''Scouter Glenn.'' He has been in scouting for more than three decades as a youth and an adult. The John M. Kriner Community Service Award is scouting's way of saying thank you for his service to youth and the community through scouting. Smith has served on boards of review and has been the troop committee chairman for Troop 66 in Pleasant Gap. He has served on the Nittany Mountain District Committee and as a unit commissioner. His love of cooking is well known, and he has served as head cook for such events as the Order of the Arrow and at National Jamborees. And for many years running, he has organized a Nittany Mountain District Memorial Day weekend trip to a Canadian Scout camporee.

Smith is the recipient of another of scouting's coveted awards and recognitions. For outstanding service to the community and youth, the Juniata Valley Council of Boy Scouts of America presented Glenn Smith with the Silver Beaver award.

His service to youth extends beyond the Boy Scouts to include being an assistant leader in Girl Scouts and working with youth in his church.

It is my great pleasure to recognize these two outstanding individuals for their service to the community, and I will be present as the Boy Scouts award them their service award on Friday.

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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.)

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## THE PORT OF PORTLAND'S NEW HEADQUARTERS

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

Mr. BLUMENAUER. Mr. Speaker, I am proud of Portland, Oregon's—my hometown—leadership as America's Sustainability Capital. And thanks to the Port of Portland, we just acquired another symbol of that sustainability.

The Port of Portland is one of five major consolidated port authorities in the United States and one of the greatest economic engines of our region. It operates an international airport, a major seaport, general aviation airports, and several thousand acres of industrial property. And for the first time, its entire administrative workforce will be housed in one location, a beautiful new structure that's not only iconic but is also cost-effective, environmentally friendly, and expecting to be certified LEED Gold.

Virtually every employee has access to natural light, sits in open visible cubicles, including the executive director, and is surrounded by the kind of sustainable development features that Oregon is known for. All of the building's wastewater is treated using a ''Living Machine,'' a sort of indoor wetlands, and the water is reused in restrooms and the cooling tower. There are 200 pipes sunk 340 feet into the ground to use the Earth's temperature to dramatically lower the energy costs required to heat and cool the building. By locating 450 administrative employees in one place, it eliminates 15,000 hours of interoffice commuting every year, which saves the port millions of dollars in operating expenses and improves efficiency at the same time and, I would dare say, the satisfaction of its many employees.

Good news that no taxpayer dollars were used in construction of this marvelous new facility. The port's customers, airlines, shipping companies, and others, will not experience any increase in their costs. Indeed, they will share in cost reductions.

My commendations to the Port of Portland Commission and its employees for a job very well done.

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

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

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## COMMERCIAL REAL ESTATE

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

Mr. CALVERT. Mr. Speaker, tonight I want to discuss an important issue that is significantly impacting our economy but has not received nearly enough attention and action by the administration and this Congress. If the issue is not addressed, it will continue to drag down and harm our already shaky national economy.

I am referring to the deterioration of the commercial real estate sector. Now, when I speak of commercial real estate, I am talking about properties that can be found in every community in America: retail properties, office space, industrial facilities, hotels, and apartments. Similar to the residential real estate crisis we experienced, the commercial real estate market faces significant strains as a result of declining property values, refinancing difficulties, and economic uncertainty.

Commercial real estate values throughout the United States are collapsing, going down as much as 40 to 50 percent in some regions. We have seen this happen in parts of southern California, in my own congressional district. I know we have seen it in many other parts of the country from New York to Idaho and Nevada to Florida. Most experts predict that the declining trend in commercial real estate values will continue through 2011 and 2012.

Many economists are concerned by this trend because the health of our commercial real estate market has a direct and lasting impact on the stability of thousands of small businesses, and small and midsize banks, which could result in significant job losses across the country. The commercial real estate sector provides more than 9 million jobs and generates billions of dollars in Federal, State, and local tax revenue.

Additionally, many property owners are underwater. An analysis by Deutsch Bank indicates that of the almost $1.4 trillion in commercial real estate loans that will mature over the next 4 years, as many as 65 percent will struggle with refinancing, even if they are performing loans with payments being made on time.

