offering Mr. Baucus more protection money, but the real mistake was trying to buy into the ObamaCare process, instead of trying to defeat its worst ideas outright.

And now it may be too late. As we've argued, liberal Democrats think that merely allowing an industry to continue to exist is a concession, and they're already taking the pharma and hospital concessions and running them higher. In the case of devices, patients will be left with higher costs for fewer life-saving technologies.

Mr. SOUDER. This proposed provision would tax these companies 10 to 30 percent. Medical devices are currently paid for by hospitals. You don't declare that individually in Medicare or in any other health—it goes through a hospital. The hospitals have already been asked to lower their costs and put money into the system. So this would be a direct tax based on the sales and profits of these companies.

Now there are three classes of medical devices. The joke that occurred around this was, in class one, Q-tips are called a medical device. Well, we heard today that Q-tips are going to be exempt, as are condoms, as are home pregnancy tests, as are scented Maxi Pads. So I guess that's the good news. The bad news is that what isn't exempt is class two and class three, which are going to have huge taxes on these companies and will restrict innovation. What are they? Heart valves, automatic cardiac defibrillators, heart imaging machines, insulin pumps, hearing aids, electric wheelchairs, and of course, all orthopedic joints—spine and neck implants included with that. They are going to be taxed.

What in the world is going on here? I think that a lot of people are of the impression that this kind of stuff just comes, that somehow it magically appears. In fact, I've heard people say, Well, why don't we all just get on Medicare? Besides the fact that Medicare is broke, Medicare hasn't invented anything for hips. They only cover variable costs. No research comes out of Medicare. No research comes out of Medicaid. No research comes out of the Veterans Administration. All that's funded by private pay. All that's funded by profits of corporations.

And if you take away the profits, they aren't going to be developing special hips for 18-year-old soldiers who are shot up. They now have body armor, but they are getting shot in their joints and now have to live for the rest of their lives with that. They aren't going to do it for the little kids. As people live longer and have this in their bodies longer, they aren't going to do all the variations. They aren't going to be able to do custom orders. R&D will tend to be shot. It may move offshore. It may totally disappear. This tax would be a disaster to America, and I hope it can be defeated.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. ROS-LEHTINEN) is recognized for 5 minutes.

(Ms. ROS-LEHTINEN addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

(Mr. PAUL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. INGLIS) is recognized for 5 minutes.

(Mr. INGLIS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. MORAN) is recognized for 5 minutes.

(Mr. MORAN of Kansas addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

DEMOCRATIC FRESHMAN CLASS HOUR ON HEALTH CARE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from New York (Mr. TONKO) is recognized for 60 minutes as the designee of the majority leader.

Mr. TONKO. Madam Speaker, as you know, we have a very talented freshman class in the House of Representatives. And for the next hour, Members of the freshman class will be discussing health care. We would like to thank the Democratic leadership for giving us time to discuss this very important issue. Within the freshman class I believe is a diversity of work experience and work expertise, skill sets that have been brought to this Chamber to discuss various policies.

Well, nothing could be more pressing, Madam Speaker, than the need for health care reform. Just yesterday I was pleased to welcome President Obama to the 21st Congressional District of New York, which I represent, specifically to the city of Troy, New York. He had spoken about the innovation economy. He had spoken about the recovery from this recession, which has been deep and long. He made mention that there is no recovery without addressing health care costs for our businesses, to be able to go forward with a meaningful plan that will allow for employer-based coverage at an affordable price.

So this evening as we speak about health care reform, it is significant to our business community, it is significant to our families, the working families across America, and it is significant to government, as health care costs for government-provided health care in our local municipalities, in our school systems, is rising well beyond inflation.

In fact, just today a report was issued by the Office of the Vice President that spoke to, on average, 5.5 percent increases on family plans across America. That average of 5.5 percent came during this recession period that actually saw inflation dropping by 0.7 percent. So this is a remarkable statistic that we're seeing this growth continuing.

We have been joined, and we are joined by two of our colleagues right now. We have Representative GERRY CONNOLLY from Virginia's 11th District and Representative CHELLIE PINGREE from Maine's 1st Congressional District. Representative CONNOLLY, if you please.

Mr. CONNOLLY of Virginia. I thank my friend and colleague from New York. I just wanted to amplify the point you just made, Mr. TONKO. Last week the Kaiser Family Foundation issued a report. This isn't coming from any committee in Congress. This is an independent analysis. It said that the average family of four in the United States is currently spending over $13,000 a year for health care coverage. If we do nothing, by 2018, in only 9 years, that $13,000 a year will be $30,000 a year, pushing health care affordability beyond the reach of millions of American families if we do nothing.