The Congressional Oversight Panel, created by Congress in 2008 to review the current state of our Nation's financial markets and regulatory system, dedicated an entire report to the commercial real estate liquidity crisis, entitled ''Commercial Real Estate Losses and the Risk to Financial Stability,'' which was released on February 11 of this year. The report estimates that bank losses alone could range as high as $200 billion to $300 billion. The panel wrote, ''A significant wave of commercial mortgage defaults would trigger economic damage that could touch the lives of nearly every American.''

This week and next, many of my fellow colleagues in Congress will be visited by members of the National Association of Realtors as part of their annual meeting in Washington, D.C. They will talk about how the commercial real estate market is in the midst of a serious financial crisis and share stories of how small businesses across the country continue to suffer. Many of my colleagues and economic experts agree that the continuing crisis in the commercial real estate market could lead to a double-dip recession.

Due to the growing economic threat of the faltering commercial real estate market, I spearheaded a bipartisan effort with my friend from Pennsylvania, Congressman PAUL KANJORSKI, to raise these concerns to Secretary Tim Geithner and Federal Reserve Chairman Ben Bernanke on January 29 of this year. The letter, signed by 77 of our colleagues, called for the establishment of a clear method for measuring the effectiveness of recently announced commercial real estate loan modification guidance. Furthermore, the letter called on Secretary Geithner and Chairman Bernanke to institute metrics that will allow banks to more clearly differentiate performing versus nonperforming loans in order to treat them appropriately.

On February 17 of this year, I once again joined Mr. KANJORSKI to author a letter addressed to the heads of the FDIC, OTC, OCC, and NCUA to bring to their attention our concerns and highlight the findings of the February 11 Congressional Oversight Panel report on ''Commercial Real Estate Losses and the Risk to Financial Stability.'' The letter ''urged the regulators to work together and work with the Treasury and the Fed to minimize the impact this problem will have to our economy.''

On March 16 Secretary Geithner testified before the House Appropriations Committee regarding the fiscal year 2011 budget and economic outlook. At the hearing I asked the Secretary directly what steps he intended to take to address the liquidity problems in the commercial real estate sector. Secretary Geithner's response was, ''We have a ways to go to get through the broader adjustment in the commercial real estate that is still ahead of us.''

□ 1615

The administration must take deliberate action to enhance liquidity in the commercial real estate market to avoid the derailment of our economic recovery. Congress can play a role in advancing solutions by closely examining the current status of commercial mortgage market liquidity through oversight hearings with Federal Reserve Chairman Bernanke and other regulators. I call on the Financial Services Committee to hold such a hearing by the summer to reveal the true state of this sector of our economy and discuss regulatory and legislative fixes. The upcoming field hearing on May 17 in Chicago is a good start, but more attention needs to be made. The spotlight of oversight is all Congress needs to do at this time—the power to do something about this problem is in the administration's hands already.

In closing, I truly hope the administration will take the necessary steps to prevent further economic damage and provide a fix for commercial real estate.

CONGRESS OF THE UNITED STATES,
*Washington, DC, January 29, 2010.*

Hon. TIMOTHY F. GEITHNER,
*Secretary, U.S. Department of the Treasury, Washington, DC.*

Hon. BEN S. BERNANKE,
*Chairman, Board of Governors of the Federal Reserve System, Washington, DC.*

DEAR SECRETARY GEITHNER AND CHAIRMAN BERNANKE: As you know, the financial crisis continues to have a dampening effect throughout the credit markets. The commercial real estate (CRE) market, in particular, continues to experience difficult credit accessibility conditions. Moreover, the scarcity of credit in the $63 trillion CRE sector poses a dangerous threat to our financial system just as our economy has begun to show signs of recovery.

Earlier this month real estate data provider Trepp announced that the delinquency rate for loans underlying commercial mortgage-backed securities (CMBS) ballooned 500 percent in 2009, surpassing 6 percent in December for the first time. Additionally, the CMBS market has all but shut down over the past year making it more difficult for CRE owners to sell or refinance.

We appreciate the acknowledgement by federal regulators of this situation in October, when the Board of Governors of the Federal Reserve System, along with the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the National Credit Union Administration, and the Office of Thrift Supervision, issued a policy statement advising financial institutions to extend and/or restructure loans backed by income-producing and/or development properties whenever possible in order to minimize losses as well as to stabilize overall asset values in the communities they serve.

While the regulatory guidance is a relatively recent occurrence, we remain concerned by early indications that it may not yet be having the desired impact in stabilizing the CRE market. While some properties are in desperate need of modification due to the economic downturn, we are not convinced these loans are being serviced properly or in an efficient manner. Of even more concern, anecdotal evidence suggests that regulators continue to encourage lenders to write down the value of performing loans, whose payments may well be current and, in some instance, even call the loan. This further exacerbates the crisis by creating defaults in properties that were able to meet their debt servicing.

To ensure the recent CRE loan modification guidance will have a positive and stabilizing effect, and to protect the broader economy from further disruptions, we urge you to establish a clear method for measuring and evaluating its effectiveness. Furthermore, we encourage you to institute metrics to more clearly differentiate performing versus non-performing loans as well as any other steps that provide lending institutions with more confidence in assessing CRE loans. We also call upon you to make clear public statements encouraging lenders to continue to make credit available for performing assets as a means of restoring confidence and long-term value in the CRE market.

In sum, we strongly believe that regulators must take continued steps to mitigate ongoing turmoil in the CRE sector before it becomes a full-fledged crisis, forestalls our economic recovery, and possibly requires additional taxpayer-funded capital injections. Consistent with all applicable law and regulation, thank you for the consideration of our views and your attention to these matters.

Sincerely,

Paul E. Kanjorski, Judy Biggert, Bill Foster, Dennis Moore, Gary L. Ackerman, Ken Calvert, Chris P. Carney, Joseph Crowley, Luis V. Gutierrez, Sander M. Levin, Steve Israel, Mike McIntyre, Suzanne M. Kosmas, Laura Richardson, Charles A. Wilson, Russ Carnahan, Ron Klein, Jo Bonner, Henry E. Brown, Jr., André Carson, Bobby Bright, Steve Driehaus, John Campbell, Ben Chandler, John Lewis, Kathy Castor, David Scott, Shelley Berkley, Donald A. Manzullo, Michael E. McMahon, Dan Burton, Lynn A. Westmoreland, Baron P. Hill, John Culberson, Timothy H. Bishop, James P. Moran, Melissa L. Bean, Carolyn B. Maloney, Glenn C. Nye, Dina Titus, Pete Olson, Bill Pascrell, Jr., Howard Coble, Kay Granger, C.W. Bill Young, Doug Lamborn, Gary Miller, Shelley Moore Capito, Debbie L. Halvorson, Gary C. Peters, Bob Inglis, Jeff Miller, Tim Matheson, Vernon J. Ehlers, Geoff Davis, Alcee L. Hastings, Jim Marshall, Peter Welch, Connie Mack, John A. Yarmuth, Jerry Costello, Ginny Brown-Waite, Cliff Stearns, Patrick J. Murphy, Gerald E. Connolly, Brett Guthrie, Bruce Braley, Rubén Hinojosa, Joe Wilson, Thomas J. Rooney, Rick Larsen, Alan Grayson, Gregory W. Meeks, Robert B. Aderholt, Jim Gerlach, Mike Turner, Edolphus Towns, Chris Lee, Charles Boustany, Jr.

CONGRESS OF THE UNITED STATES,
*Washington, DC, February 17, 2010.*

Hon. SHEILA C. BAIR,
*Chairman, Federal Deposit Insurance Corporation, Washington, DC.*

Hon. JOHN C. DUGAN,
*Comptroller of the Currency, Office of the Comptroller of the Currency, Washington, DC.*

Mr. JOHN E. BOWMAN,
*Acting Director, Office of Thrift Supervision, Washington, DC.*

Hon. DEBORAH MATZ,
*Chairman of the Board, National Credit Union Association, Alexandria, VA.*

DEAR CHAIRMAN BAIR, COMPTROLLER DUGAN, ACTING DIRECTOR BOWMAN, AND CHAIRMAN MATZ: As you are aware, the commercial real estate market continues to face significant strains as a result of declining property values, refinancing difficulties, and economic uncertainty. Some have predicted that these problems have the potential to cause hundreds of billions of dollars in losses as loans come due in the next few years.

We now write to bring your attention to a recent report by the Congressional Oversight Panel, entitled ''Commercial Real Estate Losses and the Risk to Financial Stability,'' released on February 11, 2010. The report indicates that about $1.4 trillion in commercial real estate loans will reach the end of their terms between now and 2014 and that nearly half of these mortgages are currently underwater as property values have declined and continue to do so. The report estimates that losses at banks alone could range as high as $200 billion to $300 billion.

Moreover, the Congressional Oversight Panel found that the impact of massive commercial mortgage defaults could be far reaching:

''A significant wave of commercial mortgage defaults would trigger economic damage that could touch the lives of nearly every American. Empty office complexes, hotels, and retail stores could lead directly to lost jobs. Foreclosures on apartment complexes could push families out of their residences, even if they had never missed a rent payment. Banks that suffer, or are afraid of suffering, commercial mortgage losses could grow even more reluctant to lend, which could in turn further reduce access to credit for more businesses and families and accelerate a negative economic cycle.''

The full report can be found online at *http://cop.senate.gov/reports/library/report-021110-cop.cfm.*

The findings of the Congressional Oversight Panel have only heightened our concerns about the need for the government and regulators to act to mitigate a serious problem before it becomes a major drag on our financial system. Joined by 77 of our House colleagues, we recently sent to Treasury Secretary Timothy Geithner and Federal Reserve Chairman Ben Bernanke the enclosed letter about the impending troubles in the commercial real estate sector. We called upon them to take action to address this problem, and we urge each of you to work together and with them to minimize the impact this problem will have on our economy.

In sum, thank you for your consideration of our concerns. Please also continue keep us regularly advised of your progress in addressing this serious problem.

Sincerely,

PAUL KANJORSKI,
*Member of Congress.*
KEN CALVERT,
*Member of Congress.*

APPROPRIATIONS FULL COMMITTEE HEARING ON FY2011 BUDGET & ECONOMIC OUTLOOK WITH PETER ORSZAG, TIM GEITHNER, AND CHRISTINA ROMER

10:00AM–MARCH 16, 2010, 2325 RHOB

HEARING TRANSCRIPT FROM REP. KEN CALVERT EXCHANGE WITH TREASURY SECRETARY TIM GEITHNER ON COMMERCIAL REAL ESTATE MARKETS

Chairman OBEY. Mr. Calvert.

Mr. CALVERT. Thank you, Mr. Chairman. I apologize, I was away for a while. I was on the floor. And this may have been brought up, which is the problem with the commercial real estate sector at the present time.

As you know, commercial real estate values throughout the United States are literally collapsing, going down as much as 40 percent, 50 percent in some areas. And most experts assume that this continuing collapse in commercial real estate values will continue through 2011, 2012.

Deutsche Bank just did, in a recent study, of about $1.4 trillion in outstanding. commercial paper, a significant part of that will come due by 2013. Almost half of it is underwater.

As you know, a lot of these small and midsized banks are primarily exposed to these commercial loans. And the regulators in day-to-day activities aren't helping much, especially on the performing assets. We have performing assets where people are making their payments, making their tax payments, making their insurance payments, are current, and yet the bank is bringing them in because of appraised values and telling them to come in with a significant capital call, which they can't do in this credit market.

And what the banks are doing is taking back the property, having to put it in the loan loss side of their ledger, which is taking credit away from these banks, because they don't have the money.

So what can we do—this wouldn't, from my perspective, cost the government anything. If banks have discretion on performing assets, why aren't the banks given discretion to footnote that these assets—and they are assets—are current and can be treated as an asset rather than a liability on the balance sheet?

Secretary GEITHNER. You are right about the problem, and you are right that we have a ways to go to get through the broader adjustment in commercial real estate that is still ahead of us. And we discussed it a little bit when you were away, but I think, again, the two most important things we can do in this area is to make sure that small community banks, which have a lot of commercial real estate exposure, have the ability to come take capital from the government to help make sure they don't have to cut lending further to their business clients.

But, also, we can—and we have been continuing to work with the bank supervisors, so they are providing guidance to their examiners and that message gets out across the country that they don't, frankly, overreact, overreact to decline in the value of collateral and they look at the broader cash flows, earnings potential of the company as a whole, as they are looking at loan classification decisions.

Mr. CALVERT. I have a limited time. If the gentleman would let me reclaim my time.

I will tell you, in the real world right now, I know of people who have shopping centers, 100 percent full shopping centers, paying their bills, and yet they are still getting capital calls on those loans, which makes zero sense.

Secretary GEITHNER. No, I think you are right. I hear these stories across the country. I think you are right to emphasize them. And I just need to underscore that the bank supervisors, which are independent of the Treasury—I don't have the capacity to direct what they do, in this case—are working to provide a little bit more balanced guidance to lean against just the practices you are shining a light on. And I think they can probably do a better job of getting the message out to——

Mr. CALVERT. But this also goes back to the mark-to-market provisions. And I understand that there may be, from my perspective, a step back in this economy where you have an overcorrection in value, where we ought to take a look at relaxing those mark-to-market provisions on performing assets. Because, under the accounting rules, they are going to continue to deflate—this is going to continue to deflate these values. And that is not going to be helpful in trying to get this economy moving again.

I am fearful—I don't know if you are—that this commercial real estate problem is so huge that it could put us back into a double-dip recession.

Secretary GEITHNER. I do not believe it poses that risk at the moment. I think, again, it is going to be a challenge——

Mr. CALVERT. We thought the same thing about the housing market.

Secretary GEITHNER. We did. But I think this is different, and our financial system is in a much stronger place today to weather those remaining challenges.

As you know, the FTC and the FASB are looking at a whole range of broad reforms to accounting practices in the United States. And I think they would be happy to talk to you, to respond to any questions you have about how to think about the role fair value accounting can play in mitigating these kinds of pressures in the future.

Mr. CALVERT. Thank you, Mr. Chairman.

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[From the Press-Enterprise PE.com, Mar. 18, 2010]

PREVENT A DOUBLE-DIP RECESSION

(By Ken Calvert)

A recent P-E article cited local economic forecasts that suggested the Inland Empire will continue to lose jobs well into 2010 (''Small businesses still pessimistic,'' March 12). As residents know all too well, the drastic downturn in residential construction and international trade has significantly impacted our region's economy.

Businesses hire when they see an economic opportunity to increase the sale of the goods or services, not when the government provides a one-time tax credit to hire. When businesses are ready to grow, they often need financing in order to make big purchases. However, small businesses around the country are struggling to get the credit necessary to grow as banks tighten lending standards in the aftermath of the financial crisis on Wall Street.

Businesses may find it even harder to obtain credit as they begin confronting liquidity challenges in the commercial real estate market. Recent analysis conducted by Deutsche Bank analysts indicates that of the almost $1.4 trillion in commercial real estate mortgages due by 2013, as many as 65 percent may struggle with refinancing, even if they are performing loans that are completely current.

If the conditions in the commercial real estate market deteriorate further, the negative effects will be significant and widespread. If community banks are forced to close or further tighten lending standards, small businesses will find it even harder to obtain financing sources and our economy will lose its tenuous grasp on a recovery and dip back further into recession.

Due to this growing economic threat, I spearheaded a bipartisan effort to raise these concerns to Treasury Secretary Timothy Geithner and Federal Reserve Chairman Ben Bernanke. In a letter to the regulators, 78 of my colleagues and I proposed that a clear method for measuring the effectiveness of recently announced commercial real estate loan modification guidance should be established. Also, the letter called on the officials to institute metrics that will allow banks to more clearly differentiate performing versus nonperforming loans in order to treat them appropriately.

The regulators also should give banks the flexibility to account for performing loans as an asset, not a liability, something that could be achieved with a simple change in accounting practices. This would actually increase transparency as well as free up capital that could be loaned out into the market. Most important, the fix would not cost a dime to American taxpayers or require any form of a bailout.

Our current economic situation could aptly be called the speculators' recession and, if the administration does not take action, this second dip would be known as the regulators' recession.

No legislation is needed for the fix. The administration can address the liquidity issues facing small businesses and the commercial real estate market by providing correct guidance to the bank regulators. A proactive and engaged response can prevent a doubledip recession and ensure small businesses can grow and start hiring again.

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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.)

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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.)

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## RETIRE SHUTTLE TO HOUSTON

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

Mr. OLSON. Mr. Speaker, I rise today to express my support for housing one of the remaining space shuttle orbiters in Houston upon the end of the space shuttle program. The shuttle program can be counted among our Nation's greatest achievements. Scientists and engineers envisioned and created reusable vehicles to ferry astronauts, experiments, and supplies back and forth from space to Earth. They have done so now over 100 times, with three more flights to go.

The flights and missions of Columbia, Challenger, Atlantis, Discovery, and Endeavour are some of our Nation's proudest achievements, and much like the programs before it, this program has captured our Nation's imagination and taught us more about our universe and ourselves than we ever thought